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Congressional Record

SEVENTY-FOURTH CONGRESS, SECOND SESSION

SENATE

FRIDAY, JANUARY 3, 1936

The 3d of January being the day prescribed by the Constitution of the United States for the annual meeting of Congress, the second session of the Seventy-fourth Congress commenced this day.

The Senate assembled in its Chamber at the Capitol.

JOHN N. GARNER, of Texas, Vice President of the United States, called the Senate to order at 12 o'clock meridian.

The Chaplain, Rev. ZeBarney T. Phillips, D. D., of the city of Washington, offered the following

PRAYER

Almighty God, our Heavenly Father, before whose gaze Earth in all her myriad forms aspires to Heaven and with innumerable voices sings the joy of her deliverance, draw us, Thy children, so near to Thee by our inward need that we may press our weakness close to Thy strength and win new power for the duties that await us in the days that lie ahead.

To Thy merciful care we commend our Nation that, being guided by Thy providence, we may dwell secure in Thy peace.

Be graciously pleased to bless our President, our Vice President, the Members of the Congress, the judiciary, and all others who bear rule in our beloved land. Help them to be masters of themselves, that they may be the servants of others; and make them ever mindful of their high calling to serve this people in Thy fear, lest the will to justice be overcome by the will to power.

Take away all hatred, pride, and prejudice, and whatever else may hinder peace and concord among the nations of the world, that we may see the dawning of a new day in which achievement shall overtake desire and aspiration, and the outbreak of the prophetic spirit shall be directed toward the transfiguration as well as the sanctification of life.

All of which we ask in the name and for the sake of Jesus Christ, Thy Son, our Lord. Amen.

CALL OF THE ROLL

The VICE PRESIDENT. The Secretary will call the roll of the Senate.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	Johnson	Pittman
Ashurst	Copeland	Keyes	Pope
Bachman	Costigan	King	Radcliffe
Bailey	Couzens	La Follette	Robinson
Bankhead	Davis	Lewis	Russell
Barbour	Dickinson	Logan	Schwellenbach
Barkley	Dieterich	Lonergan	Sheppard
Bilbo	Donahey	McAdoo	Shipstead
Black	Duffy	McGill	Steiwer
Borah	Fletcher	McKellar	Thomas, Okla.
Bulkley	Frazier	McNary	Thomas, Utah
Bulow	George	Maloney	Townsend
Burke	Gibson	Minton	Trammell
Byrd	Glass	Murray	Truman
Byrnes	Gore	Neely	Vandenberg
Capper	Guffey	Norbeck	Van Nuys
Caraway	Harrison	Norris	Wagner
Carey	Hatch	Nye	Walsh
Chavez	Hayden	O'Mahoney	White
Clark	Holt	Overton	

Mr. GIBSON (when Mr. AUSTIN's name was called). I desire to announce that my colleague the senior Senator from Vermont [Mr. AUSTIN] is necessarily detained from the Senate for the day.

Mr. MCNARY (when Mr. METCALF's name was called). The senior Senator from Rhode Island [Mr. METCALF] is unavoidably absent. I should like to have this announcement stand for the day.

Mr. BARBOUR (when Mr. MOORE's name was called). I announce that my colleague the junior Senator from New Jersey [Mr. MOORE] is necessarily absent. I ask that this announcement stand for the day.

Mr. RADCLIFFE (when Mr. TYDINGS' name was called). My colleague the senior Senator from Maryland [Mr. TYDINGS] is unavoidably detained from the Senate.

Mr. TOWNSEND. I announce that my colleague the senior Senator from Delaware [Mr. HASTINGS] is absent in attendance upon the funeral of the wife of Representative STEWART, of Delaware.

Mr. LEWIS. I announce that the Senator from Texas [Mr. CONNALLY], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Washington [Mr. BONE], the Senator from Montana [Mr. WHEELER], the Senator from New Hampshire [Mr. BROWN], the Senator from Nevada [Mr. MCCARRAN], the Senator from Rhode Island [Mr. GERRY], the Senator from Iowa [Mr. MURPHY], and the Senator from South Carolina [Mr. SMITH] are necessarily absent, not having, for sufficient reasons, been able to reach the Senate for its opening.

The VICE PRESIDENT. Seventy-nine Senators have answered to their names. A quorum is present.

DEATH OF SENATOR HUEY P. LONG

Mr. OVERTON. Mr. President, it is my sad duty to announce the death since the Congress last adjourned of my former colleague Hon. HUEY P. LONG, the senior Senator from Louisiana. At a later and more appropriate time I shall make some remarks in commemoration of the career and public services of my late distinguished colleague. I now offer the resolutions which I send to the desk and ask unanimous consent for their immediate consideration.

The VICE PRESIDENT. The clerk will read the resolutions.

The resolutions (S. Res. 205) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow and deep regret the announcement of the death of Hon. HUEY P. LONG, late a Senator from the State of Louisiana.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

DEATH OF SENATOR THOMAS D. SCHALL

Mr. SHIPSTEAD. Mr. President, it is my duty to announce the death of my former colleague, Senator THOMAS D. SCHALL, of Minnesota. This being not the appropriate time to discuss his life and public record, that will be done at some future time, and I shall ask the Senate to do so. I present the resolutions which I send to the desk, and ask unanimous consent for their immediate consideration.

The VICE PRESIDENT. The clerk will read the resolutions.

The resolutions (S. Res. 206) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow and deep regret the announcement of the death of Hon. THOMAS D. SCHALL, late a Senator from the State of Minnesota.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

SENATOR FROM MINNESOTA

Mr. SHIPSTEAD. Mr. President, I send to the desk the certificate of appointment of Hon. ELMER A. BENSON to fill the vacancy now existing in the Senate of the United States from the State of Minnesota.

The VICE PRESIDENT. The credentials will be read.

The Chief Clerk read as follows:

STATE OF MINNESOTA,
EXECUTIVE DEPARTMENT,
St. Paul.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that pursuant to the power vested in me by the Constitution of the United States and the laws of the State of Minnesota, I, Floyd B. Olson, the Governor of said State, do hereby appoint ELMER A. BENSON a Senator from said State to represent said State in the Senate of the United States until the vacancy therein, caused by the death of Hon. Thomas D. Schall, is filled by election, as provided by law.

Witness His Excellency our Governor, Floyd B. Olson, and our seal hereto affixed at St. Paul, Minn., this 27th day of December, A. D. 1935.

FLOYD B. OLSON, *Governor.*

By the Governor:
[SEAL] MIKE HOLM, *Secretary of State.*

The VICE PRESIDENT. The credentials will be placed on file.

Mr. SHIPSTEAD. Mr. President, the Senator-designate is present in the Chamber and ready to take the oath of office.

The VICE PRESIDENT. The Senator-designate will present himself at the Vice President's desk and the oath of office will be administered to him.

Mr. BENSON, escorted by Mr. SHIPSTEAD, advanced to the Vice President's desk, and, the oath of office having been administered to him, he took his seat in the Senate.

LIST OF SENATORS, BY STATES

Alabama.—Hugo L. Black and John H. Bankhead.
Arizona.—Henry F. Ashurst and Carl Hayden.
Arkansas.—Joseph T. Robinson and Mrs. Hattie W. Caraway.
California.—Hiram W. Johnson and William Gibbs McAdoo.
Colorado.—Edward P. Costigan and Alva B. Adams.
Connecticut.—Augustine Lonergan and Francis T. Maloney.
Delaware.—Daniel O. Hastings and John G. Townsend, Jr.
Florida.—Duncan U. Fletcher and Park Trammell.
Georgia.—Walter F. George and Richard B. Russell, Jr.
Idaho.—William E. Borah and James P. Pope.
Illinois.—J. Hamilton Lewis and William H. Dieterich.
Indiana.—Frederick Van Nuys and Sherman Minton.
Iowa.—L. J. Dickinson and Louis Murphy.
Kansas.—Arthur Capper and George McGill.
Kentucky.—Alben W. Barkley and M. M. Logan.
Louisiana.—John H. Overton.
Maine.—Frederick Hale and Wallace H. White, Jr.
Maryland.—Millard E. Tydings and George L. Radcliffe.
Massachusetts.—David I. Walsh and Marcus A. Coolidge.
Michigan.—James Couzens and Arthur H. Vandenberg.
Minnesota.—Henrik Shipstead and Elmer A. Benson.
Mississippi.—Pat Harrison and Theodore G. Bilbo.
Missouri.—Bennett Champ Clark and Harry S. Truman.
Montana.—Burton K. Wheeler and James E. Murray.
Nebraska.—George W. Norris and Edward R. Burke.
Nevada.—Key Pittman and Patrick A. McCarran.
New Hampshire.—Henry W. Keyes and Fred H. Brown.
New Jersey.—W. Warren Barbour and A. Harry Moore.
New Mexico.—Carl A. Hatch and Dennis Chavez.
New York.—Royal S. Copeland and Robert F. Wagner.
North Carolina.—Josiah William Bailey and Robert R. Reynolds.
North Dakota.—Lynn J. Frazier and Gerald P. Nye.
Ohio.—Robert J. Bulkley and Vic Donahey.
Oklahoma.—Elmer Thomas and Thomas P. Gore.
Oregon.—Charles L. McNary and Frederick Steiwer.
Pennsylvania.—James J. Davis and Joseph F. Guffey.
Rhode Island.—Jesse H. Metcalf and Peter G. Gerry.
South Carolina.—Ellison D. Smith and James F. Byrnes.
South Dakota.—Peter Norbeck and W. J. Bulow.
Tennessee.—Kenneth McKellar and Nathan L. Bachman.
Texas.—Morris Sheppard and Tom Connally.
Utah.—William H. King and Elbert D. Thomas.
Vermont.—Warren R. Austin and Ernest W. Gibson.
Virginia.—Carter Glass and Harry Flood Byrd.
Washington.—Homer T. Bone and Lewis B. Schwellenbach.
West Virginia.—M. M. Neely and Rush D. Holt.
Wisconsin.—Robert M. La Follette, Jr., and F. Ryan Duffy.
Wyoming.—Robert D. Carey and Joseph C. O'Mahoney.

NOTIFICATION TO THE PRESIDENT

Mr. ROBINSON submitted the following resolution (S. Res. 207), which was read, considered by unanimous consent, and agreed to:

Resolved, That a committee consisting of two Senators be appointed to join such committee as may be appointed by the House of Representatives to wait upon the President of the United States and inform him that a quorum of each House is assembled and that the Congress is ready to receive any communication he may be pleased to make.

The VICE PRESIDENT appointed Mr. ROBINSON and Mr. MCNARY the committee on the part of the Senate.

NOTIFICATION TO THE HOUSE

Mr. MCNARY submitted the following resolution (S. Res. 208), which was read, considered by unanimous consent, and agreed to:

Resolved, That the Secretary inform the House of Representatives that a quorum of the Senate is assembled and that the Senate is ready to proceed to business.

HOUR OF DAILY MEETING

Mr. ROBINSON submitted the following resolution (S. Res. 209), which was read, considered by unanimous consent, and agreed to:

Resolved, That the hour of daily meeting of the Senate be 12 m., unless otherwise ordered.

JOINT MEETING OF THE TWO HOUSES

Mr. ROBINSON submitted the following concurrent resolution (S. Con. Res. 25), which was read, considered by unanimous consent, and agreed to:

Resolved by the Senate (the House of Representatives concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Friday, the 3d day of January 1936, at 9 p. m., for the purpose of receiving such communications as the President of the United States shall be pleased to make to them.

BIRTHDAY OF SENATOR CARTER GLASS

Mr. ROBINSON. Mr. President, before moving a recess I deem it appropriate to state that tomorrow friends of the senior Senator from Virginia [Mr. GLASS] will commemorate the anniversary of his birth. Some controversy has arisen as to the number of the anniversary. Some have insisted that it is the one hundred and seventy-eighth anniversary. [Laughter.] Others, including the Senator from Virginia, think that the correct record should be reflected by thirty-eight. [Laughter.] I have examined the authentic record and find that it will be the seventy-eighth anniversary.

We all rejoice in the vigor of mind and body which the senior Senator from Virginia demonstrates. He has had a long and honorable service in the Government of our country. As a Member of the House of Representatives he demonstrated brilliancy of intellect and thorough grasp of public issues. As Secretary of the Treasury he served efficiently during a period of great anxiety and responsibility. By his labors in this body he has earned the affection of all his associates.

I am happy to have the opportunity of taking note of and making remarks on these facts today since the Senate is not expected to be in session tomorrow.

Mr. BORAH. Mr. President, the anniversary of the birth of the distinguished Senator from Virginia [Mr. GLASS] makes the day one of felicitation and pride to all his colleagues. I am unwilling to pass it by without an expression of congratulations and esteem.

Senator GLASS has had a long and notable public career. It is rich with words and deeds which will have a permanent and highly honorable place in the history of his State and of the Nation. Endowed with uncommon ability, gifted with

a power of expression which belongs to few men, aggressive and courageous in any cause which engages his attention, he enjoys the confidence and the profound respect of his colleagues and of the people, not only of his own State and the Nation but of a vast number far beyond the borders of his own country.

We are all delighted that this anniversary finds him, as has been true for many years, engaged in constructive legislation, giving to the country the benefit of his trained mind, his firm grasp of public questions, his mature judgment, and his sound and exceptional understanding of the public good.

EXPORT OF WAR MATERIALS TO BELLIGERENTS—INTRODUCTION OF BILL

Mr. PITTMAN. Mr. President, there is now on the statute books an important law which by its own terms will expire very shortly. It is known as the Neutrality or Embargo Act. As the administration desires to have a measure on the subject acted upon immediately, I ask unanimous consent to introduce a bill in order that it may be printed and referred to the Committee on Foreign Relations.

The VICE PRESIDENT. In the absence of objection, the bill will be received and referred as requested by the Senator from Nevada.

The bill (S. 3474) providing for the prohibition of the export of arms, ammunition, and implements of war to belligerent countries; restriction of other exports; the prohibition of the transportation of arms, ammunition, and implements of war by vessels of the United States for the use of belligerent states; restriction of use of ports by belligerents; the registration and licensing of persons engaged in the business of manufacturing, exporting, or importing arms, ammunition, or implements of war; and restricting travel by American citizens on belligerent ships during war was read twice by its title and referred to the Committee on Foreign Relations.

RECESS

Mr. ROBINSON. I move that the Senate take a recess until 8:45 o'clock p. m. today.

The motion was agreed to; and (at 12 o'clock and 20 minutes p. m.) the Senate took a recess until 8:45 o'clock p. m. today.

EVENING SESSION

The Senate reassembled at the expiration of the recess.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, informed the Senate that a quorum of the House of Representatives had assembled and that the House is ready to proceed with business.

The message also informed the Senate that a committee of three Members had been appointed by the Speaker on the part of the House of Representatives, to join with the committee on the part of the Senate, to notify the President of the United States that a quorum of each House had assembled and that Congress was ready to receive any communication that he might be pleased to make, and that the Speaker had appointed Mr. BANKHEAD, Mr. DOUGHTON, and Mr. SNELL the members of the committee on the part of the House of Representatives.

The message announced that the House had concurred in the concurrent resolution (S. Con. Res. 25) providing that the two Houses of Congress assemble in the Hall of the House of Representatives on Friday, the 3d day of January 1936, at 9 p. m., for the purpose of receiving such communications as the President of the United States shall be pleased to make to them.

The message communicated to the Senate the resolutions of the House adopted as a tribute to the memory of Hon. THOMAS D. SCHALL, late a Senator from the State of Minnesota.

The message also communicated to the Senate the resolutions of the House adopted as a tribute to the memory of Hon. HUEY P. LONG, late a Senator from the State of Louisiana.

The message further communicated to the Senate the intelligence of the death of Hon. HENRY M. KIMBALL, late a Representative from the State of Michigan, and transmitted the resolutions of the House thereon.

NOTIFICATION TO THE PRESIDENT

Mr. ROBINSON and Mr. McNARY advanced in the center aisle, and

Mr. ROBINSON said: Mr. President, the joint committee appointed by the Senate and the House of Representatives to notify the President that the two Houses are in session and are ready to receive any communication he may desire to make have performed that duty and report that they have communicated with the President, and the President will deliver a message to a joint session of the Senate and the House in the Hall of the House of Representatives at 9 o'clock this evening.

JOINT MEETING OF THE TWO HOUSES

Mr. ROBINSON. Mr. President, pursuant to the concurrent resolution agreed to earlier in the day, I move that the Senate proceed to the Hall of the House of Representatives.

The motion was agreed to; and the Senate, preceded by the Sergeant at Arms, the Vice President, and the Secretary, proceeded to the Hall of the House of Representatives.

ANNUAL MESSAGE OF THE PRESIDENT OF THE UNITED STATES

The annual message of the President of the United States was this day delivered by him to the joint meeting of the two Houses of Congress.

(The full text of the message will be found in the proceedings of the House, p. 27.)

The Senate, having returned to its Chamber (at 9 o'clock and 59 minutes p. m.), reassembled, and the Vice President took the chair.

ADJOURNMENT TO MONDAY OUT OF RESPECT TO MEMORY OF DECEASED SENATORS

Mr. ROBINSON. Mr. President, as a further mark of respect to the memory of the late Senator Long, of Louisiana, and the memory of the late Senator Schall, of Minnesota, I move that the Senate adjourn until Monday next at 12 o'clock noon.

The motion was unanimously agreed to; and (at 10 o'clock p. m.) the Senate adjourned until Monday, January 6, 1936, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

FRIDAY, JANUARY 3, 1936

This being the day fixed by the twentieth amendment of the Constitution for the annual meeting of the Congress of the United States, the Members-elect of the House of Representatives of the Seventy-fourth Congress met in their Hall, and at 12 o'clock noon were called to order by the Speaker, Hon. JOSEPH W. BYRNS, a Representative from the State of Tennessee.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following

PRAYER

Almighty God, our Heavenly Father, Thou who hast set Thy glory above the heavens, as we wait in the afterglow of the new year, imbue our minds with knowledge and understanding that we may be worthy of the vocation whereunto we have been called. We would be still and know that Thou art God and receive the inspiration to consecrated labors and righteous achievements. Bow down, O Lord, that we may most urgently feel the responsibilities that are beating everywhere. Enable us to distinguish between liberty and justice, purity and impurity in the things that make for good citizenship. Graciously abide with our President, our Speaker, the Members, officers, and the employees of the Congress. Do Thou stimulate every impulse that makes for wise statesmanship and inspire us to toil with that faith which makes the heart strong and the step light. May there be built in our own civilization a kingdom of God full of blessedness,

and purge the Babylons of hate and oppression in all this old earth. We praise Thee for our Republic, for its glorious company of apostles of truth, and for its noble army of martyrs for humanity. Heavenly Father, fill our homes with melody and peace and bring our whole land to the realization that life is more than livelihood; it is love, beauty, and sonship with God through Jesus Christ our Lord. Amen.

CALL OF THE ROLL

The SPEAKER. The Clerk will call the roll to ascertain if there is a quorum present.

The Clerk called the roll, and the following Members answered to their names:

[Roll No. 1]

Adair	Dockweiler	Johnson, W. Va.	Pfeifer
Allen	Dondero	Jones	Pierce
Andrew, Mass.	Dorsey	Kahn	Pittenger
Arends	Doughton	Keller	Plumley
Ashbrook	Doutrich	Kennedy, Md.	Polk
Ayers	Doxey	Kennedy, N. Y.	Powers
Bacharach	Drewry	Kenney	Quinn
Bacon	Driscoll	Kerr	Rabaut
Bankhead	Driver	Kinzer	Ramsay
Barden	Duffey, Ohio	Kloeb	Ramspeck
Beiter	Duncan	Kniffin	Randolph
Bell	Dunn, Miss.	Knutson	Rankin
Berlin	Dunn, Pa.	Kocialkowski	Ransley
Biermann	Eagle	Kopplemann	Rayburn
Binderup	Eaton	Kramer	Reece
Blackney	Eckert	Kvale	Reed, Ill.
Bland	Edmiston	Lambertson	Reed, N. Y.
Blanton	Eicher	Lambeth	Reilly
Bloom	Ekwall	Lamneck	Rich
Boehne	Ellenbogen	Lanham	Richards
Boileau	Engel	Lea, Calif.	Richardson
Boland	Englebright	Lee, Okla.	Risk
Bolton	Evans	Lehlbach	Robertson
Boykin	Faddis	Lemke	Robsion, Ky.
Boylan	Farley	Lewis, Colo.	Rogers, Mass.
Brennan	Fenerty	Lloyd	Rogers, N. H.
Brewster	Ferguson	Lucas	Rogers, Okla.
Brooks	Fernandez	Luckey	Romjue
Brown, Ga.	Fish	Ludlow	Rudd
Buchanan	Fitzpatrick	Lundeen	Sabath
Buck	Flannagan	McAndrews	Sanders, Tex.
Buckbee	Fletcher	McClellan	Sauthoff
Bulwinkle	Focht	McCormack	Schaefer
Burch	Ford, Calif.	McFarlane	Schneider, Wis.
Burdick	Ford, Miss.	McGrath	Schuetz
Burnham	Frey	McGroarty	Schulte
Caldwell	Fuller	McLaughlin	Scott
Cannon, Mo.	Fulmer	McLean	Scrugham
Carlson	Gambrill	McMillan	Sears
Carpenter	Gassaway	McReynolds	Secrest
Carter	Gavagan	McSwain	Seger
Cartwright	Gearhart	Mahon	Shanley
Cary	Gehrmann	Maloney	Shannon
Casey	Gifford	Mansfield	Sisson
Castellow	Gilchrist	Mapes	Smith, Conn.
Cavicchia	Gildea	Marshall	Smith, Va.
Chandler	Gillette	Martin, Colo.	Smith, Wash.
Chapman	Goldsborough	Martin, Mass.	Smith, W. Va.
Church	Goodwin	Mason	Snell
Clark, Idaho	Granfield	Massingale	Snyder, Pa.
Clark, N. C.	Gray, Ind.	Maverick	South
Cochran	Gray, Pa.	May	Spence
Coffee	Green	Mead	Starnes
Colden	Greenwood	Meeks	Steagall
Cole, Md.	Greever	Merritt, Conn.	Stefan
Cole, N. Y.	Gregory	Merritt, N. Y.	Stubbs
Collins	Griswold	Michener	Sullivan
Colmer	Guyer	Millard	Sumners, Tex.
Connery	Gwynne	Miller	Sutphin
Cooley	Haines	Mitchell, Ill.	Sweeney
Cooper, Tenn.	Halleck	Mitchell, Tenn.	Taber
Corning	Hamlin	Monaghan	Tarver
Costello	Hancock, N. Y.	Moran	Taylor, Colo.
Cox	Hancock, N. C.	Moritz	Taylor, S. C.
Cravens	Hart	Mott	Taylor, Tenn.
Crawford	Harter	Nelson	Terry
Crosby	Hartley	Nichols	Thomas
Cross, Tex.	Healey	O'Brien	Thompson
Crosser, Ohio	Higgins, Conn.	O'Connell	Thurston
Crowe	Higgins, Mass.	O'Connor	Tinkham
Crowther	Hildebrandt	O'Day	Tobey
Culkin	Hill, Ala.	O'Leary	Tolan
Cullen	Hill, Knute	O'Malley	Tonry
Cummings	Hill, Samuel B.	O'Neal	Treadway
Daly	Hobbs	Owen	Turner
Darden	Hoffman	Palmisano	Turpin
Darrow	Holmes	Parks	Umstead
Deen	Hook	Parsons	Underwood
Delaney	Hope	Patman	Utterback
Dempsey	Houston	Patterson	Vinson, Ga.
Dickstein	Huddleston	Patton	Vinson, Ky.
Dies	Hull	Pearson	Wadsworth
Dietrich	Imhoff	Perkins	Wallgren
Dingell	Jacobsen	Peterson, Fla.	Walter
Disney	Jenckes, Ind.	Peterson, Ga.	Warren
Ditter	Johnson, Okla.	Pettengill	Wearin
Dobbins	Johnson, Tex.	Peyser	Weaver
Welch	Wigglesworth	Wolcott	Woodrum
Werner	Wilcox	Wolfenden	Young
West	Williams	Wolverton	Zimmerman
Whelchel	Wilson, Pa.	Wood	Zioncheck
Whittington	Withrow	Woodruff	

The SPEAKER. Three hundred and sixty-seven Members have answered to their names. A quorum is present. The Chair lays before the House a communication from the Clerk of the House.

The Clerk read as follows:

HOUSE OF REPRESENTATIVES,
CLERK'S OFFICE,
Washington, D. C., January 3, 1936.

The SPEAKER, HOUSE OF REPRESENTATIVES,
Washington, D. C.

SIR: Certificates of election in due form of law of the following Representatives-elect to the Seventy-fourth Congress to fill vacancies have been filed in this office, viz:

District	Representative-elect	Predecessor
Fourth Kentucky	Edward W. Creal	Cap R. Carden, deceased.
Second New York	William B. Barry	William F. Brunner, resigned.
Twenty-second New York	Edward W. Curley	Anthony J. Griffin, deceased.
Third Michigan	Verner W. Main	Henry M. Kimball, deceased.

Very respectfully,

SOUTH TRIMBLE,
Clerk of the House of Representatives.

Mr. CREAL, Mr. BARRY, Mr. CURLEY, and Mr. MAIN appeared at the bar of the House and took the oath of office prescribed by law.

Mr. BANKHEAD. Mr. Speaker, I desire to present a unanimous-consent request, which I ask the Clerk to read.

The Clerk read as follows:

Mr. Speaker, I ask unanimous consent that notwithstanding the rules of the House it shall be in order at any time on Friday, January 3, 1936, for the majority leader to move that the House take a recess, and that such motion be made of the highest privilege.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, I reserve the right to object. We find we are confronted with an unusual condition at this time, different from any that has been presented to us since I have been a Member of the House. I appreciate that it is provided in the Constitution of the United States that the President should address Congress from time to time on the state of the Union. This has usually been done at the beginning of each regular session, at which time the President presents his legislative recommendations to the House and the Senate. It has always been one of the most serious, businesslike, dignified sessions of the entire Congress. Whether that message has been delivered in writing or in person, it has always been delivered at the convenience of the Congress and during the regular session. I know of no exception during the entire annals of the American Congress.

The annual message has always been delivered at the convenience of the Congress in regular session, as I have said. Why this departure from the usual custom at this time? Does anyone maintain that there is any special emergency at the present time because of which we should change all the precedents and rules of the House that have been in existence ever since the Congress was established? Has anyone set forth any special reason why we should be called back into special session in the night to have the President address us? Is there going to be anything in that message which will not stand the usual light of the midday sun?

Mr. Speaker, I well appreciate my right to object to this unanimous-consent request. I also appreciate that the present majority will, as it has many times in the past, break all precedents in order to carry out the orders from the White House. If you gentlemen carry out this order, in my judgment, you will not be properly performing the duty that rests upon the majority in protecting the dignity and prerogatives of the House. That is no mere partisan statement on my part. The people of this country know what you are doing at this time and that the Congress has not been taken into consideration in making these arrangements. To sub-

stantiate my statement that what I say is not merely partisan, I refer to a statement by Mr. Arthur Krock, head of the Washington bureau of the New York Times, in the New York Times of yesterday, and the New York Times is the leading Democratic daily of the country.

Mr. RANKIN. Mr. Speaker, I rise to a point of order. Is it understood that the Republicans should have their share of time for broadcasting in advance of the President's message?

Mr. SNELL. Mr. Speaker, I do not yield to the gentleman from Mississippi.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield for a brief inquiry?

Mr. SNELL. If the gentleman will wait until I get through, I shall be glad to yield, or if the gentleman insists now, I shall yield.

Mr. BANKHEAD. Of course I do not insist.

Mr. SNELL. Very well. Go ahead.

Mr. BANKHEAD. Is it the purpose of the gentleman from New York to object to the unanimous-consent request?

Mr. SNELL. If the gentleman will await the conclusion of my statement, he will find out. If I am permitted to make a complete statement setting forth our position, I shall probably not object.

Mr. BANKHEAD. The gentleman knows we desire to extend every possible courtesy to him as minority leader.

Mr. SNELL. I trust the gentleman will do so.

The statement to which I referred, by Mr. Arthur Krock, reads as follows:

> How little Congress, and how much the radio audience, was in the President's mind as his plan matured can be gathered from the fact that his parliamentary leaders were the last of those concerned to be told. First, the radio time was reserved; then the newspapermen heard generally that the fireside talk was actually to be the annual message; finally, the information came to the House and Senate leaders through broadcasting-company representatives, who rushed to the Capitol to make the physical arrangements.
>
> Even after that shock the Democratic chieftains on the Hill had to wait a long time to get assurance from the White House secretariat that the broadcasters spoke by the card. It was then casually left to them to provide the congressional setting, on which score the President—anxious about radio time—showed no concern at all.

Mr. Speaker, that expresses in a clear and concise manner the situation that exists here, that representatives of the President's own party on Capitol Hill were not taken into consideration in making these arrangements.

Mr. RANKIN. Mr. Speaker, will the gentleman yield to tell us from whom he was quoting?

Mr. SNELL. I was quoting a statement by Mr. Arthur Krock, the head of the New York Times Bureau in Washington. While you gentlemen over there may call yourselves leaders and pat yourselves on the back that you are great leaders, let me tell you this: You are not even consulted by your own administration in regard to the program in your own House for which, in the eyes of the American people, you are held responsible. You are not even fooling anyone anywhere at this time.

If it were not for the fact of your overwhelming, spineless majority, which will vote for every order that comes from the White House, you would not even attempt any such procedure. I also know that this is only a cheap attempt on the part of the administration, under the caption of an annual message to Congress, to use the opportunity to make a purely political speech defending the policies of the New Deal which are becoming so unpopular at the present time. Let me also say at this time that we have no objection to the President of the United States talking to the people as many times and as often as he desires.

I am beginning to think that it will take more than his winning smile and pleasant radio voice, even if it is on the air every hour in the day, to explain to the American people the fallacies of the New Deal legislation that he has proposed. [Applause.]

The only thing to which we do object is his using the Congress and this special occasion set apart by the Constitution as a sounding board for a political speech.

If my objection would stop such procedure, I would make it; but I realize, if I did, I could only delay for an hour or so this further humiliation of the legislative branch of the Government; therefore I shall not object, and you must take the responsibility of breaking an all-time precedent by turning a dignified function of receiving an annual message into a purely political speech, opening the President's campaign for reelection in November.

The whole question rests squarely on the majority, now let us see if you will use properly the power reposed in you to protect the rights, prerogatives, and dignity of the House of Representatives.

Mr. Speaker, I withdraw my reservation of objection. [Applause.]

Mr. BANKHEAD. Mr. Speaker, I thought that possibly the distinguished minority leader would say something that might really call for a reply from this side; but after listening to his partisan and political platitudes, which we expected, and finding nothing in his remarks that has not already been well expressed in the press of the country, I do not think it proper to take up further the time of the House in undertaking a reply to the somewhat feeble observations made by my distinguished and beloved friend [Mr. SNELL]. Therefore I ask that the matter be submitted.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. RICH. Reserving the right to object, Mr. Speaker, I should like to ask the majority leader what the program is for the balance of the day?

Mr. BANKHEAD. I will state that later on.

The SPEAKER. Is there objection?

Mr. RICH. Mr. Speaker, I should like to ask the majority leader, with reference to a statement made by the minority leader, is this supposed to be a political address tonight?

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, what was the request?

The SPEAKER. The request is that the majority leader have the privilege of moving a recess at any time during the day.

Mr. ZIONCHECK. Mr. Speaker, I have a unanimous-consent request to introduce a letter that I sent to Dr. Townsend.

The SPEAKER. Not at this time. The Chair will recognize the gentleman after the request made by the gentleman from Alabama has been disposed of.

Is there objection to the request of the gentleman from Alabama?

There was no objection.

EXTENSION OF REMARKS

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent at this time that I be allowed to say about two sentences and introduce a letter which I sent to Dr. Townsend and ask to have the Clerk read the letter.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

Mr. BANKHEAD. Mr. Speaker, will the gentleman from Washington withdraw that temporarily? He will have opportunity later on to offer that.

Mr. ZIONCHECK. There are some Members of Congress who will be defeated unless this goes in. [Applause.]

Mr. EDMISTON. Mr. Speaker, I object.

The SPEAKER. The Chair will ask the gentleman from Washington to withhold his request until a little later.

NOTIFICATION TO THE PRESIDENT

Mr. BANKHEAD. Mr. Speaker, I offer a resolution, which I send to the desk and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 375

Resolved, That a committee of three Members be appointed by the Speaker on the part of the House of Representatives to join with the committee on the part of the Senate to notify the President of the United States that a quorum of each House has been assembled and that Congress is ready to receive any communication that he may be pleased to make.

The resolution was agreed to.

The SPEAKER appointed the following committee to notify the President: Messrs. BANKHEAD, DOUGHTON, and SNELL.

NOTIFICATION TO THE SENATE

Mr. WOODRUM. Mr. Speaker, I offer a resolution, which I send to the desk.

The Clerk read as follows:

House Resolution 374

Resolved, That the Clerk of the House inform the Senate that a quorum of the House has appeared and that the House is ready to proceed with business.

The resolution was agreed to.

HOUR OF MEETING

Mr. O'CONNOR. Mr. Speaker, I offer a resolution, which I send to the desk.

The Clerk read as follows:

Resolved, That the hour of daily meeting be at 12 o'clock meridian.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

NORTHWEST TERRITORY CELEBRATION COMMISSION

The Chair announced the following appointments:

Pursuant to the provisions of Public Resolution 41, the Chair appoints as members of the Northwest Territory Celebration Commission the following Members of the House of Representatives: Mr. SECREST and Mr. JENKINS of Ohio.

MESSAGES FROM THE SENATE

A message from the Senate, by Mr. Halsey, its Secretary, announced that the Senate had adopted the following resolutions:

Senate Resolution 207

Resolved, That a committee consisting of two Senators be appointed to join such committee as may be appointed by the House of Representatives to wait upon the President of the United States and inform him that a quorum of each House is assembled and that the Congress is ready to receive any communication he may be pleased to make.

Senate Resolution 208

Resolved, That the Secretary inform the House of Representatives that a quorum of the Senate is assembled and that the Senate is ready to proceed to business.

The message also announced that the Senate had passed the following concurrent resolution, in which the concurrence of the House is requested:

Senate Concurrent Resolution 25

Resolved by the Senate (the House of Representatives concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Friday, the 3d day of January 1936 at 9 o'clock p. m., for the purpose of receiving such communications as the President of the United States shall be pleased to make to them.

THE BONUS BILL

Mr. VINSON of Kentucky. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a statement of my own relative to the bill which I have just introduced providing for immediate cash payment of the adjusted-service certificates, refund of the interest to veterans, and cancelation of interest, which bill is sponsored by the three major veterans' organizations—the American Legion, the Veterans of Foreign Wars of the United States, and the Disabled Veterans' Association.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, will the gentleman tell us what means he intends to employ to secure consideration of his bill?

Mr. VINSON of Kentucky. We are using every means at our command, and we hope to have it before the House at an early date.

Mr. WOLCOTT. Has the gentleman from Kentucky assurance that we shall be able to vote on his bill during the next 30 days?

Mr. VINSON of Kentucky. I am not in position to make that statement at this time, but I am hopeful we shall be able to dispose of it sooner than that.

Mr. O'MALLEY. Mr. Speaker, reserving the right to object, I do so only for the purpose of asking the gentleman from Kentucky a question.

Mr. O'CONNOR. Mr. Speaker, I shall be forced to demand the regular order. We have a program to follow and did not expect these unanimous-consent requests to be presented until later in the day.

Mr. O'MALLEY. Mr. Speaker, we did not demand the regular order when the minority leader was speaking. I want to ask the gentleman from Kentucky a question.

Mr. Speaker, does the speech to which the gentleman from Kentucky referred relate to the bill which the newspapers report has been agreed upon by the leaders of the veterans?

Mr. VINSON of Kentucky. Yes; it relates to the bill which has been agreed to by the major veterans' organizations.

Mr. O'MALLEY. When does the gentleman from Kentucky expect to be able to get consideration of the bill?

Mr. VINSON of Kentucky. Right away.

Mr. O'MALLEY. Can the membership of this House look forward to having an equal opportunity to vote for any other bill when the gentleman's bill comes to a vote?

Mr. VINSON of Kentucky. I think the gentleman should address his question to other authorities.

Mr. O'MALLEY. The gentleman thinks this question should be addressed to the Rules Committee?

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. VINSON of Kentucky. Mr. Speaker, under leave granted me by the House, I include herewith statement which I made today concerning the bill just introduced by me, and agreed upon by the three major veterans' organizations of the United States, providing for the immediate cash payment in full of the adjusted-service certificates, refund of interest paid, and cancelation of interest accrued as follows:

The major veterans' organizations of the United States—the American Legion, the Veterans of Foreign Wars of the United States, and the Disabled American Veterans—now present a united front in asking for the immediate cash payment in full of the adjusted-service certificates. At the request of these organizations, through their respective national commanders, I introduced the bill, upon which they are in complete accord, immediately after the opening of Congress today.

My friend and colleague, the Honorable JOHN W. MCCORMACK, of Massachusetts, a long-time leader in the fight for full cash payment of the adjusted-service certificates, joins me, through the request of these veteran organizations, in the sponsorship of this legislation. While introduced by me, the bill in question, because of its joint sponsorship, is to be known as the Vinson-McCormack bill.

The bill provides for the immediate payment in full of the World War adjusted-service certificates, for the refund of interest on loans paid by veterans, and cancelation of unpaid interest on veterans' loans. The bill reduces by one-half the present cash outlay heretofore believed to be required to pay in full the adjusted-service certificates, to refund interest paid, and to cancel the unpaid interest.

The matured value of all the certificates approximates $3,500,000,000. The adjusted-service-certificate fund created for the payment of these certificates totals about $1,500,000,000, which would indicate that there is approximately $2,000,000,000 additional required.

The United States Government life insurance fund has loaned money to veterans upon their certificates. The liens against these certificates, including interest, held as an asset of this fund approximate $500,000,000 as of January 1, 1936. In the event these liens were removed by the cash payment of the certificates, immediately it would become necessary for the purpose of this fund to make investment of this cash in Government securities. In the pending bill the Secretary of the Treasury is authorized and directed to make payment of the loans made by the United States Government life insurance fund upon the certificates by issuing to the insurance fund bonds of the United States bearing interest at the rate of 3½ percent per annum—the exact interest rate which the insurance fund is now earning on the veterans' loans. The bonds shall be at least 10-year bonds, which carries their maturity date beyond January 1, 1945. This certainly defers payment of $500,000,000 past January 1, 1945, the present due date of most of the certificates. By this method it will be unnecessary for any moneys to be obtained by the sale of securities to take care of approximately 25 percent of the entire expenditure.

The bill further provides that payment in full of the face value of the certificate shall be made upon approval of the application up to April 6, 1937—20 years from the day our Nation entered the World War. Those applying prior to April 6, 1937, are to receive the amount stated on their certificates, less the principal of the loans, if any. In other words, they would secure the full amount of their adjusted-service certificate, less the principal of the loans thereon, if any.

The veterans applying for cash payment after April 6, 1937, will secure face value of their certificates, less any loans thereon, plus

interest at the rate of 3 percent per annum from the date of the enactment of this act until January 1, 1945, death of the veteran, or its cash payment under this act, whichever is the earliest date. This provision permits those veterans who do not desire to cash their certificates to hold them and receive 3-percent interest upon the amount due them until the happening of one of the aforesaid events. There are some 494,000 certificates upon which no loans have been made. The matured value of these certificates approximates $500,000,000. If the holders of these certificates have not exercised their right to receive 50 percent of the face value of their certificates, it would appear to us that with the interest item added there would be further incentive for them not to cash their certificates. This number of certificate holders who have not availed themselves of the loan privilege, whose certificates approximate, as we say, $500,000,000, does not include that other group of veterans who negotiated a loan on their certificates but who, with interest canceled on such loans, may now desire to receive interest from the Government upon the remainder of the amount due them on the certificates rather than cash them.

It should be pointed out that the rate of 3 percent per annum approximates the average cost to the Government for money loaned to it. The recent issue of long-term bonds, oversubscribed many times, calls for interest payment of 2⅞ percent per annum. In other words, payment of interest upon the face value of the certificates, less loans paid, can be made without the necessity of the sale of bonds to the public, the veteran receiving the interest payment himself and at approximately the same rate that bonds would yield to the purchasing public. In this manner, in our opinion, at least another $500,000,000 can be taken care of without new Treasury financing.

It is our thought that by the use of Government bonds to replace the lien obligation in the Government life-insurance fund and the interest treatment of the certificates that at least $1,000,000,000 can be taken care of, without present Treasury financing, on a sound fiscal basis, thereby relieving the immediate call for expenditure by the Government to that extent.

There have been many interesting facts developed since the bonus fight of a year ago. It is now admitted by the Veterans' Administration that as of January 1, 1936, there is a deficit in the adjusted-service-certificate fund of approximately $60,000,000; that even if the sinking-fund payments that have been agreed upon shall be made available, to wit, $112,000,000 per year for the next 9 years, there will still be a deficit on January 1, 1945, maturity date of most of the certificates under the 1924 act, of $371,000,000. This is based upon the assumption that such sinking-fund payments would yield 3 percent interest, compounded annually, and the $60,000,000 deficit would now be earning interest and grow, as it would, on January 1, 1945, to $78,000,000. Certainly nine annual payments of $112,000,000 total $1,080,000,000, which with $371,000,000 deficit means $1,451,000,000 necessary to raise in cash by January 1, 1945, even though cash payment should not be made now.

It is not the fault of the veteran that there is a deficit in the adjusted-service-compensation fund at this time or that under the present plan of payment into this sinking fund there will be a deficit of several hundred million dollars on January 1, 1945.

We are told by the responsible officials of the Veterans' Administration that in the early days following the passage of the Adjusted Service Certificate Act of 1924 they advised larger annual payments into the adjusted-service-certificate fund; and that if such payments had been made as their computations showed to be necessary, there would, on January 1, 1936, be in the adjusted-service-certificate fund $2,500,000,000 instead of $1,500,000,000. If such condition obtained today, with the special obligation and interest features contained in this measure, the cash would now be available for immediate payment of these certificates. We repeat that the World War veteran is in no wise responsible for the depleted condition of the sinking fund created for the payment of the certificates.

We hope and urge that all veterans and their friends will support the united efforts of their organizations and the bill which I have introduced.

NOTIFICATION OF PRESIDENT

Mr. BANKHEAD. Mr. Speaker, your committee appointed on the part of the House to join with a committee on the part of the Senate to wait on the President of the United States and notify him that a quorum of the two Houses is assembled, and that Congress is ready to receive any communication that he may be pleased to make, performed that duty. The President asked us to report that he will be pleased to deliver in person his message to the Congress tonight at 9 o'clock. [Applause.]

JOINT SESSION OF THE HOUSE AND SENATE

The Chair laid before the House the following Senate concurrent resolution.

The Clerk read as follows:

Senate Concurrent Resolution 25

Resolved by the Senate (the House of Representatives concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Friday, the 3d day of January 1936, at 9 o'clock p. m., for the purpose of receiving such communications as the President of the United States shall be pleased to make to them.

The SPEAKER. The question is on the Senate concurrent resolution.

The Senate concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

ORDER OF BUSINESS

Mr. BANKHEAD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BANKHEAD. Mr. Speaker, during my absence I lost track temporarily of the procedure before the House. Have all the preliminary steps of organization been taken?

The SPEAKER. All the organization resolutions have been adopted.

Mr. BANKHEAD. Mr. Speaker, I understood some resolutions of sympathy were to be offered today. Are they to be submitted at this point?

The SPEAKER. The Chair understands certain Members desire to submit unanimous-consent requests.

RURAL ELECTRIFICATION

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an address I made over the radio.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address delivered by me on Tuesday, December 17, 1935:

My friends, it is my privilege to speak to the farmers of America at this time on one of the most vital questions affecting their economic, social, and domestic welfare.

If an authentic announcement should be made tonight to the effect that a rich vein of gold had been struck, a rich oil field had been brought in, or a diamond mine had been discovered in any locality in the United States, and you were all assured that every individual had the right to stake a claim in that area, every railroad and every highway leading in that direction would be jammed, and crowded, and even the air would be swarming with people seeking their share of that wealth before sunrise tomorrow morning.

Yet we have in the Tennessee Valley, as well as in the Columbia and the Colorado River Basins, a wealth that is greater than any oil field, any gold mine, or any diamond mine that has been discovered since the world began. It is that great wealth of hydroelectric power now being generated and to be generated in the years to come.

This power belongs to you and your children. Your claim to a share of this great wealth has been established. The only question now is getting it to you.

It will enrich your home as nothing else has ever done—not only for the time being, but for all time to come.

This effort to electrify the farm homes of America is the greatest farm-relief movement, the greatest back-to-the-farm program ever instituted. It will give the farmer cheap electricity to light his home, pump his water, run his radio, electric iron, electric churn, feed grinder, refrigerator, and other electrical appliances necessary to make his home pleasant and attractive, lighten his own load and relieve the women of his family of the great burden of tiresome, monotonous, back-breaking, youth-destroying drudgery that now falls to the lot of the average woman in a country home.

So far as the farmer is concerned, it is the greatest movement of this age. It is the salvation of the farmers of America.

Every rural school, as well as every agricultural college in America today, is crowded with boys and girls, the future men and women of the country. What are they to do when they finish school? Where are they going? It used to be that farmers educated their children and sent them to the city to seek employment that would afford them better opportunities for success in life.

But that day has passed; our cities are full to overflowing, and practically all of them are literally teeming with educated men and women who are out of employment.

Therefore arrangements must be made to keep these children at home. They have nowhere else to go.

In the years gone by millions of farmers left the farm and moved to the towns and cities to secure for themselves and their families the conveniences which the country districts could not supply.

Through our program of rural electrification we are taking to the people in the rural districts every convenience to be had in the towns and cities without the noise and the extra taxes.

Cheap electricity is the greatest home builder ever known, and when it is supplied to the farmers of this country it will create the greatest back-to-the-farm movement of all time. It will not only light the farmer's home and make it more pleasant and attractive but it will stimulate his interest in that home and intensify the

love which his wife and children have for it. It will, in fact, become a real home and not just another house on a farm.

I recently visited many of the electrified farm homes in my own district, where they are being served with T. V. A. power, and I have never known anything that afforded a farmer and his family so much satisfaction or which inspired them with such hope.

The rates those farmers are paying is 4 cents a kilowatt-hour for the first 50 kilowatt-hours a month, 3 cents a kilowatt-hour for the next 50, 2 cents for the next 100, 1 cent a kilowatt-hour for the next 200, and 4 mills a kilowatt-hour for the next 1,000.

This not only pays for their electricity but it also amortizes those rural lines and pays them out in not more than 20 years.

On every electrified farm I visited I found the farmer and his family overjoyed with this new addition to their home. Electricity had brought them new and untold blessings of which they had scarcely dreamed a year or two ago—lights for the home, barn, garage, and other outhouses, a radio to keep them informed as to what is going on in the world and to furnish them the finest and most wholesome entertainment, an electric pump to pump water for the family and the livestock, a refrigerator to supply the family with ice and to keep the milk, butter, meats, and vegetables cool and fresh, a washing machine to relieve his wife and daughters of the onerous burdens of washing and scrubbing the family clothes, and invariably an electric range to cook the family meals, together with feed grinders, milking machines, and other labor-saving appliances.

One farmer hailed me on the highway to show me his monthly electric bill. I have it before me now. He was using lights, a radio, an electric iron, and an electric range, and his bill for the month was $2.15. He said he was saving up money to get an electric pump and to buy his wife a washing machine.

One man told me that he used 120 kilowatt-hours one month, for which he paid $3.90, but he had no water pump. The next month he installed a water pump and waited with dread for his bill to come in. When it did, his consumption had gone from 120 to 124 kilowatt-hours for the month and had increased his bill the sum of 8 cents.

I have before me the bill of a man who used lights, fans, radio, iron, washing machine, refrigerator, range, and a water pump that supplied water for his family and a small herd of dairy cows, and also to irrigate his garden and truck patch during the dry season. His bill was $5.20. He said he had sold enough vegetables to pay his power bill for 6 months, while his neighbor's gardens and truck patches were burned up.

I found the women more enthusiastic than the men. It means more to them. It not only lights their homes and relieves their drudgery but it entertains their children, contributes to their education, and helps to keep them at home.

I stopped at one farm house 15 miles from the railroad. The man was getting along in years. His children were all grown and married. Three of them were living around him. He had electrified his own home and also theirs, and had wired every tenant house on the place. His wife told me that they had every necessary appliance in their home that could be operated by electricity from a fan to a radio, from the water pump to the electric range. They were simply delighted beyond expression. She said it was a new life for them.

I asked her which appliance she valued most. She unhesitatingly replied, "The washing machine."

I received that same answer from practically every woman questioned on the subject. I was not surprised. It usually takes 1 whole day out of every week for one woman in the average farm home to do the family washing—standing over a boiling washpot, or bending over a tub of hot water, scrubbing and wringing the family clothes—when she could put them in a modern washing machine, press a button, and in 2 hours have them hanging on the line.

And the same thing is true of the electric iron. No longer is it necessary to keep a fire in the stove or in the fireplace all day in the summer to heat the smoothing irons for the weekly ironing. That can be done with an electric iron in an hour or so without discomfort and at very little cost.

It takes so little electricity to run a washing machine, a radio, or a water pump that in the Province of Ontario, Canada, the Ontario Power Commission—which has one of the finest public power systems in the world, supplying cheap electricity to her people from the natural water-power resources of the Province—furnishes electricity to the farmers of Ontario, free of charge, to operate electric washing machines, radios, and water pumps to provide water under pressure for household sanitary systems.

Electricity to run a washing machine for a family of five people costs less than 90 cents a year under the T. V. A. rates. It not only saves time and money but it saves the nerves and strength of the housewife, and enables her to look and feel young at 60, instead of looking and feeling old at 35.

What does all this mean? It means a new day for the farm people of America, a new civilization, the dawning of the electric age.

"But," you will say, "this is confined to a small area."

It is now, but it won't be when the American people wake up and they and all their public officials join in this movement. If every public official will join us in this fight, we can electrify every farm home in this country at the T. V. A. rates.

We will soon be producing 1,400,000 horsepower of electricity in the Tennessee Valley and 1,800,000 at Boulder Dam, 2,000,000 at Grand Coulee, or 5,200,000 horsepower, which is more than the combined physical strength of the entire manhood of the United States—to say nothing of the enormous amounts to be produced at other contemplated projects from Maine to California.

Since the T. V. A. is a going concern, producing a large amount of electricity, with more to come, suppose we begin there and build transmission lines to reach every rural section within 350 miles of one of those dams. This will not go beyond the admitted distribution radius and will reach practically every farm in the States of Tennessee, Alabama, Mississippi, Georgia, Arkansas, Louisiana, South Carolina, North Carolina, Virginia, West Virginia, Kentucky, Missouri, Indiana, Ohio, and Illinois.

The same policy applied in the West and in all other sections of the country where those great power projects are under construction or in contemplation will enable us to electrify every farm home in America.

This will not only benefit every farmer but it will add billions to our national wealth from resources now running waste and wanton to the sea, and will make America the richest, the most prosperous, the most contented, and most powerful nation the world has ever known.

THE NATION'S NATIONAL DEFENSE

Mr. SNYDER of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SNYDER of Pennsylvania. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following radio address delivered by me on December 13, 1935:

The United States is a great nation. It contains within its borders practically all the raw materials and the agricultural and industrial resources to assure to all our people an abundant and contented life. Characteristically, the greatest desire of our people is to enjoy to the fullest these great advantages, unhampered by internal strife and devoid of conflict with other nations.

We have set up in our Government various agencies to deal peaceably with internal affairs and foreign relationships. In our form of government these agencies are normally predominant and rightfully so. But a number of times during our existence as a nation we have reached the stage where these agencies were no longer able to effectively safeguard our national interests. In such emergencies the only instrumentalities available for ultimate protection were those of our national defense. They have never failed us. In each instance the conflict has been settled favorably to us. We have recovered from the ravages of strife and have continued to develop into a greater and more prosperous nation. But if the decision in any instance had been adverse, our national loss might have been considerable, and we would not now be the happy peace-loving nation which we are.

More and more we find the nations of the world realizing the importance of ample national resources. Many nations, some of them relatively powerful, are decidedly lacking therein. Today the world is torn with clashes of national policy, and the time may again come when the agencies of our Government, which normally deal with internal affairs and foreign relationships, will no longer be able to adequately protect our national interests. Ready for such an emergency we must again have a national defense which cannot fail.

The Army and the Navy, with their respective air components, are the agencies which directly combat the aggressive measures taken by those who by armed conflict seek to subordinate our will to theirs. I believe in a Navy second to none, with modern vessels adequately manned, and supported by sufficient ship-based aircraft to perform observation missions and to provide an invincible fleet air striking force. However armed conflict may begin, it is generally settled on the land. So we must prepare for the time when our Army, supported by a land-based general-headquarters air force, may have to put forth its supreme effort in order to maintain this Nation intact from despoliation.

Being a member of the Appropriations Committee of the House of Representatives, and assigned to the subcommittee acting on War Department appropriations, I have endeavored by research, study, and personal contact to become intimately familiar with the War Department's participation in national defense. It is this phase of our national defense about which I propose to speak in some detail.

Our peace-time Military Establishment consists of the Regular Army, the National Guard, and the Organized Reserve. Closely related to them but not forming an integral part thereof are the Reserve Officers' Training Corps, the citizens' military training camps, and the National Rifle Association.

The mission of the Regular Army is to garrison our overseas possessions and the more important seacoast defenses in the continental United States; to form the initial covering force behind which our Nation mobilizes for war; and to furnish the personnel to train, equip, and direct our great citizen army raised at the outbreak of the emergency. In addition it has the responsibility of providing essential peace-time preparation in organization, training, development of weapons, and matériel procurement. Studies made over the past 5 years have indicated that an officer personnel of 14,000 and an enlisted strength of 165,000 is the minimum peace-time strength necessary for the Regular Army to successfully meet its responsibilities. Realizing this necessity, and after

careful consideration, Congress at its last session directed the increase and appropriated the funds required to reach the goal of 165,000 enlisted men by June 30, 1936.

The National Guard, a force pertaining to the various States and under the direct control of their Governors, is maintained primarily to insure domestic tranquillity. However, realizing the potential national value of such a force, Congress directed a general reorganization of the Guard so as to secure a force which, when combined, would form complete tactical units. Federal recognition and help were provided, and upon the declaration of an emergency by Congress the President was authorized to call into active Federal service any or all of the federally recognized units and members of the guard. As a result of this action by Congress the efficiency of the National Guard has been greatly increased, and after a short period of preparation many of its units will be ready to effectively reinforce the Regular Army and to engage efficiently in battle. Its present strength is approximately 190,000, organized into 18 Infantry and 4 Cavalry divisions with certain corps, army and auxiliary troops. To round out the combat units a minimum strength of 210,000 seems desirable. At the last session of Congress 5,000 additional men were authorized as the first step toward reaching this desired minimum.

A most important and essential element of our national defense is the Officers' Reserve Corps. It is a splendid group of men, largely college graduates, who by correspondence courses and by actual training have fitted themselves to take their places in both the Regular Army and the great citizen army which will be mobilized for an emergency. Initial requirements total 120,000, with a present strength of 92,000. For a number of years approximately 20,000 have received 2 weeks' training annually. However, considerable advantage would result from having a schedule which, while giving the average Reserve officer active-duty training at least 1 year in 4, would insure the younger officers of the combat branches being called to active duty somewhat more frequently.

Although not a part of the Army of the United States, the Reserve Officers' Training Corps, the citizens' military training camps, and the National Rifle Association have a definite place in our scheme of national defense. They give a large amount of fundamental training to many young men who are the potential officers and noncommissioned officers of our future armies. Qualifying graduates of the Reserve Officers' Training Corps and citizens' military camps are commissioned in the Officers' Reserve Corps. Some, as vacancies occur, are commissioned in the Regular Army. These organizations are essential elements in our national defense; their work is most commendable, and they deserve the whole-hearted support of every patriotic citizen.

To engage in battle with some assurance of success an army must have not only modern weapons but an organization adapted to the effective use of these weapons. Until a very short time ago our armed forces were almost entirely equipped with armament and munitions left over from the World War, and our tactical formations were adapted to their best use. Although continuous experimentation and development by our technicians had produced pilot models at least equal to those of any other army, lack of funds has prohibited procurement in quantities sufficient to permit the development of appropriate organization and tactical doctrines and to supply the covering force in the early stages of an emergency. These serious defects were recognized and remedial action undertaken about 2 years ago.

Early in 1934 funds became available to begin the complete modernization of our Army. Over a relatively short period the latest in equipment, weapons, airplanes, and mechanical transport are to be secured in quantities sufficient to permit definite determination of organization and tactical doctrines, and to provide for the effective arming of the covering force required in the early stages of an emergency. Thereafter reserves will be established sufficient to carry us over the period between the outbreak of hostilities and the time when industry swings into war production.

In my recent travels throughout the country in studying our national defense and in my contacts with various elements of our national defense, I have noticed their enthusiasm, high morale, and devotion to our country. I was particularly impressed with the uniform excellence of the organized units and their high standard of efficiency. But they must have modern equipment. The Springfield rifle must be replaced with the semiautomatic shoulder rifle. Our field artillery carriages must be modernized to permit greater flexibility of fire, longer range, and high speed motor traction. We must have motor-propelled, mechanically operated weapons, such as tanks, combat cars, and other types of armored vehicles capable of operating on the battlefield. Our seacoast defenses need more long-range guns, and everywhere there is a grave necessity for antiaircraft artillery.

The airplane has become an indispensable member of the military team. In the general headquarters air force the Army has a powerful weapon with tremendous capabilities. But it must have enough modern planes to make it effective. The approximate airplane strength of our Army is 1,358, which is far below the 2,320 which both Army and civilian experts on national defense believe to be the absolute minimum. I hope that in the next 3 years sufficient funds will be available to bring the strength up to 3,000 serviceable airplanes.

Continuous contact with the air arm has emphasized to the ground troops the important advantage gained by speed. Greater and greater mobility must be secured and our leaders are alert to achieve this. The load of the soldier is being decreased, suitable motor transport is planned for procurement, mechanical equipment has been designed, and a separate mechanized force is being developed to operate independently and with speed.

Our defense forces are progressive. They are anxious to adopt innovations of practical value and may be relied on to perform their duties in peace or war in keeping with the finest traditions of our glorious past.

RETURN TO OUR FARMERS THEIR HOMES FREE OF DEBT AND AGAIN WE SHALL BECOME A HEALTHY AND PROSPEROUS NATION

Mr. PETERSON of Georgia. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein a speech which I delivered before a meeting of the Young Democratic Club of the First Congressional District of Georgia in Sylvania, Ga., on Saturday, September 28, 1935.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. PETERSON of Georgia. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following speech which I delivered at a meeting held by the Young Democratic Club of the First Congressional District of Georgia in Sylvania, Ga., on Saturday, September 28, 1935:

Mr. Chairman, members of the Young Democratic Club of the First Congressional District of Georgia, ladies, and gentlemen, I deeply appreciate this opportunity to meet with your splendid group and take part in your program here in this beautiful and progressive city of Sylvania, Ga.

The congenial hospitality displayed by our hosts here today typifies the spirit of the good people of Screven County, and you will find that the welcome which has been accorded you is as genuine as it is hearty.

I congratulate you, the young Democrats of the First District of Georgia, for the great interest which you are taking in the affairs of our country and for the serious and sincere manner in which you approach the vital problems now confronting our people.

That there has been an unhealthy condition existing within the physical structure of our civilization has been evident for a long period of years. However, the rapidity with which the disease grew and the suddenness with which the crisis arrived have created confusion among our leaders and necessitated emergency treatments.

AMERICAN PEOPLE SEEK REFUGE IN DEMOCRATIC PARTY

The people of this great Nation have turned in haste to the Democratic Party for help in this national crisis.

The response has been equally as spontaneous.

Those placed in positions of leadership have commanded the national resources in meeting the emergency. Over $10,000,000,000 of the accumulated wealth of the country has been made available to combat the disease and to provide life's necessities for the people.

This transfusion of new economic blood into the life veins of our economic structure has revived the patient and brought hope again to a despairing civilization.

However, more than emergency treatments are necessary.

It is essential to treat the disease and remove its cause in order to save the life of the patient and restore him to normal health again.

Great strides have been made in this direction.

LAWS ENACTED RESTORING INDUSTRIAL PROSPERITY

Permanent remedies have been worked out by skilled physicians.

Legislative bodies have readily cooperated and have enacted the remedies into law.

New experiments in legislation dealing with the industrial and financial affairs of the country have been undertaken in an effort to replace emergency treatment with permanent recovery.

Great financial institutions have been saved through Government aid.

Industry has been rehabilitated.

Bank depositors have been given protection.

Social legislation guaranteeing living wages, economic security, and social benefits for the industrial workers of the land have been adopted.

Other similar measures of equal importance have been passed.

NO PERMANENT RELIEF FOR AGRICULTURE

In one great field, however, only temporary treatment has been given.

In the field of agriculture the crisis which confronts the farmer is equally as acute as that which has confronted industry and finance.

Those in authority have readily extended a sympathetic hand to the destitute farmers of the Nation.

Millions of dollars have been added to their income and untold benefits have been granted.

The farm remedies so far, however, have been for the most part temporary, with no program of permanent rehabilitation yet considered. And before there can be a permanent recovery from our economic crisis the farmers of the Nation must be restored to a healthy condition of normal prosperity.

Our civilization is based upon agriculture.

The life of our Nation is dependent upon the soil.

There is no new wealth except that produced through the application of human energies to the natural resources.

Unless the disease which has brought agriculture down prostrate, "sick unto death", is cured, all other remedies applied in other fields will prove futile.

FARM HOMES FREE OF DEBT ESSENTIAL TO LIFE OF OUR GOVERNMENT

In order to revive agriculture, our Government must first restore to the farmers their homes free of debt and protect them in the enjoyment of the fruits of their labor.

At the time our Government was established, other than Negro slavery, there was no tenant system or farm mortgages in this country.

This condition wherein the producers of the raw products had free access to the soil and unrestricted use of their new wealth was an essential factor in the building of our Government.

It is a fundamental and essential factor of Jeffersonian Democracy.

Today such economic independence does not prevail. Over two-thirds of the farmers are either tenants or have heavy mortgages over their farms which can never be repaid. And this percentage grows daily.

FARM TENANTRY THREATENS DESTRUCTION OF FREE INSTITUTIONS

An unfair and unjust economic system has produced this condition. It has forced the farmers from their homes, deprived them of the fruits of their labor, and robbed them of their freedom and happiness.

It now challenges the principles of Jeffersonian Democracy and threatens our Christian civilization.

Under such conditions it is impossible to long maintain free government.

It is foolish to talk of freedom and liberty when over two-thirds of those who really support the Government are denied their freedom and liberty. Yet that is the condition existing in this Nation today.

Within the last few days three different farmers have come to my office begging for help in an honest effort to save their farm homes, which are their only means of a living for themselves and their families, from foreclosure.

One of these farmers owned 300 acres. Twelve years ago he borrowed $4,500. Since that time he has paid out over $3,000 charges on the loan, yet he still owes $4,400.

The three farmers borrowed a total sum of $8,600 on their farms and the loans have run for an average period of 12 years.

They have paid out over $7,000 charges and still owe $8,000 of the original loans.

During these 12 years these three good men, together with their wives and children, have given the best part of their lives toward creating new wealth with which to pay interest.

The major portion of the purchasing power of their raw products has been paid out in charges on the farm mortgage.

They have produced plenty, but the purchasing power of their new wealth has been loss to them, thus driving them deeper and deeper into want and destitution.

Today these three good American families are in far worse condition than they were 12 years ago.

Multiply these three farm families by 1,000,000 and you have a true picture of the condition existing in American agriculture.

Their problem is the same as that confronting 3,000,000 farm families in America today.

INTEREST CHARGES CONSUME AMOUNT EQUAL TO COTTON CROP

Did you ever stop to consider that the interest charges alone on all farm mortgages of the Nation total approximately $600,000,000 annually?

It will take the entire cotton crop of the Nation, which amounts to approximately $600,000,000 this year, to pay the annual interest alone on farm mortgages without reducing the principal of the debts one penny.

The average assessment for interest against the average farm over which there is a mortgage equals to over 16 percent of the gross value of the products of that farm, or over $200 per farm.

This tribute of 16 percent, which is demanded by the money changers of our Nation of the farmers for the privilege of living on this earth, is almost double the Biblical tithe which is assessed as a fair tribute for the benefits so graciously bestowed by our Divine Creator.

The total rents, royalties, and interest charges against the farm products raised by two-third of the farm families of the Nation are approximately $1,000,000,000 annually, or over 10 percent of the total gross value of the farm products raised by all the farmers of the Nation.

Certainly such tremendous assessments are not justified by the Christian principles which underlie our civilization.

FARM CHARGES GIVEN AS BASIC CAUSE OF ECONOMIC DEPRESSION

Herein, my fellow Democrats, lies the basic reason for the present economic crisis. It is the simple fact that the purchasing power of the raw products is lost to the farmers who produce them. These farmers, under present economic conditions, are unable to exchange the full value of their new wealth for the finished products.

The vast amount of raw products which has been forced into the markets of the Nation annually in order to pay this stupendous sum of $1,000,000,000 without the producers receiving any benefits in exchange, has resulted in the accumulation of tremendous surpluses of both raw and finished products.

At the same time it has created a condition of starvation in the midst of plenty, such as we have witnessed during the last few years.

This unfair economic condition has driven the farmers to despair, and they can never possibly recover their rightful position without the aid of the Government.

Unless they are restored to their proper place in the economic structure of our Nation there can be no hope for the continuation of our free institutions.

And our Government, as based upon the ideals of Jeffersonian Democracy, shall perish from the earth.

FARM HOMESTEAD BILL PRESENTED AS REMEDY

Recognizing these facts, and in a sincere effort as your Congressman to eliminate this unwholesome condition, I have introduced in Congress a measure which embodies the principle upon which this problem can and shall be solved.

This bill, H. R. 8286, is known as "An act to provide homesteads free of debt for actual farm families."

In this measure I have presented to the American people the framework around which can be built the only permanent solution for our farm problem that is in complete harmony with the ideals of Jeffersonian Democracy.

I propose that the Federal Government shall liquidate the farm debts of the Nation and give back to deserving farm families adequate homesteads free of debt, protecting them from again being mortgaged or encumbered.

I propose that this Government, which so liberally gave $20,000,000,000 toward protecting and rehabilitating the people of Europe, and which so readily gave $10,000,000,000 to meet the crisis through which we now pass, now proceed to invest sufficient sums to permanently restore the mudsills of free government by lifting the farm mortgages of the Nation and making the farmers again a group of free and independent people earning their honest living by the sweat of their brow.

Let us return to the sound principles of the old Mosaic laws, which point to a program of land redemption as a true solution of this national economic problem.

Return to our farmers their homes free of debt and again we shall become a healthy and prosperous Nation.

PROVISIONS OF BILL EMBODY PRINCIPLE OF JEFFERSONIAN DEMOCRACY

There is nothing new in this proposal.

It is the simple application of pure Jeffersonian Democracy to a vital public problem which threatens the life of the Nation.

I do not ask special privileges for the farm families, but only an opportunity to earn an honest living. Not special favors, but the God-given right to live in equality with all men.

All the other members of the American economic family, save agriculture, the most important of them all, have received permanent treatments at the hands of the Democratic Party and are now well on the road to recovery.

It is our task, young Democrats of Georgia, to now apply the principles of true Jeffersonian Democracy as a sure and permanent cure for the present diseased condition of agriculture.

APPEALS TO YOUNG DEMOCRATS TO RALLY TO CAUSE OF ECONOMIC FREEDOM FOR FARMER

I am proud of an opportunity to fight with you in this just cause.

Here on the sacred soils of a great State founded upon the proposition that the shackles of debt shall never stifle the freedom nor destroy the liberty of humans born equal in the sight of God we have the opportunity to rededicate ourselves to this principle of human justice.

The opportunity to serve humanity which confronts us today is equal to that which faced the master minds who framed the Government which has made our liberties secure for over a century and a half.

The true pathway of the future lies not in the ways of communism, socialism, or despotism.

The true course lies in the ways of true Americanism, the intelligent application of the principles of true Jeffersonian Democracy to the problems before us.

Our task, young Democrats, is not destruction but perfection.

FARMERS TO NOT ENVY OTHER GROUPS

We do not envy these groups which have possibly made greater strides than the farmers in solving their problems and securing for themselves a greater degree of economic justice.

We rejoice in their progress and have always been loyal in support of their just demands.

However, the American people must recognize that the industrial forces of the Nation cannot continue to grow and expand at the expense of agriculture.

All groups must move along on an equal plane in a condition of normal prosperity if we would see our institutions grow stronger and our people maintain their freedom.

The problem of the farmer is the Nation's problem. And it is the sacred duty of our great Democratic Party to devote its energies toward a solution of this problem.

FREE INSTITUTIONS BUILT ABOUND HOMES FREE OF DEBT

The home is the unit of our Christian civilization.

Our free institutions are of necessity built around free homes occupied by free citizens.

The way which I am pointing out to you today, my fellow Jeffersonian Democrats, is right. It is just. It is the American way. And it is in harmony with the eternal laws of nature and the divine laws of God.

The young Democrats of the great First Congressional District of Georgia are capable of leading to victory in this fight for the

freedom of 6,000,000 farm families and the safety of our free institutions.

It is our privilege here today to lead in the fight to restore to free American citizens their homes free of debt, and to join hands with our forefathers who have bequeathed to us our Christian institutions in striving toward the fulfillment of the day prophesied by the saints of old "when then shall sit every man under his vine and under his fig tree; and none shall make them afraid."

NATURE AND EXTENT OF LEGISLATION THAT WILL PROBABLY BE CONSIDERED BY THE SEVENTY-FOURTH CONGRESS, SECOND SESSION

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address delivered by the Speaker the other day.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. TAYLOR of Colorado. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of the Honorable JOSEPH W. BYRNS, Speaker of the House of Representatives, speaking in the National Radio Forum and broadcast on a coast-to-coast network of the National Broadcasting Co. on December 30, 1935.

The Speaker outlined his ideas concerning the nature and extent of the legislation that will probably be considered during this second session of the Seventy-fourth Congress. He made a conservative and statesmanlike address that I am sure the country will appreciate and will deem worthy of preservation in the CONGRESSIONAL RECORD. The text of the Speaker's address is as follows:

The second session of the Seventy-fourth Congress will convene January 3. A number of important measures are now awaiting consideration, and future development may make it essential to consider others before the session adjourns. Those who are familiar with the course of legislation do not feel that any of these measures will justify long-drawn-out discussion. Certainly, there will be no excuse for such delay in their consideration as will unduly prolong the session. I wish to emphasize now that any such delay will be influenced by political reasons and will not serve the best interests of the country. The administration has already expressed its hope for an early adjournment, and I feel sure that this will coincide with the wishes of Congress.

Had not the Constitution been changed with respect to the convening of the Congress, all legislation which it might be necessary to consider at this session would have had to be passed on during a 3-month period. I can see no reason, therefore, why all essential legislation cannot be fully, fairly, and deliberately considered within that time limit. Certainly, it seems to me that Congress should be able to adjourn during the month of April or the first part of May at the latest. I have no reason to anticipate that Members will permit political considerations to prevent an early adjournment. There is no doubt that this will meet with the hearty approval of business throughout the country and of the people generally.

First and foremost in the legislation which must be considered are the regular annual supply bills. There are nine of these appropriation or supply bills plus the customary deficiency bills, and including the deficiency bill which failed of passage at the last session because of the filibuster in the Senate. Until the President forwards his Budget message, which will be done as soon as Congress assembles, it will not be possible to indicate the amount of the Budget recommendations. Under the direction of the able and efficient Chairman BUCHANAN, members of the important Appropriations Committee have been in Washington during the month of December conducting hearings, and my understanding is that several of these bills will be ready for consideration when Congress convenes.

SEES CUT IN APPROPRIATIONS

Despite the fact that there is some criticism of the growth of expenditures in recent years, I have no hesitation in prophesying that at the close of the coming session it will be found that there has been a reduction in appropriations for the next fiscal year, considerably below those which were made for the present fiscal year, and which, in my opinion, represents the peak of the administration's financial efforts to restore normal prosperity to the Nation. The fact of the business is that those who criticise expenditures strangely fail to make a distinction between expenditures for the current or ordinary operations of the Government, such as were made before the period of the depression and unemployment, and those made necessary by the depression to take care of the needy unemployed and their families, restore agriculture, increase the purchasing power of the people, and bring business and industry back to normalcy. It should be further said in defense of the Congress which voted these sums (and they were supported by both political parties) that critics seldom call attention to the fact that a great part of these appropriations are self-liquidating. They consist of large loans made by the Reconstruction Finance Corporation to faltering banks. Many of them needed help to prevent threatened utter collapse of the entire banking system, and they got it. The result is that banks are now on a sound and stable basis with a restoration of the old-time confidence of the people in their soundness.

Then there were loans made by the Reconstruction Finance Corporation to railroads threatened with bankruptcy, insurance companies, and other industries scattered over the country. There were increases in loans made to farmers by the Federal land bank to enable them to save their farms and to home owners for the same purpose. Advances have been made for rural resettlement, slum clearance, and to other agencies which provide work for the unemployed, and have brought about desirable improvements in various parts of the country. With returning prosperity—which is now at hand—practically all of these sums will be repaid with interest within the period fixed and will eventually be applied to the retirement of the bonds issued to provide the necessary funds.

The other expenditures—and they have been considerable—represent money which had to be advanced to feed the starving and clothe the naked during the days when it was impossible for millions of deserving citizens to secure work in order to provide for themselves and families. These are certainly not to be classed as expenditures for current, ordinary, and necessary operations of the Government. I venture to say that an investigation will show that the appropriations for current and ordinary operations of the Government, as they were known before the period of the depression, have been considerably decreased rather than increased.

OBLIGATION OF GOVERNMENT

Heretofore those who are unfortunate and who have needed help have been taken care of by local agencies and institutions supported by the local communities and by private charities. But the demands increased to such an extent during the depression and were of such Nation-wide scope, due to unemployment, that the Federal Government was confronted with this plain Christian duty which it had to assume. Enormous sums of money have been and are still being required to meet this obligation. With the return to normal conditions, the States and local communities should resume this obligation, which distinctly belongs to them, and care for those in their midst who actually deserve and need help. This cannot be regarded as a Federal function except in case of a national emergency.

I have referred to all of this in some detail simply to show that we may expect a continually reducing Budget and that business can have no reason to fear increased expenditures in the future. Certainly if there is proper cooperation on the part of capital and industry. The first legislative bill of major importance to come before the Congress will be the bill providing for the payment of the adjusted-compensation certificates, commonly known as the "bonus" bill. I think some measure of this kind will be passed by the Senate and the House during the month of January. There is an overwhelming sentiment in its favor in both Houses. It will be remembered that the so-called Patman bill finally passed the House and Senate by large majorities at the last session. It was vetoed by the President. The House voted to override the veto by a large majority, but the veto was sustained in the Senate by nine votes. Many leaders in both parties have declared that a bonus-payment bill will be enacted into law at the coming session. There is no doubt about this, if the contending forces in favor of the different bills get together and agree upon a measure. No one, of course, is qualified or authorized to speak on the subject of veto. That is a matter for the President alone, and I do not presume that he would permit himself to reach any conclusion as to the action he may take in the event such a bill is again passed by the Congress until it has been actually passed and the President has an opportunity to examine its provisions. No one can say what the result will be. Speculation, therefore, appears to me to be not only of no value but improper under the circumstances. It is very certain that the payment of the bonus bill will be an issue and a more or less disturbing factor in legislation until it is paid. As one who has unhesitatingly followed the President on the subject, I hope it may be possible to agree upon some bill which will at least in a measure reconcile the different lines of thought.

Another measure which will undoubtedly come forward early in the session will be a bill to extend the present neutrality law, which expires the latter part of February. This law was passed to preserve our peace with the world and to prevent our Nation becoming involved in conflicts which may arise among other nations, and in which we have neither voice nor personal concern. The chief issue which it appears will be involved and which will doubtless provoke discussion is whether the President will be vested with discretionary powers, or whether the terms of the law shall be made mandatory in the placement of embargoes on the shipment of materials which may be regarded as an aid to warring nations. It is not my intention in these remarks to discuss controversial matters of legislation, but I trust I may be permitted to say that, speaking, of course, for myself alone, I believe it will be a grave mistake to pass a mandatory law on the subject specially as to commodities. I believe the discretion should be left to the President to determine what shall be the subject of embargo and when and where it should be applied. To do otherwise, it seems to me, would be a grave mistake, and I say this as one who favors keeping the country at peace and one who would do anything short of surrendering our national honor or the loss of our own self-respect as a Nation to insure peace. There are several reasons which cause me to feel this way. It will be impossible for me to present them here. Let me say, however, that I can foresee the possibility of serious injustice being done our own trade in many products and materials which are of vital concern to our people, without in any way helping to restore peace among warring nations. The embargo might have to

be applied when Congress was not in session or immediately if Congress is in session. I think it important that discretion should be vested in someone to act in the light of what other nations are doing, and what is the best interest of our Nation, and not to bring about a situation whereby, under mandatory provisions, our trade may be put at a disadvantage and we would fail to receive trade benefits all other nations are enjoying. The only real objection made to the vesting of this discretionary power in the Chief Executive, other than the old one of "too much power in one man", is that it would afford an opportunity to a President to involve us in foreign conflicts and possibly war. This is ridiculous in the extreme. Why should anyone be so much alarmed over merely giving to the President discretionary power over embargoes to belligerent nations when, under our Constitution, he has by far greater powers as Commander in Chief of the Army and Navy and could involve us in war any time if he so desired?

STRONGER NATIONAL DEFENSE

There will undoubtedly be some discussion and possibly action will be taken toward strengthening our national defense. The disturbed conditions in various parts of the world make it very certain that this subject will be brought to the front in some very definite way, perhaps in the War and Navy appropriation bills. One powerful nation has its armies now on the soil of another less powerful, and frankly avows its intention of taking over control of all or a portion of the smaller nation's territory for its own purposes. Another powerful nation in the Far East, by force of arms and intrigue, is gradually dismembering the extensive empire of one of the most peacefully inclined of all the people of the world, and there are disturbing rumors of other complications which threaten the peace of the entire world.

The horrors of the World War seem to have been already forgotten by some of the nations of the world. What should be the disposition of our country in view of the turmoil and warlike demonstrations to the east and the west of us? Happily it has determined to steer clear of these foreign quarrels and entanglements. I do not subscribe to the sentiments recently expressed to the effect that war is probable between our country and one of these nations. Even if, as was alleged, that nation were so disposed, it has troubles nearer its own border which must first be looked after. I do not believe that there is any immediate danger of our country becoming involved in any of these or other foreign complications. Our people are opposed to war and will not look with tolerance upon anyone who seeks to involve our Nation in the conflicts of other countries. There is a very strong feeling, however, that this country should be prepared for any unexpected eventuality and that it should be second to none in its defenses; that the surest way to guarantee our peace is to be ready for any contingency. I am frank to say that I am in sympathy with this view.

We have an extended coast line both on the East and the West, and are open to attack either from the sea or the air on all sides. I am perfectly well aware that there are a good many loyal citizens who do not agree with this view, and who feel that we should really decrease rather than increase our armaments for defense, but I have always believed that reasonable preparedness, so long as other nations are increasing their armaments, is the best and surest guaranty of peace. Certainly so long as the present unrest and warlike conditions prevail, it seems to me that we should keep our land, air, and naval forces up to the proper standard and be unsurpassed in our ability to protect ourselves in the event of attack. We all hope, of course, that the time to advocate such action is when other nations for one reason or another are increasing their fighting strength.

One question which is agitating the public mind at the present time is the Townsend old-age-pension plan. Undoubtedly this movement has gained strength in certain portions of our country and efforts will be made in the coming session to bring it to the front. The proposal to pay $200 per month to a person when he reaches the age of 60 years is an attractive one and enlists many supporters who do not stop to consider the difficulty and the impossibility of financing. Its supporters have proposed a 2-percent tax upon all transactions which would greatly increase the cost of living for the masses of people, and at the same time would, so the experts tell us, fall far short of raising revenue necessary to take care of the tremendous obligation which would be imposed by the passage of the Townsend plan. It is said that the passage of such a law would cost $24,000,000,000 annually, or about one-third of our total national income, which is to be paid to only 7 percent of our population. It hasn't any chance of passage. The Congress, at the last session, passed an old-age-pension bill. It is to be administered in cooperation with the States, which should properly share in the responsibility of caring for those who in their old age find it impossible to get along without help.

LAUDS A. A. A. RESULTS

There will be legislation on other subjects to which I have not alluded. Other measures may be made necessary by future developments. Several of the so-called New Deal measures are now being tested in the Supreme Court. Among these is the A. A. A., which has rendered such signal and outstanding service to the agricultural interests. It is to be hoped and is expected that this act will be sustained. If not, Congress will undoubtedly feel the necessity of passing an amended act because of great good accomplished for agriculture in restoring fair prices to the farmer. It has been one of the most helpful of all the so-called New Deal legislation. Conditions prevailing at the present time are quite different from those prevailing a year ago when Congress met for its first session. At that time there was a hope that amounted to a certainty upon the part of a great many that recovery was at hand. Everything pointed to the return of prosperity, but it was not actually in sight. Today there can be no mistake. To show that the New Deal has not been the failure as pictured by some, let us read from an editorial which recently appeared in an important newspaper as to business this year: "General Motors cuts a holiday bonus of $5,000,000 for 200,000 employees, and many other corporations do likewise in ratio to their increased earnings." "Farmers' cash income has increased 86 percent, and rural retail sales have advanced 95 percent since the spring of 1933." "United States exports in November were 22 percent larger than in October and 38 percent larger than in November of last year." "In New England business volume was from 10 to 15 percent above last fall." "December retail sales are running nearly a half billion dollars above sales of December 1934 and nearly a billion above sales of December 1933." "November building construction was 89 percent better than the same month last year, and residential construction was up 129 percent." "The number of jobs filled by workers rose in the year from 38,700,000 to 40,000,000. Wages and salaries rose correspondingly. Stock dividends increased about $250,000,000, and the value of stocks held by investors rose 11 billions." "People with savings deposits possess about a billion dollars more than last year."

It might have been added that there was hardly a class of business which did not show a greater output than during any year since 1929 and that reports from all over the country show that the sales during the present Christmas have been greater than at any time during the past 7 years. Yes; recovery is here. It has come so quickly since it first started that many who are now enjoying its benefits seem to have entirely forgotten the manner in which it was accomplished.

THE SO-CALLED "BONUS"

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio speech to be made this evening at 7 o'clock.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, permission having been granted, I insert herewith a speech I delivered over the National Broadcasting Co.'s radio hook-up Friday evening, January 3, 1936, at 7 o'clock, eastern standard time, on the question of paying the adjusted-service certificates, as follows:

Ladies and gentlemen, I desire to thank the National Broadcasting Co. for the generous use of its facilities.

The second Monday after the meeting of this Congress, which is January 13, it will be in order for a motion to be made that the House of Representatives immediately consider H. R. 1, the Patman bill, to pay three and a half million World War veterans the remainder due on their adjusted-service certificates, or so-called "bonus." It will require about $2,000,000,000 to make this payment after deducting the principal of prior loans. Under the rules of the House of Representatives, the Speaker will recognize me at that time, in view of the fact that a majority of the Members of the House have heretofore signed a motion for that purpose.

ONE HUNDRED AND FIFTY HOUSE MEMBERS JOINT AUTHORS

It is a matter of small concern to me or to the veterans whether I am the author of the particular bill that pays the debt. It is not pride of authorship that we are interested in. At least 150 Members of the House of Representatives are just as much entitled to be known as joint authors of the Patman bill as myself. For many years we have all worked together on this proposal. For several years in the House I have been aided and assisted by a steering committee. This committee is composed of the following Members:

ABE MURDOCK, of Utah, secretary; ADOLPH J. SABATH, Illinois; JAMES G. SCRUGHAM, Nevada; ARTHUR H. GREENWOOD, Indiana; WILLIAM M. COLMER, Mississippi; JENNINGS RANDOLPH, West Virginia; CLARENCE CANNON, Missouri; WILLIAM P. CONNERY, Jr., Massachusetts; WILLIAM M. BERLIN, Pennsylvania; FRANK HANCOCK, North Carolina; JED JOHNSON, Oklahoma; JAMES P. RICHARDS, South Carolina; GERALD J. BOILEAU, Wisconsin; ANDREW J. MAY, Kentucky; FRED H. HILDEBRANDT, South Dakota; MARTIN F. SMITH, Washington; MARTIN DIES, Texas; JOHN E. MILLER, Arkansas; GEORGE A. DONDERO, Michigan; PAUL J. KVALE, Minnesota; ROY E. AYERS, Montana; and myself, chairman.

I am personally greatly indebted to the members of this committee for their very able, loyal, and effective support in this cause. Without this good steering committee, success would not have been possible. Our committee will refuse to be involved in a fight over authorship.

DEBT PAST DUE

It is my belief that any fair-minded American citizen can be convinced that this debt should be paid now. During the last 6 years I have gone into every State in the Union and visited all the principal cities in support of this legislation. There has been an increasing tide of public sentiment in its favor. In 1931 our strength was sufficient to enable the veterans to obtain a 50-percent loan. In 1932 our bill to pay in new money received 211 votes of the 435 in the House. In 1934 it received 295 of the 435 votes. In 1935 it received 318 votes of the 435 votes in the House. In the Senate its strength has also increased, our bill having received only 18 votes in that body in 1932 out of 96

Members. It received 31 votes in 1934 of the 96, and 55 votes—or 9 short of a two-thirds majority—in 1935. Remember that during this time except in 1935 there has been only one bill that has been insisted upon before Congress and before the country. That was a bill to pay the debt in new money, based upon an adequate gold reserve, without inflation and without issuing bonds or levying taxes. Although our bill received 75 percent of the combined votes of the two Houses of Congress during the last session, it lacked nine votes of receiving a two-thirds majority—sufficient to override a Presidential veto—in the Senate. This year I predict that any bill that does not levy new taxes will receive more than a two-thirds majority, whether it is our proposal to pay in new money or any other proposal. The bill that passes Congress will become a law.

THREE MAJOR VETERANS' ORGANIZATIONS AGREE

The national commanders of the American Legion, Veterans of Foreign Wars, and Disabled American Veterans have been in conference here the last few days. They have agreed to support a bill which was introduced today by Congressman VINSON in the House, which proposes to authorize an appropriation to be made to pay the balance due on these certificates. It will allow the ones who desire to keep their certificates to receive 3-percent interest on what is due from the time the bill is enacted. In other words, the Government will issue bonds to them instead of paying their money. The bill is substantially like the Vinson bill of last year except this change.

OUR GROUP WANTS METHOD CONSIDERED

The Steering Committee for H. R. 1, the Patman bill, had a meeting and agreed that we should like to go along with this proposal if we could get consideration of our method of payment when the appropriation is considered after this bill becomes a law, if it should become a law. The rules of the House, however, are against us and we cannot support the legislation without foregoing the only opportunity we have of getting our method of payment considered. Therefore, the supporters of the Patman bill had a meeting in the caucus room this morning and decided that we would make every effort to get consideration of our plan of payment on any bill that is presented to Congress, although we did not go on record against any other bill. In other words, we are all agreed on the first objective—full and immediate cash payment without reduction of interest on loans. Our group has a secondary objective, that is, the payment in Government currency without the issuance of more bonds or the levying of more taxes. The Vinson bill will require $2,000,000,000 in bonds to be issued.

AUTHORSHIP NOT MATERIAL

It is my understanding that an effort is being made by the Vinson bill supporters to get it considered in the House before our bill is considered on January 13. If the effort, which I shall not oppose, is successful, I will be deprived of the authorship of the measure. This will not meet with disapproval from me. I do not object to any other Member of Congress having authorship of this measure and I shall continue to fight just as hard for full and immediate cash payment regardless of who is the author of the bill.

SOLDIERS RECEIVED FEW CENTS A DAY

When we entered the World War in 1917 a Selective Service Act was passed which required young men to serve their country. Their pay was fixed at $1 a day for home service and 10 cents more each day for service overseas. The soldier did not actually receive the amount promised him—$30 a month. If he had dependents, he was usually forced to allot $15 a month of his pay to his dependents. This caused a deduction of one-half of his pay at the end of the month. He was also forced to pay for insurance, averaging $6.60 a month, which was likewise deducted from his pay. He paid for altering and mending his clothing and shoes; barber bills; laundry bills; and other incidental bills. When these deductions were made the average soldier received a very small sum, if anything, at the end of the month. It is true that the Government paid for his maintenance. Secretary of War, Newton D. Baker, testified before the House Appropriations Committee in 1918 that it cost the Government $154 a year for maintenance for each soldier, including food and clothing. This was less than 50 cents a day. Without further argument one is convinced, in view of these facts, that the soldier received but a few cents a day for his services.

In 1924 Congress passed a law to adjust the pay of the World War veterans. It was agreed in this law that each veteran should receive another $1 a day for each day he served in this country and $1.25 a day extra for each day he served overseas. Add this amount to the amount a soldier has already received, including his maintenance, and it will make approximately $2.50 a day, including food and clothing, that the Government is paying each soldier for his services. Contrast this with the $8 to $20 a day received by civilians.

INTEREST FOR 7 YEARS IGNORED

The 1924 law which confessed the $1 a day extra to each veteran contained one serious mistake. It omitted 7 years' interest. Mr. Andrew Mellon, Secretary of the Treasury, on January 28, 1931, when testifying before the Committee on Finance in the United States Senate, stated that, in computing the amount which was due each veteran, 7 years' interest was entirely ignored. This testimony may be found on page 62 of the hearings. I was present and heard the testimony. The 1924 act, instead of paying the veterans in cash the small, measley amount that was promised them as of the time they rendered the service, caused each veteran to be permitted to accept an adjusted-service certificate payable on January 1, 1945. Although the debt is payable in 1945, it is really past due as a matter of right and justice, because the 7 years' interest was ignored and the Government failed to allow 6-percent interest as it allows all others under similar circumstances, instead of 4-percent interest. After the war, income-tax payers had $3,000,000,000 refunded them on flimsy showings that they were entitled to it for depreciation in the value of properties, etc. On each refund, 6-percent interest was allowed, which is customary for the Government to pay. The soldiers are entitled to as much. They are not asking for more.

BABY BONDS

The United States Treasury is now selling baby bonds. The face amount of the bond is due in 1945 if purchased in 1935. Suppose the holder of one of those baby bonds should in 1945 discover that 7 years' interest had been omitted in computing his bond, and according to its terms he would not receive the full amount until 7 years later, or 1952. In such a case he would be entitled to ask for a revision of the terms of his bond in order that he may not be deprived of the 7 years' interest. This is exactly what the veterans are doing today. In calculating the amount due these veterans, 7 years' interest was ignored.

DEBT DUE IN 1931

If we will now correct the mistake that was made in 1924 and adjust the interest for the veterans so as to give them the same consideration—and no more—that all others received as interest on contracts growing out of the World War, each veteran is entitled to an amount equal to the full face of his certificate on October 1, 1931. In other words, we are merely asking for the $1 a day that Congress confessed, with a reasonable rate of interest from the time the services were rendered.

BANKERS GREATLY BENEFITED

No group in America has been helped more since March 4, 1933, than the big banking group, yet they demonstrated monumental gall and gross ingratitude at the recent New Orleans Convention of the American Bankers' Association and are now trying to chisel in on the payment of this debt. Let me tell you the benefits the banking group has received during this period:

(1) All the banks were closed on March 4, 1933. They owed the people $40,000,000,000, and had in their vaults only $1.75 for every $100 owed. Congress passed a law allowing the bankers to put up any sort of paper, collateral or no collateral, even their own demand notes, and get money printed on them in order that their doors might be opened. The credit of the Nation was being used absolutely free by the bankers, and they only paid 27 cents per thousand dollars for printing the money.

(2) All deposits of $5,000 or less have been guaranteed by an agency of the Government, the Government paying $300,000,000 of what can be termed the initial premium and the banks only $39,000,000 of the premium.

(3) The Government purchased half the stock in practically all the banks. This stock is tax-exempt. This has enabled the banks to get a 50-percent tax reduction during the depression, which no other group received.

(4) A law was passed relieving the banks of the obligation to pay interest on demand deposits, thereby saving them more than $250,000,000 a year.

(5) The Government has delivered to them Government bonds, tax-exempt, interest-bearing, for a bank's credit, which enables them to collect three-fourths of a billion dollars a year in interest from the Government, representing a pure bonus, subsidy, or gratuity.

BANKERS' DOLE

Therefore, the banks of the Nation during this depression have received a 50-percent tax reduction, a saving of $250,000,000 a year interest on demand deposits, collecting $750,000,000 a year interest on Government bonds that they are holding, enjoying a guaranty of their deposits practically at Government expense, and using the credit of the Nation absolutely free. The bankers have been and are now enjoying a Government dole equal to more than millions of poor and unfortunate people receive annually.

Considering all these benefits, the banking group has been well taken care of, and I see no reason why Congress should give them an additional "rake-off" or "grab" of $2,000,000,000 in order to pay a just and honest debt of $2,000,000,000 to the veterans of the World War.

HOUSE BILL 1 FOR IMMEDIATE PAYMENT

Our bill, H. R. 1, provides that each veteran who holds a certificate will get the remainder due him in cash immediately. Prior loans received on his certificate will be deducted, but no interest to be deducted on loans after October 1, 1931.

Government currency will be issued to pay the debt, and, as this form of Government currency is paid to the veterans, the Secretary of the Treasury is authorized, if he desires, to retire from circulation another form of Government currency—Federal Reserve notes—equal to the amount paid the veterans. This provision removes any chance of inflation, because as one form of money is paid to the veterans another form of money is retired. Therefore, the circulating medium will not necessarily be increased by one dollar. Anyone who charges that the bill is inflationary is either misinformed, uninformed, or is deliberately misrepresenting the facts. A bond bill that the bankers want will be inflationary.

MAY BE PAID IN GOLD

The daily statement of the United States Treasury today discloses that the Government has on hand more than $10,000,000,000 in pure gold and more than $1,000,000,000 in silver. According to existing law, the title to all gold is in the Government of the United States. Therefore, the Government possesses enough gold to set aside a 100-percent reserve to take care of all outstanding money and to then set aside $2,000,000,000 to pay the remainder due the veterans 100 cents on the dollar in gold, and still have more than $3,000,000,000 in idle gold and $1,000,000,000 in idle silver. In view of these undisputed facts, how can one contend that it would not be idiotic and imbecilic for the Government to issue more tax-exempt, interest-bearing bonds to pay the debt owed to the soldiers? If the debt is not paid in the manner we propose, it will take more bonds and more taxes to pay it. Practically all the $4,800,000,000 appropriated for public works has been allocated; only a very small sum remains in this fund. Therefore, the debt cannot be paid from this fund. A question remains: Will we pay the debt in Government currency, based upon a 100-percent gold reserve, or will we issue more nontaxable, interest-bearing bonds to pay it? Notice has been served on us by the administration that the bill providing for the payment must provide for the means of payment. Our plan is a sensible, sane, and reasonable plan. It will require neither bonds nor taxes to make the payment. If there is objection to printing the money based upon the gold, as Congressman RANKIN, of Mississippi, has pointed out, the payment can conveniently and safely be made in pure gold.

WEALTHY ESCAPE TAXATION

There are outstanding today tax-exempt obligations issued by the Federal, State, county, and city governments amounting to more than $50,000,000,000. The people who hold these obligations do not pay taxes on them. We are rapidly going in the direction of permitting the people who own the wealth of this Nation to go scot free of any sort of a tax and compelling others to pay taxes on what they owe and what they consume, in order to support our different governments. The issuance of nontaxable, interest-bearing bonds must be stopped. The time is opportune—it is now! The big bankers will object. They want their "drag" or "rake-off" on every debt or they will oppose the payment of the debt. Now is the time to start in the direction of the Government's issuing its own credit within limited bounds and reasonable limitations, according to the Constitution of the United States, instead of the Government's paying the bankers for the use of the Government's credit.

No longer should we permit the credit of this Nation to be farmed out for the use and abuse of a few big bankers.

PAYMENT NOW WILL HELP ENTIRE COUNTRY

In conclusion, may I repeat that the debt to the veterans is past due because 7 years' interest was ignored in computing the so-called "bonus" certificates; that the full amount should be paid now without deducting interest on loans since 1931? This will require the payment of $2,000,000,000 to the veterans, which will go into every nook and corner of the Nation. It will be new and added purchasing power that will quickly flow into the channels of trade and production and not only help the veterans, but help everybody. The payment can safely be made without bonds or taxes. It can even be made in pure gold, and the Treasury will still have sufficient gold to redeem all outstanding money and have on hand $4,000,000,000 in idle gold and silver. I hope those of you who are interested in this subject will let your Congressman and your Senator know whether you prefer this payment to be made in nontaxable bonds which will require taxes to be levied to pay the bonds and will permit the bankers to get a $2,000,000,000 bonus while the veterans are getting paid a $2,000,000,000 debt or whether you desire the payment to be made in Government currency based upon an adequate gold reserve and cause to be placed in circulation $2,000,000,000 which no one will be paying interest on while it is in circulation. Our first consideration is full and immediate cash payment. That is our first objective. We are secondarily interested in the method of payment. We believe that we can serve our country best by suggesting a method of payment that will not cause the imposition of more taxes or the issuance of more nontaxable interest-bearing bonds.

BEWARE

Beware of a contemplated bill that will substantially reduce the amount due and cause the payment to be made in dribs.

PERMISSION TO ADDRESS THE HOUSE

Mr. ZIONCHECK. Mr. Speaker, at this time I ask unanimous consent to make a remark or two, probably only a sentence or two, and to have the Clerk read a letter written the other day by my secretary, in my absence, to Dr. Townsend. I think it is a very good letter and I feel that the House is entitled to hear it.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

Mr. FULLER. Mr. Speaker, I object.

LEAVE OF ABSENCE

Mr. KOPPLEMANN. Mr. Speaker, I wish to announce the unavoidable absence of my colleague the gentleman from Connecticut [Mr. CITRON], who was taken ill a few weeks ago while visiting in Moscow. He is still confined to a hospital there, but I am informed by his office that he is rapidly recovering and it is expected he will resume his duties here by the middle of January. I ask that this leave of absence may stand until further notice.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

THE LATE HUEY P. LONG

Mr. FERNANDEZ. Mr. Speaker, I offer a resolution, which I send to the desk.

The Clerk read the resolution, as follows:

House Resolution 378

Resolved, That the House has heard with profound sorrow of the death of Hon. HUEY P. LONG, a Senator of the United States from the State of Louisiana.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

THE LATE HENRY M. KIMBALL

Mr. MAPES. Mr. Speaker, I offer a resolution, which I send to the desk.

The Clerk read the resolution, as follows:

House Resolution 379

Resolved, That the House has heard with profound sorrow of the death of Hon. HENRY M. KIMBALL, a Representative from the State of Michigan.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

THE LATE THOMAS D. SCHALL

Mr. KNUTSON. Mr. Speaker, I offer a resolution, which I send to the desk.

The Clerk read the resolution, as follows:

House Resolution 377

Resolved, That the House has heard with profound sorrow of the death of Hon. THOMAS D. SCHALL, a Senator of the United States from the State of Minnesota.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

PERMISSION TO ADDRESS THE HOUSE

Mr. SABATH. Mr. Speaker, I have just received a telegram from my colleague, the gentleman from Illinois [Mr. MCKEOUGH], who is today celebrating his silver wedding anniversary. He requests that I ask unanimous consent to have the wire sent me read, which gives the reasons why he cannot be here.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the telegram, as follows:

CHICAGO, ILL., *January 2, 1936.*

Hon. A. J. SABATH,

New House Office Building:

Press reports indicate Republican National Committee, with its usual unbecoming conduct exposing its woeful lack of understanding of the Constitution, despite its constancy of claim to the contrary, will attempt to deny the President of the United States the courtesy to deliver his message on the state of the Union at an hour which will better insure his being heard by the largest possible number of citizens to whom it was intended under the Constitution such annual reports should be made by attempting through those Members of the House of Representatives the National Republican Committee controls to defeat rule which may be submitted to the Membership of the House of Representatives to grant the President of the United States the courtesy of convening at such time as he may request. Will you be good enough to pair me in favor of such?

Rule in order that the record of roll call which may be required under the rules of the House will show that in my absence, due to my silver wedding anniversary in Chicago, I desire to avail myself of the best possible substitute to show my protest as a Member of the House of Representatives and a citizen of the disgusting partisanship which the Republican National Committee is exhibiting. If possible for you to accomplish, would appreciate your incorporating this telegram in the proceedings of the CONGRESSIONAL RECORD of January 3.

Thank you.

R. S. MCKEOUGH, M. C.



Mr. MARTIN of Massachusetts (interrupting the reading). Mr. Speaker, did the gentleman from Illinois make a unanimous-consent request with regard to a silver wedding anniversary? I think he secured permission under false pretenses.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. STEWART (at the request of Mr. HILL of Alabama), indefinitely, on account of death in his family.

To Mr. THOMASON, for 2 days, on account of important business.

To Mr. DUFFY, of New York, for 2 days, on account of illness.

To Mr. MONTET, for 10 days, on account of important business.

To Mr. CITRON, indefinitely, on account of illness.

To Mr. CARMICHAEL (at the request of Mr. HILL of Alabama), on account of illness in his family.

To Mr. HOBBS (at the request of Mr. HILL of Alabama), on account of important business.

AMERICAN MATERIALS FOR USE ON WORKS PROJECTS

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein correspondence between myself, the Secretary of the Interior, and the Chief of the Bureau of Public Roads.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, in the Federal works program which is now under way in the United States it is important that American manufactured materials be used. I desire to include the following correspondence between myself and Public Works Administrator Harold L. Ickes and officials of the Bureau of Public Roads on this subject:

NOVEMBER 13, 1935.

Hon. HAROLD L. ICKES,
Secretary of the Interior, Washington, D. C.

MY DEAR MR. SECRETARY: It has been brought to my attention that German manufactured steel is proposed for use in the construction of Public Works Administration bridges in New York and North Carolina.

Although it is my understanding that the contracts for this steel are being handled through private contractors, it is my opinion that the Federal Administration should be able to execute an order or, at least, a request which would be heeded whereby American steel would be used in the construction of projects where Federal funds are being expended.

As a member of the Labor Committee of the House, I am most deeply interested in the further reemployment of American workmen.

Sincerely yours,

JENNINGS RANDOLPH.

FEDERAL EMERGENCY ADMINISTRATOR OF PUBLIC WORKS,
Washington, November 23, 1935.

Hon. JENNINGS RANDOLPH,
House of Representatives, Washington, D. C.

MY DEAR MR. RANDOLPH: I have your letter of November 13 protesting against the purchase of German steel piling for use in constructing the Triborough Bridge.

It is not the intention, nor has it ever been the intention, of P. W. A. to permit the use of money voted by Congress for relief purposes to be used for the purchase of foreign materials on project construction. The order issued by this Administration relating to the use of domestic materials on P. W. A. projects requires the purchase of American materials in all cases except where the price of the American materials is unreasonable, as determined after comparison with the bids submitted on foreign materials. In an effort to fix a standard of reasonableness, certain differentials, by way of percentages, were established in favor of American materials. It was thought that these differentials, which are in addition to the tariffs, would preclude all foreign materials except in those cases in which the price of the American materials was exorbitant. On the other hand, in no circumstance does the order prescribed by this Administration require a contractor under a lump-sum contract to purchase foreign materials.

Nevertheless, you may be assured that this Administration has not and will not compel the Triborough Bridge Authority to approve or require the purchase of German steel for use in the construction of the Triborough Bridge. Furthermore, I am changing the order so as to provide that no foreign materials may be purchased on any P. W. A. non-Federal project without my express approval. That approval will be given only if the American bids are collusive or the prices are so unreasonably high as to justify the belief that advantage is being taken of the Government in administering its relief funds.

Sincerely yours,

(Sgd.) HAROLD L. ICKES,
Administrator.

NOVEMBER 27, 1935.

Hon. THOMAS H. MACDONALD,
Bureau of Public Roads, Willard Building, Washington, D. C.

MY DEAR MR. MACDONALD: I have heard it rumored that foreign-manufactured asphalt and cement are being used in the construction of Federal roads under the works-relief funds.

I trust that no such condition exists; but if there is any indication of such practice, I believe a thorough investigation should be made immediately. I am certain it is the intention of the Congress and this administration to use American-made products in the works program.

With kindest personal regards, I am,

Sincerely yours,

JENNINGS RANDOLPH.

DECEMBER 20, 1935.

Hon. JENNINGS RANDOLPH,
House of Representatives.

MY DEAR MR. RANDOLPH: Receipt is acknowledged of your letter of November 27, relative to the use of foreign-manufactured asphalt and cement in the construction of highway projects and grade-crossing projects financed with Federal funds apportioned to the States and administered by this Bureau under the Emergency Relief Appropriation Act of 1935.

Rules and regulations to govern the expenditure of the above funds were approved by the Secretary and by the Works Progress Administrator on July 8, 1935, and by the President on July 12, 1935, one set of rules and regulations being approved for the grade-crossing projects and another set for the highway projects. Section 17 in each of these rules and regulations relates to the use of domestic materials and reads as follows:

"All contracts for projects shall provide that in the performance of the work the contractor, subcontractors, material producers or suppliers shall use only such unmanufactured articles, materials, and supplies as have been mined or produced in the United States, and only such manufactured articles, materials, and supplies as have been manufactured in the United States substantially all from articles, materials, or supplies mined, produced, or manufactured, as the case may be, in the United States, unless articles, materials, or supplies of the class or kind to be used, or the articles, materials, or supplies from which they are manufactured are not mined, produced, or manufactured, as the case may be, in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality: *Provided, however*, That if the Bureau of Public Roads shall find that in respect to some particular articles, materials, or supplies, it is impracticable to make such requirement, or that it would unreasonably increase the cost, an exception shall be noted in the specifications as to those particular articles, materials, or supplies, and a public record shall be made of the findings which justified the exception."

The required special provisions which are a part of the specifications for each and every project submitted make an exception to the provisions of section 17 as follows:

"The contractor hereby warrants that all unmanufactured articles, materials, and supplies offered herewith have been mined or produced in the United States, and that all manufactured articles, materials, and supplies offered have been manufactured in the United States substantially all from articles, materials, or supplies mined, produced, or manufactured, as the case may be, in the United States, unless articles, materials, or supplies of the class or kind to be used, or the articles, materials, or supplies from which they are manufactured are not mined, produced, or manufactured, as the case may be, in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality. It has been determined with respect to asphaltic materials for highway purposes manufactured in the United States, that it is impracticable to apply the above requirements."

You will note that cement is not exempted from the quoted provisions of the regulations and the exemption as to asphaltic materials applies only to such materials as are "manufactured in the United States" from imported crudes.

Asphaltic materials, whether produced from domestic or imported crude, constitute the product of the second manufacturing process. In other words, crude oil which has been imported, as well as domestic oil, goes through the first manufacturing process by which the so-called primary products are taken off, such as gasoline, kerosene, and benzine, and the residue from which asphaltic materials are made is run into vats or storage tanks where it is held until orders are received for asphaltic materials, and it is then withdrawn and put through another manufacturing process, complete in itself, by which the asphaltic materials are produced. We do not consider that the exemption of asphaltic materials for highway purposes manufactured in the United States is in conflict with any legislative requirements on this subject.

The Bureau will give prompt and careful consideration to any specific instances of departure from the above regulations and special provisions which may be brought to its attention.

Very truly yours,

P. ST. J. WILSON,
Acting Chief of Bureau.

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include certain excerpts.

Mr. RICH. Mr. Speaker, reserving the right to object, what are these excerpts?

Mr. McFARLANE. They are certain excerpts in regard to matters that have occurred in my own district.

Mr. RICH. Are they newspaper articles?

Mr. McFARLANE. No; they are not newspaper articles.

Mr. RICH. What are they?

Mr. McFARLANE. They have reference to certain matters that have occurred in my own district with respect to a municipal lighting plant that we are trying to build at Wichita Falls, Tex.

Mr. RICH. Does the gentleman expect the Government to build a plant somewhere in Texas?

The regular order was demanded.

Mr. RICH. Mr. Speaker, I object.

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a very brief excerpt from a statement in the Boston Post by Mr. Kellogg, of Kellogg Corn Flakes, explaining the virtues of the 30-hour week in his concern.

Mr. RICH. Mr. Speaker, I object.

LEAVE OF ABSENCE

Mr. NICHOLS. Mr. Speaker, by reason of the unavoidable absence of my colleague the gentleman from Oklahoma [Mr. FERGUSON], I ask unanimous consent that he may be granted a leave of absence.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. CLARK of Idaho. Mr. Speaker, I ask unanimous consent for leave of absence for my colleague the gentleman from Idaho [Mr. WHITE] on account of his unavoidable absence due to automobile trouble in driving across the country.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

WOODROW WILSON

Mr. MARTIN of Colorado. Mr. Speaker, I ask unanimous consent to insert in the RECORD a brief eulogy by me on Woodrow Wilson commemorating his last speech, which was made in my home city, Pueblo, Colo.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. MARTIN of Colorado. Mr. Speaker, under leave granted by the House, I insert in the RECORD a eulogy on Woodrow Wilson delivered by me recently in the City Auditorium at Pueblo, Colo. The occasion of this eulogy was the installation in the building of a memorial tablet reciting the fact that in this building Woodrow Wilson, then President of the United States, in September 1919 delivered his last speech. The tablet was the work of the Woodrow Wilson Club of Pueblo, under the leadership of Mrs. Emma Hammond.

The eulogy is as follows:

It is with me always a solemn thought that in this building and on this platform Woodrow Wilson made his last speech. Here a great President of the United States appeared before his people for the last time. It marks this building as not only an historic but a sacred spot. It is highly fitting that a memorial tablet should be installed to publish to the world and to remind us of this dramatic national event, and the Woodrow Wilson Club of Pueblo is to be congratulated for this patriotic service.

I recall three of the outstanding events in the life of Woodrow Wilson which I was permitted to witness: His nomination for President at Baltimore; his inauguration as President in the Senate Chamber at Washington; and his last speech delivered from this platform in September 1919.

As he stood here he seemed to be in the full vigor and command of his mental and physical powers, but within an hour the physical man which supported his indomitable will had broken and the work of Woodrow Wilson was finished. The blade which could not be bent was broken. He paid with his life for one of the greatest ideals that ever stirred the mind and enthused the soul of a statesman, and he paid as truly as the soldier who falls on the field of battle.

I sat within a few feet of President Wilson and heard his last fervent and eloquent plea for the establishment of a world agency of peace between the peoples of the world. I have said that when he left this platform the work of Woodrow Wilson was finished, but it will never be finished so long as the great ideal to which he gave his life is unrealized among men. He was the prophet of a new order of relationships among the peoples and the nations of the world. It was not a new hope in the hearts of mankind, but it was given to him to be the voice of that hope in words still ringing round the world and which will ring down the generations so long as mass murder in the name of war between the nations finds a place among the activities of men. Woodrow Wilson has been in his grave for 14 years and today the great instrumentality of his wonderful mind is stirring the heart of the world with the hope that it may accomplish the end for which he designed it. Today it is not the scoff of cynics, but the hope of humanity, and if it fails, it will be the failure of humanity.

Woodrow Wilson was well fitted for the great role which fate thrust upon him. He was one of the two most scholarly men who ever reached the Presidency, the other being Thomas Jefferson. He was a profound student of history. He had a deep insight into causes and the relationships of the societies of the world. He had a mind unsurpassed in clearness and logic. After Secretary of State Robert Lansing left the Cabinet he wrote a series of four articles on Woodrow Wilson, and while the relationship between these two men had suffered under the stresses of those trying times, he did his former Chief justice. In one article he dealt with the part played by Wilson in the councils of what was known at Versailles as the "Big Four", representing the United States, England, France, and Italy.

These were the men who came to grips to make the final decisions in the settlement of the World War. Mr. Lansing said that after a discussion at the round table had disclosed the trend of thought of the "Big Four", Woodrow Wilson seized his pad and pencil and in scriptlike characters and with seldom the change of a word, put in final form in clear and simple English the composite thought of the group. His mind functioned with unerring precision, the result of an original endowment of brain, of will, and of character, brought to full fruition by a life of study, thought, and preparation.

Every man must have within him the intimations of natural religion and of faith in an overruling Providence. Mine is that when the hour strikes the man appears. I believe, as firmly as I believe anything, that George Washington was providential. The history of the Revolutionary War shows that at crucial times he carried the entire load on his shoulders, that Washington had only to lay down his sword and the Revolution was ended. I believe that Lincoln was providential, that that great mind and heart came forth from the processes that mold our destinies to save this great Nation in its supreme test. And I believe that Woodrow Wilson was a response to the age-long hope of mankind that war should give place to agencies of peace as the arbiter between the nations and the peoples of the earth.

Woodrow Wilson has been criticized for going to Paris. The wisdom and propriety of his venture is still a matter of controversy. But it is clear now that if he had not gone 60 nations would not be standing together today to avert another world cataclysm. It is claimed that he made too great concessions to get the Covenant of the League to those who were primarily interested in the spoils of war and that that was the price of the Covenant. But if the instrumentality which he created prevents another war, the price paid will not be too great. And if the League does not prevent another war, the war will come, not because of it, but in spite of it. Universal peace awaits the will, not of all men, but of enough men. They will tie up the dogs of war.

Woodrow Wilson has another side than that of the international relationships of nations He was one of three social-minded Presidents. Theodore Roosevelt was the first, and the man now in the White House is the third. I have heard it stated more than once that had not the World War intervened, Woodrow Wilson would have completed a program of social justice and reform which might have averted, at least in large measure, the disaster from which this country has not yet fully emerged. There is no difference in philosophy and principle between the Square Deal of Theodore Roosevelt, the New Freedom of Woodrow Wilson, and the New Deal of Franklin D. Roosevelt. Any apparent differences are merely due to the growth of the evil which brought these philosophies to the fore. Woodrow Wilson's work for social justice and reform as Governor of New Jersey made him President. It was his ambition to transcribe his statutes of New Jersey upon the statute books of the Nation. The present Congress has just strengthened the great instrumentality of finance he created, the Federal Reserve System. The seed he planted lives. It is growing nationally and internationally. It will continue to spread and the people will find greater shelter and security under its growth.

The first session of the Seventy-third Congress passed a resolution authorizing the President to cause the United States to be represented in the International Labor Organization, an agency to collect and disseminate information on labor conditions throughout the world. This Congress passed a small appropriation for the expense of the representation of this country in that Organization. It provoked a violent attack from Members of Congress who deal in international hate. This attack stirred me to a brief defense

of Woodrow Wilson. I can think of no more fitting conclusion to this eulogy than to quote the closing paragraphs of my remarks.

"Woodrow Wilson was eternally right and, as sure as the rising of the morning sun, time will vindicate him. He said he was playing for the verdict of mankind, and the verdict of mankind will be for him.

"Woodrow Wilson ranks with Thomas Jefferson as among those world statesmen who belong to the future of all peoples. Only America could give two such men to the world. Thomas Jefferson stated in final form the true relationship between man and government. Woodrow Wilson stated in form as final the true relationship between nation and nation. His enunciation of the right of the self-determination of peoples has already given the world new nations. His 14 points have given the world a charter of international relationships which will be studied and followed by statesmen centuries after the critics of Woodrow Wilson have all been forgotten. His is the one enduring name that came out of the World War. He lighted a new torch to guide the feet of mankind toward the goal of universal brotherhood, toward the day envisioned by the poet:

" 'Til the war drum throbbed no longer
And the battle flags were furled,
In the parliament of man,
The federation of the world."

THE MUNICIPAL LIGHT PLANT ELECTION AT WICHITA FALLS, FEBRUARY 8, 1936—SHALL THE PEOPLE RULE OR WILL THEY BE RULED BY THE POWER TRUST?

Mr. RICH. Mr. Speaker, I withdraw my objection to the request of the gentleman from Texas [Mr. McFARLANE], as I understand they are his own remarks.

Mr. McFARLANE. Mr. Speaker, I renew my request.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. McFARLANE. Mr. Speaker, the citizens of Wichita Falls, like those of many other cities throughout the Nation, have throughout the history of the city been paying exorbitant and unreasonable electric-light rates.

For years the city has been trying to secure a fair rate for electricity from the power company without success. So powerful are the utilities and other special-interest groups in Texas that no regulatory commission has ever been allowed to be created with proper authority to really regulate the rates of the utilities. Realizing the hopelessness of any relief from Austin, as soon as this administration came into power, and realizing that our great leader in the White House, Hon. Franklin D. Roosevelt, favored adequate regulation for the utilities, and in the absence of same, municipal ownership, as being the only other alternative to secure lower rates, the citizens of Wichita Falls made an earnest fight in the city election of 1933 and again in 1935, when they were successful in electing a city council whole-heartedly pledged to secure the erection of a municipal light plant.

MAYOR YOUNG'S ATTITUDE THEN

On January 12, 1935, I received the following telegram from Mayor Young:

Our city is very desirous of building a municipal light plant and securing Government loan for same. Please write us particulars regarding the proper steps for us to take immediately to try to secure these funds.

(Signed) JOHN T. YOUNG, *Mayor.*

To which I immediately replied that day, forwarding P. W. A. Circular No. 2, giving complete information concerning the necessary steps to be taken for filing application for a municipal light plant.

THE MAYOR AND THE CITY COUNCIL UNANIMOUS FOR MUNICIPAL LIGHT PLANT THEN

The mayor and the city council immediately employed well-qualified engineers and began the preparation of the city's application to be filed with the Federal authorities to construct a municipal light plant at Wichita Falls.

On February 2, 1935, the city council unanimously passed the following resolutions:

Whereas the City Council of Wichita Falls for months has been endeavoring to secure fair and reasonable light and power rates for the city of Wichita Falls from the Texas Electric Service Co. without any material success; and

Whereas the existing light rates charged the people of this city by such company are excessive and entirely out of line with the cost of production of such electrical energy, and it now appears that competition is the most effective weapon for securing adequate relief for the citizens and firms of Wichita Falls; and

Whereas Hon. Franklin D. Roosevelt, President of the United States, has asked all American cities which are desirous of building municipal light plants as a means for producing and supplying the citizens of such cities with fair and reasonable light rates, to apply to the Federal Government for financial help and assistance in promoting such municipal light plants: Now, therefore, be it

Resolved by the City Council of Wichita Falls, That we go on record as favoring the construction of a municipal light plant for Wichita Falls; that we secure the help and cooperation of the Federal Government in the construction and building of the same; and that we feel the people of this city have expressed by an election duly held for this proposition, an overwhelming endorsement of such a plan, and we call upon the citizens of Wichita Falls for their full help and cooperation in this matter.

CITY COUNCIL UNANIMOUSLY PASS ORDINANCE, AND MAYOR APPROVES SAME, FOR MUNICIPAL LIGHT PLANT

On the same day, ordinance no. 1193 was unanimously passed and approved by the city council and signed by the mayor, authorizing the city to issue its certificates of indebtedness to the Federal Government and pledge the income arising from said plant to pay for same. This ordinance, as shown from the application on file and the records in the city clerk's office at Wichita Falls, clearly shows that the application submitted by the city authorities is identically the same proposition that I have finally been able to get approved for the citizens of Wichita Falls, which they will be called to vote upon February 8, with these exceptions:

The original application was for a loan of $1,620,000, and a grant of $600,000, totaling $2,220,000. After a careful study the Federal authorities finally approved a loan of $1,260,000 at 4 percent, with an outright gift of $490,000. You will note the original application lacked $66,600 of requesting the 30-percent grant from the Federal authorities.

The next big difference between the application filed and as finally approved is the difference in the payments provided in the application as filed and the loan and grant as finally approved, which difference in payments is as follows:

Year	Application as filed	Application as finally approved
1936	$64,800	None
1937	64,800	None
1938	114,800	$5,000
1939	112,800	5,000
1940	120,800	5,000
1941	118,400	10,000
1942	131,000	10,000
1943	128,000	10,000
1944	125,000	16,667
1945	122,000	16,667
1946	144,000	16,667
1947	140,000	18,750
1948	136,000	18,750
1949	132,000	18,750
1950	128,000	18,750
Total payments for next 15 years	1,782,400	170,001

Thus it will be seen that competent engineers for the city of Wichita Falls, based on known electric consumption there, agreed that the city was able to pay $1,782,400 within the next 15 years. The application as finally approved by the Government requires that only $170,001 be paid within this same period of time.

After the passage of the resolutions, ordinances, and all other matters contained in the municipal light plant application as above mentioned, the city council sent the chairman of the light-plant committee and the counsel for utility matters to Washington to formally file same, which application was filed here in Washington on February 5 with Secretary Ickes. Upon returning to Wichita Falls the city council passed the following resolution:

Whereas Alderman Mack Taylor and Judge B. D. Sartin have just returned from Washington, D. C., where they successfully presented the application of the city of Wichita Falls, Tex., for a P. W. A. loan for building a municipal light plant; and

Whereas their visit to Washington was greatly expedited by the great help and friendly courtesy of Hon. John N. Garner, Vice President of the United States, Senator Morris Sheppard, Senator Tom Conally, Congressman James P. Buchanan, and Congressman W. D. McFarlane, and largely through the efforts of these men, together with the great help and assistance of our own fellow citizen, the Honorable James V. Allred, Governor of Texas, the foregoing application for a loan of $2,220,000 was received by Hon. Harold L. Ickes and filed for immediate action: Therefore be it

Resolved by the Board of Aldermen of Wichita Falls, Tex., That we go on record expressing our thanks to the city representatives, Judge B. D. Sartin and Hon. Mack Taylor, for their fine work in behalf of the city, and that a special letter of thanks and appreciation be written to Texas Senators, Congressmen, and to Vice President Garner and Gov. James V. Allred, expressing our deep appreciation for their fine cooperation and help in successfully presenting the city's application for the above-mentioned P. W. A. project; and that our city secretary be instructed to write such letters to each of said parties, enclosing a copy of this resolution. Passed and approved this 4th day of February, A. D. 1935.

BASED ON ELECTION, THE COUNCIL PLEAD FOR PLANT

On April 3, 1935, the city council wrote me as follows:

WICHITA FALLS, TEX., *April 3, 1935.*

Representative W. D. MCFARLANE,
Washington, D. C.

DEAR MR. MCFARLANE: We thought you might be interested in knowing that yesterday in the city election of Wichita Falls our three aldermen up for reelection who have vigorously supported municipal ownership of our city light plant, and who have heartily endorsed the national administration, were reelected by an overwhelming majority, receiving approximately 80 percent of the entire vote cast.

We are enclosing a clipping from the local daily paper showing the results of the election.

The strongest part of the New Deal administration at Washington has been the stand of the President on utilities. We believe that President Roosevelt's attitude on municipal ownership and on the outlawing of holding companies will be his main fort for reelection in 1936.

We feel that we are near the pulse of the people of Texas when we advocate the building of a municipal light plant and other municipally owned utilities out of the public-works funds.

We wish that you would see that a large part of this money is earmarked and set aside for municipally owned projects. These projects will be self-liquidating and will take most of the men from the relief rolls from Wichita Falls and other large cities of Texas. This will do more for promoting national recovery than any other way this money can be spent.

As you know, we have had on file our application for P. W. A. funds to erect a municipal light plant at Wichita Falls, and we trust that you will do all in your power to speed up the granting of this loan.

Appreciating your courtesy and consideration of this matter, we are,

Yours very truly,

MACK TAYLOR,
L. C. ROGERS,
CLAUDE MILLER,
J. B. STOKES,
MARK D. WALKER,
VIC STAMPFLI,
Aldermen.

B. D. SARTIN,
Special Counsel on Utility Matters.

WHY THE CHANGE OF HEART?

I could proceed through a very voluminous file and quote many letters and telegrams to show that the city council and the special counsel on utility matters were wholeheartedly for this municipal light plant program until after the adjournment of the last session of Congress. I was requested on October 28 by the city council to make a report of the status of the light, gas, and water applications of the city on file with the Government and their prospect of approval. After making this report the city council passed a resolution authorizing me to pledge a sufficient amount of the water revenues and see if the Government would reconsider and approve their application for a municipal light plant on that basis.

I drove my car to Washington at my own expense and personally presented this new proposition to the Federal authorities, and finally secured the approval of their application, not for $2,220,000, which included $111,000 engineers' fees and $33,000 attorneys' fees, with other unnecessary expenses, and after eliminating $470,000 unnecessary expenses, I finally secured the approval of their application for a loan of $1,260,000 and an outright gift or grant of $490,000.

STABBED IN THE BACK

While I was in Washington presenting this matter I found Mr. Sartin was giving the following statement to the Wichita Falls Record News:

SARTIN SKEPTICAL OF P. W. A. APPLICATION

B. D. Sartin, special attorney for the city in utility matters, appeared not greatly impressed Tuesday when he read the above dispatch of the activities of Representative W. D. MCFARLANE in behalf of a $2,220,000 loan for the city of Wichita Falls.

"Mr. MCFARLANE's trip is largely political", said Judge Sartin.

"I should be greatly surprised if he secured as much as $2.20 * * *."

When I finally secured the approval of this project, as above stated, for $1,750,000, of which $490,000 is an outright gift from the Government, Mr. Sartin and the so-called "little three", Young, Stampfli, and Walker, assisted and abetted by the so-called taxpayers committee, composed of Shields Heyser, J. L. Jackson, Jr., and A. W. King, began to bitterly oppose the election which was set for December 11, 1935. The principal reason given by all these parties was the pledge of a small part of the water revenue to insure the payment.

AFTER WATER REVENUES REMOVED POWER TRUST FIGHTS ON

Now that any pledge of the water revenues has been completely eliminated and the citizens have the opportunity of voting on the identical proposition they originally wanted, only on much more liberal terms, stripped of any extra graft, why do you suppose they are all apparently well financed and reorganized to fight this coming election? Do you suppose it is the voice of Jacob—the Texas Electric Service Co.—through the hand of Esau that is trying to deceive you again, and thus rob the citizens of Wichita Falls of perhaps the last opportunity they will have to vote to secure for themselves their own light plant, which will guarantee lower light rates?

THE PROPOSITION IS SOUND; THE PEOPLE NEED THE WORK

In their application to the Government the city authorities made this statement:

"Financially the proposition is sound. After making a considerable reduction in electric-service rates, the most conservative assumptions show a large margin of income above operating, maintenance, and sinking fund."

In answer to their statements being made that the plant is an unnecessary experiment, we find their application to the Government contains this statement:

"At present the city of Wichita Falls obtains electric service from the Texas Electric Service Co. Although there is a generating plant in Wichita Falls, which is kept ready as a stand-by, electric energy is brought to the city over transmission lines from generating stations located more than 100 miles away. Interruption of service is frequent and annoying; and at one time during the past year the city's water service was completely interrupted for a considerable time, due to transmission-line trouble, which stopped the electrically driven pumps, constituting a tremendous fire hazard.

"Lower electric rates than those now in effect are desired to reduce the necessary cost of living. A publicly owned utility is operated with rates as low as possible, and profits are used to defray expenses that would otherwise have to be met with taxation. A privately owned utility is operated with rates as high as possible, without losing customers, and profits are used for dividends to stockholders and extra dividends under the guise of management fees to holding companies; and excess profits are used for economically unsound extensions and improvements on which to claim a reasonable profit when criticized by commissions and legal authorities.

"From an employment standpoint, this project will afford a great amount of labor on the construction of a useful and permanent employment. After the project is completed it will furnish employment for many skilled men operating engines and maintaining the system."

NATIONALLY KNOWN—SARTIN AND HOWARD

As to the statements being made by the special city attorney that the city's bonds could easily be sold to private investors, we find that the light-plant application on file, under section (p) of his legal data, he submitted the following statement:

It is my opinion the proposed bonds cannot be negotiated.

Under section (Y) we find that the special utilities' attorney admits he is of "national standing."

Some time ago we find Mr. Ed Howard, president of Wichita Falls' two daily newspapers, frequently referred to as "nationally known." So it seems that now these two distinguished citizens have finally laid down in the same political bed together and each pledged to help the other to further help protect and guard the interests of the Power Trust.

AMONG HIGHEST LIGHT RATES IN TEXAS

According to the application on file, we have the power company charging among the highest light rates of any city of its size in Texas. The city council's resolutions of February 2 were adopted unanimously, as follows:

The charges made by the Texas Electric Service Co. for power and light service are entirely too high; * * * for the last several years the city of Wichita Falls has persistently tried to get

the said Texas Electric Service Co. to reduce the said rates in keeping with other reductions in price, but to no avail.

According to the last report of the Federal Power Commission, Wichita Falls has the highest electric-light rates in the State for a city of its size. According to the information on file, the last 3 years the citizens of Wichita Falls have consumed more than an average of 20,000,000 kilowatt-hours annually, upon which the Texas Electric Service Co.'s gross collections have been considerably more than $2,000,000.

THE ELECTION FEBRUARY 8

The election held December 11 requiring the pledging of a small part of the water revenues has been eliminated. The question to be voted on February 8 is the identical question submitted under the original municipal light plant application agreed to and filed by the entire city council, and others, which is that the Federal Government under the city's application offers to loan the city $1,260,000 at 4 percent, and to give the city $490,000, all of which is to be used to construct a municipal light plant, the city to pledge only a sufficient amount of revenues from the light plant to meet the payments required, as stated above; this will amount to $170,001 for the next 15 years, it being clearly understood and as provided in the city's ordinances and the State statutes that in no event shall any taxes ever be levied to pay for any of this light-plant indebtedness. The light plant must pay for itself out of its own earnings, otherwise it belongs to the Government.

THE RECENT REDUCTION IN LIGHT RATES

Since the citizens of Wichita Falls have been fighting to erect their own municipal light plant, as has been done by 37 other cities in Texas and in more than 3,500 cities in the United States, the Texas Electric Service Co. has come forth with a slight reduction in their light rates, as follows:

Comparison of typical net monthly bills for Jan. 1, 1935, and Jan. 1, 1936, of Texas Electric Service Co., Wichita Falls, Tex. (residential service)

	Minimum bill	Monthly kilowatt-hour consumptions						
		15	25	40	100	150	250	500
Jan. 1, 1935	[1] $1.00	$1.30	$1.90	$2.80	$5.80	$7.70	$9.95	$17.45
Jan. 1, 1936	[1] 1.00	1.35	1.85	2.60	5.40	6.90	9.40	14.40	
Difference		+.05	−.05	−.20	−.40	−.80	−.55	−3.05
Percent difference		+3.8	−2.6	−3.6	−6.9	−10.4	−5.5	−17.4

[1] Including 10 kilowatt-hours.

New rate: Minimum bill $1 per month; 2 cents per day, and 5 cents per kilowatt-hour, first 90 kilowatt-hours per month; 3 cents per kilowatt-hour, next 110 kilowatt-hours per month; 2 cents per kilowatt-hour all additional kilowatt-hours per month.

NOTE.—All bills calculated under specifications used by the electric-rate survey of the Federal Power Commission. Bills for Jan. 1, 1936, calculated under rate schedule above.

The above rate comparison has been carefully checked and is correct. Thus, it will be seen that the rates on the small consumers have been increased, while the rates on large consumers have been slightly reduced.

Assuming that there are 10,000 light meters in the city of Wichita Falls under the 2-cents-per-day ready-to-serve charge, the light companies would receive more than $72,000 per year for furnishing no electricity whatever to the citizens. Add to this the new high rate schedule, as above stated, and it is costing the average citizen of Wichita Falls more than 7 cents per kilowatt for his current.

RATE COMPARISONS

On June 29, when the Wheeler-Rayburn bill, S. 2796, was before us, I spoke in favor of that measure, and called to the attention of the Congress the facts that the consumers of the Nation were being charged annually about $1,000,000,000 for electric current beyond what is the fair price for the current consumed. In speaking of the overcharge for Texas, I pointed out that, based on current consumed, we were paying more than $25,000,000 per year for electric light and power over what is considered a reasonable rate for the power consumed.

Assuming that my district consumes its pro-rata part of the power consumed in the State, this would mean that the consumers of electricity in the Thirteenth Congressional District are being forced to pay annually over $1,000,000 for electric current over what is considered a fair rate.

I further pointed out then, as well as at other times, the activities of the Power Trust lobby and how they have preyed upon all legislatures, State and National, and so far have been able to thwart the will of the people in securing reasonable utility rates.

In the speech of June 29 I compared the rates of each and every town in my district with the Tennessee Valley Authority rates, and showed the exact percentage of overcharges being forced upon the people by the power companies because of their control of all legislative branches of the Government.

I pointed out that this lobby control of the Power Trust is costing the consumers of electricity from two to four times as much as this service should cost them. Since the Power Trust in Wichita Falls has increased the rates on the small consumers and slightly reduced the rates on the large consumers, let us compare their present rates with those of cities of similar size in Texas:

Amarillo, 15 kilowatt-hours for $1.
Austin, 15 kilowatt-hours for $1.12.
Beaumont, 15 kilowatt-hours for $1.28.
Galveston, 15 kilowatt-hours for 90 cents.
Port Arthur, 15 kilowatt-hours for $1.28.
Wichita Falls, 15 kilowatt-hours for $1.35.

Thus showing that Wichita Falls still has the highest rate of any of the above cities for the services rendered.

MUNICIPAL LIGHT PLANT CITIES IN TEXAS

It should be very gratifying to the 37 cities in Texas owning their own municipal light plants that each and every one has been operating its plant year after year at handsome profit, many of them against keen competition from the private companies, and none of them operating at a loss. The Brownsville plant, a city of 22,021, operating against keen competition the past 10 years, has shown a net profit of $1,582,020. The Bryan plant, population 7,814, last year showed a net profit of $73,565. The Georgetown plant, population 3,583, last year showed a net profit of $13,640. The Greenville plant, population 12,407, last year showed a net profit of $37,168. The Lubbock plant, population 25,220, last year showed a profit of $88,665. The Vernon plant, population 9,137, last year showed a net profit of $20,872. The Denton plant, population 9,587, last year showed a net profit of $73,397.08. The city of Austin, population 53,120, in 1933 showed the following operating statement for their municipal light plant:

Austin, Tex., municipal electric utility

1. OPERATING STATEMENT, 1933

Operating revenue		$853,776
Operating expenses, excluding depreciation		252,125
Net operating revenue		601,651
Depreciation	$168,200	
Taxes	58,752	
		226,952
Net operating income		374,699
Nonoperating income		6,780
Gross income		381,479
Interest paid		25,321
Net income		356,158

In addition to the taxes and cash transfers to the city, the plant lighted the streets and municipal buildings without charge to the city.

The Austin plant has also been a self-financing project, in that all costs of original construction and subsequent expansion have been financed from plant revenues.

You will note from the above statement that the city of Austin, of similar size to Wichita Falls, made a net profit of $356,158, after all operating expenses, depreciation, allowances for taxes—$58,752, which is nearly $20,000 more than paid by the private company to the city of Wichita Falls, plus interest—still leaving a net income for the municipal light plant of $356,158; and this net income, as I understand, has been increased in 1934 and 1935.

Let us compare the rates for the city of Austin with those of Wichita Falls:

	Minimum bill	Kilowatt-hours included	Kilowatt-hours						
			15	25	40	100	150	250	500
Wichita Falls	$1.00	10	$1.35	$1.85	$2.60	$5.40	$6.90	$9.40	$14.40
Austin	.50	6	1.12	1.87	3.00	4.40	5.40	7.40	11.30

These municipal light plant cities, while giving the citizens the benefit of much lower rates than received by citizens of cities of similar size served by private power companies, as shown by their operating records, have created large surpluses, as above indicated, these surpluses are used to make needed city improvements or to reduce the city tax rates; for example, the city of Vernon had a much lower rate than Wichita Falls and shows a profit of $20,000, and makes no charge for street lighting, parks, football and baseball grounds, municipal buildings, and library. They give annually about 125,000 kilowatts per day to charity. Practically all mercantile establishments, filling stations, and so forth, using display window lights and signs, are furnished lights on a flat charge per month not to exceed 1 cent per kilowatt for this service. The Denton municipal light plant, constructed without cost to the citizens, has paid for itself and has built for the city a plant for which they have been offered over $1,000,000.

In addition to enjoying lower utility rates than charged by cities of similar size by private companies they have reduced their city- and school-tax rates from $2.09 to $1.75. They have the best lighted streets of any city of its size in Texas without cost. These services alone would cost the city $40,000 per year, the price charged by similar private companies for similar services. There is no sewerage charge in Denton.

SOME THINGS TO THINK ABOUT

Municipal light plants for many years throughout the Nation have proved highly successful, and great money makers for cities owning their own light plants. Because of controlled legislation, State and National, adequate regulation of rates has been impossible. The facts stand out that the private power companies because of the inability of the legislatures to enact legislation for the protection of the people, the people are being forced to pay from two to four times as much as should be paid for services rendered. The only way any city can break through this natural monopoly and have reasonable assurance of securing reasonable power rates is to build its own municipal light plant. After the plant is constructed, the records of the municipal light plant operations, Nation-wide, clearly show that they easily pay for themselves and pay their cities a good profit, while at the same time rendering dependable service at much lower rates than charged by private companies.

The Tennessee Valley Authority has now been operating 18 months, and has entered into contracts with seven small cities to sell them current which on the average cost these cities in the neighborhood of 6½ mills for the power consumed, and these little cities have transmitted and sold this power to their citizens for a little less than 2 cents per kilowatt-hour. The basic rates for residential and farm use in T. V. A. contracts are as follows:

Three cents per kilowatt-hour for the first 50 kilowatt-hours per month.

Two cents per kilowatt-hour for the next 150 kilowatt-hours per month.

One cent per kilowatt-hour for the next 200 kilowatt-hours per month.

Four mills per kilowatt-hour for the next 1,000 kilowatt-hours per month.

Seven and one-half mills per kilowatt-hour for all over 1,400 kilowatt-hours per month.

The financial results of the electric operations under T. V. A. rates for these seven cities are as follows:

Financial results of electric operations under T. V. A. rates

Contractor	Months of operation to June 30, 1935	Gross operating revenue	Operating expenses	Percent of gross revenue	Net income	Percent of gross revenue
Tupelo	17	$99,613.72	$49,507.97	49.70	$31,237.13	31.36
Alcorn County	13	78,106.40	36,293.94	46.47	28,288.36	36.22
Athens	13	37,628.45	20,300.67	53.95	7,412.14	19.70
New Albany	7	16,853.94	7,998.78	47.46	2,233.71	13.26
Pulaski	6	15,489.03	7,321.80	47.27	4,274.81	27.60
Dayton	5	8,870.28	5,050.92	56.94	1,136.30	12.81
Pontotoc County	4	5,404.52	3,201.60	60.91	235.01	4.35

If the private power companies complain that the low rates of T. V. A. are due to water power, then let me refer to the report of the Byllesby Engineering & Management Co., Chicago, Ill., and their testimony as one of the large private utilities of the country, who testified that the cost of producing electricity by steam is now less than producing same by water power.

TAX-FREE TOWNS

Eighty-nine cities, towns, and villages in the United States have no local city taxes because of revenues received from municipally owned utilities. According to the latest information available, these towns and their population are as follows:

1. Altus, Okla	8,439
2. Augusta, Kans	4,033
3. Avilla, Ind	559
4. Beggs, Okla	1,531
5. Bellville, Kans	2,383
6. Beloit, Kans	3,502
7. Blackwell, Okla	9,521
8. Braman, Okla	507
9. Carmen, Okla	904
10. Cass City, Mich	1,152
11. Chanute, Kans	10,277
12. Cherokee, Okla	2,236
13. Claremore, Okla	3,678
14. Clinton, Mich	1,026
15. Colby, Kans	2,153
16. Cushing, Okla	9,310
17. Duncan, Okla	8,363
18. Earlsboro, Okla	1,950
19. Edmond, Okla	3,576
20. Eldorado, Okla	1,183
21. Fairburn, Ga	1,372
22. Fairfax, Okla	2,134
23. Fort Towson, Okla	486
24. Frankton, Ind	750
25. Frederick, Okla	3,822
26. Garber, Okla	1,356
27. Gould, Okla	367
28. Grandfield, Okla	1,416
29. Granite, Okla	1,341
30. Hartshorne, Okla	3,587
31. Hawarden, Iowa	2,459
32. Hominy, Okla	2,875
33. Kaw City, Okla	1,001
34. Lamont, Okla	554
35. Laverne, Okla	903
36. Lindsay, Okla	1,713
37. Loco, Okla	333
38. Lubbock, Tex	20,520
39. Luverne, Minn	2,644
40. Manchester, Okla	281
41. Mangum, Okla	4,806
42. Manitou, Okla	323
43. Middletown, Ind	1,273
44. Mooreland, Okla	706
45. Morris, Okla	1,706
46. New Glarus, Wis	1,010
47. Newkirk, Okla	2,135
48. Norman, Okla	9,603
49. Norton, Kans	2,767
50. Olustee, Okla	651
51. Orleans, Vt	1,301
52. Pallo, Okla	394
53. Pawhuska, Okla	5,931
54. Pawnee, Okla	2,562
55. Perry, Okla	4,206
56. Ponca City, Okla	16,136
57. Pond Creek, Okla	857
58. Randlett, Okla	257
59. Red Cloud, Nebr	1,519
60. Richfield, Minn	3,344
61. Roff, Okla	772

62. Roosevelt, Okla	721
63. Rupert, Idaho	2,250
64. Russell, Minn	358
65. Sallisaw, Okla	1,785
66. Seminole, Okla	11,459
67. Skaneateles, N. Y	1,876
68. South River, N. J	10,759
69. Spooner, Wis	2,426
70. Stillwell, Okla	1,366
71. Stroud, Okla	1,894
72. Tahlequah, Okla	2,495
73. Tecumseh, Okla	2,419
74. Three Rivers, Mich	6,863
75. Torrington, Wyo	1,800
76. Trenton, Nebr	865
77. Vici, Okla	593
78. Waynoka, Okla	1,840
79. Weleetka, Okla	2,042
80. West Liberty, Iowa	1,679
81. Wetunka, Okla	2,153
82. Wilton, Iowa	1,104
83. Winfield, Kans	9,398
84. Wynne Wood, Okla	1,820
85. Yale, Okla	1,734
86. Anadarko, Okla	5,036
87. Logansport, Ind	23,000
88. Providence, Ky	4,742
89. Wilson, Okla	2,517

If these cities can so efficiently operate their municipally owned plants as to take care of the operating expenses of their cities from the revenues resulting therefrom without requiring any city tax rate, why should not Wichita Falls do likewise?

THE WICHITA FALLS LIGHT PLANT

Shortly before the World War the Kell interests at Wichita Falls owned both the light and water plants at Wichita Falls. These two plants were sold to the Texas Power & Light Co. for $750,000. Shortly after this sale the Texas Power & Light sold the water plant to the city of Wichita Falls for $696,000; in addition thereto the city paid $122,000 for Lake Wichita and certain water rights in the lake, making a total of $818,000 paid by the city to the Texas Power & Light Co. for the water department alone, which left the Texas Power & Light Co., or the Texas Electric Service Co., its twin brother—both of them being owned by the Electric Bond & Share Co.—left them the light plant without cost to them, with a profit of $68,000 beside.

COST OF STREET LIGHTS, ETC.

For the past 7 years it has cost the city of Wichita Falls more than $32,000 per year for street lighting, pumping water, sewerage, park and building lights, and so forth. Assuming that they will pay the same amount the next 7 years, it would save the city $189,000—$224,000 less $35,000 leaves $189,000—to vote to accept this proposition, because the Government is only requiring $35,000 to be paid on this plant in the next 7 years.

It is admitted by those who know that the light plant will be more than self-supporting from the beginning of its operation, as shown by careful analysis shown in the application on file, which survey shows that the municipal light plant should have a minimum income the first year of operation of $300,000 on the basis of at least a 25-percent reduction over existing light rates.

THE CITY'S LARGEST TAXPAYER

The Texas Electric Service Co. is now propagandizing the people that they are the city's largest taxpayer. This is a frequent statement made by the Power Trust in trying to defeat municipal ownership. The facts are no public utility pays any taxes. The people pay the taxes in increased rates charged by the utility, and the utility includes its taxes, as it does its high-powered advertising, lawyer, entertainment, and all other kinds of lobby expenses as a part of their expenses upon which they base their exorbitant rates. It is true that when such a utility is taken over by the people the taxes which it pays will no longer go to the government, and in that sense will be lost, but the cost of producing the service, eliminating all above-mentioned, unnecessary charges will be that much reduced and the people will receive the total amount of taxes paid in lower costs of their public-utility service. There is no excuse for power costing less than 1 cent per kilowatt to generate being sold to the public for from 5 cents to 10 cents per kilowatt. For instance, take the municipal light plant at Austin, Tex. This plant year after year has earned a net income for the city of more than $300,000 per year. The plant is valued at four and one-quarter million dollars, with no outstanding indebtedness. The plant has been in operation 30 years. The total savings to the consumers of electricity in Austin covering that period of time is conservatively estimated to be four and one-half million dollars, which is more than 20 times the amount of taxes which it would have paid as a privately owned plant.

Again, take the last statement rendered—1933—by the Texas Electric Service Co., as required by 1121 R. C. S. of Texas. It shows the total property valuation for rate-making purposes $3,491,442, and for taxpaying purposes their property was rendered at $1,157,690, paying $16,207.66 for city taxes. This same discrepancy will be found almost everywhere by utilities in rendering their property for taxation as compared in computing same for rate-making purposes.

PAY ROLL

Much propaganda has been spread about the large pay roll existing in the Texas Electric Service Co.'s office at Wichita Falls. According to the last annual report filed by the power company in the city clerk's office, in January 1934, the amount paid for salaries, labor, and so forth, was $166,407.82. Compare that sum with the salaries paid for the municipal light plant of the city of Austin, which is $252,125. The history of municipal light plant operation shows that they pay from 20 to 30 percent better wages than are paid under private ownership.

As to the number of employees to be furnished work on this project, the application on file says:

> It is estimated that 200 men will be employed for a period of 18 months on the construction of the electric system. Of this number 80 would be skilled or semiskilled workmen, or workmen classed at higher wages than common labor, and 120 would be common laborers. Of the 80 receiving higher wages than common labor, 20 percent, or 16, would be recruited from the relief rolls. These would include truck drivers, concrete workers, subforemen, and assistants to carpenters, bricklayers, and electric linemen. Of the 120 common laborers, 80 percent, or 96, would be recruited from relief rolls.
>
> Of the estimated 200 men to be employed, 88 would not be from the relief rolls; however, three-fourths, or 66, would be residents of Wichita Falls and the immediate vicinity.

The permanent staff of employees for the municipal plant will compare favorably with the private plant, and they will receive a living wage.

THE NEGRO IN THE WOOD PILE

The trouble the citizens at Wichita Falls are having seems to be the same trouble we are having Nation-wide. The American Liberty Leaguers, Manufacturers' Association, the United States Chamber of Commerce, and so forth, are trying to dictate, as they always have, the policy of government for their own particular benefit. The citizens of Wichita Falls in the April election of 1935 elected a complete set of city councilmen pledged to fight for the rights of the common people, and, among other things, they pledged the people to try to readjust the tax burden and, in truth and in fact, make it as really equal and uniform as possible, as provided in the Constitution, article I, section 8, which provides:

> Taxation shall be equal and uniform.

The Wichita Falls City Council last year found taxes for 1934 rendered as follows:

For the year 1934:	
Real estate	$17,423,940
Personal	8,379,260
Total valuation	25,803,200

An equalization board was appointed, who, after carefully going over the roll, certified the same as follows:

Real estate	$14,952,180
Personal	14,902,000
Total	29,854,180

Among the changes made on some of the principal property holders in the city are the following:

Name	Classification	Rendered	Equalization board value
Brannon, R.	Personal	None	$75,000
City National Bank in Wichita Falls	Real and personal	$228,800	302,900
Fain & McGaha	Personal	None	50,000
First National Bank	Real and personal	461,860	793,540
First National Co	do	75,000	150,000
Howard, Ed	Personal	1,500	34,000
Huff, R. E.	do	None	52,000
Kell, Frank	do	10,400	1,450,400
Municipal Gas Co	do	547,023	913,000
North Texas Building & Loan	do	5,000	100,000
State Trust Co	do	None	25,000
Southwest Dairy Products	do	None	50,000
Southwestern Bell Telephone Co	do	875,000	1,055,920
Times Publishing Co	do	22,750	392,000
Wallace, Mrs. Hulda B	do	10,738	50,000
Wichita Falls Building & Loan Association	do	1,000	100,000
Wichita Mill & Elevator Co	do	176,200	456,200
Wichita Falls Window Glass Co	do	15,000	25,000
Wichita Falls Motor Co	do	5,000	40,000
Wichita Falls Cotton Oil Co	do	24,600	50,000
Wichita Falls Bus Co	do	4,740	25,000
Wichita Coca-Cola Bottling Works	do	16,080	75,000
Wooten, H. O., Grocery Co	do	None	40,000

The city council further, in carrying out their campaign pledges, filed applications with the Federal Government for P. W. A. loans and grants to build a municipal light and gas plant and to make improvements for the city water system. When the self-appointed former leaders of the city could not force the city council to back down on the above-mentioned program upon which they were elected, they began a campaign of destruction, vilification, and abuse to discredit and destroy them in any and every way possible.

For example, the Times Publishing Co. claims their rendition entirely too high and they really turned the heat on the council. Their largest stockholder, Newspapers, Inc., a holding company of Waco, Tex., claims their Times Publishing Co. stock is worth $209 per share—and it probably is, based on recent earnings of more than $10 per share. On this basis the 8,000 shares of stock of the Times Publishing Co. is worth $1,672,000; so it seems that the Times Publishing Co. should not complain upon having their tax valuation increased from $22,750 to $392,000; for, in truth and in fact, their plant, based on recent earnings of their stock, is worth $1,672,000.

THE SO-CALLED TAXPAYERS' COMMITTEE

The Power Trust, through their paid hirelings, brought in from New York, California, and Fort Worth, who have maintained expensive headquarters in the Kemp Hotel and offices in the Staley Building, are already carefully organized, no doubt, to conduct a similar campaign to that which was conducted during the previous campaign last November and December. They have an unlimited expense account from the power company, and whatever sums they spend it is known will be charged as a part of the operating expense of the Texas Electric Service Co. and paid for by the citizens of Wichita Falls in exorbitant light rates. They have already hired their streetwalkers and telephone workers, and, no doubt, the so-called taxpayers' committee, as well as as many as possible of their preferred-stock holders are organized to fight in every way possible the municipal light plant project.

The Texas Electric Service Co.'s slick stock salesmen have bragged that they sold more stock in Wichita Falls than in any other city its size in the United States. These stock-selling schemes are carried on Nation-wide by the power companies to help bribe public opinion so that they may continue to charge unreasonable light rates for the services rendered, primarily for the benefit of the holding company, the Electric Bond & Share Co., of New York. It may be of interest for the poor stockholders to know that according to information available in 1932 the Texas Electric Service Co. made a net profit of about $1,740,000, and of this amount sent about $1,350,000 to the Electric Bond & Share Co. and its intermediate holding companies for so-called useless contractional services rendered. Thus the poor preferred-stock holders, the real owners of the operating company, received less than $300,000.

It must be remembered that the Electric Bond & Share Co. owns 5,998,000 shares of the 6,000,000 common stock of Texas Electric Service Co., which stock is all that participates in the profits. The preferred stock and bonds merely receive 5-percent or 6-percent interest if the company, after the above-outlined milking process is finished, makes that much.

The Texas Electric Service Co. was purchased about 13 years ago by the American Power & Light Co., which is owned by the Electric Bond & Share Co., for less than $3,000,000, and the Texas Electric Service Co. is now valued at over $68,000,000. The American Power & Light Co., one of the holding companies under Electric Bond & Share Co., also owns the Texas Power & Light Co. This property was purchased about 13 years ago by the Southwestern Utilities Co. for less than $4,000,000, and both of these properties were purchased from the Southwestern Utilities Corporation, thus both of these properties cost the Electric Bond & Share less than $7,000,000, and the Texas Electric Service Co. and the Texas Power & Light Co. are now valued and the people paying rates based on a valuation of more than $150,000,000.

THE POWER TRUST "WRITE UP" AND "SHAKE DOWN"

On July 13, 1932, Senator GEORGE NORRIS, of Nebraska, gave a summary of the total write-ups or inflations which had been disclosed to that time, showing findings of the Federal Trade Commission, which showed a grand total write-up or shake-down by the Power Trust of the American people of $925,985,795.26, of which sum we find the write-up and shake-down of the Electric Bond & Share Co., $399,201,827.39. (See vols. 23 and 24 of the Federal Trade Commission report for complete information on the "gold dust twins" of Texas.)

No doubt the so-called taxpayers' committee that functions so well for its master will come forward with all possible misguided preferred stockholders of the Power Trust and urge the people of Wichita Falls to vote to continue the high electric rates now in force.

I have received from the city tax collector of Wichita Falls the following statements of the other so-called taxpayers' committee and other apparently faithful representatives of the Texas Electric Service Co. which should throw some light on the real interest they may now have in protecting this company:

WICHITA FALLS, TEX., *December 6, 1935.*

I, W. S. Starnes, city tax collector, hereby certify that Shields Heyser is delinquent in city taxes on various pieces of real property for the years 1930 to 1934, inclusive, according to the records in the city tax office.

W. S. STARNES.

WICHITA FALLS, TEX., *December 6, 1935.*

I, W. S. Starnes, city tax collector, hereby certify that A. W. King rendered no property of any kind or character to the city of Wichita Falls for the year 1935.

W. S. STARNES.

WICHITA FALLS, TEX., *December 6, 1935.*

I, W. S. Barnes, city tax collector, hereby certify that J. L. Jackson, Jr., rendered lot 6, block 23, Southerland addition to Wichita Falls, with a total tax of $18.76, which he is exempt under homestead ordinance no. 1167, and further that he rendered $400 worth of personal property and taxable value of which is $5.60 for the year 1935.

W. S. STARNES.

WICHITA FALLS, TEX., *December 6, 1935.*

I, W. S. Starnes, city tax collector, hereby certify that M. D. Walker rendered no property of any kind or character to the city of Wichita Falls for the year 1935.

W. S. STARNES.

WICHITA FALLS, TEX., *December 6, 1935.*

I, W. S. Starnes, city tax collector, hereby certify that B. D. Sartin rendered no property of any kind or character to the city of Wichita Falls for the year 1935.

W. S. STARNES, *Tax Collector.*

DISREGARD LAST-MINUTE STATEMENTS

The day before the last election the so-called taxpayers' committee, in attempting to mislead the people, allowed their

name to be used to an ad in the Power Trust Dailies entitled "Debunking Tax Free Town Talk", which ad states:

• • • Here are some taxless-town examples: Colby, Kans., and Ponca City, Okla., are claimed "taxless." In Colby nearly 500 pieces of real estate were advertised for sale for delinquent taxes. The same has been true several times in Ponca City.

I wired the mayor of Colby, Kans., as follows:

Please wire me collect whether or not your municipal light plant pays the entire costs of city government. Also whether or not 500 pieces of real estate advertised for sale delinquent city taxes.

To which he replied:

Revenue from our plant pays entire cost city government. No city tax levied. No property being advertised for sale for delinquent city taxes. May be some being sold for nonpayment special improvement county or State tax.

E. F. BECKNER, *Mayor, Colby, Kans.*

I also wired the superintendent of the municipal light plant, Ponca City, Okla., to which he replied:

Our city is tax-free through the operation of our municipal light plant. No tax for city purposes of any nature being assessed. Our utilities pay all city taxes regardless of nature. Net profit earned annually from light department, $160,000.

PAT SCHLESINGER,
Superintendent, Light Department.

Thus you see how the tools of the Power Trust are ever willing to intentionally misrepresent the facts, when they know it is too late to get this information to the public, in order to win an election for the Power Trust. I feel sure the so-called taxpayers' committee had no knowledge on the two towns above mentioned. No doubt the information was furnished by the Power Trust, who have been proved to resort time and again to any and all means to win a point in order to continue their program of robbery.

The citizens of Wichita Falls may expect the so-called taxpayers' committee and the Judases on the city council, who have betrayed the people and are now supporting the Power Trust and their friends, to bring forward any and all kinds of last-minute arguments trying to deceive the people on the issues involved in the election February 8.

MANY ARE CALLED BUT FEW RESPOND

Mr. O'Neal, Mr. Woodruff, Mr. Backus, Mr. Gossett, and Mr. Sartin were all invited by Mr. Mack Taylor, chairman of the light-plant committee, to speak on behalf of the municipal light plant during the election held December 11. Each and all of these candidates failed and refused to help, and I understand they have maintained that attitude in this election. The Power Trust must be obeyed.

CONCLUSIONS

Bear in mind these facts: The Federal Government, having faith in Wichita Falls, has agreed to loan you $1,260,000 at 4 percent and an outright grant of $490,000 with which to build a municipal light plant. In return the Government takes a mortgage on the plant only and out of the plant's earnings alone asks repayment, it being distinctly understood that in no event shall taxes of any kind ever be levied against the citizens of Wichita Falls to pay any of this indebtedness.

The Government only requires that $35,000 be paid from the revenues of the plant the next 7 years. The city now pays more than that amount annually to the Texas Electric Service Co. for pumping the city's water, sewage, light, and so forth. The history of municipal light plant operation Nation-wide shows that it costs less than 1 cent per kilowatt-hour to generate and distribute the electric current; whatever is charged beyond that will go to retiring the indebtedness of the plant and then toward retiring the indebtedness of the city.

Since Texas has no adequate regulatory commission and little prospects of securing one, the only way the citizens of Wichita Falls can hope to secure lower electric-light rates is to vote for this bond election February 8 and build their own light plant.

The Texas Electric Service Co. is now collecting and taking out of the city of Wichita Falls more than $1,000,000 annually on excessive rates charged, most of which go to New York never to return, and the 1933 statement on file in the city clerk's office shows their cost for power delivered from the central system—1933—was $87,910.18.

If you want to increase employment in Wichita Falls and keep Wichita Falls' money at home to help build Wichita Falls, then each and every citizen of Wichita Falls should appoint himself a committee of one to get out and help win this bond election to insure lower electric-light rates for the future, and then the city will have this additional incentive to offer any prospective business that desires to locate there—the lowest light rate of any city its size in Texas rather than the highest rates.

PERMISSION TO ADDRESS THE HOUSE

Mr. ZIONCHECK. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Washington rise?

Mr. ZIONCHECK. Mr. Speaker, the unanimous-consent request that was asked by me a moment ago and objected to was that I may be permitted to make a few brief remarks and have the clerk read a letter I sent to Dr. Townsend, and I renew the request at this time.

Mr. DUFFEY of Ohio. Mr. Speaker, I object.

WAGE EARNERS AND THE NEW DEAL

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FISH. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following radio address delivered by me on Saturday, December 23, 1935:

I want to speak this evening to the American wage earners, laborers, farmers, clerks, and all those of small incomes, and present political and economic facts to them in order that they may decide for themselves what is for their own best interests and that of their families and their country.

I believe it is a waste of time to speak to business or professional men, for if they are not already back in the Republican Party they need their heads examined.

The American wage earner is interested primarily in knowing which party can restore business confidence and provide a steady and permanent job for him at an American standard of wages and of living in order that he may properly support his family—feed, clothe, and house them adequately and give them the opportunities in life to which American people are entitled. Confidence and employment are one and inseparable. The Republican Party, to win, must prove that through sound American principles of government it can restore business confidence, start the factory wheels turning, and put labor to work.

According to the American Federation of Labor, there are eleven and one-half million unemployed this evening, which is more than in July 1933, in spite of the expenditure of $15,000,000,000 in the last 2½ years. This alone is proof of the failure and break-down of the New Deal. The facts are gradually seeping through the mass barrage of propaganda emanating from hundreds of publicity agents paid out of the Treasury of the United States to defend the New Deal. Even the honey-worded and sugar-coated phrases of the President in his fireside chats are unable to befog the issues any longer or cover up the facts. The American Federation of Labor goes on to say that there are 50 percent more unemployed in the United States than in England, Germany, France, and Italy combined with a much greater population. What is wrong? Why has recovery been retarded and the depression prolonged in a country with the greatest natural resources and wealth in the world and with the most loyal, efficient, and industrious labor? Why do we still have 11,500,000 unemployed and 22,000,000 on relief?

The answer is clear and irrefutable—because President Roosevelt has repudiated practically all the sound planks of the party platform upon which he was elected and, likewise, the very principles of the Democratic Party. The people elected Franklin D. Roosevelt by an overwhelming vote in 1932 because in a depression they always seek a change. That is natural and is simply political history repeating itself. No man has had a greater opportunity than did President Roosevelt at the beginning of his term of office, and for the first 4 months he gave an admirable administration, trying to put into effect the sound planks of his platform, practicing economy, balancing the Budget, and thereby restoring confidence and putting people to work. At the end of May 1933 probably 80 percent of the American people regarded President Roosevelt as being almost divinely sent to lead us out of the economic wilderness. Then, almost overnight, he did an about-face, trampled in the mud his promises and pledges to the American people, and called to Washington a host of young radicals, Socialists, and near-Communists never before affiliated or identified with the Democratic Party.

The President put these visionaries and inexperienced theorists to work to formulate and jam through a supine and rubber-stamp Congress a whole series of unsound, unworkable, un-American, unconstitutional socialistic experiments that have all but destroyed business confidence, retarded recovery, consumed our resources,

and increased unemployment. Business was placed in a straightjacket, scarcely able to breathe or move in any direction. Uncertainty, fear, dread, and almost a state of terror existed as a result of a government by Executive orders, edicts, governmental agencies, and bureaucracies. The legislative and constitutional powers of Congress were usurped with impunity by the President, including the control of the purse strings, the making of tariff schedules, the valuation of money, and the actual control of industry, banking, and agriculture, leaving Congress without any more legislative clothing than Ghandi. This actually amounts to a change in our representative and constitutional form of government without the consent of the governed.

Hitherto we have had three separate and independent branches of government—the executive, the legislative, and the judicial. The President has usurped the legislative functions, undermined the sovereignty of the States, and has sneered at the judicial branch when it acted in accordance with its functions under the Constitution. Every historian or writer on government points out that whenever the legislative and executive powers are combined it results in tyranny. A rose by another name smells as sweet. A dictatorship, likewise, by another name smells as rotten.

The improvement in business conditions dates from the time the Supreme Court held the N. R. A. unconstitutional. This decision lifted the fear, dread, and almost state of terror of Government control and economic dictatorship off the minds of American businessmen and partially restored confidence throughout the country in spite of the unsound and socialistic New Deal measures that have hampered and harassed business, consumed our resources, increased unemployment, and prolonged the depression.

The Republican National Committee showed good sense in appealing to deceived, disgusted, and misrepresented Jeffersonian Democrats to cross over to help elect a Republican President in defense of their party principles. The "brain trust" have trampled Democratic principles in the mud and have taken the New Deal administration as far away from Jeffersonian principles as they possibly could into crushing bureaucracy, regimentation, collectivism, and State socialism. The Republican Party has always stood for a centralized government, but the "brain trusters" have gone far beyond any previously conceived ideas of a centralized government and established State socialism in the United States.

The American wage earners are primarily interested in permanent jobs, and these can only be assured by sound American principles and the election of a Republican President, which will in itself restore confidence. The workingman is vitally interested in maintaining the American standard of wages and of living under the American protective principle which has made for the wealth and prosperity of the country in the past. This established protective system is rapidly being undermined and destroyed by the free-trade program of Secretary of State Cordell Hull and the unconditional most-favored-nation clause in his reciprocal treaties, bringing American labor into direct competition with labor paid 20 cents a day in Japan or $3 a week in the mines of Hungary. Secretary Hull, a most estimable gentleman, with whom I served in Congress for many years, has a free-trade obsession; and even the Democratic Party discarded free trade many years ago. By the time his long-distance economic policies are put into effect American mills will be closed down and millions of industrious Americans will be driven out to join the army of the unemployed.

The American wage earner is seriously concerned with the high cost of living and with the skyrocketing of prices for meat, pork, potatoes, and bread—the very necessities of life. The housewife, the wage earner's wife, can no longer buy meat and pork and balance her family budget. The processing taxes placed by the New Deal on clothing and foodstuffs are nothing but tariffs within the 48 States, where free trade has hitherto existed, levied on 125,000,000 American consumers. The tariff against goods imported from foreign lands is to protect American labor against the pauperized labor of Europe and Asia, and not against our own labor and consumers as is done by the New Deal processing taxes.

The farmer in the North and East receives few benefits and many increased burdens from the A. A. A. program. I do not blame the western and southern farmers for taking bounties and hand-outs from the Government for destruction of crops and birth control of pigs. But every cotton and wheat farmer must know that these temporary benefits cannot last forever, and that we have already lost half of our cotton export trade and all of our foreign wheat market. The South is committing economic suicide for temporary profit. A million people in the South—sharecroppers, tenant farmers, those who plant, pick, gin, compress, transport, and ship—have lost their jobs due to the A. A. A. program of restriction and are now on the relief rolls, along with another million in the wheat-corn-hog section of the country. Think of the United States—formerly the greatest wheat exporting nation—importing 34,000,000 bushels of wheat to December 1, and exporting less than a million. In addition we imported 41,000,000 bushels of corn, 22,000,000 pounds of butter, 10,000,000 bushels each of oats and rye, 105,000,000 pounds of meat products, 46,000,000 pounds of cheese, and 65,000,000 pounds of tomatoes in the last 11 months in a nation once the granary of the world.

The Republican Party will have a sound and workable agricultural program for the benefit of the American farmers which will restore the foreign markets for our exportable farm surplus and protect our own domestic markets for the American farmer.

All wage earners and farmers are vitally interested in the problem of rapidly mounting taxes, as it means a lower standard of wages and living for them and impoverishment of the so-called middle class. Who will have to pay for the squander mania and the $15,000,000,000 deficit piled up by the New Deal? Why, the wage earners, small businessmen, farmers, and people of moderate and small incomes, through increased consumer's and income taxes and probably a Federal sales tax will be imposed out of necessity. I quote without comment, as none is necessary, from an able speech by Franklin D. Roosevelt, made at Pittsburgh, Pa., October 19, 1932, when he was a candidate for President:

"Taxes are paid in the sweat of every man who labors, because they are a burden on production and can be paid only by production. If excessive, they are reflected in idle factories, tax-sold farms, and hence in hordes of the hungry tramping the streets and seeking jobs in vain. Our workers may never see a tax bill, but they pay in deductions from wages, in increased cost of what they buy. * * * There is not an unemployed man—there is not a struggling farmer—whose interest in this subject is not direct and vital. * * * If, like a spendthrift, the Government throws discretion to the winds, is willing to make no sacrifice at all in spending, extends its taxing to the limit of the people's power to pay, and continues to pile up deficits, it is on the road to bankruptcy."

The American people listening in on the President's Atlanta speech were almost lulled to sleep in a cradle of debt. The President is no longer afraid of the big, bad wolf—of debts, deficits, taxes, or unbalanced budgets. Perhaps the change in the President's viewpoint may be attributed to the desire to continue the hand-outs of all kinds to help keep the New Deal administration in power for another 4 years, in which case the words of Louis XIV—"after me the deluge"—have a significant meaning at this time.

I have only discussed a few problems affecting the pocketbooks of the wage earners, the farmers, and the people of small means. I propose to use the remainder of my time to present my views as to what the Republican Party should do in 1936 in order to win.

I am in favor of the nomination of Senator WILLIAM E. BORAH for President on the Republican ticket, because he can win easily and carry with him a Republican House of Representatives and restore the Republican Party to power in the Western and Eastern States. He is a liberal and wears no collar of any special interest. He has devoted his life to obtaining a square deal for all the American people. Every liberal Republican should be for him and most of the conservatives, because he stands firmly for constitutional and representative government as against economic and political dictatorship.

I predict that most of the Republican candidates for the United States Senate and for Congress who will be up for election in 1936 will be for his nomination, in order to help get elected themselves, if for no other reason.

Let me conclude by admonishing Republicans in all the States of the Union not to be deceived by the carefully planned propaganda of some of the Old Guard reactionary politicians who seek to send uninstructed delegates to the Cleveland convention for so-called trading purposes. I propose at every opportunity to point out the folly of selecting favorite sons and to expose the dangers resulting from such a policy. It merely plays into the hands of a few political manipulators who will select a candidate satisfactory to themselves in a back room, which will mean the doom of the candidate and the party. Political conditions in 1936 will be far different from 1920, 1924, and 1928, when any Republican reactionary, conservative, liberal, or radical could have been elected.

Unfortunately, some of the Old Guard leaders of the Republican Party are hopelessly reactionary and blind to the conditions ahead and will attempt to revive the dead past, which spells ruin for the country and will eventuate in a disastrous radical reaction. Let us follow the advice of that great and courageous American, Theodore Roosevelt, who said: "I propose to do everything I can to make the Republican Party stand for sane and constructive liberalism, just as it was under Lincoln."

The policy of the Republican Party should clearly be neither to compromise with the socialism of the New Deal or to go back to the old order of alleged domination by special interests, wealth, and reaction, but to go forward on a sound and sane liberal platform of a square deal for labor, the farmer, the businessmen, the consumers, and for private property within the confines and compass of the Constitution of the United States.

I take this opportunity to ask all New York State Republicans who are interested in electing delegates in the April primaries favorable to the nomination of Senator BORAH or a liberal candidate for President to communicate with me at the House of Representatives at Washington, as I have been authorized by him to organize the entire State for that specific purpose.

ORDER OF BUSINESS

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent to make a brief statement to the House.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BANKHEAD. Mr. Speaker, some inquiry, I think, was made by the gentleman from Pennsylvania [Mr. RICH] with reference to the program for the next few days of the Congress.

It is our hope we will not have any session of the House tomorrow, but responsible authorities here in the House are very anxious to proceed as soon as possible to the expedition of our business, and it has been arranged that on Monday

we will take up the Consent Calendar, after the Budget message has been disposed of; and on Tuesday next it is our expectation to take up for consideration the House Private Calendar.

I give this information so that those gentlemen who are concerned may govern themselves accordingly.

RECESS

I now move, Mr. Speaker, that the House stand in recess subject to the call of the Speaker.

The motion was agreed to; accordingly (at 1 o'clock and 7 minutes p. m.) the House stood in recess to meet at the call of the Speaker.

AFTER RECESS

The recess having expired, the House (at 8 o'clock and 46 minutes p. m.) was called to order by the Speaker.

ADJOURNMENT OVER

Mr. BANKHEAD. Mr. Speaker, I rise to submit a unanimous-consent request. I ask unanimous consent that when the House adjourns tonight it adjourn to meet on Monday next.

The SPEAKER. The gentleman from Alabama asks unanimous consent that when the House adjourns today it adjourn to meet on Monday next. Is there objection?

There was no objection.

LEGISLATIVE PROGRAM

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent to proceed for 1 minute further with reference to the program for next week. I am authorized by the Chairman of the Committee on Appropriations to announce that that committee will be ready on Wednesday next to take up the independent offices appropriation bill.

JOINT MEETING OF THE SENATE AND HOUSE

At 8 o'clock and 50 minutes p. m., the Doorkeeper, Mr. J. J. Sinnott, announced the Vice President of the United States and the Members of the United States Senate.

The Members of the House rose.

The Senate, preceded by the Vice President and by their Secretary and Sergeant at Arms, entered the Chamber.

The Vice President took the chair at the right of the Speaker, and the Members of the Senate took the seats reserved for them.

The VICE PRESIDENT. On the part of the Senate, the Chair appoints the Senator from Arkansas [Mr. ROBINSON], the Senator from Oregon [Mr. MCNARY], and the Senator from Nevada [Mr. PITTMAN] as a committee on the part of the Senate to conduct the President into the Chamber.

The SPEAKER. On behalf of the House, the Chair appoints the gentleman from Alabama [Mr. BANKHEAD], the gentleman from Colorado [Mr. TAYLOR], and the gentleman from New York [Mr. SNELL] as a like committee on the part of the House.

At 8:55 o'clock p. m. the Doorkeeper announced the Cabinet of the President of the United States.

The members of the Cabinet of the President entered the Chamber and took the seats reserved for them in front of the Speaker's rostrum.

At 9 o'clock p. m. the President of the United States, escorted by the committee of Senators and Representatives, entered the Hall of the House and stood at the Clerk's desk amidst prolonged applause.

The VICE PRESIDENT. Members of the joint session of Congress, I have the privilege and honor to present to you the President of the United States.

ADDRESS OF THE PRESIDENT OF THE UNITED STATES

Mr. President, Mr. Speaker, Members of the Senate and of the House of Representatives, we are about to enter upon another year of the responsibility which the electorate of the United States has placed in our hands. Having come thus far, it is fitting that we should pause to survey the ground which we have covered and the path which lies ahead.

On the 4th day of March 1933, on the occasion of taking the oath of office as President of the United States, I addressed the people of our country. Need I recall either the scene or the national circumstances attending the occasion? The crisis of that moment was almost exclusively a national one. In recognition of that fact, so obvious to the millions in the streets and in the homes of America, I devoted by far the greater part of that address to what I called, and the Nation called, critical days within our own borders.

You will remember on that 4th of March 1933 the world picture was an image of substantial peace. International consultation and widespread hope for the bettering of relations between the nations gave to all of us a reasonable expectation that the barriers to mutual confidence, to increased trade, and to the peaceful settlement of disputes could be progressively removed. In fact, my only reference to the field of world policy in that address was in these words: "I would dedicate this Nation to the policy of the good neighbor—the neighbor who resolutely respects himself and, because he does so, respects the rights of others—a neighbor who respects his obligations and respects the sanctity of his agreements in and with a world of neighbors."

In the years that have followed that sentiment has remained the dedication of this Nation. Among the nations of the great Western Hemisphere the policy of the good neighbor has happily prevailed. At no time in the four and a half centuries of modern civilization in the Americas has there existed—in any year, any decade, or any generation in all that time—a greater spirit of mutual understanding, of common helpfulness, and of devotion to the ideals of self-government than exists today in the 21 American Republics and their neighbor, the Dominion of Canada. This policy of the good neighbor among the Americas is no longer a hope—no longer an objective remaining to be accomplished—it is a fact, active, present, pertinent, and effective. In this achievement every American nation takes an understanding part. There is neither war, nor rumor of war, nor desire for war. The inhabitants of this vast area, 250,000,000 strong, spreading more than 8,000 miles from the Arctic to the Antarctic, believe in, and propose to follow, the policy of the good neighbor; and they wish with all their heart that the rest of the world might do likewise.

The rest of the world—ah! there is the rub.

Were I today to deliver an inaugural address to the people of the United States, I could not limit my comments on world affairs to one paragraph. With much regret I should be compelled to devote the greater part to world affairs. Since the summer of that same year of 1933 the temper and the purposes of the rulers of many of the great populations in Europe and Asia have not pointed the way either to peace or to good will among men. Not only have peace and good will among men grown more remote in those areas of the earth during this period, but a point has been reached where the people of the Americas must take cognizance of growing ill will, of marked trends toward aggression, of increasing armaments, of shortening tempers—a situation which has in it many of the elements that lead to the tragedy of general war.

On those other continents many nations, principally the smaller peoples, if left to themselves, would be content with their boundaries and willing to solve within themselves and in cooperation with their neighbors their individual problems, both economic and social. The rulers of those nations, deep in their hearts, follow these peaceful and reasonable aspirations of their peoples. These rulers must remain ever vigilant against the possibility today or tomorrow of invasion or attack by the rulers of other peoples who fail to subscribe to the principles of bettering the human race by peaceful means.

And within those other nations—those which today must bear the primary, definite responsibility for jeopardizing world peace—what hope lies? To say the least, there are grounds for pessimism. It is idle for us or for others to preach that the masses of the people who constitute those nations which are dominated by the twin spirits of autocracy and aggression are out of sympathy with their rulers,

that they are allowed no opportunity to express themselves, that they would change things if they could.

That, unfortunately, is not so clear. It might be true that the masses of the people in those nations would change the policies of their governments if they could be allowed full freedom, full access to the processes of democratic government as we understand them. But they do not have that access; lacking it, they follow blindly and fervently the lead of those who seek autocratic power.

Nations seeking expansion, seeking the rectification of injustice springing from former wars, or seeking outlets for trade, for population, or even for their own peaceful contributions to the progress of civilization, fail to demonstrate that patience necessary to attain reasonable and legitimate objectives by peaceful negotiation or by an appeal to the finer instincts of world justice.

They have therefore impatiently reverted to the old belief in the law of the sword or to the fantastic conception that they, and they alone, are chosen to fulfill a mission and that all the others among the billion and a half of human beings in the world must and shall learn from and be subject to them.

I recognize—and you will recognize—that these words which I have chosen with deliberation will not prove popular in any nation that chooses to fit this shoe to its foot. Such sentiments, however, will find sympathy and understanding in those nations where the people themselves are honestly desirous of peace, but must constantly aline themselves on one side or the other in the kaleidoscopic jockeying for position that is characteristic of European and Asiatic relations today. For the peace-loving nations—and there are many of them—find that their very identity depends on their moving and moving again on the chessboard of international politics.

I suggested in the spring of 1933 that 85 or 90 percent of all the people in the world were content with the territorial limits of their respective nations and were willing further to reduce their armed forces if every other nation in the world would agree to do likewise.

That is equally true today, and it is even more true today that world peace and world good will are blocked by only 10 or 15 percent of the world's population. That is why efforts to reduce armies have thus far not only failed but have been met by vastly increased armaments on land and in the air, and that is why even efforts to continue the existing limits on naval armaments into the years to come show such little current success.

But the policy of the United States has been clear and consistent. We have sought with earnestness in every possible way to limit world armaments and to attain the peaceful solution of disputes among all nations.

We have sought by every legitimate means to exert our moral influence against repression, against discrimination, against intolerance and autocracy, and in favor of freedom of expression, equality before the law, religious tolerance, and popular rule.

In the field of commerce we have undertaken to encourage a more reasonable interchange of the world's goods. In the field of international finance we have, so far as we are concerned, put an end to dollar diplomacy, to money grabbing, to speculation for the benefit of the powerful and rich, at the expense of the small and the poor.

As a consistent part of a clear policy, the United States is following a twofold neutrality toward any and all nations which engage in wars that are not of immediate concern to the Americas. First, we decline to encourage the prosecution of war by permitting belligerents to obtain arms, ammunition, or implements of war from the United States; second, we seek to discourage the use by belligerent nations of any and all American products calculated to facilitate the prosecution of a war in quantities over and above our normal exports to them in time of peace.

I trust that these clear objectives thus unequivocally stated will be carried forward by cooperation between this Congress and the President.

I realize that I have emphasized to you the gravity of the situation which confronts the people of the world. This emphasis is justified because of its importance to civilization and therefore to the United States. Peace is jeopardized by the few and not by the many. Peace is threatened by those who seek selfish power. The world has witnessed similar eras—as in the days when petty kings and feudal barons were changing the map of Europe every fortnight, or when great emperors and great kings were engaged in a mad scramble for colonial empire.

We hope that we are not again at the threshold of such an era. But if face it we must, then the United States and the rest of the Americas can play but one role: through a well-ordered neutrality to do naught to encourage the contest, through adequate defense to save ourselves from embroilment and attack, and through example and all legitimate encouragement and assistance to persuade other nations to return to the days of peace and good will.

The evidence before us clearly proves that autocracy in world affairs endangers peace and that such threats do not spring from those nations devoted to the democratic ideal. If this be true in world affairs, it should have the greatest weight in the determination of domestic policies.

Within democratic nations the chief concern of the people is to prevent the continuation or the rise of autocratic institutions that beget slavery at home and aggression abroad. Within our borders, as in the world at large, popular opinion is at war with a power-seeking minority.

That is no new thing. It was fought out in the Constitutional Convention of 1787. From time to time since then the battle has been continued, under Thomas Jefferson, Andrew Jackson, Theodore Roosevelt, and Woodrow Wilson.

In these later years we have witnessed the domination of Government by financial and industrial groups, numerically small but politically dominant in the 12 years that succeeded the World War. The present group of which I speak is indeed numerically small and, while it exercises a large influence and has much to say in the world of business, it does not, I am confident, speak the true sentiments of the less articulate but more important elements that constitute real American business.

I go back once more. In March 1933 I appealed to the Congress of the United States and to the people in a new effort to restore power to those to whom it rightfully belonged. The response to that appeal resulted in the writing of a new chapter in the history of popular government. You, the Members of the legislative branch, and I, the Executive, contended for and established a new relationship between Government and people.

What were the terms of that new relationship? They were an appeal from the clamor of many private and selfish interests; yes, an appeal from the clamor of partisan interest, to the ideal of the public interest. Government became the representative and the trustee of the public interest. Our aim was to build upon essentially democratic institutions, seeking all the while the adjustment of burdens, the help of the needy, the protection of the weak, the liberation of the exploited, and the genuine protection of the people's property.

It goes without saying that to create such an economic constitutional order more than a single legislative enactment was called for. We had to build, you in the Congress and I, as the Executive, upon a broad base. Now, after 34 months of work, we contemplate a fairly rounded whole. We have returned the control of the Federal Government to the city of Washington.

To be sure, in so doing, we have invited battle. We have earned the hatred of entrenched greed. The very nature of the problem that we faced made it necessary to drive some people from power and strictly to regulate others. I made that plain when I took the oath of office in March 1933. I spoke of the practices of the unscrupulous money changers who stood indicted in the court of public opinion. I spoke of the rulers of the exchanges of mankind's goods, who failed through their own stubbornness and their own incompetence. I said that they had admitted their failure and had abdicated.

Abdicated? Yes, in 1933; but now with the passing of danger they forget their damaging admissions and withdraw their abdication.

They offer, they seek—let us put it that way—the restoration of their selfish power. They offer to lead us back round the same old corner into the same old dreary street.

Yet there are still determined groups that are intent upon that very thing. Rigorously held up to popular examination, their true character presents itself. They steal the livery of great national constitutional ideals to serve discredited special interests. As guardians and trustees for great groups of individual stockholders, they wrongfully seek to carry the property and the interests entrusted to them into the arena of partisan politics. They seek—this minority in business and industry—to control and often do control and use for their own purposes legitimate and highly honored business associations; they engage in vast propaganda to spread fear and discord among the people—they would "gang up" against the people's liberties.

The principle that they would instill into government if they succeed in seizing power is well shown by the principles which many of them have instilled into their own affairs: autocracy toward labor, toward stockholders, toward consumers, toward sentiment. Autocrats in smaller things, they seek autocracy in bigger things. "By their fruits ye shall know them."

If these gentlemen believe, as they say they believe, that the measures adopted by this Congress and its predecessor, and carried out by this administration, have hindered rather than promoted recovery, let them be consistent. Let them propose to this Congress the complete repeal of these measures. The way is open to such a proposal.

In other words, let action be positive and not negative. The way is open in the Congress of the United States for an expression of opinion by yeas and nays. Shall we say that values are restored and that the Congress will, therefore, repeal the laws under which we have been bringing them back? Shall we say that because national income has grown with rising prosperity we shall repeal existing taxes and thereby put off the day of approaching a balanced Budget and of starting to reduce the national debt? Shall we abandon the reasonable support and regulation of banking? Shall we restore the dollar to its former gold content? Shall we say to the farmer, "The prices for your products are, in part, restored, now go and hoe your own row"? Shall we say to the home owners, "We have reduced your rates of interest, we have no further concern with how you keep your home or what you pay for your money; that is your affair"? Shall we say to the several millions of unemployed citizens who face the very problem of existence—yes; of getting enough to eat—"We will withdraw from giving you work; we will turn you back to the charity of your communities and to those men of selfish power who tell you that perhaps they will employ you if the Government leaves them strictly alone"? Shall we say to the needy unemployed, "Your problem is a local one, except that perhaps the Federal Government, as an act of mere generosity, will be willing to pay to your city or to your county a few grudging dollars to help maintain your soup kitchens"? Shall we say to the children who have worked all day in the factory, "Child labor is a local issue and so are your starvation wages; something to be solved or left unsolved by the jurisdictions of 48 States"? Shall we say to the laborer, "Your right to organize, your relations with your employer have nothing to do with the public interest; if your employer will not even meet with you to discuss your problems and his, that is none of our affair"? Shall we say to the unemployed and the aged, "Social security lies not within the province of the Federal Government; you must seek relief elsewhere"? Shall we say to the men and women who live in conditions of squalor in country and in city, "The health and the happiness of you and your children are no concern of ours"? Shall we expose our population once more by the repeal of laws to protect them against the loss of their honest investments and against the manipulations of dishonest speculators? Shall we abandon the splendid efforts of the Federal Government to raise the health standards of the Nation and to give youth a decent opportunity through such means as the Civilian Conservation Corps?

Members of the Congress, let these challenges be met. If this is what these gentlemen want, let them say so to the Congress of the United States. Let them no longer hide their dissent in a cowardly cloak of generality. Let them define the issue. We have been specific in our affirmative action. Let them be specific in their negative attack.

But the challenge faced by this Congress is more menacing than merely a return to the past—bad as that would be. Our resplendent economic autocracy does not want to return to that individualism of which they prate, even though the advantages under that system went to the ruthless and the strong. They realize that in 34 months we have built up new instruments of public power. In the hands of a people's government this power is wholesome and proper. But in the hands of political puppets of an economic autocracy such power would provide shackles for the liberties of the people. Give them their way and they will take the course of every autocracy of the past—power for themselves, enslavement for the public.

And their weapon is the weapon of fear. I have said: "The only thing we have to fear is fear itself." That is as true today as it was in 1933. But such fear as they instill today is not a natural fear, a normal fear; it is a synthetic, manufactured, poisonous fear that is being spread subtly, expensively, and cleverly by the same people who cried in those other days, "Save us, else we perish."

I am confident that the Congress of the United States well understands the facts and is ready to wage unceasing warfare against those who seek a continuation of that spirit of fear. The carrying out of the laws of the land as enacted by the Congress requires protection until final adjudication by the highest tribunal of the land. The Congress has the right and can find the means to protect its own prerogatives.

We are justified in our present confidence. Restoration of national income, which shows continuing gains for the third successive year, supports the normal and logical policies under which agriculture and industry are returning to full activity. Under these policies we approach a balance of the National Budget. National income increases: tax receipts, based on that income, increase without the levying of new taxes. That is why I am able to say to this, the second session of the Seventy-fourth Congress, that based on existing laws it is my belief that no new taxes, over and above the present taxes, are either advisable or necessary.

National income increases: employment increases. Therefore, we can look forward to a reduction in the number of those citizens who are in need. Therefore, also, we can anticipate a reduction in our appropriations for relief.

In the light of our substantial material progress, in the light of the increasing effectiveness of the restoration of popular rule, I recommend to the Congress that we advance, and that we do not retreat. I have confidence; confidence that you will not fail the people of the Nation whose mandate you have already so faithfully fulfilled.

I repeat, with the same faith and the same determination, my words of March 4, 1933: "We face the arduous days that lie before us in the warm courage of national unity; with a clear consciousness of seeking old and precious moral values; with a clean satisfaction that comes from the stern performance of duty by old and young alike. We aim at the assurance of a rounded and permanent national life. We do not distrust the future of essential democracy."

I cannot better end this message on the state of the Union than by repeating the words of a wise philosopher at whose feet I sat many years ago:

"What great crises teach all men whom the example and counsel of the brave inspire is this lesson: Fear not, view all the tasks of life as sacred, have faith in the triumph of the ideal, give daily all that you have to give, be loyal and rejoice whenever you find yourselves part of a great

ideal enterprise. You, at this moment, have the honor to belong to a generation whose lips are touched by fire. You live in a land that now enjoys the blessings of peace. But let nothing human be wholly alien to you. The human race now passes through one of its great crises. New ideas, new issues—a new call for men to carry on the work of righteousness, of charity, of courage, of patience, and of loyalty. * * * However memory brings back this moment to your minds, let it be able to say to you: That was a great moment. It was the beginning of a new era. * * * This world in its crisis called for volunteers, for men of faith in life, of patience in service, of charity, and of insight. I responded to the call however I could. I volunteered to give myself to my Master—the cause of humane and brave living. I studied, I loved, I labored, unsparingly and hopefully, to be worthy of my generation."

Thereupon, at 9 o'clock and 50 minutes p. m., the President retired from the Hall of the House.

At 9 o'clock and 52 minutes p. m., the Vice President announced that the joint session was dissolved.

Thereupon the Vice President and the Members of the Senate returned to their Chamber.

REFERENCE OF PRESIDENT'S MESSAGE

Mr. BANKHEAD. Mr. Speaker, I move that the President's message be referred to the Committee of the Whole House on the state of the Union and ordered printed.

The motion was agreed to.

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, as a further mark of respect to the memory of the deceased Members of the Senate and House of Representatives, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 57 minutes p. m.) the House, pursuant to its previous order, adjourned until Monday, January 6, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

491. A letter from the Chairman of the Reconstruction Finance Corporation, transmitting its report covering its operation for the third quarter of 1935, and for the period from the organization of the corporation on February 2, 1932, to September 30, 1935, inclusive (H. Doc. No. 379); to the Committee on Banking and Currency and ordered to be printed.

492. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated October 14, 1935, submitting a report, together with accompanying papers and illustration, on a preliminary examination of Green River, Wash., with a view to control of its floods, authorized by act of Congress approved June 14, 1934 (H. Doc. No. 377); to the Committee on Flood Control and ordered to be printed, with illustration.

493. A letter from the Secretary of War, transmitting pursuant to section 1 of the River and Harbor Act approved January 21, 1927, section 10 of the Flood Control Act approved May 15, 1928, and the River and Harbor Acts approved March 3, 1925, and July 3, 1930, a letter from the Chief of Engineers, United States Army, dated December 2, 1935, submitting a report, together with accompanying papers and illustrations, containing a general plan for the improvement of Red River, La., Ark., Okla., and Tex., for the purposes of navigation and efficient development of its water power, the control of floods, and the needs of irrigation (H. Doc. No. 378); to the Committee on Rivers and Harbors and ordered to be printed, with 93 illustrations.

494. A letter from the quartermaster general of United Spanish War Veterans, transmitting the proceedings of the stated convention of the Thirty-seventh National Encampment of the United Spanish War Veterans held at San Antonio, Tex., September 15–19, 1935 (H. Doc. No. 348); to the Committee on Military Affairs and ordered to be printed with illustrations.

495. A letter from the national legislative chairman of the Disabled American Veterans of the World War, transmitting the minutes of the Fifteenth National Convention of the Disabled American Veterans held at New Haven, Conn., July 18 to 20, 1935 (H. Doc. No. 350); to the Committee on World War Veterans' Legislation and ordered to be printed with illustrations.

496. A letter from the chairman of the board of directors of the Tennessee Valley Authority, transmitting a report covering the activities of the Authority during the fiscal year beginning July 1, 1934, and ending June 30, 1935 (H. Doc. No. 356); to the Committee on Military Affairs and ordered to be printed.

497. A letter from the Secretary of War, transmitting 647 reports of inspections of disbursements made by officers of the Army, which inspections were made by the Inspector General's Department during the fiscal year ended June 30, 1935; to the Committee on Expenditures in the Executive Departments.

498. A letter from the Acting Secretary of the Interior, transmitting a copy of the journal of the Senate of the Legislature of the Territory of Hawaii, regular session of 1935; to the Committee on the Territories.

499. A letter from the Acting Secretary of the Interior, transmitting a copy of the journal of the House of Representatives of the Legislature of the Territory of Hawaii, regular session of 1935; to the Committee on the Territories.

500. A letter from the Director of the Division of Territories and Island Possessions of the Department of the Interior, transmitting a copy of the laws passed by the Legislature of the Territory of Hawaii, regular session of 1935; to the Committee on the Territories.

501. A letter from the director of the national legislative committee of the American Legion, transmitting the report of the Seventeenth Annual National Convention of the American Legion, held at St. Louis, Mo., September 23–26, 1935; proceedings of that convention and the financial statement; to the Committee on World War Veterans' Legislation.

502. A letter from the Administrator of the Federal Alcohol Administration, transmitting the first report of the Administration of the functions with which he has been charged as Administrator of the Federal Alcohol Administration; to the Committee on Ways and Means.

503. A letter from the Archivist, transmitting, in compliance with section 9 of the National Archives Act, approved June 19, 1934, lists of papers recommended for disposition, as provided by law, by the War Department, the Federal Communications Commission, and the Smithsonian Institution; to the Committee on the Disposition of Executive Papers.

504. A letter from the secretary of the American National Theater and Academy, transmitting a report of the proceedings of said corporation for the preceding calendar year, viz, 1935, and including a full and complete report of its receipts and expenditures; to the Committee on the Judiciary.

505. A letter from the Acting Secretary of War, transmitting a report on the studies and investigations of beach conditions at Old Orchard, Maine; to the Committee on Rivers and Harbors.

506. A letter from the Acting Secretary of War, transmitting a report from the Chief of Engineers, United States Army, on Cuivre River, Mo., made under the provisions of section 10 of the Flood Control Act of May 15, 1928; to the Committee on Flood Control.

507. A letter from the Acting Secretary of War, transmitting an itemized report concerning the activities of the American National Red Cross for the fiscal year ended June 30, 1935; to the Committee on Military Affairs.

508. A letter from the Chairman of the Federal Trade Commission, transmitting the annual report of the Federal Trade Commission for the fiscal year ending June 30, 1935; to the Committee on Interstate and Foreign Commerce.

509. A letter from the Chairman of the Public Utilities Commission of the District of Columbia, transmitting a report of its official proceedings for the year ended December

31, 1934, with other information relating to the regulation and operation of the public utilities in the District of Columbia coming under the jurisdiction of said Commission; to the Committee on the District of Columbia.

510. A letter from the Acting Secretary of the Navy, transmitting a report of designs, aircraft, aircraft parts, and aeronautical accessories purchased by the Navy Department during the fiscal year ended June 30, 1935; to the Committee on Expenditures in the Executive Departments.

511. A letter from the Acting Secretary of War, transmitting a draft of a bill for the relief of Dampskib Aktieselshap Roskva, of Oslo, Norway, owner of the steamship *Roskva*, for damages sustained by that vessel in a collision with the U. S. Army tug *Amackassin;* to the Committee on Claims.

512. A letter from the Secretary of Commerce, transmitting a report of claims arbitrated or settled between October 16, 1934, and October 15, 1935, by the United States Shipping Board Bureau and the United States Shipping Merchant Fleet Corporation; to the Committee on Merchant Marine and Fisheries.

513. A letter from the Secretary of the Interior, transmitting a report of the War Minerals Relief Commission, covering the period December 1, 1934, to November 30, 1935, inclusive; to the Committee on Expenditures in the Executive Departments.

514. A letter from the Secretary of the Treasury, transmitting a detailed report of the receipts and expenditures made during the fiscal year ending June 30, 1935, from the working capital fund established in accordance with the provisions of section 9 of the act approved January 19, 1929 (U. S. C., title 21, sec. 229), for the operation of the industrial activities at the United States Narcotic Farm, Lexington, Ky.; to the Committee on Expenditures in the Executive Departments.

515. A letter from the Secretary of State, transmitting a copy of the circular of the Nobel Committee of the Norwegian Parliament furnishing information with reference to proposals of candidates for the Nobel Peace Prize for the year 1936; to the Committee on Foreign Affairs.

516. A communication from the President of the United States, transmitting deficiency and supplemental estimates of appropriations for the fiscal year 1936, and prior years, for the legislative establishment, certain executive departments and independent establishments, and the District of Columbia, amounting in all to $60,317,918.94, together with proposed provisions pertaining to existing appropriations and proposed authorizations for expenditures aggregating $29,000 from Indian tribal funds (H. Doc. No. 381); to the Committee on Appropriations and ordered to be printed.

517. A letter from the Clerk of the House of Representatives, transmitting a list of reports to be made to Congress by public officers during the Seventy-fourth Congress (H. Doc. No. 359); to the Committee on Accounts and ordered to be printed.

518. A letter from the Comptroller General of the United States, transmitting his report and recommendation to the Congress concerning the claim of H. R. Heinicke, Inc., against the United States; to the Committee on Claims.

519. A letter from the Clerk of the House of Representatives, transmitting a report for the period from July 1, 1934, to June 30, 1935, both inclusive, giving names of statutory and contingent-fund employees of the House and their respective compensations; to the Committee on Accounts.

520. A letter from the Secretary of the Navy, transmitting a report of expenditures from each of the appropriations involving expenditures for repairs or changes to a vessel of the Navy in excess of $450,000 for any 18 consecutive months; to the Committee on Naval Affairs.

521. A letter from the president of the Commission on Licensure Healing Arts Practice Act, transmitting its report showing the activities of the Commission for the fiscal year ended June 30, 1935; to the Committee on the District of Columbia.

522. A letter from the Acting Secretary of War, transmitting a draft of a bill to remove restrictions against construction on certain parts of Governors Island, N. Y.; to the Committee on Military Affairs.

523. A letter from the Chairman of the Federal Trade Commission, transmitting an interim report of the Federal Trade Commission with respect to the agricultural income inquiry (H. Doc. No. 380); to the Committee on Interstate and Foreign Commerce and ordered to be printed.

524. A letter from the Secretary of Commerce, transmitting a copy of his annual report for the fiscal year 1935; to the Committee on Interstate and Foreign Commerce.

525. A letter from the Secretary of Commerce, transmitting a report concerning the disposition of useless papers of the Bureau of Standards and the Patent Office; to the Committee on the Disposition of Executive Papers.

526. A letter from the Secretary of the Interior, transmitting three tables representing the cost, cancelations, and other data with respect to Indian irrigation projects as compiled to the end of the fiscal year June 30, 1935; to the Committee on Indian Affairs.

527. A letter from the Secretary of the Interior, transmitting a statement of the fiscal affairs of all Indian tribes for whose benefit expenditures from public or tribal funds were made during the fiscal year ended June 30, 1935; to the Committee on Indian Affairs.

528. A letter from the Secretary of the Treasury, transmitting reports from the Departments of Commerce, War, the Civil Service Commission, the Interior Department, and the General Accounting Office relative to money received during the fiscal year ended June 30, 1935, which was not paid into the general fund of the United States Treasury; to the Committee on Expenditures in the Executive Departments.

529. A letter from the Chairman of the United States Tariff Commission, transmitting a copy of a report of the Tariff Commission in an investigation in accordance with the provisions of paragraph 51 of the Tariff Act of 1930, with respect to synthetic camphor; to the Committee on Ways and Means.

530. A letter from the Chairman of the United States Tariff Commission, transmitting a copy of a report rendered today to the Senate in compliance with a resolution of that body with respect to "The importation into the United States of fresh and frozen tuna fish and its effect on the production of tuna fish by United States fishing vessels"; to the Committee on Ways and Means.

531. A letter from the Comptroller General of the United States, transmitting his report and recommendation to the Congress concerning the claim of the Texas Pacific Terminal Railroad of New Orleans against the United States; to the Committee on Claims.

532. A letter from the Chairman of the National Mediation Board, transmitting a copy of the first annual report of the National Mediation Board, including the report of the National Railroad Adjustment Board, to Congress; to the Committee on Interstate and Foreign Commerce.

533. A letter from the Director of the Gorgas Memorial Laboratory, transmitting the report of the work and operation of the Gorgas Memorial Laboratory for the period from October 31, 1934, to November 1, 1935 (H. Doc. No. 355); to the Committee on Foreign Affairs.

534. A letter from the Secretary of the Treasury, transmitting a report of rental collections on account of public buildings and sites, privileges, and ground rent, under the control of the Treasury Department, outside of the District of Columbia, for the fiscal year ended June 30, 1935; to the Committee on Expenditures in the Executive Departments.

535. A letter from the Secretary of War, transmitting statements of the cost of manufacture at armory and arsenals; to the Committee on Expenditures in Executive Departments.

536. A letter from the Chief Clerk of the Court of Claims of the United States, transmitting statement of all judgments rendered by the Court of Claims for the year ended November 30, 1935, the amount thereof, the parties in whose favor rendered, and a brief synopsis of the nature of the claims; to the Committee on Claims.

537. A letter from the Secretary of the Treasury, transmitting a report showing refunds of internal revenue in

excess of $500 approved by the Bureau of Internal Revenue ing the fiscal year ended June 30, 1935; to the Committee on Expenditures in the Executive Departments.

538. A letter from the Secretary of the Treasury, transmitting the annual report showing names of officers and employees who received payments during the calendar year 1934, in excess of $15,000 from corporations as salary, commission, bonus, or other compensation for personal services rendered; to the Committee on Ways and Means.

539. A letter from the Chairman of the Securities and Exchange Commission, transmitting a preliminary report by the Commission with reference to the work, activities, personnel, and functions of protective and reorganization committees in connection with the reorganization, readjustment, rehabilitation, liquidation, and consolidation of persons and properties; to the Committee on Interstate and Foreign Commerce.

540. A letter from the Chairman of the Securities and Exchange Commission, transmitting the results of the Commission's investigation of trading in unlisted securities upon exchanges, together with its recommendations; to the Committee on Interstate and Foreign Commerce.

541. A letter from the Secretary of War, transmitting a statement of appropriations of the preceding fiscal year for the War Department; to the Committee on Expenditures in the Executive Departments.

542. A letter from the Architect of the Capitol, transmitting the annual report of the Office of the Architect of the Capitol for the fiscal year ended June 30, 1935; to the Committee on Public Buildings and Grounds.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROWN of Michigan: A bill (H. R. 9271) to provide for the establishment of a Coast Guard station at Menominee, Mich.; to the Committee on Merchant Marine and Fisheries.

By Mr. BURDICK: A bill (H. R. 9272) to provide that Federal court juries shall be drawn from boxes used by the State authorities; to the Committee on the Judiciary.

By Mr. CANNON of Missouri: A bill (H. R. 9273) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Weldon Spring, Mo.; to the Committee on Interstate and Foreign Commerce.

By Mr. DIMOND: A bill (H. R. 9274) authorizing the Legislature of Alaska to alter, amend, or repeal certain laws of Alaska imposing taxes for carrying on business and trade, and for other purposes; to the Committee on the Territories.

Also, a bill (H. R. 9275) to permit mining within the Glacier Bay National Monument; to the Committee on the Public Lands.

By Mr. KENNEY: A bill (H. R. 9276) to amend section 5 and section 33 of the Longshoremen's and Harbor Workers' Compensation Act; to the Committee on the Judiciary.

By Mr. LAMNECK: A bill (H. R. 9277) to repeal the Potato Act; to the Committee on Agriculture.

By Mrs. NORTON: A bill (H. R. 9278) to regulate the manufacturing, dispensing, selling, and possession of narcotic drugs in the District of Columbia; to the Committee on the District of Columbia.

Also, a bill (H. R. 9279) to amend an act entitled "An act to regulate the practice of pharmacy and the sale of poisons, and for other purposes", approved May 7, 1906, as amended; to the Committee on the District of Columbia.

Also, a bill (H. R. 9280) amending the act entitled "An act to regulate business of loaning money on security of any kind by persons, firms, corporations other than national banks, licensed brokers, trust companies, savings banks, building-and-loan associations, and real-estate brokers in the District of Columbia", approved February 4, 1913, as amended; to the Committee on the District of Columbia.

By Mr. McLEOD: A resolution (H. Res. 380) providing for the appointment of a select committee of the House to investigate waste in relief expenditures and make a study of the relief policies employed to date, with the view of determining proper corrective procedure to insure maximum relief benefits from future relief expenditures; to the Committee on Rules.

By Mr. BEITER: House joint resolution (H. J. Res. 409) making an appropriation for public-works projects to provide work relief and increase employment; to the Committee on Appropriations.

By Mr. DIMOND: House joint resolution (H. J. Res. 410) authorizing a preliminary examination or survey of Elfin Cove, Alaska; to the Committee on Rivers and Harbors.

Also, House joint resolution (H. J. Res. 411) authorizing a preliminary examination or survey of Unga Harbor, Alaska; to the Committee on Rivers and Harbors.

By Mr. MEAD: A bill (H. R. 9471) to insure domestic tranquillity and to promote the general welfare by regulating and promoting commerce with foreign nations and among the States in commodities and industrial articles, to regulate the flow of such commerce, to prescribe the conditions under which corporations may engage in such commerce, to provide for the formation of corporations to engage in such commerce, and for other purposes; to the Committee on the Judiciary.

By Mr. GUYER: A bill (H. R. 9472) for the relief of officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace April 11, 1899; to the Committee on War Claims.

By Mr. BLAND: A bill (H. R. 9473) to protect the health of travelers by sea, to aid in the prevention of the international spread of disease, and to facilitate the movement of international commerce and communication; to the Committee on Merchant Marine and Fisheries.

By Mr. DIMOND: A bill (H. R. 9474) to provide for the conservation of herring in the waters of Alaska, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. SAUTHOFF: A bill (H. R. 9475) to prescribe a minimum pension for blind World War veterans, and for other purposes; to the Committee on World War Veterans' Legislation.

By Mr. EAGLE: A bill (H. R. 9476) to permit free mailing of periodicals and newspapers to or for the use of hospitalized veterans; to the Committee on the Post Office and Post Roads.

By Mr. WELCH: A bill (H. R. 9477) relating to the induction of registrants who applied and who were accepted for induction and assigned to educational institutions for special and technical training under the provisions of the act approved August 31, 1918, but whose induction without fault of their own was not completed; to the Committee on Military Affairs.

By Mr. CROSS of Texas: A bill (H. R. 9478) providing that in all cases filed in an inferior Federal court the court shall pass upon both questions of law and fact with the exception that no inferior court shall pass upon the constitutionality of an act of Congress; and further providing that the Supreme Court in deciding any case on appeal shall pass upon both questions of law and fact with the exception that it shall not pass in such cases upon the constitutionality of an act of Congress; to the Committee on the Judiciary.

By Mr. SNYDER of Pennsylvania: A bill (H. R. 9479) requiring the Capital Transit Co. to remove certain tracks and extend certain tracks in and about the Capitol Grounds; to the Committee on the District of Columbia.

Also, a bill (H. R. 9480) to provide for the establishment of a national park or monument in the township of Perry, Fayette County, Pa. (including George Washington grist mill and the property adjacent thereto); to the Committee on the Public Lands.

By Mr. RAMSAY: A bill (H. R. 9481) to amend title 2, section 251, of the Code of Laws of the United States of America, in force January 3, 1935, also adding thereto sections 251–A and 251–B, relating to offenses in elections and providing penalties therefor; to the Committee on Elec-



tion of President, Vice President, and Representatives in Congress.

By Mr. KOPPLEMANN: A bill (H. R. 9482) to preserve the neutrality of the United States in armed conflicts occurring outside its territorial limits to which it is not a party, and to define the obligations of citizens and nationals of the United States in respect to such conflicts; to the Committee on Foreign Affairs.

By Mr. PIERCE: A bill (H. R. 9483) to extend the provisions of the Forest Exchange Act, as amended, to certain lands, so that they may become part of the Umatilla and Whitman National Forests; to the Committee on the Public Lands.

Also, a bill (H. R. 9484) to amend section 36 of the Emergency Farm Mortgage Act of 1933, as amended; to the Committee on Agriculture.

By Mr. MOTT: A bill (H. R. 9485) to convey certain lands to Clackamas County, Oreg., for public-park purposes; to the Committee on the Public Lands.

By Mr. RANKIN: A bill (H. R. 9486) for the relief of widows, children, and dependent parents of World War veterans who died as the result of the Florida hurricane at Windley Island and Matecumbe Keys, September 2, 1935; to the Committee on World War Veterans' Legislation.

By Mr. WARREN: A bill (H. R. 9487) limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States, with respect to counsel in certain cases; to the Committee on the Judiciary.

By Mr. REED of New York: A bill (H. R. 9488) to repeal the authority to enter into certain foreign trade agreements and to terminate agreements heretofore concluded; to the Committee on Ways and Means.

By Mr. VINSON of Georgia: A bill (H. R. 9489) to confer certain additional jurisdiction upon the United States Board of Tax Appeals; to the Committee on Ways and Means.

By Mr. REED of New York: A bill (H. R. 9490) to repeal the Potato Act; to the Committee on Agriculture.

By Mr. GOLDSBOROUGH: A bill (H. R. 9491) to provide for the construction of 12 vessels for the Coast Guard designed for ice-breaking and assistance work; to the Committee on Merchant Marine and Fisheries.

By Mr. LUDLOW: A bill (H. R. 9492) to establish the neutrality of the United States; to the Committee on Foreign Affairs.

By Mr. KRAMER: A bill (H. R. 9493) to provide for the payment of rewards to persons supplying to the United States information enabling it to recover lands and all other property or interests therein to which the United States may be entitled; creating a land fraud recovery fund; and making an appropriation for the payment of such rewards; to the Committee on the Judiciary.

By Mr. HOOK: A bill (H. R. 9494) to amend the Agricultural Adjustment Act, as amended by Public Act No. 320 of the Seventy-fourth Congress, first session, by repealing the potato-control section of said act, as amended; to the Committee on Agriculture.

By Mr. DOBBINS: A bill (H. R. 9495) providing for the place of prosecution for the offense of depositing or causing to be deposited in the mails certain matter declared by law to be unmailable; to the Committee on the Judiciary.

Also, a bill (H. R. 9496) to protect the United States against loss in the delivery through the mails of checks in payment of benefits provided for by laws administered by the Veterans' Administration; to the Committee on the Post Office and Post Roads.

By Mr. WELCH: A bill (H. R. 9497) to adjust the rate of pension to soldiers of the Indian wars who served 90 days or more in active service against hostile Indians, and for other purposes; to the Committee on Pensions.

By Mr. JONES: A bill (H. R. 9498) to provide for loans to farmers for crop production and harvesting during the year 1936, and for other purposes; to the Committee on Agriculture.

By Mr. EDMISTON: A bill (H. R. 9499) to repeal the Potato Act of 1935; to the Committee on Agriculture.

By Mr. VINSON of Kentucky: A bill (H. R. 9500) to provide for the immediate payment of World War adjusted-service certificates, for the refund of interest paid, and the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes; to the Committee on Ways and Means.

By Mr. BACHARACH: A bill (H. R. 9501) for a survey and examination of Cedar Creek, N. J.; to the Committee on Rivers and Harbors.

By Mr. WELCH: A bill (H. R. 9652) to aid the national defense by fostering shipbuilding on the Pacific coast in order to more perfectly provide the necessary shore support for the maintenance and operation of the Pacific Fleet by encouraging shipbuilding on the Pacific coast; to the Committee on Naval Affairs.

By Mr. McCORMACK: A bill (H. R. 9653) to provide for the construction of 10 vessels for the Coast Guard designed for ice-breaking and assistance work; to the Committee on Merchant Marine and Fisheries.

By Mr. MOTT: A bill (H. R. 9654) to authorize the purchase by the city of Scappoose, Oreg., of a certain tract of public land revested in the United States under the act of June 9, 1916 (39 Stat. 218); to the Committee on the Public Lands.

By Mr. DINGELL: A bill (H. R. 9664) to create the Kilauea Military Reservation; to the Committee on Military Affairs.

By Mr. PIERCE: Resolution (H. Res. 381) providing for the creation of a select committee of the House to investigate the conducting of polls purporting to measure public opinion; to the Committee on Rules.

By Mr. BEITER: Resolution (H. Res. 382) authorizing the appointment of a special committee to investigate the purchase of Lang Field, Buffalo, N. Y.; to the Committee on Rules.

By Mr. PETERSON of Florida: Resolution (H. Res. 383) creating a select committee to investigate the causes of the delay in evacuating veterans from veterans' camps on the Florida Keys during the September 1935 storm period; to the Committee on Rules.

By Mr. TREADWAY: Resolution (H. Res. 384) directing the Secretary of the Treasury to furnish the House of Representatives with certain information relating to the gold reserve of the United States; to the Committee on Coinage, Weights, and Measures.

By Mr. HOOK: Resolution (H. Res. 385) providing for an investigation of the administration of relief moneys by the Michigan Emergency Welfare Relief Commission; to the Committee on Rules.

By Mr. BLAND: Joint resolution (H. J. Res. 412) to authorize an investigation of the means of increasing capacity of the Panama Canal for future needs of interoceanic shipping, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. SAUTHOFF: Joint resolution (H. J. Res. 413) requesting the President to proclaim October 9 as Leif Erikson Day; to the Committee on the Judiciary.

By Mr. DICKSTEIN: Joint resolution (H. J. Res. 414) to protect the artistic and earning opportunities in the United States of American actors and musicians, both instrumental and vocal, and orchestral conductors, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. KNUTSON: Joint resolution (H. J. Res. 415) to carry out the intention of Congress with reference to the claims of the Chippewa Indians of Minnesota against the United States; to the Committee on Indian Affairs.

By Mr. LESINSKI: Joint resolution (H. J. Res. 416) directing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. MORITZ: Joint resolution (H. J. Res. 417) directing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for

the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. REED of New York: Joint resolution (H. J. Res. 418) directing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. REILLY: Joint resolution (H. J. Res. 419) to investigate corporations engaged in the manufacture, sale, or distribution of agricultural implements and machinery; to the Committee on Interstate and Foreign Commerce.

By Mr. TINKHAM: Joint resolution (H. J. Res. 420) providing for the withdrawal by the United States from the so-called Kellogg-Briand Treaty, signed on August 27, 1928; to the Committee on Foreign Affairs.

By Mr. LEMKE: Joint resolution (H. J. Res. 421) proposing an amendment to the Constitution of the United States providing for the initiative of legislative measures by electors; to the Committee on the Judiciary.

By Mr. McREYNOLDS: Joint resolution (H. J. Res. 422) to maintain the neutrality of the United States in the event of war or threat of war between or among foreign nations; to the Committee on Foreign Affairs.

By Mr. FLETCHER: Joint resolution (H. J. Res. 423) proposing an amendment to the Constitution of the United States providing for a term of 6 years for a President of the United States, and for other purposes; to the Committee on Election of President, Vice President, and Representatives in Congress.

By Mr. KENNEY: Joint resolution (H. J. Res. 424) directing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. BIERMANN: Joint Resolution (H. J. Res. 425) to make the Civilian Conservation Corps a more effective agency in the relief of unemployment, and for other purposes; to the Committee on Labor.

By Mr. MARTIN of Massachusetts: Joint Resolution (H. J. Res. 426) to investigate the cause of delays in issuing payments to beneficiaries of the Works Progress Administration, and for other purposes; to the Committee on Appropriations.

By Mr. DOXEY: Joint resolution (H. J. Res. 427) relating to the employment of persons on work-relief projects; to the Committee on Appropriations.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Ohio, regarding the treaty of Greenville memorial; to the Committee on Public Buildings and Grounds.

Also, memorial of the Legislature of the State of Illinois, regarding the treaty of Greenville memorial; to the Committee on Public Buildings and Grounds.

Also, memorial of the Legislature of the State of Nebraska, regarding United States neutrality; to the Committee on Foreign Affairs.

Also, memorial of the Legislature of the State of Mississippi, endorsing House bill 8789; to the Committee on Military Affairs.

Also, memorial of the Legislature of the State of Texas, regarding the taxation of school districts; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Wisconsin; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 9281) granting a pension to Francis Sipe; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9282) granting a pension to Margaret E. Pryce; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9283) granting a pension to Parmelia J. Woodward; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9284) granting an increase of pension to Ida M. Stough; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9285) granting a pension to Alice R. Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9286) granting a pension to Agnes Metcalf; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9287) granting an increase of pension to Margaret V. Myers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9288) granting an increase of pension to Jacob Hetler; to the Committee on Pensions.

Also, a bill (H. R. 9289) granting a pension to Lucretia Beer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9290) granting an increase of pension to Rebecca Hankinson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9291) granting an increase of pension to Maria J. Anderson; to the Committee on Invalid Pensions.

By Mr. BEITER: A bill (H. R. 9292) to correct the naval record of Paul Harold Erickson; to the Committee on Naval Affairs.

Also, a bill (H. R. 9293) to correct the naval record of James Madison; to the Committee on Naval Affairs.

By Mr. BERLIN: A bill (H. R. 9294) for the relief of Jacob King; to the Committee on Military Affairs.

By Mr. BOEHNE: A bill (H. R. 9295) granting an increase of pension to Eudora Kightly; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9296) granting an increase of pension to Kate Harris; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9297) granting an increase of pension to Martha Brown; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9298) granting an increase of pension to Eunice T. Brown; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9299) granting an increase of pension to Rebecca Berry; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9300) granting a pension to Josie Siessly; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9301) granting a pension to Sallie Hutchens; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9302) granting an increase of pension to Wilhelmina Tonnemacher; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9303) granting an increase of pension to Amanda A. Sibrel; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9304) granting an increase of pension to Susan A. Rice; to the Committee on Invalid Pensions.

By Mr. BOYKIN: A bill (H. R. 9305) for the relief of R. E. Sutton, Lula G. Sutton, Grace Sutton, and Mary Lou Drinkard; to the Committee on Claims.

By Mr. CANNON of Wisconsin: A bill (H. R. 9306) for the relief of Thaddeus Mlynarek; to the Committee on Claims.

By Mr. COLE of New York: A bill (H. R. 9307) granting an increase of pension to Huldah Pedrick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9308) granting an increase of pension to Mary L. Paddock; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9309) granting an increase of pension to Mary A. Green; to the Committee on Invalid Pensions.

By Mr. CRAWFORD: A bill (H. R. 9310) granting a pension to Pearl Brentlinger; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9311) granting a pension to Orvilla Finton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9312) granting a pension to Eleanor R. Gage; to the Committee on Invalid Pensions.

By Mr. DIMOND: A bill (H. R. 9313) for the relief of Anna Leak; to the Committee on Claims.

Also, a bill (H. R. 9314) for the relief of Carrie R. Samms; to the Committee on Claims.

Also, a bill (H. R. 9315) for the relief of Galen B. Fry; to the Committee on Claims.

Also, a bill (H. R. 9316) for the relief of Sam Romack; to the Committee on Claims.

By Mr. DUNCAN: A bill (H. R. 9317) granting a pension to Jane S. Murphy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9318) granting a pension to Mary C. Wilkerson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9319) granting a pension to Susan Harder; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9320) granting a pension to Mary F. Williams; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9321) granting a pension to Louisa Wainscott; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9322) granting an increase of pension to Mary E. Redman; to the Committee on Invalid Pension.

Also, a bill (H. R. 9323) granting an increase of pension to Nannie Blades; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9324) granting an increase of pension to Maria Berghoff; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9325) granting a pension to Joseph Thompson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9326) granting an increase of pension to Matilda M. Fleming; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9327) granting a pension to Sarah C. Burnett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9328) granting a pension to Edna A. Cole; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9329) granting a pension to Mary C. McKarin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9330) granting a pension to Daniel F. Glenn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9331) granting a pension to Bertha E. Haroff; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9332) granting a pension to Elizabeth Hindman; to the Committee on Invalid Pensions.

By Mr. GREENWOOD: A bill (H. R. 9333) granting a pension to Anna Fletcher; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9334) granting a pension to Hattie McIntosh; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9335) granting an increase of pension to Catherine Myers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9336) granting a pension to Charles W. Ringer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9337) granting a pension to Albert Braun; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9338) granting an increase of pension to Louisa L. Kendall; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9339) granting a pension to Harry C. B. Frets; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9340) granting an increase of pension to James B. Long; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9341) granting a pension to Edward Butler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9342) granting an increase of pension to Joanna E. Vickers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9343) granting an increase of pension to Clara Carnahan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9344) granting a pension to Frank Burcham; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9345) granting an increase of pension to Mary E. Whitlock; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9346) granting an increase of pension to Mary Gibson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9347) granting an increase of pension to Lucy A. Vandiver; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9348) granting an increase of pension to Elizabeth M. Harrah; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9349) granting a pension to Edward Armel; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9350) granting a pension to Belle Armel; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9351) granting a pension to Amanda C. Bodenhamer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9352) granting a pension to Albert Sanders; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9353) granting an increase of pension to Mary L. Garrison; to the Committee on Pensions.

Also, a bill (H. R. 9354) granting a pension to Luther Hudson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9355) granting an increase of pension to Mary J. Gwinn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9356) granting an increase of pension to Mary E. Cole; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9357) granting an increase of pension to Nancy E. Bucher; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9358) granting a pension to Katie Glenn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9359) granting an increase of pension to Emeline Kinneman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9360) granting an increase of pension to Clementine Young; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9361) granting an increase of pension to Lucy E. Blevins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9362) granting an increase of pension to Elizabeth J. Cunningham; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9363) granting an increase of pension to Mary A. Swing; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9364) granting a pension to Alice Chumbley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9365) granting a pension to Roberta Davis; to the Committee on Invalid Pensions.

By Mr. GRISWOLD: A bill (H. R. 9366) granting a pension to Margaret E. Stephens; to the Committee on Invalid Pensions.

By Mr. HESS: A bill (H. R. 9367) granting an increase of pension to Elnora McDowell; to the Committee on Invalid Pensions.

By Mr. HOBBS: A bill (H. R. 9368) for the relief of Clifton W. Mizzell; to the Committee on Military Affairs.

By Mr. KENNEDY of Maryland (by request): A bill (H. R. 9369) for the relief of John L. Summers, former disbursing clerk, Treasury Department, and Frank White, G. F. Allen, H. T. Tate, and W. O. Woods, former Treasurers of the United States; to the Committee on Claims.

Also (by request): A bill (H. R. 9370) for the relief of Frank Cordova; to the Committee on Claims.

Also (by request), a bill (H. R. 9371) for the relief of L. E. Baumgarten; to the Committee on Claims.

Also (by request), a bill (H. R. 9372) for the relief of Charles M. Perkins; to the Committee on Claims.

Also (by request), a bill (H. R. 9373) for the relief of H. L. J. B. McQueen, Inc., and John L. Summers, former disbursing clerk, Treasury Department; to the Committee on Claims.

Also (by request), a bill (H. R. 9374) to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects destroyed in a fire at the radio direction finder station, North Truro, Mass., on December 27, 1934; to the Committee on Claims.

Also (by request), a bill (H. R. 9375) for the relief of certain disbursing officers and former disbursing officers of the United States Veterans' Administration; to the Committee on Claims.

Also (by request), a bill (H. R. 9376) for the relief of Thomas F. Gardiner; to the Committee on Claims.

Also (by request), a bill (H. R. 9377) for the relief of F. L. Forbes, John L. Abbot, and Ralph Sollitt & Sons Construction Co.; to the Committee on Claims.

Also (by request), a bill (H. R. 9378) to provide for the adjustment and settlement of personal-injury and death cases arising in certain foreign countries; to the Committee on Claims.

Also (by request), a bill (H. R. 9379) for the relief of Capt. J. H. Merriam, Supply Corps, United States Navy; to the Committee on Claims.

Also (by request), a bill (H. R. 9380) for the relief of Edgar M. Barber, special disbursing agent, Paris, France, and Leo Martinuzzi, former customs clerk; to the Committee on Claims.

By Mr. KINZER: A bill (H. R. 9381) granting a pension to John W. Lutz; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9382) granting an increase of pension to Emma Barnholt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9383) granting a pension to Maude Isabel Schuler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9384) granting an increase of pension to Helen Gallagher; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9385) granting an increase of pension to Kate C. George; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9386) granting an increase of pension to Emma J. Miller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9387) granting an increase of pension to Sarah J. Lafferty; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9388) granting an increase of pension to Catharine E. Hinkle; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9389) granting a pension to George Newton Groff; to the Committee on Invalid Pensions.

By Mr. LAMNECK: A bill (H. R. 9390) for the relief of Walter T. Karshner, Katherine Karshner, Anne M. Karshner, and Mrs. James E. McShane; to the Committee on Claims.

Also, a bill (H. R. 9391) for the relief of Zora E. Gray; to the Committee on Claims.

Also, a bill (H. R. 9392) granting an increase of pension to Anna W. McDonald; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9393) granting an increase of pension to Annie I. McCoy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9394) granting an increase of pension to Sarah J. Moody; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9395) granting an increase of pension to Mary A. Pocock; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9396) granting an increase of pension to Mary C. Reichard; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9397) granting an increase of pension to Kate Rogers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9398) granting an increase of pension to L. Belle Bailey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9399) granting an increase of pension to Sarah C. Lines; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9400) granting an increase of pension to Miami Leeper; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9401) granting an increase of pension to Mary Jones; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9402) granting an increase of pension to Frances E. Foster; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9403) granting an increase of pension to Jane A. Taylor; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9404) granting an increase of pension to Sarah J. Blair; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9405) granting an increase of pension to Susan Buckingham; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9406) granting an increase of pension to Elizabeth Cooley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9407) granting an increase of pension to Decimay Ely; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9408) granting a pension to Alfrettia Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9409) granting a pension to Della Leach; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9410) granting a pension to Alice M. Stites; to the Committee on Invalid Pensions.

By Mr. LEA of California: A bill (H. R. 9411) granting an increase of pension to Deborah Hunter; to the Committee on Invalid Pensions.

By Mr. McMILLAN: A bill (H. R. 9412) for the relief of Vincent Chicco; to the Committee on the Judiciary.

By Mr. McREYNOLDS: A bill (H. R. 9413) for the relief of Harry R. Howard; to the Committee on Military Affairs.

Also, a bill (H. R. 9414) for the relief of Robert Roy Shelton; to the Committee on Patents.

By Mr. MILLARD: A bill (H. R. 9415) granting an increase of pension to Miranda C. Thompson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9416) granting a pension to Fannie J. Mann; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9417) granting a pension to Elizabeth H. Camp; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9418) for the relief of Edward L. Gockeler; to the Committee on Claims.

Also, a bill (H. R. 9419) for the relief of Mrs. Stephen Toth; to the Committee on Claims.

Also, a bill (H. R. 9420) for the relief of the estate of Cornelius P. Young; to the Committee on Claims.

Also, a bill (H. R. 9421) for the relief of the estate of Alexis Romm; to the Committee on Claims.

By Mr. POLK: A bill (H. R. 9422) granting a pension to Hester A. Bradford; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9423) granting a pension to Levi Copas; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9424) granting a pension to Ivy Pitzer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9425) granting a pension to Bertha T. Hastings; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9426) granting an increase of pension to Ruth P. Shivers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9427) granting an increase of pension to Rebecca L. Richards; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9428) granting an increase of pension to Mary Clemons; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9429) granting an increase of pension to Carrie F. Bloom; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9430) granting an increase of pension to Eva A. Holter; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9431) granting an increase of pension to Elizabeth J. Coburn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9432) granting a pension to Ennie Fields; to the Committee on Invalid Pensions.

By Mr. RICH: A bill (H. R. 9433) granting a pension to Lulu Maude Williams; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9434) granting a pension to Anna L. Harman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9435) granting an increase of pension to Mary E. Grange; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9436) granting an increase of pension to Elizabeth L. Crist; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9437) granting an increase of pension to Sarah E. Sturm; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9438) granting an increase of pension to Elizabeth S. Simpson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9439) granting an increase of pension to Mary E. Catlin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9440) granting an increase of pension to Julia A. Poust; to the Committee on Invalid Pensions.

By Mr. ROBSION of Kentucky: A bill (H. R. 9441) granting a pension to John Powell; to the Committee on Pensions.

Also, a bill (H. R. 9442) granting a pension to John H. Botner; to the Committee on Pensions.

Also, a bill (H. R. 9443) granting a pension to Sarah Nantz; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9444) granting a pension to John C. Camden; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9445) granting a pension to Lucy Jones; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9446) granting a pension to Joshua S. Mullins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9447) granting a pension to Mollie Sigmon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9448) granting a pension to Mumzell Wooldridge; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9449) granting a pension to Ada Simpson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9450) granting an increase of pension to Malisa Morris; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9451) granting an increase of pension to Mary C. Davis; to the Committee on Invalid Pensions.

By Mr. SAUTHOFF: A bill (H. R. 9452) granting a pension to Lorania M. Blackman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9453) granting a pension to Hallie V. Weeks; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9454) for the relief of Eugene McDonnell; to the Committee on Claims.

Also, a bill (H. R. 9455) for the relief of Robert J. Mann; to the Committee on Claims.

By Mr. SHORT: A bill (H. R. 9456) granting a pension to Stillman Garrett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9457) granting a pension to Marietta Cannon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9458) granting a pension to E. Jane Spencer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9459) granting a pension to Jesse Mills; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9460) granting a pension to Angeline Hart; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9461) granting a pension to Frank A. Boster; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9462) granting a pension to Agnes P. Miller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9463) granting a pension to Cathrine Orender; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9464) granting a pension to Mary B. Morris; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9465) granting a pension to Katie A. Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9466) granting an increase of pension to Christina M. Sharp; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9467) granting an increase of pension to Lydia E. Laton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9468) granting an increase of pension to Annie L. Teague; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9469) granting an increase of pension to Mary C. Johnson; to the Committee on Invalid Pensions.

By Mr. TOLAN: A bill (H. R. 9470) to authorize the presentation of the Congressional Medal of Honor to Nathan P. Sanders; to the Committee on Military Affairs.

By Mr. BUCK: A bill (H. R. 9502) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of W. J. Nolan, L. Jacobson, J. A. Iliguera, C. H. Damsted, R. Galleguillo, F. G. Grisby, K. H. Johnson, R. Dupouy, C. J. Degen, W. L. Nolan, R. C. Jensen, M. J. Roderick, L. K. Moore, C. Lederer, M. Kelley, R. Dinkel, A. J. Mouchou, C. R. Taylor, M. Knull, S. W. Ligon, C. C. Johnson, W. P. Brennan, C. F. Siebert, and J. T. Weeks; to the Committee on Claims.

Also, a bill (H. R. 9503) authorizing the Secretary of War to bestow a gold medal of honor of such design as he may approve upon Emile Genereux; to the Committee on Military Affairs.

By Mr. CHURCH: A bill (H. R. 9504) for the relief of Rosalie Piar Sprecher (nee Rosa Piar); to the Committee on Immigration and Naturalization.

By Mr. COLDEN: A bill (H. R. 9505) for the relief of William H. Small; to the Committee on Claims.

Also, a bill (H. R. 9506) granting an increase of pension to Nettie I. Moffatt; to the Committee on Pensions.

Also, a bill (H. R. 9507) granting a pension to Melissa P. Seneker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9508) granting a pension to Ida A. Borthwick; to the Committee on Invalid Pensions.

By Mr. CULKIN: A bill (H. R. 9509) granting an increase of pension to Eunice A. Collins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9510) granting an increase of pension to Addie M. Eggleston; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9511) granting an increase of pension to Alwilda E. Seymour; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9512) granting an increase of pension to Erzelia A. Lackey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9513) granting an increase of pension to Catherine Grunert; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9514) granting an increase of pension to Mary H. Ackley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9515) granting an increase of pension to Eliza Pickard; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9516) granting an increase of pension to Mary Wilder; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9517) granting an increase of pension to Margaret J. Merrill; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9518) granting an increase of pension to Emogene Allen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9519) granting an increase of pension to Nancy E. Fish; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9520) granting an increase of pension to Laura Joles; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9521) granting an increase of pension to Margaret Van Dresar; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9522) granting an increase of pension to Jennie Everett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9523) granting an increase of pension to Alice W. Butts; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9524) granting an increase of pension to Ella A. Hart; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9525) granting an increase of pension to Mary Hennessey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9526) granting a pension to Katie Roch; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9527) granting an increase of pension to Etta A. Johnson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9528) granting an increase of pension to Ida Bloss; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9529) granting a pension to Agnes Crawford; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9530) for the relief of Genevieve E. Daley; to the Committee on Claims.

Also, a bill (H. R. 9531) granting a pension to Cora Dawson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9532) granting a pension to Cora B. Gardner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9533) granting a pension to Ella Chapman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9534) granting a pension to Mary P. Smith; to the Committee on Invalid Pensions.

By Mr. DUNCAN: A bill (H. R. 9535) granting an increase of pension to Rose A. Pettigrew; to the Committee on Invalid Pensions.

By Mr. FERGUSON: A bill (H. R. 9536) for the relief of T. T. Reno; to the Committee on Claims.

By Mr. FLETCHER: A bill (H. R. 9537) granting a pension to Mary Sacks; to the Committee on Invalid Pensions.

By Mr. GIFFORD: A bill (H. R. 9538) for the relief of Lawrence E. Thomas; to the Committee on Claims.

By Mr. GUYER: A bill (H. R. 9539) granting a pension to Emma Zane; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9540) granting a pension to Ruth P. Kerns; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9541) granting a pension to Willanna Green; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9542) granting a pension to Isadorah Wilson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9543) granting a pension to Laura E. Rowell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9544) granting a pension to Mary E. Adams; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9545) granting a pension to Margaret Ann Canatsey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9546) granting a pension to Nettie B. Protzman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9547) granting a pension to Alice L. Calderhead; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9548) granting a pension to Elmer B. Williams; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9549) granting a pension to Milton McNabb; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9550) granting a pension to Isabelle Scott; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9551) granting an increase of pension to Victoria Gould; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9552) granting an increase of pension to Mary J. McAlearney; to the Committee on Invalid Pensions.

By Mr. HIGGINS of Connecticut: A bill (H. R. 9553) granting a pension to Alfarata Phillips; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9554) granting an increase of pension to Lucy A. Beckwith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9555) granting an increase of pension to Mary E. Cahoone; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9556) granting an increase of pension to Hattie E. Chappell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9557) granting an increase of pension to Augusta E. Cutler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9558) granting an increase of pension to Phebe E. Goldsmith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9559) granting an increase of pension to Martha M. Tryon; to the Committee on Invalid Pensions.

By Mr. HOEPPEL: A bill (H. R. 9560) granting a pension to Eleanor A. Warren; to the Committee on Invalid Pensions.

By Mr. JENKINS of Ohio: A bill (H. R. 9561) granting a pension to Charles Younger; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9562) granting a pension to Michael Thomas Tippie; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9563) granting a pension to Samuel Warner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9564) granting a pension to Lucy C. Montgomery; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9565) granting a pension to Jennie Jackson Tewksbury; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9566) granting a pension to Harriett A. Litten; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9567) granting a pension to Mary Ann Melvin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9568) granting a pension to Everett Horton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9569) granting a pension to Minnie B. Leonard; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9570) granting a pension to Leslie D. Hood; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9571) granting a pension to Jennie Hopkins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9572) granting a pension to Ella Carl; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9573) granting a pension to Lewis Congrove; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9574) granting an increase of pension to Caroline Webb; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9575) granting an increase of pension to Violet S. Woodward; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9576) granting an increase of pension to Rachel Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9577) granting an increase of pension to Sophie M. Swigert; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9578) granting an increase of pension to Nancy South; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9579) granting a pension to Mary Virginia Salisbury; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9580) granting an increase of pension to Caroline Rupe; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9581) granting an increase of pension to Elizabeth Russell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9582) granting an increase of pension to Mary E. Pickens; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9583) granting an increase of pension to Catherine Ribel; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9584) granting an increase of pension to Mary L. Martin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9585) granting an increase of pension to Dorinda Phillips; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9586) granting an increase of pension to Effie C. Greene; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9587) granting an increase of pension to Mary C. Keneff; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9588) granting an increase of pension to Sarah A. Fox; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9589) granting an increase of pension to Mary E. Gramm; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9590) granting an increase of pension to Henrietta H. Eator; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9591) granting an increase of pension to Melissa Endicott; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9592) granting an increase of pension to Mary E. Derry; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9593) granting an increase of pension to Mary E. DeWitt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9594) granting an increase of pension to Julina Crabtree; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9595) granting an increase of pension to Sarah A. Daugherty; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9596) granting an increase of pension to Jane Cooper; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9597) granting an increase of pension to Mary Conaway; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9598) granting an increase of pension to Maria S. Carsey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9599) granting an increase of pension to Sarah J. Collins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9600) granting an increase of pension to Adabelle Brown; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9601) granting an increase of pension to Amy F. Brown; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9602) granting an increase of pension to Agnes Bentley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9603) granting an increase of pension to Elizabeth Board; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9604) granting an increase of pension to Mary C. Arthur; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9605) granting an increase of pension to Eva Barlow; to the Committee on Invalid Pensions.

By Mr. KNUTSON: A bill (H. R. 9606) granting an increase of pension to Katherine Barden; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9607) granting an increase of pension to Cora A. Pattison; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9608) granting a pension to Josephine Black; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9609) granting a pension to Mary E. Allen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9610) granting a pension to Jeanette Nelson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9611) granting a pension to Rose Williams; to the Committee on Pensions.

Also, a bill (H. R. 9612) granting a pension to Carrie Thompson; to the Committee on Invalid Pensions.

By Mr. LESINSKI: A bill (H. R. 9613) for the relief of Wayne M. Cotner; to the Committee on Claims.

Also, a bill (H. R. 9614) for the relief of James Aird; to the Committee on Claims.

By Mr. LUCAS: A bill (H. R. 9615) granting a pension to Bettie L. Patterson; to the Committee on Invalid Pensions.

By Mr. LUCKEY: A bill (H. R. 9616) granting an increase of pension to Laura A. Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9617) granting an increase of pension to Mary B. Perky; to the Committee on Invalid Pensions.

By Mr. LUDLOW: A bill (H. R. 9618) to correct the military record of Thomas J. Parrott; to the Committee on Military Affairs.

Also, a bill (H. R. 9619) for the relief of Katherine Glispy; to the Committee on Claims.

By Mr. MAPES: A bill (H. R. 9620) granting an increase of pension to Frances A. Carter; to the Committee on Invalid Pensions.

By Mr. MOTT: A bill (H. R. 9621) for the relief of Kenneth P. Mikesell; to the Committee on Military Affairs.

By Mr. THURSTON: A bill (H. R. 9622) granting a pension to Nora Dunlavy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9623) granting a pension to Maude DeLay; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9624) granting a pension to Ella Orr; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9625) granting a pension to Alberta Belle Newman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9626) granting a pension to Mary J. Waltenbaugh; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9627) granting a pension to H. Emma Streepy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9628) granting an increase of pension to Mary C. Abrams; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9629) for the relief of Albert Wheeler; to the Committee on Claims.

Also, a bill (H. R. 9630) granting an increase of pension to Elizabeth A. Crum; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9631) granting an increase of pension to Lillie A. Athey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9632) granting an increase of pension to Clarence W. Failor; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9633) granting an increase of pension to Eliza C. Dunlap; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9634) granting an increase of pension to Clara Herr; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9635) granting an increase of pension to Frances C. Gaskill; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9636) granting an increase of pension to Phoebe A. Jennings; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9637) granting an increase of pension to Cordelia Hiatt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9638) granting an increase of pension to Sarah J. Pitman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9639) granting an increase of pension to Sarah M. McCullough; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9640) granting an increase of pension to Mary A. Robison; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9641) granting an increase of pension to Harriet Reynolds; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9642) granting an increase of pension to Martha J. Wick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9643) granting an increase of pension to Sarah A. Teague; to the Committee on Invalid Pensions.

By Mr. ROBSION of Kentucky: A bill (H. R. 9644) for the relief of William Foster Whitlow; to the Committee on Naval Affairs.

By Mr. RUDD: A bill (H. R. 9645) granting a pension to Elizabeth Petty; to the Committee on Pensions.

By Mr. TARVER: A bill (H. R. 9646) granting a pension to Albert E. Wells; to the Committee on Pensions.

Also, a bill (H. R. 9647) for the relief of Rosa F. Wood; to the Committee on Claims.

Also, a bill (H. R. 9648) for the relief of James A. Johnson; to the Committee on Claims.

By Mr. TINKHAM: A bill (H. R. 9649) granting a pension to Agnes M. Jackman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9650) granting a pension to Anna E. Eldridge; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9651) granting a pension to Mary A. C. Scales; to the Committee on Invalid Pensions.

By Mr. BIERMANN: A bill (H. R. 9655) granting a pension to Mary C. Learned; to the Committee on Invalid Pensions.

By Mr. HAINES: A bill (H. R. 9656) granting a pension to Mary Jane McGaughlin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9657) granting a pension to Elizabeth A. C. Bigham; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9658) granting a pension to Hattie R. Weirman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9659) granting a pension to Charles W. Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9660) granting an increase of pension to Mary J. King; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9661) granting an increase of pension to Margaret J. Miller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9662) granting an increase of pension to Mary E. Eberly; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9663) granting an increase of pension to Drusilla Barnhart; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9363. By Mr. CULKIN: Petition favoring the Townsend plan signed by 104 residents of Lowville and vicinity, Lewis County, N. Y.; to the Committee on Ways and Means.

9364. Also, petition from the Orwell Grange, Orwell, Oswego County, N. Y., favoring a compensatory tax upon oleomargarine equal at least to the amount of taxes borne now by the butterfat content of milk; to the Committee on Interstate and Foreign Commerce.

9365. Also, petition of the Thousand Island Council, No. 350, Knights of Columbus, urging that 50 percent of wavelengths and frequencies be allotted to educational, religious, agricultural, labor, and similar non-profiting-making, human-welfare associations; to the Committee on Interstate and Foreign Commerce.

9366. Also, petition signed by 32 residents of Munnsville, Madison County, N. Y., favoring the Townsend plan; to the Committee on Ways and Means.

9367. Also, petition signed by 29 residents of Bridgeport and vicinity, Madison County, N. Y., favoring the Townsend plan; to the Committee on Ways and Means.

9368. By Mr. DELANEY: Petition of the order Sons of Italy in America, Grand Lodge of the State of New York, calling for a strict adherence to the policy of noninterference in European affairs; to the Committee on Foreign Affairs.

9369. Also, petition of Loggia Margherita, No. 790, of Brooklyn, N. Y., calling for an independent foreign policy on the part of the United States more in harmony with the dignity of an independent nation as relates to the neutrality situation; to the Committee on Foreign Affairs.

9370. By Mr. DOBBINS: Resolution of the General Assembly of the State of Illinois, advocating construction of permanent buildings for housing the Air Corps Technical School at Chanute Field, Rantoul, Ill., and the designation thereof as the permanent location of such school; to the Committee on Military Affairs.

9371. Also, memorial of the General Assembly of the State of Illinois, advocating construction of permanent buildings for housing the Air Corps Technical School at Chanute Field, Rantoul, Ill., and the designation thereof as the permanent location of such school; to the Committee on Military Affairs.

9372. Also, memorial of the General Assembly of the State of Illinois, advocating passage and approval of resolution introduced by Representative KLOEB, of Ohio, appropriating $250,000 for the erection of a memorial at Greenville, Ohio, commemorating Indian Treaty of Greenville and memory of Gen. Anthony Wayne; to the Committee on the Library.

9373. By Mr. FORD of California: Resolution of the calavo growers of California, asking all Senators and Representatives from California to support the cooperative-marketing movement with the full strength of the law, as the cooperative marketing of agricultural products of California have been greatly helped thereby; to the Committee on Agriculture.

9374. By Mr. GOODWIN: Petition of 46 residents of the city of Kingston, N. Y., and vicinity, protesting against the liquor situation in the District of Columbia, and urging the restoration of prohibition in that District; to the Committee on the District of Columbia.

9375. By Mr. JOHNSON of Texas: Petition of the Women's Missionary Society and pastors of the several churches of the Corsicana district, zone 3, of the Texas Central Conference, Methodist Episcopal Church South, favoring passage of House bill 8739, prohibiting the sale of intoxicating beverages in the District of Columbia; to the Committee on the District of Columbia.

9376. By Mr. KRAMER: Resolution of the rivers, harbors, and piers committee of the Maritime Association of the Port of New York, relative to the necessity for the modernization

and revision of charts covering the harbors, bays, sounds, and connection waterways of the American seaboard in the interest of safeguarding navigation, etc.; to the Committee on Rivers and Harbors.

9377. Also, petition of the National Restaurant Association, relative to Government competition with private enterprise in the operation of restaurants, etc.; to the Committee on Expenditures in the Executive Departments.

9378. By Mr. LAMNECK: Petition of J. Harry Cotton, minister, and 1,743 members of the Broad Street Presbyterian Church, Columbus, Ohio, urging the Government to take active measures to prevent the shipment of war munitions, war supplies, and war materials, and especially oil and the products of oil, to either of the belligerents in the unjustifiable war of Italy upon Ethiopia; to the Committee on Foreign Affairs.

9379. Also, petition of the Presbytery of Columbus, Ohio, representing 15,234 members, 54 churches, and 72 ministers, urging the Government to take active measures to prevent the shipment of war munitions, war supplies, and war materials, and especially oil and products of oil, to either of the belligerents in the unjustifiable war of Italy upon Abyssinia; to the Committee on Foreign Affairs.

9380. By Mr. MERRITT of New York: Resolutions adopted November 6, 1935, by St. Anne's Council, No. 2429, Knights of Columbus, Far Rockaway, Queens County, N. Y., and by Maris Stella Council, No. 378, Knights of Columbus, on November 12, 1935; to the Committee on Interstate and Foreign Commerce.

9381. By Mr. SHANLEY: Petition of the Workmen's Circle of New Haven, Conn.; to the Committee on Foreign Affairs.

9382. Also, petition of Dr. Simeon Cohen, president Associated Jewish Organizations of Meriden, Conn.; to the Committee on Foreign Affairs.

9383. By the SPEAKER: Petition of the city of Toledo, Ohio; to the Committee on Ways and Means.

9384. Also, petition of the Tenth Annual Convention of the North American Gasoline Tax Conference; to the Committee on Ways and Means.

9385. Also, petition of the Anti-Taxation League, 1165 Broadway, New York City; to the Committee on Ways and Means.

9386. Also, petition of the municipal government of Balingasag, P. I.; to the Committee on Insular Affairs.

9387. Also, petition of Price County, Wis.; to the Committee on Appropriations.

9388. Also, petition of the municipal government of Salay, P. I.; to the Committee on Insular Affairs.

9389. Also, petition of the Rantoul Chamber of Commerce, Rantoul, Ill.; to the Committee on Military Affairs.

9390. Also, petition of the Sons of Union Veterans of the Civil War; to the Committee on Immigration and Naturalization.

9391. Also, petition of the Los Angeles Bar Association; to the Committee on the Library.

9392. Also, petition of the South Carolina Federation of Textile Workers; to the Committee on Labor.

9393. Also, petition of the county of Manitowoc, Wis.; to the Committee on Appropriations.

9394. Also, petition of the National Stationers Association; to the Committee on Expenditures in the Executive Departments.

9395. Also, petition of the United Spanish War Veterans, Camp No. 4, Department of Alabama; to the Committee on Expenditures in the Executive Departments.

9396. Also, petition of the flowage-rights committee, Fort Adams, Miss.; to the Committee on Flood Control.

9397. Also, petition of the National Restaurant Association; to the Committee on Expenditures in the Executive Departments.

9398. Also, petition of the Young Democrat Clubs of America; to the Committee on Foreign Affairs.

9399. Also, petition of the American Prison Association; to the Committee on the District of Columbia.

9400. Also, petition of the Louisiana Bar Association; to the Committee on the Library.

9401. By Mr. CROWTHER: Petition of Loggia Gabriele D'Annunzio Oltre l'Oceano, No. 321, protesting against American participation in League of Nations sanctions activities against Italy, against cooperation with British Government as to sanctions of embargoes indicated by statement made by members of the present national administration, etc.; to the Committee on Foreign Affairs.

9402. Also, petition of Elizabeth A. Simps and others for the enactment of the Guyer bill (H. R. 8739), restoring prohibition to the District of Columbia; to the Committee on the District of Columbia.

9403. Also, petition of Mrs. Lillian Northrup and others for the enactment of the Guyer bill (H. R. 8739), restoring prohibition to the District of Columbia; to the Committee on the District of Columbia.

SENATE

MONDAY, JANUARY 6, 1936

The Senate met at 12 m.

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

O Thou Christ of God, who in the olden time wast revealed to wise men by the guiding of a star: Son of God, made man that we, the sons of men might be the sons of God: Beam on us now with that Light whose smile kindles the universe, with that Beauty in which all things work and move, and with that sustaining love which consumes each cloud of cold mortality.

Grant that we may follow duty's call without one backward look, yielding ourselves, our life, our all, to the service of our country.

Help us to live in deeds, not years; to measure time by thoughts and heartthrobs, that life's eternal splendor may be revealed in us as we become interpreters of God to men. All of which we ask in Thy dear name and for Thy sake. Amen.

WARREN R. AUSTIN, a Senator from the State of Vermont; FRED H. BROWN, a Senator from the State of New Hampshire; TOM CONNALLY, a Senator from the State of Texas; PETER G. GERRY, a Senator from the State of Rhode Island; FREDERICK HALE, a Senator from the State of Maine; DANIEL O. HASTINGS, a Senator from the State of Delaware; and A. HARRY MOORE, a Senator from the State of New Jersey, appeared in their seats today.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of Friday, January 3, 1936, when, on request of Mr. ROBINSON, and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Carey	Harrison	Norbeck
Ashurst	Chavez	Hastings	Norris
Austin	Clark	Hatch	O'Mahoney
Bachman	Connally	Hayden	Overton
Bailey	Coolidge	Holt	Pittman
Bankhead	Copeland	Johnson	Pope
Barbour	Costigan	Keyes	Radcliffe
Barkley	Couzens	King	Robinson
Benson	Davis	Lewis	Russell
Bilbo	Dieterich	Logan	Schwellenbach
Black	Donahey	Lonergan	Sheppard
Borah	Duffy	McAdoo	Steiwer
Brown	Fletcher	McGill	Thomas, Okla.
Bulkley	Frazier	McKellar	Thomas, Utah
Bulow	George	McNary	Townsend
Burke	Gerry	Maloney	Trammell
Byrd	Gibson	Minton	Truman
Byrnes	Glass	Moore	Vandenberg
Capper	Gore	Murray	Van Nuys
Caraway	Hale	Neely	White

Mr. SCHWELLENBACH. I announce that my colleague the senior Senator from Washington [Mr. BONE] is necessarily detained from the Senate. I ask that the announcement stand for the day.

Mr. LEWIS. I rise to announce that the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Iowa [Mr. MURPHY], the Senator from Nevada [Mr. MCCARRAN], the Senator from Montana [Mr. WHEELER], the Senator from North Carolina [Mr. REYNOLDS], the Senator from South Carolina [Mr. SMITH], the Senator from Maryland [Mr. TYDINGS], the Senator from Massachusetts [Mr. WALSH], and the Senator from Washington [Mr. BONE] are necessarily detained from the Senate, and that the Senator from New York [Mr. WAGNER] is also absent, having suddenly been called home to New York.

Mr. AUSTIN. I announce that the Senator from Minnesota [Mr. SHIPSTEAD], the Senator from Iowa [Mr. DICKINSON], the Senator from Wisconsin [Mr. LA FOLLETTE], and the Senator from Rhode Island [Mr. METCALF] are necessarily detained from the Senate.

Mr. FRAZIER. I announce that my colleague the junior Senator from North Dakota [Mr. NYE] is necessarily absent.

The VICE PRESIDENT. Eighty Senators have answered to their names. A quorum is present.

SUPPLEMENTAL DEFICIENCY APPROPRIATIONS

Mr. ROBINSON. Mr. President, when the Congress adjourned sine die there was pending a motion by myself to reconsider the vote by which the third deficiency appropriation bill was passed. I ask now that that motion be agreed to, with a view to having action taken with regard to the bill. I refer to the bill (H. R. 9215) making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and for prior fiscal years, and for other purposes.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arkansas?

Mr. MCNARY. Mr. President, I assume that the bill will then take its orderly place on the calendar?

Mr. ROBINSON. No. It is my expectation that the Senator from Virginia [Mr. GLASS], the chairman of the Committee on Appropriations, will move to recommit the bill to the Committee on Appropriations.

Mr. MCNARY. Very well; but the Senator from Arkansas is not now asking for final action on the bill?

Mr. ROBINSON. I am asking for no other action than that I have indicated.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and the motion to reconsider is agreed to.

Mr. GLASS. Mr. President, I move that House bill 9215, the so-called third deficiency appropriation bill, be recommitted to the Committee on Appropriations. That is not only desirable but it is practically imperative, as the Budget estimates have been changed in numerous instances.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Virginia.

The motion was agreed to.

COMMITTEE SERVICE

Mr. ROBINSON. On behalf of the majority, I submit an order relative to certain committee assignments.

On motion of Mr. ROBINSON, and by unanimous consent, it was

Ordered, That the Senator from Nevada [Mr. PITTMAN], the Senator from Texas [Mr. CONNALLY], and the Senator from Wyoming [Mr. O'MAHONEY] be assigned to service on the Committee on the Judiciary; and the Senator from Minnesota [Mr. BENSON] be assigned to service on the following committees: Claims, Interstate Commerce, Mines and Mining, and Public Lands and Surveys.

BIRTHDAY OF SENATOR DUNCAN U. FLETCHER

Mr. ROBINSON. Mr. President, the senior Senator from Florida [Mr. FLETCHER], who has honored the country and his constituency with a prolonged service in this body, has attained today the age of 77 years. Notwithstanding that advanced age, he has borne and is carrying a weighty load of responsibility. He enjoys the respect and admiration of his colleagues. I am happy to have the privilege of congratulating him and the country on his service.

Mr. COPELAND. Mr. President, as a part-time resident of the State of Florida, I regard the senior Senator from that State as one of my Senators. He has in this body the affection and respect of every Member. It may be appropriate for me to make known how deeply beloved he is in the State of Florida. No man in that fair State, which, after New York and Michigan—my birthplace—is the best State in the Union, holds more deeply and strongly the affections of its citizens than does the senior Senator from Florida. I desire to add my felicitations to those which have been offered by our leader.

Mr. LEWIS. Mr. President, I find great pleasure in joining in these felicitations to the eminent Senator from Florida. One of the great bards gave utterance to the complete aphorism that "the very acme of all there is in life has been reached when one may have the joy to perceive the fruits of his efforts in a long life, a ripe age, and troops of friends." It is evident from these tributes that the distinguished Senator from Florida enjoys that distinction.

I should particularly like the young men of the country to note the commendation of a man reaching such age, with long public service, for the character and fidelity of his citizenship and service, in order that such demonstration may give to those entering upon public life stimulus and encouragement to emulate his example. We join with Dentatus, the Roman, in the prayer that the gods of war may prolong the life of such a man for future service to mankind, to the blessing of his country.

Mr. NORRIS. Mr. President, since the older Members of the Senate have spoken so well of the great senior Senator from Florida, it behooves me, as representing the younger Members of this body, to add our congratulations and to express our esteem and love for him.

Mr. BARKLEY. Mr. President, as one of the humble members of the Committee on Banking and Currency, over which the senior Senator from Florida presides as chairman, I wish merely to add my personal felicitations on this happy occasion of the anniversary of the birth of the Senator from Florida, and also belatedly to felicitate the Senator from Virginia [Mr. GLASS], his colleague on the committee, whose birthday preceded by 2 days that of the Senator from Florida.

I dare say no man in this body, or out of it, who is not a member of that committee and who has not worked with the Senator from Florida during the last 3 or 4 years can appreciate the tremendous amount of work which he has done and the very great sacrifice which he has made of his own personal comfort in the service of his country.

No Senator in the last 4 years has worked harder, more assiduously and continuously, and more unselfishly than has the Senator from Florida in his capacity as Chairman of the Committee on Banking and Currency. I am happy not only to felicitate him on this occasion but to wish him many more returns of the day.

Mr. TRAMMELL. Mr. President, as the colleague of the senior Senator from Florida I am very happy to congratulate him upon his youth instead of his age. Well known to every Member of the Senate, as well as to the citizens of Florida and the Nation, are his energy, his splendid ability, and his devotion to public duty. I congratulate him and also I congratulate Florida and the Nation. My State and the Nation are very proud of my distinguished colleague.

Mr. GLASS. Mr. President, the Senator from Kentucky [Mr. BARKLEY] has made my speech for me. I concur in everything he said about the distinguished senior Senator from Florida as to his patriotism and measurably as to his judgment.

I believe I am the only Member of the Senate to exceed the Senator from Florida not in point of service but in point of age, and I tell the Senate that because the Senate would not know it without being told. [Laughter.]

Mr. MCNARY. Mr. President, on behalf of the older and younger Members of the Senate, and of all the Republican

Members, I wish to join the Democratic Members in extending congratulations and felicitations to my good friend the senior Senator from Florida.

I have served with him a number of years on the Committee on Commerce. I have always found him fair, courageous, and courteous; and I can assure him that all the Members of the Republican Party share with the Democrats the high esteem in which he is held.

THE LATE SENATOR HUEY P. LONG

The VICE PRESIDENT laid before the Senate resolutions adopted by the Board of Commissioners of the Caddo Levee District and the Police Jury of Caddo Parish, of Shreveport, La., expressing condolences on the death of Hon. Huey P. Long, late a Senator from the State of Louisiana.

NOBEL PEACE PRIZE

The VICE PRESIDENT laid before the Senate a letter from the Secretary of State, transmitting copy of a circular issued by the Nobel Committee of the Norwegian Parliament, furnishing information regarding the proposals of candidates for the Nobel peace prize for the year 1936, which, with the accompanying paper, was referred to the Committee on Foreign Relations.

REPORT OF THE SECRETARY OF THE TREASURY

The VICE PRESIDENT laid before the Senate the annual report of the Secretary of the Treasury on the state of the finances for the fiscal year ended June 30, 1935, which was referred to the Committee on Finance.

REPORT OF THE SURGEON GENERAL OF PUBLIC HEALTH SERVICE

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Treasury, transmitting, pursuant to law, the report of the Surgeon General of the Public Health Service for the fiscal year ended June 30, 1935, which, with the accompanying report, was referred to the Committee on Finance.

REPORT OF FEDERAL BUREAU OF NARCOTICS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Treasury transmitting, pursuant to law, the annual report of the Federal Bureau of Narcotics for the calendar year ended December 31, 1934, which, with the accompanying report, was referred to the Committee on Finance.

REPORT OF NATIONAL BOARD FOR PROMOTION OF RIFLE PRACTICE

The VICE PRESIDENT laid before the Senate a letter from the Secretary of War, transmitting, pursuant to law, the annual report of the activities of the National Board for the Promotion of Rifle Practice for the fiscal year ended June 30, 1935, which, with the accompanying report, was referred to the Committee on Military Affairs.

REPORT OF NATIONAL FOREST RESERVATION COMMISSION (S. DOC. NO. 144)

The VICE PRESIDENT laid before the Senate a letter from the Secretary of War, as president ex officio of the National Forest Reservation Commission, transmitting, pursuant to law, the annual report of the Commission for the fiscal year ended June 30, 1935, which, with the accompanying report, was referred to the Committee on Agriculture and Forestry and ordered to be printed with the accompanying illustration.

REPORT OF THE ATTORNEY GENERAL

The VICE PRESIDENT laid before the Senate a letter from the Attorney General, transmitting, pursuant to law, his annual report of the operations of the Department of Justice for the fiscal year ended June 30, 1935, which, with the accompanying report, was referred to the Committee on the Judiciary.

SUITS ARISING UNDER PUBLIC VESSEL ACT

The VICE PRESIDENT laid before the Senate a letter from the Attorney General, transmitting, pursuant to law, a list of suits arising under the Public Vessel Act of March 3, 1925, in which final decrees were entered, exclusive of cases on appeal, which was referred to the Committee on the Judiciary.

SUITS IN ADMIRALTY AGAINST THE UNITED STATES

The VICE PRESIDENT laid before the Senate a letter from the Attorney General, transmitting, pursuant to law, a list of suits arising under the act of March 9, 1920, authorizing suits against the United States in admiralty involving merchant vessels, in which final decrees were entered against the United States, exclusive of cases on appeal, which was referred to the Committee on the Judiciary.

SPECIAL ASSISTANT ATTORNEYS, DEPARTMENT OF JUSTICE

The VICE PRESIDENT laid before the Senate a letter from the Attorney General, transmitting, pursuant to law, a report showing the special assistants employed under the appropriation "Pay of special assistant attorneys, United States courts" for the period July 1 to December 31, 1935, with the rates of compensation or fees paid, the amounts paid, and a description of duties, which, with the accompanying report, was referred to the Committee on the Judiciary.

EXPENDITURES OF COURT OF CUSTOMS AND PATENT APPEALS

The VICE PRESIDENT laid before the Senate a letter from the Attorney General, transmitting, pursuant to law, a report for the fiscal year ended June 30, 1935, of expenditures under appropriations for the United States Court of Customs and Patent Appeals, which, with the accompanying statement, was referred to the Committee on the Judiciary.

AIRCRAFT PURCHASES FOR NAVY (S. DOC. NO. 146)

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Navy, transmitting, pursuant to law, a report of designs, aircraft, aircraft parts, and aeronautical accessories purchased by the Navy Department during the fiscal year ended June 30, 1935, the prices paid therefor, and the reason for the award in each case, which, with the accompanying report, was referred to the Committee on Naval Affairs.

REPORT OF WAR MINERALS RELIEF COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior, transmitting, pursuant to law, a report of the War Minerals Relief Commission for the year ended November 30, 1935, which, with the accompanying report, was referred to the Committee on Mines and Mining.

INDIAN IRRIGATION PROJECTS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior, transmitting, pursuant to law, a report showing the cost, cancelations, and other data with respect to Indian irrigation projects as compiled to the end of the fiscal year ended June 30, 1935, which, with the accompanying report, was referred to the Committee on Indian Affairs.

SESSION LAWS OF HAWAII, 1935

The VICE PRESIDENT laid before the Senate a letter from the Governor of Hawaii, transmitting, through the Department of the Interior, copy of the laws passed by the Legislature of the Territory of Hawaii, regular session of 1935, which, with the accompanying document, was referred to the Committee on Territories and Insular Affairs.

FEDERAL-AID ROAD WORK AND FOREST ROADS AND TRAILS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Agriculture, transmitting, pursuant to law, the following reports, which, with the accompanying papers, was referred to the Committee on Post Offices and Post Roads:

A report on Federal-aid road work for the fiscal year ended June 30, 1935; and

A report concerning appropriations for national forest roads and trails for the fiscal year ended June 30, 1935.

REPORT OF THE SECRETARY OF COMMERCE

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Commerce, transmitting, pursuant to law, his annual report for the fiscal year ended June 30, 1935, which, with the accompanying report, was referred to the Committee on Commerce.

SETTLEMENT OF SHIPPING BOARD CLAIMS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Commerce, transmitting, pursuant to law, a report of claims arbitrated or settled by agreement from October 16, 1934, to October 15, 1935, by the United States Shipping Board Bureau and United States Shipping Board Merchant Fleet Corporation, which, with the accompanying report, was referred to the Committee on Commerce.

REPORT OF THE ARCHITECT OF THE CAPITOL (S. DOC. NO. 142)

The VICE PRESIDENT laid before the Senate a letter from the Architect of the Capitol, transmitting, pursuant to law, the annual report of his office for the fiscal year ended June 30, 1935, which, with the accompanying report, was referred to the Committee on Public Buildings and Grounds and ordered to be printed.

INDEX AND DIGEST OF BILLS PENDING IN CONGRESS

The VICE PRESIDENT laid before the Senate a letter from the Librarian of Congress, suggesting an appropriation for the Legislative Reference Service of the Library of Congress for the printing of the indexes and digests of bills pending in Congress prepared by it, which was referred to the Committee on Appropriations.

REPORT OF THE ARCHIVIST

The VICE PRESIDENT laid before the Senate a letter from the Archivist, transmitting, pursuant to law, his first annual report, covering the fiscal year ended June 30, 1935, which, with the accompanying report, was referred to the Committee on the Library.

DISPOSITION OF USELESS PAPERS

The VICE PRESIDENT laid before the Senate a letter from the Archivist, transmitting, pursuant to law, a list of papers in the War Department, the Federal Communications Commission, and the Smithsonian Institution which have no permanent value or historical interest, and requesting action looking to their disposition, which, with the accompanying papers, was referred to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. BARKLEY and Mr. NORBECK members of the committee on the part of the Senate.

REPORT OF FEDERAL TRADE COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Federal Trade Commission, transmitting, pursuant to law, the annual report of the Commission for the fiscal year ended June 30, 1935, which, with the accompanying report, was referred to the Committee on Interstate Commerce.

AGRICULTURAL INCOME (H. DOC. NO. 380)

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Federal Trade Commission, transmitting, pursuant to law, an interim report with respect to agricultural income and the financial and economic condition of agricultural producers, which, with the accompanying report, was referred to the Committee on Agriculture and Forestry and ordered to be printed.

INVESTIGATION OF DAIRY INDUSTRY

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Federal Trade Commission, transmitting, in further response to House Concurrent Resolution 32 (73d Cong.), an additional report with respect to certain problems in connection with the sale and distribution of milk and milk products in the Connecticut and Philadelphia milksheds, which, with the accompanying report, was referred to the Committee on Agriculture and Forestry.

REPORT OF THE UNITED STATES TARIFF COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the United States Tariff Commission, transmitting, pursuant to law, the nineteenth annual report of the Commission for the fiscal year ended June 30, 1935, which, with the accompanying report, was referred to the Committee on Finance.

SYNTHETIC CAMPHOR

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the United States Tariff Commission, transmitting, for the information of the Senate, a copy of the third and final report of its investigation of the relation of domestic production of synthetic camphor to domestic consumption during the 6 months' period ended June 17, 1935, conducted in accordance with a special provision in paragraph 51 of the Tariff Act of 1930, which, with the accompanying document, was referred to the Committee on Finance.

TUNA-FISH INDUSTRY

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the United States Tariff Commission, transmitting, in further response to Senate Resolution 159 (73d Cong.), a report of an investigation with respect to the importation of fresh and frozen tuna fish and its effect on the production of tuna fish by United States fishing vessels, which, with the accompanying report, was referred to the Committee on Finance.

TRADING IN UNLISTED SECURITIES UPON EXCHANGES

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Securities and Exchange Commission, transmitting, pursuant to law, a report of the Commission's investigation of trading in unlisted securities upon exchanges, together with its recommendations, which, with the accompanying report, was referred to the Committee on Banking and Currency.

PROTECTIVE AND REORGANIZATION COMMITTEE

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Securities and Exchange Commission, transmitting, pursuant to law, a preliminary report of the Commission with reference to the work, activities, personnel, and functions of protective and reorganization committees in connection with the reorganization, readjustment, rehabilitation, liquidation, and consolidation of persons and properties, which, with the accompanying report, was referred to the Committee on Banking and Currency.

SEGREGATION OF FUNCTIONS OF DEALER AND BROKER

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Securities and Exchange Commission, stating that the Commission has in course of preparation the report required by law to be submitted of its study and recommendations of the feasibility and advisability of the complete segregation of the functions of dealer and broker, and that the report will be transmitted to Congress as soon as possible, which was referred to the Committee on Banking and Currency.

REPORT OF NATIONAL MEDIATION BOARD

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the National Mediation Board, transmitting, pursuant to law, the first annual report of the Board, including the report of the National Railroad Adjustment Board, for the fiscal year ended June 30, 1935, which, with the accompanying report, was referred to the Committee on Interstate Commerce.

JUDGMENTS OF COURT OF CLAIMS (S. DOC. NO. 145)

The VICE PRESIDENT laid before the Senate a letter from the Chief Clerk of the Court of Claims transmitting, pursuant to law, a statement of judgments rendered by the Court of Claims for the year ended November 30, 1935, the amount thereof, the parties in whose favor rendered, and a brief synopsis of the nature of the claims, which, with the accompanying statement, was referred to the Committee on Appropriations and ordered to be printed.

CLAIM OF H. R. HEINICKE, INC.

The VICE PRESIDENT laid before the Senate a letter from the Comptroller General of the United States transmitting, pursuant to law, his report and recommendation concerning the claim of H. R. Heinicke, Inc., against the United States, which, with the accompanying paper, was referred to the Committee on Claims.

CLAIM OF TEXAS PACIFIC-MISSOURI PACIFIC TERMINAL RAILROAD OF NEW ORLEANS

The VICE PRESIDENT laid before the Senate a letter from the Comptroller General of the United States transmitting, pursuant to law, his report and recommendation concerning the claim of the Texas Pacific-Missouri Pacific Terminal Railroad of New Orleans against the United States; which, with the accompanying paper, was referred to the Committee on Claims.

DELINQUENT ACCOUNTS OF FEDERAL OFFICERS

The VICE PRESIDENT laid before the Senate a letter from the Comptroller General of the United States, transmitting, pursuant to law, a report showing officers and administrative offices of the Government delinquent in rendering or transmitting their accounts to the proper offices in Washington during the fiscal year ended June 30, 1935, and whether the delinquency was waived, together with a list of officers who, upon final settlement of their accounts, were found to be indebted to the Government and had failed to pay the indebtedness into the Treasury, which, with the accompanying report, was referred to the Committee on Claims.

REPORT OF TENNESSEE VALLEY AUTHORITY

The VICE PRESIDENT laid before the Senate a letter from the board of directors of the Tennessee Valley Authority, transmitting, pursuant to law, a report of the activities of the Authority for the fiscal year ended June 30, 1935, which, with the accompanying report, was referred to the Committee on Agriculture and Forestry.

REPORT OF ADMINISTRATOR OF VETERANS' AFFAIRS

The VICE PRESIDENT laid before the Senate a letter from the Administrator of Veterans' Affairs, transmitting, pursuant to law, a report of the activities of the Veterans' Administration for the fiscal year ended June 30, 1935, which, with the accompanying report, was referred to the Committee on Finance.

REPORT OF TEXTILE FOUNDATION

The VICE PRESIDENT laid before the Senate a letter from the chairman of the Textile Foundation, transmitting, pursuant to law, a report of the board of directors of the Foundation, with a statement of receipts and expenditures, for the year ended December 31, 1934, which, with the accompanying report, was referred to the Committee on Commerce.

HEALING ARTS PRACTICE IN THE DISTRICT

The VICE PRESIDENT laid before the Senate a letter from the president of the Commission on Licensure, Healing Arts Practice Act, District of Columbia, transmitting, pursuant to law, a report of the activities of the Commission for the fiscal year ended June 30, 1935, which, with the accompanying report, was referred to the Committee on the District of Columbia.

REPORT OF DISTRICT PUBLIC UTILITIES COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Public Utilities Commission of the District of Columbia, transmitting, pursuant to law, a report of the official proceedings of the Commission for the year ended December 31, 1934, with other information relating to the regulation and operation of public utilities in the District coming under the jurisdiction of the Commission, which, with the accompanying report, was referred to the Committee on the District of Columbia.

REPORT OF FEDERAL ALCOHOL ADMINISTRATION

The VICE PRESIDENT laid before the Senate a letter from the Administrator of the Federal Alcohol Administration, transmitting, pursuant to law, the first report of the Administration, which, with the accompanying report, was referred to the Committee on Finance.

NATIONAL SOCIETY OF THE DAUGHTERS OF THE AMERICAN REVOLUTION

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Smithsonian Institution, transmitting, pursuant to law, the annual report of the National Society of the Daughters of the American Revolution for the year ended April 1, 1935, which, with the accompanying report, was referred to the Committee on Printing.

REPORT OF GORGAS MEMORIAL INSTITUTE

The VICE PRESIDENT laid before the Senate a joint letter from the president and chairman of the board of directors of the Gorgas Memorial Institute of Tropical and Preventive Medicine, transmitting, pursuant to law, a report of the Institute for the year ended October 31, 1935, which, with the accompanying report, was referred to the Committee on Interoceanic Canals.

REPORT OF THE AMERICAN NATIONAL THEATER AND ACADEMY

The VICE PRESIDENT laid before the Senate a report of the proceedings of the American National Theater and Academy, transmitted, pursuant to law, for the period October 2 to December 31, 1935, which was referred to the Committee on Education and Labor.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Agriculture and Forestry:

Joint resolution memorializing the Congress to continue appropriations for eradication of Bang's disease

Whereas the Federal and State program relating to the eradication of Bang's disease has rendered a valuable service to the dairy industry of Wisconsin; and

Whereas it is the sense of this legislature that said program should be continued until the complete elimination of said disease has been accomplished: Now, therefore, be it

Resolved by the assembly (the senate concurring), That the Wisconsin Legislature respectfully urges the Congress of the United States to continue its appropriations for money for the purpose of the elimination of Bang's disease; and be it further

Resolved, That properly attested copies of this resolution be sent to the President of the United States, to both Houses of Congress, and to each Wisconsin Member thereof.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Illinois, which was referred to the Committee on Public Buildings and Grounds:

House Joint Resolution 6

Whereas there is pending in the Congress of the United States a resolution introduced by Congressman FRANK L. KLOEB, of Ohio, providing for the appropriation of $250,000 for the erection of a memorial at Greenville, Ohio, commemorating the signing of the famous Treaty of Greenville and perpetuating the memory of Gen. Anthony Wayne; and

Whereas the signing of this treaty with the Indians on August 3, 1795, through negotiation by Gen. Anthony Wayne, marked the welding of the Northwest Territory and the Thirteen Original Colonies into a continental empire; and

Whereas out of the territory so acquired arose the great State of Illinois; and

Whereas the Treaty of Greenville and the magnificent leadership of General Wayne are highlights in American history which should be preserved in a fitting memorial; and

Whereas the State of Illinois will be invited to prepare such tablets and other mementos as it may desire, for placement the said memorial structure: Therefore be it

Resolved by the House of Representatives of the Fifty-ninth General Assembly of the State of Illinois at the first special session thereof (the senate concurring herein), That Congress and the President of the United States be memorialized to pass and approve the resolution now pending before the Congress of the United States introduced by Congressman FRANK L. KLOEB, of Ohio, providing for the erection of a memorial at Greenville, Ohio; and be it further

Resolved, That copies of this resolution be sent to the President and Vice President of the United States, the Speaker of the House of Representatives of the United States, and to each of the Senators and Congressmen from the State of Illinois.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Ohio, which was referred to the Committee on Public Buildings and Grounds:

Joint resolution relating to the Treaty of Greenville memorial

Whereas Greenville, Ohio, is the site of Fort Greene, where on August 3, 1795, was negotiated the famous treaty between Gen. "Mad Anthony" Wayne and the Indians, signed by President George Washington and William Henry Harrison, aide-de-camp to General Wayne and later President of the United States; and

Whereas that treaty made good the dismaying defeat of General St. Clair at Fort Recovery, and was the fruit of General Wayne's victory at Fallen Timbers, the most complete and the most important victory ever won over the Northwest Indians; and

Whereas the treaty caused the British to retire from Detroit, Michillimackinac, and other lake points, thus putting into final effect the Treaty of Paris, 1783, ending the last throes of the Revolutionary War and welding the Northwest Territory with the Thirteen Colonies into a continental empire, secure from the French, British, and Indian attacks; and

Whereas the treaty saved the national administration from further danger, anxiety, and vituperation and fully justified President Washington's personally conceived and directed plans concerning the conquest of the Northwest; and

Whereas by the treaty the Stars and Stripes automatically changed from a flag of Thirteen Colonies to the flag of the United States, the coming world power; and

Whereas the pledge of security given by the treaty stimulated emigration in the entire territory north of the Ohio River and east of the Mississippi River, making possible the founding of such outstanding cities as Cincinnati, Cleveland, Fort Wayne, Indianapolis, Detroit, Chicago, Milwaukee, Minneapolis, and many other great cities; and

Whereas the five States, Ohio, Indiana, Illinois, Michigan, Wisconsin, and also a part of Minnesota, grew out of the conquered Northwest Territory and are therefore equally indebted to and interested in the signing of the treaty, done long before State boundaries were fixed; and

Whereas the hero of the treaty, Gen. Anthony Wayne, has been nowhere in the United States honored as fittingly as he deserves, Greenville being the only logical place for such a purpose; and

Whereas there is now pending in the Congress of the United States House Joint Resolution No. 387, introduced by the Honorable FRANK L. KLOEB, Congressman, Fourth District of Ohio, for the appropriation of $250,000 for the erection of a suitable memorial at Greenville, Ohio, to commemorate the signing of the famous Treaty of Greeneville and to perpetuate the memory of the great Revolutionary general, "Mad Anthony" Wayne, which ended the conquest of the Indian nations and the establishment of peace in the territory now comprised of the States of Ohio, Indiana, Illinois, Michigan, Wisconsin, and part of Minnesota, the Northwest Territory; and

Whereas the hundreds of mementos and trophies of the most critical period of American life and hundreds of relics of the Revolutionary War period picked from the battlefields of the St. Clair, Wayne, and other campaigns, along the famous Revolutionary trail from Fort Washington (Cincinnati) to Detroit, now inadequately housed in the public-library museum at Greenville, and many private Revolutionary War collections should be preserved for this and future generations and exhibited at the center of Wayne's greatest triumph at Greenville, Ohio, in a suitable memorial building: Now, therefore, be it

Resolved by the Senate and House of Representatives of the State of Ohio in session assembled, That we hereby memorialize and petition the Congress of the United States to pass, and the President of the United States to approve, if passed, the Treaty of Greenville memorial resolution herein referred to; and

Be it further resolved, That the Governor of Ohio be requested to communicate with the Governors of the States of Indiana, Illinois, Michigan, Wisconsin, and Minnesota and ask that the legislatures of these several States cooperate with the State of Ohio and respectfully ask their legislatures to pass similar memorial resolutions asking their United States Senators and Representatives in Congress to support the Kloeb resolution, and to invite the said States comprising the Northwest Territory, together with the States of Pennsylvania, Virginia, and Kentucky, which States furnished the most soldiers in the campaign of 1794, to prepare such tablets and other mementos to be placed in such memorial structure as they may desire; and

Be it further resolved, That certified copies of this resolution, properly authenticated, be sent forthwith to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives of the United States, and each of the United States Senators and Representatives from Ohio.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of Texas, which was referred to the Committee on Banking and Currency:

Senate Concurrent Resolution 17

Whereas the Forty-third Legislature of the State of Texas in regular session adopted Senate Concurrent Resolution 73, giving the consent of the State that the Federal Government purchase lands in Texas for reforestation and other purposes; and

Whereas pursuant to such consent on the part of the State the United States has purchased and is purchasing large tracts of land, particularly for watershed protection and forest preservation purposes; and

Whereas in the eastern part of the State the tracts have been purchased in such large contiguous areas that in several counties more than 50 percent of the area of said counties is being purchased, thus removing said lands from taxation for State, county, district, and municipal purposes; and

Whereas in some of said counties more than 25 percent of the assessed valuation of property is being thus removed from the tax rolls; and

Whereas in many instances the entire area of school districts and the entire area of road districts is being removed from taxation; and

Whereas the State of Texas has already granted its consent to such program because of the beneficial results which will accrue to the section of the State involved and which will accrue to the State generally; and

Whereas the State likewise is affected by the removal of such large areas from taxation in the following particulars:

(a) In the future the State will not receive from said lands the taxes it has been receiving in the past for State ad valorem, State pension, and State available school purposes;

(b) The State owns in its permanent school funds and in other funds bonds of counties, cities, road districts, and school districts situated within the affected area which cannot be paid according to their tenor and effect because of the removal from taxation of a substantial part of the property originally securing said indebtedness;

(c) The State is interested in the condition of the citizens of said communities upon whom the burden of paying taxes will rest after said lands have been released from taxation, which burdens in the instance of bonds which are supported by unlimited taxing power must be materially increased, and in instances wherein said bonds are supported by limited taxing power must be increased to the maximum; and

Whereas the counties most seriously affected by said condition have heretofore employed counsel to seek some relief at the hands of the Congress of the United States; and

Whereas the State board of education, the Governor, and the attorney general have been cooperating with the counties and their counsel in such undertaking; and

Whereas at the recent session of the Seventy-fourth Congress Senator MORRIS SHEPPARD, of Texas, introduced and supported an amendment to a pending bill (H. R. 6776) which if enacted into law would have permitted the Reconstruction Finance Corporation to make refinancing loans to the various governmental agencies in the affected area on a basis which would have prevented a default in the payment of said obligations without increasing the burden of taxation on the taxpayers in said affected area, at the same time assuring to the Reconstruction Finance Corporation the payment of said obligations made to it; and

Whereas said refinancing plan was based on the theory that the Reconstruction Finance Corporation should make such loans available at interest rates sufficiently low that funds could be furnished for refinancing in amounts which would prevent losses to the creditors, and at the same time would not increase the tax burdens, even though a substantial part of the property in the respective communities were removed from taxation; and

Whereas the Sheppard amendment received favorable consideration and support by the board of directors of the Reconstruction Finance Corporation, including the approval of the Honorable Jesse H. Jones, of the Reconstruction Finance Corporation; and

Whereas the amendment introduced by Senator SHEPPARD was unanimously approved after hearing by the Banking and Currency Committee of the United States Senate; and

Whereas said bill (H. R. 6776) was thereafter passed finally with said amendment by unanimous vote of the Senate and of the House of Representatives of Congress; and

Whereas said bill was thereafter vetoed by the President of the United States for reasons assigned by him as follows:

"The second provision of this bill extends Government lending into a new field which might be construed to commit the Federal Government to a policy entirely too far reaching—that of lending to counties, districts, or municipalities to enable them to take care of already existing bonded indebtedness."

Whereas the legislature is hopeful that after a reconsideration, the President will conclude that the extension of the lending powers of the Reconstruction Finance Corporation for the proposed purpose will not be unwarranted, taking into consideration the benefits which have accrued from the use of the powers heretofore granted to the Reconstruction Finance Corporation, under which loans have been made and are now being made to drainage, levee, and irrigation districts for refinancing their existing indebtedness, and having due consideration for the benefits which likely will accrue to the people from the use of the power granted by the Seventy-fourth Congress to the Reconstruction Finance Corporation to make loans to distressed school districts, whereby the existing indebtedness of such districts can now be refinanced through loans made by the Corporation; and

Whereas it is the belief of the legislature that the additional lending power proposed for the Reconstruction Finance Corporation might be justified on the theory that it can be used only in instances wherein the borrowing county or district has been seriously affected by the removal of lands from taxation purchased by the United States; and

Whereas the legislature is hopeful that the President will conclude that if such additional power to be granted to the Reconstruction Finance Corporation constitutes an extension of the policy of the Government lending, taking into consideration the power it is already exercising in reference to drainage, levee, and irrigation districts, and in reference to school districts, in which borrowing agencies the Government has made no purchases of land, that such extension of powers will be considered justified by reason of the fact that the condition necessitating the refinancing operation would not have arisen if the Government had not purchased the lands underlying the indebtedness of such counties and districts; and

Whereas the State of Texas appreciates the cooperation of the Government and the benefits which will accrue from the reforestation program but desires the further cooperation of the Government in relieving the attendant hardships insofar as consistent,

and insofar as the act of relieving said hardships will not cause a financial loss to the United States: Be it

Resolved by the senate (and the house of representatives concurring): (1) That the action of the counties seriously affected and the actions of the State board of education, the Governor, and the attorney general in seeking legislation by Congress to relieve said condition are approved;

(2) That the cooperation heretofore rendered by the Senators and by the Congressmen from the State of Texas in reference to said matter is appreciated and is approved;

(3) That the efforts in this behalf made by the Congressmen whose districts are seriously affected, viz, Congressmen NAT. H. PATTON and MARTIN DIES are appreciated and approved;

(4) That the special efforts made in behalf of said legislation by the Honorable MORRIS SHEPPARD, United States Senator from Texas, and by the Honorable Jesse H. Jones, Chairman, Reconstruction Finance Corporation, are appreciated and approved;

(5) That the Senators and Members of the House from the State of Texas in the National Congress are requested to renew and continue their efforts in behalf of said legislation or some other legislation which will accomplish the purpose;

(6) That the Congress of the United States be, and it is hereby, requested to repass the legislation herein described or some similar legislation which will accomplish its purpose;

(7) That the President of the United States be, and he is hereby, requested to give careful reconsideration to said subject to the end that, if he can consistently do so, he may cooperate in and approve such legislation;

(8) That the secretary of the senate be, and he is hereby, directed to forward a copy of this resolution to each of the following: The President of the United States, the Secretary of the Senate of the United States, the Chief Clerk of the House of Representatives of the United States, and to each United States Senator and each Congressman from the State of Texas.

The VICE PRESIDENT also laid before the Senate the following resolution of the House of Representatives of the State of Nebraska, which was referred to the Committee on Foreign Relations:

Resolution memorializing the Congress of the United States, the President, the Secretary of State, and all other Federal agencies and instrumentalities concerned vigilantly to enforce and righteously to adhere to the present neutrality policy of the United States of America as set forth in Public Resolution No. 67, Seventy-fourth Congress of the United States

Whereas on August 31, 1935, a public resolution entitled "Joint resolution providing for the prohibition of the export of arms, ammunition, and implements of war to belligerent countries; the prohibition of the transportation of arms, ammunition, and implements of war by vessels of the United States for the use of belligerent states; for the registration and licensing of persons engaged in the business of manufacturing, exporting, or importing arms, ammunition, or implements of war; and restricting travel by American citizens on belligerent ships during war" was adopted and promulgated as a national policy with respect to neutrality toward belligerent countries; and

Whereas it is the sense of this house that the United States of America should not now or at any time become involved in any war which primarily concerns the destiny or the interest of any European country, unless the territory of the United States shall be threatened with invasion: Now, therefore, be it

Resolved by the house of representatives in fifty-first (special) session assembled—

1. That this house hereby respectfully commends the President of the United States, the Congress of the United States, and the Secretary of State of the United States for the policy of neutrality adopted, and memorializes them to continue that policy to the end that the United States may not become involved in another world war and to enforce and righteously to adhere to the commitments contained in Public Resolution No. 67, Seventy-fourth Congress of the United States of America.

2. That the chief clerk of this house be hereby ordered and directed forthwith to forward a copy of this resolution, properly authenticated and suitably engrossed to the President of the United States, to the Vice President of the United States, as presiding officer of the United States Senate, to the Speaker of the House of Representatives of the United States, to the Secretary of State of the United States, and to the United States Senators and Congressmen representing the State of Nebraska in Congress, to the end that public officials in Washington and representatives of the State of Nebraska in Washington may know the position of this house on the question of national neutrality.

The VICE PRESIDENT also laid before the Senate the petition of Percy H. O'Brien, Esq., of Los Angeles, Calif., praying for the repeal of the National Bank and Federal Reserve Acts and the enactment of legislation providing for a central bank, which was referred to the Committee on Banking and Currency.

He also laid before the Senate a resolution adopted by Sons of Italy, Lodge No. 267, of Willimantic, Conn., favoring the application in equal degree of the neutrality policy of the United States toward both Italy and Ethiopia in their present conflict, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a resolution adopted at Milwaukee, Wis., at the second national convention of Young Democratic Clubs of America, commending the action of Congress in forbidding the sale of contraband material to warring nations and favoring the enactment of legislation making permanent the prohibition of loans to such nations, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a pledge of support by Ben Benoutz, of Bronx, N. Y., in any action to end war and promote peace among the nations, which was referred to the Committee on Foreign Relations.

He also laid before the Senate the petition of Gordon Gleave, of St. Louis, Mo., praying for the enactment of legislation providing for the inauguration of a 30-hour workweek in industry, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution adopted at Kansas City, Mo., by the National Stationers' Association in convention assembled, favoring the adoption of a policy of decentralization of buying and more spread of business into the various sections of the country so as to expand employment, which was referred to the Committee on Education and Labor.

He also laid before the Senate the petition of Mrs. Betty Norris, of Los Angeles, Calif., praying for the enactment of legislation providing for a suggested system of taxation of incomes and empowering the President to direct all monetary and financial systems, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the Workmen's Sick and Death Benefit Fund of the United States of America, of Brooklyn, N. Y., favoring the enactment of House bill 2827, providing unemployment and social insurance and old-age pensions, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the tenth annual convention of the North American Gasoline Tax Conference protesting against the continuation of the Federal gasoline tax, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the Board of Supervisors of the County of Los Angeles, Calif., favoring the restitution of all deductions of established compensation heretofore made in the case of disabled war veterans, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the Council of Toledo, Ohio, favoring the immediate payment of the so-called "soldiers' bonus", which was referred to the Committee on Finance.

He also laid before the Senate a letter from Mrs. Olivia M. Cutting stating that she does not wish an appropriation of $10,000 to be made to her as the mother of the late Senator Bronson Cutting, which was referred to the Committee on Appropriations.

He also laid before the Senate a resolution adopted by the Racine (Wis.) County Board favoring the continuation of the Works Progress Administration after March 31, 1936, to keep employable men off the relief rolls, and to amend the regulations governing such Administration so as to permit employment in so-called border-line cases, which was referred to the Committee on Appropriations.

He also laid before the Senate a resolution adopted by the Common Council of Racine, Wis., favoring the amendment of regulations governing the Works Progress Administration so as to permit employment in so-called border-line cases, which was referred to the Committee on Appropriations.

He also laid before the Senate a resolution adopted by the American Prison Association at Atlanta, Ga., favoring the enactment of legislation providing for the trial and disposition of juvenile offenders in courts of special jurisdiction, which was referred to the Committee on the Judiciary.

He also laid before the Senate resolutions adopted by the Rock River Conference of the Methodist Episcopal Church,

of Elgin, Ill., and the Holston Conference of the Methodist Episcopal Church, of Maryville, Tenn., favoring the adoption of an amendment to the Constitution prohibiting sectarian appropriations, which were referred to the Committee on the Judiciary.

He also laid before the Senate a resolution adopted by the International Union of Mine, Mill, and Smelter Workers, of Salt Lake City, Utah, favoring the making of an appropriation for the erection of a monument in the form of a home for aged and indigent miners in memory of the pioneer miners of Nevada, which was referred to the Committee on the Library.

He also laid before the Senate resolutions adopted by the executive committee of the Louisiana State Bar Association, New Orleans, La.; the Washoe County Bar Association, of Reno, Nev., and the Los Angeles Bar Association, Los Angeles, Calif., favoring the enactment of legislation providing for the establishment of a trust fund to be known as the Oliver Wendell Holmes Memorial Fund, which were referred to the Committee on the Library.

He also laid before the Senate the petition of the Rantoul Chamber of Commerce, of Rantoul, Ill., praying for the retention of the Air Corps Technical School at Chanute Field, Rantoul, Ill., which was referred to the Committee on Military Affairs.

He also laid before the Senate the memorial of B. N. Kahalepuna, of Honolulu, Hawaii, remonstrating against the granting of statehood to Hawaii, which was referred to the Committee on Territories and Insular Affairs.

He also laid before the Senate petitions of citizens of the United States praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senator from Louisiana [Mr. OVERTON], which were referred to the Committee on Privileges and Elections.

He also laid before the Senate a resolution adopted by the Willamette Democratic Society of Oregon, of Willamette, Oreg., favoring the enactment of legislation to prevent corruption in political campaigns and prescribing certain penalties, which was referred to the Committee on Privileges and Elections.

He also laid before the Senate resolutions adopted by the board of directors of the Associated Printing Industries, of Oakland, Calif., and the Association of Printing Manufacturers, of Topeka, Kans., protesting against printing in the Government Printing Office of all Government forms and publications and favoring participation in such printing by private industry, which were referred to the Committee on Printing.

He also laid before the Senate a resolution adopted by the Sons of Union Veterans of the Civil War, at Grand Rapids, Mich., favoring the registration of aliens, the deportation of undesirable aliens, and also the enactment of legislation prohibiting the use of all public buildings and tax-supported schools by any group who advocate the overthrow of government by force or violence, which was referred to the Committee on Immigration.

He also laid before the Senate a telegram from Fred L. Teuton, of Port Arthur, Tex., protesting against the confirmation of Stuart Martin as postmaster at Port Arthur, Tex., which was ordered to lie on the table.

Mr. CAPPER presented a petition numerously signed by sundry citizens of Oberlin, Kans., praying for the enactment of legislation embodying the so-called Townsend old-age-pension plan, which was referred to the Committee on Finance.

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nomination of George E. Starr to be postmaster at Seattle, Wash., in place of C. M. Perkins, transferred, which was ordered to be placed on the Executive Calendar.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. FRAZIER:

A bill (S. 3475) to provide for the establishment of a Nation-wide system of social insurance; to the Committee on Education and Labor.

By Mr. BLACK:

A bill (S. 3476) to provide for the establishment of a Coast Guard station on the coast of Alabama, at or near Dauphin Island, Ala.; to the Committee on Commerce.

A bill (S. 3477) relating to the jurisdiction of the judge for the northern and middle districts of Alabama; to the Committee on the Judiciary.

Mr. CLARK. Mr. President, on behalf of the Senator from North Dakota [Mr. NYE] and myself, I introduce a bill for reference to the Committee on Foreign Relations.

The VICE PRESIDENT. The bill will be received and referred as requested by the Senator from Missouri.

By Mr. CLARK and Mr. NYE:

A bill (S. 3478) to preserve and maintain peace between the United States and foreign nations, and for other purposes; to the Committee on Foreign Relations.

By Mr. ASHURST:

A bill (S. 3479) to provide additional compensation for employees killed or injured in law-enforcement work, and for other purposes;

A bill (S. 3480) to authorize the appointment of an additional United States district judge for the northern district of Georgia (with an accompanying paper);

A bill (S. 3481) to authorize the appointment of one additional United States district judge for the eastern and western districts of Louisiana (with an accompanying paper); and

A bill (S. 3482) to authorize the appointment of an additional United States district judge for the western district of Missouri (with an accompanying paper); to the Committee on the Judiciary.

By Mr. NORRIS:

A bill (S. 3483) to provide for rural electrification, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. HATCH:

A bill (S. 3484) for the relief of Edward Y. Garcia and Aurelia Garcia; and

A bill (S. 3485) for the relief of George W. Hanna and Bertha M. Hanna; to the Committee on Claims.

By Mr. ADAMS:

A bill (S. 3486) to repeal the act entitled "An act relating to Philippine currency reserves on deposit in the United States"; to the Committee on Banking and Currency.

By Mr. McKELLAR:

A bill (S. 3487) for the relief of the Crescent Cotton Oil Co.; to the Committee on Claims.

By Mr. HATCH and Mr. CHAVEZ:

A bill (S. 3488) to provide for an examination and survey to determine the best utilization of the surplus waters of the San Juan River and to determine the feasibility and cost of storing such waters and of diverting them to the Rio Chama; to the Committee on Irrigation and Reclamation.

By Mr. BORAH:

A bill (S. 3489) to reduce the rate of interest on obligations of home owners to the Home Owners' Loan Corporation; to the Committee on Banking and Currency.

A bill (S. 3490) to carry out the findings of the Court of Claims in the case of Daniel Butland, brother of Francis Butland, deceased; to the Committee on Claims.

A bill (S. 3491) to further extend the operation of the act entitled "An act to further extend the operation of the act entitled 'An act to further extend the operation of the act entitled "An act for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law", approved April 1, 1932', approved March 27, 1934", approved June 13, 1935; to the Committee on Irrigation and Reclamation.

A bill (S. 3492) for the relief of C. W. Pearce; to the Committee on Mines and Mining.

A bill (S. 3493) to add certain lands to the Minidoka National Forest Cassia Division West; and

A bill (S. 3494) to add public lands to the Salmon National Forest in the State of Idaho; to the Committee on Public Lands and Surveys.

By Mr. MOORE:

A bill (S. 3495) for the relief of the city of Perth Amboy, N. J.; to the Committee on Claims.

By Mr. McNARY:

A bill (S. 3496) for the relief of Lincoln County, Oreg.; and

A bill (S. 3497) for the relief of Joseph A. Ganong; to the Committee on Claims.

A bill (S. 3498) authorizing an appropriation for the development of a naval air base at Tongue Point, Oreg.; to the Committee on Naval Affairs.

A bill (S. 3499) granting pensions to certain surgeons who served the United States during the War with Spain, including the Philippine Insurrection and the Boxer Rebellion; to the Committee on Pensions.

By Mr. COPELAND:

A bill (S. 3500) to develop a strong American merchant marine, to promote the commerce of the United States, to aid national defense, and for other purposes; and

A bill (S. 3501) to amend certain laws relating to shipping, and for other purposes; to the Committee on Commerce.

A bill (S. 3502) to authorize the coinage of 50-cent pieces in commemoration of the two hundred and fiftieth anniversary of the founding of New Rochelle, N. Y.; to the Committee on Banking and Currency.

A bill (S. 3503) for the relief of the heirs of Adam and Noah Brown; to the Committee on Claims.

A bill (S. 3504) to repeal section 148 (d) of the Revenue Act of 1934; to the Committee on Finance.

By Mr. BARBOUR and Mr. MOORE:

A bill (S. 3505) for the improvement and protection of the beaches along the shores of the United States; to the Committee on Commerce.

By Mr. JOHNSON:

A bill (S. 3506) for the relief of Mrs. Edith Lewis White; to the Committee on Claims.

By Mr. COUZENS:

A bill (S. 3507) to provide for the establishment of a Coast Guard station on the coast of Michigan, at or near Menominee, Mich.; to the Committee on Commerce.

By Mr. VANDENBERG:

A bill (S. 3508) to provide for the establishment of a Coast Guard station on the Michigan shore of Lake Michigan, at or near Menominee, Mich. (with accompanying papers); to the Committee on Commerce.

By Mr. McGILL:

A bill (S. 3509) granting an increase of pension to Emma A. Wright (with accompanying papers); and

A bill (S. 3510) granting an increase of pension to Phoebe Hoss (with accompanying papers); to the Committee on Pensions.

By Mr. O'MAHONEY:

A bill (S. 3511) relating to certain applications for stock-raising and enlarged homesteads; to the Committee on Public Lands and Surveys.

By Mr. KING:

A bill (S. 3512) to repeal Title I of the National Industrial Recovery Act, as amended and extended; to the Committee on Finance.

A bill (S. 3513) to amend an act entitled "An act to regulate the practice of pharmacy, and the sale of poisons, and for other purposes", approved May 7, 1906, as amended;

A bill (S. 3514) to regulate the manufacturing, dispensing, selling, and possession of narcotic drugs in the District of Columbia; and

A bill (S. 3515) amending the act entitled "An act to regulate the business of loaning money on security of any kind by persons, firms, corporations other than national banks, licensed brokers, trust companies, savings banks, building-and-loan associations, and real-estate brokers in the District of Columbia", approved February 4, 1913, as amended; to the Committee on the District of Columbia.

By Mr. RADCLIFFE (for Mr. TYDINGS):

A bill (S. 3516) for the relief of Alice D. Hollis; to the Committee on Foreign Relations.

A bill (S. 3517) granting restoration of pension to Guy Briggs Pendleton; to the Committee on Pensions.

A bill (S. 3518) to amend the act entitled "An act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890; to the Committee on the Judiciary.

By Mr. COPELAND:

A joint resolution (S. J. Res. 179) to authorize the issuance to Tonio Mori Moto of a permit to reenter the United States; to the Committee on Immigration.

By Mr. McNARY:

A joint resolution (S. J. Res. 180) authorizing the erection of a memorial building to commemorate the winning of the Oregon country for the United States; to the Committee on the Library.

AMENDMENTS TO RIVER AND HARBOR BILL

Mr. CAPPER submitted four amendments intended to be proposed by him to the bill (H. R. 8455) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, which were referred to the Committee on Commerce and ordered to be printed.

ATLANTIC-GULF SHIP CANAL, FLA.

Mr. VANDENBERG submitted the following resolution (S. Res. 210), which was referred to the Committee on Commerce:

Resolved, That the Senate Commerce Committee, or any duly authorized subcommittee thereof, is instructed to investigate and report to the Senate as promptly as possible respecting the so-called Atlantic-Gulf waterway, otherwise known as the Florida Ship Canal, with a view to determining the following facts:

1. The nature and extent of expenditures to be made from emergency relief funds and subsequent expenditures for construction and maintenance to be made from regular funds.

2. The sufficiency of plans and information to determine whether the canal should be a sea-level or a lock canal and whether it should be 30 or 35 feet in depth.

3. The sufficiency of authentic information to determine whether the canal will contaminate the ground-water supply of adjacent areas.

4. The nature and extent of available traffic to warrant the ultimate expenditure of between $140,000,000 and $200,000,000 upon the project; be it further

Resolved, That in pursuit of this inquiry, the Senate Commerce Committee is instructed to study and report its conclusions upon the advisability of continuing this project, or starting any other projects, for the establishment of waterways without an enabling act of Congress.

For the purpose of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-fourth and succeeding Congresses, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic service to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $2,500, shall be paid from the contingent fund of the Senate, upon vouchers approved by the chairman.

INVESTIGATION OF LYNCHINGS

Mr. VAN NUYS submitted the following resolution (S. Res. 211), which was referred to the Committee on the Judiciary:

Whereas during the debate on the motion to consider S. 24, Seventy-fourth Congress, first session (Costigan-Wagner bill), which debate continued from April 26, 1935, to May 1, 1935, without any decision of the merits of that motion or of said bill; and

Whereas statements by various Members of the Senate were made on the Senate floor to the effect that Federal legislation against lynching is unnecessary, as the several States can and will prevent lynchings and punish lynchers, and that local and State officials should not in fact be reasonably deemed responsible, personally or officially, for any mob violation of constitutional guaranties for American citizens; and

Whereas since May 1, 1935, it is credibly recorded that there have been at least 14 lynchings in the United States of both white and Negro citizens in at least seven States, East, West, North, and South: Therefore be it

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized and directed to investigate (1) the facts and circumstances surrounding the



lynchings which have occurred in the United States since May 1, 1935; (2) the relation of such lynchings to other crimes and to the maintenance of law and order; and (3) the action, if any, taken by the responsible public authorities to prevent such lynchings and to punish the persons guilty of committing such crimes. The committee shall report to the Senate as soon as practicable but not later than March 1, 1936, the results of its investigations, together with its recommendations.

For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings; to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate in the Seventy-fourth and succeeding Congresses; to employ such clerical and other assistants; to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents; to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $———, shall be paid from the contingent fund of the Senate, upon vouchers approved by the chairman.

FUNERAL EXPENSES OF THE LATE SENATOR LONG

Mr. OVERTON submitted the following resolution (S. Res. 212), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred by the committee appointed by the Vice President in arranging for and attending the funeral of Hon. Huey P. Long, late a Senator from the State of Louisiana, upon vouchers to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

FUNERAL EXPENSES OF THE LATE SENATOR SCHALL

Mr. McNARY (for Mr. SHIPSTEAD) submitted the following resolution (S. Res. 213), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred by the committee appointed by the Vice President in arranging for and attending the funeral of Hon. Thomas D. Schall, late a Senator from the State of Minnesota, upon vouchers to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

REPRESENTATION OF COMMERCE COMMITTEE ON THE COMMITTEE ON APPROPRIATIONS

Mr. COPELAND submitted the following resolution (S. Res. 214), which was referred to the Committee on Rules:

Resolved, That three members of the Committee on Commerce, to be selected by said committee, shall be ex-officio members of the Committee on Appropriations, to serve on said committee when the bill making appropriations for the Departments of State, Justice, Commerce, and Labor is being considered by the Committee on Appropriations, and at least one member of the Committee on Commerce shall be a member of the conference committee appointed to confer with the House upon said appropriation bill.

ATLANTIC-GULF SHIP CANAL, FLA. (S. DOC. NO. 147)

On motion by Mr. FLETCHER, the interim report of the special board of geologists and engineers appointed by the district engineer at Ocala, Fla., to make a study of the effect of the sea-level canal on the underground resources of the State was ordered to be printed, with illustrations, and referred to the Committee on Commerce.

ORDER OF BUSINESS

The VICE PRESIDENT. Resolutions coming over from a previous day are in order.

The Chief Clerk proceeded to read the resolution (S. Res. 141) submitted by Mr. TYDINGS on May 21, 1935, favoring conferences with foreign governments on war debts and certain other international matters.

Mr. ROBINSON. Mr. President, I ask unanimous consent that the resolution go over and that the call of the calendar be dispensed with for the day.

The VICE PRESIDENT. Without objection, it is so ordered. Morning business is closed.

LEGISLATIVE PROGRAM OF NATIONAL FARMERS UNION

Mr. CAPPER. Mr. President, the National Farmers Union for many years has been one of the outstanding farm organizations. Its work for agriculture has been aggressive, effective, and in line with the needs and ambitions of a large proportion of our farm population. What the Farmers Union has to say as to the condition of agriculture, and of the needs of agriculture, and the legislative program for agriculture, in my judgment, is entitled to the best thought and consideration of the Congress and the country.

For this reason I am about to ask unanimous consent to have printed in the RECORD the legislative program of the National Farmers Union as approved at its recent annual convention November 19 and 20, 1935, at Kankakee, Ill. Especially I desire to call to the attention of my colleagues and to give my hearty endorsement to several points in that program. This Congress, in line with the recommendations of the Farmers Union, should enact the Frazier-Lemke farm refinancing bill. The farmer is entitled to the lower interest rates and the long-time mortgage loans provided in that bill.

Also I heartily concur in the Farmers Union position that gambling in farm products should be prohibited, and in opposition to war and war-breeding policies, including huge appropriations for war purposes.

I send to the desk a copy of the Farmers Union legislative program and ask unanimous consent that it be printed as part of my remarks at this point in the RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

NATIONAL FARMERS UNION LEGISLATIVE PROGRAM; ADOPTED UNANIMOUSLY IN ANNUAL CONVENTION HELD IN KANKAKEE, ILL., NOVEMBER 19 AND 20, 1935

The Farmers Union has had a very definite national legislative program for many years. Very little of it has been adopted by the National Congress. There has been legislation passed involving the principles laid down in the Farmers Union program. Such legislation can only be described as a step in the right direction.

We have fought the manufacturers' general sales tax successfully.

We have seen our program on net income and inheritance tax receive consideration in the last 2 years to the extent of doubling the rates on the higher brackets.

The Agricultural Adjustment Act established as a principle of law that it is the duty of this Government to see that farmers are financed; that it is the duty of this Government to regulate the marketing of farm commodities; that the President should have the power to monetize silver and issue non-interest-bearing full legal-tender currency instead of interest-bearing bonds.

While these are steps in the right direction, the steps are so short that they get us nowhere. Time proves that what has been done is inadequate for the relief and recovery of our country.

All this means that we should be firmer than ever in our convictions that the Farmers Union program provides the real remedy.

In that belief we hereby reiterate the national legislative program adopted in many previous annual conventions of the National Farmers Union.

OUR PROGRAM

1. We unequivocally reendorse the Frazier-Lemke refinance bill, which bill provides for the refinancing of existing farm indebtedness at 1½-percent interest and 1½ percent on the principal of the indebtedness—not by the issuance of bonds but by a direct issuance of currency.

2. We endorse and demand the program of the nationalization of our money and credit through a central bank, owned and operated and controlled exclusively by the Government, establishing an honest measure of value with which to meet our obligations and measure the wealth of the Nation.

3. We further endorse the House joint resolution introduced by Congressman WILLIAM LEMKE, proposing an amendment to the Constitution of the United States providing for the initiation of legislative measures by electors.

4. We demand the passage of the Thomas-Massingale cost-of-production bill granting an average cost of production as minimum prices for farm products and an adequate annual wage for labor as a sound basis for economic recovery and as a permanent policy for the development of a stabilized national economy.

5. The Wheeler bill, which provides for the remonetization of silver.

6. The Thomas bill, which provides for the Government issuing full legal-tender non-interest-bearing currency to pay the debts of the Nation instead of issuing more interest-bearing bonds.

7. We believe all taxation should be based on ability to pay. We further believe there is just one test of ability to pay, and that is net income at the end of the year. We therefore support such rates on net incomes as will pay the running expenses of government.

We realize that the concentration of wealth in the hands of a few, to the extent that, today in the United States, less than 5 percent of the people own 90 percent of the wealth of the Nation, is a menace to the life of the Nation. History teaches from Babylon to Russia that where such conditions exist one of two things happens, either there is redistribution of wealth or revolution and overthrow of the government.

To prevent the latter, the Farmers Union proposes such amendments to the inheritance- and gift-tax laws as will limit the amount any one individual can take from an estate to one-half million dollars.

8. We are opposed to the large appropriations being made in preparation for war.

For 40 years this Nation has preached peace—while at the same time spending more money every year on wars, past, present, and future, than any other country in the world. It is our position that such a policy is hypocritical and inconsistent.

We are also unalterably opposed to compulsory military training in any form and, especially, in tax-supported institutions of learning.

9. Farmers are the largest purchasers of gasoline of any group, hence the largest payers of gasoline taxes. We are opposed to the Federal taxes on gasoline and to the diversion of tax funds, raised by the various States, from road building and maintenance purposes.

10. We believe Congress should pass such legislation as would absolutely prohibit gambling in farm products by boards of trade, cotton exchanges, and other speculators.

11. It is our position that so long as industry is protected by tariffs, agriculture is entitled to the same protection.

12. We favor further and more effective legislation against the use of oriental oils in the manufacture of oleomargarine. Such legislation is needed to protect the dairy farmers of the Nation.

13. The eighteenth amendment has been repealed. We favor such legislation as will place the manufacture and distribution of all intoxicating liquors in the Government. This would remove "profit" which is the biggest element of evil in the liquor traffic.

14. We commend America's stand (enunciated by Congress and the President) against war.

In the event of war we demand the conscription of wealth the same as human lives.

15. Whereas the Oklahoma Farmers Union is blazing the trail for return of individual farmer and home ownership in America through legislation embodying such far-reaching measures as a graduated land tax and a homestead exemption, whereas their efforts along this line to date have been attended with notable success; and

Whereas a vast majority of our farmers throughout the Nation have been evicted, foreclosed, and dispossessed: Therefore be it

Resolved, That we highly commend Oklahoma for their initiative, and that we emulate their policy in restoring individual farm and home ownership by securing the enactment of State laws, exempting homesteads from part or all of ad-valorem taxes, also applying the principle of the graduated land tax.

16. We endorse the Frazier-Lemke conservation bill providing for the conservation of water from the eastern slope of the Rockies.

17. Whereas we have a Union of States, united on a national program, but many of the rank and file have been divided on policy; and

Whereas past experience has taught the farmers it is more important and effective to sell our legislative and cooperative program on its own merits rather than on the alleged demerits of some other program.

Therefore we commend a policy of disseminating and revealing statistical information and facts affecting our program and allowing membership to form conclusions of their own.

CHARLES A. LINDBERGH

Mr. ASHURST. Mr. President, Charles A. Lindbergh, who captured mankind's imagination when he crossed the Atlantic by riding alone the pathway of the stars, has lately been the subject of much discussion because, forsooth, as a discerning gentleman, after performing the duties cast upon him by a tragic occasion, he properly withdrew himself and his family from the house of his woe and sorrow until the conclusion of the case which affects himself and his family so poignantly.

Of course, no one except Colonel Lindbergh and his family knows the precise reason for his sojourn in England; but, in view of his well-known habit of observing the proprieties and amenities of life, it would not be a rash guess to say that he and Mrs. Lindbergh quite naturally preferred to be absent during the climax of the case.

It may be, indeed, that the Lindberghs are temporary refugees from the tyranny of curiosity. He and his family have been the victims of ruthless, reckless, and relentless espionage. If they wished to go shopping, attend a theater, a picture show, or go to a restaurant, they must needs disguise themselves or be pestered, annoyed, insulted, jostled, intimidated, and manhandled by cranks, potential gangsters, gaping sensation mongers, and other unrecorded, unidentified, and unauthorized individuals.

To some persons one of the truest joys that can come is to live serenely in obscurity the life of a private citizen; but, unfortunately, such a vast number of persons with a prurient, itching curiosity have been so constantly invading Colonel Lindbergh's right to privacy that he and his family for some months have been required practically to reside within a fortress.

This deplorable status of affairs may not be cured by any law or by any action that the Department of Justice may take. It can and will be remedied only and when those citizens who represent the good repute of our Nation, and who live courageously, shall themselves set an example of a refusal to violate the privacy of another citizen and an example of indignant resentment of any intrusion upon their own privacy.

Human beings differ in temperament, habits, and inclinations. A mode or plan of life agreeable to one person may be unpleasant to another. One man desires to be surrounded by gayety, laughter, and song; another prefers to keep company with invisible and inaudible things.

That a man should prefer his own silent and deploying thoughts, to bubbling comrades does not indicate that he lacks urbanity or warm-heartedness; it simply indicates that he has chosen companions agreeable to himself.

Some years ago I read an article, published I believe in the New York Sun, commenting on the trans-Atlantic flight made by Lindbergh. The article, as I remember it, was about as follows:

ALONE

He was not alone. He had imperial companions, but they were of the kind that did not weigh down his ship; and as his airplane winged her unwearied course he held communion with his companions who by their magic power always inspire and give strength to arm, resource to mind, and contentment to soul.

On his right hand sat Courage; on his left hand sat Self-Confidence; behind was Determination; over him was Ambition; and before him was Emprise reading the dials.

In conclusion I say, Americans who love sportsmanship and fair play should be content to allow the Lone Eagle to select his companions.

THE TOWNSEND PLAN—STATEMENT BY DR. HENRY S. PRITCHETT

Mr. BARBOUR. Mr. President, I ask unanimous consent to have printed in full in the RECORD and appropriately referred a statement on the Townsend old-age-pension plan, written by Dr. Henry S. Pritchett, president emeritus of the Carnegie Foundation for the Advancement of Teaching.

There being no objection, the statement was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

THE TOWNSEND RELIGION

There was something appealing in the gathering of some thousands of adherents of the Townsend plan in Chicago a few weeks ago. It was a company of believers—sincere, earnest, wistful. The assembly resembled those gatherings of Adventists that were common in the Middle West 50 years ago, when bands of sincere believers gathered at dawn on an appointed day to greet the resurrection morn that never came.

For the Townsend plan is not a plan. It is a religion. It rests on a simple faith in the prophecies of the good Dr. Townsend, who, like many other prophets, brushes aside the plain facts that stand in the way of the realization of his faith. These facts can be simply stated, and they do not require a trained economist to understand them. What we once called "horse sense" is all that is needed.

Under the Townsend plan every 60-year-old man or woman will automatically go on the pension list and receive $200 a month, or $2,400 a year, from the Government of the United States. As there are about ten and a half million 60-year-old persons, these pensions will cost $25,000,000,000 a year, increasing as population rises. This tidy sum has to be paid out of the income of all the people, the payments to be effected by a sales-transaction tax that will reach everybody. Every time a housewife buys a loaf of bread or a pound of bacon or a calico dress she will pay a sales tax to carry the Townsend pensions. Every man, woman, and child must contribute to the Townsend pensions in proportion to his annual expenditures.

Now, the total income of everybody in the United States last year, according to a Government report recently issued, was $49,000,000,000. This income is, in the main, in the hands of persons of moderate or small means, living on day wages or monthly salaries. Laboring men will be called on to pay the bulk of the Townsend pensions, because they receive and spend the bulk of the national income. It certainly looks a bit doubtful when the average man is asked to lay down half his income, collected by a sales tax, in order to pay the Townsend pensions.

No notice seems to have been taken of the fact that Townsend pensioners would be affected by the Townsend sales tax in quite the same way as any other purchaser of bread, meat, and clothing.

It is at this point that the prophet of the Townsend religion introduces his chief article of faith. Under the terms of the plan every 60-year-old must spend the entire $200 by the end of the month in which he receives it. For example, the $200 received January 1 must all be spent by February 1. Not a dollar must be left in his hands at the end of the month. This provision furnishes the greatest appeal to selfishness to which our human weaknesses have ever been exposed. The swapping of payments between pensioners will be a temptation which few will resist. It will require an army of inspectors to make sure that the endowed brethren are not merely swapping payments. The Townsend plan would become in practice the greatest corrupter of American life ever devised.

The chief article of faith in the Townsend credo lies in the assumption that the spending of this money—about two billions a month—will, in the language of the official pamphlet, "create purchasing power so that there may be Nation-wide prosperity."

There is something to be said for the proposition that the free spending of money helps trade and hence works for general prosperity. Most health resorts live, to a considerable extent, on the money spent by outsiders who frequent the resort and who bring their money with them. It would not stimulate business at a German spa, for example, if the money spent by the visitors had been obtained by collecting it first from the people of the town through a sales tax or by any other form of taxation.

And herein lies the fatal defect in the Townsend plan. It takes away from all the people (including the Townsend pensioners) over half their income, and thus makes it impossible for the 92 percent of the people not in the Townsend plan to spend any money. If good Dr. Townsend, the apostle of this faith, could get the twenty-five billions (plus expenses) from some outside source—perhaps the planet Mars—and hand it out to the ten and a half million 60-year-old persons to spend, his faith would be justified by his works. But there is no way to get the twenty-five billions except to take it away from the incomes arising from wages, salaries, and interest on investments. Mainly it would come from those living on wages and salaries—laborers, clerks, college professors, school teachers, and all who earn their livelihood by service in one form or another. The Townsend religion is based on a profound fallacy—the assumption that by taking billions away from all the people and giving it to a small minority to spend we can bring in prosperity. Townsendism is a sincere religion on the part of those who practice it. But sincerity is only one quality which a religion must have. It must not only feel; it must think straight. Neither religion nor economics can endure on a false foundation. The politicians who are flirting with the Townsend plan are playing with fire.

HENRY SMITH PRITCHETT.

THE BUDGET

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read and referred to the Committee on Appropriations, as follows:

To the Congress of the United States:

Pursuant to provisions of law I transmit herewith the Budget of the United States Government for the fiscal year ending June 30, 1937, together with this message, which is definitely a part thereof. The estimates have been developed after careful analysis of the revenues, obligations, and reasonable needs of the Government, and I recommend appropriations for the purposes specifically detailed in the tables which follow.

PART I

No mortal is permitted unfailingly to predict the future. This is particularly true of estimates which relate to the money values of property and services in a world of nations torn by dissension, by violent price fluctuations, and by forebodings of the future.

It is, therefore, a cause for congratulation within our own Nation to realize that a consistent, broad national policy, adopted nearly 3 years ago by the Congress and the President, has thus far moved steadily, effectively, and successfully toward its objective.

In March 1933, in spite of substantial increases in tax rates during the preceding administration, Federal tax receipts had fallen to such a low level that even normal expenses of Government could not be carried on without creating a mounting deficit. In addition to normal expenses, the problem of millions of starving unemployed called for a relief program which obviously would greatly increase that deficit.

The national policy which we then adopted sought to stop the downward economic spiral by taking simultaneous action along a dozen fronts. The chief objectives were: To make bank deposits secure, to save farms and homes from foreclosure, to start public works on a large scale, to encourage home building, to increase farm crop values, to give useful work instead of a dole to the needy unemployed, to reduce all interest rates, to increase foreign trade in both exports and imports, to extend Government credit to railroads and other privately owned activities, to reduce unsound and generally disastrous speculation, to eliminate starvation wages, to seek a higher level of values, and then to maintain those values.

On the part of the Federal Government the many legislative acts creating the machinery for recovery were all predicated on two interdependent beliefs. First, the measures would immediately cause a great increase in the annual expenditures of the Government—many of these expenditures, however, in the form of loans which would ultimately return to the Treasury. Second, as a result of the simultaneous attack on the many fronts I have indicated, the receipts of the Government would rise definitely and sharply during the following few years, while greatly increased expenditure for the purposes stated, coupled with rising values and the stopping of losses would, over a period of years, diminish the need for work relief and thereby reduce Federal expenditures. The increase in revenues would ultimately meet and pass the declining cost of relief.

This policy adopted in the spring of 1933 has been confirmed in actual practice by the Treasury figures of 1934, of 1935, and by the estimates for the fiscal years of 1936 and 1937.

There is today no doubt of the fundamental soundness of the policy of 1933. If we proceed along the path we have followed and with the results attained up to the present time we shall continue our successful progress during the coming years.

Stated even more concisely, we can look forward today to a continued reduction of deficits, to increased tax receipts, and to declining expenditures for the needy unemployed. Let it be remembered that the major part of the increase in tax receipts anticipated in 1937 over 1936 from comparable sources is coming from old tax schedules. The only changes made last year in the tax schedule were, first, the elimination of the tax on checks and, secondly, slight increases in taxes on large incomes, on large estates, and on large corporations and in capital stock and excess-profits taxes. By the elimination of the tax on checks we lost $40,000,000 in revenue and the slight increases on estates and on personal and corporate incomes will add only about $222,000,000 to Government receipts this coming year. I emphasize that the great bulk of increased Government income referred to above results from increased earning power and profits throughout the Nation and not from the new taxes imposed by the Revenue Act of 1935.

Final success will depend, of course, on the strength of the efforts put forth by the employers of the United States greatly to increase the number of persons employed by them. The finances of the Government are in better condition than at any time in the past 7 years. I say this because starting with the autumn of 1929 tax receipts began a steady and alarming decline, while, at the same time, Government expenditures began a steady rise; today tax receipts are continuing a steady climb which commenced in the summer of 1933, whereas Budget estimates for the next fiscal year will show a decreased need for appropriations.

The credit of the Government is at its highest. The average of the businessmen of the Nation stand ready to do their share. It is to be hoped that motives and attacks which spring only from the desire for political or financial power on the part of a few will not retard the steady progress we are making.

Our policy is succeeding. The figures prove it. Secure in the knowledge that steadily decreasing deficits will turn in time into steadily increasing surpluses and that it is the deficit of today which is making possible the surplus of tomorrow, let us pursue the course that we have mapped.

In my Budget message of January 1935 I said:

I am, however, submitting to the Congress a Budget for the fiscal year 1936 which balances except for expenditures to give work to the unemployed. If this Budget receives approval of the Congress, the country will henceforth have the assurance that with the single exception of this item every current expenditure of whatever nature

will be fully covered by our estimates of current receipts. Such deficit as occurs will be due solely to this cause, and it may be expected to decline as rapidly as private industry is able to reemploy those who now are without work.

In looking at the revised estimates for the fiscal year 1936 I am more than pleased to find that we have not only accomplished what I said we would in my Budget message of a year ago but that the results with respect to both expenditures and receipts have surpassed expectations.

1. My Budget message of January 1935 forecast that the expenditures for the fiscal year 1936 would be $8,520,000,000. Our most recent estimate shows that our expenditures will be $7,645,000,000, or $875,000,000 less than originally forecast.

2. Receipts were estimated in January 1935 at $3,992,000,000. At the present time it appears that they will be $4,411,000,000, or an increase of $419,000,000.

3. The message of January 1935 forecast a gross deficit of $4,528,000,000, and the most recent figures show that the deficit will be $3,234,000,000, or a decrease of $1,294,000,000

This great improvement of the fiscal outlook during this present year has been brought about through policies which the Congress and the President initiated in 1933 and which we have since maintained.

Now let us look at the Budget for the fiscal year 1937:

To run all the regular activities of the Government I will need a total of $5,069,000,000. These regular activities include interest on the public debt, major public works, operations of the Civilian Conservation Corps, and agricultural benefit payments, but do not include strictly work-relief items. I expect to pay for these regular activities with estimated receipts of $5,654,000,000, leaving an excess of receipts of $585,000,000. Out of this $585,000,000 I will need $580,000,000 for debt retirement, which will still leave $5,000,000 of excess receipts over expenditures after having paid for all of the regular expenditures of the Government plus debt retirement.

The item for relief remains. Without that item the Budget is in balance. To make today a formal Budget estimate of the amount necessary for work relief would be of necessity a difficult task. We have too recently reached our goal of putting three and one-half million people at work; and the beneficial effects from this program and from increasing expenditures on public works cannot be foretold as accurately today as it can 2 months from now. Furthermore, employment by private industry continues to show substantial gains over the figures of a year ago. It is reasonably certain that the total appropriations for work relief during the fiscal year 1937 will be far less than during the current fiscal year. It is estimated in this Budget that expenditures for recovery and relief out of unexpended balances of previous emergency appropriations will amount to $1,103,000,000. Including these expenditures the gross deficit for 1937, without an estimate for additional work relief, is less than the gross deficit for 1936 by $2,136,000,000. I do not anticipate that the need for additional relief funds will be as great as that sum.

To state the case even more precisely, the gross deficit of the Government in 1934 was $3,989,000,000; in 1935, $3,575,000,000; in 1936 (estimate), $3,234,000,000; and in 1937 (estimated but not including any new appropriations for work relief), $1,098,000,000. Therefore, it is clear: First, that since June 30, 1934, the gross deficit of the Government shows a steady decrease during the fiscal years 1935 and 1936. Second, that if work relief appropriations by this session of the Congress were made up to a total of $2,136,000,000, the total gross deficit for the fiscal year 1937 would not exceed that of 1936, which was the lowest gross deficit of the past 3 years. Therefore, it follows that by whatever amount the appropriation for work relief at this session is less than $2,136,000,000, the gross deficit for 1937 will be less than the deficit for 1936 by the same amount.

With this limitation and this excellent prospect clearly in mind, I am not including in this Budget estimates for additional relief appropriations. I shall transmit such estimates with far greater knowledge and, therefore, with greater accuracy in sufficient time before the adjournment of this session to give the Congress full opportunity to examine into the subject and to make the necessary appropriations.

The credit of the Government is in sound condition. On October 15, 1933, wartime issues of first and fourth Liberty bonds were outstanding in the aggregate amount of $8,200,000,000, bearing interest at an average rate of about 4⅛ percent. Today this entire amount has been refunded, of which about $5,000,000,000 was exchanged for long-term bonds bearing interest at rates ranging from 2¾ to 3¼ percent per annum; $1,900,000,000 was exchanged for Treasury notes bearing interest from 1½ to 2½ percent per annum, and the balance was paid in cash. The average rate on the securities issued to refund the Liberty bonds is less than 2¾ percent per annum, a saving of approximately 1⅜ percent a year, or an annual reduction in interest payments of more than $100,000,000 on these particular securities.

The average rate on the interest-bearing debt was on June 30, 1934, approximately 3.18 percent, whereas on November 30, 1935, it had been reduced to 2.575 percent.

If the Congress enacts legislation at the coming session which will impose additional charges upon the Treasury for which provision is not already made in this Budget, I strongly urge that additional taxes be provided to cover such charges. It is important as we emerge from the depression that no new activities be added to the Government unless provision is made for additional revenue to meet their cost.

PART II

RECOMMENDATIONS

The following recommendations are offered:

Appropriation transfer provisions.—The text accompanying a number of the estimates of appropriations has been drafted to include provision for transfer between appropriations within the same department. This provision will add a measure of administrative flexibility and will tend to promote economical execution of the program as a whole, and approval thereof by the Congress is recommended.

Repeal amendment to Agricultural Adjustment Act.—During the first session of the Seventy-fourth Congress the Agricultural Adjustment Act was amended so as to appropriate a sum equal to 30 percent of customs receipts to the Secretary of Agriculture to encourage exportation and domestic consumption of agricultural commodities. No estimate of expenditure for account of this legislation is included herein; and repeal of the amendment is recommended for the following reasons:

By appropriating directly instead of authorizing an appropriation the amendment denies to the President the opportunity to consider the need and include appropriate estimates in the Budget; and it denies to the Congress the opportunity to review such estimates in their relation to the whole program of the Government. The amendment violates the principles of the Permanent Appropriation Repeal Act of 1934, and of the Budget and Accounting Act of June 10, 1921. It is in conflict with sound administration in that it provides in advance for large annual expenditures without any attempt to coordinate income and expense. The amendment was passed in the last days of the session as a result of conference agreement and without the debate and consideration by the Congress which the import of the measure clearly justifies.

Apportionments of appropriations.—Within the last few months control of the administrative expense of 20 emergency agencies has been vested in the Bureau of the Budget, which after a general survey of all of them has effected substantial reductions in proposed expenditures for administrative purposes. Allowances for administrative expenses are subject to such adjustment as the status of the agency warrants.

The 20 agencies brought under the Budget are the Agricultural Adjustment Administration; Commodity Credit Corporation; Electric Home and Farm Authority; Export-Import Banks (2); Farm Credit Administration; Federal Coordinator of Transportation; Federal Deposit Insurance Corporation; Federal Emergency Administration of Public Works; Federal Emergency Relief Administration; Federal Farm Mortgage

Corporation; Federal Home Loan Bank Board; Federal Housing Administration; Federal Savings and Loan System; Federal Savings and Loan Insurance Corporation; Federal Surplus Relief Corporation; Home Owners' Loan Corporation; National Recovery Administration; Reconstruction Finance Corporation and Tennessee Valley Authority.

It is recommended that section 3679 of the Revised Statutes be amended so as to bring all agencies of the Government, including Government-owned and Government-controlled corporations, within the authority of the Director of the Budget with respect to apportionments of appropriations and of other funds available to them.

PART III

REVIEW OF FISCAL YEARS 1935 AND 1936 AND THE FISCAL PROGRAM OF 1937

This review concerns itself with cash actually received and paid out by the Treasury in the fiscal year 1935 and with the estimates of receipts, appropriations, and expenditures for the fiscal years 1936 and 1937. As elsewhere stated herein the program of regular activities for 1937 includes activities under the Agricultural Adjustment Act and the Civilian Conservation Corps (Emergency Conservation Work), heretofore classed as emergency. Therefore the figures used herein for 1934, 1935, and 1936 have been adjusted to a comparable basis.

FISCAL YEAR 1935

Receipts.—Treasury receipts for the year ended June 30, 1935, were in excess of estimates prepared a year ago. Considering all sources except postal revenues, total receipts amounted to $3,800,467,202, or $89,000,000 above the estimate. Internal revenue, including processing taxes on farm products, produced $3,277,690,028, exceeding the estimate by $80,000,000. Customs receipts amounted to $343,353,033, an increase over the estimate of $56,000,000. Miscellaneous receipts, including realization upon assets, estimated at $227,184,181, fell short of the estimate by $48,000,000; the amount actually received under this item was $179,424,140.

Expenditures.—While actual receipts for the year were greater than anticipated, actual expenditures were less than the amount estimated by $1,205,000,000. The aggregate of all expenditures was $7,375,825,166, against an estimate of $8,581,069,026. Approximately a billion dollars of this difference related to recovery and relief, and the regular agencies accounted for the remainder.

The total spent for recovery and relief was $3,068,803,053, whereas the 1936 Budget estimate was $4,068,541,852, exclusive of expenditures made under the Agricultural Adjustment Act and made by the Civilian Conservation Corps. This difference is partly due to this fact:

When the Budget for 1936 was prepared it seemed probable that the Reconstruction Finance Corporation, in all accounts except relief, would close the year with an excess of loans over repayments; and the amount of the net expenditures was estimated at $556,000,000. However, because of improved business conditions, the demands for Corporation assistance were so much less than estimated and the repayments of loans so much greater, that the Corporation actually closed the year with net receipts of $107,000,000. Therefore, the net difference between the estimated expenditure and the actual result amounted to $663,000,000. Other agencies spent for recovery and relief $337,000,000 less than estimated.

For the operation and maintenance of regular departments and establishments of the Government, including the Agricultural Adjustment Act and the Civilian Conservation Corps, actual expenditures were $2,912,537,509, against the estimate of $3,104,961,174.

For statutory debt retirements there was expended $573,558,250, and for interest on the public debt $820,926,353, whereas the amounts budgeted for these items were, respectively, $572,566,000 and $835,000,000.

Deficit and public debt.—The year closed with a gross deficit of $3,575,357,964, instead of the estimate of $4,869,418,338. After deducting the amount paid out for statutory debt retirement, the net deficit was $3,001,799,714. The increase in the total outstanding gross public debt was $1,647,751,210, which figure is properly obtained by subtracting from the net deficit the decrease in the general-fund balance, the excess of receipts from trust funds, increment on gold, etc., over expenditures from the same accounts, and the amount of retirement of national-bank notes from the gold increment. As of June 30, 1935, the total outstanding gross public debt was $28,700,892,624, while on June 30, 1934, it was $27,053,141,414.

FISCAL YEAR 1936

Drawing upon the experience of the first 6 months of the current year it is possible to forecast with a fair degree of accuracy the results of financial operations for the whole 1936 fiscal period.

Receipts.—The same sources of income (excluding postal revenues) which a year ago were expected to produce receipts aggregating $3,991,904,639 are now expected to produce a total of $4,410,793,946.

Of the items comprising the whole, income taxes will develop $1,434,112,000, or $246,000,000 more than the 1936 Budget estimate.

Miscellaneous internal revenue, exclusive of processing taxes, is now estimated at $1,873,091,000, an increase of $187,000,000. Receipts from customs are expected to reach a total of $353,191,000, exceeding the original estimate by $55,000,000. Other changes, some upward and some downward, result in the new estimate of total receipts at a figure of $419,000,000 higher than shown in the Budget for 1936, which was presented a year ago.

The present estimate for processing taxes in 1936, included in above total, is in round figures $529,000,000, as against the original estimate of $570,000,000. Actual receipts for the 5 months ended November 30, 1935, totaled $56,000,000, while up to that date approximately $148,000,000 of due payments had been impounded as the result of preliminary court action.

It is pertinent to repeat here a statement appearing in the Summation of the 1936 Budget:

> Estimates of receipts contemplate continued collection of processing taxes. If the attack which has been made upon this act is sustained, we will have to face the problem of financing existing contracts for benefit payments out of some form of new taxes.

Two new taxes, namely, the bituminous-coal tax and the taxes upon carriers and their employees, both representing recent legislation, will contribute $39,000,000 not included in the original estimate of receipts for 1936. New taxes imposed by the Social Security Act and the Revenue Act of 1935 will not produce any income until the fiscal year 1937.

Expenditures.—Indications are that expenditures, including debt retirement during the present fiscal year, will not reach the amount budgeted by approximately $875,000,000; the total now foreseen is $7,645,301,338, against the original estimate of $8,520,413,609. Exclusive of debt retirement, the total of expenditures is now estimated at $7,093,276,338, while the original comparable figure was $7,883,979,609. For recovery and relief the revised estimate of expenditures for the fiscal year 1936 is less than the original Budget estimate by $738,000,000, and expenditures for all regular purposes, including Agricultural Adjustment Act and Civilian Conservation Corps, will be less by $137,000,000. Debt retirement will require $84,000,000 less than was budgeted and interest payments will be $133,000,000 less. All regular exenditures, excluding service on the public debt, will be greater than the original Budget estimate by about $80,000,000.

The reduction in interest payments from the amount budgeted, as referred to above, was due largely to the refunding of first and fourth Liberty Loan bonds aggregating $8,200,000,000 at substantially lower rates of interest.

Deficit and public debt.—The revised estimates as set out herein show a gross deficit for the current fiscal year of approximately $3,234,000,000 instead of the original Budget forecast of $4,529,000,000. After deducting the amount of statutory debt retirement the net deficit will be, in round figures $2,682,000,000. The gross public debt as at June 30, 1936, should not be greater than $31,000,000,000. This estimate assumes that the working balance in the Treasury on June 30, 1936, will be approximately the same as it was on

June 30, 1935, namely, $1,001,142,951. Obviously, if the working balance is less, the gross debt will be less; and if it is greater, the gross debt will be greater.

The foregoing figures are set out in the following table for ready comparison between Budget estimates of a year ago and what are now considered probable.

Comparison of original and revised estimates, fiscal year 1936, adjusted to classification of expenditures in 1937 Budget

	Budget estimate, January 1935	Revised estimate
1. Receipts (excluding postal):		
Income tax	$1,188,000,000	$1,434,112,000
Miscellaneous internal revenue	1,685,900,000	1,873,091,000
Processing taxes on farm products	570,000,000	529,042,030
Customs	298,000,000	353,191,000
All other	250,004,639	221,357,946
Total receipts	3,991,904,639	4,410,793,946
2. Expenditures:		
Regular, including A. A. A. and C. C. C.	3,402,351,134	3,482,208,151
Interest on the public debt	875,000,000	742,000,000
Recovery and relief	3,606,628,475	2,869,068,187
Total expenditures	7,883,979,609	7,093,276,338
3. Net deficit	3,892,074,970	2,682,482,392
Statutory debt retirements	636,434,000	552,025,000
Gross deficit	4,528,508,970	3,234,507,392
4. Gross public debt	34,238,823,656	30,933,375,017

Postal revenues for the fiscal year 1936 are now estimated at $670,000,000, which is $25,000,000 over the original estimate.

THE FISCAL PROGRAM OF 1937

There is presented here a brief factual résumé of the principal features of the Budget for the fiscal year 1937, the details of which appear in subsequent text and tables. A few high points stand out and justify emphasis.

Without impairing the ability of the Government to carry on its normal functions and to prosecute those activities essential to continued recovery, the Budget reflects a substantial decrease in the spread between income and outgo. This is consistent with the prediction made in the Budget message a year ago and is possible because of progressive improvement in the economic status of the people. The state of national recovery is such that receipts from prevailing tax sources on the basis of present rates appear adequate for financing the ordinary operations of the Government in 1937, including service on the public debt; and no new or additional taxes are proposed.

Legislation enacted by the first session of the Seventy-fourth Congress makes it necessary to provide in the 1937 estimates new appropriation items aggregating $667,000,000. This total will become approximately $767,000,000 should the Congress reject the recommendation, hereinbefore offered, for repeal of that part of the Agricultural Adjustment Act which appropriates a sum equal to 30 percent of customs receipts to the Secretary of Agriculture.

Legislation enacted by the first session also permits including in these estimates a total of $769,000,000 of additional receipts, of which about 70 percent will accrue under the Bituminous Coal Conservation Act, the act levying taxes upon carriers and their employees, and the Social Security Act. It is worthy of note that but slightly less than 30 percent of this increase will be derived under the Revenue Act of 1935. This act, it will be recalled, slightly increased taxes on individuals whose net incomes exceed $50,000 per year; slightly increased estate taxes on larger fortunes with a corresponding increase in gift taxes; and in respect of corporations, decreased taxes on net earnings of small corporations while increasing in relative ratio the taxes on net income of larger corporations. The act also provided for an increase in taxes on capital stock and on excess profits of corporations. The effect of the excess-profits tax was to increase taxes on corporations which earned in excess of certain percentages of their adjusted declared value of capital stock.

The total revenue expected to be produced by these taxes in the fiscal year 1937 will be only $222,000,000, or 11 percent, over the income, estate, gift, capital-stock, and excess-profits taxes under the old law. Since collections in the fiscal year 1937 from income taxes and the estate tax only partially reflect the Revenue Act of 1935, the above amount will be somewhat larger on a full-year basis.

A Federal public-works program of $405,000,000 is recommended to meet in part the development and improvement requirements of the Government, and as a proper Federal contribution to work opportunity. While this program represents an increase of about $187,000,000 over the amount for similar purposes for which the Congress made specific appropriations for the current fiscal year, it is $333,000,000 less than the total amount made available for Federal public works in 1936, considering allotments made from emergency funds.

The success attending the operations of the Civilian Conservation Corps and the Agricultural Adjustment Administration under emergency status justifies taking them into the Budget and program for 1937 as regular activities, and the estimates of appropriations and expenditures have been prepared accordingly. The appropriation recommended for Civilian Conservation Corps is for the period March 31, 1936, to March 31, 1937, and amounts to $246,000,000, while the appropriation for the Agricultural Adjustment Administration is for the full year and amounts to $499,054,985.

The following table gives a clear picture of the main figures proposed in this Budget and shows how they compare with similar figures for previous years.

[In millions of dollars]

	Actual		Estimated	
	1934	1935	1936	1937
I. Receipts:				
Income taxes	818	1,099	1,434	1,943
Miscellaneous internal revenue	1,470	1,657	1,873	2,103
Processing taxes	353	521	529	547
Customs	313	343	353	354
Miscellaneous	162	180	183	160
Taxes under the Social Security Act, the act levying taxes upon carriers and their employees, and the Bituminous Coal Conservation Act			39	547
Total receipts	3,116	3,800	4,411	5,654
II. Expenditures:				
1. Regular:				
Operation and maintenance of regular departments and establishments	1,086	1,083	1,568	2,586
Veterans' pensions and benefits	556	605	718	790
Interest on national debt	757	821	742	805
Tax refunds (exclusive of processing taxes)	63	45	47	49
Agricultural Adjustment Act	290	743	621	619
Civilian Conservation Corps	332	436	528	220
Statutory debt retirements	360	573	552	580
Total regular	3,444	4,306	4,776	5,649
Excess of receipts over regular expenditures				5
Excess of regular expenditures over receipts	328	506	365	
2. Recovery and relief	3,661	3,069	2,869	[1] 1,103
Gross deficit	3,989	3,575	3,234	1,098
Gross public debt	27,053	28,791	30,933	31,351

[1] Represents estimated expenditures from unexpended balances of previous emergency appropriations.

Directing attention to a comparison between fiscal operations proposed for 1937 and now estimated for 1936, as set forth in the table, the following comment is pertinent:

Receipts.—Receipts in 1937 (exclusive of postal revenues and processing taxes and also, for purposes of comparison, exclusive of taxes imposed under the Social Security Act, the Bitmuinous Coal Conservation Act, and the act levying taxes upon carriers and their employees) are expected to reach a total of $4,559,817,650, an increase of $716,665,704 over similar receipts for 1936 now estimated at $3,843,151,946, and $1,280,730,319 over 1935. It should be pointed out

here that this increase is due largely to increased collections anticipated under the old schedules. As has been stated, only about $222,000,000 will be collected in 1937 as a result of new schedules in the Revenue Act of 1935.

From processing taxes the sum anticipated is $547,300,000, against the estimate of $529,042,000 for the current year, an increase of $18,258,000. Other taxes recently authorized by the Congress under the Social Security Act, the Bituminous Coal Conservation Act, and the act levying taxes upon carriers and their employees will produce $547,100,000 in 1937 and $38,600,000 this year, an increase of $508,500,000.

Thus 1937 receipts from all sources, except postal revenues, are estimated at $5,654,217,650, against the revised estimate of $4,410,793,946 for the current fiscal year. The increase in total receipts from stated sources is, therefore, $1,243,423,704.

Postal receipts for the coming year are estimated at $705,000,000, an increase of $35,000,000 over $670,000,000 anticipated in 1936. This is further evidence of the upward trend in economic conditions.

An examination of the detailed estimates of receipts for 1937 indicates a gain over 1936 in income tax of $508,488,000, the figures for the 2 years being respectively $1,942,600,000 and $1,434,112,000. Similarly, estimated receipts from miscellaneous internal revenue, exclusive of processing taxes, are up from $1,873,091,000 to $2,103,114,000, a gain of $230,023,000. Customs receipts are forecast at $354,000,000, substantially the same as anticipated for 1936. The reduction of $22,654,296 in probable miscellaneous receipts, from $182,757,946 to $160,103,650, brings the net increase in the estimates of these four classes of receipts to $716,665,704, as stated.

The provisions of the Social Security Act, the Bituminous Coal Conservation Act, and the act levying taxes upon carriers and their employees are such that receipts during the fiscal year 1936 will be compartively small while revenues from these sources in the next fiscal year will show substantial increases. The amounts estimated for 1937 from such new taxes in the order named are $433,200,000, $12,300,000, and $101,600,000.

Expenditures.—The expenditures for 1937 contemplated under this Budget will total $6,752,606,370, or approximately $893,000,000 less than is now estimated for 1936.

Of the two major categories of expenditure, namely, regular and recovery and relief, allowances for regular activities, including the Agricultural Adjustment Act and Civilian Conservation Corps, amount to $5,649,781,738 as compared with $4,776,233,151 for 1936, an increase of $873,548,587. For recovery and relief, expenditures listed herein are those which will be made from unexpended balances, practically all of which will have been obligated prior to June 30, 1936, and practically all of which have been allotted. The total of such expenditures in 1937 is estimated at $1,102,824,632, which is a decrease of $1,766,243,555 from the figure of $2,869,068,187 for 1936.

In regular expenditures there is included $805,000,000 for interest on the public debt, an increase of $63,000,000 over the same item for the current year; and $580,125,000 for statutory debt retirements, an increase of $28,100,000. The cost of service on the public debt in 1937, therefore, will exceed that for 1936 by $91,100,000.

Excepting debt retirement and interest, the net increase in expenditures for regular activities is $782,448,587 as compared with 1936. The major part of this increase is accounted for as follows: (a) For financing activities under the Social Security Act, the act levying taxes upon carriers and their employees, and the Bituminous Coal Conservation Act, $485,000,000; (b) for other new legislation, $125,000,000; (c) for increased public works, transferred from emergency appropriations, $228,000,000; (d) for the veterans' adjusted-service certificate fund in order to bring the annual contribution of the Government nearer its actual liability under existing law, $60,000,000; and (e) for national defense, to meet the policy of the Congress and the Executive in making up for the delay by the United States in bringing the Navy up to the strength contemplated by the naval treaties of 1922 and 1930, and to provide replacement and improved equipment and additional personnel for the Army, $193,000,000.

In the War Department Appropriation Act for the fiscal year 1935 the Congress adopted a policy of increasing the average enlisted strength of the Army from 118,750 to 165,000 men and toward accomplishing such purpose appropriated an additional $20,000,000 for expenditure during that year. These funds are sufficient to maintain an average enlisted strength during 1936 of approximately 147,000 men. The estimates of expenditure included in this Budget are sufficient in amount to maintain this average during the fiscal year 1937, with the purpose in view of providing in the 1938 Budget the funds necessary to recruit the Army to such strength by the close of that year as will produce an average enlisted strength of 165,000 throughout the fiscal year 1939, the maximum indicated by the Congress. It is felt that this is as fast as the Government should proceed in this matter in the light of the present forecast of fiscal affairs.

The contemplated expenditures for the Civilian Conservation Corps show a decrease of $308,383,000 as against estimated comparable expenditures for 1936.

Deficit and public debt.—The gross deficit for the fiscal year 1937 is estimated at $1,098,388,720, including $580,125,000 for statutory debt retirement, or a net deficit of $518,263,720. It is estimated that the gross public debt on June 30, 1937, will amount to $31,351,638,737, as compared with an estimated debt on June 30, 1936, of $30,933,375,017. The figure for 1937 does not include such amounts for work relief during the coming year as may be determined upon by the Congress.

Appropriations.—Appropriations recommended in this Budget aggregate $6,400,000,000, including probable supplemental items estimated at $600,000,000, while the appropriations already made and prospective supplemental items for the fiscal year 1936, exclusive of the appropriation of $4,000,000,000 for recovery and relief, amount to $5,146,000,000, an increase of $1,254,000,000 required for the fiscal year 1937 over the fiscal year 1936.

This increase is due to (1) additional appropriations amounting to approximately $610,000,000, including supplementals to be submitted later, required to finance new legislation enacted at the last session of Congress; (2) an appropriation of $246,000,000 to continue the operations of the Civilian Conservation Corps from March 31, 1936, to March 31, 1937; (3) an increase in specific appropriations of $187,000,000 on account of general public works; and (4) increases in the general departmental requirements aggregating approximately $211,000,000, due largely to the increases in the Army, Navy, and the Department of Agriculture.

Existing authorizations for the Federal-aid highway system provide for appropriations of $125,000,000 for each of the fiscal years 1936 and 1937. Under these authorizations $40,000,000 has previously been appropriated for the fiscal year 1936. Toward the balance of $85,000,000 authorized for that year there is provided under the item "General public-works program" an estimate of $60,000,000, which it is believed will be sufficient to meet commitments maturing during 1937. As to the authorization of $125,000,000 for the fiscal year 1937, language is included in this Budget having for its purpose the cancelation of this authorization for 1937 and making it applicable to the fiscal year 1938. This course appears fully justified in view of the fact that during the fiscal years 1933 to 1936, inclusive, there has been made available from emergency funds a total of approximately $1,192,000,000 for the construction of highways and the elimination of grade crossings, and that from these funds there will be available for expenditure during the fiscal year 1937 a total of more than $250,000,000 in addition to the $60,000,000 provided for in the general public-works program, previously referred to. Moreover, roads of secondary classification and farm-to-market roads are being constructed under allotments of emergency funds in amounts approximating $115,000,000.

The following table shows the approximate estimate of appropriations required to administer new legislation enacted

during the last session of Congress, and also shows the amount of receipts anticipated in 1937 from new general tax provisions.

	Estimated appropriations, 1937
Social Security Act	$479,689,840
Railroad Retirement Act	47,645,000
Bituminous Coal Conservation Act	1,155,000
Amendments, pension laws	45,581,132
Postal 40-hour week	27,326,420
Elimination, diseased cattle	17,500,000
Soil conservation	27,500,000
Agricultural research and extension	11,000,000
Reduction interest rate, Federal land banks	10,065,075
Total	667,462,467
Estimated receipts from taxes under the Social Security Act, the act levying taxes upon carriers and their employees, and the Bituminous Coal Conservation Act	547,100,000

Because there has not been sufficient time to plan the organization and methods required, no detailed estimates are included in the Budget for expense to be incurred by the Social Security Board and by the Bureau of Internal Revenue for collecting taxes authorized by the three new acts heretofore referred to. However, the probable expense has been approximated and is included in the total lump sum of $600,000,000 estimated to cover 1937 supplementals. The necessary estimates covering the remainder of the current year will be transmitted during the early days of the session, together with complete details for 1937. Likewise, no estimate for administering the Potato Act has been prepared, since it is believed this act should be amended along lines to be recommended by the Secretary of Agriculture, and a supplemental estimate can then be transmitted.

FRANKLIN D. ROOSEVELT.

JANUARY 3, 1936.

THE MAINTENANCE OF PEACE

Mr. PITTMAN. Mr. President, it had been my intention to discuss today the violation of peace treaties and the alternative, for the maintenance of the peace of our citizens. I realize that Senators desire to adjourn as there are other matters to which their attention must be given, so I shall postpone that discussion until a later time.

However, I have had occasion to discuss this subject outside of the Senate. My views were not accurately expressed in the press at that time, and I was subjected to considerable criticism. I desire that those who are particularly interested in the question shall know my views with regard to it. I have not the time now to discuss it, but shall do so later.

Last Saturday, over a national and international radio hook-up, there was conducted a symposium in which speakers all over the world participated, several of whom touched on this very subject. I shall ask to place their speeches in the RECORD as soon as they can be obtained. One speaker from Tokyo seemed to hold the same views that I hold with regard to this matter. Also there was quite a similarity in the expression of views from Russia and from London. On that occasion I participated in the symposium, my remarks being in the form of an interview. The interview was conducted by Mr. William K. Hutchinson, of the International News Service. Pending the time when I shall discuss the matter fully on the floor of the Senate I ask permission to insert that interview in the RECORD as a part of my present remarks.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

RADIO INTERVIEW OF SENATOR KEY PITTMAN BY WILLIAM K. HUTCHINSON

Q. Senator PITTMAN, you have traveled around the world and many times in Europe and the Orient. As a member of the Foreign Relations Committee of the Senate for 20 years you have studied foreign questions. I should like, therefore, to have your opinion as to how we can maintain honorable peace for our citizens.

A. In the first place, let me assert that everybody favors peace except a few warlike people. There are only two ways for us to maintain such peace. One is through treaties; the other is by maintaining a sufficient military force to command respect for our Government and protection for our citizens. Treaties that propose to protect the lives and property of nationals through arbitration or other juridical methods, and otherwise eliminate the dangers of war, would be the more humane and enlightened method. But such treaties are of no force and effect unless they are respected and obeyed by all the signatory powers. On the contrary, they become a delusion and a snare and the means by which unscrupulous governments take advantage of other governments who do recognize the sanctity of treaties. I have always supported such treaties, but I must admit that the evidence so far is conclusive, to my mind, that peace treaties have failed on every vital occasion to accomplish the high purpose for which they were intended. I hope that respect for them will be restored, but until that time arrives we will be forced to resort to the alternative—that is, to command respect for our Government and insure the safety and rights of our citizens through the maintenance of adequate naval and air forces. I say "naval and air forces" because we are fortunately situated in the United States. Our neighbors are friendly and we are protected by vast oceans on our shores. These forms of military forces are, fortunately, most economical, and in war endanger the lives of but few of our citizens. It is claimed that there is another alternative, and that is that our citizens and our ships remain within the continental borders of the United States. That is exactly what China did 1,800 years ago. China built a great wall around her country; but see what has happened to China under such extreme, pacific policy. Let our Navy fall into obsolescence, and even this latter alternative could not prevent our coast from being raided, our cities bombed, and the lives of our people taken.

Q. Do you regard the violation of any of these treaties as a threat to the United States?

A. I do.

Q. By what country?

A. By Japan.

Q. Do you regard the course being pursued by Japan and the evident aspiration of its present military government as threatening our interests and influence in the Pacific?

A. I do.

Q. Why, Senator?

A. Japan was a member of the League of Nations as well as China, and while a member of the League of Nations Japan invaded Manchuria, a part of China, with armed forces. She took possession of China's territory and ousted China's sovereignty and administration. The question was submitted to the League of Nations by China and Japan. The League decided that Japan was the aggressor and had been and was violating the covenants of the League of Nations. Japan treated that verdict with contempt, walked out of the conference, and proceeded more actively with the conquest of Manchuria, winding up the invasion by the establishment of the Japanese puppet government of Manchukuo. Now, Japan had subscribed, not only to the covenants of the League of Nations but also to the Kellogg-Briand Pact outlawing war and to the Nine Power Pact in which each government solemnly on its word of honor promised "to respect the sovereignty, the independence, and the territorial and administrative integrity of China." Japan, by reason of her action in Manchuria, in my opinion, violated the solemn covenants of all of these treaties. Now, apparently, she is again violating these treaties by attempting to take more territory away from China through the establishment of another Japanese puppet government in north China. All of China may be absorbed in this subtle way. Yes; Japan might even establish puppet governments in the islands of the Pacific. Japan may believe that such policy and such expansion are essential to her welfare, prosperity, and power. Nevertheless, such reasons have ever been given for conquest, and certainly such policy is inconsistent with the policy established in all recent peace treaties.

Q. Do you regard the consummation of that policy as a threat against the rights and peace of our citizens?

A. Undoubtedly. It has already practically destroyed our trade in Manchuria; and conditions are such in that territory that our missionaries and educational and business institutions may find it necessary to leave. The establishment of a new puppet government in north China, in my opinion, will have the same injurious effect. The evidence leads me to believe that the aspirations of the present military government of Japan envisions conquest of all eastern Asia and possibly all of the islands of the western Pacific.

Q. Does that mean eventual war between Japan and the United States?

A. The United States has not now, and never has had, any intention of attacking Japan. Its naval and air forces would be inferior to such forces of the Japanese Government in Japanese waters. Our Government has at all times admitted this, and the Japanese Government knows it. But, if the evident aspirations of the present military government of Japan are carried to their full consummation, not only will our commerce and influence in China be destroyed but it is not beyond the realm of possibility that our citizens and others dependent upon the United States for protection may be so imposed upon that it will be the moral duty of the United States to take action.

Q. Thank you, Senator PITTMAN.

ORDER FOR ADJOURNMENT TO THURSDAY

Mr. ROBINSON. Mr. President, I ask unanimous consent that when the Senate concludes its labors today it adjourn until Thursday next at 12 o'clock noon.

The PRESIDING OFFICER (Mr. McGILL in the chair). Is there objection?

Mr. COSTIGAN. Mr. President, reserving the right to object, may I ask the able Senator from Arkansas whether an adjournment will, in his opinion, disturb the priority on Thursday of the special order which is printed on the Senate calendar of business of today and which reads as follows:

SPECIAL ORDER

Ordered, by unanimous consent, That S. 3398, a bill to establish the Air Corps Technical School and to acquire certain land in the State of Colorado for use as a site for said Air Corps Technical School and as an aerial gunnery and bombing range for the Army Air Corps, be made a special order for the third day of the second session of the Seventy-fourth Congress. (Aug. 23, 1935.)

Mr. ROBINSON. I have stated to the Senator that it does not, and I now state to the Senate that it does not.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and the order is entered.

REFERENCE OF NOMINATIONS OR TREATIES

Mr. ROBINSON. Mr. President, I ask the entry of the order which I send to the desk. I may state to the Senate that it is in identical form with orders entered at the last session and preceding sessions of the Senate and is for the convenience of the Senate.

There being no objection, the order was read and agreed to, as follows:

Ordered, That on calendar days of the present session of the Congress, when no executive session is held, nominations or treaties received from the President of the United States may, where no objection is interposed, be referred as in executive session to the appropriate committees by the Presiding Officer of the Senate.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. McGILL in the chair), as in executive session, laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

THE UNITED STATES SUPREME COURT—ARTICLE BY SENATOR BORAH

Mr. VANDENBERG. Mr. President, the distinguished senior Senator from Idaho [Mr. BORAH] contributes to a current magazine a powerful, persuasive, and timely discussion of the Supreme Court of the United States and its place in American history, tradition, jurisprudence, and philosophy of government. The subject never has been more sturdily assessed than in this splendid article from the pen and brain and experience of this great constitutional spokesman. It deserves wider distribution for the sake of American institutions. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

I am asked by Redbook Magazine certain questions about the Supreme Court. The Supreme Court is again the subject of intense controversial discussion. Questions about it are debated throughout the land.

The first question propounded is:

By what authority does the Supreme Court exert the power to void an act of Congress on the ground that it is unconstitutional?

The assertion is made that no such power was conferred upon the Court in the beginning, and that it exerts it through usurpation. The question therefore really is:

Are we living under a usurped judicial power?

My answer is, "No." We are not living under a usurped judicial power. The power of the Court to void an act of Congress on the ground that it is unconstitutional is plainly and unmistakably conferred by the terms of the Constitution.

I understand perfectly that whenever the Court renders a decision of great moment, holding that a statute is in conflict with the Constitution and therefore void, John Marshall is again summoned to the bar of public opinion and denounced as a usurper. That has been going on for over a hundred years. No greater myth was ever paraded before an intelligent people.

It is an indisputable historic fact that, at the time John Marshall wrote the opinion in Madison against Marbury, announcing the doctrine that a statute in conflict with the Constitution must be held void, this doctrine was well established, and had been for years, in our system of jurisprudence. Years before John Marshall was born it was a settled doctrine in the Colonies that any legislative act of a colonial legislature must be held void if in conflict with the charter or fundamental law of the Colony. It was a doctrine which grew up with our constitutional history. It was a doctrine which grew up with American law. Over 500 acts of colonial legislatures were held void under this principle.

In the convention which framed the Constitution of the United States it was repeatedly declared that the courts would be bound to hold a statute void when found to be in conflict with the Constitution. In the articles written by Madison and Hamilton, known as the Federalist, urging the adoption of the Constitution and published throughout the States, this power of the courts was explicitly announced. In the conventions in the respective States which ratified the Constitution, particularly in the Virginia convention, this principle was admitted and accepted by both those who opposed ratification and those who supported it. Patrick Henry, opposing ratification, declared the doctrine; and John Marshall, favoring ratification, did likewise; and the contrary view was expressed by no one.

Prior to the time the opinion in Madison against Marbury was rendered, the supreme courts in 9 of the 13 States had declared the doctrine that a statute in contravention to the State constitution must be held void—that is, his was the logic of a written constitution. A number of statutes were held void on this basis by the State courts. Some of these decisions, by reason of the subject matter involved, were noted decisions and generally discussed throughout the States.

Two of these opinions were rendered at the very time the convention which framed the Federal Constitution was in session in Philadelphia. I have searched with some care to find whether any lawyer in any of these cases ever contended that the court did not have such power I find no instance in which this contention was made. It was universally conceded that where an act of the legislature was found to be in conflict with the supreme law, the act must fall; upon no other theory could written constitutions be maintained.

Prior to the opinion in the Madison against Marbury case, Justices Iredell and Patterson, of the Supreme Court of the United States, sitting at circuit, had declared the right and power of the courts to determine the constitutionality of acts of Congress. Chief Justice Jay, in charging a grand jury, had also declared the doctrine. Associate Justice Wilson, one of the truly great jurists of his day, in a law lecture, had announced the principle. Thomas Jefferson, as early as 1785, had declared: "The Judges would consider any law as void which was contrary to the Constitution."

The truth is that the only thing original, or new, in the opinion of Madison against Marbury was the remorseless logic and consummate genius with which Marshall stated the doctrine.

I must not burden this article with long quotations, but may I say Marshall was a Federalist and Chief Justice Taney was a Jacksonian Democrat; but they were in absolute accord on this question. Taney's place in history has suffered by reason of the Dred Scott decision. Nevertheless, in power of intellect, in moral courage, in legal erudition, he must be placed next to Chief Justice Marshall. Fifty years after Marshall's opinion, without any reference to Marshall's opinion or to any precedents, but relying on the terms of the Constitution, and in one of the great opinions of the Court, he said:

"By the very terms of the grant, the Constitution is under their (the Court's) view when any act of Congress is brought before them, and it is their duty to declare it void and refuse to execute it if it is not pursuant to the legislative powers conferred upon Congress."

But, aside from the precedents preceding the opinion of Chief Justice Marshall, had the Court refused or rejected the power to hold a statute in contradiction to the Constitution void, that would have been in direct violation of the plain terms of the Constitution making the Constitution the supreme law of the land, and that would have been the end of a government under a written constitution. If an act of Congress is equal in force and dignity to the Constitution, then the Constitution is not supreme, whereas, if it is supreme, then it is the simple duty of the Court so to declare when a citizen calls upon the Court to determine whether the Constitution or the statute is to prevail.

But the real point is not whether Marshall usurped this power; but did anyone usurp this power? Does the Constitution give power to the Court to declare a law void when in contravention to the Constitution?

This does not seem to me to require any learned argument. The Court cannot of its own initiative declare a law unconstitutional. The Court is powerless to act until the citizen approaches it and says:

"By reason of certain laws passed by Congress, I have been injured, I have been imprisoned, I have had my property taken from me, I have been denied the right to assemble with my neighbors and discuss public questions. Laws passed by Congress deprive me of rights guaranteed to me by the Constitution. I ask the Court to protect my rights under the Constitution. These statutes so gravely affecting my interests seem to me to violate the plain terms of the Constitution. What I want to know is: Am I bound by the statutes or am I protected by the Constitution? I find, according to the Constitution, that this Constitution and the laws of the United States made in pursuance thereof, shall be the supreme law of the land. I contend that these statutes of which I complain were not made in pursuance of the Constitution. I find also that the judicial power extends to all cases in law and equity arising under the Constitution. I am asking for relief, and I invoke the judicial power granted under the Constitution. I want to know why I am made to suffer by an act of Congress

which is in violation of the supreme law. This is a legal question which I am presenting to you."

Under the circumstances, what must the Court do? If it refuses to act, it violates its supreme duty. If it does act, it has no choice but to uphold the law that is the supreme law.

If the most unlearned and unskilled person in the land should appear before the Court with such an issue and the most skillful lawyer in the country should appear on the other side, the Court would put aside, as it has often done, the learned arguments and declare that it was bound by the simple terms of the Constitution. I venture to think there is not a person in the United States, Socialist, Communist, anarchist, or what not, but would, if he were denied any constitutional right under some law passed by a State legislature or by the Congress, at once appeal to the courts to declare such law void.

It may be well to remember that this denial of the power of the Court to declare a statute unconstitutional was born of partisan politics. It has never been seriously urged except in heated party conflicts in which the Court refused to bend its opinions to conform to partisian demands. Let us place this doctrine of impotency upon the part of the Court where it belongs, and that is, with blind partisanship. When you destroy the Court's power, you pull down the pillars of the temple.

I do not mean to say the decisions of the Court are above criticism or that the people should not be entirely free to express their views touching the decisions of the Court. But I do mean to say that without the power of the Court to declare acts of Congress in contravention to the Constitution void, the Constitution as the supreme law of the land disappears, and we pass from a constitutional government to a parliamentary government or a dictatorial government, and every right, every privilege, every guaranty of personal liberty which the people have written into the Constitution becomes the plaything of politics and the Court the cowed slaves of partisan dictation.

The Supreme Court is not a divine institution, and its members are not always wholly exempt from the influence of politics. But in my opinion it is the most nearly perfect human institution yet devised by the wit of man for the dispensation of justice and for the preservation of liberty as defined by the people themselves in the charter under which they have declared their desire to live.

So much for the question regarding alleged usurpation by the Court. I am then asked if it is not true that the Court's decisions tend to perpetuate the old local rights of the States unduly, and to the disadvantage of the Nation. The recent decision of the Court in the matter of the National Recovery Act is cited in this connection. The critics of the Court allege that it was blind to modern economic developments. They allege that the decision was a blow to the centralization of governmental authority, which they regard as necessary to the solution of modern national economic problems. They contend accordingly that the Court is "reactionary."

I answer that the Court is in fact not blind to economic developments. But it is bound, in passing upon legal questions, by the terms of the Constitution. It would be an awful situation if this were not true.

I suspect if anyone would propose to create a Supreme Court giving nine men the power to render final decisions on economic problems he would be regarded as more or less a lunatic. If there is found in the Constitution authority which justifies Congress in adopting the scheme, such as the National Recovery Act, the Court upholds the act, however unwise it may be economically. On the other hand, if there is no authority for the enactment of such a law, the Court rejects the law, however wise the proposition might be regarded economically.

If the power is wanting, in other words, and the people favor giving such power to Congress, the people may do so, but not the Court. We amended the Constitution giving power to Congress to levy an income tax after the Court had held that no such power had been granted. In this way the power is always retained by the people. And the Court is bound by the decision of the people as embodied in the Constitution.

Let us never forget that those who talk about the Constitution being antiquated and out of date overlook the fact that the people, if they choose, may bring it down to date, and no one else may do so under our form of government. The contest is really over whether the people shall amend the Constitution, or whether it shall be amended by the Court or by the Congress. The fact is that those who complain that the Court is blind to economic problems seem greatly to hesitate about taking their cause direct to those and those alone who may change the Constitution. They seem to prefer to amend the Constitution by strained and unnatural constructions.

It is true the decisions of the Court have more than once been a blow to so-called centralized government. They have more than once protected State rights. But that is because the Constitution does not provide for centralized government to the extent some desire, and because the Constitution provides for the protection of State rights. Here again, I say, if greater authority is desirable or necessary to the solution of modern economic problems, or if State rights are to be eliminated, ask the people for the power, not the courts. The Constitution should be changed back home, and not in Washington.

Those who complain that the Constitution is inadequate to our modern national needs but who refuse to submit the question to the people in the way of proposed amendments, either discredit their own sincerity or pay high tribute to the intelligence and judgment of the people.

Passing from this immediate topic of State rights, I am asked to express myself further on constitutional amendments in general. I am asked to remember that I myself was associated with the adoption of the amendment which clothed the Federal Government with the power to levy income taxes. I am asked to state my view of the amendment process.

I think that the question of amendments and the method of adopting amendments are always important, but particularly so just now. There seem to be those who would have no amendment or amendments. And there seem to be those would would amend the Constitution more or less as you would amend an appropriation bill, and with about the same object in view.

I feel we ought not to be afraid to consider amendments, but we ought to be exceedingly considerate and deliberate in adopting amendments. Changes may be necessary. The framers of the Constitution understood that perfectly. But to change the character of the charter of government is the most vital exertion of political power in which a people can engage, and that fact we ought never to overlook. I think we should follow the rule which Puck once announced as the rule of President Cleveland: "Be sure you are right; then stop a little."

The amendment process is said to be a slow process. But, in my judgment, it is not too slow. There can hardly be too much debate and deliberation and reflection on the matter of amendments to the Constitution. The fourteenth amendment has some provisions in it which are wise enough, and some which ought never to have been placed in the Constitution. The manner in which it was forced through few men would want to see repeated under any circumstances. The test in considering amendments is to secure consideration under the most favorable circumstances and, insofar as practicable, free from partisan domination.

We sometime still hear it said that those who wrote the Constitution did not trust the people. But no greater trust could be reposed in the people than to give them the power peacefully to change their form of government. It was an expression of confidence in the judgment, patriotism, and statesmanship of the average man and woman. At the time the Constitution was written the world at large regarded such bestowal of power upon the people as incredible demagoguery. The fact that the framers of the Constitution threw safeguards about the power to amend, so as to insure deliberation and general approval, detracts not at all from the almost sublime confidence which the makers of the Constitution reposed in the people. At that time governments were neither made nor changed by the people.

It is nevertheless asserted that the makers of the Constitution designed it to be in its central essence a mere bulwark of property. It is asserted that the central function of the Court is the maintenance of undue and excessive outworn property rights. It is asserted that the Court sustains those so-called property rights against so-called human rights. I am asked what I think about that charge.

Well, I have never been able to understand it.

I am quite aware that some writers have dilated on the theory that our Constitution was framed and adopted with the view of protecting property rights at the expense of human rights. But neither the document, nor the decisions of the Court, nor the historic facts surrounding the adoption of the Constitution seem to me to support this charge.

Tell me, if you will, where you will find a document of government so right in human rights as the Constitution of the United States? It is true that technically the Bill of Rights was not a part of the Constitution when it was formally submitted. But it is also true that, in the contemplation of all, the Bill of Rights was a part of the Constitution at the beginning.

Think of adopting a charter of government in 1789 which guaranteed religious liberty, free speech, a free press, and all those rights and privileges guaranteed and protected in the Constitution. No such rights upon the part of the people existed to any extent at that time in the entire world. It seemed like madness to other governments, and they made no concealment of their derision. The human rights specified and preserved in the Constitution are the fundamental human rights; and, these rights being guaranteed, all human rights are made secure.

Look at the world today and reflect upon what a small portion of the globe now sees the people enjoying free speech, free press, religious liberty, the right of trial by jury, personal liberty. No! No! It is not true that human rights are submerged by the Constitution. If we live up to our Constitution in letter and in spirit, human rights will always be supreme.

And what are these property rights which are guaranteed and made safe by the Constitution? What an inseparable part are they of human rights!

Is not the right to acquire, own, and enjoy property a part of human rights? Is there any such thing as personal liberty without it? There is a very large portion of the human family at this time who will tell you that liberty, family happiness, and contentment were all lost in the selfsame hour that they lost the right to acquire property and to be secure in its enjoyment. The framers were wise enough to know and brave enough to declare that when you have made property rights secure you have contributed incalculably to human rights and to human liberty.

But it is asked: "How has the Supreme Court protected these rights? Has it turned its back upon personal liberty, free speech, free press, religious liberty, jury trial, and so forth?" I can pick out decisions, and doubtless others can, which seem to justify criticism. But an institution has a right to be judged by its record as a whole. And taken as a whole, there is no finer record in

protecting human rights than that recorded in the decisions of the Supreme Court of the United States.

There have been occasions when the political side of the Government felt justified in invading some of these human rights. The Supreme Court has invariably struck down the laws which took away or compromised these rights. It has protected the right of trial by jury. It has protected religious liberty. It has protected personal liberty. And it has done so in some instances under the most trying and adverse circumstances.

You will recall that, in the midst of the excitement of the so-called Burr conspiracy men were seized without warrant, transported hundreds of miles, and thrown into prison and denied trial. The Court protected them in their rights when they were able to reach the Court.

When President Lincoln suspended the writ of habeas corpus Chief Justice Taney unhesitatingly declared that act was in violation of the Constitution and imperiled the liberty of all citizens. No finer exhibition of judicial courage is to be found in the history of jurisprudence than that of the venerable Chief Justice bending under the furious assault of war passion, but courageously upholding what he believed to be the plain provisions of the Constitution. And now that the passion of the hour has subsided, few men will be found to question the soundness or the importance of Taney's views.

When Congress, under a plea of emergency, subjected the citizen to trial by court martial, the Court struck down the law. Without great detail and without mentioning a multitude of decisions, I know of no instance wherein the liberty of the citizens imperiled by legislation or the act of the Executive in times of stress or in times of passion has not been upheld and protected by the Supreme Court.

All through our history there have been efforts from time to time to make it appear that the Supreme Court of the United States is far removed from the people; but history, speaking the truth, relates a different story. Whether it has been an ignorant and condemned Negro charged with the most heinous of crimes, or the combined prestige of Congress and the Executive exerting powers beyond the terms of the Constitution, the Court has been the tribunal to which the citizen in the last appeal has gone for that protection given him by the terms of the Constitution. And rarely indeed can anyone say that his constitutional rights have been denied him. While no one would claim for any human tribunal exemption from human error, does not the record disclose, and does not candor compel us to say, that with remarkable fidelity, wisdom, and justice human rights have been at all times safeguarded and preserved as those rights are to be found in the law of the land?

It is now suggested, and from a most respectable source, that the Supreme Court be made an advisory body on constitutional questions. It is suggested that the Court advise Congress during the process of legislation. The idea is that some plan should be provided whereby the Court may pass upon the constitutionality of proposed measures of legislation.

I think that a little reflection will convince anyone that this would destroy entirely the highest virtue of the Court. That virtue is that there should be a tribunal unbiased and uncommitted to which the citizen may repair when he feels his constitutional rights have been invaded.

Let us suppose that a law has been passed, and that during the process of legislation the Court had declared the law to be constitutional. After it becomes a law a private citizen believes it to be unconstitutional and alleges that it has deprived him of his constitutional right. Where is the unbiased, uncommitted tribunal to which he can take his cause and present his argument?

If he takes it to a court which has already passed upon the law, his case is prejudged before he has ever been heard. He would be placed in the position of calling upon the court to reverse its opinion. Anything or any scheme which embarrasses the court in giving a free, full, unbiased, uncommitted consideration to the claim of the private citizen strikes at the very foundation of the court's dignity and worth.

I am now finally asked how I view the Court in the light of the world-wide struggle between democracy and dictatorship. I am reminded that some of the most earnest advocates of democracy in this country are equally earnest, apparently, in demanding an abridgment or even an abrogation of the power of the Court. I am asked my attitude toward this conflict of opinion. I can state it perfectly explicitly:

It is my feeling that, when the framers of the Constitution lodged the power to amend the Constitution in the people, and conferred upon the Supreme Court the power to annul acts found to be in violation of the Constitution, they made this a government of law rather than a government of men. And only by preserving both the Constitution and the power of the Court can we be certain that it will remain a government of law.

When Septimus Severus was dying he said to his successor, "Pay the soldiers, and don't worry about anything else." His idea apparently was that so long as the soldiers were not disaffected the government would stand. One might almost say, "So far as communism or fascism are concerned, preserve the Constitution with its free speech, free press, right of assemblage, and the other guaranties, and don't worry about anything else."

As I see it, the combat between communism and fascism on the one hand, and democracy on the other, in the last analysis, comes down to the simple question: What, if any, place shall be given to the average man and woman in government? What voice shall they have? Both communism and fascism would rob them of every right, every privilege, every guaranty given them in our Constitution—personal liberty, and all the attributes of liberty. The first line of defense therefore against a dictatorial government is the Constitution of the United States.

People do not voluntarily surrender their liberty, once they have enjoyed it. Thomas Jefferson said, you will recall:

"Where every man is a sharer in the direction of his ward republic or some of the higher ones, and feels that he is a participator in the government of affairs, not merely at an election one day in the year but every day, he will let the heart be torn out of his body sooner than his power wrested from him by a Caesar or a Bonaparte."

Men may be cheated out of it, misled and deceived into surrendering their liberty, or they may be subjugated by force. But they do not surrender these things voluntarily. If the guaranties of the Constitution of the United States remain intact, if the Court remains intact, there is little chance indeed for arbitrary government for any considerable length of time, especially.

To put it another way, the only sure cure for communism or fascism is Americanism. I use that term, not as we use it on the Fourth of July or on state occasions, but as an expression of the doctrine of individual liberty.

It does not seem to me that there is nearly so much danger to our institutions in the out-and-out advocates of communism or fascism as there is in our tendency to praise the principles of democracy but employ the methods of fascism. In the way of illustration, I read in a current magazine the words of an important official, which are as follows:

"Certain conclusions appear clear. In the first place it seems clear that in these difficult times we need centralization of leadership. Decentralization of leadership may be a good thing for local matters, but what can it avail in our national affairs? If such leadership is an important requirement, from what source can it be obtained? Can it come from 435 Congressmen and the 96 Senators? Can it come from nine Justices of the Supreme Court? It would appear that the Chief Executive is the only source from which national leadership may be sought with any hope of effective results."

Mussolini never stated the doctrine of fascism with greater boldness or greater clarity than it is here stated. "Centralization of leadership." We have a practical and impressive illustration of that now. Mussolini, having silenced the voice of the people, having reduced to pitiable impotency the representatives of the people, having disregarded the Constitution, and having made subservient the judges so that no citizen can appeal to the courts for justice, according to the Constitution, leads his people according to the discretion and judgment of "centralization of leadership." There you have speedy action, quick decision, undivided responsibility, with no power of appeal to the courts or to the Constitution, and no right of discussion.

Here in this official's statement is an unmistakable contention that courts and constitutions and Members of the Congress elected by the people are an impediment. Then follows, although it is not mentioned, what must inevitably follow, that free speech and a free press and the right of assemblage, would be an impediment to "centralized leadership."

Individual leadership has its place, but there is a higher leadership to which all individual leadership must be subordinated, and that is the leadership which comes from the combined heart and brain and from the conscience and the soul of millions of intelligent and patriotic people. That is a leadership less amenable to the call of ambition, less likely to suffer from the corroding effect of power, and more likely to take into consideration the welfare of all.

When you remove the restraints of popular judgment you not only have taken the first step but you have taken the last step toward absolute dictatorial power; I do not care what you call it.

We hear constantly about these "difficult times" as an argument in favor of wiping out all the rights and guaranties given the people under the Constitution. It was in difficult times, very difficult times, times which tried men's souls, that the Constitution was written, and "centralization of leadership" was for all times rejected. It was in difficult times, when economic and financial chaos reigned, that Washington calmly rejected the proffered centralization of leadership. It was in difficult times, very difficult times, a time when we were torn with civil strife, that the Great Martyr declared that the Government of the people must not perish.

They had faith in our form of government, and difficult as the times were, they did not indulge in the defeatist policy of surrendering the vital principles upon which a free government rests. A little patience, a little courage, a little faith, will stimulate tremendously one's confidence in the efficiency and the permanency of constitutional government.

THE AMERICAN CONSTITUTIONAL METHOD—ADDRESS BY ATTORNEY GENERAL CUMMINGS

Mr. NORRIS. Mr. President, on December 18 last the Attorney General of the United States delivered a very able address before the Association of the Bar of the City of New York on "The American Constitutional Method." I ask unanimous consent that the address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In the 147 years which have elapsed since its adoption the Constitution of the United States has probably been the subject of more controversy than any other great document in human history.

The framers of the Virginia-Kentucky resolutions of 1798 took one view of its meaning, the Federalists another. The friends of the Bank of the United States thought that the Constitution conferred powers on the Federal Government which the opponents of the bank, with equal earnestness, denied. The South Carolina nullifiers of 1833 believed that a protective tariff was unconstitutional, while Judge Story and Daniel Webster were firm in the opposite belief. After the close of the Civil War the so-called radicals thought that the new amendments conferred on the Congress power to protect civil rights within the several States, while their opponents gave to the amendments a narrower construction, which was afterward confirmed by the Supreme Court.

And yet, in the face of this series of examples, which might be multiplied almost indefinitely, there is nothing more characteristic of constitutional controversy than the recurrent assumption on the part of the disputants that their own construction alone has a sole and exclusive title to correctness, and that whoever challenges that construction, or argues against it, is guilty of no lighter offense than that of laying impious hands on the Ark of the Covenant. This attitude is, perhaps, a natural consequence of man's insatiable desire for certainty, which he seeks to satisfy by convincing himself that he already has certainty in his grasp. This tends to increase the heat, as well as the scope, of the debate. Men are apt to become irritated when they find their own certainties disputed, and to that extent shaken, by the existence of other and inconsistent certainties on the part of other men. But, as Mr. Justice Holmes admonishes us, "Certainly, generally, is an illusion and repose is not the destiny of man"; and it was George Meredith who, referring to this human frailty, exclaimed:

> "Ah, what a dusty answer gets the soul
> When hot for certainties in this our life."

The Constitution is a fundamental document, expressed for the most part in general principles, and couching its precepts in language designed to make possible the attainment of the great ends of government.

Mr. Justice Story, in delivering the opinion of the Court in *Martin* v. *Hunter* (1 Wheat. 326), said:

"The Constitution unavoidably deals in general language. It did not suit the purposes of the people, in framing this great charter of our liberties, to provide for minute specifications of its powers, or to declare the means by which those powers should be carried into execution. It was foreseen that this would be perilous and difficult, if not an impracticable task. The instrument was not intended to provide merely for the exigencies of a few years but was to endure through a long lapse of ages, the events of which were locked up in the inscrutable purposes of Providence. It could not be foreseen what new changes and modifications of power might be indispensable to effectuate the general objects of the charter; and restrictions and specifications, which, at the present, might seem salutary, might, in the end, prove the overthrow of the system itself. Hence, its powers are expressed in general terms, leaving to the legislature, from time to time, to adopt its own means to effectuate legitimate objects, and to mold and model the exercise of its powers, as its own wisdom, and the public interests should require."

A similar thought was expressed by Chief Justice Marshall in *McCulloch* v. *Maryland* (4 Wheat. 407).

The result of the process of constitutional construction depends on the relative weight given to this or that factor in a chain of inference. One mind will be impressed by the need of centralized power, another by the value of local self-government; one by immediate governmental necessities, another by the danger of governmental abuses; one by the rights of property, another by the claims of human sympathy; one by the sanctity of contracts, another by the requirements of essential justice. The interplay of these conflicting concepts, and the predominance of one or another at different periods of national development, are illustrated throughout the long history of judicial decisions and should serve to convince us that within the great house of the Constitution are many mansions, and that the questions which are left open within its four corners are frequently susceptible of more than one solution based upon reason.

The Supreme Court does not operate in a legalistic vacuum of abstract propositions. On the contrary, it is part and parcel of an organic process of government which comprises the constitution-making process, the legislative process, and all the other processes through which, in a government resting on popular sovereignty, public opinion is enabled to register itself in governmental acts. Moreover, the cases which come before the Supreme Court are, for the most part, presented by the exigencies of litigation, not cases selected to round out the symmetry of a theory. Such cases are created by the accidents, or the pressures, or the changing ideals, of national life. In this welter of fact and circumstance there is a place for logic and the Court has applied it; but there is a place, too, for that "inarticulate premise" to which Mr. Justice Holmes referred when he deprecated "a system of delusive exactness."

Shifting national needs and maturing national ideals have at times resulted in reversals of previous decisions. At the outset the Supreme Court held that the admiralty powers of the Constitution extended only to navigable waters within the ebb and flow of the tide. This ruling excluded, of course, the Great Lakes; and it was reversed in 1852 in the leading case of *The Propeller Genessee Chief* (12 How. 443). Referring to the earlier decisions, Chief Justice Taney said:

"The conviction that this definition of admiralty powers was narrower than the Constitution contemplated has been growing stronger every day with the growing commerce on the Lakes and navigable rivers of the Western States."

It was, perhaps, natural for the courts of the United States, in an early period, to adopt the limited definition; for until the invention of the steamboat there could be nothing like extended navigation upon waters with an unchanging current resisting the upward passage; but the Chief Justice went on to point out that at the time of such decisions "the commerce on the rivers of the West and on the Lakes was in its infancy and of little importance, and but little regarded, compared with the present day."

Another instance in which the Court, during the same period of its history, reversed its previous holding has to do with the question of whether foreign corporations have a right of access to the Federal courts under the diversity of citizenship provision of the judiciary article of the Constitution. The original rule laid down by Marshall in *Bank of United States* v. *Devereaux* (5 Cr. 61) was that a foreign corporation had no such right unless all its stockholders were citizens of a State other than that of the opposing party in the suit. This decision was reversed in 1844 in *Louisville, etc., R. R.* v. *Letson* (2 How. 497), which held that, for the purpose of a suit in a Federal court, a corporation must be presumed to be a citizen of the State in which it was incorporated. The Court said, in its opinion, that the old cases "had never been satisfactory to the bar" nor "entirely satisfactory to the Court that made them." The vast growth and extension of the corporate method of doing business had obviously produced its effect on the judicial mind.

Instances in quite recent years of definite reversals by the Court of important decisions in the field of taxation come readily to mind, notably *Blackstone* v. *Miller* (188 U. S. 189), overruled in *Farmers Loan Co.* v. *Minnesota* (280 U. S. 204–209), and *Long* v. *Rockwood* (277 U. S. 142), overruled in *Fox Film Corporation* v. *Doyal* (286 U. S. 123).

The history of the Court is not free from examples of reversals or substantial modifications of its position in cases involving issues of far wider public interest and more general controversy than those which I have mentioned. An outstanding illustration was the important modification of the doctrine of the Dartmouth College case, after a change in the personnel of the Court, by the Charles River Bridge case. The Dartmouth College case had held that a corporate charter was an inviolable grant which could not constitutionally be impaired by subsequent legislation. The question raised in the Charles River Bridge case was whether the constitutional guarantee extended beyond the express terms of the grant to the implications of exclusiveness to which it owed, in large measure at least, its financial value. When the case was first argued in 1831, while Marshall was still Chief Justice, the Court apparently had no doubt that the guaranty did cover such implications. When the case was finally decided 6 years later, however, the ruling was to the opposite effect, over a strong dissent from Judge Story. It was in this case that Chief Justice Taney voiced the memorable sentiment:

"While the rights of private property are sacredly guarded, we must not forget that the community also have rights and that the happiness and well-being of every citizen depends on their faithful preservation" (*Charles River Bridge* v. *Warren Bridge*, 11 Pet. 420 at 548).

It was this decision which called forth from Judge Story the gloomy remark that "the old constitutional doctrines are fast fading away and a change has come over the public mind from which I augur little good" (Warren's History of the Supreme Court, vol. 2, p. 302). In his dissenting opinion he said that the very raising of the contentions which had received the support of the majority of the Court was "sufficient to alarm every stockholder in every public enterprise of this sort throughout the whole country." Daniel Webster complained that "the decision has completely overturned a clear provision of the Constitution" and reported that "Judge Story thinks the Supreme Court is gone, and I think so, too, and almost everything else is gone, or seems rapidly going." Chancellor Kent wrote that he had reperused the Charles River Bridge decision with increased disgust, and that "It abandons or overthrows a great principle of constitutional morality. * * * It injures the moral sense of the community and destroys the sanctity of contracts."

Yet, within 15 years a later judge, who was himself no ineffective defender of property rights, speaking of this decision, was able to say: "No opinion of the Court has more fully satisfied the legal judgment of the country, and consequently none has exercised more influence upon its legislation" (Campbell, J., in *State* v. *Knopp*, 16 How. 409).

A more recent instance in which the Supreme Court, on an issue of great public importance, originally took a position from which it was later to recede is afforded by the famous E. C. Knight case (156 U. S. 1 (1895)), the first to come before that tribunal under the Sherman Antitrust Act. It was held that a monopolistic combination of manufacturers could not be constitutionally reached by the antitrust laws, since manufacture was not commerce, and therefore was exempt from control by the Congress. The decision, while it stood, effectively paralyzed the operation of the antitrust laws for a number of years and drew sharp criticism from many commentators. One of them, writing in the American Law Review in the year when the decision was handed down, said that "the Sugar Trust decision and the income-tax decision"—rendered the same year—"counterbalance all the good the Court has done in 70 years and inflict a wound on the rights of the American people." Within a few years, however, the Court reconsidered its position and held that while the Sherman Act might affect local conditions it could

nevertheless be constitutionally applied even to transactions local in character if they operated to effect a restraint on interstate commerce (*Northern Securities Co.* v. *United States*, 193 U. S. 197 (1904)). This decision revitalized the antitrust laws and rendered them once more serviceable.

The outstanding instance in which the Supreme Court has reversed itself was when, in the *Legal Tender Cases* (12 Wall. 457 (1871)), it overruled its prior decision in *Hepburn* v. *Griswold* (8 Wall. 603 (1870)). The Hepburn case, which was decided by a vote of 4 to 3, represented a recognition, in the minds of a majority of the Court, of a body of economic doctrines resulting from the contact of certain economists with the bullion question as it had presented itself in England at the close of the Napoleonic wars. The economic soundness or unsoundness of these doctrines was, no doubt, a question of importance for legislative consideration. To read them, however, into constitutional requirements, as the majority of the Court did, imposed an unwarranted limitation upon an essential power of sovereignty. The decision met with some favor on economic grounds, but even its supporters referred to "the impropriety of taking from Congress and committing to a court of justice a task so plainly legislative in its nature."

The New York Times stated that "the effect of the decision if allowed to stand strips the Nation of one of its means of warfare and defense."

The doctrines of the *Legal Tender cases* were reaffirmed, in the broadest terms, 12 years later in *Julliard* v. *Greenman* (110 U. S. 421) with but one dissent, and in the recent Gold Clause cases they have been extended still further. In numerous instances, without overruling particular decisions, the Court has shifted its emphasis from one class of guiding considerations to another. The trends which lawyers attempt to deduce therefrom are, of course, of the utmost importance in determining the law for future cases and in advising clients in pending matters.

Nevertheless, the history of the decisions indicates that few such trends have been sufficiently continuous to supply a basis of certainty as to their indefinite projection into the future. On the contrary, there has been, naturally and properly, an ebb and flow, with a conspicuous lack of basis for assurance as to when the ebb will cease and the flow set in.

Outstanding examples are to be found in the construction of the commerce clause from *Gibbons* v. *Ogden* (9 Wheat. 1) to *Leisy* v. *Hardin* (135 U. S. 100), and the course of decisions in cases of legislative price fixing from *Munn* v. *Illinois* (94 U. S. 113) to *Nebbia* v. *New York* (291 U. S. 502). In *Gibbons* v. *Ogden* the Court had plainly indicated its view that the Federal power to regulate interstate commerce is exclusive, with the result that all regulation of such commerce by the States is invalid. In the *License Cases* (5 How. 504), however, the Court upheld a State regulation of liquor imported from other States. A satisfactory line of demarcation between State and Federal police regulations seemed ultimately established by *Cooley* v. *The Port Wardens* (12 How. 299), but this line was again unsettled by *Leisy* v. *Hardin*, supra, which once more cast doubt on the validity of State regulations affecting articles moving in interstate commerce.

The relations of legislative price fixing to the due-process clause seemed settled on the basis of public interest from the time of the Munn case in 1876 to *German Alliance Ins. Co.* v. *Kansas* (233 U. S. 389) in 1914, but there followed in the 1920's a series of cases like the Employment Agency case (*Ribnick* v. *McBride*, 277 U. S. 350) and the Theater Ticket case (*Tyson* v. *Banton*, 273 U. S. 418), which seemed to stand for some narrower doctrine until the authority of the earlier decisions was reestablished and extended 2 years ago in the Nebbia case.

Shifts in the trend of the Supreme Court's opinions have been noted by the great commentator on American institutions, James (afterward Lord) Bryce. He says:

"The Supreme Court has changed its color, i. e., its temper and tendencies, from time to time according to the political proclivities of the men who composed it. * * * Their action flowed naturally from the habits of thought they had formed before their accession to the bench and from the sympathy they could not but feel for the doctrines on whose behalf they had contended." (American Commonwealth, 3d ed., vol. 1, pp. 274–275.)

And again:

"The Supreme Court feels the touch of public opinion. Opinion is stronger in America than anywhere else in the world, and judges are only men. To yield a little may be prudent, for the tree that cannot bend to the blast may be broken. There is, moreover, this ground at least for presuming public opinion to be right, that through it the progressive judgment of the world is expressed." (Ibid., p. 273.)

In view of the close and inevitable connection which thus exists between the questions which the Court has to decide and the great issues which agitate public opinion, it is not unnatural that the decisions and doctrines of the Court should be the subject of widespread public interest. The Constitution is supreme simply because it expresses the ultimate will of the people. The people are, accordingly, the masters of the Constitution, and their mastery is expressed in the power of amendment, which, it must not be forgotten, is as much a part of the Constitution as any other provision. This power has been exerted three times in our history for the deliberate purpose of overriding a previous decision of the Supreme Court.

The first instance occurred at the very commencement of our Government, when the eleventh amendment, prohibiting suits by private parties against a State, was adopted to undo the effect of the decision of the Supreme Court in *Chisholm* v. *Georgia* (2 Dallas 419). The latest instance was the adoption of the sixteenth amendment to make a Federal income tax possible over the decision of the Supreme Court in *Pollock* v. *Farmers Loan & Trust Co.* (158 U. S. 601). The other instance was the adoption of the thirteenth amendment to undo the effect of the Dred Scott decision (19 How. 393).

In discussions of our constitutional system there is no occasion to hurry over the Dred Scott decision with averted gaze. It holds a lesson for us. Newspapers of the time spoke of the decision as "exerting the most powerful and salutary influence throughout the United States", as "a closing and clinching confirmation of the settlement of the [slavery] issue", and as exerting "a mighty influence in diffusing sound opinions and restoring harmony and fraternal concord throughout the country." In connection with no other opinion was there ever a greater effort on the part of those who agreed with it to misrepresent all public expressions of disagreement as blows aimed at the judiciary. And yet, as we look back upon that controversy, we cannot doubt that the discussion was salutary, nor can we help feeling that the sound American attitude was that expressed by Abraham Lincoln when he said:

"But we think the Dred Scott decision is erroneous. We know the court that made it has often overruled its own decisions, and we shall do what we can to have it overrule this." (Speech at Springfield, Ill., June 26, 1857.)

And, again, in his first inaugural:

"The candid citizen must confess that if the policy of the Government upon vital questions affecting the whole people is to be irrevocably fixed by decisions of the Supreme Court, the instant they are made in ordinary litigation between parties in personal actions, the people would have ceased to be their own ruler, having to that extent practically resigned their Government into the hands of that eminent tribunal."

In a time of constitutional discussion like the present, when once again, as in so many preceding periods, clashing interests and conflicting ideals are pressing for expression in governmental action, and seeking to clothe themselves with the mantle of constitutional sanction while fixing the stigma of unconstitutionality on their opponents, it is well for us, as lawyers, to resort to the steadying influence of the historic view. Such consideration should shield us from ill-considered conclusions on at least two questions which, for the moment, seem to be creating much confusion of thought in both professional and lay minds.

The first of these has to do with the propriety of public criticism of the decisions of the courts on constitutional questions.

It seems clear, from the fragments of history to which I have adverted, that such discussion has gone on from the beginning of our Government, and has repeatedly affected the character of judicial decisions or has expressed itself in the form of constitutional amendments. Of course, the fact that such criticism has occurred and has produced results is of itself no justification of its propriety. If the Constitution imposes in all instances a clear and specific mandate upon the judges, leaving them no discretion and no room within which reasonable men may differ, then obviously any criticism of decisions so compelled would be grossly misdirected. What I have said should sufficiently indicate, however, that on many great constitutional issues decisions are not thus inexorably required by the Constitution. They proceed rather from a chain of inference and intermediate reasoning, the result of which depends upon the relative weight which one mind or another may give to a variety of competing considerations. If, as Bryce has pointed out in the passage I have read, these considerations are in part drawn, not from the mere private preferences of the Judges as individuals, but rather from the impressions produced on their minds by the general public sense of what is just and what is necessary in the public interest, then such public discussion, so far from being unfair to the Judges and a hindrance to the performance of their duties, is, on the contrary, an important and valid aid in acquainting them with some of the weighty factors which properly enter into the process of decision.

The second question is whether the legislative branch of the Government and the Executive, in view of their oath to support the Constitution, may rightfully take any action or join in the enactment of any law the constitutionality of which is doubtful. It has been argued that should the Executive or a Member of the Congress have serious doubt whether a proposed enactment is constitutional, he would violate his oath of office by assenting to it or voting for it.

This argument rests on a misunderstanding as to the form and nature of the Constitution and as to the function of the Supreme Court with reference thereto. If we are aware, as all students of the Constitution must be, of the sweeping language in which its provisions are couched, and of the variety of considerations to which the Supreme Court must give weight, it seems clear that practically no new legislation of a controversial character can ever be said to be free from constitutional question. Indeed, the only legislation as to which no doubt can exist is an enactment substantially identical with some previous statute already approved by the Supreme Court, and even here there is the possibility of error in view of the fact that the Court has frequently reversed itself. The theory that any Member of Congress violates his oath who votes in favor of legislation not free from constitutional doubt would entirely exclude the possibility of legislation in new fields or of novel character.

As heretofore indicated, constitutional objections have been raised as to nearly every important piece of legislation enacted since the beginning of the Government. The constitutionality of

a protective tariff was questioned when the first tariff act was proposed and was bitterly debated for many years; the constitutionality of national banks was contested; the constitutionality of Federal expenditures for internal improvements, roads, canals, and railways was vigorously assailed; the constitutionality of the Interstate Commerce Act was the subject of long discussion; and the constitutionality of the acts establishing the Department of the Interior and the Department of Agriculture was vehemently denied. Speaking of the bill to establish the Interior Department, John C. Calhoun said:

"This monstrous bill will turn over the whole interior affairs of the Government to this Department and it is one of the greatest steps ever made to absorb all the remaining powers of the State."

Certainly no one, however, who is familiar with our history, and assuredly no lawyer, would undertake to argue that, because the Court ultimately determined that a particular enactment was constitutional, there was no reasonable ground for doubt at the outset. President Taft, for example, vetoed the Webb-Kenyon Act on the ground that his oath of office did not permit him to give his assent to an act of doubtful constitutionality. In fact, he went rather far in admonishing the Congress as to its duty in the premises. The act, however, was passed over his veto, and in due course the Supreme Court pronounced it constitutional (*Clark Distilling Co. v. Western Maryland Ry.*, 242 U. S. 311).

The doctrine expressed by President Taft would, if applied, require that doubts be resolved by the Congress adversely to constitutionality, thereby bringing many essential processes of the Government to a standstill. If no act of the Congress of doubtful constitutionality were ever passed, the Supreme Court would have little or no occasion to exercise any function in the matter of constitutional interpretation.

The correct course would seem to be that the Executive and the members of the legislative branch, when not clearly convinced of the unconstitutionality of a measure otherwise desirable, should not necessarily regard themselves as thereby deterred from enacting it, but should consider the advisability of leaving the doubt to be determined where it can be determined authoritatively, namely, by the Supreme Court. This was the position of Senator Fessenden, of Maine, in the debate on the Legal Tender Acts when he said:

"I have not touched the constitutional question. * * * We may well leave that question to be settled by the courts and not attempt to settle it ourselves" (57 Cong. Globe, 767).

It was, also, the position of Madison during the first Congress when called upon to vote on the bill for the encouragement of the cod fisheries. Madison felt that the bill was unconstitutional in certain respects, and favored an amendment to eliminate such provisions. The amendment failed, and it is interesting to note that notwithstanding his conscientious view that the bill was in the main probably unconstitutional, he nevertheless voted for it on its final passage. As has been heretofore noted, Lincoln was not prepared, in certain instances at least, to let such a question rest, even after the Supreme Court had spoken.

Of late, however, we have been confronted with the further assumption that a correct understanding of the meaning of the Constitution is revealed not merely to the Supreme Court but to certain individuals who, from time to time, deplore the course of events and express an exaggerated anxiety as to the safety of our institutions. The precise meaning of the Constitution becomes, therefore, the particular meaning which they, as an esoteric group of specially endowed individuals, have elicited by their own efforts and their own processes of inference from the previous decisions of the courts. This would seem to present a somewhat novel phenomenon in the matter of constitutional interpretation. It may well be asked, however, what intellectual, professional, or political right has any individual, or any group of individuals, thus to proclaim in advance, and as if from on high, a constitutional interpretation which can be authoritatively supplied only by the Supreme Court itself, which has so frequently confounded by its decisions, the forecasts and opinions of Congresses and Presidents, as well as of private critics and commentators?

The absolute theory of one and only one rational construction of the Constitution renders impossible any proper understanding of the nature of our American constitutional method and of the functions of our Supreme Court.

With us the people have established a Constitution which is supreme over all the acts of government—legislative, executive, and judicial alike—because it is the highest expression of the popular will. Of necessity, it employs broad language which leaves a wide area for legitimate differences of opinion. Within this arena of debate all voices must be heard. The courts may give, and as a rule do give, less weight to what they feel to be temporary currents of opinion, casual pressures for reform, evanescent aspirations, or momentary ideals, as contrasted with what they may properly regard as the confirmed and enlightened sense of justice developed by the changing life of a vital and growing nation.

If the courts prove mistaken in their reading of this ultimate will, or if the Constitution itself in some clearly expressed provision no longer conforms thereto, then, by its very terms the people are guaranteed the right to make their desires effective through the solemn process of amendment.

Our Government is not a documentary, a political, or a judicial absolutism. The American constitutional method is a process of adaptation and growth, as well as a means whereby wrongs may be corrected and governmental measures may be attuned to the essentials of justice, through the orderly ways of discussion and education, as opposed to the violent changes and intolerable tyrannies by which absolute governments are inevitably characterized. Were this not true the Constitution would be a dam against which the waters of life would beat in vain, rather than a directing channel through which the stream of national existence may safely pass.

WILL ROGERS

Mr. GORE. Mr. President, I ask unanimous consent to insert in the CONGRESSIONAL RECORD a tribute to Will Rogers by Gene Buck, who was his first employer and who represents the opinion of 125,000,000 people in the United States.

There being no objection, the tribute was ordered to be printed in the RECORD, as follows:

WILL ROGERS—HUMAN BEING

By Gene Buck

Someone has said, "When we lose a friend we die a little." That is a simple, powerful truth.

When we lost Will Rogers we all lost a friend, and this Nation "died a little."

You can search this land of ours from the prairies to the skyscrapers, from the crossroads to the White House, from the strawberry festivals to the mightiest radio hook-up, from the little red schoolhouse to the greatest university, from the country editor to the outstanding newspaper syndicate, and you cannot find a single soul to replace him.

There was only one Will Rogers and he contributed to this Nation something that is needed most that we cannot develop, manufacture, or imitate—genuine humor—that rare gift to make us smile and laugh and temporarily forget what we ought to forget.

He possessed the genius to write and to say out loud what most of us thought, but didn't dare say, about people, affairs, and conditions. With his grand sense of humor he possessed a great mind with an uncanny knowledge of human beings and their motives. He was wise to the pomp and the didos, the bunk and the real, and had overwhelming understanding of the common people because he was one of them himself and he never forgot it even when fame smeared him with its brush.

I have dined with him, at his side, with stage hands, scrubwomen, and dressers on the stage of an empty theater after the show, to a state dinner to the President, the Vice President, the Cabinet, and their wives. He was always the same—his manners, his mood, his clothes, and his precious gift of humor and observation.

He enjoyed a position never before attained by anyone I ever heard of. He could go any place, see anything, talk or write about it afterward, and in such a way that the humble and the great accepted it and loved him for it.

It was my privilege to be close to him for over 20 years. I saw him in all kinds of spots—from the sanctity of his home which was always simple, wholesome, modest, and plain, to the glittering, glamorous applause and laughter of thousands. I have ridden alongside of him in his model T Ford with his overalls and cowboy boots, and have sat with him in a modern transcontinental airplane. He was always the same.

Will really loved to fly, and he loved Wiley Post as a flyer and as a friend. He thought Wiley was the greatest pilot in the world, and most aviators that he knew—and Bill knew most of them—agreed with him.

I personally believe that if Bill had the choice of his "exit", as we say in the theater, in "heading for the last round-up", he would have chosen the one that took him from us all.

In speaking and thinking of Bill, now, my thoughts naturally drift to Betty, his devoted, self-effacing, lovely wife. This whole world will never know what she meant to him and his extraordinary career. I happen to know. I have never known of a more beautiful or happier mating in my lifetime.

I realize, while giving expression to these thoughts, that in writing my style lacks the force of Hemingway and the clarity of Hearst. Possibly I have used too many adjectives. If I have, Bill deserved them all. These lines are from the heart.

Mere words are unable to adequately estimate what the Oklahoma cowpuncher-philosopher meant to this Nation.

No human being, in our time, is more deserving of a memorial, and his countless friends and admirers consider it a privilege to perpetuate what he stood for and contributed to make this Nation a better place to live in—humor, common sense, and charity.

So long, Bill! God rest your great and kindly soul!

DEATH OF REPRESENTATIVE HENRY M. KIMBALL

The PRESIDING OFFICER. The Chair lays before the Senate resolutions from the House of Representatives, which will be read.

The resolutions (H. Res. 379) were read, as follows:

IN THE HOUSE OF REPRESENTATIVES, UNITED STATES,
January 3, 1936.

Resolved, That the House has heard with profound sorrow of the death of Hon. HENRY M. KIMBALL, a Representative from the State of Michigan.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Mr. VANDENBERG. Mr. President, I offer the resolutions which I send to the desk and ask for their present consideration.

The resolutions (S. Res. 215) were read, considered by unanimous consent, and unanimously agreed to as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. HENRY M. KIMBALL, late a Representative from the State of Michigan.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Mr. VANDENBERG. As a further mark of respect to the deceased Representative, I move that the Senate do now adjourn.

The motion was unanimously agreed to; and (at 1 o'clock and 20 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until Thursday, January 9, 1936, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 6, 1936

ASSISTANT ATTORNEYS GENERAL

James W. Morris, of Florida, to be Assistant Attorney General. (Mr. Morris is now serving under a recess appointment.)

Brien McMahon, of Connecticut, to be an Assistant Attorney General, vice Joseph B. Keenan, nominated to be Assistant to the Attorney General.

ASSISTANT TO THE ATTORNEY GENERAL

Joseph B. Keenan, of Ohio, to be Assistant to the Attorney General, vice Harold M. Stephens, appointed an Associate Justice of the United States Court of Appeals for the District of Columbia.

ASSISTANT SOLICITOR GENERAL

Golden W. Bell, of California, to be Assistant Solicitor General. (Mr. Bell is now serving under a recess appointment.)

ASSISTANT SPECIAL COUNSEL

Annette Abbott Adams, of California, to be Assistant Special Counsel, employed to prosecute proceedings to assert and establish the title of the United States to sections 16 and 36, township 30 south, range 23 east, Mount Diablo meridian, within the exterior limits of naval reserve no. 1 in the State of California, and to prosecute any suit or suits ancillary thereto or necessary or desirable, under the provisions of Public Resolution No. 6, approved February 21, 1924. (Mrs. Adams is now serving under a recess appointment.)

UNITED STATES CIRCUIT JUDGE

Seth Thomas, of Iowa, to be United States circuit judge, eighth circuit. (Mr. Thomas is now serving under a recess appointment.)

UNITED STATES DISTRICT JUDGE

David J. Davis, of Alabama, to be United States district judge, Northern District of Alabama. (He is now serving under a recess appointment.)

UNITED STATES ATTORNEYS

Robert P. Butler, of Connecticut, to be United States attorney, district of Connecticut. (Mr. Butler is now serving under appointment by court.)

John J. Quinn, of New Jersey, to be United States attorney, district of New Jersey. (Mr. Quinn is now serving under a recess appointment.)

UNITED STATES MARSHALS

Roulhac Gewin, of Alabama, to be United States marshal, southern district of Alabama, vice James A. Stafford, whose term expires January 21, 1936.

Bernard Fitch, of Connecticut, to be United States marshal for the district of Connecticut. (He is now serving under a recess appointment.)

E. Marvin Sessoms, of Florida, to be United States marshal for the northern district of Florida. (He is now serving under a recess appointment.)

Henry Clayton Walthour, of Georgia, to be United States marshal for the southern district of Georgia. (Mr. Walthour is now serving under an appointment by court.)

John J. Kelly, of New York, to be United States marshal for the southern district of New York. (He is now serving under a recess appointment.)

RECORDER OF THE GENERAL LAND OFFICE

Miss Evelyn S. Adams, of California, to be recorder of the General Land Office.

REGISTERS OF THE LAND OFFICE

George Finley, of Oregon, to be register of the land office at Roseburg, Oreg.

Mrs. Gladys Nuyck, of Nevada, to be register of the land office at Carson City, Nev.

INTERSTATE COMMERCE COMMISSION

The following-named persons to be Interstate Commerce Commissioners for the terms expiring December 31, 1942 (reappointments):

Clyde B. Aitchison, of Oregon.

Claude R. Porter, of Iowa.

BOARD OF TAX APPEALS

John A. Tyson, of Mississippi, to be a member of the Board of Tax Appeals for the unexpired portion of a term of 12 years from June 2, 1926, vice John J. Marquette, deceased.

UNITED STATES TARIFF COMMISSION

Edward Dana Durand, of Minnesota, to be a member of the United States Tariff Commission for the term expiring June 16, 1940.

ACTING EXECUTIVE DIRECTOR, NATIONAL EMERGENCY COUNCIL

Lyle T. Alverson, of New York, to be Acting Executive Director of the National Emergency Council, vice Frank C. Walker, resigned.

NATIONAL BITUMINOUS COAL COMMISSION

George E. Acret, of California, to be a member of the National Bituminous Coal Commission for a term of 4 years from September 21, 1935.

Walter H. Maloney, of Missouri, to be a member of the National Bituminous Coal Commission for a term of 4 years from September 21, 1935.

Charles F. Hosford, Jr., of Pennsylvania, to be a member of the National Bituminous Coal Commission for a term of 4 years from September 21, 1935.

C. E. Smith, of West Virginia, to be a member of the National Bituminous Coal Commission for a term of 4 years from September 21, 1935.

Percy Tetlow, of Ohio, to be a member of the National Bituminous Coal Commission for a term of 4 years from September 21, 1935.

Thomas M. Woodward, of Pennsylvania, to be Consumers' Counsel of the National Bituminous Coal Commission.

BITUMINOUS COAL LABOR BOARD

John M. Paris, of Indiana, impartial person, to be a member of the Bituminous Coal Labor Board for a term of 4 years from September 21, 1935.

John J. O'Leary, of Pennsylvania, representative of the organized employees, to be a member of the Bituminous Coal Labor Board for a term of 4 years from September 21, 1935.

Lee C. Gunter, of Tennessee, representative of the producers, to be a member of the Bituminous Coal Labor Board for a term of 4 years from September 21, 1935.

RAILROAD RETIREMENT BOARD

Murray W. Latimer, of New York, to be a member of the Railroad Retirement Board for a term of 2 years from August 29, 1935.

James A. Dailey, of New York, to be a member of the Railroad Retirement Board for a term of 3 years from August 29, 1935.

Lee M. Eddy, of Missouri, to be a member of the Railroad Retirement Board for a term of 4 years from August 29, 1935.

NATIONAL MEDIATION BOARD

Otto Beyer, of Virginia, to be a member of the National Mediation Board for the remainder of the term expiring February 1, 1938, vice John Carmody, resigned.

PRISON INDUSTRIES REORGANIZATION BOARD

The following-named persons to be members of the Prison Industries Reorganization Board, created by Executive order of September 26, 1935, establishing the Prison Industries Reorganization Administration:

Gustav Peck, of New York.

James P. Davis, of New York.

FEDERAL HOUSING ADMINISTRATOR

Stewart McDonald, of Missouri, to be Federal Housing Administrator for the unexpired portion of a term of 4 years from June 30, 1934, to which office he was appointed during the last recess of the Senate, vice James A. Moffett, resigned.

COOPERATIVE BANK COMMISSIONER, FARM CREDIT ADMINISTRATION

Samuel D. Sanders, of Washington, to be Cooperative Bank Commissioner in the Farm Credit Administration, to which office he was appointed during the last recess of the Senate, vice Francis Winfred Peck, resigned.

DIRECTORS, PUBLIC WORKS ADMINISTRATION

Andrew H. Peterson to be a director of the Public Works Administration for Massachusetts.

Julian Montgomery to be a director of the Public Works Administration for Texas.

RESETTLEMENT ADMINISTRATION

Cal A. Ward, of Kansas, to be a regional director of the Resettlement Administration.

COLLECTOR OF CUSTOMS

Leo A. Ivory, of Wilkinsburg, Pa., to be collector of customs for customs collection district no. 12, with headquarters at Pittsburgh, Pa., in place of James Houlahen, resigned. Now serving under temporary commission issued during the recess of the Senate.

COMPTROLLER OF CUSTOMS

Thomas F. Mulcahy, of San Francisco, Calif., to be comptroller of customs in customs collection district no. 28, with headquarters at San Francisco, Calif., in place of David M. Barnwell, deceased. Now serving under temporary commission issued during the recess of the Senate.

ASSISTANT TO THE COMMISSIONER OF INTERNAL REVENUE

Milton E. Carter, of Kansas City, Mo., to be assistant to the Commissioner of Internal Revenue in place of Wright Matthews, resigned. Mr. Carter is now serving under temporary commission issued during the recess of the Senate.

PUBLIC WORKS ADMINISTRATION

Leslie D. Gates, of Iowa, to be State engineer inspector for the Public Works Administration in Iowa.

Denis J. O'Mahoney, of New Jersey, to be State engineer inspector for the Public Works Administration in New Jersey.

Martin E. Kelly, of Montana, to be State engineer inspector for the Public Works Administration in Idaho and Montana.

Robert M. Van Petten, of North Dakota, to be State engineer inspector for the Public Works Administration in North Dakota and South Dakota.

WORKS PROGRESS ADMINISTRATION

Victor F. Ridder, of New York, to be administrator in the Works Progress Administration for the city of New York.

DIPLOMATIC AND FOREIGN SERVICE

The following-named Foreign Service officers, lately consuls, to be consuls general of the United States of America, to which office they were appointed during the last recess of the Senate:

Ralph C. Busser, of Pennsylvania.

Walter A. Leonard, of Illinois.

The following-named persons, now Foreign Service officers and consuls, to be also secretaries in the Diplomatic Service of the United States of America, to which office they were appointed during the last recess of the Senate:

William L. Peck, of Connecticut.

Julian L. Pinkerton, of Kentucky.

Frederic C. Fornes, Jr., of New York.

Archibald E. Gray, of Pennsylvania.

The following-named persons for promotion in the Foreign Service of the United States, effective as of October 1, 1935, to the offices to which they were appointed during the last recess of the Senate, as follows:

From Foreign Service officer of class 2 to Foreign Service officer of class 1:

Thomas D. Bowman, of Missouri.

Coert du Bois, of California.

Arthur C. Frost, of Massachusetts.

J. Klahr Huddle, of Ohio.

Frank P. Lockhart, of Texas.

Jay Pierrepont Moffat, of New Hampshire.

R. Henry Norweb, of Ohio.

Robert M. Scotten, of Michigan.

James B. Stewart, of New Mexico.

Edwin C. Wilson, of Florida.

From Foreign Service officer of class 3 to Foreign Service officer of class 2:

Walter A. Adams, of South Carolina.

Joseph W. Ballantine, of Massachusetts.

Pierre de L. Boal, of Pennsylvania.

Charles R. Cameron, of New York.

H. Merle Cochran, of Arizona.

Monnett B. Davis, of Colorado.

Erle R. Dickover, of California.

Eugene H. Dooman, of New York.

Prentiss B. Gilbert, of New York.

Joseph E. Jacobs, of South Carolina.

Herschel V. Johnson, of North Carolina.

Paul Knabenshue, of Ohio.

Frank C. Lee, of Colorado.

Leland B. Morris, of Pennsylvania.

Lowell C. Pinkerton, of Missouri.

Edward L. Reed, of Pennsylvania.

John Farr Simmons, of New York.

S. Pinkney Tuck, of New York.

George Wadsworth, of New York.

From Foreign Service officer of class 4 to Foreign Service officer of class 3:

Maynard B. Barnes, of Iowa.

William C. Burdett, of Tennessee.

Raymond E. Cox, of New York.

Nathaniel P. Davis, of New Jersey.

John G. Erhardt, of New York.

Carol H. Foster, of Maryland.

Charles Bridgham Hosmer, of Maine.

Paul R. Josselyn, of Iowa.

Joseph F. McGurk, of New Jersey.

Robert D. Murphy, of Wisconsin.

Myrl S. Myers, of Pennsylvania.

H. Earle Russell, of Michigan.

Clarence J. Spiker, of the District of Columbia.

Harold H. Tittmann, Jr., of Missouri.

Avra M. Warren, of Maryland.

Orme Wilson, of New York.

From Foreign Service officer of class 5 to Foreign Service officer of class 4:

Willard L. Beaulac, of Rhode Island.

J. Webb Benton, of Pennsylvania.

William P. Blocker, of Texas.

Richard F. Boyce, of Michigan.

Howard Bucknell, Jr., of Georgia.

Richard P. Butrick, of New York.

Cecil M. P. Cross, of Rhode Island.

Hugh S. Fullerton, of Ohio.

Edward M. Groth, of New York.

Robert W. Heingartner, of Ohio.

George D. Hopper, of Kentucky.

James Hugh Keeley, Jr., of the District of Columbia.



Robert B. Macatee, of Virginia.
Karl deG. MacVitty, of Tennessee.
H. Freeman Matthews, of Maryland.
George R. Merrell, Jr., of Missouri.
Hugh Millard, of Nebraska.
Orsen N. Nielsen, of Wisconsin.
Walter H. Schoellkopf, of New York.
Rudolf E. Schoenfeld, of the District of Columbia.
Harold Shantz, of New York.
George P. Shaw, of California.
Samuel Sokobin, of New Jersey.
Francis R. Stewart, of New York.
Harold S. Tewell, of North Dakota.
Howard K. Travers, of New York.

From Foreign Service officer of class 6 to Foreign Service officer of class 5:

Hiram A. Boucher, of Minnesota.
Herbert S. Bursley, of the District of Columbia.
J. Rives Childs, of Virginia.
Edward S. Crocker, 2d, of Massachusetts.
Curtis T. Everett, of Tennessee.
Harold D. Finley, of New York.
Samuel J. Fletcher, of Maine.
Walter A. Foote, of Texas.
Waldemar J. Callman, of New York.
Raymond H. Geist, of Ohio.
Stuart E. Crummon, of New Jersey.
Stanley Hawks, of New York.
Loy W. Henderson, of Colorado.
C. Porter Kuykendall, of Pennsylvania.
James E. McKenna, of Massachusetts.
Alfred T. Nester, of New York.
Sydney B. Redecker, of New York.
Laurence E. Salisbury, of Illinois.
Lester L. Schnare, of Georgia.
Edwin F. Stanton, of California.
Leo D. Sturgeon, of Illinois.
Fletcher Warren, of Texas.
Samuel H. Wiley, of North Carolina.
Rollin R. Winslow, of Michigan.

From Foreign Service officer of class 7 to Foreign Service officer of class 6:

Clayson W. Aldridge, of New York.
George Atcheson, Jr., of California.
Russell M. Brooks, of Oregon.
John H. Bruins, of New York.
Joseph F. Burt, of Illinois.
C. Paul Fletcher, of Tennessee.
Herndon W. Goforth, of North Carolina.
Eugene M. Hinkle, of New York.
David McK. Key, of Tennessee.
Marcel E. Malige, of Idaho.
Austin R. Preston, of New York.
Edwin Schoenrich, of Maryland.
William A. Smale, of California.
Sheridan Talbott, of Kentucky.
Frederik van den Arend, of North Carolina.
John Carter Vincent, of Georgia.

From Foreign Service officer of class 8 to Foreign Service officer of class 7:

Franklin B. Atwood, of Massachusetts.
Roy W. Baker, of New York.
William A. Bickers, of Virginia.
Ellis A. Bonnet, of Texas.
Robert L. Buell, of New York.
John M. Cabot, of Massachusetts.
J. Holbrook Chapman, of the District of Columbia.
Augustus S. Chase, of Connecticut.
Cabot Coville, of California.
Alexander P. Cruger, of New York.
Walton C. Ferris, of Wisconsin.
Fayette J. Flexer, of Illinois.
Knowlton V. Hicks, of New York.
Frederick W. Hinke, of New York.
Julius C. Holmes, of Kansas.
Carlton Hurst, of the District of Columbia.
John B. Ketcham, of New York.
Rufus H. Lane, Jr., of Virginia.
John H. Lord, of Massachusetts.
John McArdle, of Pennsylvania.
John H. Morgan, of Massachusetts.
James E. Parks, of North Carolina.
William L. Peck, of Connecticut.
Joseph P. Ragland, of the District of Columbia.
William T. Turner, of Georgia.

From Foreign Service officer, unclassified, at $3,000 per annum, to Foreign Service officer of class 8; and from vice consul of career to consul:

Garrett G. Ackerson, Jr., of New Jersey.
Stuart Allen, of Minnesota.
John M. Allison, of Nebraska.
Burton Y. Berry, of Indiana.
Charles E. Bohlen, of Massachusetts.
James C. H. Bonbright, of New York.
David H. Buffum, of Maine.
Gordon L. Burke, of Georgia.
Edmund J. Dorsz, of Michigan.
Andrew W. Edson, of Connecticut.
Dorsey Gassaway Fisher, of Maryland.
Frederic C. Fornes, Jr., of New York.
Willard Galbraith, of California.
James W. Gantenbein, of Oregon.
George M. Graves, of Vermont.
Archibald E. Gray, of Pennsylvania.
Bernard Gufler, of Washington.
Claude H. Hall, Jr., of Maryland.
Monroe B. Hall, of New York.
Thomas A. Hickok, of New York.
Charles A. Hutchinson, of Minnesota.
Robert Janz, of Oklahoma.
Robert P. Joyce, of California.
Stephen E. C. Kendrick, of Rhode Island.
Hervé J. L'Heureux, of New Hampshire.
John H. Madonne, of Texas.
Thomas J. Maleady, of Massachusetts.
Ralph Miller, of New York.
Sheldon T. Mills, of Oregon.
Harold B. Minor, of Kansas.
Gerald A. Mokma, of Iowa.
James B. Pilcher, of Alabama.
James W. Riddleberger, of Virginia.
Alan N. Steyne, of New York.
Edward G. Trueblood, of Illinois.
Edward T. Wailes, of New York.
Walter N. Walmsley, Jr., of Maryland.

The following-named persons for appointment as Foreign Service officers, unclassified, vice consuls of career, and secretaries in the Diplomatic Service of the United States of America, to which offices they were appointed during the last recess of the Senate:

Hector C. Adam, Jr., of New York.
E. Tomlin Bailey, of New Jersey.
Russell W. Benton, of New York.
Roswell C. Beverstock, of California.
M. Williams Blake, of Ohio.
William F. Busser, of Pennsylvania.
Richard W. Byrd, of Virginia.
David K. Caldwell, of the District of Columbia.
Glion Curtis, Jr., of Missouri.
Harry M. Donaldson, of Pennsylvania.
Perry Ellis, of California.
John K. Emmerson, of Colorado.
James Espy, of Ohio.
Andrew B. Foster, of Pennsylvania.
Owen W. Gaines, of Georgia.
Richard D. Gatewood, of New York.
Albert R. Goodman, of New York.
Norris S. Haselton, of New Jersey.

Beppo R. Johansen, of Florida.
U. Alexis Johnson, of California.
Douglas MacArthur, 2d, of the District of Columbia.
Elbert G. Mathews, of California.
Robert B. Memminger, of South Carolina.
Charles S. Millet, of New Hampshire.
Bolard More, of Ohio.
John Ordway, of the District of Columbia.
Marselis C. Parsons, Jr., of New York.
Edward E. Rice, of Wisconsin.
W. Garland Richardson, of Virginia.
George F. Scherer, of New York.
Max W. Schmidt, of Iowa.
John S. Service, of Ohio.
William P. Snow, of Maine.
Carl W. Strom, of Iowa.
E. Paul Tenney, of Washington.
S. Roger Tyler, Jr., of West Virginia.
Louis Woodruff Wallner, Jr., of New York.
T. Eliot Weil, of New York.
Duncan M. White, of Georgia.
Ivan B. White, of Oregon.
William E. Yuni, of Washington.

PUBLIC HEALTH SERVICE

Asst. Dental Surg. Joseph J. Dunlay to be passed assistant dental surgeon, to rank as such from September 1, 1935.

Asst. Dental Surg. Walter J. Pelton to be passed assistant dental surgeon, to rank as such from September 6, 1935.

Asst. Pharmacist Carl Stier to be passed assistant pharmacist, to rank as such from September 5, 1935.

Asst. Pharmacist Raymond D. Kinsey to be passed assistant pharmacist, to rank as such from September 5, 1935.

Asst. Pharmacist Walter H. Keen to be passed assistant ant pharmacist, to rank as such from September 5, 1935.

Asst. Pharmacist Clarence H. Bierman to be passed assistand pharmacist, to rank as such from September 5, 1935.

Asst. Pharmacist Thomas C. Armstrong to be passed assistant pharmacist, to rank as such from September 5, 1935.

Asst. Surg. Victor H. Haas to be passed assistant surgeon, to rank as such from September 1, 1935.

Asst. Surg. Clifton K. Himmelsbach to be passed assistant surgeon, to rank as such from September 1, 1935.

Asst. Surg. Ralph R. Braund to be passed assistant surgeon, to rank as such from September 1, 1935.

Asst. Surg. Hollis U. Maness to be passed assistant surgeon, to rank as such from September 1, 1935.

Asst. Surg. Kenneth E. Gamm to be passed assistant surgeon, to rank as such from September 1, 1935.

Asst. Surg. John W. Oliphant to be passed assistant surgeon, to rank as such from September 1, 1935.

Asst. Surg. Seymour D. Vestermark to be passed assistant surgeon, to rank as such from September 1, 1935.

Asst. Surg. Leroy E. Burney to be passed assistant surgeon, to rank as such from September 12, 1935.

Asst. Surg. Harold L. Lawrence to be passed assistant surgeon, to rank as such from September 1, 1935.

Asst. Surg. Charles R. Mallary to be passed assistant surgeon, to rank as such from October 1, 1935.

Asst. Surg. Don S. Cameron to be passed assistant surgeon, to rank as such from November 16, 1935.

Asst. Surg. Bert R. Boone to be passed assistant surgeon, to rank as such from November 16, 1935.

Asst. Surg. Gerald M. Kunkel to be passed assistant surgeon, to rank as such from August 22, 1935.

Dr. John W. Kennedy to be assistant surgeon, to rank as such from September 16, 1935.

Dr. Havelock F. Fraser to be assistant surgeon, to rank as such from September 17, 1935.

Dr. Wilson T. Sowder to be assistant surgeon, to rank as such from October 1, 1935.

Dr. Edward C. Lutton to be assistant surgeon, to rank as such from November 11, 1935.

These officers are now serving under temporary commissions issued during the recess of the Senate.

APPOINTMENTS IN THE REGULAR ARMY

To be general, while holding office as Chief of Staff of the Army, with rank from October 2, 1935, under the provisions of an act of Congress approved February 23, 1929

Maj. Gen. Malin Craig, United States Army, vice Gen. Douglas MacArthur, Chief of Staff, relieved on October 1, 1935.

To be major generals

Brig. Gen. Andrew Moses, United States Army, from December 1, 1935, vice Maj. Gen. Harold B. Fiske, United States Army, retired November 30, 1935.

Brig. Gen. William Edward Cole, United States Army, from December 1, 1935, vice Maj. Gen. Frank S. Cocheu, United States Army, retired November 30, 1935.

To be The Adjutant General, with the rank of major general, for the period of 4 years beginning December 24, 1935, with rank from November 1, 1935

Brig. Gen. Edgar Thomas Conley, Assistant The Adjutant General, vice Maj. Gen. James F. McKinley, The Adjutant General, retired October 31, 1935.

To be inspector general, with the rank of major general, for the period of 4 years beginning December 24, 1935, with rank from December 1, 1935

Col. Walter Lawrence Reed, Infantry, vice Maj. Gen. John F. Preston, inspector general, whose term of office expired November 30, 1935.

To be chief of the Air Corps, with the rank of major general, for the period of 4 years beginning December 24, 1935, with rank from December 22, 1935

Brig. Gen. Oscar Westover, assistant to the Chief of the Air Corps, vice Maj. Gen. Benjamin D. Foulois, Chief of the Air Corps, whose term of office expired December 21, 1935.

To be brigadier generals

Col. Duncan Kennedy Major, Jr., Infantry, from November 1, 1935, vice Brig. Gen. Alston Hamilton, United States Army, retired October 31, 1935.

Col. Walter Campbell Sweeney, Infantry, from December 24, 1935, vice Brig. Gen. Andrew Moses, United States Army, who accepted an appointment as major general December 24, 1935.

Col. Edwin Simpson Hartshorn, Infantry, from December 26, 1935, vice Brig. Gen. William E. Cole, United States Army, who accepted an appointment as major general December 26, 1935.

To be Assistant The Adjutant General, with the rank of brigadier general, for the period of 4 years beginning December 28, 1935, with rank from December 24, 1935

Col. Frank C. Burnett, Adjutant General's Department, vice Brig. Gen. Edgar T. Conley, assistant The Adjutant General, who accepted appointment as The Adjutant General December 24, 1935.

To be assistant to the Chief of the Air Corps, with the rank of brigadier general, for the period of 4 years beginning December 28, 1935, with rank from December 24, 1935

Lt. Col. Henry Harley Arnold, Air Corps, vice Brig. Gen. Oscar Westover, assistant to the Chief of the Air Corps, who accepted appointment as Chief of the Air Corps December 24, 1935.

To be assistant to the Surgeon General, with the rank of brigadier general, for the period of 4 years beginning December 28, 1935, with rank from December 1, 1935

Col. Wallace DeWitt, Medical Corps, vice Brig. Gen. Matthew A. DeLaney, assistant to the Surgeon General, retired November 30, 1935.

MEDICAL CORPS

To be first lieutenants with rank from October 1, 1935

First Lt. Lewis William Kirkman, Medical Corps Reserve.
First Lt. William Donald Graham, Medical Corps Reserve.
First Lt. Thomas William Mattingly, Medical Corps Reserve.

To be first lieutenants with rank from November 1, 1935

First Lt. Joseph Frank Peters, Medical Corps Reserve.

First Lt. Edward Morris DeYoung, Medical Corps Reserve.

To be first lieutenants with rank from December 12, 1935

First Lt. Harold Everus Harrison, Medical Corps Reserve.

First Lt. Stephen Christopher Sitter, Medical Corps Reserve.

First Lt. James Clark Van Valin, Medical Corps Reserve.

First Lt. Victor Robert Hirschmann, Medical Corps Reserve.

To be first lieutenants with rank from date of appointment

First Lt. Paul Hartsock Leach, Medical Corps Reserve.

First Lt. Clifford Paul Michael, Medical Corps Reserve.

First Lt. James Augustus McCloskey, Medical Corps Reserve.

DENTAL CORPS

To be first lieutenant with rank from December 2, 1935

First Lt. George Farrer Jeffcott, Dental Corps Reserve.

VETERINARY CORPS

To be first lieutenants with rank from September 30, 1935

Second Lt. Velmer Wayne McGinnis, Veterinary Corps Reserve.

Second Lt. John Howard Rust, 3d, Veterinary Corps Reserve.

Second Lt. Bernard Francis Trum, Veterinary Corps Reserve.

Second Lt. Lloyd Christopher Tekse, Veterinary Corps Reserve.

Second Lt. Edwin Louis Millenbruck, Veterinary Corps Reserve.

Second Lt. Thomas Carlyle Jones, Veterinary Corps Reserve.

CHAPLAINS

To be chaplain with the rank of first lieutenant

Chaplain (First Lt.) Ralph Emmerson McCaskill, Chaplains' Reserve, with rank from October 22, 1935.

Chaplain (First Lt.) John Frazer Chalker, Chaplains' Reserve, with rank from October 22, 1935.

Chaplain (First Lt.) Harold Henry Schulz, Chaplains' Reserve, with rank from November 1, 1935.

INFANTRY

To be second lieutenant

Second Lt. Harrison Schermerhorn Markham, Infantry Reserve, with rank from October 22, 1935.

AIR CORPS

To be first lieutenant in the Air Corps with rank from date of appointment

Henry Irving Riley, former first lieutenant, Air Corps.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO ADJUTANT GENERAL'S DEPARTMENT

Maj. Ralph Brundidge Lovett, Infantry, October 28, 1935, with rank from August 1, 1935.

Capt. John Glenn Brackinridge, Field Artillery, September 13, 1935, with rank from November 13, 1929.

TO JUDGE ADVOCATE GENERAL'S DEPARTMENT

Capt. Ernest Marion Brannon, Infantry, September 6, 1935, with rank from August 1, 1935.

Capt. Charles Emmett Cheever, Quartermaster Corps, October 15, 1935, with rank from August 1, 1935.

Capt. John Henry Corridon, Field Artillery, September 13, 1935, with rank from March 12, 1929.

Capt. James Lowe Harbaugh, Jr., Coast Artillery Corps, September 6, 1935, with rank from August 1, 1935.

Capt. David Sanderson McLean, Infantry, September 13, 1935, with rank from August 1, 1935.

Capt. Loren Francis Parmley, Cavalry, September 27, 1935, with rank from August 1, 1928.

Capt. Edgar Harvey Snodgrass, Infantry, September 13, 1935, with rank from August 1, 1935.

Capt. Robert Montgomery Springer, Infantry, September 17, 1935, with rank from August 1, 1935.

Capt. Edward Joseph Walsh, Infantry, October 3, 1935, with rank from August 1, 1935.

Capt. Charles Whitney West, Coast Artillery Corps, September 17, 1935, with rank from August 1, 1935.

TO QUARTERMASTER CORPS

Maj. Rufus Boylan, Infantry, October 28, 1935, with rank from August 1, 1935.

Maj. Brisbane Hanks Brown, Infantry, with rank from August 1, 1935.

Maj. William Booth Van Auken, Cavalry, October 3, 1935, with rank from August 1, 1935.

Capt. Theodore Anton Baumeister, Infantry, November 19, 1935, with rank from February 15, 1925.

Capt. Joseph Henry Burgheim, Infantry, September 11, 1935, with rank from October 5, 1924.

Capt. James Lawrence Keasler, Infantry, with rank from April 22, 1935.

Capt. Elam LaFayette Stewart, Infantry, November 23, 1935, with rank from January 1, 1933.

Capt. James Longstreet Whelchel, Coast Artillery Corps, October 17, 1935, with rank from January 21, 1935.

Capt. Michael Henry Zwicker, Coast Artillery Corps, with rank from August 1, 1935.

TO FINANCE DEPARTMENT

Capt. John Bartlett Hess, Infantry, December 16, 1935, with rank from August 1, 1935.

Capt. Ray Homer Larkins, Infantry, with rank from November 21, 1929.

Capt. Richard Kemp LeBrou, Air Corps, with rank from June 1, 1932.

Capt. Hiram Barricklow Turner, Infantry, September 27, 1935, with rank from August 17, 1929.

Capt. Thomas Patrick Walsh, Coast Artillery Corps, December 10, 1935, with rank from May 2, 1926.

TO CORPS OF ENGINEERS

First Lt. Oscar Benjamin Beasley, Coast Artillery Corps, September 6, 1935, with rank from August 1, 1935.

First Lt. James William Park, Field Artillery, with rank from August 1, 1935.

Second Lt. Paul Henry Berkowitz, Field Artillery, November 14, 1935, with rank from June 12, 1934.

Second Lt. Austin Wortham Betts, Coast Artillery Corps, November 14, 1935, with rank from June 12, 1934.

Second Lt. Clarence Bidgood, Infantry, November 21, 1935, with rank from June 12, 1935.

Second Lt. William Beehler Bunker, Cavalry, November 14, 1935, with rank from June 12, 1934.

Second Lt. John Dudley Cole, Jr., Infantry, November 21, 1935, with rank from June 12, 1935.

Second Lt. Frederick Benjamin Hall, Jr., Field Artillery, November 14, 1935, with rank from June 12, 1935.

Second Lt. Clarence Carl Haug, Coast Artillery Corps, November 25, 1935, with rank from June 12, 1935.

Second Lt. Stanley Tage Birger Johnson, Field Artillery, December 14, 1935, with rank from June 12, 1935.

Second Lt. Ellery Willis Niles, Coast Artillery Corps, November 23, 1935, with rank from June 12, 1935.

Second Lt. John Richards Parker, Infantry, November 5, 1935, with rank from June 12, 1935.

Second Lt. Craig Smyser, Field Artillery, November 14, 1935, with rank from June 12, 1934.

Second Lt. Robert Morris Stillman, Field Artillery, November 26, 1935, with rank from June 12, 1935.

Second Lt. Langfitt Bowditch Wilby, Field Artillery, November 19, 1935, with rank from June 12, 1935.

TO ORDNANCE DEPARTMENT

First Lt. Horace Alvord Quinn, Infantry, with rank from April 1, 1933.

First Lt. David Louis Van Syckle, Infantry, October 16, 1935, with rank from December 1, 1931.

TO SIGNAL CORPS

Capt. Elton Foster Hammond, Field Artillery, October 18, 1935, with rank from August 1, 1935.

First Lt. Earle Fremont Cook, Coast Artillery Corps, November 6, 1935, with rank from August 1, 1935.

First Lt. William Little, Infantry, September 27, 1935, with rank from August 1, 1935.

TO CAVALRY

First Lt. Brendan McKay Greeley, Infantry, with rank from January 1, 1935, effective June 16, 1936.

First Lt. Graves Collins Teller, Infantry, September 6, 1935, with rank from August 1, 1935.

TO FIELD ARTILLERY

Capt. Escalus Emmert Elliott, Coast Artillery Corps, October 3, 1935, with rank from August 1, 1935.

Second Lt. Carl Darnell, Jr., Infantry, September 6, 1935, with rank from June 13, 1933.

TO AIR CORPS

First Lt. Walter Campbell Sweeney, Jr., Infantry, with rank from August 1, 1935.

Second Lt. Harvey Thompson Alness, Cavalry, with rank from June 12, 1934.

Second Lt. Paul Carter Ashworth, Corps of Engineers, with rank from June 12, 1934.

Second Lt. Herbert Marvin Baker, Jr., Infantry, with rank from June 12, 1934.

Second Lt. John George Benner, Infantry, with rank from June 12, 1934.

Second Lt. Byron Elias Brugge, Coast Artillery Corps, with rank from June 12, 1934.

Second Lt. William Monte Canterbury, Coast Artillery Corps, with rank from June 12, 1934.

Second Lt. George Bernard Dany, Coast Artillery Corps, with rank from June 12, 1934.

Second Lt. William Milton Gross, Field Artillery, with rank from June 12, 1934.

Second Lt. Paul Tompkins Hanley, Infantry, with rank from June 12, 1934.

Second Lt. John dePeyster Townsend Hills, Infantry, with rank from June 12, 1934.

Second Lt. John Monroe Hutchison, Cavalry, with rank from June 12, 1934.

Second Lt. Richard Andrew Legg, Infantry, with rank from June 12, 1934.

Second Lt. Elvin Seth Ligon, Jr., Infantry, with rank from June 12, 1934.

Second Lt. Arno Herman Luehman, Infantry, with rank from June 12, 1934.

Second Lt. Lawson S. Moseley, Jr., Coast Artillery Corps, with rank from June 12, 1934.

Second Lt. Wilson Hawkes Neal, Field Artillery, with rank from June 12, 1934.

Second Lt. Jack Jerome Neely, Infantry, with rank from June 12, 1934.

Second Lt. Frank Carter Norvell, Field Artillery, with rank from June 12, 1934.

Second Lt. Raymond Judson Reeves, Cavalry, with rank from June 12, 1934.

Second Lt. Jack Edward Shuck, Coast Artillery Corps, with rank from June 12, 1934.

Second Lt. Curtis Delano Sluman, Coast Artillery Corps, with rank from June 12, 1934.

Second Lt. Dale Orville Smith, Infantry, with rank from June 12, 1934.

Second Lt. William Sebastian Stone, Field Artillery, with rank from June 12, 1934.

Second Lt. Hudson Hutton Upham, Infantry, with rank from June 12, 1934.

Second Lt. John William White, Infantry, with rank from June 12, 1934.

Second Lt. Albert Theodore Wilson, Jr., Infantry, with rank from June 12, 1934.

Second Lt. William Harvey Wise, Cavalry, with rank from June 12, 1934.

PROMOTIONS IN THE REGULAR ARMY

To be colonels

Lt. Col. Harry Hall Pritchett, Infantry, from August 1, 1935.

Lt. Col. Jere Baxter, Infantry, from August 1, 1935.

Lt. Col. Frank Kirby Chapin, Cavalry, from August 1, 1935.

Lt. Col. Lloyd Ralston Fredendall, Infantry, from August 1, 1935.

Lt. Col. Rowan Palmer Lemly, Infantry, from August 9, 1935.

Lt. Col. Leroy Pierce Collins, Field Artillery, from August 13, 1935.

Lt. Col. Ballard Lyerly, Field Artillery, from September 1, 1935.

Lt. Col. George Albert Wildrick, Coast Artillery Corps, from September 1, 1935.

Lt. Col. Allen Kimberly, Coast Artillery Corps, from September 1, 1935.

Lt. Col. Thomas Aquila Clark, Ordnance Department, from September 1, 1935.

Lt. Col. Phillip Woodfin Booker, Field Artillery, from September 1, 1935.

Lt. Col. James Alexander O'Connor, Corps of Engineers, from September 16, 1935.

Lt. Col. Lewis Hayes Watkins, Corps of Engineers, from September 26, 1935.

Lt. Col. Richard Park, Corps of Engineers, from October 1, 1935.

Lt. Col. Daniel Isom Sultan, Corps of Engineers, from October 1, 1935.

Lt. Col. John Boursiquat Rose, Ordnance Department, from October 1, 1935.

Lt. Col. Charles Tillman Harris, Jr., Ordnance Department, from October 12, 1935.

Lt. Col. Maxwell Murray, Field Artillery, from October 28, 1935.

Lt. Col. William Edgar Shedd, Jr., Coast Artillery Corps, from November 1, 1935.

Lt. Col. Howard Kendall Loughry, Coast Artillery Corps, from November 1, 1935.

Lt. Col. Robert Price Glassburn, Coast Artillery Corps, from November 1, 1935.

Lt. Col. Harry Keneth Rutherford, Ordnance Department, from December 1, 1935.

Lt. Col. Fred Taylor Cruse, Field Artillery, from December 1, 1935.

Lt. Col. James Preston Marley, Field Artillery, from December 1, 1935.

Lt. Col. Robert Arthur, Coast Artillery Corps, from December 20, 1935.

Lt. Col. Lucian Dent Booth, Ordnance Department, from December 22, 1935.

Lt. Col. Waldo Charles Potter, Field Artillery, from December 24, 1935.

Lt. Col. Henry Henderson Pfeil, Adjutant General's Department, from December 24, 1935.

Lt. Col. Clyde Leslie Eastman, Signal Corps, from December 26, 1935.

To be lieutenant colonels

Maj. Willis James Tack, Infantry, from August 1, 1935.

Maj. Edward Leuffer N. Glass, Cavalry, from August 9, 1935.

Maj. William Edward Burr, Field Artillery, from August 13, 1935.

Maj. Eugene Villaret, Coast Artillery Corps, from September 1, 1935.

Maj. Cuyler Llewellyn Clark, Field Artillery, from September 1, 1935.

Maj. Reiff Hesser Hannum, Ordnance Department, from September 1, 1935.

Maj. Clarence Corinth Benson, Cavalry, from September 1, 1935.

Maj. Thomas Henry Rees, Jr., Cavalry, from September 1, 1935.

Maj. Floyd Randall Waltz, Infantry, from September 1, 1935.
Maj. John Henry Woodberry, Ordnance Department, from September 1, 1935.
Maj. Harold Francis Loomis, Coast Artillery Corps, from September 1, 1935.
Maj. Leland Harold Stanford, Signal Corps, from September 1, 1935.
Maj. Fred Hayes Gallup, Field Artillery, from September 1, 1935.
Maj. Carl Spatz, Air Corps, from September 16, 1935.
Maj. Harold Roe Bull, Infantry, from September 20, 1935.
Maj. James Byron Haskell, Signal Corps, from September 26, 1935.
Maj. Charles Morton Milliken, Signal Corps, from October 1, 1935.
Maj. James Fred Byrom, Infantry, from October 1, 1935.
Maj. Woodfin Grady Jones, Infantry, from October 1, 1935.
Maj. James Patrick Hogan, Coast Artillery Corps, from October 1, 1935.
Maj. Paul Clarence Paschal, Infantry, from October 1, 1935.
Maj. John Leo Parkinson, Infantry, from October 1, 1935.
Maj. Gooding Packard, Coast Artillery Corps, from October 1, 1935.
Maj. Walter Gullion, Adjutant General's Department, from October 12, 1935, subject to examination required by law.
Maj. Francis Marion Brannan, Infantry, from October 28, 1935.
Maj. Adam Empie Potts, Coast Artillery Corps, from November 1, 1935.
Maj. William Rutledge Orton, Infantry, from November 1, 1935.
Maj. Rufus Sumter Bratton, Infantry, from November 1, 1935.
Maj. Sylvester DeWitt Downs, Jr., Field Artillery, from November 1, 1935.
Maj. Orlando Ward, Field Artillery, from November 25, 1935.
Maj. Benjamin Grant Weir, Air Corps, from December 1, 1935.
Maj. Ralph Royce, Air Corps, from December 1, 1935.
Maj. Thomas Huntington Monroe, Infantry, from December 1, 1935.
Maj. Roger Burnett Harrison, Infantry, from December 1, 1935.
Maj. Benjamin Fiery Hoge, Cavalry, from December 20, 1935.
Maj. Frederick Herr, Cavalry, from December 22, 1935.
Maj. Clifford James Mathews, Infantry, from December 24, 1935.
Maj. Frank William Milburn, Infantry, from December 24, 1935.
Maj. Isaac Gill, Jr., Infantry, from December 26, 1935.

To be majors

Capt. John Curtis Newton, Infantry, from August 1, 1935.
Capt. Graeme Gordon Parks, Infantry, from August 1, 1935.
Capt. Edwin Paull Ketchum, Corps of Engineers, from August 1, 1935.
Capt. Frank Lee McCoy, Infantry, from August 1, 1935.
Capt. Cyril Clifton Chandler, Infantry, from August 1, 1935.
Capt. James Francis Clark Hyde, Corps of Engineers, from August 1, 1935.
Capt. Robert James Kirk, Jr., Infantry, from August 1, 1935.
Capt. Leo Alexander Bessette, Infantry, from August 1, 1935.
Capt. James Wellington Younger, Quartermaster Corps, from August 1, 1935.
Capt. Amory Vivion Eliot, Signal Corps, from August 1, 1935.
Capt. James Clarence Reed, Infantry, from August 1, 1935.
Capt. Benjamin Mills Crenshaw, Infantry, from August 1, 1935.
Capt. Alexander Garrett Olsen, Cavalry, from August 1, 1935, subject to examination required by law.
Capt. Robert Kauch, Air Corps, from August 1, 1935.
Capt. Arthur Riehl Wilson, Field Artillery, from August 1, 1935.
Capt. John Major Reynolds, Field Artillery, from August 9, 1935.
Capt. Bickford Edward Sawyer, Finance Department, from August 13, 1935.
Capt. Irwin Samuel Dierking, Quartermaster Corps, from September 1, 1935.
Capt. Donald Boyer Rogers, Field Artillery, from September 1, 1935.
Capt. Joseph Bartholomew Conmy, Infantry, from September 1, 1935.
Capt. William Randolph Watson, Infantry, from September 1, 1935.
Capt. George Curtis McFarland, Coast Artillery Corps, from September 1, 1935.
Capt. Collin Stafford Myers, Infantry, from September 1, 1935.
Capt. William Herschel Middleswart, Quartermaster Corps, from September 1, 1935.
Capt. Frank Sims Mansfield, Infantry, from September 1, 1935.
Capt. Ralph C. G. Nemo, Infantry, from September 1, 1935.
Capt. Ross Franklin Cole, Air Corps, from September 1, 1935.
Capt. Kenneth Smith Anderson, Infantry, from September 1, 1935.
Capt. John Pinnix Lake, Infantry, from September 1, 1935.
Capt. Heston Rarick Cole, Corps of Engineers, from September 1, 1935.
Capt. Russel Burton Reynolds, Infantry, from September 16, 1935.
Capt. Paul Clarence Boylan, Field Artillery, from September 20, 1935.
Capt. Ralph Floyd Love, Infantry, from September 26, 1935.
Capt. William Irving Sherwood, Infantry, from October 1, 1935.
Capt. Charles Wilkes Christenberry, Infantry, from October 1, 1935.
Capt. Charles Andrew Beaucond, Field Artillery, from October 1, 1935.
Capt. Stewart Franklin Miller, Field Artillery, from October 1, 1935.
Capt. Hugh Campbell Parker, Infantry, from October 1, 1935.
Capt. Loyal Moyer Haynes, Field Artillery, from October 1, 1935.
Capt. Floyd Marshall, Infantry, from October 1, 1935.
Capt. William Carey Lee, Infantry, from October 1, 1935.
Capt. Cecil John Gridley, Infantry, from October 1, 1935.
Capt. Leonard Henderson Sims, Infantry, from October 1, 1935.
Capt. John Edwin Ray, Field Artillery, from October 1, 1935.
Capt. Clyde Lloyd Hyssong, The Adjutant General's Department, from October 1, 1935.
Capt. Raymond Jay Williamson, Infantry, from October 1, 1935.
Capt. Vere Painter, Quartermaster Corps, from October 1, 1935.
Capt. Walter Julius Ungethuem, Chemical Warfare Service, from October 1, 1935.
Capt. Albert Edgar Billing, Field Artillery, from October 1, 1935.
Capt. Robert Oney Wright, Cavalry, from October 1, 1935.
Capt. Edwin Todd Wheatley, Infantry, from October 1, 1935.
Capt. John Winthrop Mott, Infantry, from October 1, 1935.
Capt. Jess Garnett Boykin, Cavalry, from October 12, 1935.
Capt. John Charles Macdonald, Cavalry, from October 28, 1935.
Capt. Harvey Shelton, Infantry, from November 1, 1935.
Capt. Thomas Robert Gibson, Infantry, from November 1, 1935.

Capt. Hugh Bryan Hester, Field Artillery, from November 1, 1935.

Capt. James Mahan Roamer, Infantry, from November 1, 1935.

Capt. Maylon Edward Scott, Field Artillery, from November 1, 1935.

Capt. James Dallace Bender, Infantry, from November 1, 1935.

Capt. Louis Howard Thompson, Coast Artillery Corps, from November 1, 1935.

Capt. Ellis Bates, Infantry, from November 1, 1935.

Capt. George Pryor Johnson, Air Corps, from November 1, 1935.

Capt. Clyde Virginius Finter, Air Corps, from November 1, 1935.

Capt. Michael Condon Shea, Field Artillery, from November 1, 1935.

Capt. Paul Dillard Carter, Infantry, from November 1, 1935.

Capt. Paul Henry Weiland, Field Artillery, from November 1, 1935.

Capt. Marvin Wade Marsh, Infantry, from November 3, 1935.

Capt. Holland Spencer Chamness, Infantry, from November 10, 1935.

Capt. Julian Horace George, Infantry, from November 24, 1935.

Capt. William Camillus Kabrich, Chemical Warfare Service, from November 25, 1935.

Capt. Frank Upton Greer, Infantry, from December 1, 1935.

Capt. Laurin Lyman Williams, Infantry, from December 1, 1935.

Capt. Henry Christopher Harrison, Jr., Field Artillery, from December 1, 1935, subject to examination required by law.

Capt. Hanford Nichols Lockwood, Jr., Field Artillery, from December 1, 1935.

Capt. John Markham Ferguson, Infantry, from December 1, 1935.

Capt. John Calvin Sandlin, Infantry, from December 20, 1935.

Capt. Clarence Eugene Brand, Judge Advocate General's Department, from December 22, 1935.

Capt. Leslie Eugene Bowman, Quartermaster Corps, from December 24, 1935.

Capt. Alonzo Patrick Fox, Infantry, from December 24, 1935.

Capt. Hugh Joseph Gaffey, Field Artillery, from December 26, 1935.

To be first lieutenant

Second Lt. Clifford Christopher Wagner, Quartermaster Corps, from August 1, 1935.

MEDICAL CORPS

To be majors

Capt. Kincheon Hubert Bailey, Medical Corps, from September 19, 1935.

Capt. Richard Emmons Elvins, Medical Corps, from October 8, 1935.

To be captains

First Lt. Max Naimark, Medical Corps, from October 28, 1935.

First Lt. Vernon James Erkenbeck, Medical Corps, from November 12, 1935.

First Lt. Arthur Herbert Thompson, Medical Corps, from November 12, 1935.

First Lt. Wilson Theodore Smith, Medical Corps, from November 26, 1935.

First Lt. Clarendon Barron Woods, Medical Corps, from November 26, 1935.

First Lt. Joe Alexander Bain, Medical Corps, from November 26, 1935.

First Lt. Cecil Spencer Mollohan, Medical Corps, from November 26, 1935.

First Lt. Francis Whitney Hall, Medical Corps, from November 26, 1935.

First Lt. Joseph Sibley Cirlot, Medical Corps, from December 6, 1935.

First Lt. Richard Howard Eckhardt, Medical Corps, from December 10, 1935.

First Lt. John Mars Caldwell, Jr., Medical Corps, from December 10, 1935.

First Lt. Charles Parmalee Ward, Medical Corps, from December 10, 1935.

First Lt. Elmer Arthur Lodmell, Medical Corps, from December 10, 1935.

First Lt. Lester Paul Veigel, Medical Corps, from December 10, 1935.

First Lt. George Lewis Beatty, Medical Corps, from December 10, 1935.

First Lt. Harold Irvin Amory, Medical Corps, from December 10, 1935.

First Lt. John Albert Egan, Medical Corps, from December 10, 1935.

First Lt. George Gustavo Guiteras, Medical Corps, from December 10, 1935.

First Lt. Edgar Louis Olson, Medical Corps, from December 10, 1935.

First Lt. Charles Edwards Spellman, Medical Corps, from December 10, 1935.

DENTAL CORPS

To be colonels

Lt. Col. Minot Everson Scott, Dental Corps, from September 19, 1935.

Lt. Col. George D. Graham, Dental Corps, from November 27, 1935.

To be lieutenant colonels

Maj. Thomas Chester Daniels, Dental Corps, from November 24, 1935.

Maj. Frederick Randolph Wunderlich, Dental Corps, from November 26, 1935.

Maj. Bruce Harold Roberts, Dental Corps, from December 27, 1935.

VETERINARY CORPS

To be colonel

Lt. Col. Burton Alpheus Seeley, Veterinary Corps, from November 27, 1935.

To be captains

First Lt. Russell McNellis, Veterinary Corps, from August 3, 1935.

First Lt. Richard George Yule, Veterinary Corps, from August 18, 1935.

MEDICAL ADMINISTRATIVE CORPS

To be captain

First Lt. Douglas Hall, Medical Administrative Corps, from December 4, 1935.

To be first lieutenants

Second Lt. Homer Clarence McCullough, Medical Administrative Corps, from August 29, 1935.

Second Lt. Joseph Carmack, Medical Administrative Corps, from November 1, 1935.

CHAPLAINS

To be chaplains with the rank of lieutenant colonel

Chaplain (Maj.) Edward Larose Branham, United States Army, from September 21, 1935.

Chaplain (Maj.) John Thomas DeBardeleben, United States Army, from September 22, 1935.

Chaplain (Maj.) Samuel Johnson Miller, United States Army, from September 22, 1935.

Chaplain (Maj.) John Thomas Axton, Jr., United States Army, from September 22, 1935.

Chaplain (Maj.) Earl Dudley Weed, United States Army, from September 27, 1935.

Chaplain (Maj.) William Loren Fisher, United States Army, from September 27, 1935.

Chaplain (Maj.) Emerson Etherage Swanson, United States Army, from September 27, 1935.

Chaplain (Maj.) Thomas Edward Swan, United States Army, from September 28, 1935.

Chaplain (Maj.) Frank Hallie Hayes, United States Army, from September 28, 1935.

Chaplain (Maj.) Aristeo Vincent Simoni, United States Army, from September 29, 1935.

Chaplain (Maj.) Peter Joseph Kilkenny, United States Army, from September 29, 1935.

Chaplain (Maj.) Orville Earl Fisher, United States Army, from November 24, 1935.

To be chaplain with the rank of major

Chaplain (Capt.) Peter Joseph Quinn, United States Army, from November 24, 1935.

To be chaplain with the rank of captain

Chaplain (First Lt.) Vernon Paul Jaeger, United States Army, from September 19, 1935.

PROMOTION IN THE PHILIPPINE SCOUTS

TO BE LIEUTENANT COLONEL

Maj. Vicente Lim, Philippine Scouts, from November 1, 1935.

APPOINTMENTS AND PROMOTIONS IN THE COAST GUARD OF THE UNITED STATES

Boatswain Nels Johnson to be chief boatswain, to rank as such from October 23, 1935.

Boatswain Jens B. Krestensen to be chief boatswain, to rank as such from November 2, 1935.

Boatswain William A. Goldbeck to be chief boatswain, to rank as such from October 23, 1935.

Boatswain Peter T. Johnson to be chief boatswain, to rank as such from October 25, 1935.

Boatswain Charles Petersen to be chief boatswain, to rank as such from October 23, 1935.

Boatswain Philip Lehrman to be chief boatswain, to rank as such from October 26, 1935.

Boatswain Harry Funk to be chief boatswain, to rank as such from October 24, 1935.

Boatswain Chester L. Jordan to be chief boatswain, to rank as such from October 24, 1935.

Boatswain Maurice D. Jester to be chief boatswain, to rank as such from October 28, 1935.

Boatswain Charles M. Feddersen to be chief boatswain, to rank as such from October 24, 1935.

Boatswain James H. Snydow to be chief boatswain, to rank as such from October 26, 1935.

Boatswain Thomas Noland to be chief boatswain, to rank as such from October 26, 1935.

Boatswain William A. Skeen to be chief boatswain, to rank as such from October 21, 1935.

Boatswain Andrew Johansen to be chief boatswain, to rank as such from October 24, 1935.

Boatswain William Gardner to be chief boatswain, to rank as such from November 4, 1935.

Boatswain John E. Wilson to be chief boatswain, to rank as such from October 26, 1935.

Boatswain Peder M. Pedersen to be chief boatswain, to rank as such from October 24, 1935.

Boatswain William T. Murphy to be chief boatswain, to rank as such from October 25, 1935.

Boatswain Clarence W. Whitney to be chief boatswain, to rank as such from October 24, 1935.

Boatswain John L. Wilson to be chief boatswain, to rank as such from October 24, 1935.

Boatswain Howard F. Culver to be chief boatswain, to rank as such from October 25, 1935.

Boatswain Russell W. Thresher to be chief boatswain, to rank as such from October 22, 1935.

Boatswain Aubrey C. Stewart to be chief boatswain, to rank as such from October 22, 1935.

Boatswain Ralph G. Jenkins to be chief boatswain, to rank as such from October 24, 1935.

Boatswain John M. Gray to be chief boatswain, to rank as such from October 23, 1935.

Boatswain Kenneth C. Tharp to be chief boatswain, to rank as such from November 1, 1935.

Boatswain William E. Schweizer to be chief boatswain, to rank as such from October 23, 1935.

Boatswain (L) John A. Midgett to be chief boatswain (life saving), to rank as such from October 25, 1935.

Boatswain (L) John A. Alander to be chief boatswain (life saving), to rank as such from October 25, 1935.

Boatswain (L) Edward B. Andrews to be chief boatswain (life saving), to rank as such from October 25, 1935.

Boatswain (L) George F. Morin to be chief boatswain (life saving), to rank as such from October 25, 1935.

Boatswain (L) James S. Fletcher to be chief boatswain (life saving), to rank as such from October 24, 1935.

Boatswain (L) Solomon Nedeau to be chief boatswain (life saving), to rank as such from October 25, 1935.

Boatswain (L) Oscar Smith to be chief boatswain (life saving), to rank as such from October 26, 1935.

Boatswain (L) Ernest Pointer to be chief boatswain (life saving), to rank as such from October 23, 1935.

Boatswain (L) Theodore Roberge to be chief boatswain (life saving), to rank as such from October 26, 1935.

Boatswain (L) Eugene C. Colbeth to be chief boatswain (life saving), to rank as such from October 24, 1935.

Boatswain (L) Albert F. Jones to be chief boatswain (life saving), to rank as such from October 24, 1935.

Boatswain (L) George M. Schellenger to be chief boatswain (life saving), to rank as such from October 24, 1935.

Boatswain (L) Adolph A. Rohdin to be chief boatswain (life saving), to rank as such from October 24, 1935.

Boatswain (L) John O. Anderson to be chief boatswain (life saving), to rank as such from October 25, 1935.

Boatswain (L) Charles H. Wroton to be chief boatswain (life saving) to rank as such from October 23, 1935.

Boatswain (L) Clarence E. Peckham to be chief boatswain (life saving), to rank as such from October 25, 1935.

Boatswain (L) Kent M. Redgrave to be chief boatswain (life saving), to rank as such from October 24, 1935.

Boatswain (L) Beryl W. King to be chief boatswain (life saving), to rank as such from October 25, 1935.

Boatswain (L) Fred L. Wells to be chief boatswain (life saving), to rank as such from October 23, 1935.

Boatswain (L) William E. Preston to be chief boatswain (life saving), to rank as such from October 25, 1935.

Boatswain (L) John J. Glynn to be chief boatswain (life saving), to rank as such from October 22, 1935.

Boatswain (L) Harold L. Carter to be chief boatswain (life saving), to rank as such from October 24, 1935.

Boatswain (L) Leslie V. Barnett to be chief boatswain (life saving), to rank as such from October 25, 1935.

Boatswain (L) Earl W. Suydam to be chief boatswain (life saving), to rank as such from October 24, 1935.

Boatswain (L) John M. Richardson to be chief boatswain (life saving), to rank as such from October 23, 1935.

Boatswain (L) Walter G. Etheridge to be chief boatswain (life saving), to rank as such from October 25, 1935.

Boatswain (L) Charles R. Peele to be chief boatswain (life saving), to rank as such from October 24, 1935.

Boatswain (L) Charles O. Peel to be chief boatswain (life saving), to rank as such from October 24, 1935.

Boatswain (L) Fred E. Stebbins to be chief boatswain (life saving), to rank as such from October 25, 1935.

Boatswain (L) Roy Robinson to be chief boatswain (life saving), to rank as such from October 26, 1935.

Boatswain (L) Ira Andrews to be chief boatswain (life saving), to rank as such from November 1, 1935.

Boatswain (L) Sands E. Littlefield to be chief boatswain (life saving), to rank as such from October 24, 1935.

Radio Electrician Earle S. Fletcher to be chief radio electrician, to rank as such from October 22, 1935.

Radio Electrician William B. Dawson to be chief radio electrician, to rank as such from October 21, 1935.

Radio Electrician Arthur G. Descoteaux to be chief radio electrician, to rank as such from October 24, 1935.

Radio Electrician Ole Friis to be chief radio electrician, to rank as such from October 23, 1935.

Radio Electrician Meredith H. Griffith to be chief radio electrician, to rank as such from October 22, 1935.

Radio Electrician Clyde T. Solt to be chief radio electrician, to rank as such from October 21, 1935.

Machinist Christian O. Hekleberg to be chief machinist, to rank as such from October 25, 1935.

Machinist Hermann Becker to be chief machinist, to rank as such from October 25, 1935.

Machinist Arthur Anderson to be chief machinist, to rank as such from October 24, 1935.

Machinist John Van Heuveln to be chief machinist, to rank as such from October 28, 1935.

Machinist William C. Dryden to be chief machinist, to rank as such from October 23, 1935.

Machinist Elden C. Wigle to be chief machinist, to rank as such from October 18, 1935.

Machinist Tyre Moore to be chief machinist, to rank as such from October 23, 1935.

Machinist William W. Gorman to be chief machinist, to rank as such from October 24, 1935.

Machinist Samuel J. Clifford to be chief machinist, to rank as such from November 4, 1935.

Electrician Charles F. Geiss to be chief electrician, to rank as such from October 24, 1935.

Electrician Harry E. Rowand to be chief electrician, to rank as such from October 21, 1935.

Electrician Conrad W. Bilz to be chief electrician, to rank as such from October 25, 1935.

Carpenter Morris Pierson to be chief carpenter, to rank as such from October 22, 1935.

Carpenter Charles Hansen to be chief carpenter, to rank as such from October 22, 1935.

Pay Clerk Louis J. Armstrong to be chief pay clerk, to rank as such from October 26, 1935.

Pay Clerk Carlin L. Brinkley to be chief pay clerk, to rank as such from October 21, 1935.

Pay Clerk George A. Scott to be chief pay clerk, to rank as such from October 21, 1935.

Pay Clerk George A. Brownley to be chief pay clerk, to rank as such from October 21, 1935.

Pay Clerk Luther W. Cartwright to be chief pay clerk, to rank as such from October 23, 1935.

Pay Clerk Sumner Chisholm to be chief pay clerk, to rank as such from October 22, 1935.

Pay Clerk Nelson N. Ard to be chief pay clerk, to rank as such from October 28, 1935.

Commander Edward D. Jones to be captain, to rank as such from October 1, 1935, in place of Capt. Randolph Ridgely, Jr., retired.

Capt. (Engineering) William E. Maccoun to be commodore, on the retired list, to rank as such from October 1, 1935.

Capt. Randolph Ridgely, Jr., to be commodore, on the retired list, to rank as such from October 1, 1935.

Lt. (Jr. Gr.) William Schissler to be lieutenant, to rank as such from May 15, 1935.

District Commander Eugene T. Osborn to be district commander, with the rank of lieutenant commander, to rank as such from April 6, 1935.

Lt. (Jr. Gr.) William E. Sinton to be lieutenant, to rank as such from May 15, 1935.

Lt. (Jr. Gr.) Henry S. Sharp to be lieutenant, to rank as such from May 15, 1935.

Lt. (Jr. Gr.) George A. Knudsen to be lieutenant, to rank as such from May 15, 1935.

Lt. (Jr. Gr.) Carl U. Peterson to be lieutenant, to rank as such from May 15, 1935.

Lt. (Jr. Gr.) John R. Stewart to be lieutenant, to rank as such from May 15, 1935.

Lt. (Jr. Gr.) Arthur J. Hesford to be lieutenant, to rank as such from May 15, 1935.

Lt. (Jr. Gr.) Joseph D. Harrington to be lieutenant, to rank as such from May 15, 1935.

Lt. (Jr. Gr.) Sidney F. Porter to be lieutenant, to rank as such from May 15, 1935.

Lt. (Jr. Gr.) Charles E. Toft to be lieutenant, to rank as such from May 15, 1935.

Lt. (Jr. Gr.) William L. Maloney to be lieutenant, to rank as such from May 15, 1935.

Lt. (Jr. Gr.) William L. Clemmer to be lieutenant, to rank as such from May 15, 1935.

Lt. (Jr. Gr.) Ralph R. Curry to be lieutenant, to rank as such from May 15, 1935.

Lt. (Jr. Gr.) Harold J. Doebler to be lieutenant, to rank as such from May 15, 1935.

Lt. (Jr. Gr.) Kenneth C. Phillips to be lieutenant, to rank as such from May 15, 1935.

Lt. (Jr. Gr.) George C. Lindauer to be lieutenant, to rank as such from May 15, 1935.

Lt. (Jr. Gr.) Edmund E. Fahey to be lieutenant, to rank as such from May 15, 1935.

Lt. (Jr. Gr.) Spencer F. Hewins to be lieutenant, to rank as such from May 15, 1935.

Lt. (Jr. Gr.) Clifford R. MacLean to be lieutenant, to rank as such from May 15, 1935.

Lt. (Jr. Gr.) Henry F. Stolfi to be lieutenant, to rank as such from May 15, 1935.

Lt. (Jr. Gr.) John F. Harding to be lieutenant, to rank as such from May 15, 1935.

Lt. (Jr. Gr.) True G. Miller to be lieutenant, to rank as such from May 15, 1935.

Lt. (Jr. Gr.) Herman T. Diehl to be lieutenant, to rank as such from May 15, 1935.

Lt. (Jr. Gr.) Leonard T. Jones to be lieutenant, to rank as such from May 15, 1935.

Lt. (Jr. Gr.) Harold A. T. Bernson to be lieutenant, to rank as such from May 15, 1935.

Lt. (Jr. Gr.) Henry F. Garcia to be lieutenant, to rank as such from May 15, 1935.

Lt. (Jr. Gr.) Searcy J. Lowrey to be lieutenant, to rank as such from May 15, 1935.

Lt. (Jr. Gr.) Samuel L. Denty to be lieutenant, to rank as such from May 15, 1935.

Lt. (Jr. Gr.) George W. Dick to be lieutenant, to rank as such from May 15, 1935.

Lt. (Jr. Gr.) Peery L. Stinson to be lieutenant, to rank as such from June 7, 1935.

Lt. (Jr. Gr.) Russell J. Roberts to be lieutenant, to rank as such from June 7, 1935.

Lt. (Temporary) Luke Christopher to be lieutenant, to rank as such from September 23, 1935.

Lt. (Temporary) John S. Merriman, Jr., to be lieutenant, to rank as such from September 23, 1935.

Ensign William H. Snyder to be lieutenant (junior grade), to rank as such from May 16, 1935.

Ensign Richard D. Schmidtman to be lieutenant (junior grade), to rank as such from May 16, 1935.

Ensign James D. Craik to be lieutenant (junior grade), to rank as such from May 16, 1935.

Ensign Theodore J. Harris to be lieutenant (junior grade), to rank as such from May 16, 1935.

Ensign Anthony J. DeJoy to be lieutenant (junior grade), to rank as such from May 16, 1935.

Ensign Loren H. Seeger to be lieutenant (junior grade), to rank as such from May 16, 1935.

Ensign George D. Synon to be lieutenant (junior grade), to rank as such from May 16, 1935.

Ensign Robert L. Grantham to be lieutenant (junior grade), to rank as such from May 16, 1935.

Ensign Irvin J. Stephens to be lieutenant (junior grade), to rank as such from May 16, 1935.

Ensign Edward T. Hodges to be lieutenant (junior grade), to rank as such from May 16, 1935.

Ensign Donald T. Adams to be lieutenant (junior grade), to rank as such from May 16, 1935.

Ensign Theodore J. Fabik to be lieutenant (junior grade), to rank as such from May 16, 1935.

Ensign Garland W. Collins to be lieutenant (junior grade), to rank as such from May 16, 1935.

Ensign John R. Henthorn to be lieutenant (junior grade), to rank as such from May 16, 1935.

Ensign Emil A. Pearson to be lieutenant (junior grade), to rank as such from May 16, 1935.

Ensign Hollis M. Warner to be lieutenant (junior grade), to rank as such from May 16, 1935.

Ensign Walter B. Millington to be lieutenant (junior grade), to rank as such from May 16, 1935.

Ensign Reinhold R. Johnson to be lieutenant (junior grade), to rank as such from May 16, 1935.

Ensign Walter W. Collins to be lieutenant (junior grade), to rank as such from May 16, 1935.

Ensign John P. German to be lieutenant (junior grade), to rank as such from May 16, 1935.

Ensign Karl O. A. Zittel to be lieutenant (junior grade), to rank as such from May 16, 1935.

Ensign Gilbert I. Lynch to be lieutenant (junior grade), to rank as such from May 16, 1935.

Ensign George R. Leslie to be lieutenant (junior grade), to rank as such from May 16, 1935.

Ensign Joseph A. Bresnan to be lieutenant (junior grade), to rank as such from May 16, 1935.

Ensign Carl H. Stober to be lieutenant (junior grade), to rank as such from May 16, 1935.

Ensign John R. Kurcheski to be lieutenant (junior grade), to rank as such from May 16, 1935.

Ensign Frederick Wild to be lieutenant (junior grade), to rank as such from May 16, 1935.

Ensign Alvin H. Giffin to be lieutenant (junior grade), to rank as such from May 16, 1935.

Ensign Joe Lawrence to be lieutenant (junior grade), to rank as such from May 16, 1935.

Ensign James A. Alger, Jr., to be lieutenant (junior grade), to rank as such from May 16, 1935.

Ensign Robert S. Lecky to be lieutenant (junior grade), to rank as such from May 16, 1935.

Charles Edward Brush to be constructor with the rank of lieutenant, to rank as such from November 12, 1935.

Lt. Norman M. Nelson to be lieutenant commander, to rank as such from October 1, 1934.

Lt. Carl E. Guisness to be lieutenant commander, to rank as such from October 1, 1934.

Engineer in Chief Robert B. Adams to be captain (engineering), to rank as such from December 18, 1935.

These officers are now serving under temporary commissions issued during the recess of the Senate.

APPOINTMENTS AND PROMOTIONS IN THE NAVY

MARINE CORPS

Brig. Gen. Louis McC. Little to be a major general in the Marine Corps from the 27th day of July 1935.

Lt. Col. Charles J. Miller to be a colonel in the Marine Corps from the 1st day of December 1935.

Capt. Oliver P. Smith to be a major in the Marine Corps from the 29th day of May 1934.

Capt. Thomas R. Shearer to be a major in the Marine Corps from the 29th day of May 1934.

Capt. Jesse L. Perkins to be a major in the Marine Corps from the 30th day of June 1935.

Capt. Robert E. Mills to be a major in the Marine Corps from the 27th day of July 1935.

Capt. Blythe G. Jones to be a major in the Marine Corps from the 27th day of July 1935.

The following-named captains to be majors in the Marine Corps from the 1st day of August 1935:

George T. Hall
Robert C. Kilmartin
Edward A. Craig

The following-named captains to be majors in the Marine Corps from the 1st day of September 1935:

Bernard Dubel	Howard N. Stent
Leland S. Swindler	Ford O. Rogers

Capt. Walter G. Farrell to be a major in the Marine Corps from the 1st day of October 1935.

Capt. Ralph R. Robinson to be a major in the Marine Corps from the 8th day of October 1935.

Capt. Hamilton M. H. Fleming to be a major in the Marine Corps from the 1st day of December 1935.

First Lt. Guy B. Beatty to be a captain in the Marine Corps from the 1st day of June 1935.

First Lt. Robert J. Straub to be a captain in the Marine Corps from the 30th day of June 1935.

First Lt. Philip L. Thwing to be a captain in the Marine Corps from the 1st day of July 1935.

First Lt. Robert G. Hunt to be a captain in the Marine Corps from the 1st day of July 1935.

The following-named first lieutenants to be captains in the Marine Corps from the 27th day of July 1935:

Lewis B. Puller	Perry K. Smith
Ernest E. Shaughnessey	George H. Bellinger, Jr.
Herbert P. Becker	Raymond A. Anderson
William C. Purple	Charles F. Cresswell

The following-named first lieutenants to be captains in the Marine Corps from the 1st day of August 1935:

Walter J. Stuart
Charles G. Meints
Alexander W. Kreiser, Jr.

The following-named first lieutenants to be captains in the Marine Corps from the 1st day of September 1935:

Lenard B. Cresswell	St. Julien R. Marshall
Thomas J. McQuade	Tilghman H. Saunders

First Lt. Kenneth B. Chappell to be a captain in the Marine Corps from the 1st day of October 1935.

First Lt. Walter I. Jordan to be a captain in the Marine Corps from the 8th day of October 1935.

The following-named first lieutenants to be captains in the Marine Corps from the 1st day of December 1935:

Arthur W. Ellis	Samuel S. Ballentine
Wilburt S. Brown	James P. S. Devereux
Theodore B. Millard	

The following-named first lieutenants to be captains in the Marine Corps from the 1st day of January 1936:

David K. Claude
Edward J. Trumble
Harold D. Harris

Second Lt. Claude I. Boles to be a first lieutenant in the Marine Corps from the 29th day of May 1934.

Second Lt. George Corson to be a first lieutenant in the Marine Corps from the 2d day of June 1935.

Second Lt. Clarence O. Cobb to be a first lieutenant in the Marine Corps from the 2d day of June 1935.

Corp. Donald J. Decker, a meritorious noncommissioned officer, to be a second lieutenant in the Marine Corps, revocable for 2 years, from the 1st day of September 1935.

The following-named citizens to be second lieutenants in the Marine Corps, revocable for 2 years, from the 1st day of September 1935:

Michael Sampas, a citizen of Massachusetts.
William E. Boles, a citizen of Alabama.
Arthur A. Chidester, a citizen of Arkansas.
James M. Clark, a citizen of Ohio.
Wendell H. Duplantis, a citizen of Nevada.
Clyde R. Huddleson, a citizen of North Dakota.
Edwin A. Law, a citizen of Florida.
James S. O'Halloran, a citizen of Massachusetts.
Harry O. Smith, Jr., a citizen of Vermont.
Alexander A. Vandegrift, Jr., a citizen of Virginia.
Joseph L. Winecoff, a citizen of Georgia.

Q. M. Clerk Ray O'Toole to be a chief quartermaster clerk in the Marine Corps, to rank with but after second lieutenant, from the 29th day of October 1935.

Q. M. Clerk Oswald Brosseau to be a chief quartermaster clerk in the Marine Corps, to rank with but after second lieutenant, from the 5th day of November 1935.

POSTMASTERS

ALABAMA

Bryan Whitehurst to be postmaster at Abbeville, Ala., in place of L. C. Hays. Incumbent's commission expired January 22, 1935.

Harry E. Marshall to be postmaster at Orrville, Ala. Office became Presidential July 1, 1935.

ARKANSAS

Philip G. Gates to be postmaster at Crossett, Ark., in place of E. H. Finch, deceased.

Leola Garner to be postmaster at Plainview, Ark. Office became Presidential July 1, 1935.

William F. Bryant to be postmaster at Quitman, Ark. Office became Presidential July 1, 1935.

CALIFORNIA

Eugene F. Morris to be postmaster at Agnew, Calif., in place of W. S. Sullivan. Incumbent's commission expired December 18, 1934.

Alfonse M. Hamann to be postmaster at Balboa, Calif., in place of E. B. Whitson. Incumbent's commission expired December 18, 1934.

A. Dewey Newburn to be postmaster at Carlsbad, Calif., in place of P. M. Arnold. Incumbent's commission expired February 28, 1933.

Clark Wallace to be postmaster at Compton, Calif., in place of E. J. Lewis, removed.

Frederick K. Smith to be postmaster at Crestline, Calif. Office became Presidential July 1, 1935.

Dino L. Ceccarelli to be postmaster at Dos Palos, Calif., in place of M. E. Millett. Incumbent's commission expired February 20, 1935.

Maud W. Wilson to be postmaster at Fall River Mills, Calif., in place of C. C. Fitzwater. Incumbent's commission expired December 18, 1934.

W. Sinclair Head to be postmaster at Garden Grove, Calif., in place of M. A. Head, transferred.

Dorathea Dooley to be postmaster at Hopland, Calif., in place of E. F. Grant. Incumbent's commission expired June 24, 1934.

Henry P. Sartain to be postmaster at Lincoln, Calif., in place of K. M. Fleming. Incumbent's commission expired January 22, 1935.

Edgar M. Bandy to be postmaster at Lindsay, Calif., in place of J. B. Frisbee, deceased.

Alexander Main to be postmaster at Lompoc, Calif., in place of D. C. Saunders, deceased.

Sidney E. Henking to be postmaster at Niland, Calif., in place of S. E. Henking. Incumbent's commission expires January 9, 1936.

Vera Wettlin to be postmaster at Orange, Calif., in place of W. O. Hart. Incumbent's commission expired December 18, 1933.

John E. Alfors to be postmaster at Parlier, Calif., in place of C. H. Hackney. Incumbent's commission expired February 20, 1935.

Josephine Zucca to be postmaster at Selby, Calif., in place of Josephine Zucca. Incumbent's commission expires January 9, 1936.

Bess Morabe to be postmaster at Sutter Creek, Calif., in place of Bess Morabe. Incumbent's commission expires January 9, 1936.

Mary A. Black to be postmaster at Terminal Island, Calif., in place of W. J. Black, resigned.

Edith M. Kennedy to be postmaster at Weimar, Calif., in place of E. M. Kennedy. Incumbent's commission expires January 9, 1936.

COLORADO

Lloyd W. Failing to be postmaster at Craig, Colo., in place of I. P. Beckett, resigned.

CONNECTICUT

Albert C. Santi to be postmaster at Ivoryton, Conn., in place of J. B. Griswold, deceased.

George S. Clark to be postmaster at Milford, Conn., in place of M. J. Cheney. Incumbent's commission expired December 16, 1933.

Albert H. Buckingham to be postmaster at Roxbury, Conn., in place of Burton Hodge. Incumbent's commission expired February 5, 1935.

Frank Buonocore to be postmaster at Torrington, Conn., in place of A. E. Wellman, retired.

Warren A. Mansfield to be postmaster at Woodbury, Conn., in place of R. O. Judson. Incumbent's commission expired January 28, 1934.

FLORIDA

George P. Farnall to be postmaster at Belle Glade, Fla., in place of G. P. Farnall. Incumbent's commission expires January 13, 1936.

Charles W. Pierce to be postmaster at Boynton, Fla., in place of C. W. Pierce. Incumbent's commission expired March 18, 1934.

William T. Graves to be postmaster at Cottondale, Fla. Office became Presidential July 1, 1935.

Charles W. Stewart to be postmaster at Naples, Fla., in place of C. W. Stewart. Incumbent's commission expires January 13, 1936.

Edgar Drew Padgett to be postmaster at Ponce de Leon, Fla. Office became Presidential July 1, 1935.

Henry A. Drake to be postmaster at Port St. Joe, Fla. Office became Presidential July 1, 1935.

Leonard F. Stewart, Jr., to be postmaster at Zellwood, Fla. Office became Presidential July 1, 1935.

GEORGIA

Thomas W. Dalton to be postmaster at Alto, Ga., in place of J. A. Grant. Incumbent's commission expired March 2, 1935.

Lucius Hannon to be postmaster at Atco, Ga., in place of Lucius Hannon. Incumbent's commission expires January 7, 1936.

Elizabeth H. Quinn to be postmaster at Barnesville, Ga., in place of E. H. Quinn. Incumbent's commission expires January 7, 1936.

Evelyn W. Simpson to be postmaster at Buford, Ga., in place of Ertha Garner. Incumbent's commission expired February 25, 1935.

Jesse S. Weathers to be postmaster at Cairo, Ga., in place of J. S. Weathers. Incumbent's commission expires January 7, 1936.

Ivie B. Owen to be postmaster at Concord, Ga., in place of R. E. Lee. Incumbent's commission expired June 3, 1930.

John Marvin Gillespie to be postmaster at Demorest, Ga., in place of J. R. Barrett. Incumbent's commission expired February 25, 1935.

Mae W. Duke to be postmaster at Gibson, Ga. Office became Presidential July 1, 1935.

Sara B. Fox to be postmaster at Harlem, Ga., in place of S. B. Fox. Incumbent's commission expires January 7, 1936.

W. Vaughn Rice to be postmaster at Hiawassee, Ga. Office became Presidential July 1, 1935.

Charlie T. Hightower to be postmaster at Hogansville, Ga., in place of M. F. Harris. Incumbent's commission expired February 25, 1935.

Victor H. Carmichael to be postmaster at Jackson, Ga., in place of Bessie Waldrop. Incumbent's commission expired February 25, 1935.

Clifton O. Lloyd to be postmaster at Lindale, Ga., in place of C. O. Lloyd. Incumbent's commission expires January 7, 1936.

Walter E. Schilling to be postmaster at Marietta, Ga., in place of Mrs. A. S. Clay. Incumbent's commission expired December 16, 1934.

J. Stanley Newton to be postmaster at Norman Park, Ga., in place of J. S. Newton. Incumbent's commission expires January 7, 1936.

Wilbur N. Harwell to be postmaster at Oxford, Ga., in place of J. T. Bird. Incumbent's commission expired February 25, 1935.

HAWAII

Alfred K. Smith to be postmaster at Kealakekua, Hawaii, in place of F. J. Cushingham. Incumbent's commission expired February 20, 1935.

IDAHO

Ernest W. Myers to be postmaster at Avery, Idaho, in place of R. R. Walker, resigned.

Iva F. Madden to be postmaster at Cascade, Idaho, in place of I. F. Madden. Incumbent's commission expires January 7, 1936.

Byron E. Harris to be postmaster at Headquarters, Idaho. Office became Presidential July 1, 1935.

Henry B. Jones to be postmaster at Wilder, Idaho, in place of C. A. McPherson. Incumbent's commission expired January 22, 1935.

ILLINOIS

Nancy Michael to be postmaster at Argo, Ill., in place of Nancy Michael. Incumbent's commission expires January 7, 1936.

Leslie B. McCaffrey to be postmaster at Fort Sheridan, Ill., in place of Bessie Reynolds. Incumbent's commission expired March 8, 1934.

Dorothy A. O'Donnell to be postmaster at Grafton, Ill., in place of Thomas O'Donnell, deceased.

John T. O'Brien to be postmaster at Harvard, Ill., in place of Eugene Saunders. Incumbent's commission expired December 15, 1931.

Edwin C. F. Braun to be postmaster at Lebanon, Ill., in place of J. A. Dausmann. Incumbent's commission expired January 22, 1935.

Eugene Hoerrmann to be postmaster at Manhattan, Ill., in place of A. M. Tennysen. Incumbent's commission expired February 14, 1935.

Etta Lutz to be postmaster at Mendota, Ill., in place of G. E. Whitmore, retired.

Angus D. Irey to be postmaster at Monmouth, Ill., in place of J. W. Scott, retired.

Alice May Pulley to be postmaster at Pittsburg, Ill., in place of J. S. Burnett, removed.

Clarence J. Hanen to be postmaster at St. Anne, Ill., in place of G. W. Martin. Incumbent's commission expired December 9, 1934.

Michael Sparks to be postmaster at St. Francisville, Ill., in place of W. A. Brian, removed.

John R. Slater to be postmaster at Savanna, Ill., in place of B. M. Smith, transferred.

Rufus B. Grissom to be postmaster at Toledo, Ill., in place of J. E. Hughes, removed.

John W. Norris to be postmaster at Washington, Ill., in place of D. S. Birkett. Incumbent's commission expired February 4, 1935.

Daniel H. Desmond to be postmaster at Woodstock, Ill., in place of L. H. Renich, retired.

Homer G. Ingram to be postmaster at Zion, Ill., in place of S. H. DePew. Incumbent's commission expired February 14, 1935.

INDIANA

Lawrence M. Slough to be postmaster at Bourbon, Ind., in place of C. E. Elkins, removed.

Mel M. Carter to be postmaster at Greensburg, Ind., in place of C. M. Woodfill. Incumbent's commission expired January 13, 1935.

Alton C. Reeves to be postmaster at Hope, Ind., in place of W. H. Hailway. Incumbent's commission expired February 14, 1935.

Frank G. Trinosky to be postmaster at La Crosse, Ind., in place of E. J. Pinney. Incumbent's commission expired April 16, 1934.

Albert Spanagel to be postmaster at Lawrenceburg, Ind., in place of H. R. Hayes, resigned.

Ruth D. Pommerehn to be postmaster at North Madison, Ind., in place of A. B. Lochard, resigned.

Millie E. Smith to be postmaster at Ray, Ind. Office became Presidential July 1, 1935.

Walter H. Droege to be postmaster at Seymour, Ind., in place of T. E. Carter, removed.

Gordon O. Thurston to be postmaster at Shelbyville, Ind., in place of G. E. Young, resigned.

Charles F. Fisher to be postmaster at Speed, Ind. Office became Presidential July 1, 1935.

Frank G. Sheviak to be postmaster at Wanatah, Ind., in place of W. W. Schmidt. Incumbent's commission expired April 2, 1934.

IOWA

Edward J. Kooreman to be postmaster at Alton, Iowa, in place of E. J. Kooreman. Incumbent's commission expires January 12, 1936.

Henry D. Butterbrodt to be postmaster at Bennett, Iowa. Office became Presidential July 1, 1935.

Samuel J. Gray to be postmaster at Blencoe, Iowa, in place of Bertha Zadow. Incumbent's commission expired January 22, 1935.

Estelle Coon to be postmaster at Brooklyn, Iowa, in place of J. A. Barnes. Incumbent's commission expired January 22, 1935.

Edson L. Glau to be postmaster at Charter Oak, Iowa, in place of H. A. Jones. Incumbent's commission expired December 20, 1934.

Donald D. Mead to be postmaster at Cresco, Iowa, in place of W. C. Patterson, retired.

Mary A. Waters to be postmaster at Delmar, Iowa, in place of R. E. Scheib, resigned.

Lester T. Quaadorf to be postmaster at Dows, Iowa, in place of W. L. Damerow. Incumbent's commission expired February 25, 1935.

Daisy V. Farrell to be postmaster at Fonda, Iowa, in place of R. F. Sargent. Incumbent's commission expired December 9, 1934.

Martin C. Fitzpatrick to be postmaster at Greeley, Iowa, in place of A. E. Frentress, retired.

Hubert E. Liming to be postmaster at Ida Grove, Iowa, in place of B. H. Todd. Incumbent's commission expired February 14, 1935.

Howard E. Reichard to be postmaster at Knoxville, Iowa, in place of M. L. Curtis, removed.

Marie B. Henderson to be postmaster at Minburn, Iowa. Office became Presidential July 1, 1935.

Albert S. Barry to be postmaster at Muscatine, Iowa, in place of W. S. McKee, resigned.

Florence Gilman to be postmaster at Rock Rapids, Iowa, in place of W. G. Smith. Incumbent's commission expired January 22, 1935.

KANSAS

William Merrifield to be postmaster at Agra, Kans., in place of S. L. Crown. Incumbent's commission expired December 16, 1933.

Ferdinand Scharping to be postmaster at Hillsboro, Kans., in place of Ferdinand Scharping. Incumbent's commission expires January 8, 1936.

Edward Tacha to be postmaster at Jennings, Kans., in place of H. E. Simpson. Incumbent's commission expired January 28, 1934.

Anna H. Smith to be postmaster at Morland, Kans., in place of A. J. Nichols, resigned.

Rollie David to be postmaster at Russell Springs, Kans. Office became Presidential July 1, 1935.

Harry F. Sloan to be postmaster at Selden, Kans., in place of R. J. Miller. Incumbent's commission expired April 20, 1932.

KENTUCKY

Rex A. Logan to be postmaster at Bowling Green, Ky., in place of Clarence Neighbors. Incumbent's commission expired December 20, 1934.

Henry Boyd Stiles to be postmaster at Cecilia, Ky., in place of F. A. Wiseman. Incumbent's commission expired April 30, 1934.

Minnie Heflin to be postmaster at Ewing, Ky., in place of J. H. Thompson, resigned.

James A. Usher to be postmaster at Farmington, Ky. Office became Presidential July 1, 1935.

Fanny L. Scott to be postmaster at Florence, Ky., in place of O. C. Lucas, resigned.

Lester Jeter to be postmaster at Hustonville, Ky., in place of Grant North, removed.

Elizabeth L. Arnold to be postmaster at Lewisburg, Ky., in place of C. B. Marshall. Incumbent's commission expired February 5, 1935.

Morgan B. Johnson to be postmaster at McRoberts, Ky. Office became Presidential January 1, 1935.

Lynn B. Wells to be postmaster at West Liberty, Ky., in place of J. L. Blair. Incumbent's commission expired February 20, 1935.

MAINE

Gladys C. Thurlow to be postmaster at Buckfield, Maine, in place of C. M. Buck, deceased.

Geneva B. Haley to be postmaster at Cornish, Maine, in place of R. W. Chaplin, resigned.

Charles A. Robbins to be postmaster at Lincoln, Maine, in place of A. A. Weatherbee. Incumbent's commission expired December 20, 1934.

Paul Archambault to be postmaster at Madawaska, Maine, in place of Thomas Hebert. Incumbent's commission expired June 28, 1934.

Fred W. Allen to be postmaster at Pownal, Maine. Office became Presidential July 1, 1935.

Orrin J. Bishop to be postmaster at Presque Isle, Maine, in place of E. I. Waddell. Incumbent's commission expired January 22, 1935.

Alice S. Fitzgerald to be postmaster at Smyrna Mills, Maine. Office became Presidential July 1, 1935.

MARYLAND

Kathryn T. Schaefer to be postmaster at Chesapeake City, Md., in place of J. M. Reed, Jr. Incumbent's commission expired April 22, 1934.

Clarence C. C. Thomas to be postmaster at Lilypons, Md. Office became Presidential July 1, 1935.

Louis E. Lamborn to be postmaster at McDonogh, Md., in place of L. E. Lamborn. Incumbent's commission expires January 11, 1936.

Katherine G. O'Donnell to be postmaster at Mountain Lake Park, Md., in place of H. C. Leighton. Incumbent's commission expired April 22, 1934.

William D. Lovell, Jr., to be postmaster at New Windsor, Md., in place of M. D. Reid. Incumbent's commission expired January 28, 1935.

Levin D. Lynch to be postmaster at Ocean City, Md., in place of G. S. Cropper. Incumbent's commission expired March 18, 1934.

Mary W. Stewart to be postmaster at Oxford, Md., in place of M. W. Stewart. Incumbent's commission expires January 11, 1936.

Maurice T. Truitt to be postmaster at Pittsville, Md., in place of J. W. Brittingham, deceased.

Victor F. Cullen to be postmaster at State Sanatorium, Md., in place of V. F. Cullen. Incumbent's commission expires January 11, 1936.

John O. Crapster to be postmaster at Taneytown, Md., in place of H. L. Feeser. Incumbent's commission expired January 28, 1935.

Philip E. Huntt to be postmaster at Waldorf, Md., in place of P. E. Huntt. Incumbent's commission expires January 11, 1936.

MASSACHUSETTS

Thornton S. Swift to be postmaster at Bourne, Mass. Office became Presidential July 1, 1935.

Marguerite H. Mallahy to be postmaster at Fiskdale, Mass., in place of B. D. Webber. Incumbent's commission expired June 17, 1934.

John V. Malone to be postmaster at Lancaster, Mass., in place of M. M. Monahan, removed.

Carl R. Rowe to be postmaster at Marlboro, Mass., in place of J. H. Baker. Incumbent's commission expired January 22, 1935.

Samuel L. Wildes to be postmaster at Montague, Mass., in place of S. L. Wildes. Incumbent's commission expires January 9, 1936.

Dorothy T. Swift to be postmaster at North Falmouth, Mass., in place of D. T. Swift. Incumbent's commission expires January 9, 1936.

MICHIGAN

Elburn H. Shelp to be postmaster at Bancroft, Mich., in place of C. F. Waldie. Incumbent's commission expired December 18, 1934.

John H. Sauvola to be postmaster at Chassell, Mich., in place of P. H. Schannenk, deceased.

Bernice J. LaPointe to be postmaster at Erie, Mich., in place of J. G. Gilday. Incumbent's commission expired June 17, 1934.

Grover W. Allen to be postmaster at Grass Lake, Mich., in place of F. A. Cole. Incumbent's commission expired January 15, 1933.

Kathleen L. Bouchey to be postmaster at Hillman, Mich., in place of G. A. McNicol. Incumbent's commission expired December 8, 1934.

Louis J. Vanderburg to be postmaster at Holland, Mich., in place of A. J. Westveer, retired.

James N. Mulvenna to be postmaster at Hudson, Mich., in place of E. C. Baldwin, retired.

Joseph A. Picard to be postmaster at Jackson, Mich., in place of F. J. Beaman. Incumbent's commission expired December 18, 1934.

Guy D. Thompson to be postmaster at Lapeer, Mich., in place of F. B. Kay. Incumbent's commission expired December 18, 1934.

Ernest B. Kelly to be postmaster at Mason, Mich., in place of L. R. Doane. Incumbent's commission expired March 2, 1935.

Matt F. Bilek to be postmaster at Menominee, Mich., in place of Edward Barstow. Incumbent's commission expired February 25, 1935.

Martha Swaney to be postmaster at Morenci, Mich., in place of M. A. Smith. Incumbent's commission expired December 20, 1934.

Robert D. Tripp to be postmaster at Petoskey, Mich., in place of G. W. McCabe, deceased.

Stanley A. Horning to be postmaster at Portland, Mich., in place of J. B. Hecox. Incumbent's commission expired December 18, 1934.

Alonzo A. Strong to be postmaster at Reed City, Mich., in place of D. A. Rosencrans, transferred.

Arthur E. O'Neill to be postmaster at Saline, Mich., in place of C. A. Jordan. Incumbent's commission expired January 23, 1935.

Joseph B. Comiskey to be postmaster at South Lyon, Mich., in place of J. V. Baker. Incumbent's commission expired December 18, 1934.

Clark M. Pomeroy to be postmaster at Sterling, Mich., in place of G. S. Scott. Incumbent's commission expired February 4, 1935.

Hilda Webber to be postmaster at Trenary, Mich. Office became Presidential July 1, 1935.

William Stahl to be postmaster at Van Dyke, Mich., in place of C. J. Bristow. Incumbent's commission expired December 18, 1934.

Jesse L. Whitney to be postmaster at Washington, Mich. Office became Presidential July 1, 1935.

Francis E. Benjamin to be postmaster at Whitehall, Mich., in place of E. A. Hopperstead. Incumbent's commission expired February 20, 1935.

Robert H. Peacock to be postmaster at Yale, Mich., in place of W. R. Bryce. Incumbent's commission expired January 13, 1935.

MINNESOTA

Lloyd A. Ahles to be postmaster at Albany, Minn., in place of Thomas Tomasek. Incumbent's commission expired June 20, 1934.

Lindley B. Hanna to be postmaster at Austin, Minn., in place of G. E. Anderson, retired.

Edward E. Vig to be postmaster at Belgrade, Minn., in place of J. O. Gullander. Incumbent's commission expired February 25, 1935.

Arthur Elmer Imsdahl to be postmaster at Brooten, Minn., in place of O. A. Solberg. Incumbent's commission expired December 20, 1934.

Bertha H. Anderson to be postmaster at Byron, Minn., in place of A. G. Doherty. Incumbent's commission expired May 20, 1934.

Lucy M. Berczyk to be postmaster at Clarissa, Minn., in place of G. A. Etzell. Incumbent's commission expired March 8, 1934.

Palmer M. Swenson to be postmaster at Dawson, Minn., in place of H. C. Bacon. Incumbent's commission expired February 25, 1935.

Olger B. Weibye to be postmaster at Eagle Bend, Minn., in place of E. C. Hutchinson. Incumbent's commission expired May 20, 1934.

Herman Ten Cate to be postmaster at Edgerton, Minn., in place of H. C. Baldwin, removed.

Virgia Poole to be postmaster at Effie, Minn. Office became Presidential July 1, 1935.

Norman O. Nelson to be postmaster at Fertile, Minn., in place of J. A. Gregerson, removed.

Herman Frajola to be postmaster at Gilbert, Minn., in place of James Crane. Incumbent's commission expired February 25, 1935.

Sam Bogen to be postmaster at Hendricks, Minn., in place of C. J. Johnson. Incumbent's commission expired February 20, 1935.

LeRoy S. Burnett to be postmaster at Hewitt, Minn. Office became Presidential July 1, 1935.

Catherine G. T. Lydon to be postmaster at Kellogg, Minn., in place of C. F. Wolfe. Incumbent's commission expired February 20, 1935.

Edward R. Scanlan to be postmaster at Lanesboro, Minn., in place of A. M. Enger. Incumbent's commission expired June 19, 1933.

Herman H. Krenzke to be postmaster at Lewiston, Minn., in place of G. W. Kiefer. Incumbent's commission expired February 20, 1935.

Jacob Egerman to be postmaster at Melrose, Minn., in place of C. W. Carlson. Incumbent's commission expired February 20, 1935.

John R. Coan to be postmaster at Minneapolis, Minn., in place of W. C. Robertson, deceased.

Russell C. Mills to be postmaster at Montevideo, Minn., in place of S. S. Michaelson, removed.

Rudolph S. Viitala to be postmaster at Mountain Iron, Minn., in place of J. L. Beck. Incumbent's commission expired February 20, 1935.

John C. Christensen to be postmaster at Ruthton, Minn., in place of H. C. Pedersen, resigned.

Philip A. Weis to be postmaster at Sartell, Minn. Office became Presidential July 1, 1935.

William R. Kleven to be postmaster at Sebeka, Minn., in place of M. E. Isherwood. Incumbent's commission expired February 25, 1935.

George W. Phares to be postmaster at Sturgeon Lake, Minn., in place of Charles Olson. Incumbent's commission expired February 20, 1935.

Elmer E. Swenson to be postmaster at Warren, Minn., in place of A. B. Nelson, removed.

Burt Mason to be postmaster at Warroad, Minn., in place of Halvor Robberstad. Incumbent's commission expired December 20, 1932.

Josephine D. Smith to be postmaster at Wayzata, Minn., in place of R. E. Wakefield, removed.

MISSISSIPPI

Charles O. Yelverton to be postmaster at Bay Springs, Miss., in place of F. C. Shoemaker. Incumbent's commission expired July 3, 1934.

James I. Pittman to be postmaster at Eupora, Miss., in place of L. B. Phillips. Incumbent's commission expired February 4, 1935.

Stella O. McGehee to be postmaster at Gloster, Miss., in place of H. B. Miller. Incumbent's commission expired May 29, 1934.

John N. Truitt to be postmaster at Minter City, Miss., in place of J. N. Truitt. Incumbent's commission expired July 1, 1934.

Della A. Myers to be postmaster at Newhebron, Miss., in place of D. A. Myers. Incumbent's commission expired June 9, 1934.

William G. Sloan to be postmaster at Northcarrollton, Miss., in place of W. G. Sloan. Incumbent's commission expires January 13, 1936.

Myra P. Varnado to be postmaster at Osyka, Miss., in place of M. P. Varnado. Incumbent's commission expires January 13, 1936.

MISSOURI

Michael Streib to be postmaster at Affton, Mo., in place of G. J. C. Wohlschlaeger. Incumbent's commission expired December 10, 1932.

Watkin Jones to be postmaster at Bevier, Mo., in place of W. P. Rowland, deceased.

Avery L. Dreier to be postmaster at Billings, Mo., in place of Colmore Gray. Incumbent's commission expired April 8, 1934.

Carroll Wisdom to be postmaster at Bowling Green, Mo., in place of L. E. Meyer. Incumbent's commission expired February 20, 1935.

John A. Byler to be postmaster at Ethel, Mo., in place of B. N. Jones. Incumbent's commission expired March 2, 1935.

Harold S. Bradley to be postmaster at Hickman Mills, Mo., in place of G. S. Lorimer. Incumbent's commission expired February 14, 1935.

Clyde G. Eubank to be postmaster at Madison, Mo., in place of L. R. Kirtley. Incumbent's commission expired February 25, 1935.

Joseph E. Soutee to be postmaster at Marionville, Mo., in place of A. L. Owens, removed.

Margaret H. Stewart to be postmaster at Mexico, Mo., in place of L. M. Gamble. Incumbent's commission expired February 25, 1935.

Harry E. Ball to be postmaster at Montgomery City, Mo., in place of C. E. Vandaveer. Incumbent's commission expired July 3, 1934.

William G. Nunnelly to be postmaster at New Florence, Mo., in place of F. A. Grebe. Incumbent's commission expired February 25, 1935.

Hugh I. Holmes to be postmaster at St. Charles, Mo., in place of E. L. Renno. Incumbent's commission expired February 20, 1935.

Verna F. Whisner to be postmaster at Sarcoxie, Mo., in place of J. H. Seneker. Incumbent's commission expired May 3, 1933.

Alethea S. Williams to be postmaster at Silex, Mo., in place of J. V. Forst. Incumbent's commission expired February 25, 1935.

William H. McIntire to be postmaster at Vandalia, Mo., in place of C. C. Wilson. Incumbent's commission expired February 25, 1935.

Grailie B. Windes to be postmaster at Washburn, Mo. Office became Presidential July 1, 1935.

John P. Cunningham to be postmaster at Wentzville, Mo., in place of W. F. Meier. Incumbent's commission expired February 25, 1935.

MONTANA

Stephen Nuerenberg to be postmaster at Missoula, Mont., in place of R. T. Richardson, retired.

NEBRASKA

Chris A. Andersen to be postmaster at Benkelman, Nebr., in place of E. V. Barger, resigned.

Renald A. Tobey to be postmaster at Gresham, Nebr., in place of A. A. Irmer, removed.

Lafe Simonson to be postmaster at Palmer, Nebr., in place of B. R. Adams. Incumbent's commission expired June 20, 1934.

NEW HAMPSHIRE

Ruth N. Ray to be postmaster at Chester, N. H., in place of P. G. Hazelton. Incumbent's commission expired February 25, 1935.

Paul A. Richard to be postmaster at Hudson, N. H., in place of A. B. Clyde. Incumbent's commission expired December 16, 1933.

NEW JERSEY

William J. Lawlor to be postmaster at Carteret, N. J., in place of T. J. Nevill. Incumbent's commission expired February 14, 1935.

George A. Keenan to be postmaster at Clifton, N. J., in place of J. K. Grimes, not commissioned.

William J. Maloney to be postmaster at Fords, N. J., in place of G. T. Applegate, resigned.

Lewis D. Smith, Jr., to be postmaster at Fort Hancock, N. J., in place of N. O. Simpson. Incumbent's commission expired February 25, 1935.

Cornelius S. Hoff to be postmaster at Frenchtown, N. J., in place of C. A. Britton. Incumbent's commission expired February 28, 1933.

William J. Reynolds to be postmaster at Newfoundland, N. J., in place of C. E. Post, removed.

Anne C. Murphy to be postmaster at North Hackensack, N. J., in place of E. N. Crandell, deceased.

Margaret A. Esposito to be postmaster at Sicklerville, N. J. Office became Presidential July 1, 1935.

Peter F. Martin to be postmaster at Waldwick, N. J., in place of George Schultz, removed.

Irma Goodman to be postmaster at Woodbine, N. J., in place of Jacob Feldman, removed.

NEW MEXICO

Helen Anna Childers to be postmaster at Jal, N. Mex. Office became Presidential July 1, 1935.

Joseph J. Considine to be postmaster at Mesilla Park, N. Mex., in place of L. C. Harris. Incumbent's commission expired May 16, 1934.

Henry A. Harber to be postmaster at State College, N. Mex., in place of J. H. Evans. Incumbent's commission expired December 19, 1933.

James B. Martin to be postmaster at Tatum, N. Mex. Office became Presidential July 1, 1935.

NEW YORK

Barthold C. Hadel to be postmaster at Amagansett, N. Y., in place of W. E. Cartwright, resigned.

Walter Longwell to be postmaster at Bath, N. Y., in place of S. D. Clark, resigned.

Thomas F. English to be postmaster at Elmsford, N. Y., in place of M. H. Avery. Incumbent's commission expired January 23, 1935.

Dennis J. Sullivan to be postmaster at Fort Plain, N. Y., in place of R. D. Miller. Incumbent's commission expired February 5, 1935.

Barbara J. Kelly to be postmaster at Frankfort, N. Y., in place of I. W. Fish. Incumbent's commission expired December 18, 1934.

James M. Dwyer to be postmaster at Geneseo, N. Y., in place of W. D. Shepard. Incumbent's commission expired February 5, 1935.

Daniel F. Driscoll to be postmaster at Geneva, N. Y., in place of L. A. Currey. Incumbent's commission expired February 6, 1935.

James T. McLaughlin to be postmaster at Glen Head, N. Y., in place of M. O. Howell, removed.

Jerry Burd to be postmaster at Greenwood, N. Y. Office became Presidential July 1, 1935.

William J. Riley to be postmaster at Hoosick Falls, N. Y., in place of G. W. Van Hyning. Incumbent's commission expired January 23, 1935.

Thomas F. Carroll to be postmaster at Oriskany, N. Y., in place of W. S. White. Incumbent's commission expired February 20, 1935.

Victor S. Manchester to be postmaster at Petersburg, N. Y., in place of L. D. Carr. Incumbent's commission expired January 13, 1935.

Ethel M. Cole to be postmaster at Pleasant Valley, N. Y., in place of L. L. Erhart. Incumbent's commission expired May 2, 1934.

Thomas E. Roeber to be postmaster at Port Washington, N. Y., in place of E. W. McBrian, resigned.

Sarah C. Lounsbery to be postmaster at Stone Ridge, N. Y., in place of Frank Davis. Incumbent's commission expired January 13, 1935.

Mabel G. Baldwin to be postmaster at Waverly, N. Y., in place of F. C. Simmons, deceased.

Carl N. Marshall to be postmaster at Wellsville, N. Y., in place of J. H. Fisher, retired.

John J. Hoek to be postmaster at West Sayville, N. Y., in place of Albert Van Essendelft. Incumbent's commission expired March 22, 1934.

Patrick A. Murphy to be postmaster at White Plains, N. Y., in place of LeRoy Smith, retired.

NORTH CAROLINA

James Franklin Greene to be postmaster at Bakersville, N. C., in place of G. M. Baker, resigned.

John R. Giles to be postmaster at Glen Alpine, N. C. Office became Presidential July 1, 1935.

Carl V. Bundy to be postmaster at Jamestown, N. C. Office became Presidential July 1, 1935.

Frank L. Hoyle, Sr., to be postmaster at Shelby, N. C., in place of J. H. Quinn, removed.

NORTH DAKOTA

Lincoln A. Hanson to be postmaster at Aneta, N. Dak., in place of Anfin Qualey. Incumbent's commission expired December 20, 1934.

Mary M. Held to be postmaster at Beulah, N. Dak., in place of T. H. Scholz. Incumbent's commission expired April 28, 1934.

Florence M. Law to be postmaster at Halliday, N. Dak., in place of H. M. Pippin, removed.

John W. Virden to be postmaster at Larimore, N. Dak., in place of J. D. Peirce. Incumbent's commission expired February 4, 1935.

Helen Morton to be postmaster at Manning, N. Dak. Office became Presidential July 1, 1935.

Veronica F. Bimler to be postmaster at Munich, N. Dak. Office became Presidential July 1, 1935.

Carl L. George to be postmaster at Sarles, N. Dak., in place of C. L. George. Incumbent's commission expires January 7, 1936.

Janette O. Gray to be postmaster at Wilton, N. Dak., in place of L. Q. Perkins. Incumbent's commission expired January 28, 1933.

OHIO

Marvin L. Sollmann to be postmaster at Anna, Ohio, in place of E. C. Ludwig. Incumbent's commission expired March 2, 1935.

John B. Kochheiser to be postmaster at Bellville, Ohio, in place of G. L. Shaffer, removed.

Lee F. Beveridge to be postmaster at Butler, Ohio, in place of J. F. Bumpus. Incumbent's commission expired March 22, 1934.

William A. Cassady to be postmaster at East Columbus, Ohio, in place of M. P. Devore. Incumbent's commission expired March 18, 1934.

Thomas G. Smith to be postmaster at Glendale, Ohio, in placed of J. H. Church, Jr., declined.

Florence Wilcox to be postmaster at Hilliards, Ohio, in place of F. G. Winterringer. Incumbent's commission expired January 13, 1935.

Cecil W. Briggs to be postmaster at New Holland, Ohio, in place of H. H. Davis. Incumbent's commission expired June 17, 1934.

James L. Crawford to be postmaster at Orient, Ohio. Office became Presidential July 1, 1935.

Robert W. Schocke to be postmaster at Oxford, Ohio, in place of J. C. Caldwell. Incumbent's commission expired March 22, 1934.

Hiram L. Easinger to be postmaster at Pandora, Ohio, in place of H. E. Cahill. Incumbent's commission expired December 18, 1934.

Carl H. Caris to be postmaster at Ravenna, Ohio, in place of C. R. Seymour, transferred.

Ray M. Cartwright to be postmaster at Sardinia, Ohio, in place of M. E. Campbell, deceased.

John Daniel O'Sullivan to be postmaster at Sharonville, Ohio, in place of E. M. Smith. Incumbent's commission expired December 20, 1934.

Clarence A. Flenniken to be postmaster at Smithfield, Ohio, in place of I. L. Flenniken, deceased.

Goldie N. Stroup to be postmaster at Spencer, Ohio, in place of Della Boone. Incumbent's commission expired February 4, 1935.

Howard E. Smith to be postmaster at Vandalia, Ohio, in place of M. M. Beeson, resigned.

OKLAHOMA

Orval L. Harris to be postmaster at Asher, Okla., in place of J. R. Hibbard, resigned.

Lester M. Norris to be postmaster at Cache, Okla. Office became Presidential July 1, 1935.

Elmer C. Hoops to be postmaster at Fort Cobb, Okla., in place of T. H. Henderson, removed.

Earl L. Smith to be postmaster at Locust Grove, Okla., in place of Estella Sahland. Incumbent's commission expired February 21, 1935.

Clifford A. Shaw to be postmaster at Oakwood, Okla. Office became Presidential July 1, 1935.

Marie A. Crute to be postmaster at Prague, Okla., in place of Edward McKim. Incumbent's commission expired March 22, 1934.

Ora E. Spaulding to be postmaster at Ralston, Okla., in place of J. W. McCague. Incumbent's commission expired February 14, 1935.

OREGON

Irwin D. Pike to be postmaster at Grass Valley, Oreg., in place of I. D. Pike. Incumbent's commission expired January 13, 1935.

Fred L. Hartman to be postmaster at Pilot Rock, Oreg. Office became Presidential July 1, 1935.

Carl W. Fegtly to be postmaster at Vale, Oreg., in place of Oscar Daley, resigned.

PENNSYLVANIA

Francis J. Pension to be postmaster at Abington, Pa., in place of E. H. Heydt. Incumbent's commission expired June 20, 1934.

LeRoy W. Stengel to be postmaster at Bally, Pa., in place of S. L. Bechtel, removed.

Edith M. Cookins to be postmaster at Canonsburg, Pa., in place of W. A. Leroy, retired.

Isaac A. Hiorth to be postmaster at Chester, Pa., in place of J. K. Hagerty, removed.

Curtis R. Bloom to be postmaster at Clymer, Pa., in place of E. L. Beechey, removed.

William K. Wrigley to be postmaster at Curwensville, Pa., in place of T. E. Sheridan. Incumbent's commission expired January 22, 1935.

John H. Renstrom to be postmaster at Fayette City, Pa., in place of J. H. Renstrom. Incumbent's commission expired May 25, 1932.

Caroline E. W. Curry to be postmaster at Glen Olden, Pa., in place of E. H. Cliff. Incumbent's commission expired January 19, 1933.

Isaac W. Edgar to be postmaster at Glenshaw, Pa., in place of I. W. Edgar. Incumbent's commission expired January 22, 1935.

Alvin C. Winner to be postmaster at Hatboro, Pa., in place of L. R. Thoman. Incumbent's commission expired February 25, 1935.

Elmer N. Zepp to be postmaster at Hatfield, Pa., in place of W. R. Kulp. Incumbent's commission expired January 9, 1935.

Frances M. Dougherty to be postmaster at Haverford, Pa., in place of G. R. Fleming. Incumbent's commission expired February 14, 1935.

John Johnston to be postmaster at Library, Pa., in place of M. M. Ross, not commissioned.

James P. Dennehy to be postmaster at Lock Haven, Pa., in place of G. B. Stevenson. Incumbent's commission expired February 25, 1935.

Matthew C. Fox, Jr., to be postmaster at Media, Pa., in place of J. B. Flounders. Incumbent's commission expired January 10, 1932.

Margaret M. Jones to be postmaster at Miquon, Pa., in place of M. M. Jones. Incumbent's commission expired January 28, 1935.

Lottie I. Brewer to be postmaster at Oaks, Pa., in place of J. H. Francis, removed.

Thalia D. Hammer to be postmaster at Ogontz School, Pa., in place of E. F. Rivers, deceased.

James Mosco Ott to be postmaster at Orbisonia, Pa., in place of H. T. Wear. Incumbent's commission expired January 9, 1935.

James W. Nash to be postmaster at Portage, Pa., in place of F. W. Eicher. Incumbent's commission expired January 28, 1935.

John W. Connelly to be postmaster at Prospect Park, Pa., in place of T. H. Kelly, resigned.

William F. Halligan, Jr., to be postmaster at Radnor, Pa., in place of O. G. Darlington. Incumbent's commission expired January 8, 1934.

Charles F. McCartney to be postmaster at Reedsville, Pa., in place of I. L. Shilling. Incumbent's commission expired January 7, 1935.

LeRoy Walker to be postmaster at Ridley Park, Pa., in place of W. E. Brooks, retired.

Wilburt E. Wunder to be postmaster at Rogersford, Pa., in place of L. E. Johnson. Incumbent's commission expired January 8, 1934.

Stephen G. McCahan to be postmaster at Saxton, Pa., in place of L. P. Ross, resigned.

Ralph Blaine Althouse to be postmaster at Sharon Hill, Pa., in place of J. A. Carney, removed.

Mabel J. Stover to be postmaster at Shrewsbury, Pa., in place of R. L. Stover, deceased.

Julia W. Lightner to be postmaster at Sinnamahoning, Pa. Office became Presidential July 1, 1935.

William S. Becker to be postmaster at Temple, Pa., in place of F. M. Adam. Incumbent's commission expired January 28, 1935.

Ella R. Williams to be postmaster at Vandergrift, Pa., in place of H. B. Paterson, resigned.

Harold G. Seyler to be postmaster at Weiser Park, Pa. Office became Presidential July 1, 1935.

Charles E. Fullwood to be postmaster at Wellsboro, Pa., in place of C. W. Bailey, resigned.

Jacob F. Hertzog to be postmaster at West Lawn, Pa., in place of G. F. Eisenhower. Incumbent's commission expired January 22, 1935.

Sadie L. Brunner to be postmaster at Worcester, Pa. Office became Presidential July 1, 1933.

Margaret E. Malley to be postmaster at Wyncote, Pa., in place of A. H. Washburn. Incumbent's commission expired February 25, 1935.

SOUTH CAROLINA

Charles A. Potter to be postmaster at Cowpens, S. C., in place of C. L. Potter. Incumbent's commission expired June 10, 1934.

Walter C. Kay to be postmaster at Honea Path, S. C., in place of N. C. Moore. Incumbent's commission expired May 26, 1932.

Eunice B. Hiott to be postmaster at Pickens, S. C., in place of M. E. Morris. Incumbent's commission expired December 20, 1934.

Foster Kreps, Jr., to be postmaster at Ridge Spring, S. C., in place of H. M. Watkins, removed.

Adeniram J. Nicholson to be postmaster at Saluda, S. C., in place of O. L. Edwards. Incumbent's commission expired February 25, 1935.

Thomas V. Derrick to be postmaster at Walhalla, S. C., in place of I. S. Holden. Incumbent's commission expired December 20, 1934.

SOUTH DAKOTA

James L. Manion to be postmaster at Keystone, S. Dak., Office became Presidential July 1, 1935.

Lysle T. Dartt to be postmaster at Wall, S. Dak., in place of I. D. Winter. Incumbent's commission expired June 2, 1934.

TENNESSEE

Park A. Carr to be postmaster at Harrogate, Tenn., in place of A. H. Hill, resigned.

George A. Lester to be postmaster at Hohenwald, Tenn., in place of W. T. Starbuck. Incumbent's commission expired February 25, 1935.

Ernest H. Gibson to be postmaster at Humboldt, Tenn., in place of G. V. Jackson. Incumbent's commission expired March 2, 1935.

Ralph K. Godwin to be postmaster at Jefferson City, Tenn., in place of T. H. Edgar, removed.

Ralph M. Murphy to be postmaster at Sevierville, Tenn., in place of L. E. Sarten, removed.

Henry E. Hudson to be postmaster at Whitwell, Tenn., in place of E. S. Childers. Incumbent's commission expired February 25, 1935.

TEXAS

Amos D. Rawlinson to be postmaster at Anahuac, Tex. Office became Presidential July 1, 1935.

Emery Beaumont to be postmaster at Humble, Tex., in place of W. S. Street, removed.

Milledge A. Hart, Jr., to be postmaster at New Boston, Tex., in place of L. R. Atkins, removed.

John W. Ledbetter to be postmaster at Round Rock, Tex., in place of J. W. Ledbetter. Incumbent's commission expires January 8, 1936.

Volney F. Norris to be postmaster at Thorndale, Tex., in place of S. S. Boles. Incumbent's commission expired February 4, 1935.

Philip E. Luker to be postmaster at Throckmorton, Tex., in place of H. W. Scott, removed.

John B. Hardin to be postmaster at Vernon, Tex., in place of C. J. Farrell. Incumbent's commission expired May 16, 1934.

Leopold Morris to be postmaster at Victoria, Tex., in place of George Ireland. Incumbent's commission expired February 20, 1935.

James A. McFadden to be postmaster at Yoakum, Tex., in place of Perry Wendtland. Incumbent's commission expired February 25, 1935.

UTAH

Melvin Lind to be postmaster at Midvale, Utah, in place of C. I. Goff. Incumbent's commission expired February 14, 1935.

Elaine S. Peterson to be postmaster at Moab, Utah, in place of F. M. Shafer. Incumbent's commission expired April 22, 1934.

VIRGINIA

Lewis N. Glover to be postmaster at Berryville, Va., in place of R. E. Potts, resigned.

Anthony G. Simmons to be postmaster at Fincastle, Va., in place of G. T. Slusser, removed.

Ross V. Martindale to be postmaster at Sweet Briar, Va., in place of P. H. Edwards, resigned.

Edward G. Newell to be postmaster at Veterans' Administration Home, Va., in place of F. M. Brown, deceased.

WASHINGTON

Harold W. Lewis to be postmaster at Bingen, Wash. Office became Presidential July 1, 1935.

Roy E. Carey to be postmaster at Hartline, Wash. Office became Presidential July 1, 1935.

Earl DeCamp to be postmaster at Nespelem, Wash. Office became Presidential July 1, 1935.

Willard A. Grube to be postmaster at Oroville, Wash., in place of J. F. Samson. Incumbent's commission expired February 25, 1935.

Jennie A. Smith to be postmaster at Peshastin, Wash., in place of J. A. Smith. Incumbent's commission expires January 8, 1936.

John M. Eager to be postmaster at Raymond, Wash., in place of J. O. Fresk, deceased.

Ralph C. Cochran to be postmaster at Snohomish, Wash., in place of Edward Hinkley, transferred.

Charles O. Snapp to be postmaster at Springdale, Wash. Office became Presidential July 1, 1935.

Hazel H. Howe to be postmaster at Tenino, Wash., in place of Wilson Howe, deceased.

WEST VIRGINIA

Levi Gay to be postmaster at Eccles, W. Va., in place of Levi Gay. Incumbent's commission expires January 7, 1936.

George A. Brooks to be postmaster at Pineville, W. Va., in place of G. A. Brooks. Incumbent's commission expires January 7, 1936.

Ottis F. Swiger to be postmaster at Salem, W. Va., in place of Claude Pepper, removed.

WISCONSIN

Carroll R. Eaton to be postmaster at Adams, Wis., in place of B. A. McBride. Incumbent's commission expired February 28, 1935.

Marie Freeman to be postmaster at Bayfield, Wis., in place of H. J. S. Hanson. Incumbent's commission expired February 25, 1935.

William E. Drossart to be postmaster at Casco, Wis., in place of J. A. Mathys. Incumbent's commission expired January 22, 1935.

Frank G. Dillon to be postmaster at Veterans' Administration, Wis., in place of J. F. Coulter. Incumbent's commission expired November 20, 1933.

WYOMING

Daniel C. Carson to be postmaster at Pinedale, Wyo., in place of D. C. Carson. Incumbent's commission expires January 9, 1936.

Frank Herrington to be postmaster at Powell, Wyo., in place of L. R. Ness, resigned.

Claude W. Anthony to be postmaster at Yellowstone Park, Wyo., in place of C. A. Lindsley, retired.

HOUSE OF REPRESENTATIVES

MONDAY, JANUARY 6, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father in Heaven, we rejoice that the divine love is as enduring as the throne of the Infinite God. As Thou art the God of the whole earth, we humble ourselves before Thee and gratefully acknowledge Thy merciful providences. We pray that our affections and loyalties may swing unstintedly to Thee and lead us through cares, responsibilities, and perplexities to heights unscaled and depths unplumbed. Let triumphant faith run through the arteries of our national life and work with Thee for the coming of a more complete vision of righteousness, holiness, and peace. Thus we shall fulfill the highest hopes for civilization and become the teacher of all nations in free and Christian institutions. These blessings we ask through Christ, our Redeemer. Amen.

The Journal of the proceedings of Friday, January 3, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed the following resolutions:

Senate Resolution 205

Resolved, That the Senate has heard with profound sorrow and deep regret the announcement of the death of Hon. HUEY P. LONG, late a Senator from the State of Louisiana.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That, as a further mark of respect to the memory of the deceased, the Senate at the conclusion of its proceedings today adjourn until Monday next.

Senate Resolution 206

Resolved, That the Senate has heard with profound sorrow and deep regret the announcement of the death of Hon. THOMAS D. SCHALL, late a Senator from the State of Minnesota.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That, as a further mark of respect to the memory of the deceased, the Senate at the conclusion of its proceedings today adjourn until Monday next.

The message also announced that the Vice President had appointed Mr. BARKLEY and Mr. NORBECK members of the joint select committee on the part of the Senate, as provided for in the act of February 16, 1889, as amended by the



act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments", for the disposition of useless papers in the National Archives.

THE BUDGET (H. DOC. NO. 382)

The SPEAKER laid before the House a message from the President of the United States, which was read, and, with the accompanying documents, referred to the Committee on Appropriations and ordered printed.

(For Budget message see Senate proceedings of this day, p. 51.)

CALENDAR WEDNESDAY

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent that the business on Calendar Wednesday of this week may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent to have the Clerk read a letter which I have written to Dr. Townsend, together with a resolution, and also to make a remark or two thereafter for not over 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

Mr. SNELL. Mr. Speaker, reserving the right to object, I should like to know what the policy of the majority is going to be with reference to Members addressing the House today and tomorrow. There are several Members on this side of the aisle who would like to make a few general remarks on the state of the Union. If we are going to have some remarks from that side, I especially request that we may also be allowed to make some remarks.

The SPEAKER. The Chair may say, with the consent of the majority leader, that it is expected to take up an appropriation bill on Wednesday. The Chair hopes that those in charge of that particular bill and other appropriation bills will be just as liberal in allowing time for general debate as may be possible under the circumstances. There will be taken up today bills on the Unanimous Consent Calendar and tomorrow bills on the Private Calendar. Both of these calendars are greatly congested and disposition ought to be made of these calendars as quickly as possible. As the Chair just stated, an appropriation bill will be taken up on Wednesday. Under these circumstances the Chair feels that he ought not to recognize Members who may ask unanimous consent to discuss matters which may be taken up under general debate. They may get that time by taking the matter up with the chairman in charge of the appropriation bill or the minority leader on the other side of the Chamber.

In deference to Members who have bills on the Private Calendar and who are extremely anxious to have them disposed of, the Chair thinks that those who desire to indulge in general debate should take the course which has been especially provided for this purpose. The Chair does not mean by that statement that he will not recognize a Member who desires a few minutes to address the House. The House itself may dispose of such requests when submitted, but the Chair hopes he will have the indulgence of the Members so far as unanimous-consent requests are concerned that may be covered in general debate. The Chair hopes that the Members of the House will sustain this position, because, as previously stated, there are a great many bills upon these two calendars.

The Chair hopes that answers the question asked by the gentleman from New York.

Mr. SNELL. Mr. Speaker, as far as I am concerned, I will be pleased to comply with the request of the Chair. However, I want to make my position clear. If anyone on the other side is to be allowed to speak, we shall immediately follow with a request for additional time. We do not want any question about this matter.

The SPEAKER. The Chair does not understand that the gentleman from Washington asked unanimous consent to address the House.

Mr. ZIONCHECK. Mr. Speaker, I withdraw the request to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

Mr. TABER. Mr. Speaker, reserving the right to object, may I inquire how long it will take to read this letter?

Mr. ZIONCHECK. Mr. Speaker, it took me 5 minutes to dictate the letter.

Mr. TABER. Why not have it printed in the RECORD instead of having it read here? The main purpose will be served.

Mr. DINGELL. Mr. Speaker, why should the gentleman make an objection to this request?

Mr. BANKHEAD demanded the regular order.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The Clerk read as follows:

DECEMBER 31, 1935.

Dr. F. E. TOWNSEND,
President Old Age Revolving Pensions, Ltd.,
Southern Building, Washington, D. C.

MY DEAR DR. TOWNSEND: I received your questionnaire dated December 3, and was waiting for Congressman ZIONCHECK to return to Washington, D. C., so that he might answer it personally. However, he has not yet returned, hence I am writing this letter so that it may reach you before January 1, for I feel sure that he would wish me to do so in his absence.

I hesitate to express his views in this matter, although he has discussed them quite frankly with me and others. To the best of my recollection they are as follows: (Before starting on this allow me to say that Mr. ZIONCHECK was one of the 57 Representatives who voted for the McGroarty bill.)

In the first place, Congressman ZIONCHECK keenly feels that the present Social Security Act is miserly and inadequate and that the age limitation is too high.

Second, he has no objection to $200 a month for those who are aged, although he does resent it being called a "pension" rather than "compensation", for he looks upon such things as a matter of right rather than as a matter of favor.

Third, he feels that if $200 a month to everyone over 60 years of age will bring about recovery and prosperity, he wonders why you do not ask for $500 and thus bring about a boom.

He has stated on repeated occasions that he will vote for the Townsend bill, or a similar bill, in the event it comes before the coming session of Congress if he is a Member, although he does not agree with the false and unfounded promise of the effects thereof in the event it becomes a law. He has been quite plain about the matter in answers to inquiries from his constituents, and I set forth a copy of the usual letter which he has sent in response to their questions concerning the Townsend plan:

"I am vigorously in favor of an adequate old-age-pension law, and you may rest assured that I will do everything within my power toward that end.

"It is my understanding that Dr. Townsend and his advisers are now preparing a compromise plan which provides for a 2-percent sales tax on comforts and luxuries, the other portion of the revenue to come from gift, income, and inheritance taxes. Personally, I favor any plan that does not impose a tax upon the necessary things of life, for thus it would impose a burden upon those who are least able to pay.

"For your information, I signed the petition to discharge the Ways and Means Committee from the further consideration of the Townsend plan. I was the twelfth one to sign this petition, for I believe that questions which so vitally affect the welfare and well-being of millions of people should be brought to the floor of the House for full and complete discussion and amendment, if necessary, to the end that proper and adequate legislation should be enacted.

"Personally I would be glad to see the aged receive $200 a month or more, if a feasible plan could be worked out, for I recognize the need of economic security for those who have worked and produced in their younger years, together with the argument that their removal from the labor market would create work opportunities for the younger people who seek employment.

"I am disappointed in the so-called social-security bill, introduced by the administration. In my opinion, it is inadequate in many respects, and I am not in sympathy with the manner in which the funds are to be raised."

His opinion, I am satisfied, is that the plan is economically unsound for the following reasons:

First, it provides for a transaction tax on all transactions, and thus taxes those who are least able to pay, as well as those best able to pay. (This transaction tax will also stimulate consolidation and monopoly in order to avoid multiplicity of transactions to avoid the tax.)

Second, the Townsend plan does not provide any means of absorbing the excessive "rake-off" by way of profits that will come about by the stimulated circulation of money by the compulsory spending of the $200 a month. (He illustrates this point by telling of playing poker in a house that takes a "rake-off."

He pictures it as one sitting at a table with others; when bets are made the house man reaches in and takes out a red chip, a blue chip, or more, and, if no one is looking, a handful of chips, and no matter how lucky a person is playing at this game, if he plays long enough the house will have all the chips, and, in his opinion, you cannot improve the situation by handing out more chips and dealing the cards faster.)

Third, he cannot see how it will be possible to compel the beneficiaries of this pension plan to spend the $200 a month unless they want to.

Fourth, it is difficult for him to see how you are going to provide a different medium of exchange for the payment of this pension without removing the dignity therefrom.

The sponsors of the plan seek to justify it on the basis that, aside from its value to the aged, it will increase purchasing power. And by that test it must be judged. Thus judging it, it is defective. For it subtracts at least as much purchasing power from some under-incomed persons as it adds to other under-incomed persons.

What we need is a vast increase in our national income—and a better distribution of a large part of that increase. The national income was some $80,000,000,000 in 1929. It could have been and could be, say, $160,000,000,000. If the bulk of the extra $80,000,000,000 went to those with incomes of less than $3,000 there would be a decent life for all Americans. Congressman ZIONCHECK feels that the trouble with us in 1929 was that our mass-production industries were keeping up their prices and pinching their production—thus reducing purchasing power—while a tiny minority of the people of this country had billions of dollars of income which they could not and would not spend for the products of industry in such a way to keep our industries going and maintain employment. If the mass-production industries would greatly increase their production and lower prices; if we could insure minimum wages; if our increased taxes were so adjusted that most of the revenue came from those persons who cannot and will not spend the bulk of their income for consumers' goods—then our present economic system would work. But the Townsend plan will achieve none of those ends. It will not increase net spending power, but will probably reduce it; it will not increase production or lower prices; it does not concern itself with minimum wages; and its taxing features are in no way designed to compel spending by the over-incomed.

The chief virtue of the Townsend plan is that, if adopted, it will prove a negative; it will demonstrate that the objective at which it aims—prosperity—can be achieved only by intelligent planning and not by tinkering with planlessness.

I have heard Congresman ZIONCHECK express himself as believing this to be the most fantastic idea, illustrating it in the terms of the cat-and-rat ranch, where the rancher raised rats and fed them to the cats, killed the cats, skinned them, and fed the carcasses of the cats to the rats. In other words, we would have had perpetual motion were it not for the irritating and incidental phenomenon known as friction. Nevertheless, he feels that if the Townsend plan becomes a law it will accentuate the inherent contradictions of our profit system and thus more forcefully bring to the conscious realization of the people the need of a fundamental and basic change, where people can work to live and live while they are working.

If Mr. ZIONCHECK had his way about the Townsend plan, he would have a sales tax—not a transaction tax. He would preferably exempt the necessities of life from any tax whatsoever and supplement this loss of tax income by gift, income, and inheritance taxes on those who are able to pay and those who would be the greatest beneficiaries of your artificially stimulated plan. He has stated this view to his constituents on each and every opportunity, so that they labor under no misapprehension as to his views on the matter. And, incidentally, he has stated that in his opinion he has never seen a better racket than the so-called Townsend racket, despite the fact that he thinks that you really believe yourself to be sincere. The best evidence of this, he feels, is that the cofounder and national secretary, Mr. Clements, is a former real-estate shark from Los Angeles, Calif.

Very truly yours,

J. E. YOUNG,
Secretary to M. A. Zioncheck.

Mr. ZIONCHECK. Mr. Speaker, there is a resolution which was included in my unanimous-consent request, and I should like to have that read.

The Clerk read as follows:

House Resolution 386

Resolved, That the Committee on Ways and Means, as a whole or by subcommittee, is authorized and directed to investigate any and all charges of attempts to intimidate or influence Members of the House of Representatives with respect to the bill H. R. 7154, or any other bills affecting old-age-pension schemes, or rackets, by which the dimes and dollars of the poor aged enrich the promoters, during the Seventy-fourth Congress, by any person, partnership, trust, association, or corporation, and especially the Townsend set-up. The committee shall report to the House as soon as practicable the results of its investigation, together with its recommendation, if any.

That said committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places within the United States, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, by subpena or otherwise, and to take such testimony as it deems necessary. Subpenas shall be issued under the signature of the chairman and shall be served by any person designated by him. The chairman of the committee or any member thereof may administer oaths to witnesses. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized shall be held to the penalties provided by section 102 of the Revised Statutes of the United States.

NEW DEAL PROPAGANDA

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein a speech made by the gentleman from New York [Mr. FISH] before the National Republican Club in New York on January 4.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech made by the gentleman from New York [Mr. FISH] before the National Republican Club in New York on January 4:

I have repeatedly pointed out that the New Deal administration was the greatest propaganda machine in history, and that we were living in a government of propaganda and ballyhoo emanating from hundreds of publicity agents paid out of the Treasury of the United States to defend the socialistic New Deal measures which have destroyed business confidence and retarded recovery. The innovation of the President, who insisted on addressing the Congress at 9 o'clock at night, is the high-water mark of all-time propaganda. It is perfectly obvious to every thinking man and woman that the 9 o'clock session was chosen not for the purpose of presenting information or facts to the Congress on which to determine legislation but to use Congress as window dressing and a springboard to uphold and defend the New Deal and spread partisan propaganda among the people for campaign purposes over a national radio hook-up at night.

The next step will be to get permission from Ivory soap, Old Gold cigarettes, or the Standard Oil to use their time to speak to Congress on the state of the Union. Perhaps even such procedure will not be necessary, for after the President has usurped even more of the legislative powers of Congress he will address Congress over the radio from the White House, combining a fireside chat with his instructions to Congress, which up to now has in a supine and servile manner surrendered their own legislative powers in defiance of the Constitution, betrayed representative government, and left themselves with no more legislative clothing than has Ghandi.

Every historian has pointed out that whenever the executive and legislative powers are combined you have tyranny. As I said the other day, a rose by any other name smells as sweet, and a dictatorship by another name smells as rotten. The President's protestations about liberty and democratic institutions were mere alibis to offset the charges of political and economic dictatorship. The insistence on calling a night session of Congress for propaganda purposes was just another autocratic high-handed dictatorial act in harmony with the general tendency of the New Deal—"I am the State; after me the deluge"—but in the meanwhile there is no limit to anything that will help continue the New Deal for 4 years more—particularly by use of public funds or by radio or other propaganda. A power has arisen in government greater than the people themselves—a veritable Frankenstein of regimentation, bureaucracy, collectivism, and state socialism, consisting of agencies, bureaus, and commissions claiming the right to make laws and issue edicts and held together by the cohesive power of maintaining themselves in office at any cost.

I listened in on the radio to the skillfully organized political demonstration and to the vitriolic campaign speech of the President in the House of Representatives. There were no suggestions, recommendations, or even facts submitted upon which to formulate legislation. It was exactly the kind of political and partisan speech I expected and for which reason I absented myself from Congress, preferring not to abet or be a party to such an undignified performance. It would have been just as well if all Republicans had stayed away, inasmuch as the President made a partisan campaign speech. His remarks sounded to me like that of a desperate man, calling out the mob and preaching class hatred because he knew the New Deal was slipping and that the people had lost confidence in his promises and pledges. Probably the President knows that most of his unsound, un-American, and socialistic experiments will be declared unconstitutional by the Supreme Court within the next few months.

It was a campaign speech of a low order, the greater part of which was bitterly partisan, filled with threats against anything of the past and the established order. It could not in any way be called a Presidential message.

The President opened his speech with the good-neighbor theme on the American Continent and expounded at length on the peace and good will that existed there. What about the long, bloody war

in the Chaco between Paraguay and Bolivia? What about the recent Communist uprising in Brazil? What about the religious persecution in Mexico and the civil war waging in different sections of that country? What about Venezuela, where, since the death of the dictator, Gomez, there have been civil disturbances? What about Cuba still under a military dictatorship? I merely state the record in answer to the honeyed words and sugar-coated phrases of the President in his speech of last night. Orthodoxy is my doxy and hetodoxy is the other man's doxy seems to be his viewpoint when comparing South and Central America and Mexico to the nations of Europe and Asia.

President Roosevelt has no monopoly in his desire for peace or abhorrence of war, but if we had not stopped him last year by refusing to give him power to determine the aggressor nation we might be entangled in war-producing enmities with Japan, Italy, and even with Germany by now. This was practically the only time that the Congress has refused to yield to the all-consuming appetite and thirst of the President for dictatorial power. The President, however, gave his blessing to the neutrality bill before Congress. Consequently, within the next few days there will be a show-down on the proposed legislation, which will be taken up next Tuesday by the House Committee on Foreign Affairs in order to have it adopted before the temporary 6-month Neutrality Act which expires on the 29th of February. According to the press, the President has been holding numerous conferences with Democratic Members of the House and Senate, but, as far as I know, no Republican has been asked to cooperate. President Roosevelt has departed from the customary practice and established precedents in handling international affairs as he has in most of the other acts of this administration.

His predecessors as President have generally considered it not only advisable but essential to put aside partisanship in dealing with foreign governments. Not so this New Deal administration. From the very beginning it has run its foreign policies on practically a partisan basis without seeking the cooperation or approval of Republican Members of Congress. Such a high-handed and autocratic policy is bound to run into snags and result in unnecessary dissensions.

As ranking Republican member of the Committee on Foreign Affairs in the House of Representatives, and to that extent the spokesman of my party on international issues, I am opposed to giving the President any additional power to entangle us in foreign disputes and embroil us in war. I led the fight 4 years ago against giving President Hoover and Secretary Stimson the power to lay an embargo against the aggressor nation and again 2 years ago when President Roosevelt made the same request, which is an unneutral act and bound to eventuate in war.

I believe I am representing the views of the Republican Party when I say that it favors strict and impartial neutrality in accordance with the American policy of neutrality established by Washington and upheld by every President and Secretary of State until the last few years. The Republican policy is that if the old nations of the world insist on arming to the teeth and going to war it is their war and not our war.

We are opposed to becoming entangled in ancient foreign blood feuds and boundary disputes, joining the League of Nations, or any war sanctions or commitments. We do not propose to police the world or pick the chestnuts out of the fire for other nations. We are in favor of the traditional American policy of neutrality—that is minding our own business, as we have plenty of problems to solve at home.

To sum up in one sentence, the Republican Party is in favor of spending millions for defense, if necessary, but not one dollar to send American soldiers overseas to fight other peoples' battles. We will vote to give the President power to lay arms and economic embargoes against both belligerents, but not against one. The President and Secretary Hull have repeatedly asked for this far-reaching and vital authority to determine the aggressor nation, but, thank God, it is the only power that a supine Congress has declined to grant. If the Congress yielded, it would be tantamount to empowering the President to declare war instead of the Congress.

The American people have not forgotten that they did their part in the World War and helped turn the tide of defeat into victory. After the armistice was signed and victory won we brought our troops home. We asked for nothing and got just what we asked—nothing at all—no reparations, no indemnities, no plunder, or no conquered territories. But, scarcely was the war won when our former allies began to repudiate their war debts and have even refused to pay interest on the money we loaned them after the armistice. President Roosevelt, among his other achievements, has failed to collect a penny except from Finland.

There is an overwhelming determination on the part of the American people to keep out of foreign wars, and the best way is to maintain the traditional American neutrality policy, and not follow the foreign policy of the New Dealers and internationalists into unneutral acts, the World Court, or the League of Nations through the back door.

The laying of arms and specified economic embargoes against both Italy and Abyssinia will not hamper the decisions reached by the League of Nations, but will preserve our neutrality. If we should, on the other hand, give the President the power which he has consistently sought to lay embargoes against the aggressor alone, it would be a hostile act and cause serious disturbances among millions of Americans of Italian origin in the United States. Then, again, if we adopted such an unneutral policy against Italy, we would have to do it against Japan in China, or may in the near future against Germany in case of war against Soviet Russia. The Republicans, together with independent Democrats, have won an important victory and forced the President to retreat from the position he took last year.

The United States should not become a fire department, rushing from one blaze to another trying to put it out, because eventually we will get badly burned ourselves. In other words, we will be holding the bag for other nations and be expected to do all the fighting.

The Republican Party stands for the kind of neutrality that will keep our country out of war; not the kind of neutrality, as advocated by the New Deal, that leads directly to American participation in foreign wars.

The Republican Party is also opposed to increasing or extending the power of the President, and believes the time has come—if not long since passed—to take back the powers granted the President by Congress and restore constitutional and representative government in the United States and a government by law and not by Executive orders.

The President claims all the credit for the improvement of industry and business during the last 6 months without giving credit to the Supreme Court for holding the N. R. A. unconstitutional. The improvement of business conditions dates from the demise of the N. R. A. and the lifting of fear, dread, and uncertainty off the minds of businessmen. It is definite proof that the New Deal policies have prolonged the depression by destroying business confidence. Confidence and employment are one and inseparable. There can be no steady or permanent jobs for the eleven and a half million unemployed American wage earners without business confidence. We need no New Deal dictatorship, but we need the dictatorship of the Constitution to preserve our free institutions, our American system, and the rights and liberties of the people from Executive usurpation, and business from collectivism and State socialism.

The President's speech to the country is notice that the New Dealers will continue this mad orgy of waste, extravagance, and squandermania without any real expectation of balancing the Budget, economic sanity, or the restoration of business confidence. Business requires more than a breathing spell. It needs assurance that it will be let alone to make legitimate profits and to employ labor on American standards of wages. There can be no real business confidence until the threat of the revolutionary New Deal policies is withdrawn from over the heads of legitimate business. The President again mentions in a vague way the desirability of balancing the Budget, but he has been doing that for 3 years, and we are getting further away from it every month under the New Deal spending program.

He likewise stated there would be no more taxes, which is the most misleading statement ever made by a President of the United States, and a distortion of the facts. Of course there will be no more taxes until after the 1936 campaign is over, but after that the wage earner, the farmer, the small businessman, and people of small means face inflation, repudiation, or bankruptcy.

The political caldron is beginning to seethe and bubble and the ingredients which Macbeth's witches used for their hell's broth were not more various or infernal than those which are being thrown into the mess now being brewed by Prof. Rexford Guy Tugwell and the rest of the "brain trust" at Washington, and ably abetted by some Cabinet officers and at times by the President himself.

The American people, irrespective of party, are horror-struck at the sight of the Government letting loose its own spokesman against the established economic and social order that has made for the greatness, prosperity, happiness, and freedom of our people, with the highest wage scale and standards of living ever known in the world.

Is Under Secretary of Agriculture Rexford Guy Tugwell still a spokesman of the New Deal administration after his recent inflammatory speech at Los Angeles denouncing the capitalistic system and urging that we do away with the "sterile morality of individualism and that all who disagree are tories, autocrats, and enemies, and they must get out of the way with the moral system that supports them"? Professor Tugwell further stirred up the flames of class hatred by saying, "Our best strategy is to surge forward with the workers and farmers of this Nation committed to general achievements but trusting in the genius of our leader for the disposition of our forces and the timing of our attack." Is this the answer to the President's proposed breathing spell? Professor Tugwell goes on to say, "And we should proceed for once in establishing a farmer-worker alliance which will carry all before it, reducing our dependence on halfway measures." I merely ask if Mr. Tugwell still represents the views of the Democratic Party, or have the Democrats stolen the clothes of the Socialist Party? The people have a right to know, as the election is only 10 months away. But after the President's speech last night no one need wonder where the President stands; he stands with and for all the statements of Professor Tugwell and the rest of the "brain trust", almost equaling them in venom and in preaching and inciting class hatred.

We Republicans also have our problems.

Unfortunately, a few of the Old Guard leaders of the Republican Party are hopelessly reactionary and blind to the conditions ahead and will attempt to revive the dead past, which spells ruin for the country and will eventuate in a disastrous radical reaction.

Let us, rather, follow the advice of the great and courageous American, Theodore Roosevelt, who said, "I propose to do everything I can to make the Republican Party stand for sane and constructive liberalism, just as it did under Lincoln." The policy of the Republican Party should clearly be neither to compromise with the socialism of the New Deal or to go back to the old order of

alleged domination by special interests, wealth, and reaction, but to go forward on a sound and liberal platform of a square deal for labor, the farmer, the businessman, the consumer, and for private property under the confines and compass of the Constitution of the United States.

Paraphrasing the famous words of Abraham Lincoln, "A house divided against itself cannot stand", I believe this Government cannot endure permanently, half unconstitutional and half constitutional, half based on bureaucracy and socialism and half based on private enterprise and private property. I do not expect the house to fall, but I expect it will cease to be divided. It will become all one thing or all the other. The reelection of the New Deal candidate will hasten the spread of bureaucracy, socialism, and class hatred, whereas the election of a liberal Republican like Senator WILLIAM E. BORAH, or some other liberal who can carry the West, will hasten the restoration of a government by law instead of by Executive order, and assure the permanence of our Constitution and representative form of government, divided into three separate and independent departments of government, the executive, legislative, and judiciary, with its system of checks and balances. The only issue in the next election will be Roosevelt and the economic and political dictatorship of the New Deal, and all Republican conservatives and liberals alike must unite to restore American liberty, our American system and Constitution, and representative government, and to that end I give my heart, my energy, and my best efforts, and likewise to restore the sound principles of the Republican Party and to elect a Republican President next November.

ROOSEVELT OR REACTION

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, it is becoming more and more evident each day that the campaign of 1936 will involve the most definite line-up of unscrupulous predatory interests—huge profiteering corporations, munitions makers, and other exploiters—against the forces of social justice, progressivism, and real democracy that the United States has ever seen, with the exception perhaps of the campaigns waged by Jefferson and Jackson and the Bryan-McKinley campaign of 1896.

Every trust magnate in America, every individual and organization that has acquired wealth by living on the sweat and blood of the plain people of the country will fight Franklin D. Roosevelt tooth and nail this year.

Every American citizen with a social conscience should therefore support President Roosevelt, regardless of whether or not he is satisfied with the administration's policy in all respects. I am one of many Democrats who believe we should go much farther to the left than we have gone—who are convinced that more sweeping and fundamental changes must be made to end the impoverishment of the producing class by a small group of parasites. Nevertheless, I shall wholeheartedly back the President for reelection, recognizing that his defeat would mean the riveting of new chains on the people by Wall Street and possibly even the establishment of a Fascist dictatorship in the United States.

Big business is furious with rage at the moderate control of its activities so far provided by the administration. If it had more vision and common sense, it would accept this control, realizing that if it strains the public's patience it may be compelled to acquiesce in measures far more drastic than these. However, the "powers that prey" are not noted for vision and common sense. Their greed and avarice are so violent that they hotly resent even the mildest effort to restrain them. Therefore they are fighting the President, and, as Raymond Clapper well said in the Washington Post of December 6, will unite in "a bitter crusade against his reelection."

There is only one thing for the honest believer in economic emancipation to do. That is to vote and work for President Roosevelt and to leave no stone unturned to prevent the return to office of the Hoover-Mellon-Mills Wall Street clique. This is a time when there should be a united front of all citizens who do not want to go back to the conditions of the Hoover administration, when the appeals of the hungry and homeless were met sometimes with callous indifference, sometimes with policemen's clubs, rifles, and bayonets, and sometimes with gas and tear bombs, and when the men who fought in the World War were driven like hunted animals from the Capital City of their country and their pitifully rude shacks burned to the ground!

Every Jeffersonian Democrat, every Republican who derives his inspiration from the ideals of Lincoln, every follower of a minor party devoted to the interests of the "forgotten man"—Farmer-Laborite, Progressive, Socialist, and so forth—should disregard differences over details of policy next year and join hands in a common cause against a common enemy.

In the 1936 campaign, despite the inadequacy of some of the legislation so far enacted, Franklin D. Roosevelt will be the leader in one of the greatest conflicts in all history between humanity and property—the champion of Lazarus at the gates of Dives.

There will be but one issue next year—"Roosevelt or Reaction?"

On such an issue the American people can have but one answer.

THE VETERANS OF FUTURE WARFARE

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. WILLIAMS. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following speech which I delivered at a meeting of the Veterans of Foreign Wars at Flat River, Mo., on November 10, 1935:

Mr. Chairman, members of all veterans' organizations, and friends, I want to express my appreciation for the opportunity to be here on this occasion and to enjoy your kind hospitality and friendly greeting. Organizations such as yours keep alive and active the spirit of patriotism and true devotion to American ideals and institutions. Yours is an organization that stands for a square deal, that informs the country on the various problems of government, that teaches brotherly love and esteem, that inculcates a friendly feeling in the community, and, above all, inspires a truer love of country and an unswerving loyalty to our flag.

Seventeen years ago tomorrow the hearts of the American people were made glad by the declaration of the armistice which brought to an end the greatest war in history. It had wrought widespread destruction to property; it had taken an immense toll in human life and had left in its wake many bankrupt nations and much misery and suffering. During the stirring days of '17 and '18, when millions of the flower of America's young manhood entrained for camp, we went with them to the courthouses, where patriotic speeches were made and martial music was played and inspiring songs were sung. Then we went with them to the railroad stations and, as the trains bore them away, we bade them Godspeed and waved them goodbye. And then during the following weeks and months we read the newspapers and scanned the bulletins with bated breath and anxious hearts for the latest news. Many restless days and sleepless nights were spent.

There was established an invisible line reaching from the threshold and fireside of every American home to the fields and trenches of France over which were sent messages of hope and cheer and along which could be heard the whisperings of mothers' prayers. Those were times that tried men's souls, and it is little wonder that there was wild enthusiasm and unrestrained happiness and joy at the news of the armistice on November 11, 1918. In the meantime many fine, brave American boys had made the supreme sacrifice on foreign soil. Then began the long, slow, tedious trek homeward of the finest and most courageous body of men ever assembled on earth. Many of them were maimed and crippled. Others were diseased in body and broken in spirit. Myriads of these young men had left homes of comfort and abandoned careers of promise in order to serve their country. In many cases they returned to find themselves disabled and handicapped, without a job, and the prospect for the future gloomy.

There is a tendency among Americans in the rush and hurry of our modern times to forget. We are too much engrossed in other affairs, in the hubbub and babble and the crashing and shrieking and clanging of the commercial and industrial life to think about the more essential things. We are so absorbed in selfish and personal interests that we do not recall the heroic deeds and the noble sacrifices made by the young men of this Nation on the field of battle.

A few years ago there were brought back from the fields of France the remains of the Unknown American Soldier. The casket was placed beneath the dome of our National Capitol. For 24 hours a stream of humanity flowed by. The great generals and admirals of the largest armies and navies of the world in all their military and naval array passed by. Ambassadors, ministers, and representatives of all foreign powers were there. Representatives of the executive, legislative, and judicial branches of the Government came. In the procession were found tottering and feeble veterans of former wars, those whose ranks are growing thinner and thinner with the passing of the years. There came his comrades, some of them maimed and crippled, and as they paused beside the casket they were thinking that it might contain the

remains of one by whose side they had fought and struggled and sacrificed on the field of battle; one of their buddies who had fallen by their side. In front of the casket mothers halted with sad heart and tear-dimmed eyes wondering if it contained the remains of her long-lost boy. From every nook and corner of the world and from every rank and station, men, women, and children came, and as they came they brought flowers of every tint and color and fragrance and placed them upon and around the casket until the Hall was filled. They brought the beautiful flowers that their petaled lips and perfumed breath could in eloquent and fragrant language express the tribute which the bearers so deeply felt.

In all ages of the past, kings and rulers have been laid to rest with all the pomp and glory of their positions; presidents and great men have been taken to their last resting place with the sorrow and sympathy of the nation hovering over them. But in all the history of the world no such tribute was ever paid as was shown the Unknown American Soldier on that occasion. Why did they come? Not to pay tribute to any particular soldier or any individual, for they did not even know who he was. They did not know whether he came from the shipyards or marts of the Atlantic coast or the factories of the East. They did not know whether he came from the logging camps of the North or the wheatfields of the Northwest. They did not know whether he came from the orchards of the Pacific coast or the cotton plantations of the South. They did not know whether he was a Missouri boy who had left his hoe and his plow to rust in a Missouri cornfield to answer his country's call. They only knew that he had fallen on the field of battle fighting for the defense of his country and the preservation of free institutions and human liberty throughout the world, and that someone sometime loved him. Why did they come? They came to pay homage and tribute to the ideals, the institutions, the principles, the aspirations and hopes for which the American soldier fought. The remains were placed in Arlington Cemetery just to the east of that beautiful and magnificent memorial building erected in memory and in honor of those boys who made the sacrifice in those trying days. And there in front of that simple tomb, faithful soldiers, in sunshine and in rain walk their beat as silent sentinels, keeping watch over his grave. Organizations and meetings like this should recall and revive the feelings and sentiments of other days.

To the Spanish-American War veterans, those who enlisted in the War against Spain, I want to pay a tribute of highest praise. At that time I was a student at Missouri University. Some of my classmates enlisted. Of that number three of the finest and best young men I ever knew never came back. To commemorate their life and death the students by subscription raised the money with which a beautiful old-gold and black tablet was purchased and placed on the wall in Jesse Hall, the main building of the university. It was my privilege to deliver the memorial address presenting the tablet to the school, and the late beloved and lamented Walter Williams in one of his inimitable speeches accepted the tablet on behalf of the university, and it remains there today as a monument to the memory of those boys who gave their lives in that conflict.

The enlistment of the young men in the service at that time from every section of the country was proof conclusive that the bitterness and strife of Civil War days were buried forever in an oblivion of forgiveness that forgets. The sons of the blue from the wind-swept Lakes of the North marched side by side with the sons of the gray from the sun-kissed lagoons of the South in a common cause. Old Joe Wheeler, who had fought with all the valor and courage of a southern gentleman to keep a race in slavery and subjection, marched up the heights of San Juan Hill at the head of a colored regiment to drive from the Western Continent the last vestige of Spanish tyranny and oppression.

The story is told that after the San Juan Battle the nurses and doctors with their aides went upon the battlefield and gathered up the wounded and dying and brought them into the hospital. They were placed on cots in the halls and wards until the building was fairly crowded. Over in one corner lay a wounded American soldier. Raising himself on his elbow he began the song:

"My country, 'tis of thee,
Sweet land of liberty,
Of thee I sing."

The moans and cries of the wounded were silenced, and those who were able took up the refrain,

"Land where my fathers died,
Land of the Pilgrims' pride,
From every mountain side
Let freedom ring."

And I tell you, my friends, this afternoon, that I would rather have the sentiment of that song written large and deep on the hearts of the American people than to have us the proud possessors of the largest standing army and the strongest navy that the world affords. That was the spirit and the sentiment of the boys who marched to battle in '98 and all honor and glory to them.

I witnessed one of the finest examples of loyalty and forbearance on the part of those who participated in what is known as the "bonus" march on Washington in 1932. The House had passed the measure providing for the payment of the adjusted-compensation certificates, and, as you know, I voted for it. The bill had gone over to the Senate for consideration. Thousands of the soldier boys had gathered on the steps leading to the Senate Chamber and on the plaza in front of the Capitol. The debate in the Senate was prolonged, extending late into the night. Many of the boys had grown tired and had fallen asleep while awaiting the outcome. At last the news came that the Senate had defeated the measure. There was no bitterness or resentment, no turmoil or threat, but, on the other hand, they all arose and sang America. That was the spirit behind their movement, and all glory and honor to them.

This Government has been liberal toward those who were disabled by reason of disease or injury while in military service. It has been solicitious for the widows, the children, and the dependents of those who lost their lives in the service of their country. It has provided various forms of relief—war-risk insurance, hospitalization, vocational education, a bonus—adjusted-compensation certificates, pensions, and service-connected compensation. Compared with other nations, our Government has been most generous, providing much more help and granting much more liberal rewards than any other nation on earth. This it should do. Many veterans have found it difficult and some have found it impossible to establish service-connected disability, and in some cases inequities have crept in and some injustice has been done. It has been my constant purpose and will continue to be my steadfast aim to render every possible service to the veterans and their dependents. I have in my files now 456 cases which I have taken up with the Veterans' Administration, to say nothing of the many cases which I have handled in the past and on which the file has been closed. By continued and persistent efforts I secured the passage during the last session of Congress of 15 private pension bills for the dependents of old soldiers.

Much has been said and written about the payment of the adjusted-compensation certificates, commonly but mistakenly called the "bonus." I have voted for immediate payment every chance I had. This was done not merely to satisfy the wishes and meet the requests of the veterans but because I believed it to be just and right. During the war and the period immediately following it many men and corporations engaged in industry made excess profits, received inordinate incomes, and accumulated great wealth. This was being done while the soldiers were denied the opportunities offered in civil life and while they were enduring the hardship and suffering incident to camp and trench life and were paid a mere pittance. At the close of the war thousands of war claims made by the railroads, munitions plants, manufacturers of arms, and others were settled, and many millions of dollars were paid them in cash then. The settlement was not postponed 8 years and a certificate given in payment which was not due for 20 years more. The veterans' compensation was due when the service was rendered and should have been paid at the close of the war. That compensation with interest from that time to now will equal the face value of the certificates, and for that reason they should be paid now. Industry made money during the war while the boys were denied the chance to thrive and prosper.

At the close of the war industry adjusted its claims with the Government and received cash in payment. Why should not the adjusted claims of the veterans, that are in equity and justice due, be paid? I have no authority to speak for the legislative or executive branches of the Government, but it is my prediction that satisfactory bonus legislation will be passed at the next session of Congress. I can assure you one thing—that I will continue to work and vote for the immediate cash payment of the adjusted-compensation certificates, and the Government should forego and remit the interest.

The practical, selfish, sordid things of life must not be permitted to crowd out or destroy our gratitude and love for those who answered their country's call.

War has never been of our seeking. It has been thrust upon us. Selfishness and avarice, despotism and arrogance, greed and love of power asserted themselves and created the crises which could only be settled by an appeal to arms. We have no effete or corrupt dynasties to maintain; no tottering thrones to support; no feudal or lordly classes or castes to uphold; no foreign conquests to make; no additional territory to acquire; no vengeance to wreak upon anyone; no unholy alliance to abide by; no unrighteous ambition to satisfy. We are not looking for other worlds to conquer. We want no more wars. We desire peace.

In whatever conflicts we have engaged, it has been in the defense of principles and to maintain our ideals and to preserve our Nation and our honor and to keep our flag unspotted and undefiled. The bravery and the valor, the courage and the manhood of American soldiers, sailors, and marines on land and sea are unexcelled in the annals of history. Wherever they have carried the flag it has been in a just and righteous cause.

Realizing the horrors of warfare, the sorrow, the suffering, and sacrifice that it entails; the terrible waste and destruction that it brings; the desolation and ruin that it leaves in its wake; the heavy financial and economic burdens that it places upon future generations, it does seem that some plan could be devised by which war could be abolished or the chances of its returning reduced to a minimum. Aside from its horrors, its sorrow, the suffering and sacrifice, from a purely economic, a financial, and a business standpoint, warfare should be avoided. From 70 to 90 cents of every dollar collected in taxes by the nations of the world go to pay the expenses of past wars and in preparation for warfare in the future. Remove the probability of future wars and the enormous burden, which is now placed upon the people by reason of war, will be lifted.

The expense of all other Government activity pales into insignificance beside the war burdens. The expense of all the peace activities of government is practically nothing compared with that of war. It seems rather strange that the major portion of our Government expenses should be devoted to the agencies of

destruction and desolation and ruin rather than to those of improvement and development and progress, to better educational facilities, the alleviation of suffering, the abolition of poverty and destitution, the restoration of social justice, and the establishment of those institutions that will bring happiness and contentment to the people. But we have not reached the stage where the element of force can be safely banished from consideration; where a resort to arms may not be necessary. Momentous hours may come when some nation will make war upon an institution or a nation rather than let it live and others will accept war rather than let the nation die.

Your organization stands for the preservation of high American ideals, for the eradication of all disloyal propaganda, for the elimination of all communistic tendencies, and for the proper preparation for the protection and defense of our country.

On the question of preparedness for war, the maintenance of an army and a navy, there are three well-defined schools of thought in this country. There are the extreme pacifists—members of certain religious, social, and fraternal organizations—who, because of religious or conscientious scruples, think we should have peace at any price. They would tear down our military barracks, dismantle our forts, and junk our Navy. They would abolish all forms of military training. They are conscientiously opposed to bearing arms under any condition. They are not in favor of maintaining a navy sufficient to protect and guard the avenues of our commerce in times of peace. They seem to think that war can be averted by a pious discussion of the horrors of war within the narrow confines of their sacred portals. When the dark and ugly storm clouds of war gather they take refuge behind their conscientious objection to war in order to avoid military duty. You will find none of that class among the great martyrs or heroes of history. They are the milk-and-mush members of society.

In days of great national disaster, in hours of stress and strain, in times that try men's souls, and that call for action and courage, that class is found skulking away in the rear. They are of the kind that would have peace at the sacrifice of honor. They have a narrow and limited vision, and are unmindful of the lessons of history and indifferent to the laws of human nature. They are fanatical, unmoved by the dictates of reason, and untouched by the simplest and plainest appeals of common sense. There may be worse things in the life of a nation, as well as in the life of an individual, than a fight or a battle. Abject submission to wrong, tyranny, and oppression, and a cowardly surrender of our rights and honor are infinitely worse than the loss of life on the battlefield in the defense of justice and honor. The world cannot be reformed by a resolution. War cannot be avoided by a wave of the hand. Strife cannot be exterminated by a spray of rose water. There is a difference between peace and pacifism. There is little good done by these extreme fanatical pacifists.

At the other end of the argument are the extreme militarists. Those who make war and the preparation for war a business. The major generals, the admirals, the chiefs of staff, the lieutenants, the colonels, the commanders in chief, and the captains; those who have been tutored and trained and are skilled in the art of war. Those who are sounding the trumpets of alarm and rattling their swords; those who continually see the war clouds gathering and rising along the horizon. It would seem of little use to have international conferences for the limitation of naval armament and the reduction of military forces as long as those meetings are attended and dominated by admirals and major generals. Conference after conference has been held, and still the representatives at those meetings have returned to the nation which they represented, and the navy-building program has been enlarged and the military positions have been strengthened. These conferences up to this date have been "full of sound and fury, signifying nothing." There are too many Alexanders the Great, too many Napoleons, too many Mussolinis, too many Ludendorffs and Hitlers abroad in the land preaching the doctrine of suspicion and hate among the nations and advocating the building of the strongest navy and the maintaining of the largest army. They are encouraging their nation to build the most forts and barracks and to construct the largest war vessels, dreadnaughts, cruisers, destroyers, submarines, and aircraft carriers and mount them all with guns that will shoot farther than those which other vessels have. This thing has continued until the United States has constructed two aircraft carriers that have a displacement of 33,000 tons, are almost 1,000 feet in length, and can each carry fully equipped and ready for action 100 airplanes, with a take-off and a landing deck. These war lords demand increased preparedness. These extreme militarists are a menace and as dangerous as the extreme pacifists.

Between the extreme pacifists and the radical militarists stand those who represent the sane, rational, sober thought of the Nation on the question of preparedness. They are not as loud or as well organized as the others, but they compose the great mass of the American people. They believe in fighting if it becomes necessary to defend our honor and to preserve our liberties and our rights. They believe that we should maintain a reasonable navy as the first line of defense and to police the seas in time of peace. Not that we should have more and bigger war vessels than any other nation, but a reasonable equipment in accordance with our needs and our position among the nations of the world. Not that we should destroy our forts and barracks and abolish all military training, but that we should maintain headquarters and training grounds in charge of men familiar with military tactics, which may form the nucleus around which a citizen-soldier army can be built in time of need. Those who think that a reasonable amount of military and naval preparation is necessary as a matter of self-defense and self-preservation, those who think that a complete destruction of all military and naval organization would be an invitation to the nations of earth for invasion and conquest, those who believe that the support and maintenance of reasonable military and naval establishments are the surest guaranty against invasion or warfare—the men and women who occupy this great middle ground, who entertain these sound and reasonable ideas on the question of preparedness, comprise the overwhelming majority of the people of earth. They need organization; they need cooperation and coordination to develop public sentiment and create a feeling of friendship and good will among the nations of earth. The time has come when the Government should devote most of its time and money to the agencies and institutions of peace rather than to the instrumentalities of war. The time is when the radical arguments of the militarists and the fanatical appeals of the pacifists must pass into the discard and the sober common sense of the people must assert itself.

The time may have been in ages ago when the nations of earth were living unto themselves, ignorant and indifferent as to the progress, the motives, the ambitions of others, when each nation may have been hostile, suspicious, and jealous toward the others. In this age of invention and progress, with improved methods of transportation and modern means of communication, when each nation knows what the other is doing, there is no longer any reason for the unfounded suspicions, the petty jealousies, and secret hostilities. It is earnestly to be desired that the time may soon come when the unselfish, sincere statesmen and diplomats of the world, with the only purpose to serve and secure the highest degree of social justice for the people, guided by rational public opinion, uninfluenced by the swashbuckling jingoism of the militarists and unmoved by the wild, impassioned appeals of the pacifists, in a spirit of friendship, good will, and fellowship, may sit down around the council table and there formulate some plan to lessen the chances for war, a plan which will have the sanction of public opinion throughout the world and lead us into the paths of peace.

My sincere wish and fondest hope is that the time may soon come when the swords will be beaten into plowshares and spears be made into pruning hooks, and that the dream of Tennyson will be realized when the "war drum throbs no longer and the battle flag be furled in the parliament of man, the federation of the world." Upon those who bring about that condition the everlasting blessings of mankind should rest.

This talk would not be complete without a fitting tribute to our national emblem which is here displayed. At the sight of it the heart of every true American wells with joy and pride, proud of its history, proud of its achievements, proud of the ideals and institutions for which it stands. The stars in its firmament have ever increased in number and grown in brightness. The constancy, loyalty, and fidelity of its blue has not faded with the passing years; the purity and chastity of its white has remained unspotted and undefiled; the valor and sacrifice of its red has ever led to nobler deeds and inspired a loftier patriotism. In its history and development its form and design have changed, but it is the same flag still. Whether it is of the finest silk, in the most brilliant and costly colors, upon a staff of gold and tinsel, or whether it is of the commonest cloth, whose color may be dimmed by time and whose folds may be tattered and torn, it is the same flag still. Whether it waves from the stately and massive structures in the city in commemoration of some great event where it is greeted and cheered by thousands, or whether it silently floats in the breezes over the threshold of the humblest cottage in the far-away countryside, it's the same flag still.

It is the flag that encouraged and inspired Washington and his little band of faithful followers as they stood in their bare feet and tattered garments, shivering around the campfires at Valley Forge. It is the flag that waved in triumph over the ramparts at Yorktown when Cornwallis surrendered and we became an independent Nation. It is the flag that the brave, courageous boys of the Spanish-American War carried to such signal victory, to destroy the last remnant of monarchy in the New World and to establish this continent as the home of republics. It is the same flag that, in the greatest of all wars, our brave and courageous boys carried all the way from Chateau Thierry to the Argonne and to a triumphant victory; the same flag that, with a valor and courage unequaled in the annals of mankind, they carried in defense of the honor and integrity of our own Nation and in the defense and preservation of free institutions and human liberty throughout the world. It is the same flag that in the development of civilization and in its progress around the world has brought courage, inspiration, and hope to the oppressed and downtrodden nations and peoples of the earth. Wherever it has gone, whatever has been its mission, whether on land or sea, it has always come back home with honor written on its silken folds, with its blue unclouded, and its stars undimmed. "Long may it wave, o'er the land of the free and the home of the brave."

A PARLIAMENTARY INQUIRY

Mr. SWEENEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SWEENEY. Mr. Speaker, what becomes of the resolution that the gentleman from Washington [Mr. ZIONCHECK] has just offered?

The SPEAKER. Is has been read for the information of the House. When it is introduced, it will be referred to the appropriate committee.

NEUTRALITY

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include also a speech on the same subject of neutrality made by another person.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAVERICK. Mr. Speaker, leaving the last session of Congress, I made several talks over the radio and several before audiences concerning neutrality and peace. One talk I made November 11 in Denver, Colo., dedicated to my old regiment, One Hundred and Fifty-seventh Infantry (1st Colorado), which was on the radio over a national hook-up; November 26, before the University City Peace Council, University City (a suburb of St. Louis), Mo.; I also spoke before the League of Women Voters at the Sidney Lanier Junior High School in Houston, Tex., December 12; several times in San Antonio, Tex., my district, before various groups. I also made a radio address over Station WMAL, Washington, D. C., on my return, which was carried on the National Broadcasting Co. network, last Saturday, January 4.

One of the most distinguished advocates of peace and authorities in this country on the subject of neutrality and international law is Dr. S. D. Myres, Jr., of Southern Methodist University, Dallas, Tex. He is connected with the Arnold Foundation in Public Affairs at that university. The Arnold Foundation is doing great work. Dr. Myres spoke with me on the program in Houston, Tex., before the League of Women Voters, and his speech received widespread editorial comment over the South, as well as publicity over the Nation.

I ask unanimous consent to include in the RECORD the speech of Dr. Myres. It is as follows:

NEUTRALITY AS A NECESSITY

[By S. D. Myres, Jr., Director the Arnold Foundation in Public Affairs, Southern Methodist University]

Today almost everyone recognizes the imminence of another general war. Europe has recently experienced one crisis after another and Asia is in the throes of political unrest. Italy ruthlessly throws her armies against Ethiopia, while England and France, acting nominally in behalf of the League of Nations but in fact governed by considerations of national interest, strongly protest and threaten to use sanctions against this aggression. Japan, criticized and warned by the League and the nations signatory to the Paris Pact, nevertheless pushes on into China, consolidating her gains and proving as have the western powers time and again that might makes right—at least when one plays the game of imperialism against a weak and defenseless neighbor.

Germany, regarded by many as the key to the problem of Europe, renounces those parts of the Treaty of Versailles which stand in the way of her regaining her coveted place in the sun. Reparations she holds to be unjust and unpayable; restrictions on the size and character of her military and naval organizations she declares to be inequitable and void. The failure of other nations, including France, to carry out their pledges to disarm, Germany assigned as a reason for her action. Regardless of the merits or demerits of her case, the bold steps which she has taken have opened the way for a renewal of the competition in military affairs which 30 years ago led straight to the World War.

LEAGUE OF NATIONS AND NATIONAL WELFARE

The political atmosphere of Europe is already supercharged with fears of impending trouble; and in spite of the unflagging efforts of the League of Nations to maintain a community of interests for peace, the old system of balance of power, of alliance versus alliance, has reappeared to crystallize discord into armed conflict.

In troublesome times like the present, it is only natural for the American people to take stock of the situation and to adopt such course of action as will protect their national welfare. The citizens of this country have not forgotten the World War and what it cost, and will not lightly see the Nation plunged into another cataclysm, no matter what special interests may urge it or what phrases may be utilized to arouse their emotional responses. It has been estimated that the war of 1917 cost us 55 billion dollars in treasure and 350,000 lives, plus many other losses which came as byproducts.

How we became involved in the war and why we fought it are questions on which historians are not entirely agreed, but one thing does seem rather clear—what we gained from it is negligible. Perhaps the fundamental object for which we fought was freedom of the seas. Although Wilson wanted this issue settled, the peace conference ignored it entirely—and we are no nearer the attainment of our goal than when we took up arms. The world was to be made "safe for democracy." But look at the dictators who rule even in the more enlightened countries—look at Mussolini, Hitler, Stalin. The rights of small nations were to be safeguarded. But witness the rape of Manchuria and Ethiopia. Ignoring certain territorial readjustments in Europe and the establishment of the mandates system, the one constructive result of the war was the founding of the League of Nations. But the United States has not chosen to participate in the League, and the principles of that organization are apparently being scuttled by its big members as they pursue with determination the selfish foreign policies of their respective governments.

With such conditions as these prevalent in the world, it is hardly strange that thinking men and women in the United States should resolve to keep our Nation out of another war. This feeling is so well-nigh unanimous that we can definitely regard it as a fundamental of our foreign policy for the immediate future. Now, in seeking a means to make effective this determination of the American people to avoid war and maintain peace, three possible choices are before us. The first is to build an Army and Navy strong enough to prevent war by force. The second is to cooperate whole-heartedly with other nations to maintain peace. And the third is to pursue a policy of strict neutrality. Let us briefly examine each of these approaches to the problem.

The prevention of war by military action involves a contradiction at the outset, for military action is the essence of war. Those who advocate preparedness as a basis for peace rarely contemplate the actual use of the military arm; what they rely on chiefly is the threat to potential disturbers of the peace involved in the very existence of superior forces. Now, against bandits in China or rebels in Nicaragua, the employment of armed forces in the cause of peace can be, and often is, efficacious. But that is not what we are talking of here—we are discussing the creation of an Army and Navy big enough to confront any of the great powers, or combination of such powers, when they endanger our rights or security as a nation.

METHODS TO ATTAIN PEACE

One does not need to be a pacifist to see that the organization of a military machine strong enough to dominate the world in any emergency which might arise is open to the gravest difficulties. First, it is physically and financially impossible. The shifting character of alliances in international politics creates combinations which cannot be safely anticipated. The cost in money to meet this situation would approach the aggregate expended by all states which might from time to time impinge upon our interests. That such a drain on our natural resources could hardly be endured calls for little proof. Moreover, the course suggested would prove futile. Any effort on our part to build a navy to enforce our rights against, say, England and Japan would cause them at once to increase their construction programs, and the end would likely come only after all three powers were economically exhausted or engaged in war. Germany tried a policy similar to this one before 1914, and her failure speaks for itself. Finally, militarism in the exaggerated sense violates the American tradition. In this country the civil authority has always been supreme; and all free men and women want it to continue so. It is unthinkable that the United States should be converted into an armed camp, as is the case in Italy, Japan, and certain other nations. We desire, and will continue to maintain, adequate forces for the defense of our territory; but we reject the fallacy that national security can be guaranteed only by building the greatest army and navy in the world.

International cooperation for peace doubtless offers the greatest ultimate hope. The development of a comprehensive system of international law and the machinery to apply it is imperative if civilization is to be long maintained. This process, however, will require many years. At present, international law and international institutions are in a retarded state of development. Both the law of peace and the law of war are full of gaps and contradictions, as any effort at codification readily reveals. Also the machinery to apply the law is inadequate. The most satisfactory agency is, of course, the League of Nations. But with all its merits—and it has many—it has not yet proved dependable in dealing with major political disputes. It is true that the absence of the United States from the League has weakened its action; nevertheless, the states which are members have also contributed to its ineffectiveness by their almost constant rivalries as they have played the game of power politics. Frequently the Great Powers, such as France, England, Italy, Germany, and Japan, have used the League as a mere chessboard on which to play the game. And when some of them have begun to lose, they have left the table.

The League, obviously, cannot be blamed for this condition; rather the individual nations themselves, actuated by prejudices, fears, and ambitions, must bear the responsibility. Under such circumstances, no League member feels that it can trust that organization implicitly to guarantee its security. All members maintain armed forces, and the states which count for most in the League today—England, France, and Russia—have the strongest naval and military organizations in the world.

DIFFICULT TO DETERMINE AGGRESSOR NATION

Many persons look for the achievement of peace by means of collective sanctions. The time may come when an outlaw nation will be punished in somewhat the same fashion as an individual criminal is now. The moment, however, has not yet arrived when we can rely on this procedure. It is no easy matter, for example, to determine aggression. It is vastly more difficult to proceed effectively against the aggressor, especially if the aggressor is a powerful nation. Suppose the aggressor refuses to accept the sanctions voted, as did Japan during the dispute over Manchuria—who will then apply them? In the case mentioned, the British Navy was the logical agency for the purpose, but was not used. Why? Because England did not want to fight Japan. You thus see the basic contradiction in the use of sanctions, with the world

organized nationally as it is today. Sanctions applied in the name of international justice and peace are too likely to cause the very thing they are aimed against—international war and injustice. The series of crises which has recently occurred in the triangular discussions between Italy, Ethiopia, and the League serves to confirm this conclusion. This controversy illustrates how easily the employment of sanctions can generalize a dispute—one essentially between Italy, Ethiopia, and Great Britain—by drawing in the other powers of Europe. The danger of a general European war has thus been increased, especially in view of the basic rivalry between France and Germany and between Germany and Russia.

What, then, should be the policy of the United States? Our Government should continue—in fact, should increase—its collaboration with other nations to create a world of law and order. Its participation in the work of the International Labor Office, the League of Nations, and various conferences which seek to limit armaments, develop and codify international law, and facilitate international trade should not be diminished. We should contribute in every reasonable manner to the advancement of international justice, peace, and security. But at the same time we should bear in mind the realities of world politics and refuse to be carried away by a zeal for humanity, democracy, and other concepts which blind us to our true national interests.

NEUTRALITY ONLY SAFE COURSE

With the world upset as it is today—torn by passions, on the verge of general war—the only safe and sensible course open to us is strict neutrality. If Europe finds it necessary to apply collective sanctions in settling her disputes, let us not interfere. If the League must resort to article XVI of the Covenant to enforce the decisions of the Council and Assembly, let it be known that the United States will not ship arms and munitions or extend credits to any of the parties involved in the controversy. By such means the uncertainty of our policy regarding sanctions—long criticized by League members as an obstacle to peace and security—will be eliminated.

After all, regardless of theories to the contrary, the principle of neutrality remains a cardinal part of international law and practice. Members of the League of Nations today accept and act on this principle, as the reservations generally adopted in interpreting article X and the Pact of Paris show. Neutrality has been a basic American doctrine since the time of Washington, but new conditions require that it be reinterpreted. The introduction of the submarine, all-inclusive contraband lists, and so-called measures of blockade have greatly altered the situation respecting freedom of the seas in wartime. Our failure to recognize this changed status of naval warfare was directly responsible for our involvement in the conflict of 1917. Stating the matter simply, we insisted on the right of our private citizens to trade and travel freely in the war zones with complete immunity. Such risks as they took were not simply their own; these risks concerned the sovereignty of the American people. It was inevitable that this interpretation of the law of neutrality should encourage our citizens to take additional risks and should ultimately lead us into the war.

Recently, congressional committees have studied this question in the light of our experience in the World War, and have concluded that legislation should be enacted to strengthen our position of neutrality. The joint resolution passed during the closing hours of the last session of Congress is an initial step. This act is incomplete and it expires in approximately 2½ months. The chief provisions of this measure prohibit the export of arms, munitions, and implements of war to belligerents; provide that those who trade with belligerents do so at their own risk; and provide that persons traveling on belligerent ships do so at their risk. Especially noticeable is the absence of restrictions on loans and credits and on trade in commodities commonly used in warfare, such as oil, cotton, and steel.

WHAT NEUTRALITY LEGISLATION SHOULD CONTAIN

There seems to be little doubt that the Congress which meets in January will adopt a more comprehensive neutrality act. However, much difference of opinion naturally exists concerning the provisions to be included. I am personally of the opinion that the new legislation should contain the following points: An embargo on arms and munitions to all states engaged in armed conflict; the licensing, on a peacetime basis, of shipments of other goods bound directly or indirectly to the belligerents; the prohibition of all loans and credits to belligerents; the withholding of passports to American citizens who seek to travel in war zones; the prohibition of American vessels from carrying munitions, and strict limitations on their carrying contraband. So far as possible, the legislation should be automatic; the President should be relieved of strain like that experienced by Wilson in the years 1914–17. Legislation which is clear and unequivocal would do much to lessen the danger of war psychology, always a threat to peace when our position of neutrality is uncertain. Adequate provision, however, should be made for the exercise of Executive discretion in situations which cannot be fully anticipated and covered by legal regulations.

Aside from such technicalities—and all of them are important—the basic question before the American people is relatively simple: Do we really want to stay out of war enough to pay the price of peace? Will our manufacturers and businessmen be willing to forego profits which they may never collect? Can we as a nation restrain our emotions when we are merely annoyed, and when the national interest is not endangered? From the beginning of its history, our country has enjoyed a unique position among the nations. Blessed by geographical remoteness, it has been able to develop its culture and institutions largely undisturbed by the disruptive influences common to Old World politics. The greatest danger of surrendering this favored position has always been, and is today, in the likelihood that we shall become involved in warfare outside our territorial limits. A policy of neutrality, carefully planned and resolutely followed, offers us the best hope of maintaining the national advantages which are ours by heritage. I am convinced, moreover, that this policy would be of great value to the cause of true internationalism. I speak not as an isolationist but as one interested in the welfare of the world community when I urge that the most constructive measure which our Government can take at the present moment of tension and unrest is to adopt a neutrality act so complete and effective that the resources of the United States cannot be utilized by any state which resorts to war in disregard of its solemn pledges to keep the peace. Neutrality, I take it, is thus a national and international necessity.

WAR WILL SWEEP AWAY ALL CHANCES OF RECOVERY

Mr. Speaker, it is my intention to deliver more or less a résumé of the speeches I made this summer on neutrality.

I visited around 20 States, not known as a Congressman but as an individual in ordinary rough traveling clothes, and I found the American people want one thing: To stay out of war. Also, they are overwhelmingly in favor of mandatory neutrality.

Mr. Speaker, the question of peace—I mean of this Nation's staying out of war altogether—may prove to be the most important question before the American people in our national history.

This is because if we are drawn into a war, then war necessity will require that every law that is written shall be merely to win that war. All chance of recovery, all chance of maintaining any of our civil liberties, or ordinary liberties, will be swept away. All other legislation, all other efforts, will be subordinated to the dread horror of war and the effort to make one great, powerful military and naval machine. This machine will be dedicated to the killing of human beings—which in the past has not done much for human liberty—and to the destruction of the physical property of the enemy—and which never really saved the property rights of a nation at home either.

So I think that the American people, and we, the representatives of the people, should strain every nerve, every muscle, every brain cell—and all our hearts—to stay out of war. I think it rather obvious that we all agree on that, and the question is, How are we going to do it?

Well, for a full year now we have been discussing neutrality, and whether it shall be mandatory or discretionary. Many have expected a bitter controversy, but it appears the administration and the State Department are submitting a bill considerably better than any they have submitted before, recognizing the true spirit of neutrality and the new idea of neutrality. Thus the various groups of thought here in Washington may reach a final decision rather quickly and which I am sure will meet with the almost unanimous support of the American people.

DISCRETIONARY AND MANDATORY NEUTRALITY

Last year we enacted a neutrality bill, and it was supposed to be mandatory, but it had a "may" or two in it you know—m-a-y—and that looked like a discretionary grant where the President would have all the power of war or peace. But that is rather well cleared up now, because the President last Friday night, in his masterful address on the opening day of Congress, acknowledged the principle of mandatory neutrality and the policy of the good neighbor.

And it looks like the State Department and Secretary Hull are riding down the right track now, too. For a while, it looked like Secretary Hull might be trying to ride two horses—an American horse and a League of Nations horse. What we want him to do is to ride just one horse—a good old American horse, and not use an English saddle, either. English saddles, though they look attractive, are very slippery and expensive—our good Secretary might fall off—so I think it better that he get a good Texas saddle and ride the American horse down the neutrality track. In any event, we must have no trick riding.

Personally, speaking of Congressmen, I know of no Congressman or Senator who would play politics on a matter that concerns war, and a poll shows 85 percent of the Rep-

resentatives and 90 percent of the Senators favor the strictest and most mandatory type of neutrality. I am only one Congressman. Many of you have done much more than I have in the cause of peace. There was a committee in the House last session, and on it I served with my colleagues, CHRISTIANSON, of Minnesota, TOBEY, of New Hampshire, both Republicans, and both distinguished former Governors of their States KLOEB, of Ohio, a Democrat, a member of the Foreign Affairs Committee, the author of a very important neutrality bill, and one of the leaders for intelligent action for peace KOPPLEMANN, of Connecticut, SISSON, of New York, MORITZ, of Pennsylvania, all three Democrats, and able, patriotic gentlemen; and SAUTHOFF, of Wisconsin, of the Progressive Party, another courageous fighter for peace. In the Senate among those favoring neutrality we find NYE, of North Dakota, and VANDENBERG, of Michigan, both Republicans CLARK, of Missouri, and BONE, of Washington, both Democrats; and all four serving on the Senate Munitions Committee; and many others. I am not authorized to speak for all or any of these gentlemen, but I mention them as supporters of substantial, strict neutrality. The statement is made, however, so that we understand that our action is nonpartisan.

M'REYNOLDS AND NYE-CLARK-MAVERICK NEUTRALITY BILLS

The distinguished gentleman from Tennessee [Mr. McREYNOLDS], with the support of the administration and State Department, Friday, January 3, 1936, introduced a bill which is a great step forward for the country. While the McReynolds bill was being written, some of us were writing another, and it was introduced Monday at noon in the Senate by NYE and CLARK; in the House by me. This bill was introduced because we believe the administration bill has certain loopholes, although essentially a good bill; and the bill, called by the press the Nye-Clark-Maverick bill is of the strictest and most mandatory type.

Let me mention mandatory neutrality and the various concepts of neutrality, because the words have caused some misconceptions in the minds of the people.

Now, the old conception of neutrality allowed the neutral to profit by a war. Not only could such a nation trade with the belligerents, as it did before the war, but it could increase its exports a hundredfold to either belligerent that was in a position to buy; it could profit by the war both in the greater volume of its shipments and in the higher prices paid.

It was this increase in war trade over the normal trade of peacetimes that constituted the principal economic entanglements that so often dragged the neutral into the war in the end.

Now, let us take neutrality under the new conception, or the conception to be established by written law of the United States of America. It is that the Nation should not make war profits on belligerents, and should have as little as possible to do with these belligerents. This will necessitate an embargo on munitions of war, or implements of war, and many other restrictions on foreign trade and commerce. But frankly, wars in general, the World War in particular, from a very cold-blooded, practical, business viewpoint, considering also the unconscionable profits, are certainly not worth the candle. The human lives lost will not be regained—nor will the eleven or so billions of dollars which we loaned to the Allies.

WORLD WAR MISTAKES

Continuing with the idea of neutrality, we might here make some immediate comparisons. In the World War we were never neutral from its begininng, even according to the old conception, nor were our neutral rights ever respected from the beginning, according to the old definition of neutrality. If we look at the columns of the newspapers of that day we find that we immediately sided with the Allies, or the British and French Governments, emotionally, physically, and financially. Under the abuse of the German Government we protested against their submarine campaign. And the British Government very cleverly controlled its own propaganda—but it also violated American rights and seized our ships on the high seas. England blockaded Germany and would not let us sell to Germany. So we sold to England, upon the theory I presume—even though millions of our fellow human beings were losing their lives with products "Made in America"—that we were making great profits.

Now, there is no sense in blaming the whole thing on J. P. Morgan and Wall Street. I probably have the same opinion of J. P. and the Street as the average person, but the American people—and you and I—should not always excuse ourselves and blame everything on one individual or one group of individuals. We Americans have a habit of blaming someone else to save ourselves from realities—of thinking. We should consider our own conduct in that particular. It is true that the people of this country were finally pushed into the war by propaganda. But we went, and that is the point. It is true that newspaper propaganda constantly dinned in the ears of the American people stories about the atrocities of the Germans—and combined with the fact that we were not neutral from the first, along with the lending by our international bankers of hundreds of millions of other people's money, finally put us in the war. Then we beat the tom-toms of hate, played our bands, and as a nation lent more of our money to send our own flesh and blood into the pot of death, to collect the same thing—money!

WAR BLOODY CIRCLE OF HUMAN BLINDNESS

Then we loaned billions more so the munitions makers could get the cash, all of which will have to be paid by the common taxpayers of the United States. Then, after we had gone through this foolish and criminal policy of having set up huge paper profits, and having lost our blood and brawn on foreign battlefields, we lost the billions of dollars in addition. If this is not a crazy and bloody circle of human blindness, I do not know what it is. Why, I cannot see any sense in war from any angle whatsoever.

Mr. Speaker, let me sum up, and repeat a little, for we must understand clearly what is meant by the old idea of neutrality and the new idea of neutrality. The old idea was for us to have political isolation, but to be right in on the economic game of sending our ships across the seas, to sell all manner of merchandise and products to the belligerents in their business of killing. And so, having entered in that manner, we finally joined the conflict politically and in a military way, and got into the big business of killing, too. That was the history of the World War, as of the War of 1812. But the new idea is that we must not merely stay out of trouble politically but also economically; that we must not only avoid political and military entanglements but economic entanglements as well.

Now, in writing any law we must make our intentions clear, and Congress cannot evade responsibility by writing a blank check.

NYE-CLARK-MAVERICK BILL COVERS SITUATION

Therefore, in writing this proposed neutrality law, we have set down certain limitations, specifically, in clear, plain language, and these governmental executives, including the Chief Executive, merely follow the law, as they do any other law, and as is their duty.

Simply speaking, I believe the bill which I introduced Monday in the House, and which Senators NYE and CLARK simultaneously introduced in the Senate, covers the situation. Let me describe this bill in ordinary language.

First of all, the law itself sets out that it is necessary in the absence of international agreements, and is enacted pending new agreements that will insure peace, justice, and equality among the nations. I mention this so that all must know that the author's attitude is not that of a bitter isolationist, but for neutrality under the conditions of the world today. Also, it is obviously impracticable to even talk about the League of Nations or World Court right now. Some day our country may have peace by international action, and I hope we shall, but it would be obviously impossible for the machinery of international organization to be set up in the short time now available.

But to go on with the bill: It seeks to establish neutrality and peace, as I have tried to show you, and specifically in section 2 creates a flat, outright embargo on arms to all belligerents in any war. Section 3 is the real controversial

part which gives the President the right to put definite quotas on such things as he finds to be materials or products considered war necessities, on a basis of the annual average of the past 5 years. I am not, myself, very well pleased with this section, but the consensus of opinion is that since it was abnormal or increased business that got us in the last war, that if ordinary business is held to normal no one can complain for loss of it at home, nor can a foreign nation complain. Besides, the other sections of the bill rather fully protect us, especially due to the fact that in sections 9 and 10 loans are automatically forbidden to belligerents upon the outbreak of war, and no extension can be granted on commercial credits. These sections comply with the Securities and Exchange Commission and Federal Reserve Board laws and regulations. It can be safely said that if this law had been in effect before the World War that we may never have gone in it; certainly, however, it is safe to say that with this law we will have better chances to stay out of any present or future war.

The point is, a belligerent could not go very far if we stop the flotation of loans, and do not allow any extension over the first 90 days or 6 months of credit. Other sections concern the prohibition of American vessels from proceeding to belligerent ports, or travelling in hostile waters; certain prohibition of travel; and the power of the President to forbid the departure of vessels from our ports and to restrict our ports from the use of submarines, or the misuse by foreign nations of our flag in shipping.

Well, Mr. Speaker and colleagues, you just about have the picture. The prospects for the enactment of a satisfactory law on neutrality look good. Let us work together to that end.

And for the Nation as a whole, let none of us get excited, nor lose our tempers, but be patient and sensible. Remember, if war comes, we are through, and civilization is through—finished. There is nothing to gain in war—and everything to lose. Since all we can possibly gain is suffering, misery, and death, let us fight for neutrality and peace.

THE FARMER'S ENEMY

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including an article on the Constitution and the Supreme Court written by Senator WILLIAM E. BORAH.

The SPEAKER. Is there objetcion to the request of the gentleman from New York?

There was no objection.

Mr. FISH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an article by Senator WILLIAM E. BORAH, of Idaho, from Collier's Magazine:

[From Collier's for Feb. 1, 1936]

THE FARMER'S ENEMY

By WILLIAM E. BORAH, United States Senator from Idaho

Where is the American farmer to find the market upon which alone depends his permanent prosperity? Is there a market? If so, where is it?

Whatever virtues there were in the Agricultural Adjustment Act as an emergency proposition, it did not seem to me a permanent solution of the tragedy of the American farm.

Mr. Freestone, the able master of the State Grange of the State of New York, according to the press, recently stated: "We hope that some of the experiments sincerely made in the cause of agriculture will be successful, but in the long run, on a permanent basis, government cannot save agriculture. * * * When the present emergency is over * * * when the end of experimentation comes, the organizations (farm organizations) will see new opportunities to grow in the service of agriculture."

This, I suspect, represents the views of the vast majority of the American farmers.

Notwithstanding the hog vote, the wheat vote, and all other votes, the farmer does not like regimentation. He takes it because it is the only help that has been offered him in an almost indescribably distressing situation. Those who picture the farmer as anxious to let his acres lie idle and wait for his check, in my opinion, know little about his real views. He is less in love with bureaucracy than anyone in the United States. Instinctively he wants to run his farm which his own industry has carved out of perhaps a desert; he wants to enlarge and to improve. He likes to add to his acreage, his herd; and he rejoices to see things grow—"multiply and replenish the earth."

But he had seen the debenture which the Grange had urged for 50 years killed. The Tariff Act of 1929, as it passed the Senate, provided for the issuance of debenture certificates to farmers exporting farm commodities equal to the amount of the duty upon such commodities.

These certificates issued to the farmer exporting his commodities were to be redeemed by the Secretary of the Treasury under proper rules and regulations. He had seen the pledge broken by which he was to be given equality of treatment under the tariff. He had seen his dollar, when measured in the commodity of his production, cut in half, and his taxes, interest, and debts in the meantime increasing. So he consented to reduce acreage and to kill his pigs—something which he deplores far more than do those who criticize him for doing so.

FORCED TO REGIMENTATION

Give the farmer a fair market—a market in which he can realize the cost of production with resonable profits—and he will return the check, take back the idle acres, fight for the life of his pigs, and chase away the first representative of bureaucracy appearing at his barn gate with a pitchfork. But until he is given a market he must take regimentation in order, as he hopes, to save his farm, his home, and afford a chance in life to his children. You cannot blame him for accepting the only program offered, however distasteful it seemed, to afford, as he feels, a chance, if not to pull through, at least to exist.

It is a truism, of course, to say that prosperity for agriculture depends upon an enlarged market. But it is a truism which is greatly disregarded. Refinancing of farm indebtedness is, of course, important. Reduction of taxes and cheaper freight rates are likewise important. But the fundamental and determining factor is that of increased and increasing demands for the products of the farm. Can this demand be created? Can this market be found? The demand is at hand; that we know. I feel the market can be made available. And, fortunately, in making this market available we will at the same time be serving the cause of humanity and strengthening our entire political structure. In other words, insofar as we serve the cause of social justice we serve the cause of agriculture by furnishing a market.

WE CAN'T LOOK ABROAD

It appears doubtful whether we shall realize anything like what we seem to hope for in the matter of a foreign market. Everything indicates we are not going to find any considerable demand abroad for our agricultural products. I do not mean to say that we should not by all practical and reasonable means seek to enlarge our foreign market. And to this end the debenture system will probably be of more service than anything which has been suggested. But at best the foreign market will take care of a very small percentage of the products from the farm. In normal times only about 18 percent of farm income is represented by exports. We may not be able to maintain even that percentage.

We know that it has been the policy of all nations, particularly since the World War, to increase all agricultural output. It is estimated that some 50,000,000 acres have been put under cultivation since the armistice. Backward countries with fertile soil and abundance of cheap labor are supplying and building up production to such an extent that it not only reduces the demand for American products but actually threatens to invade, in fact is invading, our domestic market. It would seem that the only market for the American farmer is here in the United States, at his very door. And it seems to me that under a sound economic system that market is ample to insure, in connection with a fair system of refinancing farm indebtedness and a just tax policy, return of prosperity to American agriculture. I say a return of prosperity. The time has been so long that perhaps I should say insure prosperity to American agriculture.

I suppose we ought to gage our farm problem by normal years rather than years of depression. It would greatly simplify the problem if it should be ascertained that in normal years the farmer was prosperous or even fairly prosperous, and that his trouble came only with the general depression. But if we ascertain that in so-called prosperous years we still had a most serious condition on the farm we will be able better to determine the seriousness of the problem, the nature of it, and possibly the solution of it.

What are the facts? The present income of the farm is about $7,300,000,000. It has been augmented since 1932 to the extent of about $1,963,000,000. I am not now subtracting anything by reason of increase in the price of the things the farmer must buy. For the purpose of this article, we may credit the income with the full amount above indicated. But here is the real problem—not how much we have been able to add to an impossible minimum such as that of 1932, but what have we done or can we do to add to the income to which I now call attention. In 1928–29 the income of the farm was $11,941,000,000. The relevant question, therefore, is, What was the condition of agriculture at the time it had an income in excess of the present income to the extent of $4,641,000,000?

A PROBLEM WE'VE ALWAYS HAD

The income, in other words, at the present time of the American farm is about 63 percent of the average income from 1923 to 1929. The question, therefore, is, Did this income bring prosperity to agriculture during these years? If not, can we hope to bring prosperity by curtailing production, or shall we look for enlarging and increasing markets? We know that during the years from 1923 to 1929 mortgages were increased and enlarged and foreclosed. Tax sales in agricultural regions were common. At the Republican convention in Kansas City in 1928 the farmers marched in a body from adjoining States to make known their distressed condition.

Our farm problem did not come with the depression. It was here in a most aggravated form during the years which have been designated as years of prosperity. If the trouble on the farm had commenced with the depression, we might well hope that when we get back to the "favorable" condition of 1929 the farm problem will disappear. But it will not disappear under circumstances similar to those years. In fact, I ask when has there been prosperity on the farm during recent years except in times of war or in case of crop failures on a large scale in other countries? It is instructive to go back over the history of agriculture and learn how rarely the farmer has been prosperous in recent decades except when war or famine gave him a market. The farm question has its roots in conditions other than those superinduced by general depression.

It will not be contended that from 1923 to 1929 the farmer was at fault. He had produced and was prepared, assuming the American people could buy, to feed the American people, pay his taxes, high as they were, pay his interest, high as it was, reduce his mortgage and, keeping step to the music of the seasons' change, reseed and replant his acres. Assuming that the American people could buy! But, badly as many needed to buy, they could not buy. A proud, strong people were by the millions without the means to supply their tables with more than the bare necessities of life, and millions more were not able to provide even the bare necessities of life. The farmer had not overproduced, measured by the needs of the people; he had not curtailed production or limited output; he had not, through agreements, fixed the price of his products. He had gone forward and produced sufficient to make comfortable all the people of the land and in doing so had discharged his full duty to himself, to humanity, and to his country. No family need go unfed and no child go undernourished on account of the failure of the farmer to produce. And yet he was producing for a people, taken as a whole, with a fabulous national income. The trouble was, this income had been so distributed that 80,000,000 people must confine their purchases to the bare necessities of life and 50,000,000 be satisfied with far less. Here is where the difficulty arose.

A LIBEL ON CIVILIZATION

It now appears that if from 1923 to 1929 all the families in the United States had been able to purchase sufficient to bring them up even to the standard of bare necessities, our practical capacity production in this country would not have been sufficient to meet the consumptive demand. It would seem, wittingly or unwittingly, that the farmer was producing on the theory that every family in the country would have at least the bare necessities of life. Thus this economic crisis in the life of the farm has not only revealed the tragedy of the farm but the tragedy of the Nation, to wit: must we submit and be reconciled to the cruel and enigmatical theory that the natural, normal workings and processes of economic system lead inevitably to meager existence for the millions and incalculable plenty for the hundreds? Must we accept that as the normal, modern civilization for which we have been striving? It seems to me a libel upon civilization. There can be no basis in reason or in justice in 20 percent of the income-earning portion of our population enjoying 98 percent of its savings, leaving the balance, 2 percent, to be divided among the other 80 percent of the population. Such is not an orderly, natural result of modern civilization but a result brought about through practices resting at last upon nothing less than extortion and violence.

With anything like an equitable distribution of our national income, with such a distribution as would have naturally followed had there been no use of unfair and illegal practices, there would have been no distress on the farm. But there was distress on the farm, and there will be until a more equitable distribution takes place. There will not only be trouble ahead for agriculture but profound trouble for all, as there is at this present time. Such conditions simply cannot continue. And the more debts we incur, the more taxes we impose in an effort to counteract the effects of such inequity, the deeper grow our troubles. It is an old story that the righting of such wrongs must come through the initiative of those who suffer. It never comes from those unacquainted with the discipline of want or the wisdom acquired through self-denial.

THE SOURCE OF TOWNSEND'S STRENGTH

Things are happening under our very eyes which ought to be a warning that these conditions cannot continue. Perhaps the most extraordinary social and political movement in recent years and perhaps in our entire history is the Townsend old-age-pension movement. Within a few months, so rapidly have the teachings of this movement taken hold in the minds of the millions of the people that they now seem to have the balance of political power in a number of States and are boldly bidding for national control. I am not about to discuss whether the scheme is sound or practicable but am considering it only as a barometer of the feeling of a vast number of our law-abiding people. The proposal could well be entitled "Townsend's plan for the redistribution of purchasing power." It is not merely a plan to secure a pension for the aged. These elderly people are in fact to be made the agents to accomplish a much broader and more fundamental thing.

And that fundamental thing is, as they contend, the restoration of purchasing power to the masses. It is their contention that the plan, if put into operation, will bring about an equitable distribution of the national income. This, in my opinion, is the driving, impelling thought behind this movement. Regardless, therefore, of the method, which you may reject as impracticable or unworkable, the movement derives its great strength from the resentment which so many feel and which resentment the movement has summoned to its support.

There is something radically wrong. The basis upon which rests our constitutional scheme of government is that for every wrong there is a remedy. If the concentration of wealth, on the one hand, and the spread of distress, on the other, should continue to develop along the same lines for the next 50 years as it has developed during the last 50 years, just what would be the status of American institutions? We might still call this a republic, but it is doubtful if we would even pay that tribute of respect to republican institutions.

NO MAGIC IN TAXING

In dealing with this problem there are some things we cannot do. We cannot confiscate and we ought not to repudiate. We cannot take the property of A and turn it over to B, C, and D. And if we did so under our present system A would soon have it all back again. We cannot distribute wealth or establish equitable income through the process of taxing power. Assuming that by such methods we could break down large estates, no substantial benefit would flow to the people. The sums gathered through taxation stop at bureaus and would be consumed by unnecessary officials, resulting in mere extravagance and waste. The distribution would get very little beyond the demands of those operating the Government. Taxes should be levied solely for the purpose of taking care of the necessary expense of the Government.

I fully understand that when you come to discuss the concentration of wealth and the monopolistic practices or methods by which it has been brought about and by which it is maintained, it is argued, and with an air of divine finality, that you cannot turn back the clock. For myself I am not proposing to turn back the clock. I am not proposing to take from anyone the fruits of industry, of ability, of genius. If through superior ability a better article is made, if through greater efficiency a business wins its way to the market, no one has a right to complain. On the other hand, that is in the interest of consumers, provided the way is still open to compete on the basis of merit and efficiency. The people get the benefit of a better article at lower prices; and the channels of trade remain open to those who may still further produce better articles at lower prices.

GETTING THE BENEFIT

This principle has been well illustrated by the motor vehicle industry. When the depression was at its worst this industry was at its best in many ways. Its engineering and experimental departments took on new life. They did not get together and agree upon prices for the same old cars. They did not come to the Congress begging for subsidies. They devoted their efforts to solving their problems in the open field of competition. The result was the companies won out and the people got better cars at lower prices. Under a monopolistic regime, under a price-fixing agreement, under a price-fixing combine the companies might have pulled through, but the public would have been riding around in the same old singing "Lizzie" at perhaps a higher price. It is in the field of competition that industry and genius win and the people get the benefit of the victory.

Justice Brandeis (before he became a member of the Supreme Court) declared that: "Experience has taught us that competition is never suppressed by the greater efficiency of one concern. It is suppressed by agreement to form a monopoly or by those excesses of competition which are designed to crush a rival. . . . No business has been so superior to its competitors in the process of manufacture or of distribution as to enable it to control the market solely by reason of its superiority. There are no natural monopolies in the industrial world."

QUESTIONS OF ETHICS

Is it turning back the clock to say that in the business world there shall be no squeezing out of a beginner, no discrimination against retailers who buy from a rival, no holding back of raw material, no secret agreements or arrangements against a rival, no threats against concerns who sell supplies to a rival, no agreement to impose prices upon the people regardless of the value of the goods sold? Is it turning back the clock to say that thuggery is as intolerable on the highways of commerce as it is on the highways of travel? Have we reached the point where it can be said that overreaching or illegal practices under a corporate charter are less amenable to law and the public interest than over-reaching or illegal practices at the country store?

TOWARD PERMANENT RECOVERY

If capitalism is going to insist upon a code of conduct free from all principles of fair and honest dealing, if it is going to insist that the creed of the underworld, where cunning and deceit and ruthlessness and finally extermination are recognized as the law of life, shall be and must be the rule of capitalism, we must be prepared to meet the question of state socialism or even communism. I venture to prophesy that the people will not indefinitely permit private interests to fix prices either directly or indirectly. If they are to be fixed, they will be fixed by public authority. If capitalism has nothing to say in the way of a more equitable distribution of the earnings of capitalism, if it is going to insist that widespread poverty in the midst of incalculable wealth, that denial of the comforts and conveniences of the modern world for the majority of the people are natural and inevitable, then capitalism must be prepared to fight for its very existence.

But is all this true? Are these things a result of natural and normal development? It does not seem to me to be so. Monopoly

does not exist as a result of natural growth. It is a result of practices which between man and man no one would defend, practices definable in the law and punishable by law and enforced at little cost when compared to the cost and exertion put forth in an effort to counteract the effect of monopoly. It is much easier to define or specify those practices by which vast aggregations of economic power have been built up than it is to define or specify the practices by which the professional racketeer preys upon the public. Woodrow Wilson once declared: "I take my stand absolutely on a proposition that private monopoly is indefensible and intolerable. Any decently equipped lawyer can suggest to you statutes by which the whole business can be stopped."

We come back to the point from which we started, and that is the first primary step toward permanent farm recovery—the restoration and maintenance of farm prices for farm products. To do that a market must be found. Louis J. Taber, master of the National Grange, speaking at Sacramento, Calif., November last, declared: "There can be no permanent recovery and no return to prosperity until we increase mass purchasing power, until we raise our standard of living, and until there is a better and broader distribution of the wealth we all create. Real Americans have no desire to take away the property that honestly belongs to others. But red-blooded Americans demand for every man that is willing to work the right to acquire the comforts of life."

AN EXCLUSIVE MARKET

The market which we must have is not in Europe nor anywhere else in the Old World. Those markets are ours only upon a very limited scale. It is here in the United States, in the homes of millions of common people, that our markets must be found. And they can never be found until we restore purchasing power to these people. You can never restore purchasing power while private interests through combinations and agreements fix prices. The farm purchasing problem, therefore, has its roots in the most profound problem in our whole social structure.

I conclude by saying that it would seem beyond debate that this home market belongs exclusively to the American farmer to the full extent of his ability to supply it. There can be no sound argument, it would seem, to support the contention that this market is to be divided with foreign producers so long as the American farmer is anxious and able to supply our demand.

THE MOST URGENT DEMAND

If it be said that we must let in foreign farm products in order that we may find a market for our manufactured goods, the answer seems to me to be that the finest market in the world for the American manufacturer is prosperous American agriculture. The farmer is the best of buyers when he has the means with which to buy. His fences, his barns, his granaries, his home, and the clothing and schooling of his children, so long in need of what the American manufacturer has to sell, constitute the most urgent demand anywhere to be found.

Thomas B. Reed once said: "If we propose to abandon any industries, we had better not let it be the agricultural industries. Our system of protection is not for manufacturers alone. It is for farmers also. Whoever deprives our farmers of all the American market they can occupy is false to his principles and must meet with defeat, or the system must be surrendered which proclaims that American markets are first of all for American citizens, who are engaged in developing the country we already have."

THE TOWNSEND PLAN

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my remorks in the RECORD by including a few remarks I have made on the Townsend plan.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following statement made by me with reference to the Townsend plan:

[From the Allegan Gazette of Dec. 19, 1935]

HOFFMAN REVIEWS THE TOWNSEND PLAN—EXPOSES ITS FALLACIES AND INIQUITIES—THOUSANDS TRY TO COERCE CONGRESSMEN—WILL NOT STAND IT—MAN AND WIFE EACH COULD DRAW $200 EVERY MONTH

A recent publication of a Nation-wide movement carried this statement: "It is now the open hunting season for Congressmen."

Evidently the author of this statement has not been reading the daily papers the last few years. Since the time of Edward Larue Hamilton, who so greatly honored this district, who was a statesman, and one of the last who had opportunity to be such without being continually beset by organizations of his district, more and more Congressmen have been, in the most humiliating sense of the word, servants of their districts.

But the situation has changed far beyond that where a Congressman is permitted to represent his district having in mind his country. Today and for some years past he has been an errand boy of special groups, cajoled or threatened, as a particular group might consider most advantageous to their own interest.

The process has continued and spread until he not only receives requests, demands, and threats to do, or to refrain from doing, a particular thing, from organizations and groups but from individuals who presume to tell him that he now represents the writer or the speaker, and that unless he acts in accordance with that writer's or speaker's demands he will not be returned to office.

Today some farm leaders insist that the benefits conferred by the A. A. A. are but protection similar to that afforded manufacturers and labor by a protective tariff. In part he is right; in part he is in error; for the check laid upon the table of the farmer for not producing hogs, corn, wheat, or any other product is a direct and immediate payment, which does not prevent foreign competition; which rather, in view of recent figures, increases that competition and results, not alone in a higher price to the consumer, as does the protective tariff on manufactured articles, but it results in a scarcity of the things the consumer eats, wears, and uses.

There is a silver group in Congress which insists that the United States Government purchase silver at a price above the world market, and this upon the theory that silver is necessary to maintain the monetary system of the country.

Just why your money and mine should be used to purchase silver metal at an exorbitant price; that is, at a price above its market value, is a thing which I have never been able to fathom, although I clearly understand why western silver producers are in favor of such a program.

And so the list of those seeking special benefits, special privileges, might be extended almost indefinitely. I might refer to the loans which were made upon cotton which gave to the cotton growers of the South an immediate and indefinite advantage over the producers of any other agricultural product.

Attention might be called to the fallacy of these various schemes by pointing out that we have lost the foreign cotton market, that we have lost our foreign market for agricultural products, while at the same time we have failed to bring about prosperity.

The demand that a Congressman vote for appropriations is almost irresistible and, if he yielded to all of these demands made by each particular group, the staggering total would throw us into immediate bankruptcy.

It was in the closing days of the Congress when bills for the appropriation of money for this, that, and the other things was being put through without due consideration that JAMES P. BUCHANAN, a loyal Democrat from Texas, but who places country above party, arose and solemnly warned his Democratic colleagues that Congress had already appropriated $10,000,000,000 and that to continue meant disaster. It was he who more recently, consulting with the President, informed the Executive in no unmistakable terms that there must be a halt.

It is in Washington that the taxpayers' money is being poured out as though it were of no more value and were as limitless as the grains of sand along the shores of Lake Michigan.

If you consider, you will be shocked to learn that between the 31st day of August 1935 and the 31st day of October 1935, 26,169 employees have been added to the pay roll of the Federal Government.

You know, but you do not realize, the effect of the fact that in October alone 1,830 new employees or officials went on the Federal pay roll.

You do not have in mind that while the income of our country from 1930 until the end of 1932 dropped until it was a little above $2,000,000,000, expenditures increased from four billion to approximately five and one-half billion.

From the end of 1932 on, Government receipts gradually and consistently rose until they were, in the middle of 1935, approximately four and one-half billion, while expenditures increased from five and one-half billion to seven and one-half billion.

We forget that if a man earned $24 per minute it would take him 2,000 years to earn the money the Government has spent in the last 3 years.

With all this spending we now have sweeping over this country the grandest spending scheme of all, the so-called Townsend plan. Fired with a fervor similar to that of the religious fanatic, many of the subscribers to this plan believe it to be ordained of God as a device which will end poverty and suffering and bring about the millenium.

For those faithful souls, those honest citizens, who so sincerely believe, we all rightly have the greatest sympathy and charity. For those leaders who are profiting by this plan, who are collecting the nickels and the dimes—yes; the quarters—from those who, as a class, have the least of this world's goods, we should have but the greatest contempt and scorn.

All over this country—and I have in mind no particular spot—we have going about a horde of men lecturing, seeking office on a platform which includes the Townsend plan. These men are opportunists. They are capitalizing upon the strength of a great popular movement, a movement which has for its avowed object the highly laudable and justifiable purpose of alleviating suffering and increasing happiness, but which is impracticable and, as outlined, unjust and illegal.

Briefly, let us examine this plan, and that there may be no mistake, let me read from a petition presented to me as a Representative of the Fourth District:

"The undersigned citizens of the United States request you to introduce in the Congress of the United States at your earliest opportunity the following bills and use your utmost effort to obtain their passage into law:

"First. A bill obligating the Government of the United States to pay every citizen of said Government whose record is free of habitual criminality and who has attained the age of 60 years a monthly pension of $200 until the end of his or her life upon the sole condition that he or she retires from all further business

or profession for gain, and agrees, under oath, to spend the entire amount of the pension within the confines of the United States during the current month in which it is received.

"Second. A bill creating a Nation-wide Federal transactions tax calculated at a rate sufficiently high to produce the revenue necessary to meet the requirements of bill no. 1."

Here you have the first proposition; and now listen and tell me if there be a man among you who can honestly and conscientiously agree to the foregoing. Think! This is a request to pass a law to pay every citizen whose record is free from habitual criminality and who has attained the age of 60 years a monthly pension of $200 until the end of his life upon certain conditions.

This pension goes not alone to the needy of 60 years of age, but it goes to those who possess incomes amounting even into the millions, if they so desire. The man, the woman, who has sufficient to live upon in comfort and in luxury, under the terms of this law, would draw the $200 per month. Am I in error?

On the 4th day of February 1935 I sat in the committee room of the Committee on Ways and Means of the House of Representatives, composed of 21 Members, and I heard Dr. Townsend, the author of this plan, testify, under oath, as follows:

"Mr. HILL (member of the committee). Now, regardless of the income, from whatever source received, any citizen of the United States receiving that income, who is over the age of 60 years, would be entitled to the $200 per month pension.

"Dr. TOWNSEND. Yes. I agree to that.

"Mr. HILL. That would, of course, include the wealthy people as well as the classes of people all down the line, all the way down to those who are in a state of poverty.

"Dr. TOWNSEND (p. 685). We agree that the plan shall be nondiscriminatory and applied to all citizens equally.

"Mr. HILL. In other words, it would apply to John D. Rockefeller, Sr., to Henry Ford, to J. P. Morgan, as well as to a man who has no means or income at all?

"Dr. TOWNSEND. If they wish to acquire the pension under the provisions of the act.

"Mr. HILL. That is, they would be eligible.

"Dr. TOWNSEND. Yes."

On page 733 of the same record, Mr. Hudson, one of the experts produced by Dr. Townsend, and by whose side he sat at the time he was giving his testimony, was asked by Mr. VINSON, of the committee:

"Would you not include Mr. Andrew Mellon as a beneficiary under this bill, he being past the 60 years of age?

"Mr. HUDSON. Absolutely."

Yet the Townsendites tell me today—and they have been telling me for weeks past—that I was committing political suicide because I would not subscribe to a bill which, regardless of need or income, provides a pension of $200 per month to the wealthy, the well-to-do, as well as to those in moderate circumstances or in need—an outrageous demand which they have made upon me, which they make upon every Congressman; and their battle cry is, "An open hunting season upon Congressmen."

What magic is there in the figure of $200 per month? I have written to many of them, asking them whether they would not be satisfied with $50, $100, $150, $175; and many, many times the answer has been, "No; we want, we demand, $200 per month, and we propose to have it; and if we do not get it, we'll get a revolving Congressman; we'll get a Congressman who will give it to us."

What is the $200 to be spent for? Myself, 60 years of age, with a wife of equal age, we would be entitled, under the provisions of this law, if I merely practiced law as amusement or gratuitously to assist my boys, who are both with me, to $4,800 per year. Owning our own home in Allegan, with a garden, fruit trees, and a few chickens, we can easily live upon $800 and live in comfort. That would give us $4,000 to spend, and for what should we use it? Would we refuse to take it? Is that human nature? How many would?

All those eligible will take it, spend it, and, if they cannot use the things purchased, give them to others, thus lessening the purchasing capacity of those others.

This question of what the money should be spent for interested some members of the committee, and so Dr. Townsend was asked, and you will find this on page 687 of the record:

"Mr. HILL. I take it, of course, he would have to spend it in good faith, even though he spent it for luxuries. He could not go out and squander it in order to get rid of it, so that he may be eligible to receive $200 the next month?

"Dr. TOWNSEND. Why not? We do not care what he does with it. That is immaterial. Let him have carte blanche."

And church folk, members of religious organizations, you drys who are behind this movement (and remember always that, in Allegan County, I campaigned for the first local option and then prohibition), listen to the rest of his reply:

"Let him buy whisky with it if he wants to kill himself off as quickly as he chooses. That is immaterial. It is commerce—business—that we want in this country. We are not going to regulate people's morals in the least when we give them this money to spend."

So I am threatened with political disaster, as is every other Congressman who refuses to give to every person over 60 and who is not a habitual criminal, who is a citizen of the United States, $200 per month, provided he spends it each month.

In favor of an old-age pension, in favor of social security, yes; but in favor of accepting Dr. Townsend and his satellites as my political boss, no; never!

Unhappy indeed is the state of those Democrats, or, rather, those New Dealers, who have been characterized as rubber stamps and who are now, the country over, subjects of scorn and ridicule, lacking the respect of right-thinking citizens.

How contemptible, how lacking in manhood must be the man who will abrogate his right to think, to reason, to form judgment, and agree in advance in order to obtain office to follow the arbitrary direction of a man who lives in the other extreme of the United States; and adopt a plan which we know to be unfair, unjust, unreasonable, and unconstitutional, for any plan; and, mark this well, enacted into law, which does as does this plan, give to one group of citizens regardless of their need an arbitrary sum collected from another group, will never stand the test of the Supreme Court of the United States. It works hardship upon every other citizen who is not the recipient of its benefit. It collects from him a tax amounting to from 2 to 42 percent, for it is a 2-percent transaction—not sales tax, as is so often erroneously assumed.

A bushel of wheat the world around will produce a 48-pound sack of flour. By the time that bushel of wheat gets into the hands of the grocery man and is a sack of flour this plan of Dr. Townsend will add to the cost of that 48-pound sack of flour 10 cents; and this you will find on page 731 of the record.

Not only that, but if this plan goes into effect the farmer who grows the wheat and sells it must take out a license. Perhaps I do not know what I am talking about; but, certainly, Dr. Townsend must know his plan. Let us hear what he said—and you will find this on page 692 of the record:

"Mr. HILL. Suppose a farmer, growing wheat and livestock; he is engaged in the business of selling what he produces as well as in the business of producing these commodities. Would he have to take out a license?

"Dr. TOWNSEND. He certainly would have to take out a license. He is engaged in business—the business of producing commodities for foodstuffs.

"Mr. HILL. Any producer who produces for the purpose of selling products?

"Dr. TOWNSEND. Yes.

"Mr. HILL. Would have to take out his license?

"Dr. TOWNSEND. He would."

And so the farmer's wife who sells eggs, who sells cream, who sells butter, the farmer's boy who sells melons, each and all must take out a license; and each and all must contribute so that someone, whether he needs it or not, can have $200 a month.

Now, the easy way out of this situation for every officeholder, for every candidate for office, is, as it always is when beset by any particular group, to promise to agree to the thing desired whether that promise be made with intention to keep or to violate.

If to illustrate my point I make reference to our President, I ask the forgiveness of my Democratic friends.

In our little town there are a thousand or twelve hundred registered voters. It is said—and no doubt correctly—that at least 500 of them have signed the Townsend petition. That means political defeat to any man who does not agree to their proposition; and so, when I am asked whether I have promised to support the $200 pension at the next session, should not the answer be: "Why, of course; why not?" and accompany it with a wink, the wink meaning, of course, that there are certain reservations.

Might I not explain, "Promises are easy and necessary, but surely in this day and age nobody believes they are made to be kept. You cannot expect me to keep a promise if our President did not."

We all know what the 1932 Democratic platform contained. We all know that the President flew from New York to Chicago to stand squarely upon that platform and to proclaim before the world that he was 100 percent for it. We all know that practically all those promises have been repudiated, thrown into the wastebasket.

Yet the President's popularity, it is said, is undiminished; and why? Simply because he tells us that changed conditions prevented the fulfillment of those promises; and does anyone find fault? Certainly the farmer who receives the Triple A checks, the cotton growers, and all the other long list down the road have no complaint to make. Certainly those thousands upon thousands of new employees placed upon the Federal pay roll are not complaining.

Then, having given my promise, why should I not, to become the fair-haired hero of the Townsendites, as soon as Congress has opened, make a speech in favor of the Townsend plan? Why not with my colleagues join in passing the bill? Why not send it up to the President and have him approve it, and then say to the Townsendites: "Yes; we have done all we can. We have enacted your plan into law." Then, when someone brings it before the Supreme Court and that body declares it—as it will; as it must—to be unconstitutional, because it is unjust and not right, lay the blame upon the Supreme Court?

That is the plan that has been and is being followed—not by Democrats like Al Smith; John W. Davis; Albert C. Ritchie; Senator Byrd, of Virginia; Senator Tydings, of Maryland; Governor Murray, of Oklahoma; Governor Talmadge, of Georgia; Newton D. Baker, former Secretary of War; and Bainbridge Colby, former Secretary of State—but by the New Dealers, who, after all, as said by CARTER GLASS, are not Democrats but are New Dealers first, last, and all the time.

And another out for the Congressman is to support the plan, realizing that if prosperity comes, as ultimately it will, the people

will forget about the Townsend plan. That is the broad and the easy way which may lead temporarily to public office, to popularity; but is widely divergent from that straight and narrow road which one must follow if he retains his self-respect, and that is the road which I choose to follow, believing and willing to advocate and to work for any plan which promises security to old age which is reasonable and just, but declining emphatically and absolutely to subscribe to a theory which will work injustice, inequality, and hardship and which in any event must fail because of legal restrictions. These legal restrictions cannot be changed so as to permit of a scheme of this kind, because it is inherently unjust and unreasonable.

In the end, in the long run, our people are fair, they are honest, and they will not stand for oppression or for special privileges to any particular class.

A TREATY NAVY

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a radio address delivered by my colleague the gentleman from Pennsylvania [Mr. DORSEY].

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BOLAND. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address of the gentleman from Pennsylvania [Mr. DORSEY] delivered October 26, 1935:

In November 1918 a grief-stricken and impoverished civilization, stupefied by the shock of war, turned weary eyes upon a scene of desolation and horror. The battlefields of the world were still crimson with the fresh blood of eight millions of dead. The floors of the seven seas were littered with the hulks of sunken ships manned by ghostly crews. Victor and vanquished alike were sickened of war and the thoughts of war. There existed a general reluctance among the masses even to think of a future conflict, together with a well-defined revolt against the machinery of war. Within the breast of mankind was lodged a solemn pledge that never again should humanity be subjected to the frightful horrors and stark tragedies from which the world had just emerged.

The war-ravaged countries which participated in the World War and those small nations living in eternal dread of powerful neighbors looked with hope upon any scheme designed to establish perpetual peace. As a man awakening from a drunken orgy reaches for a sedative, so these nations, large and small, grasped with eager hands the League of Nations plan of President Wilson.

Never before was man so ready to make a conscientious effort to reduce the instruments and to lessen the probabilities of war.

Despite such auspicious prospects, attempts to reduce the armed forces of the world met with dismal failure. Tremendous technical difficulties obstructed the path. Not only were the implements of war involved, but far-reaching economic problems, smoldering jealousies, and self-preservation were projected into the situation. These destroyed much of the idealism existent in the beginning, despite the well-intentioned efforts of the statesmen of the world.

President Harding, in 1921, realized the spirit then prevalent and hoped that the reduction of naval armaments would prove more susceptible of solution than had the problem of general arms reduction. He, therefore, invited the principal powers to participate in a conference for the limitation of naval forces. At the time this conference assembled, the United States, while still inferior to Great Britain in naval strength, had a definite head start toward absolute preponderance. The naval program of 1916 was well under way. The heavy armor and the mighty guns of the superdreadnaughts, which were to make this country supreme upon the seas, were already assembled in the navy yards. On the ways were being built 10 great battleships. The keels were laid for six swift and powerful battle cruisers, to be the largest vessels of war the world had ever known. Also, in course of construction were 10 light cruisers, as well as numerous submarines and destroyers—a tremendous embryo fleet in itself, which when completed and added to the ships then in service, would have definitely assured to the United States naval supremacy.

After months of preliminary conversations and weeks of bargaining, the Washington Conference was able to arrive at a partial solution of the vexing problem of naval disarmament. In 1922 the Five Powers Treaty was signed limiting the permissible total tonnage of capital ships, that is, ships above 10,000 tons, in the ratio of 5 for Great Britain and the United States, 3 for Japan, and 1.7 for France and Italy. No working agreement was reached restricting either the number or total tonnage of ships of 10,000 tons or less.

For the first time in history the powerful nations of the world had by mutual agreement placed a limit on the size to which their navies could be built, a limit heretofore bounded only by the size of the dockyard forges and the depth of the public purse.

Here was true cause for elation. Never before had such an unprecedented act of conciliation been laid on the altar of international good will.

But behind the altruism and the idealism was a background of shrewd international bargaining. It was a question of give and take, with the United States doing most of the giving. None of the conferees seriously doubted that in an unlimited naval race the United States would far outdistance the others. In its final analysis unlimited naval competition became a question of dollars and cents, with the United States holding the purse strings of the world. More than this, the glowing forges and continuous sound of rivet hammers in the shipyards gave abundant proof of a determination to win the race. Faced with inevitable defeat in such a competition, the other nations were determined to salvage for themselves such advantage as was possible. Japan was frankly loath to accept the apparent inferiority of the 5-to-3 ratio and consented only after the inducement of the Pacific nonfortification agreement was written into the treaty. Great Britain honestly bemoaned the loss of her historic preponderance at sea. Patriotic and conservative Britons felt that in some way the Empire could and should have found a method to overtop our partially completed 1916 building program.

As a result of this treaty, only 3 of the 10 battleships then building were completed and none of the mighty battle cruisers. Of the latter, two were converted into aircraft carriers, of which the United States at that time had only one, an old collier, converted for use as an experimental carrier.

The year following the ratification of the Washington Treaty, by which we renounced naval supremacy, President Harding issued a prophetic warning to the American people. He said:

"It is covenanted, in international honor, that our Navy shall retain the first rank, and any failure at retention must be charged to ourselves, because the world has deliberately acknowledged the righteousness of our front-rank position."

The years following brought forth a situation not contemplated by the treaty and yet not unpredictable. Restricted in larger vessels, foreign naval powers launched upon an intensive program of construction of fighting ships while American naval shipbuilding atrophied.

During the 8 years following the Washington Treaty the United States laid down 8 cruisers, 3 submarines, and no destroyers; Great Britain, 15 cruisers, 19 submarines, and 22 destroyers; Japan, 15 cruisers, 35 submarines, and 47 destroyers; France, 8 cruisers, 67 submarines, and 48 destroyers; Italy, 6 cruisers, 32 submarines, and 37 destroyers; or, expressed in total number of these 3 types of vessels which were not limited by treaty, the United States laid down 11; Great Britain, 56; Japan, 97; France, 103; and Italy, 75.

An attempt in 1927 at Geneva to extend the restrictions to all classes of naval vessels proved an utter failure. At Washington we lead in the race. By relinquishing that lead we achieved a partial success. At Geneva we lagged, but the leaders would not stop and wait for us.

Disarmament by example had proved an illusion. If there be today those who still believe in the efficacy of this method, let them but look at the standing armies of the world. Has our example deterred in the least the 12 countries with vastly larger armies? Did our failure to build to treaty limitation stop foreign naval building? In the light of recent events abroad, bold indeed would be the theorist who advocated further concessions to the exploded ideal of disarmament by example.

Following the fiasco at Geneva, Congress in 1929 authorized the construction of 15 cruisers. We dared not lag further in the race, but even had these vessels been completed we would still have been below the ratios established at Washington. These potential cruisers were considered abroad sufficiently significant to resume further negotiations for the limitation of naval vessels not formerly restricted by the Washington Treaty.

The following year, at London, an agreement was drawn up providing for limitation of naval vessels not previously restricted. Whereas at Washington, America led from strength, at London we followed from weakness. To none of the conferees were the compromises finally reached satisfactory. France and Italy rejected them entirely, America, Japan, and Great Britain reluctantly ratified the agreement only because it seemed preferable to no treaty at all.

Twelve years after the World War limitation of naval armaments of all categories had become an accomplished fact, at least among the three principal naval powers.

Four years later, in December 1934, Japan's denunciation of the Washington and London Treaties wiped out the fruit of all these labors. Unless by some unforeseen miracle the treaties should be renewed in a final conference, limitation of naval armaments will, on the 1st of January 1937, become only another experiment, noble in purpose but apparently impossible of enforcement. On that date, with all restrictions as to size or number of ships removed, maritime nations will be free to build, each to its concept of its own peculiar needs.

What, then, shall we do with this new-found freedom? What will others do? Will 1937 mark the beginning of a new post-war naval race?

For others we cannot answer, but for ourselves these questions demand an immediate answer, an answer based on sound decisions, not of the moment but for the long years to come.

Greatness in arms and authority in council are not achievements of a season's growth. The diplomatic problems of the day may yield to the solutions of the day, but our naval position, once lost, cannot readily be regained. No millions of citizens springing to arms can replace the sure bulwark of a permanent fleet. Failure to maintain an adequate navy would be a folly to be equaled only by engaging in unrestricted building competition. For America the pathway leads along the firm middle ground. So long have the present relative treaty positions existed that they have come to be regarded as a fixed structure of naval policy, and it is along this established treaty level—no more, no less—that our future points.

Fortunately, we are today headed toward this goal. Disarmament by example, during the post-Washington Treaty period had reduced our Navy to such a point that at the London Conference one of the American delegates was astonished to find how "hopelessly inferior" was the American Navy.

When the present administration came into power in March 1933 our President announced as his policy "To build the Navy up to treaty strength", and with characteristic energy and ability proceeded to carry out his announced policy. He faced a Herculean task—to remedy the neglect of 12 long years was not a task to be lightly undertaken. Though much remains yet to be done, today the end is in sight.

The Congress wisely provided in the Vinson-Trammell bill not only for building the Navy to treaty strength but of more importance still for maintaining it there. Under the provisions of this bill the Navy will by 1942 have attained full treaty strength. It behooves each peace-loving American citizen who, with an abiding faith in the righteousness of our cause, believes that an adequate Navy is a sure shield behind which we may rejoice in the isolation of our position and in our aloofness from foreign embroilments to give active and wholehearted support to a "Treaty Navy, fully manned and fully ready."

THE MONEY SYSTEM

Mr. GOLDSBOROUGH. Mr. Speaker, I ask unanimous consent to extend my own remarks by inserting an address delivered by me at the Seventeenth Annual Convention of the American Farm Bureau Federation in Chicago on December 10, 1935.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. GOLDSBOROUGH. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following address delivered by me at the Seventeenth Annual Convention of the American Farm Bureau Federation in Chicago, Ill., on December 10, 1935:

When I received from your president, Mr. Edward A. O'Neal, your invitation to speak at this gathering I immediately told him how glad I would be to be with you all and discuss with you matters of national interest.

Mr. O'Neal told me to talk about "The honest dollar", and before I begin to discuss the subject I want to warn you in advance that everyone who talks about money thinks that he or she knows all about it.

The different opinions about what should be done remind me of the occasion when Isadora Duncan, the famous Russian dancer, wrote a letter to George Bernard Shaw, the distinguished social philosopher. Miss Duncan, beautiful in form and feature, wrote Mr. Shaw, angular in form and plain of feature, suggesting that they marry and have a child, and that this youngster, with her magnificent body and his wonderful brain, would be the most remarkable child ever born. Mr. Shaw answered the lady and thanked her very much for the compliment she was apparently attempting to pay him, but suggested that she consider the possibility that if they married and had a child it might have his body and her brain, and what a mess that would be.

There is another class who realize that there is something wrong with our money, who realize that great social injustice is being done, but who, not realizing that they are suffering from the injustice, dismiss the whole matter from consideration. This latter class calls to mind the prosperous individual who was being solicited for assistance by a man with whom he had been raised, with whom he had been to college, and who was his fraternity brother. After hearing a part of his companion's despairing statement, he called in two of his servants, and, bursting into tears, said to them, "Throw this old so-and-so out. He's breaking my heart."

Our unsocial national money system dates from the first issue of Government bonds in 1790, which was the forerunner of the First Bank of North America, organized in 1791, but in the last 5 years, owing to our money system, a condition has existed for which there is no historical precedent.

From earliest infancy we have all been told to believe that there is always employment of some kind for anyone who is willing to work. We have been led to believe that idleness was always voluntary and never necessary, and that those who were not employed in some sort of gainful occupation were simply lazy and worthless.

In the last 5 years we have learned that conditions can make gainful occupation impossible, that, however willing, energetic, intelligent, and well prepared an individual may be, conditions may be such that it is absolutely impossible for the individual to obtain any sort of gainful employment.

The youth of America for 150 years has had emphasized to him or her the opportunities for American youth. The Constitution of the United States has been blazoned to the world as the greatest document ever struck off at any time by the mind and for the purpose of man. Our capitalistic form of government has been held up as a model of equal opportunity and of inducement to every individual to give the very best that is in him.

In the last 5 years, the youth of America have begun to wonder: "We were born in the land of vaunted liberty and justice and equal opportunity. We have worked hard in an endeavor to prepare ourselves to be useful citizens of the Republic. Our parents have denied themselves to give us this opportunity, but we find it does not exist. We find there is nothing for us to do. We discover that unless we inherit a livelihood there is nothing we can do except possibly become hangers-on in some Government bureau."

I believe I have as close contact with young men and women as most people my age, and I say to you that if our capitalistic form of Government is to be saved, conditions must be permanently changed in the matter of economic opportunity.

I shall not this afternoon attempt an historical analysis of our monetary system. It suffices to say for the purpose of this discussion that our primary difficulty is lack of money, money being anything that facilitates the exchange of goods and services. You see daily in the great metropolitan papers that the banks are filled with money. The banks are not filled with money. There is a shortage of money everywhere. What substantially all of the banks have is the right to extend bookkeeping credits. The total capital, surplus and undivided profits of all the banks in the United States is less than $7,000,000,000. In order to have any sort of business activity there should be at least $60,000,000,000 in circulation, and the only way, under our system, that we can get $60,000,000,000 in circulation is for the banks to exercise the right they have under an unconstitutional law to create out of nothing in bookkeeping credit nine times the actual cash which they possess. How many of our people know about this? Of the 126,000,000 or 127,000,000 of the citizens of the 48 States of this Union, possibly not 2,000 understand the money system under which this country is in subjugation.

The framers of the Constitution of the United States, acquainted as they were with the curse of the private control of money which had afflicted Europe for hundreds of years, placed in the Constitution of the United States the provision that Congress had the right to coin money and regulate its value. A tremendous battle ensued between the international bankers and Alexander Hamilton on one side, and Benjamin Franklin, Jefferson, Madison, Adams, and others on the other side, the Hamilton group endeavoring to set aside the constitutional provision and the Franklin group standing for the constitutional provision. To the eternal misfortune of the United States, Franklin passed away before the issue was decided, and Jefferson and his allies were not strong enough to stand out against Hamilton and the international bankers. The immediate outcome of this battle of money was the first issue of Government bonds, resulting in the first creation, nationally, of banker's money, and in the establishment of the First Bank of North America, a private organization, just as was and is the Bank of England, the Bank of France, and the other European central banks.

If the people of this country knew that nearly 95 percent of our money is created by bank debt, and that the banks, by increasing debt to them, can expand the currency, and that by collecting debt from them, can deflate the currency, our system would not last any longer than a special session of Congress could be called to repeal the present law. International bankers control the press, they control the universities, they control the colleges, they control the high schools and the grammar schools, so that no real, vital information about the money of the country ever gets to the people, and none of the real reasons of significant historical happenings ever get into a schoolbook.

From my earliest recollection, I have wondered why practically all business was conducted on credit. It is, of course, because our money is the result of a debt. It is because the more business we do the greater the debt must be.

The other day, when reading an editorial in one of our most conservative newspapers, I ran across the statement that "Most economists agree that a nation cannot emerge from a depression until it has written off the excessive burden of debt accumulated during the preceding period of prosperity." This means that the only thing we can possibly have is never prosperity, but what seems to be prosperity, until debt, accumulating faster than production, finally creates a panic among bankers which results in their demanding payment of debts due them, which, in turn, wipes out the bank bookkeeping money of the country, and results in the dumping of all sorts of property on the market and the wiping out of values, which, in turn, after causing untold human desolation and misery, enables this group of international bankers and their allies to absorb the accumulated wealth of the country at their own price.

No one admires the magnificent efforts of the present administration more than I do. The program made toward the rehabilitation of our people has been a miracle. The magnificent courage of the head of the administration against what at first seemed hopeless odds must inspire everyone with the most profound admiration. Great progress has been made in the last 4 years toward destroying the illusion of the necessity of a gold standard, or, for that matter, of any metal standard. Great progress has been made toward an understanding of the fact that money is not wealth, but simply a means of carrying the production of the country to the consumers of the country. Great progress has been made in an understanding of the fact that those who deal in the people's medium of exchange for their own advantage are public enemies. All this I can see clearly, and with a feeling of great pride, but I say to you, my fellow citizens, with all the earnestness and sincerity of which I am capable, that this country can never have even the temporary prosperity of which it is capable, and can never have permanent prosperity, until we do away with a system controlled by private interests which can create or destroy the medium of exchange at its own will, or which medium of exchange is created by the mental attitude of the people.

In the summer of 1933 a statistician and economist, whose name is almost a household word throughout the length and breadth of the civilized world, made a speech at the Century of Progress Fair at Chicago. He stated that the country owed debt, public and private, of some $200,000,000,000, that the country had a tremendous productive capacity, and that if we all became thrifty and behaved ourselves we could pay off $25,000,000,000 of this debt in a year, and that the country would be free of debt in 8 years. He entirely lost sight of the fact that under our system, as the country's debt was paid, the money of the country would disappear, and that as the money of the country disappeared prices would fall, laborers would walk the streets unemployed, and farmers would burn their crops to better advantage than they could market them. I knew this gentleman very well, and I wrote him a letter and asked him what, under our monetary system, the people would use for money when the debts were paid. He wrote back and said he had not thought of that.

From 1930 to 1933, owing to the destruction of bank debt, the people's medium of exchange fell from 55 billion to 37 billion. Eighteen hundred million of bank deposits wiped out, not because the money was lost in the sea, not because it was buried where no one could find it, but simply because, under our system of private control of the medium of exchange and the creation of money by bank debt, the collection of debt due banks resulted in a destruction of the medium of exchange, which, in turn, destroyed the value of all property of every kind and character and caused universal destruction, universal chaos, and universal despair.

If it requires, we will say for illustration, $60,000,000,000 to transact the business of the people of the United States, this $60,000,000,000 can be created by the payment of the national debt with new money and by confining the banks to loaning the money they actually have. Such a proceeding could be taken without any so-called inflation.

If this happened, if there were actually in existence $60,000,000,000 to transact the business of the country, you could never have any inflation, you could never have any deflation, because that money would always be in existence somewhere and could not be taken out of existence by anybody. Of course, a part of it might become concentrated in certain hands, but by reinvestment it would go back into circulation and thus prevent a contraction of the currency.

I am not now attempting to discuss certain other factors which even under a constitutional money system would ultimately have to be taken into consideration. We are living in an age where machines have made unnecessary human labor to a very great extent. The greatest civilization in many respects that the world has ever known was the Grecian civilization. The philosopher Aristotle dominated the human mind for nearly 2,000 years until Francis Bacon, with his philosophy of inductive reasoning, divided with him the realm of philosophic thought. All modern logic, the fundamentals of modern mathematics, the models of modern oratory, the patterns of modern prose and poetic literature are based on the Grecian form. Greece had a great leisure class, a class which did not have to labor for its daily bread. To this class modern civilization is indebted for the glories of which I have spoken. But that class and that country decayed, and it decayed because its civilization was built upon human slavery. We have an opportunity to build a civilization, energetic, imaginative, wonderful, which in turn will not have to struggle and strive by uncongenial labor for the bread and meat to sustain its life, and we have the opportunity to create that civilization and sustain it, not on human slavery, but on machines which will serve all humanity. A consideration of ways and means to bring about this condition is not, as I said before, within the purview of this discussion.

Going back to our original theme, statesmen must realize that a money system, to function properly, must recognize the laws of physics, not misuse the laws of psychology. The total quantity of money should bear a scientific relation to the volume of consumer goods which the Nation has produced and has available for distribution. The system of money which increases or diminishes at the will of bankers or because of the excitement or despair of individuals must be destroyed.

Europe never had a greater statesman than Prince Bismarck. He realized the socially destructive influence of our National Bank Act of 1863. He is noted as having said to a fellow German, Conrad Siem, "The division of the United States into federations of equal force was decided long before the Civil War by the high financial powers of Europe. These bankers were afraid that the United States, if they remained in one block and as one nation, would attain economic and financial independence, which would upset their financial domination over the world. The voice of the Rothschilds predominated. They foresaw tremendous booty if they could substitute two feeble democracies, indebted to the financiers, for the vigorous Republic, which was practically self-providing. Therefore, they started their emmissaries in order to exploit the question of slavery and thus to dig an abyss between the two parts of the Republic. Lincoln never suspected these underground machinations. He was against slavery, and he was elected as such. His character prevented him from being the man of one party. When he had affairs in his hands he perceived that these sinister financiers of Europe wished to make him the executor of their designs. They made the rupture between the North and the South imminent. The masters of finance in Europe made the rupture to exploit. Lincoln's personality surprised them. His being a candidate had not troubled them; they thought to easily dupe the wood cutter. But Lincoln read their plots and understood that the South was not the worst foe, but the financiers."

In 1872 Horace Greeley wrote his opinion of the National Bank Act. "We have stricken the shackles from 4,000,000 human beings and brought all laborers to a common level, not so much by the elevation of the former slaves as by practically reducing the whole working population, white and black, to a condition of serfdom. While boasting of our noble deeds we are careful to conceal the ugly fact that by our iniquitous money system we have nationalized a system of oppression which, though more refined, is not less cruel than the old system of chattel slavery."

At the time when Lincoln was struggling to set up a money system as provided by the Constitution of the United States, fear was expressed that the United States would establish an honest money system and be forever free from the clutches of the international bankers. The London Times, that backbone of reactionary England, said, "If that mischievous financial policy, which had its origin in the North American Republic during the late war in that country, should become indurated down to a fixture, then that Government will furnish its own money without cost. It will pay off its debts and be without a debt. It will have all the money necessary to carry on its commerce. It will become prosperous beyond all precedent in the history of the civilized governments of the world. The brains and the wealth of all countries will go to North America. That Government must be destroyed or it will destroy every monarchy on the globe."

The Federal Reserve Act, of course, admits a greater expansion of the currency, but the principle of private control of the people's medium of exchange and of the creation of the medium of exchange by debt, and the destruction of the medium of exchange by the demand for payment of the debt, remain the same.

Up to this time the discussion has proceeded along the lines of criticism of the monetary system of the United States. No remedy has been suggested. In other words, no constructive suggestion has been made. May I be permitted to say that beginning with 1922, I have, at every session of Congress, introduced bills which appeared to me to constitute suggestions for monetary reform. Extensive hearings were held on bills introduced by me in 1922 and 1924. As you will remember, the Republican Party was in power and, after interesting a prominent Republican in the subject, hearings were held on his bills in 1926, 1927, and 1928. A bill introduced by me to stabilize the currency passed the House of Representatives in 1932 by a majority of 289 to 60, but did not pass the Senate. Extensive hearings were held in 1934 on a bill introduced by me for the creation of a national monetary authority. In 1935 the Goldsborough amendment to the Banking Act of 1935 was defeated by a small majority. This statement is made only for the purpose of indicating that insofar as I am concerned, I have not engaged in destructive criticism, but have endeavored to support constructive reform; and have never, under any circumstances, engaged in personal attack. There is as great a percentage of high-minded and patriotic bankers as there are of any other class. My endeavor has been to create a better money system for all of the people of the United States.

I know that this afternoon I could, within a short time, write on a piece of paper the names of 50 men who, if they had the power, could place upon the statute books of the United States a law which would make poverty as rare as a prehistoric animal. Through all recorded history the strength and the wisdom of the people has come from the soil. There are this afternoon in this room representatives from all of the great 48 States of the Union; representatives of that great part of our population that furnishes in so large a part the sinews and brains of the country.

It lies within your power, with the knowledge you have and the influence you can exert upon those who represent you in the American Congress, to see to it that legislation is passed and passed quickly, which will make it possible to distribute the tremendous potential production of farm and factory to all our people, to create a prosperity unending, and such as the world has never seen; a condition which will make those who have labored long in the vineyard exclaim with ancient Simeon: "Lord, now lettest Thou Thy servant depart in peace, for mine eyes have seen Thy salvation!"

Several years ago our people in several parts of the country thought it would be better in the summer to start work an hour earlier and shut down an hour earlier in order to have a longer recreational period at the end of the day. There were a great many learned and tiresome discussions as to how this could be done, but nobody had the influence and power to simply tell people to get up an hour earlier and have them do it and stop work an hour earlier and have them do that.

One morning some bright lad woke up with the idea of simply setting the clock up an hour during certain months of the year, and the whole problem was immediately solved.

If certain individuals would say to our 127 millions of citizens, "You must, from time to time, turn over your property to us. You shall labor and your children shall labor. You and they shall suffer every privation in order to accumulate more property of some kind of character. But, after a certain time, after you have built up your fortunes substantially, you must turn them over to us", they would be unable to enforce their demands; they would be laughed at; they would be considered demented.

Matters are not managed that way. After a period of depression, the banks gradually begin to lend, book credits created by bank loans become bank deposits; bank deposits passing by check increase the circulating medium of the country. Business expands on borrowed money. Increased circulation raises prices. In other words, we are in a so-called period of prosperity. The more credit is given by the banks the greater the volume of our circulating medium becomes; prices mount; the higher prices justify more bank credits, and the boom is on.

One day the master minds meet and decide that the time has come to gather in the accumulated property of the people. Rumors are started that conditions are unsound. Frightened city and community bankers begin to curtail their loans. Rediscount rates are raised in Federal Reserve banks, thus requiring further curtailment. Repayment of loans to the banks causes a fall of deposits, the credit currency is contracted, falling prices close factories and put workmen on the streets, and the price of basic products—corn, wheat, cotton, cattle, hogs—takes an immediate drop. We become a nation of debtors unable to pay our debts, and the accumulations of years of self-denial are swept away.

Formerly when we were operating on the gold standard as originally administered, it was a financier's racket to transport gold back and forth between the United States and England. Taking gold out of the United States caused prices to fall, and bringing it back caused prices to rise, so that the international bankers and their allies could take gold out of the country and absorb the Nation's wealth at low prices and bring the gold back and sell at high prices. By this method other people's property was absorbed by the international money changers by a device as simple as the daylight saving one which makes people go to work and quit work an hour earlier.

I am not here and now making an argument for silver, or for any sort of reserve, but I wonder how many of us here today know how the international bankers and their allies succeeded in contracting the currency in 1873 by demonetizing silver.

A perfectly harmless bill was introduced entitled "An act revising and amending the law as relative to the mints, assay offices, and coinage of the United States." This bill was signed by President Grant, and 8 months later, in a letter dated October 3, 1873, he admitted he did not understand that the bill he had signed had demonetized silver. Most of the Senators and Representatives whose votes legalized the demonetizing act were innocent of any intention of destroying silver as any part of the monetary base. Just how the bill was doctored is not a pretty story, and the telling of it would add nothing to the force of the argument I am attempting to make in this discussion.

The Honorable W. D. Kelly, Chairman of the Committee on Coinage, which had the bill in charge, made the following statement on the floor of the House of Representatives on March 9, 1878: "In connection with the charge that I advocated the bill which demonetized the standard silver dollar, I say that though Chairman of the Committee on Coinage, I was as ignorant of the fact that it would demonetize the silver dollar, or of its dropping the silver from our system of coins, as were those distinguished Senators, Messrs. Blaine and Voorhies, who were then Members of the House, and each of whom a few days since interrogated the other: 'Did you know it was dropped when the bill was passed?' 'No', said Mr. Blaine; 'did you?' 'No', said Mr. Voorhies. I do not think that there were three Members of the House that knew it. I doubt whether Mr. Hooper, who in my absence from the Committee on Coinage, and attendance on the Committee of Ways and Means, managed the bill, knew it. I say this in justice to him."

On July 13, 1876, Congressman Holman made the following statement on the floor of the House of Representatives: "I have before me the record of the proceedings of the House on the passage of that measure, a record which no man can read without being convinced that the measure and the method of its passage through this House were a colossal swindle. I assert that the measure never had the sanction of this House and did not possess the moral force of law."

Again on August 5, 1876, Mr. Holman said: "The original bill was simply a bill to organize a bureau of mines and coinage. The bill which finally passed the House and ultimately became a law was certainly not read in this House. It was never considered before this House as it was passed. Up to the time the bill came before this House for final passage the measure had simply been one to establish a bureau of mines. It came from the Committee on Coinage, Weights, and Measures. The substitute which finally became a law was never read, and is subject to the charge made against it by the gentleman from Missouri [Mr. Bland] that it was passed by the House without a knowledge of its provisions, especially upon that of coinage. I myself asked the question of Mr. Hooper whether it changed the law in regard to coinage, and the answer of Mr. Hooper left the impression on the whole House that the subject of the coinage was not affected by the bill."

General Garfield, afterward the martyred President of the United States, in a speech made at Springfield, Ohio, in the fall of 1877, said: "Perhaps I ought to be ashamed to say so, but it is the truth to say that, at the time being chairman of the Committee on Appropriations and having my hands overfull during all that time with work, I never read the bill. I took it upon the faith of a prominent Democrat and a prominent Republican, and I do not know that I voted at all. There was no demand for the yeas and nays, and no one opposed the bill that I know of. It was put through as dozens of bills are, as my friends and I know, in Congress and on the faith of the report of the chairman of committee."

As you will remember, the result of the demonetization of silver was such a curtailment in the volume of money of the Nation that a terrible depression, lasting several years, was suffered. Senator Ferry, of Michigan, made the following statement regarding the panic of 1873, caused by the demonetization of silver: "Millions of people were reduced from good circumstances to penury, or covered with debt, beneath which burden their backs must bend until it is unloaded at the grave, where an innocent posterity must take it up and bear it on."

I do not claim, of course, that any human means can be devised which will immediately cure human inefficiency, human hardness of heart, human mental or physical incapacity, human shiftlessness, or lack of character.

I do say, however, that all the human deficiencies I have enumerated are handmaids of human poverty, and that the elimination of human poverty would gradually eliminate human frailty.

I do say that the only reason we have poverty in this country is that of inadequate means of distribution. I do say that the inadequate means of distribution are due primarily to defects in our money system, and that if these defects were eliminated and we had another system, the sole purpose of which was to facilitate the exchange of goods and services, that our people would soon go another step in the science of distribution, with the outcome the validity of the concept that we are all the heirs of all the ages, and that some part of the production of the inventions which have sprung from the genius of all the people are the heritage and the rightful property of all the people.

Of one thing there can never be danger. There can never be any danger of oversatisfying human want. This truth has been magnificently expressed by William James in his essay on Reflex Action and Theism in the Will to Believe. "Man's chief difference from the brutes lies in the exuberant excess of his subjective propensities, his preeminence over them simply and solely in the number and in the fantastic and unnecessary character of his wants, physical, moral, esthetic, and intellectual. Had his whole life not been a quest for the superfluous, he would never have established himself as inexpugnably as he has done in the necessary. And from the consciousness of this he should draw the lesson that his wants are to be trusted; that even when their gratification seems farthest off, the uneasiness they occasion is still the best guide of his life, and will lead him to issues entirely beyond his present powers of reckoning. Prune down his extravagance, sober him, and you undo him."

I do not know how I can better close this attempt, to some extent, to emphasize the great work before the people of this country than to quote from the great wartime President, Woodrow Wilson: "The great monopoly in this country is the monopoly of big credits. So long as it exists our old variety and freedom and individual energy of development are out of the question. A great industrial nation is controlled by its system of credit. Our system of credit is concentrated. The growth of the Nation, therefore, and all our activities, are in the hands of a few men who chill and check and destroy genuine economic freedom."

EXTENSION OF REMARKS

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the Townsend plan.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

THE AGRICULTURAL ADJUSTMENT ACT

Mr. WARREN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. WARREN. Mr. Speaker, the Supreme Court of the United States has just handed down its opinion declaring the Agricultural Adjustment Act to be unconstitutional. [Applause.] I should like for it to be noted that the applause comes entirely from the Republican side of the House. [Applause.]

This decision of the Court will be received with consternation and amazement by millions of farmers throughout this land who have been benefited by the first constructive program that any Congress or any administration has ever proposed in their behalf. [Applause.] It comes to them as a sickening and deadly blow.

Regardless of Court opinions, Mr. Speaker, I believe there are enough Members of the present Congress who are so deeply interested in the welfare of the American farmer that they will keep this Congress in session until Christmas, if necessary, to write upon the statute books legislation that will repair this damage. The farmers of the Nation will never return to the economic slavery that existed prior to 1933. [Applause.]

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

Mr. RICH. Mr. Speaker, reserving the right to object, I shall not object——

Mr. CLARK of Idaho. Mr. Speaker, I object.

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

Mr. CLARK of Idaho. I object, Mr. Speaker.

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. BANKHEAD. Mr. Speaker, reserving the right to object—and I will not object in this instance—but under the formula laid down, and very properly so, by the Speaker a few moments ago, I think when a day is set aside for the consideration of a particular calendar the day should be devoted to that purpose; and although it is very difficult and unpleasant to interpose objections to requests of our friends on the other side, we must carry through the program; and I shall object to any further requests for unanimous consent today. I shall not object to this request.

Mr. RICH. Mr. Speaker, will the majority leader yield?

Mr. BANKHEAD. I yield.

Mr. RICH. When are we going to get an opportunity to reply to the message that we heard on Friday night?

Mr. BANKHEAD. I may say to the gentleman it is the expectation to take up the independent offices appropriation bill on Wednesday, and probably the remainder of the week will be given to its consideration. Ample opportunity will be afforded for general debate.

Mr. RICH. Will we be given an opportunity then to comment on the state of the Union?

Mr. BANKHEAD. Certainly; the gentleman will be given such opportunity.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CONNERY. Mr. Speaker, I intended in the 5 minutes merely to read excerpts from the Boston Post by W. K. Kellogg, of Kellogg's Corn Flakes, showing what the 30-hour week has done in his business during the past 5 years. Mr. Kellogg has increased the wages of his workers 12½ percent; and he believes, in company with Mr. Robert Johnson, of Johnson & Johnson, of Brunswick, N. J., that the remedy for the situation where 11,000,000 people are unemployed today in the United States is to go on a 5-day week and 6-hour day. This is all I wanted to read from Mr. Kellogg's statement.

Mr. Speaker, I ask unanimous consent to put this article in the RECORD so that the membership may read it. These are not my views, but the views of Mr. Kellogg, an important business man in the United States. The article is not long and I think it will be of great interest.

Mr. RICH. Mr. Speaker, reserving the right to object, how much of the RECORD will the article take?

Mr. CONNERY. Just a little space.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CONNERY. Mr. Speaker, the article to which I have referred in my remarks is as follows:

[Boston Post, Thursday, Jan. 2, 1936]

HIGHER PAY IN SPITE OF 6-HOUR DAY—W. K. KELLOGG, CEREAL MANUFACTURER, HAS FINE RESULTS

BATTLE CREEK, MICH., January 1.—Continued improvement in business conditions during 1936 was foreseen today by W. K. Kellogg, the cereal manufacturer, in announcing a material increase in the company's advertising appropriations for the year.

SOLUTION OF UNEMPLOYMENT

But while business will continue to improve, he said, unemployment is still one of the outstanding problems which must be solved before there can be complete recovery. The solution, in Mr. Kellogg's opinion, is widespread adoption of the 6-hour day with wages increased to preserve the purchasing power of the individual worker. The Kellogg Co. has had the 6-hour day for 5 years, and recently increased daily wages to the highest point in the company's history.

"We were able to do this as a result of the economies and efficiencies brought about by the 6-hour day on the one hand, and by the increased sales that resulted from our continuous program of sales promotion and advertising on the other," Mr. Kellogg said.

NEWSPAPER ADVERTISING BEST

In announcing the increased promotion, Mr. Kellogg said the company will continue to employ many advertising media, but that newspaper advertising "will remain the most important part of the program."

"The cooperation and the flexibility of this type of advertising", he said, "have enabled us to concentrate our efforts where they are most needed with a minimum of delay and have proved to us over and over again the outstanding value of newspaper advertising."

Discussing the 6-hour day as a solution of the unemployment problem, Mr. Kellogg said its adoption in the Kellogg plant in 1930 resulted in an immediate increase of 20 percent in employment and that in 1935 the average number of employees was 39 percent greater than it had been under the 8-hour day.

SHORTER DAY, HIGHER WAGES

"After 2½ years", he said, "the 6-hour day proved so satisfactory that we adopted it as a permanent policy. Then in October 1935 we announced an increase in wages that brings our total wage scale to the highest point in the history of the company, higher for 6 hours than it had been for 8 hours before the depression, with a minimum daily wage for men of $4.50. This we were able to do as a result of the economies and efficiency brought about by the 6-hour day on the one hand, and by the increased sales that resulted from our continuous program of sales promotion and advertising on the other.

GREAT PROBLEM CAN BE SOLVED

"I believe the 6-hour day, voluntarily adopted by those industries in which it would be practicable, would be the most effective step that could be taken to relieve unemployment. But merely to cut down the hours of labor without, at the same time, offering a living wage will spell more trouble. The employer's problem is to maintain purchasing power, without which he will come to grief ultimately, by paying as much or more for the short day as for the long one.

"That is a problem, indeed, but we have proved to our own satisfaction that it is not impossible of solution, and I believe that others will reach the same conclusion. It seems to me only simple justice that the employee should be allowed to share in the benefits of invention and improved processes, not penalized for them. There are always corners to be cut, leaks which can be stopped. The employer must display unwonted ingenuity in this direction, but if he does so, I do not believe he will suffer materially for permitting his employees a fairer return for their labor."

CONTESTED-ELECTION CASES

The SPEAKER laid before the House the following communication from the Clerk of the House:

WASHINGTON, D. C., *January 3, 1936.*

The SPEAKER HOUSE OF REPRESENTATIVES,
Washington, D. C.

SIR: The contest for a seat in the House of Representatives from the Twentieth District of New York was instituted by James J. Lanzetta against the returned Member, Vito Marcantonio, pursuant to the provisions of the act of March 2, 1887, as evidenced by the filing in the office of the Clerk of the House of Representatives of a notice of contest and of the reply thereto by the contestee.

The Clerk received within the time prescribed by law testimony adduced on behalf of contestee, but no testimony has been received on behalf of the contestant, and the time for taking the same under the law has long since expired. Papers and testimony in the possession of this office will be transmitted to that Committee on Elections to which the case shall be referred.

Very respectfully,

SOUTH TRIMBLE,
Clerk of the House of Representatives.

The communication was referred to the Committee on Elections No. 1 and ordered printed.

The SPEAKER also laid before the House the following communication from the Clerk of the House:

WASHINGTON, D. C., *January 3, 1936.*

The SPEAKER HOUSE OF REPRESENTATIVES,
Washington, D. C.

SIR: I have the honor to lay before the House of Representatives the contest for a seat as a Delegate in the House of Representatives for the Seventy-fourth Congress of the United States for the Territory of Hawaii, Lincoln Loy McCandless against Samuel Wilder King, notice of which has been filed in the office of the Clerk of the House; and also transmit herewith original testimony, papers, and documents relating thereto.

In compliance with the act approved March 2, 1887, entitled "An act relating to contested-election cases", and such portions of the testimony as the parties in interest agreed upon or as seemed proper to the Clerk, after giving the requisite notices, have been printed, and indexed together with the notices of contest, and the answers thereto and original papers and exhibits have been sealed up and are ready to be laid before the Committee on Elections.

Two copies of the printed testimony in the aforesaid case have been mailed to the contestant and the same number to the contestee which, together with copies of the briefs of the parties, will be laid before the Committee on Elections to which the case shall be referred.

Yours respectfully,

SOUTH TRIMBLE,
Clerk of the House of Representatives.

Referred to Committee on Elections No. 2 and ordered printed.

The SPEAKER also laid before the House the following communication from the Clerk of the House:

WASHINGTON, D. C., *January 3, 1936.*

The SPEAKER HOUSE OF REPRESENTATIVES,
Washington, D. C.

SIR: I have the honor to lay before the House of Representatives a notice of the contest for a seat in the House of Representatives for the Seventy-fourth Congress of the United States for the Nineteenth Congressional District of the State of Ohio, *Locke Miller* v. *John G. Cooper*, notice of which has been filed in the office of the Clerk of the House; and also transmit herewith original testimony, papers, and documents relating thereto.

In compliance with the act approved March 2, 1887, entitled "An act relating to contested-election cases", and such portions of the testimony as the parties in interest agreed upon or as seemed proper to the Clerk, and indexed together with the notices of contest, and the answers thereto and original papers and exhibits have been sealed up and are ready to be laid before the Committee on Elections.

Two copies of the printed testimony in the aforesaid case have been mailed to the contestant and the same number to the contestee. When the briefs of the parties shall have been received they will be laid before the Committee on Elections to which the case shall be referred.

Yours respectfully,

SOUTH TRIMBLE,
Clerk of the House of Representatives.

Referred to the Committee on Elections No. 3 and ordered printed.

ADDRESS BEFORE THE PHILIPPINE LEGISLATURE

Mr. SNELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a speech that was made by the honored Speaker of this House at the last joint meeting of the Philippine Legislature. I want to say to the Members that it was a fine speech, admirably delivered, and I think it is proper that it should be placed in the RECORD at this time. [Applause.]

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SNELL. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by Hon. JOSEPH W. BYRNS, Speaker of the House of Representatives, before the last joint session of the Philippine Legislature at Manila on November 12, 1935:

Mr. President, Mr. Speaker, and members of the Philippine Assembly, it is indeed a high honor to appear before you on this occasion in anticipation of the historic processes soon to be inaugurated as a preliminary to the birth of a new and independent nation. As a member of the party of United States Senators and Congressmen who, with their wives and important members of the United States press, have come on your generous invitation from our homeland to extend our congratulations and cordial good will on this memorable occasion, I wish to join in the felicitations and good wishes so eloquently expressed by our able, distinguished, and much-beloved Vice President, the second ranking officer of our Government, and who speaks as the leader of our delegation. I join in his expression of pride that this historic event has been made possible by the generous action of our great Republic in voluntarily surrendering its right of sovereignty and the interests which go with it in order that the people of the Philippine Islands may enjoy that sense of national freedom and independence which we have enjoyed for nearly 150 years. So far as I know, it is the first time that a great people have achieved independence without the necessity of securing it at the point of the sword; and may I say, Mr. President, and to you, Mr. Speaker, that while my country has surrendered its sovereignty it never has and never will surrender its friendship and sympathetic interest in the Filipino people. No real republican form of government has ever existed as such for any great length of time which did not recognize the principles of democracy and the common good of the people as a whole. It is the practice of those fundamental ideals which has made our own country great and powerful and its people happy and contented during the past years.

May I say that it is for you gentlemen and other leaders in your nation to preserve and make lasting these principles so well expressed in the highly progressive constitution which you have approved. We feel certain that this will be done by the incoming administration headed as it will be by your very able and devoted leader and President, Hon. Manuel Quezon. We look with confidence, therefore, to your development and "strike hands with you across the sea" in best wishes for your future endeavors along these lines.

In the House of Representatives we find that the following Congressmen and Senators in our party served in the same period that your President Manuel Quezon represented your country as the Philippine Commissioner in the House of Representatives: John N. Garner, Joseph T. Robinson, Matthew M. Neely, James F. Byrnes, Robert L. Doughton, Bertrand H. Snell, and Allen T. Treadway, all of whom have risen to places of influence and distinction in the Congress.

We found him to be a very able man, resourceful, considerate, and dependable. His contacts with these Members of Congress, a few of whom I have mentioned, I know have given him not only a theoretical but a very practical knowledge of the workings of the American system of government.

We have all come in contact with the many able Commissioners you have sent to Washington during past years, and whose names I shall not have time to mention, and also with the able men who have come to Washington from time to time as members of various high commissions. All of this has served to increase our confidence in your future, for all were able and faithful representatives of your interests. Undoubtedly honest differences of political opinion will arise, but these will be solved, I am sure, in a spirit of amity and good will.

In considering your new constitution I find first and foremost those declarations in the bill of rights to which the Vice President has referred.

Through his pleasant contact with the Congress, your new President-elect has acquired a practical viewpoint of other administration details for the interpretation in a fair and equitable way of the provisions of your constitution.

I bespeak for him your united support, and that you will give him generously of your advice and assistance, that the way may be smoothed for the attainment of the high ideals he possesses.

He has had associated with him for the last few years as Governor General of the Philippine Islands Governor Frank Murphy, an able and conscientious executive whose experiences as mayor of one of our great cities, Detroit, has familiarized him with finance and orderly government. In his official contacts here we are pleased but not surprised to know that he has displayed tact and good judgment.

For the next 10 years at least the American flag will fly over your Commonwealth and you will have with you an official representing the United States, who will have the title of High Commissioner. This official, I am happy to believe, will be your present able Governor General and he will be representative of the President of the United States when it is necessary for him to act.

His sympathetic cooperation during our continued sovereignty, subject to changes by Congress, will be the expression of the American people.

For 10 years, unless there is a change, the Stars and Stripes, for which I know you have the greatest respect, will fly over the Commonwealth. The Philippine flag, red, white, and blue, with its three stars and its blazing sun, typifying the tropics, will be carried on all standards. These sister flags will do much as they have in the past to strengthen the fine type of friendship which exists today.

When the time comes for the Republic to replace the Commonwealth, we believe that the conduct of its affairs during this period will so impress the nations of the world that the new Republic will begin its career with not only the old friendship of my country, but that all the enlightened nations of the earth will unite in its protection and in the preservation of its sovereignty.

The great American Nation will watch your development with keen interest and, wherever we may, will extend a helping hand.

You raise products which are not raised in the United States. We sell your manufactured articles which are not made in your country. We believe that the President's Commission will work out an equitable plan beneficial to both our nations, and that the result of its recommendations will strengthen the ties that will become stronger with the years.

The administration of President Quezon and Vice President Osmeña is entitled to unified support. Your example of unity, patriotism, and self-sacrifice will have a most beneficial and heartening effect on the people of my country and make it more simple and easy to reconcile any inequalities that now exist or may occur.

A strong government administering your affairs under your progressive constitution, which has been approved by our great President, Franklin D. Roosevelt, will make for harmony, unity, and cooperation.

It was kind of the Philippine people to include in their invitation to Senators and Congressmen an invitation for their wives. They have enjoyed the visit. You have aroused their sympathy and interest as you have our own.

I have learned that the Filipino women are leaders in the matter of education. They are the household bankers. They have followed the teachings of our school teachers and our economists. They have many of the favorite American dishes in their kitchens. So on behalf of the ladies of the Senate and of the House of Representatives, I thank you for the courtesy of the invitation, but I have the suspicion that back of it was the thought that our wives and daughters who have come with us will in the future help to tighten the bonds of friendship and good will between our nations.

I cannot close these remarks without referring briefly to my friend and your friend Hon. Harry B. Hawes. As United States Senator, and since then, he has been an earnest, devoted, and able friend of the Philippine people. He merits your friendship and gratitude for his faithful and unselfish work in your behalf.

Let me again thank you for the high privilege that has been extended to us and to our wives to visit you and study first hand

your conditions and your aspirations. Let me assure you that we are taking home with us the kindliest thoughts of a pleasant and instructive visit.

To have even a small part in the establishment of an independent republic in the great Orient, to know that the fine traditions of America will be preserved, is satisfaction enough for all right-thinking Americans.

THE SUPREME COURT'S TENDENCY TO LEGISLATE BY MEMBERS OF THE COURT—DISSENTING OPINIONS OF MEMBERS OF THE SUPREME COURT

Mr. RAMSAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of dissenting opinions of members of the Supreme Court.

The SPEAKER. Is there objection?

There was no objection.

Mr. RAMSAY. Mr. Speaker, being a lawyer who has practiced law continuously for the past 35 years, I have been obsessed with the idea that judges and those who are learned in the law are probably better qualified than any other citizen to determine whether or not an act of Congress is derogatory to the Constitution. But if you are a lawyer, who has studied the legislation adopted by our Congress during the life of our Republic, you will be compelled to confess that your researches of such legislation have disclosed to you that no act was ever passed by Congress with the open or avowed purpose of flaunting or circumventing the Constitution. But on the contrary every such act was debated fully, and the majority who enacted such legislation honestly believed that under the terms of the Constitution the Congress was well within its rights and undoubtedly was attempting to carry out the wishes of the people.

And if you have studied the decisions of our Supreme Court on this subject you will be convinced that the Court, in setting aside such acts, did not remove from your mind reasonable doubt about the constitutionality of the acts. But, on the contrary, the Court was so divided in opinion that their decisions only added confusion to the doubt they sought to remove.

Our Supreme Court has many times seriously divided its councils upon passing on acts of Congress, and many great members of the Court have charged it with undertaking to usurp the power of legislation and were therefore themselves violating the Constitution and trespassing upon the power of Congress to enact legislation as granted to it by the people under the Constitution itself.

That we may understand the views of some of the greatest of our Supreme Court judges, I beg to cite and quote from the income-tax case known as *Pollock* v. *Farmers Loan & Trust Co.* (157 U. S. 429 and 158 U. S. 601), decided in 1895, Justices Harlan, Brown, Jackson, and White dissented. In dissenting, Justice Harlan argued:

That by reversing the earlier law and practice of the Government the majority of the Court rendered it necessary to amend the Constitution to secure principles of right, justice, and equality in Federal taxation—

And he insisted that policy and economic considerations rather than law actuated the majority in their conclusion.

Again, in 1902, in the case of *Connolly* v. *Union Sewer Pipe Co.* (184 U. S. 540), decided in 1902, Justice McKenna dissenting from the opinion of the Court said:

Courts are not to determine, he thought, whether laws are arbitrary, oppressive, or capricious, indeed whether such combinations are evils or blessings, or to what extent either, is not a judicial inquiry. * * * To consider their effect would take us from legal problems to economic ones, and this demonstrates to my mind how essentially any judgment or action based upon these differences is legislative and cannot be reviewed by the judiciary.

Again, in *Burton* v. *United States* (202 U. S. 344), decided in 1906, Justices Brewer, White, and Peckham dissented from the opinion of the Court and declared—

That the construction now given writes into the statute an offense which Congress never placed there. It is a criminal case, and in such a case, above all, judicial legislation is to be deprecated.

In the case of *Weems* v. *United States* (217 U. S. 349), decided in 1910, Justice White, with the concurrence of Justice Holmes, recorded a vigorous dissent:

They thought if legislation defining and punishing crime is held repugnant to constitutional limitations because it "seems to the judicial mind not to have been sufficiently impelled by motives of reformation of the criminal"—

The legislative power is impotent to control crime. Since the decisions subjected to judicial control the degree of severity with which authorized modes of punishment might be inflicted, it seemed to the minority—

That the demonstration is conclusive that nothing will be left of the independent legislative power to punish and define crime.

The direct result of the decisions, it was maintained, was to expand the judicial power by endowing it with a vast authority to control the legislative department in the exercise of its rightful discretion.

In the case of *Lochner* v. *New York* (198 U. S. 45), decided in 1905, Justices Harlan, White, Day, and Holmes dissented. Justice Harlan, writing the dissenting opinion, declared:

It is not the province of the Court to inquire, under our system of government, whether or not this be wise legislation. The courts are not concerned with the wisdom or policy of legislation. We do not regard it as within the function of the Court to determine what is sound economic theory in the realm of labor legislation.

Justice Holmes prepared a separate dissenting opinion, in which he declared:

This case is decided upon an economic theory, which a large part of the country does not entertain. If it were a question whether I agreed with that theory, I should desire to study it further and long before making up my mind. But I do not conceive that to be my duty, because I strongly believe that my agreement or disagreement has nothing to do with the right of a majority to embody their opinions in law.

Again, in the case of *Employers' Liability Cases* (207 U. S. 463), decided in 1908, Justices Moody, Harlan, McKenna, and Holmes dissented from the judgment of the Court. Justice Moody, in the course of his dissenting opinion, said:

The Court has never exercised the mighty power of declaring the acts of a coordinate branch of the Government void, except where there is no possible and sensible construction of the act which is consistent with the fundamental organic law. The presumption that other branches of the Government will restrain themselves within the scope of their authority and the respect which is due to them and their acts admit of no other attitude from this Court. * * * But the economic opinion of the judges and their views of the requirements of justice and public policy, even when crystallized into well-settled doctrines of law, have no constitutional sanctity. They are binding upon succeeding judges, but while they may influence, they cannot control legislators. Legislators have their own economic theories, their views of justice and public policy, and their views when embodied in written law must prevail.

In the case of the *Standard Oil Co.* v. *United States* (221 U. S. 1), decided in 1911, dissenting in part from the reasoning of the majority, Justice Harlan claimed—

That the Court, by its decisions, when interpreted by the language of its opinion, has not only upset the long unsettled interpretation of the Sherman Antitrust Act but has usurped the constitutional functions of the legislative branch of the Government.

Continuing further, he said:

I am impelled to say that there is abroad, in our land, a most harmful tendency to bring about the amending of constitutions and legislative enactments by means alone of judicial construction.

In the case of *Burns Baking Co.* v. *Bryan* (264 U. S. 504), decided in 1923, Justice Brandeis, dissenting, said—

That the Court had decided, as a fact, that the prohibition of excess weights is not necessary for the protection of the purchasers against imposition and fraud by short weights; that the law subjected bakers and sellers of bread to heavy burdens.

Continuing, he said:

In my opinion, this is an exercise of the powers of a super-legislature—not the performance of the constitutional function of judicial review.

In the case of *Hammer* v. *Dagenhart* (247 U. S. 251), decided in 1918, Justices Holmes, McKenna, Brandeis, and Clark dissented and said:

We should have thought that the most conspicuous decision of this Court has made it clear that the power to regulate com-

merce and other constitutional powers could not be cut down or qualified by the fact that it might interfere with the carrying out of the domestic policy of any State. The act does not meddle with anything belonging to the States. They may regulate their internal affairs and their domestic commerce as they like, but when they seek to send their products across the State line they are no longer within their rights.

In the case of *Adkins* v. *Children's Hospital* (261 U. S. 525), decided in 1923, Chief Justice Taft and Justices Sanford and Holmes dissented. In dissenting, Justice Taft said:

It is not the function of this Court to hold congressional acts invalid simply because they are passed to carry out economic views which the Court believes to be unwise or unsound.

Justice Holmes, in dissenting, said:

I confess that I do not understand the principle on which the power to fix a minimum for the wages of women can be denied by those who admit the power to fix a maximum for their hours of work. (Hours of work for women in the District of Columbia had previously been upheld by the Court.)

The very latest criticism of the Court by its own members relative to its tendency to pass upon questions of policy rather than law, is the case of the United States of America against Gus L. Constantine, which was decided at the October term of Court in 1935, and is not yet in print.

In this case Justices Cardozo, Brandeis, and Stone dissented, and in dissenting in this case, Justice Cardozo expressed the following:

If I interpret the reasoning aright, it does not rest upon the ruling that Congress would have gone beyond its power, if the purpose that it professed was the purpose truly cherished. The judgment of the Court rests upon the ruling that another purpose, not professed, may be read beneath the surface, and by the purpose so imputed, the statute is destroyed. Thus, the process of psychoanalysis has spread to unaccustomed fields. There is a wise and ancient doctrine that a court will not inquire into the motives of a legislative body or assume them to be wrongful (*Fletcher* v. *Peck*, 6 Cr. 87; *Magnana Co.* v. *Hamilton*, 292 U. S. 40). There is another wise and ancient doctrine that a court will not adjudge the invalidity of a statute except for manifest necessity. Every reasonable doubt must have been explored and extinguished before moving to that grave conclusion (*Ogden* v. *Saunders*, 12 Wheat. 213). The warning sounded by this Court in the *Sinking Fund Cases* (99 U. S. 700), has lost none of its significance. Every presumption is in favor of the validity of a statute, and this continues until the contrary is shown beyond a rational doubt. One branch of the Government cannot encroach on the domain of another without danger. The safety of our institutions depends in no small degree on a strict observance of this salutary rule. I cannot rid myself of the conviction that in the imputation to the lawmakers of a purpose not professed, this salutary rule of caution is now forgotten or neglected after all the many protestations of its cogency and virtue.

It is my belief that no act of Congress should be set aside by our courts unless the court can by unanimous decisions declare that the enactment is a violation of the Constitution. This would remove doubt and add great weight to the decisions of our courts and allay the suspicion of our people that the court has set itself up as a super legislative body.

In closing I desire to quote from the decision of Chief Justice Marshall in the original case of our Supreme Court, where it decided for the first time the power of Congress to enact legislation under the commerce clause of our Constitution (*Gibbons* v. *Ogden*, 9 Wheat. 1), where he said:

The wisdom and the discretion of Congress, their identity with the people, and the influence which their constituents possess at elections are in this as in many other instances as that, for example, of declaring war, the sole restraints on which they have relied to secure them from its abuse. They are the restraints on which the people must often rely solely in all representative governments.

THE CONSENT CALENDAR

The SPEAKER. Under the order of the House this is unanimous-consent day, and the Clerk will call the first bill on the Consent Calendar.

AMENDING THE ACT OF FEBRUARY 28, 1925, IN RELATION TO THE NAVAL RESERVE AND THE MARINE CORPS RESERVE

The Clerk called the first bill on the Consent Calendar, H. R. 5731, to amend in certain particulars the act approved February 28, 1925, entitled "An act to provide for the creation, organization, administration, and maintenance of a Naval Reserve and a Marine Corps Reserve", as amended, and for other purposes.

The SPEAKER. Is there objection?

Mr. VINSON of Georgia. Mr. Speaker, in view of the fact that the Navy Department has submitted additional amendments to the Naval Reserve bill, I ask that this bill be resubmitted to the Committee on Naval Affairs.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

PUBLIC-DOMAIN LANDS IN NEVADA AND OREGON

The Clerk called the bill (H. R. 4126) to reserve certain public-domain lands in Nevada and Oregon as a grazing reserve for Indians of Fort McDermitt, Nev.

The SPEAKER. This bill requires three objections. Is there objection?

There was no objection.

The SPEAKER. There is a similar Senate bill (S. 1142) on the Speaker's table. Does the gentleman from Oklahoma desire to substitute the Senate bill for the House bill?

Mr. ROGERS of Oklahoma. I do.

The SPEAKER. Without objection, the Senate bill, S. 1142, will be substituted for the House bill.

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That public-domain lands in the States of Nevada and Oregon described as lots 3, 4, and west half of lot 5 of section 1; lots 1 to 9, inclusive; west half lot 10 and north half southwest quarter section 2; lots 1 to 10, inclusive, and south half section 3; lots 1 to 10, inclusive, and southeast quarter section 4; lots 1 to 4, inclusive, and lots 8, 10, 11, and 12 of section 5; north half northeast quarter section 9; north half northwest quarter and northwest quarter northeast quarter section 10, township 47 north, range 39 east, of the Mount Diablo meridian, Nevada; and southeast quarter section 20; west half southeast quarter and southeast quarter southeast quarter section 21; south half section 22; northwest quarter, southeast quarter and south half southwest quarter section 26; west half southeast quarter, west half northeast quarter, and northeast quarter northeast quarter section 27; all of section 28; east half and southwest quarter section 29; all of sections 31, 32, 33, 34, 35, and southwest quarter section 36, of township 40 south, range 44 east; and all of sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, west half northeast quarter, north half southeast quarter, and southwest quarter southeast quarter section 12; west half section 13; all of sections 14, 15, 16, 17, 18, and fractional sections 19, 20, 21, 22, 23, and west half of fractional section 24 of township 41 south, range 44 east, of the Willamette meridian, in Oregon, containing approximately 21,500 acres, be, and the same are hereby, withdrawn from the public domain and reserved for the use and occupancy of Indians of the former Fort McDermitt Military Reserve, Nev.: *Provided*, That the rights and claims of bona-fide settlers initiated under the public-land laws prior to July 7, 1933, shall not be affected by this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

A House bill (H. R. 4126) was laid on the table.

CHANNEL BETWEEN CLEAR LAKE AND LOST RIVER, CALIF.

The Clerk called the bill (H. R. 6773) to deepen the irrigation channel between Clear Lake and Lost River, in the State of California, and for other purposes.

The SPEAKER. Is there objection?

Mr. HOPE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

PAYMENT TO UINTAH AND OTHER BANDS OF INDIANS FOR CERTAIN COAL LANDS

The Clerk called the bill (H. R. 6019) authorizing an appropriation for payment to the Uintah, White River, and Uncompahgre Bands of Ute Indians in the State of Utah for certain coal lands and for other purposes.

The SPEAKER. Is there objection?

Mr. COCHRAN. Mr. Speaker, I reserve the right to object. I note that the chairman of the Committee on Indian Affairs is present. I desire to explain my position on Indian bills. First, let me say the trouble with Indian bills that are brought here is that we have no report whatsoever from the General Accounting Office, where all the records are located. With all due respect to the Secretary of the Interior and to the Commissioner of Indian Affairs, I say they do not know from their records what this country has done for the

Indians, nor what claims have been paid, nor advances made.

A bill was recently introduced and reported by the Committee on Indian Affairs providing for the payment to a certain band of Indians for certain lands which they did not receive under a treaty. I took the matter up with the Comptroller General of the United States, in charge of the General Accounting Office, and found that the Government of the United States had paid for that land to that band of Indians before I was born. When I called his attention to that fact, the author of the bill thanked me, and the bill was withdrawn.

I am not going to let Indian bills pass until I can get a report from the General Accounting Office, to see whether or not the money has been paid, or, furthermore, to see what advances and gratuities the Government has made to the Indians of the tribe that is seeking to be reimbursed.

There is a bill pending from my own State for reimbursement, not an Indian bill, and if I can stop it, I shall do so. I do not think there is any State in the Union or any municipality, or county, or subdivision of a State, or any band of Indians in this country, which has a right today to come to the United States Government and say that the Government owes them money, in view of what we have been doing for the people of all the States since the depression started. They might have spent some money in behalf of the United States Government years ago, but let us consider the billions of dollars that the United States Government has spent in behalf of the people of the States in the last few years. I think we should take that into consideration in handling all claim bills. I ask the gentleman if he will not request this bill go over without prejudice until I can get a report from the General Accounting Office.

Mr. MURDOCK. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. Yes.

Mr. MURDOCK. Suppose we incorporate in this bill an amendment in substance as the gentleman has indicated, that before the payment of the sum authorized to be appropriated shall be made, there shall be deducted therefrom such sum as the Secretary of the Interior shall determine has been gratuitously expended for the benefit of said Indians.

Mr. COCHRAN. I will not let the Secretary of the Interior, with all due respect to that gentleman, decide this question. It must be decided by the Comptroller General of the United States. I want to get a report from the Comptroller General of the United States. I am not going to let the bill go through otherwise, and if the gentleman does not want it to go over without prejudice, I propose to object.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. Yes.

Mr. TABER. This is the same bill, except that it is a House bill instead of a Senate bill, which we defeated on a roll call, when the Committee on Indian Affairs had the call in the last days of the last session.

Mr. COCHRAN. I thank the gentleman from New York. I say to the gentleman from Utah, and for the information of the House, that the Congress has referred to the Court of Claims 114 resolutions setting aside statute of limitations, to give the Court of Claims power to determine claims of Indians against the United States, and the total amount involved in those 114 resolutions is three and a quarter billions of dollars. I repeat the sum, three and a quarter billions—not millions—of dollars.

You have referred those bills to the United States Court of Claims. It should be stopped. Mr. Speaker, I object.

Mr. TABER. Mr. Speaker, I object.

Mr. MILLARD. Mr. Speaker, I object.

Mr. RICH. Mr. Speaker, I object.

RICHMOND NATIONAL BATTLEFIELD PARK

The Clerk called the next bill, H. R. 1415, to provide for the establishment of the Richmond National Battlefield Park, in the State of Virginia, and for other purposes.

The SPEAKER pro tempore (Mr. WOODRUM). Is there objection to the present consideration of the bill?

Mr. ROGERS of Oklahoma. Mr. Speaker, reserving the right to object, I tried to have the gentleman from Missouri [Mr. COCHRAN] yield so that I could ask him a question a moment ago. I know the gentleman from Missouri wants to be fair. The gentleman referred to a bill that was defeated after it had been found that the bill had been paid. I hope the gentleman did not mean that, because the bill was withdrawn.

Mr. COCHRAN. I meant "withdrawn", instead of "defeated", and I will change my remarks to read that way, but is it not true that the letter I received from the Comptroller General showed that the money had been paid before I was born?

Mr. ROGERS of Oklahoma. The gentleman will have the RECORD show that the bill was withdrawn, instead of defeated?

Mr. COCHRAN. Yes; but it was paid, and that is the reason it was withdrawn. If the Committee on Indian Affairs will refer all such bills to the Comptroller General, a representative of the Congress, as well as to the Department of the Interior, and consider the Comptroller General's report, we will not have any trouble, because when you get his report I do not think you will report such bills.

The bill that was withdrawn the Commissioner of Indian Affairs recommended that it be paid, but the Comptroller General informed me it had already been paid. That shows you the Commissioner of Indian Affairs does not have sufficient records to report on Indian claim bills.

I am acting at the request of the Committee on Expenditures, of which I am chairman. I have no personal interest in the matter other than to protect the taxpayers of the country. Surely none of us would like to pay a bill twice. Why ask the Government?

Mr. RICH. Reserving the right to object, are we discussing Calendar No. 302?

The SPEAKER pro tempore. Yes.

Mr. RICH. May I ask whoever has charge of this bill whether a committee was formed, under a bill which was presented to the Committee on Public Lands last year, giving the Secretary of the Interior power to create a commission to determine what monuments or parks should be established in the United States; and if so, was this bill presented to that committee or commission, and did that committee or commission act on it?

Mr. MONTAGUE. This bill was offered before that bill to which the gentleman referred was offered.

Mr. RICH. Then we have a bill giving the Secretary of the Interior and his committee the power to recommend to Congress what monuments should be established. Why not present it to the committee? Now, here we have three or four of these bills coming right along in a row. Are we going to permit every Member of Congress to say that we must have monuments established or parks established in our particular districts? If so, what is going to be the expense of those monuments and where are we going to get the money, and how much is it going to eventually cost in succeeding Congresses to take care of those particular monuments?

Mr. MONTAGUE. I may say to the gentleman that there is a question whether this is a monument; whether battlefield parks are monuments. I do not know, but I am advised that the Secretary of the Interior takes the ground that they are not monuments.

Mr. RICH. Has the Secretary of the Interior recommended that this bill be passed?

Mr. MONTAGUE. The appropriate department recommended it. I do not know whether the Secretary did or not, but the Department has recommended that the bill be passed.

Mr. RICH. What is it going to cost to establish this park?

Mr. MONTAGUE. This is a bill that rounds out what is known as Battlefield Park, as far as my own district is concerned. The State of Virginia owns the property now. Some gentlemen in my own town, some of them old Confederate soldiers, bought it and presented it to the State.

Mr. RICH. The State of Virginia owns this park?

Mr. MONTAGUE. Yes; and wishes to present it to the National Government.

Mr. RICH. So that the National Government will bear the expense of maintaining it. You have more parks in Virginia than in any other State in the country. It is about time that we stop creating parks in Virginia. Eventually Virginia will be nothing but a park, and we up in Pennsylvania, my taxpayers, will have to support it.

Mr. Speaker, I object.

Mr. MONTAGUE. May I ask the gentleman if he will let this bill go over without prejudice?

Mr. RICH. I will let the bill go over without prejudice, but I am going to object to every one of these park bills on the calendar.

Mr. MONTAGUE. Then, Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

COLONIAL NATIONAL MONUMENT, VA.

The Clerk called the next bill, H. R. 5722, to provide for the addition or additions of certain lands to the Colonial National Monument in the State of Virginia.

The SPEAKER pro tempore. Is there objection?

Mr. RICH. Mr. Speaker, I object.

Mr. MONTAGUE. Will the gentleman kindly take the same position that he did before, and let this go over without prejudice?

Mr. RICH. I will do that.

Mr. MONTAGUE. Then I ask that the bill go over without prejudice, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

THE HOMESTEAD NATIONAL MONUMENT OF AMERICA, GAGE COUNTY, NEBR.

The Clerk called the next bill, S. 1307, to establish the Homestead National Monument of America in Gage County, Nebr.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. RICH. Mr. Speaker, I object.

Mr. LUCKEY. Will the gentleman allow this bill to be passed over without prejudice?

Mr. RICH. I will do that, but I will be here the next time to object.

Mr. LUCKEY. Mr. Speaker, I ask unanimous consent that the bill go over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

TWENTY-FIRST AMENDMENT

The Clerk called the next bill, H. R. 8368, to enforce the twenty-first amendment.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MILLER. Mr. Speaker, at the request of the author of the bill I ask unanimous consent that it may go over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

SHIPMENT OF PRIVATELY OWNED AUTOMOBILES

The Clerk called the next bill, H. R. 3421, to authorize credit in disbursing officers' accounts covering shipment of privately owned automobiles from October 12, 1927, to October 10, 1929.

Mr. HOPE. Mr. Speaker, will some member of the Committee on Military Affairs undertake to explain the bill?

Mr. HILL of Alabama. Mr. Speaker, I may state to the gentleman from Kansas that in 1927 the War Department issued a regulation which permitted officers to ship their automobiles under the general head of authorized baggage. The regulation was held by the Judge Advocate General of the Army to be in conformity with existing law. It meant that the officers could have their automobiles shipped by the Government without expense to themselves. In 1929 the Comptroller General took a view opposite to that entertained by the Judge Advocate General and held that the transportation of these automobiles must be paid for by the officers of the Army. This being the case, the money that had been expended by the Government in transporting these automobiles was charged up against the disbursing officers of the Army who had permitted the different shipments. As I understand from the letter of the Secretary of War, the officers whose automobiles were shipped have reimbursed the Government for the expenses of these shipments.

The purpose of this bill is simply to relieve the disbursing officers from being charged with these expenditures.

Mr. HOPE. In other words, this bill will not cost the Government of the United States anything?

Mr. HILL of Alabama. No. I call the gentleman's attention to the statement of the Secretary of War, in which he says:

> The personnel concerned have been required to reimburse the Government for excess rate on automobiles over and above the rate on household goods.

The Secretary of War then goes on to say:

> The War Department seeks enactment of the proposed legislation, which will allow the items, will relieve personnel of a liability incurred through no fault of their own, and will have no other effect.

Mr. HOPE. This would require the disbursing officers to refund to these Army officers the amounts that have been paid in.

Mr. HILL of Alabama. I do not so understand it. I understand this bill really takes care of a matter of bookkeeping, that it requires no further appropriation or the expenditure of any money on the part of the Federal Government. I understand, furthermore, that the money that was paid has been reimbursed by the officers for whose benefit it was paid.

Mr. HOPE. If this be the case, I cannot understand why the legislation is necessary.

Mr. HILL of Alabama. Because the Comptroller General charged these amounts against the disbursing officers, and these charges still stand against the disbursing officers. The only way they can secure relief, as I understand it, is through an act of Congress.

Mr. HOPE. If the money has been paid in by the officers in question, are not the books of the disbursing officers now in balance so far as these accounts are concerned?

Mr. HILL of Alabama. No; as I understand it these charges are still standing today against these disbursing officers.

Mr. HOPE. The gentleman, then, understands the legislation to be simply a matter of clearing up these accounts on the books of the officers, and that it does not involve the repayment of the amounts which have been paid in by these officers?

Mr. HILL of Alabama. That is my information from the War Department, I may say to the gentleman from Kansas.

Mr. HOPE. It does not in any way authorize the carrying of these automobiles as baggage in the future at Government expense?

Mr. HILL of Alabama. No.

Mr. HOPE. It does not change the law or the decision of the Comptroller General?

Mr. HILL of Alabama. No. The Secretary of War makes that clear in his letter.

Mr. HOPE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

> *Be it enacted, etc.*, That the Comptroller General of the United States is hereby authorized to allow transportation accounts for private automobiles of officers, warrant officers, nurses, enlisted men, or civilian employees shipped as their authorized baggage allowance from October 12, 1927, to October 10, 1929, and within the authorized weight allowance, at classification rates charged by the transportation companies: *Provided*, That where any amounts have

been collected for shipments made during such period of the difference between classification rates and household-goods rates as authorized by existing law, the payment, upon presentation of claims therefor, of amounts thus collected to those from whom collected is authorized and directed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SARATOGA NATIONAL HISTORICAL PARK (NEW YORK)

The Clerk called the next bill, H. R. 89, to provide for the creation of the Saratoga National Historical Park in the State of New York, and for other purposes.

Mr. RICH. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

UNIFORM SYSTEM OF BANKRUPTCY

The Clerk called the next bill, H. R. 1425, to amend section 80 of chapter 9 of an act to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898.

Mr. MILLER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice because there is another bill on the calendar that will probably serve the same purpose as this one.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas.

Mr. O'MALLEY. Mr. Speaker, reserving the right to object, there are a great many amendments that have been offered to the Bankruptcy Act. Is it not possible to get all of these amendments to that act in one bill, so that the act may be intelligently and logically amended at one time?

Mr. MILLER. That is the very reason I am asking that this bill be passed over. This bill applies to only one district in South Carolina.

Mr. O'MALLEY. There are other amendments to the Bankruptcy Act?

Mr. MILLER. Only one other amendment to this particular section.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

LAW CLERKS IN UNITED STATES DISTRICT COURTS

The Clerk called the next bill, H. R. 6376, to amend section 118 of the Judicial Code to provide for the appointment of law clerks to United States district court judges.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. HOPE. Mr. Speaker, reserving the right to object, may I ask a member of the Judiciary Committee to explain this bill and give us some information?

Mr. MILLER. Mr. Speaker, I am a member of the Judiciary Committee, but I do not know that I can answer the gentleman's question. I ask unanimous consent that this bill be passed over without prejudice, because there is some little contention with reference to this matter.

Mr. O'MALLEY. The report on this bill is very incomplete as to the need for these clerks in the various districts.

Mr. MILLER. I may say that I did not draw the report and I am not defending the bill.

Mr. O'MALLEY. May I say, with all deference to the gentleman's committee, that if the bill does come up I propose to object to its consideration?

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

OFFICERS ON THE RETIRED LIST OF THE NAVY AND MARINE CORPS

The Clerk called the next bill, S. 2774, for the relief of certain officers on the retired list of the Navy and Marine Corps who have been commended for their performance of duty in actual combat with the enemy during the World War.

Mr. MARSHALL. May I ask someone to give us an idea as to the amount involved?

Mr. VINSON of Georgia. This does not increase the pay of any officer.

Mr. MARSHALL. When an officer is elevated to a higher rank, does not that automatically increase his salary?

Mr. VINSON of Georgia. The bill states very positively that there may be no increase in pay. As a matter of fact, if it were not so stated, it would happen in very few instances because the pay is based on longevity of service and not rank. This bill is recommended by the Department and merely takes care of the officers who were wounded in action and retired on account of physical disability.

Mr. TAYLOR of Tennessee. How many officers will be affected?

Mr. VINSON of Georgia. The bill has been unanimously reported by the committee. There are only 78 in the whole of the naval service.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That all officers of the Navy and Marine Corps who have been retired or who may hereafter be retired for physical disability and who have been commended for their performance of duty in actual combat with the enemy during the World War by the head of the executive department under whose jurisdiction such duty was performed shall be placed upon the retired list with the rank of the next higher grade: *Provided*, That such promotion shall not carry with it any increase of pay.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RETIREMENT AND ANNUITIES OF CIVILIAN MEMBERS OF UNITED STATES NAVAL ACADEMY

The Clerk called the next bill, H. R. 8140, to provide for the retirement and retirement annuities of civilian members of the teaching staffs at the United States Naval Academy and the Postgraduate School, the United States Naval Academy.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to substitute the bill S. 2845 for the House bill, which is identical in language.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That civilian members of the teaching staffs of the United States Naval Academy and Postgraduate School, whose employment commences from and after the date of approval of this act, shall, as a part of their contracts of employment, be required to carry, during such employment, a deferred annuity policy, having no cash surrender or loan provision, from a joint-stock life-insurance corporation, incorporated under the laws of any State of the United States, which has a charter restriction that its business must be conducted without profit to its stockholders.

SEC. 2. Toward the purchase of said deferred annuity each member of such teaching staffs shall be required to register a monthly allotment through the Navy Allotment Office, Navy Department, Washington, D. C., equivalent in amount to 10 percent of his monthly basic salary: *Provided*, That for each month such allotment is registered the pay accounts of such member shall be credited monthly from such appropriations as may be made for this purpose with an additional sum equivalent to 5 percent of his monthly basic salary.

SEC. 3. The retiring age for all civilian members of the teaching staffs set forth in this act shall be the 30th day of June following their sixty-fifth birthday, or any date between their sixty-fifth birthday and the following 30th day of June upon which their employment may be terminated: *Provided*, That in the discretion of the Secretary of the Navy such retiring age may be extended to not beyond the seventieth birthday in individual and special cases.

SEC. 4. Civilian members of the teaching staffs of the Naval Academy and Postgraduate School, who are so employed on the date of approval of this act, may, at their own request, if made within 60 days thereafter to the Secretary of the Navy, participate in the benefits under the provisions of sections 1 and 2 of this act. Each such member of the teaching staffs who so participates and who, upon reaching the date of retirement as set forth in section 3 of this act has an insufficient accumulation of premium payments to his credit to have purchased for him an annuity of $1,200 per annum, shall be paid by the Secretary of the Navy, from such appropriations as may be made for such purpose, such amounts that, together with his purchased annuity, will make his total annuity $1,200 per annum. Each such member of the teaching

staffs, who so participates and who is forced to retire for physical incapacity prior to his reaching the prescribed retirement age, shall be paid by the Secretary of the Navy, from such appropriations as may be made for such purpose, such amounts which, together with his purchased annuity, will make his total annuity equivalent to an amount, not exceeding $1,200 per annum, which would have been due him had the provisions of this act been in effect on the rate of his original employment: *Provided*, That each such member of the teaching staffs who is so employed on the date of approval of this act and who is entitled to retirement and retirement benefits under the provisions of the Civil Service Retirement Act of 1920, as amended, may elect to continue thereunder, or he may elect to participate in the benefits under the provisions of this section; but in the event that he elects to participate in the benefits under the provisions of this section, no further deductions shall be made from his pay for credit to the civil-service retirement fund, and the Civil Service Commission shall close his account with such fund under the same provisions as though he voluntarily separated himself from the Federal service, except that the amount of such credit will be retained in the civil-service retirement fund and remain subject to claim by, and payment to, him, his beneficiary, or his estate only in the event of his separation from the Federal service by death or otherwise before retirement under the provisions of this act, and then only in the amount by which such credit exceeds the total amount of 5 percent of his basic salary which may have been credited to his monthly pay accounts under the provisions of section 2 of this act.

SEC. 5. Civilian members of the teaching staffs of the Naval Academy and Postgraduate School shall include instructors, assistant chief instructors, chief instructors, assistant professors, asociate profesors, and professors.

SEC. 6. The Secretary of the Navy is authorized and directed to make such regulations as may be necessary to carry out the provisions of this act. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to carry out the provisions of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

A similar House bill (H. R. 8140) was laid on the table.

DISPOSAL OF MATERIAL NO LONGER NEEDED BY THE NAVY

The Clerk called the next bill, H. R. 1381, to amend Public Law No. 249, Seventy-first Congress, entitled "An act to authorize the Secretary of the Navy to dispose of material no longer needed by the Navy."

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Public Law No. 249, Seventy-first Congress, approved May 23, 1930, entitled "An act to authorize the Secretary of the Navy to dispose of material no longer needed by the Navy", is amended by striking out the word "and" before the word "tools" and inserting after the word "tools" a comma followed by "boats and boat equipment."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

SUBMARINE AND DIVING DUTY IN THE NAVY

The Clerk called the next bill, H. R. 5729, to amend the act entitled "An act to provide additional pay for personnel of the United States Navy assigned to duty on submarines and to diving duty", to include officers assigned to duty at submarine training tanks and diving units, and for other purposes.

Mr. HOPE and Mr. TERRY rose.

Mr. HOPE. Mr. Speaker, reserving the right to object, I should like to have the gentleman from Virginia [Mr. DARDEN] give us some idea of the number of officers and men who will be affected by this bill and the amount it will likely cost per annum.

Mr. DARDEN. It is difficult to state the number of officers and men affected. It will cost approximately $14,500 per annum. The bill is designed to allow those men who are assigned to private shipyards where submarines are under construction to draw diving pay after the trials begin, but before the ship is commissioned.

Mr. TERRY. May I ask the gentleman whether or not the officers who are to get this increased pay are doing the diving themselves?

Mr. DARDEN. Yes; officers and men are instructing in the diving tanks of the Navy and performing submarine duty in the trials. There is a great deal of work now going on in an effort to minimize the danger of loss of life in submarine collisions. The officers who are running the schools and actually performing the work are to be compensated, as well as those who are attached to ships that are on trial, but have not been commissioned, although the men are actively engaged in diving work.

Mr. TERRY. These men are actually doing the diving work.

Mr. DARDEN. Yes. This is additional pay for hazard. It is now being received by a number of people in the Navy, and the Naval Affairs Committee believed that it should be extended to all those who are really subjected to the hazards. It is to this end that the bill has been reported.

Mr. HOPE. Mr. Speaker, do I understand that at the present time the Navy personnel, who take over these boats in the Government shipyards before they are commissioned, do receive this addtional pay?

Mr. DARDEN. Yes.

Mr. HOPE. And this bill simply puts those who take over such boats from private shipyards on the same basis?

Mr. DARDEN. Yes. The trials are run in private yards before the ship is accepted and commissioned.

Mr. HOPE. And the men who man these ships during the trials are assuming the same risk and dangers that they do after the ship is commissioned.

Mr. DARDEN. They are proportionately the same. Of course, a ship is on constant duty usually after the ship is commissioned. The trials are fewer, but the hazard in diving is the same. It is probably greater because it is a new ship.

Mr. HOPE. I have no objection, and withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. WOODRUM). Is there objection to the present consideration of the bill?

There was no objection.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent that the Senate bill (S. 2257) be considered in lieu of the House bill.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the act entitled "An act to provide additional pay for personnel of the United States Navy assigned to duty on submarines and to diving duty" (45 Stat. 412; U. S. C., Supp. VII, title 34, sec. 886) is hereby amended by inserting after the words "submarine of the Navy" in line 3 of said act the words "including submarines under construction for the Navy from the time builders' trials commence, or on duty at submarine escape training tanks, the Navy Deep Sea Diving School, or the Naval Experimental Diving Unit", and by inserting after the words "submarine of the Navy" in lines 6 and 7 of said act the words "including submarines under construction for the Navy from the time builders' trials commence", so that the said act as amended will read as follows: "That hereafter all officers of the Navy on duty on board a submarine of the Navy, including submarines under construction for the Navy from the time builders' trials commence, or on duty at submarine escape training tanks, the Navy Deep Sea Diving School, or the Naval Experimental Diving Unit, shall, while so serving, receive 25 percent additional of the pay for their rank and service as now provided by law; and an enlisted man of the United States Navy assigned to duty aboard a submarine of the Navy, including submarines under construction for the Navy from the time builders' trials commence, or to the duty of diving, shall, in lieu of the additional pay now authorized, receive pay, under such regulations as may be prescribed by the Secretary of the Navy, at the rate of not less than $5 per month and not exceeding $30 per month, in addition to the pay and allowances of his rating and service: *Provided*, That divers employed in actual salvage operations in depths of over 90 feet shall, in addition to the foregoing, receive the sum of $5 per hour for each hour or fraction thereof so employed.

The bill was ordered to be read a third time, was read the third time, and passed.

UNITED STATES LIGHTHOUSE SUPPLY DEPOT, ST. JOSEPH, MICH.

The Clerk called the next bill, H. R. 5916, to authorize the conveyance by the United States to the State of Michigan of the former United States lighthouse supply depot, St. Joseph, Mich., for State naval force purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby authorized and directed to convey to the State of Michigan for State naval force purposes all right, title, and interest of the United States in and to a tract of land containing 1.724 acres,

more or less, situated in section 23, township 4 south, range 19 west, in the county of Berrien, State of Michigan, formerly embraced within the United States lighthouse supply depot at St. Joseph, Mich., and transferred to the control and jurisdiction of the Navy Department for naval purposes by the act of Congress approved July 1, 1918 (40 Stat. 704, 719). Such conveyance shall contain the express condition that if said State of Michigan shall at any time cease to use such tract of land for State naval force purposes or shall alienate or attempt to alienate such tract, title thereto shall revert to the United States, and the deed or instrument of conveyance shall recite the reversionary right herein reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING THE APPOINTMENT OF MIDSHIPMEN FROM AMONG HONOR GRADUATES OF HONOR SCHOOLS

The Clerk called the bill (H. R. 7486) to authorize the appointment of midshipmen from among honor graduates of honor schools and from among members of the Naval Reserve Officers' Training Corps.

The Clerk read the title of the bill.

Mr. VINSON of Georgia. Mr. Speaker, this bill is recommended by the Navy Department. It is similar to the measure which provides for the appointment from honor schools to West Point. This bill authorizes the Secretary of the Navy to designate from so-called honor schools named by the War Department one midshipman. I will state that there are 20 of those schools in the United States.

A similar bill has been passed regarding the appointment of cadets to West Point. This is on all fours with that bill.

Mr. TERRY. Are these midshipmen appointed by the Secretary of the Navy?

Mr. VINSON of Georgia. They are designated after they have become honor graduates of these so-called honor schools.

Mr. KELLER. Would this interfere with the appointments to Annapolis by Members of Congress?

Mr. VINSON of Georgia. It has no connection with the appointment by Members of Congress to Annapolis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy is authorized to appoint not more than 20 midshipmen annually to the Naval Academy from among the honor graduates of educational institutions which are designated as honor schools by the War Department: *Provided*, That not more than one midshipman shall be appointed in any one year from any one of such schools.

SEC. 2. That the Secretary of the Navy is authorized to appoint midshipmen to the Naval Academy from among the members of the Naval Reserve Officers' Training Corps: *Provided*, That not more than one midshipman shall be appointed in any one year from any one of the educational institutions at which a Naval Reserve Officers' Training Corps unit is established.

With the following committee amendments:

Page 1, line 7, after the word "Department", strike out "*Provided*, That not more than one midshipman shall be appointed in any one year from any one of such schools" and insert "and the members of the Naval Reserve Officers' Training Corps: *Provided*, That such appointments shall be made under such rules and regulations as the Secretary of the Navy may prescribe."

Strike out all of section 2.

The committee amendments were agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE SILVER SERVICE ON THE U. S. S. "PADUCAH"

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to call out of order the bill (H. R. 8872) authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Woman's Club, of the city of Paducah, Ky., the silver service in use on the U. S. S. *Paducah*. The reason I am asking unanimous consent is that it probably will not be reached today, and the organization is very anxious that the bill should pass.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia? The Chair hears none.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy is authorized, in his discretion, to loan to the Woman's Club, of the city of Paducah, Ky., for preservation and exhibition, the silver service which was in use on the U. S. S. *Paducah: Provided*, That no expense shall be incurred by the United States for the delivery of such silver service.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

THE MUSKOGEE OR CREEK TRIBE OF INDIANS

The Clerk called the next bill on the Consent Calendar, H. R. 5442, authorizing an appropriation to carry out the provisions of section 26 of the agreement with the Muskogee or Creek Tribe of Indians, approved March 1, 1901.

The SPEAKER pro tempore. Is there objection?

Mr. COCHRAN. Reserving the right to object, I should like to make a short statement. This bill provides for an appropriation of $600,000 to carry out the provisions of section 26 of an act to ratify and confirm an agreement with certain Indian tribes. I invite attention to the minority report on the bill, signed by Mr. COLLINS, of California, wherein, in part, he says:

A decision of the Court of Claims was rendered on the 25th day of February 1884, wherein the court held on a question of law as a conclusion of law, that all the claims—

I repeat, all the claims—

which the petitioners had against the United States for damages and losses growing out of the late Rebellion were adjusted, settled, and released by the treaty of 1866, which is the treaty herein discussed and the payment thereunder of $100,000, as provided in article III, and that the claimants, having received that sum, are not entitled to be paid any further amount.

Mr. Speaker, I am forced to object.

Mr. NICHOLS. Mr. Speaker, I am the author of this bill, and the statements made by the gentleman are not absolutely correct. I should like to answer them. I ask unanimous consent to proceed for 1 minute.

Mr. COCHRAN. Mr. Speaker, I yield to the gentleman. I think the gentleman should not say that I am incorrect. I merely read the minority views, and if anyone is incorrect, it is the author of the minority views.

Mr. NICHOLS. Mr. Speaker, this bill is based on a treaty, a treaty made between the Creek Indians and the Government of the United States. The hundred-thousand-dollar provision which the gentleman refers to is referred to in the treaty as follows:

One hundred thousand dollars shall be paid to soldiers that enlisted in the Federal Army and the loyal refugee Indians and freedmen who were driven from their homes by the rebel forces, to reimburse them in proportion to their respective losses, etc.

The treaty further provides that immediately after the ratification thereof the United States shall ascertain the amount due the respective soldiers who enlisted in the Federal Army. In other words, the $100,000 was paid only as good-will money. A committee was appointed. That committee made a survey and came back and reported the actual damages sustained by those Indians at five million dollars plus.

Mr. COCHRAN. Mr. Speaker, let me ask the gentleman to explain why the court said "all the claims" and also advise the House how much money the Government of the United States has advanced in gratuities to the Indians that he is representing. Of course, if there is any amount due, the Indians are dead long ago, and it will be grandchildren that would benefit as well as lawyers.

Mr. NICHOLS. Oh, no. Many of the heirs are still living. In any event, this is a contract entered into by the gentleman's great Government and mine with a tribe of Indians in Oklahoma. After they had fixed this amount they came back and by the action of this Congress the Senate of the United States was appointed as an arbitration body, and the Senate agreed that the Government owed these Indians $1,200,000, and such a bill was passed, but when it came to the House conferees were asked for, and in the conference the amount was cut down to $600,000, and it was rammed down the throats of the Indians; and this is only asking for the balance of the $1,200,000 that was agreed to by the Senate of the United States.

Mr. COCHRAN. Mr. Speaker, the Comptroller General of the United States has the reports, and the Department of the Interior does not have them; and, until I have a report from the Comptroller, I shall object.

Mr. NICHOLS. I will agree with the gentleman to do what the Comptroller says to do on this bill.

Mr. COCHRAN. The gentleman from Oklahoma is always fair and he is fair now in awaiting the Comptroller's report.

The SPEAKER pro tempore. Objection is heard, and the Clerk will call the next bill.

SURVEY OF ARKANSAS RIVER AND FOURCHE BAYOU, ARK.

The Clerk called the bill (H. R. 7995) to authorize a preliminary examination and survey of the Arkansas River and Fourche Bayou with a view to the control of floods in the vicinity of Little Rock and North Little Rock, Ark.

The SPEAKER pro tempore. Is there objection?

Mr. MARSHALL. Mr. Speaker, I reserve the right to object, to inquire if it is not true that the authority is already vested in the Army engineers to do the thing required in this bill.

Mr. TERRY. Part of the examination has been made, but so far as the Fourche Bayou is concerned it has not been made. This gives an authorization, and not an appropriation of money or anything of that sort. It calls attention of the Army engineers to the necessity for this examination. The committee investigated it and there seems to be no objection to it.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of the Arkansas River and Fourche Bayou with a view to the control of floods in the vicinity of Little Rock and North Little Rock, Ark., in accordance with the provisions of section 3 of an act entitled "An act to provide for control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read: "A bill to authorize a preliminary examination of the Arkansas River and Fourche Bayou with a view to the control of floods in the vicinity of Little Rock and North Little Rock, Ark."

MONUMENT TO SPANISH COLONIAL MISSIONS IN TEXAS, ETC.

The Clerk called House Joint Resolution 211, to create a commission to study and report on the feasibility of establishing a national monument, or monuments, in the territory occupied by the Spanish colonial missions in the States of Texas, New Mexico, Arizona, and California.

The SPEAKER pro tempore. Is there objection?

Mr. RICH. I object.

Mr. MAVERICK. Mr. Speaker, will the gentleman withhold his objection so that I can propose an amendment which might meet with the gentleman's approval?

Mr. RICH. I will withhold it.

The SPEAKER pro tempore. Does the Chair understand the gentleman reserves the right to object until the amendment is read for information?

Mr. RICH. Yes; I should like to reserve the objection until I hear the amendment.

The SPEAKER pro tempore. Without objection, the Clerk will read the amendment for information.

There was no objection.

The Clerk read as follows:

Amendment proposed by Mr. MAVERICK: Strike out all after the enacting clause and insert:

"That a commission is hereby created to be known as the Spanish Colonial Missions Commission, to be composed of two Members of the Senate, to be appointed by the President of the Senate; six Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives; and two members to be appointed by the Secretary of the Interior, and the Secretary of the Interior, ex officio. Any vacancy in the commission shall be filled in the same manner as an original appointment. The members of the commission shall select a chairman from among their number. The commissioners shall receive no compensation for their services. The commission shall cease to exist upon making its report to Congress pursuant to this resolution.

"SEC. 2. The Spanish Colonial Missions Commission is authorized and directed—

"(1) To make a study for the purpose of ascertaining the best methods for the preservation of Spanish colonial architecture, sites, antiquities, art, and culture, and for the collection and making available to the public of historical data, materials, and information with respect thereto, with the view of establishing appropriate monuments, parks, and shrines, encouraging suitable exhibitions, commemorations, and tourist attractions, and promoting domestic travel and patriotic knowledge; and

"(2) To submit to Congress, as soon as practicable, a report containing the results of its study, together with its recommendations for such legislation as it deems necessary or appropriate.

"SEC. 3. The commission may appoint and fix the compensation, without regard to the civil-service laws or the Classification Act of 1923, as amended, of a secretary, historian, and such other employees, and may make such expenditures, including expenditures for actual travel and subsistence expenses of commissioners and employees (not exceeding $5 for subsistence expense for any one person for any one calendar day) while absent from their places of residence or designated posts of duty on the business of the commission, and including printing and binding, as may be necessary for the execution of its functions under this resolution. All expenses of the commission shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the chairman of the commission.

"SEC. 4. There is hereby authorized to be appropriated the sum of $15,000 to be expended by the commission in accordance with the provisions of this resolution.

"Amend the title to read as follows: 'To create a commission to study and make a report and recommendations to Congress on preserving and making available to the public sites, data, materials, and information relative to Spanish colonial architecture, antiquities, arts, and culture.'"

Mr. RICH. Mr. Speaker, I should like to say to the gentleman from Texas [Mr. MAVERICK] that this would only create another commission. The Democratic platform called for the elimination of commissions. Last year we established a commission to determine overlapping duties——

Mr. SMITH of Virginia. Mr. Speaker, the regular order.

Mr. RICH. That Commission was appointed last year. We also appointed a committee to investigate——

The SPEAKER pro tempore. The regular order has been demanded. Is there objection?

Mr. RICH. Mr. Speaker, I object.

PLANT QUARANTINE LAWS

The Clerk called the next bill, H. R. 8495, to amend certain plant-quarantine laws.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the third sentence of the second paragraph under the subheading "Enforcement of the Plant Quarantine Act" under the heading "Miscellaneous" of the act entitled "An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1916", approved March 4, 1915, is amended to read as follows: "If the plants or plant products are found upon inspection to be free from injurious pests and not in violation of a plant-quarantine law or plant-quarantine regulation of the United States Department of Agriculture or of the State of destination pertaining to such injurious pests, or if infected shall be disinfected by said official, they shall upon payment of postage therefor be returned to the postmaster at the place of inspection to be forwarded to the person to whom they are addressed; but if found to be infected with injurious pests and incapable of satisfactory disinfection or in violation of a plant-quarantine law or plant-quarantine regulation of the United States Department of Agriculture or of the State of destination pertaining to such injurious pests, the State inspector shall so notify the postmaster at the place of inspection who shall promptly notify the sender of said plants or plant products that they will be returned to him upon his request and at his expense, or in default of such request that they will be turned over to the State authorities for destruction."

With the following committee amendment:

Page 1, line 9, after the word "products", insert "(including seed)."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLAIMS OF KIOWA, COMANCHE, AND APACHE TRIBES OF INDIANS

The Clerk called the next bill, H. R. 6818, conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any claim which the Kiowa, Comanche, and Apache Tribes of Indians may have against the United States, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. HOPE. Mr. Speaker, I object.

CLAIMS OF WINNEBAGO TRIBE OF INDIANS

The Clerk called the next bill, H. R. 6740, to amend an act approved December 17, 1928, entitled "An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment thereon in claims which the Winnebago Tribe of Indians may have against the United States, and for other purposes."

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. HOPE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

DISPOSAL OF SMUGGLED MERCHANDISE

The Clerk called the next bill, H. R. 8624, to provide for the disposal of smuggled merchandise, to authorize the Secretary of the Treasury to require imported articles to be marked in order that smuggled merchandise may be identified, and for other purposes.

The SPEAKER pro tempore. Is there objection?

There being no objection, the Clerk read as follows:

Be it enacted, etc., That where under existing law any forfeiture, condemnation, or abandonment of watches, watch movements, or parts thereof under the customs laws is declared by the collector of customs, or any forfeiture is decreed by any court, the Secretary of the Treasury is hereby directed to sell at public auction for a price not less than the fair value thereof, plus legal duty imposed thereon, together with all costs, including transportation and court costs, or, in lieu thereof, to destroy said merchandise, after removal for governmental accounts of all economically recoverable precious stones, gold, silver, or platinum: *Provided*, That payment of compensation to informers as now provided by law shall be paid in the case of any merchandise recovered to the Government and sold at public auction, or in case of destruction of such merchandise the amount provided by law shall be determined upon a fair value thereof: *Provided, however*, That no such amount shall exceed $50,000. The Secretary of the Treasury is authorized to make such rules and regulations as may be necessary to carry out the provisions of this section.

SEC. 2. After 90 days after the date of the enactment of this act, no watch movement, complete or incomplete, shall be permitted entry into the United States unless an unduplicated consecutive number, together with the manufacturer's or importer's name, is marked legibly on the barrel, bridge, or pillar plate be registered with the Secretary of the Treasury for identification purposes, as he may by rules and regulations prescribe.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BILLS OF INTERPLEADER

The Clerk called the next bill, S. 1277, to amend section 24 of the Judicial Code by conferring on district courts additional jurisdiction of bills of interpleader.

The SPEAKER pro tempore. Is there objection?

There being no objection, the Clerk read as follows:

Be it enacted, etc., That subsection 26 of section 24 of the Judicial Code, as amended (U. S. C., title 28, sec. 41 (26)), be, and the same is hereby, amended to read as follows:

"(26) Original jurisdiction of bills of interpleader—Twenty-sixth: (a) Of suits in equity begun by bills of interpleader or bills in the nature of bills of interpleader duly verified, filed by any person, firm, corporation, association, or society having in his or its custody or possession money or property of the value of $500 or more, or having issued a note, bond, certificate, policy of insurance, or other instrument of the value or amount of $500 or more, or providing for the delivery or payment or the loan of money or property of such amount or value, or being under any obligation written or unwritten to the amount of $500 or more, if—

"(1) Two or more adverse claimants, citizens of different States, are claiming to be entitled to such money or property, or to any one or more of the benefits arising by virtue of any note, bond, certificate, policy, or other instrument, or arising by virtue of any such obligation; and

"(ii) The complainant (a) has deposited such money or property or has paid the amount of or the loan or other value of such instrument or the amount due under such obligation into the registry of the court, there to abide the judgment of the court; or (b) has given bond payable to the clerk of the court in such amount and with such surety as the court or judge may deem proper, conditioned upon the compliance by the complainant with the future order or decree of the court with respect to the subject matter of the controversy."

Such a suit in equity may be entertained although the titles or claims of the conflicting claimants do not have a common origin, or are not identical, but are adverse to and independent of one another.

"(b) Such a suit may be brought in the district court of the district in which one or more of such claimants resides or reside.

"(c) Notwithstanding any provision of the Judicial Code to the contrary, said court shall have power to issue its process for all such claimants and to issue an order of injunction against each of them, enjoining them from instituting or prosecuting any suit or proceeding in any State court or in any United States court on account of such money or property or on such instrument or obligation until the further order of the court; which process and order of injunction shall be returnable at such time as the said court or a judge thereof shall determine and shall be addressed to and served by the United States marshals for the respective districts wherein said claimants reside or may be found.

"(d) Said court shall hear and determine the cause and shall discharge the complainant from further liability; and shall make the injunction permanent and enter all such other orders and decrees as may be necessary or convenient to carry out and enforce the same.

"(e) In any action at law in a United States District Court against any person, firm, corporation, association, or society, such defendant may be set up by way of equitable defense, in accordance with section 274b of the Judicial Code (U. S. C., title 28, sec. 398), any matter which would entitle such person, firm, corporation, association, or society to file an original or ancillary bill of interpleader or bill in the nature of interpleader in the same court or in any other United States District Court against the plaintiff in such action at law and one or more other adverse claimants, under the provisions of paragraph (a) of this subsection or any other provision of the Judicial Code and the rules of court made pursuant thereto. The defendant may join as parties to such equitable defense any claimant or claimants who are not already parties to such action at law. The district court in which such equitable defense is interposed shall thereby possess the powers conferred upon district courts by paragraphs (c) and (d) of this subsection and by section 274b of the Judicial Code."

"SEC. 2. The act entitled 'An act authorizing casualty companies, surety companies, insurance companies or associations, or fraternal or beneficial societies to file bills of interpleader', approved May 8, 1926 (U. S. C., Supp. III, title 28, sec. 41 (26)), is hereby repealed. Said repeal shall not affect any act done or any right, accruing or accrued in any suit or proceeding had or commenced under said act hereby repealed, prior to the passage of this act, but all such acts or rights, suits, or proceedings shall continue and be valid and may be prosecuted and enforced in the same manner as if said act had not been repealed hereby."

With the following committee amendments:

On page 1, strike out lines 3, 4, and 5 and insert in lieu thereof "That section 24 of the Judicial Code, as amended, is amended by inserting at the end thereof the following:".

On page 4, line 22, strike out the word "Code" and insert "Code."."

On page 4, line 24, strike out " "Sec." and insert "Sec. 2."

On page 5, in line 10, strike out the word "hereby" " and insert "hereby."

The committee amendments were agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read as follows: "An act to amend section 24 of the Judicial Code by conferring on district courts additional jurisdiction of bills of interpleader and of bills in the nature of interpleader."

COOS HEAD RIVER AND HARBOR RESERVATION

The Clerk called the next bill, S. 978, authorizing the Secretary of War to convey to the University of Oregon certain lands forming a part of the Coos Head River and Harbor Reservation.

The SPEAKER pro tempore. Is there objection?

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of War is authorized and directed to convey by quitclaim deed to the University of Oregon, State of Oregon, subject to the conditions hereinafter specified, the following described part of the Coos Head River and Harbor Reservation situated on the south shore of the entrance to Coos

Bay in Coos County, Oreg.: All of lot 3, section 2, township 26 south, range 14 west, Willamette meridian, except the west 750 feet of said lot heretofore conveyed to the University of Oregon: *Provided*, That such conveyance shall not be made until the Civilian Conservation Corps has relinquished the use and occupancy of said land.

SEC. 2. The lands herein authorized to be conveyed shall be used by the University of Oregon solely for scientific and educational purposes, subject, however, to the right of the United States, in case of war or other emergency, to assume control of, hold, use, and occupy said lands or any part thereof for any and all military, naval, or other governmental purposes, and subject at all times to the rights of the United States stated in section 3 hereof. The deed executed by the Secretary of War under the provisions of section 1 of this act shall contain the express condition that if the University of Oregon shall at any time attempt to alienate said lands that same shall revert to the United States.

SEC. 3. The lands herein authorized to be conveyed to the University of Oregon shall at all times be subject to the right of the United States to occupy and use such part thereof as are now or may hereafter be needed for jetty site or sites, for rights-of-way for tramways to such jetty site or sites, and for ingress and egress by persons engaged in river and harbor work; and the United States shall at all times have prior right to three-fourths of the natural flow of streams draining lots 2 and 3.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS POTOMAC RIVER AT DAHLGREN, VA.

The Clerk called the next bill, H. R. 8025, authorizing the George Washington Memorial Bridge Public Corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Potomac River at or near Dahlgren, Va.

Mr. MARSHALL. Mr. Speaker, reserving the right to object, may we have an explanation of the bill?

Mr. BLAND. Mr. Speaker, may I say that I have been asked to request unanimous consent that this bill may be passed over without prejudice?

Mr. Speaker, I had occasion to look into this matter, and find that this bill is really a part of the existing law, having been provided for in the omnibus bill at the close of the last session.

The SPEAKER pro tempore. Without objection, the bill will be passed over without prejudice.

There was no objection.

BRIDGE ACROSS MISSISSIPPI RIVER AT ST. LOUIS, MO.

The Clerk called the next bill, H. R. 8609, authorizing the county of St. Clair, in the State of Illinois, and the State of Illinois, or either of them, to construct, maintain, and operate a toll bridge across the Mississippi River at or near a point on Broadway between Florida and Mullanphy Streets in the city of St. Louis, Mo., and a point opposite thereto in the town of Stites, in the county of St. Clair, State of Illinois, and connecting with St. Clair Avenue extended in said town.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in order to promote interstate commerce, improve the postal service, and provide for military and other purposes, the county of St. Clair, in the State of Illinois, and the State of Illinois, or either of them, be, and are hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Mississippi River, at a point suitable to the interests of navigation, at or near a point on Broadway between Florida and Mullanphy Streets in the city of St. Louis, Mo., and a point opposite thereto in the town of Stites, in the county of St. Clair, State of Illinois, and connecting with St. Clair Avenue extended in said town, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. There is hereby conferred upon the county of St. Clair, in the State of Illinois, and the State of Illinois, or either of them, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, maintenance, and operation of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The said county of St. Clair, in the State of Illinois, and the State of Illinois, or either of them, are hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 4. In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 30 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the cost of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 5. The right to alter, amend, or repeal this act is hereby expressly reserved.

Amend the title so as to read: "A bill authorizing the county of St. Clair, in the State of Illinois, to construct, maintain, and operate a toll bridge across the Mississippi River, at or near a point on Broadway between Florida and Mullanphy Streets in the city of St. Louis, Mo., and a point opposite thereto in the town of Stites, in the county of St. Clair, State of Illinois, and connecting with St. Clair Avenue extended in said town."

With the following committee amendments:

Page 1, line 5, strike out the words "and the."

Page 1, line 6, strike out the words "State of Illinois, or either of them", and strike out the word "are" and insert in lieu thereof the word "is."

Page 2, line 13, strike out the words "and the State of Illinois."

Page 2, line 14, strike out the words "or either of them."

Page 3, line 2, strike out the words "and the State of Illinois, or either of them, are" and insert in lieu thereof the word "is."

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Amend the title so as to read: "A bill authorizing the county of St. Clair, in the State of Illinois, to construct, maintain, and operate a toll bridge across the Mississippi River at or near a point on Broadway between Florida and Mullanphy Streets in the city of St. Louis, Mo., and a point opposite thereto in the town of Stites, in the county of St. Clair, State of Illinois, and connecting with St. Clair Avenue extended in said town."

BRIDGE ACROSS OHIO RIVER, SHAWNEETOWN, ILL.

The Clerk called the next bill, H. R. 8680, to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Shawneetown, Gallatin County, Ill., and a point opposite thereto in Union County, Ky.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Ohio River at or near Shawneetown, Gallatin County, Ill., and a point opposite thereto in Union County, Ky., authorized to be built by the city of Shawneetown, Ill., by an act of Congress approved June 4, 1934, are hereby extended 1 and 3 years, respectively, from the date of approval hereof.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS MISSOURI RIVER, MIAMI, MO.

The Clerk called the next bill, S. 2950, granting the consent of Congress to the county of Saline, Mo., to construct, maintain, and operate a toll bridge across the Missouri River at or near Miami, Mo.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the county of Saline, Mo., to construct, maintain, and operate a bridge and approaches thereto across the Missouri River, at a point suitable to the interests of navigation, at or near

Miami, Mo., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. If tolls are charged for the use of such bridge, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge and its approaches, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of tolls shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the costs of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION

The Clerk called the next resolution, H. J. Res. 297, granting consent of Congress to a compact or agreement between the Commonwealth of Pennsylvania and the State of New Jersey creating the Delaware River Joint Toll Bridge Commission and specifying the powers and duties thereof.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the House joint resolution, as follows:

Whereas, pursuant to act no. 332 of the Commonwealth of Pennsylvania, approved June 25, 1931, as amended by act no. 138, approved May 18, 1933, and chapter 215 of the Laws of New Jersey, approved June 11, 1934, the Commonwealth of Pennsylvania and the State of New Jersey have entered into a certain compact or agreement, which said compact or agreement has been duly executed and delivered by the Governor of the Commonwealth of Pennsylvania on behalf of the said Commonwealth and by the Governor of New Jersey on behalf of the State of New Jersey; and

Whereas the aforesaid agreement or compact is in substantially the following form, that is to say:

Whereas the commission on behalf of the Commonwealth of Pennsylvania, existing by virtue of the act approved the 8th day of May 1919 (Pamphlet Laws, 148), and its supplements and amendments, and the commission, on behalf of the State of New Jersey, existing by virtue of the provisions of the act, approved the 1st day of April 1912 (ch. 297), and its supplements and amendments, acting as a joint commission, have acquired various toll bridges over the Delaware River between the Commonwealth of Pennsylvania and the State of New Jersey; and

Whereas additional bridge facilities between the two States will be required in the future for the accommodation of the public and the development of both States; and

Whereas such additional bridge facilities should be developed without the expenditure of large sums from the public revenues; and

Whereas it is highly desirable that there be a single agency for both States empowered to further the transportation interests of these States with respect to that part of the Delaware River north of the stone arch bridge of the Pennsylvania Railroad from Morrisville to Trenton: Now, therefore,

The Commonwealth of Pennsylvania and the State of New Jersey do hereby solemnly covenant and agree, each with the other, as follows:

ARTICLE I

There is hereby created a body corporate and politic, to be known as the "Delaware River Joint Toll Bridge Commission" (hereinafter in this agreement called the "commission"), which shall consist of the commissioners, on behalf of the Commonwealth of Pennsylvania, provided for by the act, approved the 8th day of May 1919 (Pamphlet Laws, 148), and its supplements and amendments, for the acquisition of toll bridges over the Delaware River, and of commissioners, on behalf of the State of New Jersey, provided for by the act, approved the 1st day of April 1912 (ch. 397), and its supplements and amendments, for the acquisition of toll bridges over the Delaware River, which said commissions have heretofore been acting as a joint commission by virtue of reciprocal legislation.

No action of the commission shall be binding unless a majority of the members of the commission from Pennsylvania and a majority of the members of the commission from New Jersey shall vote in favor thereof.

The commission shall constitute the public corporate instrumentality of the Commonwealth of Pennsylvania and the State of New Jersey for the following public purposes, and shall be deemed to be exercising an essential governmental function in effectuating such purpose, to wit:

(a) The administration, operation, and maintenance of the joint State-owned bridges across the Delaware River between the Commonwealth of Pennsylvania and the State of New Jersey, and located north of the present stone arch bridge of the Pennsylvania Railroad across the Delaware River from Morrisville to Trenton;

(b) The investigation of the necessity for additional bridge communications over the Delaware River north of the said railroad bridge, and the making of such studies, surveys, and estimates as may be necessary to determine the feasibility and cost of such additional bridge communications;

(c) The preparation of plans and specifications for, and location, construction, administration, operation, and maintenance of, such additional bridge communications over the Delaware River, north of the aforesaid railroad bridge, as the commission deems necessary to advance the interests of the two States and to facilitate public travel; and the issuance of bonds and obligations to provide moneys sufficient for the construction of such bridges; and the collection of tolls, rentals, and charges for the redemption of such bonds and obligations, and the payment of interest thereon;

(d) The procurement from the Government of the United States of any consents which may be requisite to enable any project within its powers to be carried out.

ARTICLE II

For the effectuation of its authorized purposes, the commission is hereby granted the following powers:

(a) To have perpetual succession.

(b) To sue and be sued.

(c) To adopt and use an official seal.

(d) To elect a chairman, vice chairman, secretary, and treasurer, and appoint an engineer. The secretary, treasurer, and engineer need not be members of the commission.

(e) To adopt suitable bylaws for the management of its affairs.

(f) To appoint such other officers, agents, and employees as it may require for the performance of its duties.

(g) To determine the qualifications and duties of its appointees, and to fix their compensation.

(h) To enter into contracts.

(i) To acquire, own, hire, use, operate, and dispose of personal property.

(j) To acquire, own, use, lease, operate, and dispose of real property and interest in real property, and to make improvements thereon.

(k) To grant the use of, by franchise, lease, and otherwise, and to make and collect charges for the use of, any property or facility owned or controlled by it.

(l) To borrow money upon its bonds or other obligations, either with or without security.

(m) To exercise the power of eminent domain.

(n) To determine the exact location, system, and character of, and all other matters in connection with, any and all improvements or facilities which it may be authorized to own, construct, establish, effectuate, maintain, operate, or control.

(o) In addition to the foregoing powers, to exercise the powers, duties, authority, and jurisdiction heretofore conferred and imposed upon the aforesaid commissions, hereby constituted a joint commission by reciprocal legislation of the Commonwealth of Pennsylvania and the State of New Jersey, with respect to the acquisition of toll bridges over the Delaware River, the management, operation, and maintenance of such bridges, and the location, construction, operation, and maintenance of additional bridge communications over the Delaware River north of the aforesaid railroad bridge of the Pennsylvania Railroad.

(p) To exercise all other powers, not inconsistent with the constitutions of the States of Pennsylvania and New Jersey or of the United States, which may be reasonably necessary or incidental to the effectuation of its authorized purposes or to the exercise of any of the foregoing powers, except the power to levy taxes or assessments for benefits; and generally to exercise, in connection with its property and affairs and in connection with property under its control, any and all powers which might be exercised by a natural person or a private corporation in connection with similar property and affairs.

ARTICLE III

If for any of its authorized purposes (including temporary purposes) the commission shall find it necessary or convenient to acquire for public use any real property in the Commonwealth of Pennsylvania or the State of New Jersey, whether for immediate or future use, the commission may, by resolution, determine to acquire such property by a fee simple absolute or a lesser interest, and the said determination shall not be affected by the fact that such property has therefore been taken for or is then devoted to a public use, but the public use in the hands or under the control of the commission shall be deemed superior to the public use in the hands or under the control of any other person, association, or corporation.

If the commission is unable to agree with the owner or owners thereof upon terms for the acquisition of any such real property in the Commonwealth of Pennsylvania for any reason whatsoever, then the commission may acquire such real property by the exercise of the right of eminent domain, in the manner provided by the act, approved the 8th day of May 1919 (Pamphlet Laws, 148), entitled "An act providing for the joint acquisition and maintenance by the Commonwealth of Pennsylvania and the State of New Jersey of certain toll bridges over the Delaware River", and the acts amendatory thereof and supplementary thereto, relating

to the acquisition of interstate toll bridges over the Delaware River.

If the commission is unable to agree with the owner or owners thereof upon terms for the acquisition of any such real property, in the State of New Jersey, for any reason whatsoever, then the commission may acquire such property by the exercise of the right of eminent domain, in the manner provided by the act of the State of New Jersey, entitled "An act authorizing the acquisition and maintaining by the State of New Jersey, in conjunction with the State of Pennsylvania, of toll bridges across the Delaware River; and providing for free travel across the same", approved the 1st day of April 1912 (ch. 297), and the various acts amendatory thereof and supplementary thereto, relating to the acquisition of interstate toll bridges over the Delaware River.

The power of the commission to acquire real property by condemnation or the exercise of the power of eminent domain in the Commonwealth of Pennsylvania and the State of New Jersey shall be a continuing power and no exercise thereof shall be deemed to exhaust it.

The commission and its duly authorized agents and employees may enter upon any land, in the Commonwealth or the State of New Jersey, for the purpose of making such surveys, maps, or other examinations thereof as it may deem necessary or convenient for its authorized purposes.

However, anything to the contrary contained in this compact notwithstanding, no property, now or hereafter vested in or held by any county, city, borough, village, township, or other municipality, shall be taken by the commission without the consent of such municipality, unless expressly authorized so to do by the Commonwealth or State in which such municipality is located. All counties, cities, boroughs, villages, townships, and other municipalities, and all public agencies and commissions of the Commonwealth of Pennsylvania and the State of New Jersey, notwithstanding any contrary provision of law, are hereby authorized and empowered to grant and convey to the commission upon its request, but not otherwise, upon reasonable terms and conditions, any real property which may be necessary or convenient to the effectuation of its authorized purposes, including real property already devoted to public use.

The Commonwealth of Pennsylvania and the State of New Jersey hereby consent to the use and occupation by the commission of any real property of the said two States, or of either of them, which may be or become necessary or convenient to the effectuation of the authorized purposes of the commission, including lands lying under water and lands already devoted to public use.

The term "real property", as used in this compact, includes lands, structures, franchises, and interests in land, including lands under water and riparian rights, and any and all things and rights usually included within the said term, and includes not only fees simple and absolute but also any and all lesser interests, such as easements, rights-of-way, uses, leases, licenses, and all other incorporeal hereditaments, and every estate, interest, or right, legal or equitable, including terms of years and liens thereon by way of judgments, mortgages, or otherwise, and also claims for damage to real estate.

ARTICLE IV

Notwithstanding any provision of this agreement, the commission shall have no power to pledge the credit of the Commonwealth of Pennsylvania, or of the State of New Jersey, or of any county, city, borough, village, township, and other municipality of said Commonwealth or State, or to create any debt against said Commonwealth or State or any such municipality.

ARTICLE V

The commission is hereby authorized to make and enforce such rules and regulations, and to establish, levy, and collect (or to authorize by contract, franchise, liens, or otherwise, the establishment, levying, and collection of) such tolls, rates, rents, and other charges, in connection with any such bridge across the Delaware River which it may hereafter construct and operate, as it may deem necessary, proper, desirable, and reasonable, which tolls, rates, rents, and other charges shall be at least sufficient to meet interest and sinking-fund charges on bonds and obligations issued by the commission, and the maintenance of such bridge, and the administrative expenses of the commission properly chargeable to such bridge. The commission is hereby authorized and empowered to pledge such tolls, rates, rents, and other revenues, or any part thereof, as security for the repayment, with interest, of any moneys borrowed by it or advanced to it for any of its authorized purposes, and as security for the satisfaction of any other obligation assumed by it in connection with such loans or advances.

ARTICLE VI

The Commonwealth of Pennsylvania and the State of New Jersey hereby covenant and agree with each other and with the holders of any bonds or other obligations of the commission, for which tolls, rents, rates, or other revenues have been pledged, that, so long as any of said bonds or obligations remain outstanding and unpaid (unless adequate provision is otherwise made by law for the protection of those advancing moneys upon such bonds or obligations), the Commonwealth of Pennsylvania and the State of New Jersey will not diminish or impair the power of the commission to own, operate, and control said properties and facilities, or to establish, levy, and collect tolls, rents, rates, and other charges in connection with such properties and facilities.

The Commonwealth of Pennsylvania and the State of New Jersey hereby covenant and agree with each other and with the holders of any bonds or obligations of the commission, for which tolls, rents, rates, or other revenues shall have been pledged, that the said Commonwealth and State will not authorize or permit the construction, operation, and maintenance of any additional bridge or tunnel for the transportation of passengers by vehicles over the Delaware River by any other person or body than the commission within a distance of 10 miles in either direction from any such toll bridge, measured along the boundary line between the said Commonwealth and the said State.

ARTICLE VII

The bonds or obligations which may be issued by the commission for any of its authorized purposes, and as security for which tolls, rents, rates, and other revenues shall have been pledged, are hereby made securities in which all State and municipal officers and bodies of the Commonwealth of Pennsylvania and the State of New Jersey, and all banks, bankers, trust companies, savings banks, savings and loan associations, investment companies, and other persons carrying on a banking business, or insurance companies, insurance associations, and other persons carrying on an insurance business, and all administrators, executors, guardians, trustees, and other fiduciaries, and all other persons whatsoever, who now or may hereafter be authorized to invest in bonds or other obligations of the Commonwealth of Pennsylvania or of the State of New Jersey, may properly and legally invest funds, including capital belonging to them or within their control; and said bonds or other obligations are hereby made securities which may properly and legally be deposited with and received by any State or municipal officer or agency of the Commonwealth of Pennsylvania and the State of New Jersey for any purpose for which the deposit of bonds or other obligations, either of the Commonwealth or of the State, is now or may hereafter be authorized.

ARTICLE VIII

The effectuation of its authorized purposes by the commission is and will be in all respects for the benefit of the people of the Commonwealth of Pennsylvania and the State of New Jersey, and for the increase of their commerce and prosperity, and since the commission will be performing essential governmental functions in effectuating said purposes, the commission shall not be required to pay any taxes or assessments upon any property acquired or used by it for purposes authorized by this agreement; and the bonds or obligations issued by the commission, their transfer, and the income therefrom, including any profits made on the sale thereof, shall, at all times, be free from taxation within the Commonwealth of Pennsylvania and the State of New Jersey.

ARTICLE IX

The commission shall make annual reports to the Governors and legislatures of the Commonwealth of Pennsylvania and the State of New Jersey, setting forth in detail its operations and transactions, and may make such additional reports, from time to time, to the Governors and legislatures as it may deem advisable.

Whenever the commission, after investigation and study, shall have concluded plans, with estimates of cost, and means of financing any new toll bridge across the Delaware River, as hereinbefore provided, it shall make to the legislatures of each State, at the next sessions thereof, a detailed report, dealing with the contemplated project; but such project may, nevertheless, be proceeded with if the legislatures of said States, or either of them, are not in session.

ARTICLE X

Whenever particular bonds issued for any bridge or bridges, and the interest thereon, shall have been paid, or a sufficient amount shall have been provided for their payment and shall continue to be held for that purpose, the commission shall cease to charge tolls for the use of such bridge and thereafter such bridge shall be a free bridge, and shall thereafter be maintained equally at the cost of the Commonwealth of Pennsylvania and the State of New Jersey by appropriations made for such purposes, as now provided by law for the maintenance of bridges over the Delaware River acquired by the Commonwealth of Pennsylvania and the State of New Jersey.

In witness whereof, this 18th day of December 1934, A. Harry Moore has affixed his signature hereto as Governor of the State of New Jersey and caused the great seal of the State to be attached thereto.

[SEAL] A. HARRY MOORE,
Governor, State of New Jersey.

And, on this 19th day of December 1934, Gifford Pinchot has affixed his signature hereto as Governor of the Commonwealth of Pennsylvania and caused the great seal of the Commonwealth to be attached thereto.

[SEAL] GIFFORD PINCHOT,
Governor, Commonwealth of Pennsylvania.

Now, therefore, be it

Resolved, etc., That the consent of Congress is hereby given to the aforesaid compact or agreement, and to each and every term and provision thereof: *Provided*, That nothing herein contained shall be construed to affect, impair, or diminish any right, power, or jurisdiction of the United States or of any court, department, board, bureau, officer, or official of the United States, over or in regard to any navigable waters, or any commerce between the States or with foreign countries, or any bridge, railroad, highway, pier, wharf, or other facility or improvement, or any other person, matter, or thing, forming the subject matter of the aforesaid compact or agreement or otherwise affected by the terms thereof: *And provided further*, That the right to alter, amend, or repeal this resolution, or any part thereof, is hereby expressly reserved.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF STEAMBOAT INSPECTION ACT

The Clerk called the next bill, S. 2001, to amend section 4426 of the Revised Statutes of the United States, as amended by the act of Congress approved May 16, 1906.

Mr. SMITH of Virginia. Mr. Speaker, reserving the right to object, I understand that my colleague the gentleman from Virginia [Mr. BLAND] desires that this bill go over without prejudice.

Mr. BLAND. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

STATE OF CALIFORNIA

The Clerk called the next bill, H. R. 7814, to authorize the Secretary of Commerce to grant to the State of California an easement over certain land of the United States in Tehama County, Calif., for highway purposes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Commerce is hereby authorized to grant to the State of California an easement over a 20-foot strip of land situated along the easterly boundary of the Mill Creek (Calif.) Fisheries Station property in Tehama County in said State, for State highway purposes; said strip of land, which consists of twenty-four one-hundredths acre, more or less, to be particularly described in said grant.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BOARD OF REGENTS, SMITHSONIAN INSTITUTION

The Clerk called the next resolution, S. J. Res. 118, providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress.

Mr. HOPE. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

Mr. KELLER. Mr. Speaker, reserving the right to object, this bill already is the law, having been passed at the last session.

Mr. Speaker, I ask unanimous consent that the Senate joint resolution be laid on the table.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PRELIMINARY EXAMINATION OF SUWANNEE RIVER, FLA.

The Clerk called the next bill, H. R. 8300, to authorize a preliminary examination of Suwannee River in the State of Florida, from Florida-Georgia State line to the Gulf of Mexico.

Mr. MARSHALL. Mr. Speaker, I questioned the necessity of a similar bill a minute ago on the ground that the authority already exists.

Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

AMENDMENT OF BANKRUPTCY ACT

The Clerk called the next bill, H. R. 6982, to amend section 80 of chapter 9 of an act to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898.

Mr. TABER. Mr. Speaker, reserving the right to object, it seems to me that this is a rather important bill to be called up on the Consent Calendar.

Mr. Speaker, for the moment I ask unanimous consent that the bill be passed over without prejudice.

Mr. MILLER. Temporarily?

Mr. TABER. Until the next call of the Consent Calendar.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

TO ENCOURAGE TRAVEL TO AND WITHIN THE UNITED STATES

The Clerk called the next bill, H. R. 5844, to encourage travel to and within the United States, and for other purposes.

Mr. O'MALLEY. Mr. Speaker, reserving the right to object, I wish the author of the bill would make a short explanation, would tell us how much it will cost the Government annually.

Mr. LEA of California. Mr. Speaker, the first year the cost of administration under the bill will not exceed $75,000, and in succeeding years the cost cannot be greater than $125,000 annually.

The purpose of this bill is to promote travel to and within the United States and also, so far as possible, on American ships.

Practically every foreign country engages in this sort of activity. The United States has a balance of trade against her on tourist travel ranging from $200,000,000 to $600,000,000 a year. This bill is an attempt in a modest way to try and create a more favorable balance for our own country.

Mr. O'MALLEY. I have no doubt that some encouragement should be given to the travel in and to the United States, but I do not think that the people in Europe particularly have enough money to come over here. If they do have enough money, they ought to use it to pay their debts to us before doing any traveling. A lot of people from foreign countries come to this country annually. We have no way of checking the aliens coming into this country. Sometimes they stay far beyond their agreed-upon time and beyond the time that the permit allows them to stay in this country, during which time many of them engage in competition with Americans in industry and business. In my own State there have been some people who came in on visitors' permits and they have stayed for long periods without becoming citizens. They have taken jobs that Americans could otherwise have held and still have failed to apply for citizenship. I would favor this bill if the Immigration Committee of the House would devise some way to register the aliens and travelers who enter this country, just like Americans are compelled to register when visiting Europe. I doubt very much whether we will make very much money from the people who may come here from Europe as today the only ones who come in are broke and looking for a job or someone to support them.

Mr. LEA of California. That is only a part of the purpose of the bill. Through the United States Consular Service and the commercial attachés of the Commerce Department we have 348 offices in foreign countries at the present time. This bill is designed to utilize these existing agencies to promote travel as well as trade in favor of the United States, to use these existing agencies rather than to build up a set of new agencies.

It is already against the law for anyone visiting this country to stay longer than the limit fixed by his visitor's permit. Such visitors are denied the right to engage in all ordinary employments and are subject to deportation and penalties if they do.

Mr. TAYLOR of Tennessee. Is this a sort of subsidizing measure?

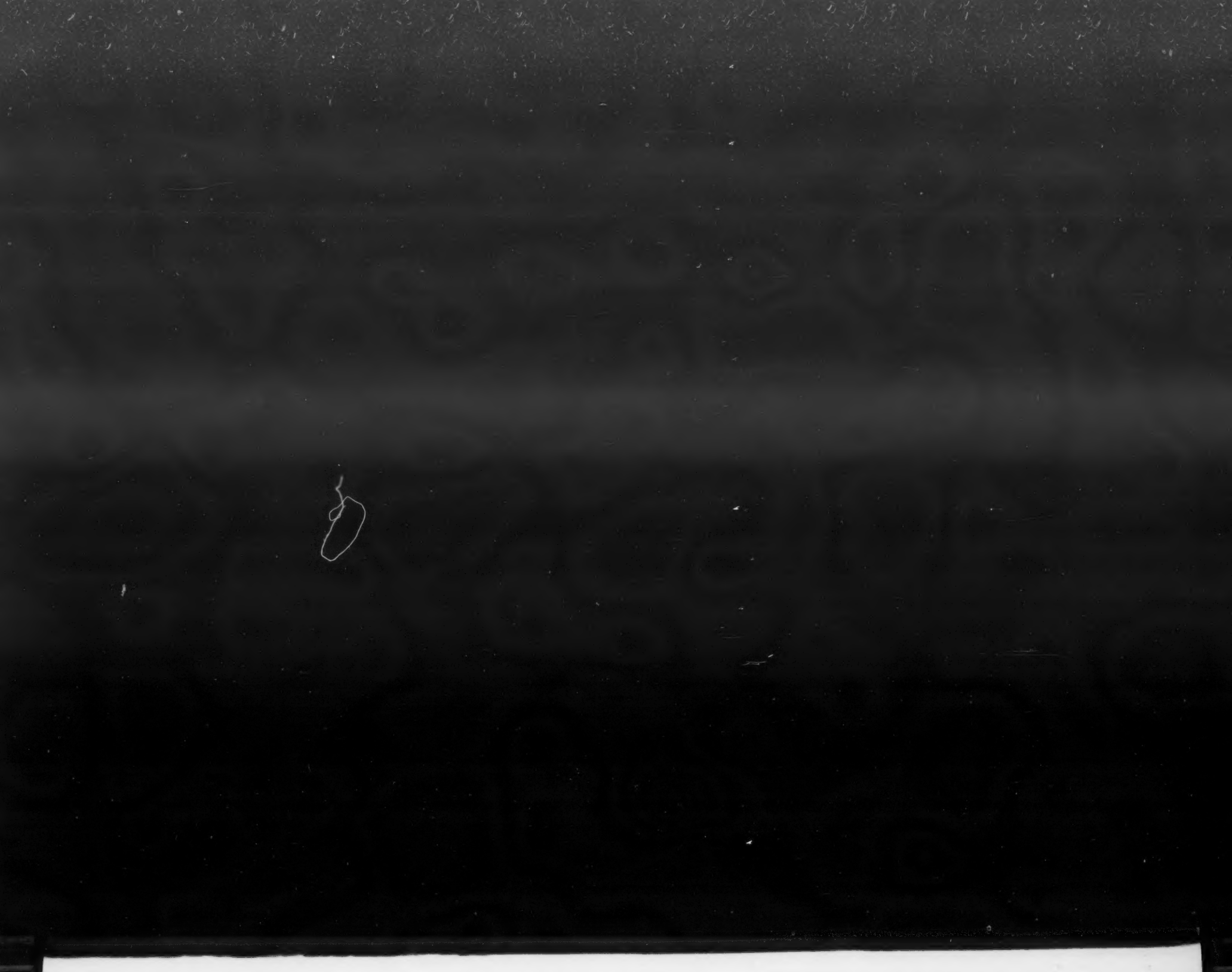
Mr. LEA of California. No; not at all.

Mr. O'MALLEY. I would suggest that the Members of the House are entitled to a full understanding as to how much this bureau is going to cost. The purported cost as set out in this bill is $125,000 for this year, but next year it may cost $150,000.

Mr. LEA of California. There is a specific provision in the bill which prohibits an increased cost, section 6.

Mr. O'MALLEY. Does that provision prohibit an increase for next year?

Mr. LEA of California. Section 6 prohibits an increase for all time. That section provides that appropriations for carrying out the purposes of the act shall not exceed $75,000



for the first year and shall "not exceed $125,000 for any fiscal year thereafter."

Mr. MILLARD. Mr. Speaker, I demand the regular order.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

Mr. MARSHALL. Mr. Speaker, I object.

SUSPENSION OF NONQUOTA IMMIGRATION VISAS TO PERSONS BORN IN MEXICO

The Clerk called the next joint resolution, H. J. Res. 236, to suspend issuance of nonquota immigration visas to persons born in the Republic of Mexico, to suspend issuance of all nonpreference quota immigration visas, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the resolution?

Mrs. O'DAY. Mr. Speaker, I object.

DEPORTATION OF CERTAIN ALIEN SEAMEN

The Clerk called the next bill, H. R. 5380, to provide for the deportation of certain alien seamen, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mrs. O'DAY and Mrs. KAHN objected.

CONVEYANCE OF CERTAIN LAND TO THE CITY OF ENFIELD, CONN.

The Clerk called the next bill, H. R. 8559, to convey certain land to the city of Enfield, Conn.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to convey to the board of selectmen of the town of Enfield of the State of Connecticut, for street purposes only, all the right, title, and interest of the United States to the following described parcel of land which forms a part of the new post-office site at Enfield, Conn.:

Lying and being in the town of Enfield, county of Hartford, State of Connecticut, being a strip of land fronting 32 feet on the northerly side of High Street and extending of that width in a northwardly direction along the westerly side of Bartley Avenue for the full depth of the post-office site, a distance of 150 feet: *Provided, however*, That the said town of Enfield, Conn., shall not have the right to sell or convey the said described premises nor to devote the same to any other purpose than as hereinbefore provided; and in the event said premises shall not be used for street purposes only and cared for and maintained as are other public streets in said town, the right, title, and interest conveyed to the town of Enfield shall revert to the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

EXPENSES OF RAILROAD RETIREMENT BOARD

The Clerk called the next resolution, S. J. Res. 144, to provide for the payment of compensation and expenses of the Railroad Retirement Board as established and operated pursuant to section 9 of the Railroad Retirement Act of June 27, 1934, and to provide for the winding up of its affairs and the disposition of its property and records, and to make an appropriation for such purposes.

There being no objection, the Clerk read the Senate joint resolution, as follows:

Whereas the Railroad Retirement Board was established and organized as an independent agency in the executive branch of the Government by and pursuant to section 9 of the Railroad Retirement Act, which act has been held by the Supreme Court of the United States to be invalid; and

Whereas the Railroad Retirement Board in the performance of its duties has acquired valuable data, records, information, and experience which should be utilized in determining the policy of Congress regarding the subjects of employment by railroads and the retirement of employees of railroads; and

Whereas the Board has records of individual employments which are of great value and should be preserved, and has in the course of its work received valuable records and documents which must be returned to their owners after the information contained therein shall have been noted and photostatic copies, where necessary, shall have been made: Now, therefore, be it

Resolved, etc., That the Railroad Retirement Board as established in section 9 of the Railroad Retirement Act (Public, No. 485, 73d Cong.) and the appointment and compensation of its members and the employment and compensation of its staff are hereby approved, ratified, and confirmed to all intents and purposes as if the provisions of section 9 relating thereto had on the day of their enactment been enacted as a statute distinct and separate from any other provisions of the Railroad Retirement Act aforesaid; and no member of the Board or of its staff shall be liable for any action heretofore taken within the terms of the authority sought to be granted by the Railroad Retirement Act.

SEC. 2. The Railroad Retirement Board as established by and pursuant to section 9 of the Railroad Retirement Act and section 1 hereof is hereby continued for a period of 60 days from the enactment hereof for the purpose of liquidating its affairs; returning documents in its possession to those from whom they were procured and whose property they are, after recording therefrom such information as in its judgment should be preserved or making photostatic copies thereof, where necessary; arranging for turning over the records, papers, and property of the Board to such agency as the President shall designate; and making a report upon its activities and experience to the President for transmission to Congress.

SEC. 3. The Board shall maintain such offices, use such equipment, furnishings, supplies, services, and facilities, and employ such persons as in its judgment may be necessary for the proper discharge of its duties.

SEC. 4. There is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, $35,000 to pay to the Board and its employees for services heretofore rendered on, prior to, and subsequent to May 6, 1935, and for services to be rendered during the next 60 days after the enactment hereof, the compensation to which they would have been entitled for such services if the Railroad Retirement Act had been held constitutional, and to pay any expenses heretofore incurred and not yet paid and the expenses necessary in carrying out this joint resolution.

SEC. 5. The Board is hereby authorized and directed to refund to its past and present employees and to its members all compensation earned by them but withheld as employee contributions to the railroad-retirement fund and deposited to the credit of said fund in the Treasury, and said fund is hereby appropriated and made available for such refundments accordingly.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

ANNUITY LEGISLATION COVERING INTERSTATE CARRIERS BY RAILROAD

The Clerk called the next resolution, H. J. Res. 314, to provide for a commission to investigate the desirability of further retirement and annuity legislation applicable to interstate carriers by railroad.

Mr. RAYBURN. Mr. Speaker, I do not believe this resolution is now necessary; therefore, I now ask unanimous consent that the resolution be laid on the table.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDMENT TO COMMUNICATIONS ACT OF 1934

The Clerk called the next bill, S. 1336, to amend paragraph (f) of section 4 of the Communications Act of 1934.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That paragraph (f) of section 4 of the Communications Act, 1934, is hereby amended by adding after the words "a chief engineer and not more than three assistants", the words "a chief accountant and not more than three assistants", and by adding after the words "and the chief engineer", the words "and the chief accountant", and by adding after the word "engineers" the word "accountants", so that paragraph (f) of section 4, as amended, will read as follows:

"(f) Without regard to the civil-service laws or the Classification Act of 1923, as amended, (1) the Commission may appoint and prescribe the duties and fix the salaries of a secretary, a director for each division, a chief engineer and not more than three assistants, a chief accountant and not more than three assistants, a general counsel and not more than three assistants, and temporary counsel designated by the Commission for the performance of special services; and (2) each commissioner may appoint and prescribe the duties of a secretary at an annual salary not to exceed $4,000. The general counsel and the chief engineer and the chief accountant shall each receive an annual salary of not to exceed $9,000; the secretary shall receive an annual salary of not to exceed $7,500; the director of each division shall receive an annual salary of not to exceed $7,500; and no assistant shall receive an annual salary in excess of $7,500. The Commission shall have authority, subject to the provisions of the civil-service laws and the Classification Act of 1923, as amended, to appoint such other officers, engineers, accountants, inspectors, attorneys, examiners, and other employees as are necessary in the execution of its functions."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

WESTERN BANDS OF SHOSHONE INDIANS

The Clerk called the next bill, S. 2510, authorizing the western bands of the Shoshone Tribe of Indians to sue in the Court of Claims.

Mr. HOPE. I object, Mr. Speaker.

AMENDMENT OF BANKRUPTCY ACT

Mr. MILLER. Mr. Speaker, I ask unanimous consent to return to Calendar No. 377, the bill (H. R. 6982), to amend section 80 of chapter 9 of an act to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and I shall ask for its present consideration.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 80 of chapter 9 of an act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, be, and the same is hereby, amended to read as follows:

"SEC. 80. Municipal debt readjustments: (a) Any municipality or other political subdivision of any State, including (but not hereby limiting the generality of the foregoing) any county, city, borough, village, parish, town, or township, unincorporated tax of special assessment district, and any school, drainage, irrigation, reclamation, levee, sewer, or paving, sanitary, port, improvement, or other districts (hereinafter referred to as a 'taxing district'), may file a petition stating that the taxing district is insolvent or unable to meet its debts as they mature, and that it desires to effect a plan of readjustment of its debts. The petition shall be filed with the court in whose territorial jurisdiction the taxing district or the major part thereof is located and for any such district having no officials of its own the petition shall be filed by the municipality or political subdivision, the officials of which have power to contract on behalf of said district or to levy the special assessments within such district. The petition shall be accompanied by payment to the clerk of a filing fee of $100, which shall be in addition to the fees required to be collected by the clerk under other chapters of this act. The petition shall state that a plan of readjustment has been prepared, is filed and submitted with the petition, and that creditors of the taxing district owning not less than 30 percent in the case of drainage, irrigation, reclamation, and levee districts (except as hereinafter provided), and owning not less than 51 percent in the case of all other taxing districts in amount of the bonds, notes, and certificates of indebtedness of the taxing district affected by the plan, excluding bonds, notes, or certificates of indebtedness owned, held, or controlled by the taxing district in a fund or otherwise, have accepted it in writing. The petition shall be accompanied with such written acceptance and with a list of all known creditors of the taxing district, together with their addresses so far as known to the taxing district, and description of their respective claims showing separately those who have accepted the plan of readjustment, together with their separate addresses, the contents of which list shall not constitute admissions by the taxing districts in a proceeding under this chapter or otherwise. Upon the filing of such a petition the judge shall enter an order either approving it as properly filed under this chapter, if satisfied that such petition complies with this chapter and has been filed in good faith, or dismissing it, if not so satisfied. If creditors holding 5 percent in amount of the bonds, notes, or certificates of indebtedness shall within 90 days after the first publication of the notice provided for in subdivision (c), clause (1), of this chapter, appear and controvert the facts alleged in the petition, the judge shall decide the issues presented, and unless the material allegations of the petition are sustained shall dismiss the petition: *Provided, however*, That such written acceptance of not less than 30 percent of the creditors of drainage, irrigation, reclamation, and levee districts shall not be required in any case where a loan shall have been authorized to the petitioning taxing district by an agency of the United States Government for the purpose of enabling any such petitioning district to reduce and refinance its outstanding indebtedness.

"(b) The plan of readjustment shall not be confirmed until it has been accepted in writing, filed in the proceeding, by or on behalf of creditors whose claims have been allowed holding two-thirds in amount of the claims of each class whose claims have been allowed and would be affected by the plan (except as hereinafter provided), and by creditors holding 66⅔ percent in the case of drainage, irrigation, reclamation, and levee districts and creditors holding 75 percent in the case of all other taxing districts in amount of the claims of all classes of the taxing district affected by the plan, but excluding claims owned, held, or controlled by a taxing district, and such plan has been accepted and approved by the taxing district in a writing filed in the proceeding, signed in its name by an authorized authority: *Provided, however*, That it shall not be requisite to the confirmation of the plan that there be such acceptance by any creditor or class of creditors (a) whose claims are not affected by the plan, or (b) if the plan makes provision for the payment of their claims in cash in full, or (c) if provision is made in the plan for the protection of the interests, claims, or liens of such creditors or class of creditors, or (d) of a petitioning taxing district to which a loan shall have been authorized by an agency of the United States Government, for the purpose of enabling the petitioning district to reduce and refinance its outstanding indebtedness."

With the following committee amendments:

Page 1, line 3, after the word "that", insert "subparagraphs '(a)' and '(d)' of."

Page 1, line 7, strike out "is" and insert in lieu thereof "are."

Page 4, beginning with line 8 strike out the remainder of the bill and insert in lieu thereof the following:

"(d) The plan of readjustment shall not be confirmed until it has been accepted in writing, filed in the proceeding, by or on behalf of creditors holding at least 51 percent in amount of the claims of each class in the case of drainage, irrigation, reclamation, and levee districts and creditors holding two-thirds in amount of the claims of each class in the case of all other taxing districts whose claims have been allowed and would be affected by the plan, and by creditors holding 51 percent in the case of drainage, irrigation, reclamation, and levee districts and creditors holding 75 percent in the case of all other taxing districts in amount of the claims of all classes of the taxing district affected by the plan, but excluding claims owned, held, or controlled by a taxing district, and such plan has been accepted and approved by the taxing district in a writing filed in the proceeding, signed in its name by an authorized authority: *Provided, however*, That it shall not be requisite to the confirmation of the plan that there be such acceptance by any creditor or class of creditors (a) whose claims are not affected by the plan, or (b) if the plan makes provision for the payment of their claims in cash in full, or (c) if provision is made in the plan for the protection of the interests, claims, or liens of such creditors or class of creditors."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. BANKHEAD. Mr. Speaker, I understand this is about as far as it is possible to go on the calendar today because of conditions that exist on both sides, and I suggest that we suspend the call of the calendar at this point.

I do this, Mr. Speaker, because I understand that possibly some of the official objectors on the minority side are not prepared to go further with the calendar today on account of the short notice they have had of its calling.

NATIONAL DEFENSE AND NEUTRALITY LEGISLATION

Mr. O'CONNELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an address delivered by the gentleman from Massachusetts [Mr. McCORMACK].

The SPEAKER. Is there objection?

There was no objection.

Mr. O'CONNELL. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address of the gentleman from Massachusetts [Mr. McCORMACK], Saturday, December 28, 1935:

Ladies and gentlemen of the radio audience, we cannot escape the thought—nor should we—that the world is again faced with the probability of another war, the happening of which will bring greater destructiveness than that which occurred during the World War. We must face the facts honestly and fearlessly, with a determination to do all that we can to avert such a happening; and if unable to, to take that course which is for the best interests of our country. It is not my purpose to discuss in detail the destructiveness of war, nor to predict the disastrous effects to civilization of another world disaster. However, wars of the future will be conducted between peoples, not alone armies and navies, and every man, woman, and child, without regard to age or physical condition, will be involved therein. High-sounding words will be uttered about noncombatants being protected, but the war of the future will show no regard for them. Every effort will be made to win a quick decision—cities will be attacked; the machinery of warfare has so changed that the wars of the future will involve peoples, and not particularly armies or navies. No one can picture the result without a profound realization of the necessity of doing everything that can possibly and properly be done to avert such a possibility. Only within a few days His Holiness Pope Pius, the spiritual leader of many millions of persons of all races and nationalities, gave expression to his fears. Coming at this time of the year, this is very significant. With the opportunities that His Holiness has for obtaining reliable information that diplomats ordinarily keep secret, his utterances cannot be ignored. It is the best evidence of a dangerous situation confronting the world.

At the same time His Holiness expressed hope—and while his expression of fear is powerful evidence of the danger—his expres-

sion of hope is also equally powerful evidence that the dark clouds of war may pass by. Let us hope so. His appeal was to world-wide public opinion to wake up to the dangers and to express and assert itself in favor of peace. Public opinion, if capable of expression, is the most powerful weapon that exists in influencing the judgment and actions of rulers or leaders of a nation. There is no question as to the world-wide aversion to war. There is a question of this opinion being crystallized into action capable of producing the desired results—peace. The feeling against war is so repulsive that no nation wants to be placed in the position of being the aggressor. However, causes of war exist on all sides. Every factor that has led to past wars is existent today. What can be done to prevent those conditions from being consummated? An aroused public opinion is the best weapon to use. The appeal of His Holiness Pope Pius is an attempt to crystallize this existing opinion into a world-wide movement. If such existing opinion was capable of crystallization, I would have no fear of war. However, we cannot overlook the fact that it is only in a democracy that public opinion can be expressed and crystallized into immediate action.

If war in Europe comes again, the question that confronts us is, What should be the position of the United States? What should be our policies with reference to the warring nations and to our own people?

It must be borne in mind that we are living in a very practical world. Almost 2,000 years have gone by since Christ came to this world to redeem mankind, with his message of love and charity. If all mankind accepted his message of love, charity, and "peace on earth to men of good will", misunderstandings would be capable of easy adjustment. However, causes of strife among individuals and nations still exist, creating a condition which calls for action along many lines based on expediency and necessity, rather than on principle, which most of us would like to see exist. The law of self-preservation applies to nations just the same as to individuals. It is the duty of our Government to take such action and to adopt such policies as will assure to our people, in case of attack and war, a continuance of our institutions of government and protection of our shores and of our people. That calls for an Army and a Navy capable of protection in the event of attack; for an Army and a Navy that will command the respect of other nations.

While America stands for peace today—as it always has in the past—we must be assured of means of protection in the event that the selfishness of other nations is directed toward the United States. While some who advocate pacifism are sincere, I cannot agree with their premises that with an armed world the United States should scrap her Navy and reduce her already small Army, as a lesson to other nations of the course that they should take. If that situation should ever arise—and it will not—we would leave ourselves defenseless in an armed world and we would invite a war directed toward ourselves.

Our Navy should be built up to the strength allowed by existing treaties. Steps have already been taken in that direction during the past 2 years. They must be continued. Our Army should be built up to the strength intended by the National Defense Act of 1920. Steps have also been taken in this direction during the past 2 years. They should be continued. The world conditions existing at the present time, which are the basis for congressional consideration as to the size of our Army and Navy call for the building of our Navy to our treaty strength and the increasing of our Army to the strength, at least, allowed by the National Defense Act of 1920. Public opinion should demand of Congress such action.

President Roosevelt has ably performed his duty in this respect. Our people should continue to support him in his efforts. Such a policy is not an act of war—it is an act of peace.

In the event of war in Europe we will be presented with the question of neutrality, in order to remain outside of its sphere, and to do what we should do—mind our own business. The experience of the World War has taught us that we do not want to become involved in another European affair. Our education of that period has convinced practically all Americans that the warnings of Washington "to mind our own business" and "keep out of entangling alliances with foreign nations" still apply and are the best policy for us to follow.

The happenings of the past 2 years are the best evidence that we followed the right course in not becoming a member of the League of Nations. The United States should be, and is, a good neighbor; but we can and should conduct ourselves as a good neighbor in a manner in which we can mind our own business—refrain from taking any action which is likely to involve us in any conflict—to follow such policies, national and international, as will assure independence of American action, such as we consistently followed prior to the World War. A position of neutrality must have a regard for international law. In accordance with international law, we have passed, and can pass, legislation placing an embargo on the sale of munitions and implements or war to warring nations. Such legislation is recognized by all nations as the right of any particular nation.

When we go outside of munitions and implements of war, caution must be employed and international law must be respected. There is a difference between munitions and implements of war and commodities which can be used for war or for peace purposes. Again we are confronted with a condition and not a theory. The present neutrality legislation expires in February 1936. One of the first acts of the Congress will be the passage of additional legislation. We must conduct ourselves in such a manner that no misunderstanding in this respect will exist in the minds of the peoples of other nations. We must act independently, and not in concert with the League of Nations, or with any other nations. We must adopt a course that will not permit of the feeling of discrimination against some nations and preference for others. Hostile acts, or acts which under existing international law will permit of such a construction by some nations, must be avoided if we are to keep out of war if one develops.

Every course consistent with the strong opinion of America—peace, not war—should be adopted and followed. At the present time every proper effort to avert war should be made; but in the event of war, without regard to what nations are involved therein, the United States should follow a course that will keep us out of war and not to be drawn in against our will. It is my opinion that Congress should state specifically the provisions of neutrality legislation, and that the delegation of broad powers would be unwise. The responsibility lies with the Congress. It should assume that duty. It should not pass the responsibility to the executive department.

Neutrality legislation must be carefully framed so that other nations will not feel that it is aimed adversely at them and favorably to other nations. It must be strictly American—fair and honest to all nations, expressing a clear position on our part that is not capable of misunderstanding—and that in the light of world conditions, determine the course for the United States to take to avert being drawn into any conflict.

While it probably will not happen, it seems to me that the best course for Congress to pursue, in absence of actual war, would be to provide for an immediate embargo on munitions and implements of war, and to leave other questions open for further consideration in the event of war occurring. That would leave us in a clear position, where no nation could feel that legislation was particularly directed at them. Sometime efforts of this kind, unless well thought out, are an exciting cause, creating embarrassing international conditions. In any event, the Congress should assume its responsibility in determining our neutrality legislation.

Our country is composed of people of all races, of all creeds, and of all nationalities. Naturally, every one of us has a love for the land of his birth, if abroad, or the land of the birth of his forebears. However, our first love is for the United States. In any crisis that may come—which we all hope and pray will be averted—all of us should keep in mind that our first duty is to our country. On the other hand, the Congress, in drafting neutrality legislation, must also keep in mind the duty of passing an act which has the best interests of the United States in mind, that will not involve us in a foreign conflict, and is not capable of attack or criticism on account of discrimination of or preference to some nations.

There is one more thought that I want to express. Prior to the World War some nations spent millions of dollars in the United States for propaganda purposes to influence the mind of our people. That is improper. It should not happen again. I have written to Secretary Hull, calling his attention to the fact that this effort might be made again and that the State Department should watch the same; and at the first sign of organized propaganda in which a foreign nation is directly or indirectly involved, stern and immediate action should be taken. The power of propaganda in forming public opinion cannot be underestimated. For a foreign nation to adopt such a course is an act of hostility and a violation of international law. It should not be permitted.

I conclude, my friends, by wishing each and every listener a happy new year, with the hope and prayer that the coming year will bring to troubled mankind peace and happiness, not war and misery.

R. S. V. P. DR. TOWNSEND

Mr. MAIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including some remarks made by myself in a radio address delivered in Chicago on December 28 last.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MAIN. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include an address delivered by me from Chicago over the Columbia Broadcasting System, December 28, 1935, as follows:

Not many years ago a tall, lean young man with a pleasant smile and a determined jaw confided in some of his friends that he intended to make a solo flight across the Atlantic and land on Le Bourget at Paris. Some of those who heard of these plans shook their heads, shrugged their shoulders, and dubbed the whole idea of flying alone across the Atlantic in a heavier-than-air machine as fantastic, absurd, and impossible.

There was considerable pity and not a little open skepticism. There were even those who dared give voice, although perhaps not a very loud voice, to a belief that there was little intent on the part of this youth to fly to Paris, but that eventually he would give up, having made a gesture which had brought him wide attention. But shortly after the expression of those dire predictions and gloomy forebodings the name of Charles A. Lindbergh flashed around the world, and the world still marvels at the daring and simplicity of that young man's program.

"Darius Green and his flying machine" were the stock in trade of antiair skeptics for years. Colonel Lindbergh was captured by the magnificent obsession. But that which was regarded by many as fantastic, absurd, and impossible became the glorious reality for the inspiration and blessing of an admiring world.

Over in the Third Congressional District of Michigan we have just come through a special election to fill the unexpired term of the Honorable Henry M. Kimball, of Kalamazoo, who died in the midst of his first term as our Representative in Congress. During the 7 weeks' campaigning for the primary, held on November 19, and the special election, held on December 17, we heard those same words that I have referred to above—namely, fantastic crackbrained, absurd, and impossible—owing to the fact that early in the preprimary campaign I espoused the Townsend plan as one of the planks of my platform.

And at this particular time, in view of the auspices under which I am speaking, it will be only natural and proper for me to confine myself to the discussion of that particular plank. There were four other candidates for the Republican nomination, all of whom were capable men. None of the others adopted the Townsend plank. One of my opponents was particularly violent in his opposition to me and the Townsend plan. When the votes at the primary were counted he was fourth down on the list. I received a clear majority over the combined votes of my four opponents.

Following the primary my Democratic opponent chose to direct his campaign almost entirely against the Townsend plank in my platform. His publicity was high-powered and high-priced. We didn't spend much money, but we had a wonderful group of good speakers in the district promoting the Townsend clubs during the campaign. Dr. Townsend spoke at two mass meetings before the primary, and Mr. Clements addressed four meetings just prior to the election. The election resulted in a better than 2-to-1 majority for the Townsend-backed Republican candidate. I carried 191 out of 196 precincts; I carried every one of the five counties in the district. The margin of victory prevailed in the cities as well as in the rural sections.

Dr. Townsend would like to get your reaction to this broadcast. "R. S. V. P.", "respondez sil vous plais"; address Townsend headquarters, Washington, D. C. And now, in spite of a badly overworked alphabet, may I continue further use of the prevailing fad of the day and adopt an alphabetical arrangement to suggest the theme and the thesis of my address. In fact, I find that this familiar abbreviation just mentioned suggests some thoughts and their relative order of importance as they stand out in the Townsend plan. But in this connection, please forget the French, and just remember the letters "R. S. V. P." They stand for recovery, stabilization, vision, and pension.

In my opinion, a great part of the difficulty, opposition, and ridicule which has attended the campaign for the Townsend plan has arisen out of the fact that too much attention has been centered on the word "pension", whereas the fundamental and primary emphasis should have been placed on the thought of "recovery." Therefore, I am suggesting that we use these letters, "R. S. V. P.", as the keynote of this speech, and that the emphasis and importance of these symbols is in the following order: Recovery, stabilization, vision, and pension.

Therefore, may I now discuss the first three of these suggestions and ask you to banish the word "pension" from your mind for the next 10 minutes? Let us consider the thought of recovery and economic stabilization. Vice President Tom Marshall once said that what the country needed was a good 5-cent cigar. I submit that what this country needs is economic stability on a high level of production and consumption. Let us get back the level of gross dollar value of turn-over in business attained in 1928 and 1929 and wipe out the peaks and valleys of industrial fluctuation that have wrought such devastation among the once proud owners of farms and factories. Ninety percent of our businessmen will agree that restoration of real prosperity is contingent upon general and widely distributed purchasing power. What the country needs is consumers who are ready, willing, and able to purchase the goods on the merchants' shelves and to buy the products of our farms and factories.

Productive employment in private industry should be the real objective of the great mass of able-bodied citizens. But when we are confronted with the fact that literally millions of our young people who have recently graduated from high schools and colleges have never had the opportunity to engage in remunerative employment in private industry we are face to face with a solemn, significant, and serious disorder in our social system. The imperative need for additional employment in private industry for our millions of able-bodied citizens in their forties and fifties who are refused employment in our factories because of their age is a fact and not a theory. And this stark, gripping fact must challenge the earnest consideration of every citizen, rich or poor, of high or low estate, who has the welfare and security of his Nation at heart. This Nation cannot endure with millions of our young people in the late teens and early twenties unemployed and with other millions of our able-bodied sober men and women in their forties and fifties unable to secure work in our factories or in lines of service employment. Now, it seems to me that there is an obvious answer to this problem. It has been repeatedly said that this country is not suffering from overproduction but rather from underconsumption.

Capitalism has been guilty of many mistakes, but, notwithstanding the abuses and errors which have been allowed to develop under the capitalistic system, nevertheless, the benefits, blessings, and achievements of that system of society excel the objectives and accomplishments of any other order of society. American individualists are capitalists at heart. We are individualistic in our home-loving instincts. We are individualistic in our approach to the problems of religion and in our personal relations to the Creator. We are individualistic in our attitude toward the ownership of property, the obligations of personal industry, the incentive to thrift, and the sanctity of family ties.

We highly esteem traditional American individualism and its rugged search for security in old age. But we have had a depression which attained the dimensions of a national disaster. Investments in farms, homes, savings banks, life insurance, bank stock, and railroad bonds have been wiped out. Millions of our people are without property or prospect of income. The embarrassing alternatives of public relief, the poorhouse or chloroform, stare many of our people in the face.

Freedom and equality have been watchwords in the evolution of America. But there is no freedom when large groups of our people are in the clutches of economic serfdom. Equality is only an abstract political platitude. There is no such thing as absolute equality of talent or capacity. But there is one universal yardstick to determine equality, and that is on the basis of the number of years lived. By the very process of living, eating food, and wearing shoes our senior American citizens have contributed to the general wealth of society. And at the same time the increasingly progressive steps in technological processes have constantly increased the volume and value of our products. But the number of employed is constantly decreasing. Our older citizens do not have the ghost of a chance of securing employment. But technological improvement has made it possible for us to produce enough for everyone to have an abundance, provided we have general and widespread purchasing power.

At the outset the Townsend plan is a pump-priming process. Those of you who have had experience with the old-fashioned wooden pump over the old-fashioned dug well will recall that when the pump ran down you had no success in priming it, if you attempted to use a tablespoonful of water for the purpose. Usually you had no success if you used only a tin cup full of water; the chances are that a gallon pail was insufficient; but a 2-gallon pail of water, accompanied by vigorous application of elbow grease to the pump handle, brought results. Though there appeared to be some water wasted in the priming process, that which appeared to be wasted ran back into the well and was again available for the pumping process.

This country has been suffering from a downward spiral in the business cycle for the past 6 years. The Townsend plan would provide the stimulus and the means to start the upward spiral in the business cycle. It has been said that anyone who is asked to define a spiral staircase does it invariably by using his hands by way of demonstration. The desired upward spiral in the business cycle of the Nation can be started only by using our heads to lead the way in the direction the heart inclines. We are living in a land and age of plenty. We are no longer confronted with the problems of an economy of scarcity. Today we have an economy of plenty. Technological improvements in our mechanical development are such that our farms and factories can provide an abundance for all. The new agricultural implement known as a combine has revolutionized the production of wheat. And the new mechanical cotton picker is said to be capable of doing work equivalent to that of a hundred human cotton pickers.

The Brookings Institution says that there is a shortage of sixteen to nineteen billion dollars per year between our present consumption and our potential production. The Townsend plan fills that gap, as it proposes to force into circulation $19,000,000,000 yearly for the prompt purchase of commodities and services requiring the employment of the younger men and women.

We need no foreign market. We have sufficient purchasing market at home if our purchasing power is restored. Every time $200 is spent for goods and services it creates a job for another $100 per month more. Four million elders retiring make a place for an equal number of the unemployed; and if each of the 8,000,000 elders spend $200 per month, they create jobs for an equal number, thus wiping out the 12,000,000 now unemployed. Then, as these younger people are put to work and spend their pay checks, more work is created. Wages will increase when there is a demand for labor.

The money return from the proposed transaction tax will be equivalent to 2 percent on approximately six transactions from raw material to finished product. The proposed tax, therefore, will probably cause prices to rise from 10 to 12 percent. A $4 pair of shoes will probably cost from $4.40 to $4.50; but if the employee has $35 per week to pay for them instead of $20 as now, or none at all, the increase in cost of living will be more than compensated. Old man Competition will serve to keep prices down. Any manufacturer will tell you that he would rather pay a transaction tax of 2 percent and make money by spreading the overhead over 6 days' output than to have no transaction tax and lose money on an output of 2 days per week.

Now, may we revert to the place pensions play in the Townsend plan. If those of 60 years of age and over are induced to take permanent vacations, additional opportunity for employment will thereby accrue to the younger members of society. If a substantial group of our citizens have funds to enable them to live well, and are required to put those funds into circulation at once within the confines of our own territorial borders, increased markets will be created and increased employment will result, with increased wages for all who are employed. Money in circulation means business activity. Business activity creates opportunity. Opportunity provides individual incentive and stimulates personal industry. When there is work to do America insists upon the will to work—

at least upon a willingness to work. When there is no work to be done "made" works results in "made" paupers. Shall we have relief for the ragged, or pensions with prosperity? Shall we have sustenance support for mendicants, or an honorarium for a happy home? Shall we have the dole for the doleful or recognition for the retired? Shall we forever be thinking of "over the hills to the poor house" or shall it be "beyond the horizon to the rewards of useful living"? Shall we not take a genuinely advanced step in social reform for the benefit of all our unemployed citizens in progressive, humanitarian America?

"Where there is no vision the people perish." Humanitarian America will have the vision. We will reimburse our law-abiding older members of society sufficient funds to guarantee real social security. Incidentally and automatically, but most important of all, in the operation of the Townsend plan there will come revival of opportunity for the younger citizens and blessings for business and trade generally. In a very literal sense of the word, "America is on the march."

America is done with the logic of laissez faire. But America will insist upon the preservation of the profit principle. Our very atmosphere begets individualism, but we will put an end to the evils of exploitation. Selfishness is inherent in human nature. But modern circumstances and Christian sanity require that Americans must avail themselves of intelligent vision in their manifestations of self-interest. No longer shall it be said that one-half of the world doesn't know how the other half lives. And certainly we must not allow it to be said that one-half of the world doesn't care how the other half lives.

One great political party has long been engaged in educating our public along the ideas of the high standard of living. More recently the spokesmen of another great political organization have intrigued our attention and interest with promises of the more abundant life. Advocates of the Townsend plan believe that a substantial measure of both of these worthy objectives may be attained only by bringing about widespread distribution of purchasing power. That is what the Townsend plan proposes to accomplish. Have the critics any better plan? If so, let us hear about it.

Now, shall we revert to the alphabetical symbols indicated in our topic, R. S. V. P.? Recovery to a high standard of living; stabilization of industrial production along the lines of economic progress; vision to accomplish and make real a high standard of living with a fair chance for the more abundant life for all of our people; and a pension for the law-abiding citizens, eligible for honorable retirement, to become the widely scattered and efficient distributing agents of purchasing power for the benefit of the whole economic order. Recovery, stabilization, vision, pension—R. S. V. P.

STREAM POLLUTION IN UNITED STATES

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein a radio speech delivered by the senior Senator from Connecticut.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SHANLEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address of Hon. AUGUSTINE LONERGAN, Senator from Connecticut, December 23, 1935:

Stream pollution and its control represent an important problem of vital interest to our public health. Too often in times of stress and strain we tend toward measures for our economic and financial improvement and push into the background those problems related to our public welfare, our educational needs, and our public health—which, fundamentally, are of great importance to our stability and happiness.

As a young man I often heard it said that God made the rivers, but men made them sewers. I was not fully conscious of the significance of that statement until some time afterward, when I was appointed to a board which studied methods of treating sewage dumped into streams in Connecticut. What I learned then has since been the cause of growing interest in stream purification.

No person who has been in actual contact with a defiled stream, with its stench and discoloration, affecting both the nostril and the eye, or who has seen contagion spread by its germ-laden waters from one city to another, or who has seen the destruction of fish and aquatic life along its shores, will ever again turn a deaf ear toward proposals intended to remedy such conditions.

To understand just what the problem of stream pollution is you should know, first of all, what the causes of pollution are. First is the pollution by sewage from our increasing city populations. Second is the pollution from industries which use various chemical processes and discharge the residue into the streams. Third is the pollution by oil deposits thrown into our waters by industries or by craft used in navigation, and fourth is the pollution caused by acids flowing from abandoned coal mines. I shall illustrate a few cases.

In New York Harbor it is estimated that 5,000,000 gallons of sewage are discharged each day, carrying approximately 800 tons of organic matter, and its general effect is manifested in the reduced oxygen content, detrimental to maintenance of aquatic life and to the self-purification of streams.

Another example of sewage pollution is the Delaware River. Cities along its course discharge tremendous quantities of sewage into it hourly. It is estimated that Philadelphia alone pours from 150,000,000 to 200,000,000 gallons of sewage into the lower Delaware daily. Wind blows odors from vast quantities of undigested sewage in the river onto the New Jersey shores, making living conditions very uncomfortable, especially in warm weather. Ships are said to shun their docks at times because the gases arising from decomposition discolor the ship's paint, attack the caulking, open seams, and make occupation of ships by passengers and crew while in the docks almost unbearable.

Or take the case of a mine which pumps sulphuric acid drainage into a stream to save the cost of pumping it or of properly treating the sewage; or the case of a tannery putting an unbelievable amount of pollution into a stream which has very little pollution from other sources; or a paper-pulp or soda-ash mill which discharges chemical refuse; or an iron and steel processing company which uses pickling acid to take rust scales from iron and then dumps the acid into nearby streams.

Notable examples of pollution have been found in the Nation's Capital here in Washington, where the Potomac River for many miles is unsuitable for bathing and where someone recently discovered that a stream flowing through a large public golf course was carrying a high percentage of waste matter from a large hospital. Golf balls, driven into the stream, were often retrieved with bare hands by persons who had no knowledge of conditions and whose fingers soon afterward came into contact with the mouth through cigarettes or candies. Children, enjoying one of the Nation's best parks here in Washington, have been wading for years in the same stream.

These are common situations on every watershed in the country. Slowly but certainly the Nation is becoming aroused over it. People see not only the grave danger to public health but a vast destruction of fish and wildlife, and a serious effect upon real-estate values in areas where pollution odors or commercial disadvantages arising from pollution make the locations unattractive. In some instances communities have seen not only their fisheries but also their ice industries entirely disappear. There are few remaining streams in the country from which ice can safely be taken for use in the home.

States have attempted to solve these problems by passing pollution-control laws, but their enforcement has often been ineffective, first because of inadequate funds, and second because the States soon come to realize that neighboring States are dumping pollutants into streams so rapidly that regardless of their own house cleaning, pollution constantly increases. A drifting attitude has resulted, and the need for vigorous action becomes more apparent daily. Legal actions by one State against another for dumping pollution into interstate streams have been attempted, but have been discouraged by the Supreme Court for reasons convincingly set forth by the late Mr. Justice Holmes. Attempts to establish uniform laws against polluters, applicable to various States, have also been tried sporadically throughout the country, but with little or no success.

Formation of compacts between States on an interstate stream have been encouraged, but not successfully tested. Such compacts are permissible under the Constitution, and must be authorized and approved by Congress and also by the State legislatures. There are no such compacts in relation to pollution control alone in existence, but in some of the irrigation compacts in western arid regions pollution control enters into the agreements. In these districts the importance of water is emphasized by need for agriculture and human consumption. In less arid regions, where compacts or voluntary agreements have been attempted, they have failed of accomplishment or have not been entirely satisfactory.

New York, New Jersey, and Connecticut are now in the process of entering into a compact under authorization by the last session of Congress, but it remains to be seen just how successful this effort will be.

There is not a great deal of information from foreign countries on which we can base some new plan, with definite assurance of success, although England and Germany have gone much further than other countries in cleaning up their streams. Germany endeavors to prevent pollution with proper laws before the streams are actually defiled, stressing the importance of prevention, rather than cure. Once their streams have been contaminated, they are cleaned up by a procedure and financing whereby industries, municipalities, and waterworks associations become members of a sanitary water district. Industries and municipalities outside of the district and not members, may be compelled to pay their share of the costs if they receive benefits from the works of the district or contribute to the pollution. Moreover, Germany has made a scientific study of sewage treatment, so that waste matter which formerly was dumped into streams is now converted into useful byproducts. Some cities have installed equipment which changes sewage into gas for fuel, and into soaps and oils for other uses by the city governments, thus greatly curtailing their expenditures for these necessities. Many German industrialists who were formerly noted polluters have noted the results and have found that they can convert their plant wastes into byproducts which more than pay for the cost of necessary equipment in some cases.

More than a year ago I saw the problem of pollution control in the United States become somewhat of a national emergency. I called a conference of experts to meet in Washington with the Secretary of War. The conference selected a committee of five persons to draft a plan for transmittal to the President.

The committee divided its opinion on two plans, one of which favored a continuation of the present plan of encouraging cooperation between the States by compacts or agreements, and the other plan favoring a vigorous program by the Federal Government to supplement State activities. The Federal plan boldly asserted the supremacy of the Federal jurisdiction over the interstate navigable waters and of the tributaries thereof, from which pollution is carried or washed into the navigable portion of the stream. It contended that the control now exercised by the Federal Government over water pollution does not rest in the commerce clause of the Constitution alone, but is found also in the admiralty and maritime jurisdiction clause, the welfare clause, the migratory bird treaty, and the power to protect national fisheries. The report of the Federal plan also included a specific recommendation for necessary laws to make it effective.

Following our Washington conference, the National Resources Board, through its advisory committee on water pollution, made a detailed study of the subject and recently published a preliminary report which contains much useful information and many helpful recommendations. The report admits that "on the whole the settlement of interstate controversies relating to the use or control of water, including its pollution, is not handled on a satisfactory basis."

The report favors further tests by the Federal Government in the formation of compacts, in rendering financial assistance to the States, municipalities, and to cooperative industries, and in acting in an advisory and educational capacity by conducting research work into the subject. It also recommends an experimental program on the Potomac River and its headwaters in the vicinity of Washington to show the States what can be done in preventing pollution or in controlling or eliminating it in streams already polluted. Active coordination and stimulation of local measures of control was also recommended, and the committee set up an outline of specific steps which any State can adopt under its constitutional police power to attempt to control pollution on its own waters.

A significant statement in the report of the National Resources Committee is this: "There is no appreciable demand indicated by State agencies for an extension of Federal control over water pollution."

I understand that this statement was based largely upon questionnaires sent out to the various State agencies, and it no doubt reflects what those agencies honestly believe is the view of the people in their States. However, there has been such utter apathy on the part of many persons, including State enforcement officials themselves, as a result of years of unsuccessful attempts to control pollution at home, and particularly on the large interstate waterways, that I wonder whether the public has actually been interested enough to express itself through its State agencies.

Many persons who originally were vigorous in their demands for stream purification, having noted futile attempts to correct the situation, no longer go to the trouble even to complain about pollution to their State agencies, thus making it difficult for these agencies to judge exactly what the public wants.

Many of the militant individuals in the States who have had the courage to continue the fight have joined State and national organizations having stream purification as one of their chief objectives. It is these organizations whose opinions I believe more accurately reflect the views of the American people. These organizations have as their members thousands of men and women devoting themselves to a cause for the love and worthiness of it. They have no axes to grind, and are not seeking remuneration for their efforts. They are voluntary workers, coming from every corner of the country. The most enthusiastic of these are members of organizations such as the Izaak Walton League and various fish and game associations and sportsmen's clubs and conservation groups. Among their leaders are many of the persons who attended the Washington Conference a year ago, including Dr. D'Arcy Magee, vice president of the Izaak Walton League of America, and Grover C. Ladner, deputy attorney general of Pennsylvania, who is prominently affiliated with many conservation organizations and as counsel in river-pollution cases. Others who have been active include S. B. Locke, conservation director of the Izaak Walton League, and officials of the American Game Association and affiliated groups, and numerous officials in the Government service.

It may seem curious to some that sports and wildlife and conservation organizations seem to be taking the most active part. The likely reason is that they are the persons who see the results of pollution by personal contact. They wade the streams and see fish lying dead by hundreds and thousands. They have waded through streams so filthy and so nauseating that their love of nature, if nothing else, impels them to do something about the situation. People primarily interested in public health have a multitude of health problems to consider, and may not observe the same results unless contagion or certain diseases break out which accurately can be traced to pollution.

Now just what is it that these organizations and individuals propose to do? If, as I have suggested, they represent a fair cross-section of the American people, what is their plan?

I can answer that in a general way by stating that after completion of our Washington Conference the two plans formulated by our special committee were sent to all conferees for a vote. The majority of them favored the plan of vigorous Federal action. Since then the Federal plan has met with universal approval by all conservation organizations who have heard of it, including the Delaware River Tri-State Anti-Pollution Conference, the anti-pollution committee of the American Fisheries Society, the American Game Conference, the Pennsylvania Federation of Sportsmen's Clubs, the West Virginia Affiliated Sportsmen's Association, the Kanawha Game and Fish Association of West Virginia, the Norfolk (Va.) Chapter of the Izaak Walton League, and by the American Game Conference at its convention in New York.

Their plan, which I have described as the Federal plan, is based upon the following propositions:

First, that pure water, next to air, is the most absolute necessity of life. Stream-pollution abatement is not a mere luxury to be ranked with what might be called comfort improvements, such as new roads, bridges, public buildings, and the like, but it is so absolute a necessity that to temporize longer with the problem is to court national disaster.

Second, the very worst stream pollution is to be found in the great interstate waterways and their tributaries. Therefore it has ceased to be a mere matter of local interest. It has become a matter of national concern.

Third, that industrial pollution and municipal sewage pollution must be attacked as a single problem and at the same time. Taxpayers will spend no money to clean public streams which industries continue to use as private sewers.

Fourth, that the most effective argument that industrial polluters advance against enforcement of antipollution laws by their States is the plea that they should not be put at a competitive disadvantage with industries located in other States that fail to act. While this argument is more plausible than sound, it is very effective with the public. It causes confusion and hesitation, which weakens the drive for strict enforcement in any State.

Fifth, that both municipalities and industries very generally plead lack of funds.

Summarized, these propositions demand a new approach to the problem, and a plan which would meet the following requirements: (a) Provide uniformity of enforcement, bearing down equally on industries as well as municipalities irrespective of location; (b) provide for immediate installation of sewage-disposal plants and trade waste treatment works by furnishing funds for both; and (c) provide a watershed-pollution control irrespective of State boundaries.

Obviously these requirements can only be met through the intervention of the Federal Government. If it does intervene, a central authority must be set up or powers conferred upon some existing agency to conduct the following activities:

1. To attempt through State cooperation to obtain uniformity of State laws, procedures, and enforcement of water-pollution preventive and corrective measures.

2. To assist the proper State agency in the studies necessary to determine the extent of the pollution of any waters within the State, to establish standards of purity of these waters, and to determine the necessary corrective measures for attaining these standards.

3. To direct that studies be made by existing agencies of the Federal Government qualified to make such studies of such interstate watersheds as appear necessary and to finance these studies.

4. To determine from the studies the area of each interstate watershed to be established as a water-pollution-abatement district, to be known thereafter as the sanitary water district, and to set up for that district standards of purity and minimum requirements as to treatment of polluting material before the same is discharged into the waters thereof.

5. To create for each sanitary water district so established by the national board a sanitary water district board, the number to be determined by the national board; such boards to be given authority to require abatement and prevention of all water pollution within the area of the district, to require installation of such sewage-disposal plants and such treatment works for industrial works as may be necessary to cleanse, protect, and safeguard the purity of the waters within the district and to arrange for the necessary financing and construction of the required sewage-disposal plants and treatment works of industrial waste by offering Government loans.

Such a program should also specifically reserve the right of any individual or persons or corporation or any municipality or community suffering injury by reason of the pollution of his or its waters to bring action for damages or the abatement thereof which he or they may now have under the present law of the States concerned. Other provisions safeguarding the States and individuals in their existing rights would also be included, the main purpose of the whole plan being vigorous Federal action to supplement and stimulate State action, and not to interfere in any way with the States in their own efforts.

Amendments would also be submitted to existing laws to strengthen enforcement of the Deposits of Refuse Act and the Oil Pollution Act, by which the Federal Government already has limited powers of control over pollution on interstate waters.

I have been requested to inaugurate the Federal plan of these organizations. Thus far no definite legislation has been introduced in Congress, although there are indications that as a result of the report of the National Resources Committee the administration may now be drafting such legislation for the coming session.

Such a program of stream purification at this time would comply with the President's policy of providing unemployment relief by worth-while public works. Government loans and financial assistance would under the plan stimulate construction of adequate sewage-disposal plants and industrial trade waste treatment plants and would give employment to many now out of work.

But this is not the only benefit, nor the greatest. Following it would come the inestimable benefits of health protection, the return of millions of dollars' worth of food fish to our principal streams, the restoration of the natural-ice industry along some

waters, and the restoration of recreational and industrial use of waterways that are now an offense to the sight, a stench to the nostrils, and an excessive burden to navigation. Added to this would be the tremendous savings to the great cities of the Nation that must now or later spend hundreds of millions for new sources of water supply unless the pollution of their present sources is abated and the purity thereof forever protected.

The time has come when the public should express itself effectively upon this subject. If you believe in the Federal plan, notify your State agencies or your Representatives or Senators in Congress or the President or his National Resources Board. As Dr. Theobold Smith, eminent authority on public health, said not so long ago:

"The American people must destroy water pollution or it will destroy us."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

Mr. THOM, for 2 weeks, on account of illness.

Mr. SCRUGHAM, for 4 days, on account of illness.

Mr. DUFFY of New York, for 3 days, on account of illness.

Mr. MAAS (at the request of Mr. PITTENGER), for 10 days, on account of death in family.

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 31 minutes p. m.) the House adjourned until tomorrow, Tuesday, January 7, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

543. A letter from the Chairman of the United States Tariff Commission, transmitting the Nineteenth Annual Report of the United States Tariff Commission, in compliance with the provisions of section 332 of the act of Congress approved June 17, 1930 (H. Doc. No. 326); to the Committee on Ways and Means and ordered to be printed.

544. A letter from the Secretary of War, transmitting a report dated January 2, 1936, from the Chief of Engineers, United States Army, on Salt River, Mo., made under the provisions of section 10 of the Flood Control Act approved May 15, 1928, together with accompanying papers and illustrations; to the Committee on Flood Control.

545. A letter from the Archivist, transmitting the First Annual Report of the Archivist of the United States, covering the fiscal year ending June 30, 1935; to the Committee on the Library.

546. A letter from the Attorney General, transmitting a list of suits arising under the act of March 9, 1920 (41 Stat. 525), authorizing suits against the United States in admiralty involving merchant vessels, in which final decrees were entered against the United States, exclusive of cases on appeal; to the Committee on Claims.

547. A letter from the Attorney General, transmitting a list of suits arising under the Public Vessel Act of March 3, 1925 (43 Stat. 1112), in which final decrees were entered, exclusive of cases on appeal; to the Committee on Claims.

548. A letter from the Attorney General, transmitting the annual report of the Department of Justice for the fiscal year ended June 30, 1935 (H. Doc. No. 319); to the Committee on the Judiciary and ordered to be printed.

549. A letter from the Attorney General, transmitting, as required by the text of the appropriation "Pay of special assistant attorneys" contained in the Department of Justice Appropriation Act, 1936, approved March 22, 1935, a report showing the special assistants employed under said appropriation and pay or payable therefrom, the rate of compensation, the amounts paid, and a description of the duties; to the Committee on Expenditures in the Executive Departments.

550. A letter from the Secretary of War, transmitting the annual report of the activities of the National Board for the Promotion of Rifle Practice for the fiscal year 1935; to the Committee on Military Affairs.

551. A letter from the Administrator of Veterans' Affairs, transmitting a report of activities of the Veterans' Administration for the fiscal year ended June 30, 1935 (H. Doc. No. 322); to the Committee on World War Veterans' Legislation and ordered to be printed.

552. A letter from the Attorney General, transmitting a statement of the expenditures under appropriations for the United States Court of Patent Appeals for the fiscal year ended June 30, 1935; to the Committee on Expenditures in the Executive Departments.

553. A letter from the Secretary of Agriculture, transmitting reports of the Department of Agriculture for the fiscal year 1935 on Federal-aid road work and forest roads and trails as required by section 19 of the Federal Highway Act approved November 9, 1921 (42 Stat. 216); to the Committee on Roads.

554. A letter from the Chairman of the District of Columbia-Virginia Boundary Line Commission, transmitting a report of the Commission created by the act of Congress approved March 21, 1934, to determine the boundary line between the District of Columbia and the State of Virginia and to provide for the settlement of claims to property along or affected by said boundary line (H. Doc. No. 374); to the Committee on the Judiciary and ordered to be printed.

555. A letter from the Secretary of the Treasury, transmitting the annual report of the Secretary of the Treasury on the state of the finances for the fiscal year ended June 30, 1935 (H. Doc. No. 315); to the Committee on Ways and Means and ordered to be printed.

556. A letter from the Postmaster General, transmitting the report of operation of the Postal Savings System for the fiscal year ended June 30, 1935 (H. Doc. No. 327); to the Committee on the Post Office and Post Roads and ordered to be printed.

557. A letter from the Clerk of the House of Representatives, transmitting information in regards to the contest for a seat in the House of Representatives from the Twentieth District of New York (H. Doc. No. 383); to the Committee on Elections No. 1 and ordered to be printed.

558. A letter from the Clerk of the House of Representatives, transmitting information in regards to the contest for a seat in the House of Representatives from the Territory of Hawaii (H. Doc. No. 384); to the Committee on Elections No. 2 and ordered to be printed.

559. A letter from the Clerk of the House of Representatives, transmitting information in regards to the contest for a seat in the House of Representatives from the Nineteenth Congressional District of the State of Ohio (H. Doc. No. 385); to the Committee on Elections No. 3 and ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ELLENBOGEN: A bill (H. R. 9665) to repeal the Potato Act of 1935, and for other purposes; to the Committee on Agriculture.

By Mr. BOEHNE: A bill (H. R. 9666) to extend the times for commencing and completing the construction of a bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky.; to the Committee on Interstate and Foreign Commerce.

By Mr. LUDLOW: A bill (H. R. 9667) to amend the Agricultural Adjustment Act; to the Committee on Agriculture.

By Mr. MAVERICK: A bill (H. R. 9668) to preserve and maintain peace between the United States and foreign nations, and for other purposes; to the Committee on Foreign Affairs.

By Mr. PARKS: A bill (H. R. 9669) to establish the rank of general and lieutenant general for certain Army commands; to the Committee on Military Affairs.

By Mr. SMITH of Virginia: A bill (H. R. 9670) to define, survey, and mark the boundary between Virginia and the District of Columbia as laid down in the report of the District of Columbia-Virginia Boundary Commission and to authorize the expenditure necessary; to the Committee on the Judiciary.

By Mr. ANDREW of Massachusetts: A bill (H. R. 9671) to authorize the Secretary of the Treasury to dispose of mate-

rial to the sea scout department of the Boy Scouts of America; to the Committee on Merchant Marine and Fisheries.

By Mr. CULKIN: A bill (H. R. 9672) for the taxation of oleomargarine; to the Committee on Agriculture.

By Mr. BURNHAM: A bill (H. R. 9673) to authorize the recoinage of 50-cent pieces in connection with the California-Pacific International Exposition to be held in San Diego, Calif., in 1936; to the Committee on Coinage, Weights, and Measures.

By Mr. HOFFMAN: A bill (H. R. 9674) to repeal sections 311a, 316a, 316b, 405a, 448–448e, inclusive, 734a, and 734b of title 31 of the Silver Purchase Act of 1934; to the Committee on Ways and Means.

By Mr. LANHAM: A bill (H. R. 9675) relating to filing of petitions with the Board of Tax Appeals; to the Committee on Ways and Means.

By Mr. SMITH of Virginia: A bill (H. R. 9676) to repeal an act entitled "An act authorizing the Secretary of Agriculture to sell the Weather Bureau station known as "Mount Weather", in the counties of Loudoun and Clarke in the State of Virginia; to the Committee on Agriculture.

Also, a bill (H. R. 9677) to amend the act of March 4, 1915 (38 Stat. 1068–1069), authorizing the President to transfer to the active list of the Army certain officers on the retired list; to the Committee on Military Affairs.

By Mr. HILDEBRANDT: A bill (H. R. 9678) to extend for 1 year contracts covering existing star routes; to the Committee on the Post Office and Post Roads.

By Mr. STUBBS: A bill (H. R. 9679) to amend the immigration laws, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. LUNDEEN: A bill (H. R. 9680) to provide for the establishment of a Nation-wide system of social insurance; to the Committee on Labor.

By Mr. RAYBURN: A bill (H. R. 9681) to promote electrification in rural areas and to provide facilities for the financing thereof, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ZIONCHECK: Resolution (H. Res. 386) to authorize an investigation of old-age-pension schemes; to the Committee on Rules.

By Mr. DINGELL: Joint resolution (H. J. Res. 428) directing the President of the United States to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of New York: A bill (H. R. 9682) for the relief of Walter L. Shelley; to the Committee on Military Affairs.

Also, a bill (H. R. 9683) for the relief of Clyde W. Snell; to the Committee on Naval Affairs.

By Mr. ALLEN: A bill (H. R. 9684) granting a pension to Lizzie May Schaber; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9685) granting a pension to Sarah A. King; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9686) granting a pension to Emma Wood; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9687) granting a pension to Ethel S. Ferguson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9688) granting an increase of pension to Ernestine Singer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9689) granting an increase of pension to Ada Plattenberger; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9690) granting an increase of pension to Anna Flint; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9691) granting an increase of pension to Elizabeth Diehl; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9692) granting an increase of pension to Maria A. Houston; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9693) granting an increase of pension to Martha C. Howe; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9694) granting an increase of pension to Elizabeth Snyder; to the Committee on Invalid Pensions.

By Mr. BLAND: A bill (H. R. 9695) granting a pension to William Turner; to the Committee on Pensions.

By Mr. BREWSTER: A bill (H. R. 9696) granting a pension to Maria B. Thompson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9697) granting a pension to Annie S. Nealley; to the Committee on Invalid Pensions.

By Mr. CLARK of Idaho: A bill (H. R. 9698) for the relief of Ned Williams; to the Committee on Naval Affairs.

Also, a bill (H. R. 9699) granting an honorable discharge to James B. Kilbourne; to the Committee on Military Affairs.

Also, a bill (H. R. 9700) granting a pension to Dean Larson; to the Committee on Pensions.

Also, a bill (H. R. 9701) granting a pension to Billy George; to the Committee on Pensions.

Also, a bill (H. R. 9702) granting a pension to William R. S. Lane; to the Committee on Pensions.

By Mr. CREAL: A bill (H. R. 9703) granting a pension to Louise F. Mansfield; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9704) granting a pension to Mary Miller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9705) granting a pension to Mattie L. Stults; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9706) granting a pension to Frances Vaughn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9707) granting a pension to Jim Merideth; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9708) granting a pension to Simpson Pennington; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9709) granting a pension to Julia Lyon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9710) granting a pension to Mary J. Logsdon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9711) granting an increase of pension to Sallie Miller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9712) granting a pension to Nancy Ann Laird; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9713) granting an increase of pension to Winnie Hazard; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9714) granting an increase of pension to Martha R. Henderson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9715) granting an increase of pension to Martha J. Blacketer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9716) granting an increase of pension to Mariah Buchanan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9717) granting a pension to Martha Kasinger; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9718) granting a pension to Arthur Pate; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9719) granting a pension to Gorda James; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9720) granting a pension to William H. Jones; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9721) granting a pension to George Merideth; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9722) granting a pension to Alwilda Brooks; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9723) granting a pension to Mary E. Sutherland; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9724) granting a pension to Mattie Bumgardner; to the Committee on Invalid Pensions.

By Mr. DUFFEY of Ohio: A bill (H. R. 9725) granting a pension to Marie Brown; to the Committee on Invalid Pensions.

By Mr. FORD of California: A bill (H. R. 9726) for the relief of Frank Duffy; to the Committee on Military Affairs.

Also, a bill (H. R. 9727) for the relief of M. C. Carnicle; to the Committee on Naval Affairs.

By Mr. GILDEA: A bill (H. R. 9728) for the relief of Benjamin Lucas; to the Committee on Claims.

By Mr. GIFFORD: A bill (H. R. 9729) granting a pension to Fannie L. Leonard: to the Committee on Invalid Pensions.

Also, a bill (H. R. 9730) granting a pension to Mary Banks Fuller; to the Committee on Invalid Pensions.

By Mr. GRAY of Indiana: A bill (H. R. 9731) granting an increase of pension to Roy Smith; to the Committee on Pensions.

Also, a bill (H. R. 9732) granting a pension to Margaret Thurman; to the Committee on Invalid Pensions.

By Mr. GRISWOLD: A bill (H. R. 9733) granting a pension to Sarah E. Goine; to the Committee on Invalid Pensions.

By Mr. HALLECK: A bill (H. R. 9734) for the relief of John H. Sullivan; to the Committee on Military Affairs.

Also, a bill (H. R. 9735) for the relief of Merril M. Chenoweth; to the Committee on Military Affairs.

Also, a bill (H. R. 9736) granting an increase of pension to Mary E. Vigus; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9737) granting an increase of pension to John H. Sullivan; to the Committee on Pensions.

By Mr. HANCOCK of New York: A bill (H. R. 9738) granting a pension to Mary Metzger; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9739) granting a pension to Minnie Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9740) granting a pension to Nettie J. Brown; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9741) granting a pension to Catherine J. Hoyer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9742) granting an increase of pension to Caroline Appelt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9743) granting an increase of pension to Hattie J. Doolittle; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9744) granting an increase of pension to Matilda A. Button; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9745) granting an increase of pension to Elizabeth Miller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9746) granting an increase of pension to Catherine B. McCarthy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9747) granting an increase of pension to Sarah Seward; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9748) granting an increase of pension to Bridget Haley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9749) granting an increase of pension to Jennie V. Myers; to the Committee on Invalid Pensions.

By Mr. HILDEBRANDT: A bill (H. R. 9750) for the relief of William C. Willahan; to the Committee on Claims.

By Mr. HOUSTON: A bill (H. R. 9751) granting a pension to Marth Ella Downing; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9752) for the relief of Zachara T. Edwards; to the Committee on Military Affairs.

Also, a bill (H. R. 9753) granting a pension to Lillie Z. Devin; to the Committee on Pensions.

Also, a bill (H. R. 9754) granting a pension to Hulda S. Dick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9755) granting a pension to Azelle V. Crawford; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9756) granting an increase of pension to Mathilda Danielson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9757) granting a pension to Mary E. Carroll; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9758) granting an increase of pension to Marcha Ann Corkill; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9759) for the relief of Lewis H. Miller; to the Committee on Military Affairs.

Also, a bill (H. R. 9760) granting an increase of pension to Margaret A. Bradshaw; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9761) granting a pension to Georgiana Garthwaite; to the Committee on Pensions.

Also, a bill (H. R. 9762) granting a pension to Sarah Graves; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9763) granting a pension to Frances Engler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9764) granting a pension to Millard C. Helm; to the Committee on Pensions.

Also, a bill (H. R. 9765) granting an increase of pension to Florence I. Huss; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9766) granting an increase of pension to Emily J. McCready; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9767) granting an increase of pension to Susan I. Queen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9768) granting an increase of pension to Eliza Robinson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9769) granting a pension to Sarah Ann Thomas; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9770) granting a pension to Jessie M. Warner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9771) granting an increase of pension to Miriam A. Williams; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9772) for the relief of Amos F. Westerfield; to the Committee on Military Affairs.

Also, a bill (H. R. 9773) for the relief of John I. Saunders; to the Committee on Claims.

Also, a bill (H. R. 9774) granting an increase of pension to Sarah P. Scott; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9775) granting an increase of pension to Mary C. Snyder; to the Committee on Invalid Pensions.

By Mr. KNUTSON: A bill (H. R. 9776) granting a pension to Loretta Kendrick; to the Committee on Pensions.

By Mr. LAMNECK: A bill (H. R. 9777) granting a pension to Julia A. Taylor; to the Committee on Invalid Pensions.

By Mr. LUDLOW: A bill (H. R. 9778) granting an increase of pension to Clara L. Waggoner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9779) granting an increase of pension to Sally J. Hendrix; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9780) granting an increase of pension to Martha Ferguson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9781) granting an increase of pension to Hannah Sims; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9782) granting an increase of pension to Sophia Huber; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9783) granting an increase of pension to Eliza A. Washington; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9784) granting an increase of pension to Florence S. McGinnis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9785) granting a pension to Norah D. Neal; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9786) granting a pension to Flora Bailey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9787) granting a pension to Anna Brock; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9788) granting a pension to Jane Mitchell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9789) granting a pension to George E. Ryan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9790) granting a pension to Pearl Thomas; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9791) granting a pension to Annie Lewis; to the Committee on Invalid Pensions.

By Mr. McANDREWS: A bill (H. R. 9792) for the relief of Leo Stellwagen; to the Committee on Naval Affairs.

Also, a bill (H. R. 9793) for the relief of Carl Stador; to the Committee on Claims.

By Mr. MAPES: A bill (H. R. 9794) granting a pension to Maryette Sweet; to the Committee on Invalid Pensions.

By Mr. O'CONNOR: A bill (H. R. 9795) for the relief of Mary McCormack; to the Committee on World War Veterans' Legislation.

By Mr. O'BRIEN: A bill (H. R. 9796) for the relief of Edward J. Shuma, Barbara Michalek, and Robert Shuma, collectively; to the Committee on Claims.

By Mr. PARSONS: A bill (H. R. 9797) granting an increase of pension to Nancy C. Austin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9798) granting an increase of pension to Leroy Dunn; to the Committee on Pensions.

Also, a bill (H. R. 9799) granting an increase of pension to Maria O. Fowler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9800) granting an increase of pension to Nancy Fopay; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9801) granting an increase of pension to Susan B. Hill; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9802) granting an increase of pension to Mary E. Freeman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9803) granting an increase of pension to Sarah A. Morris; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9804) granting an increase of pension to Margaret J. Maiden; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9805) granting a pension to Robert T. Bland; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9806) granting a pension to Chester D. Green; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9807) granting a pension to Josie Greathouse; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9808) granting a pension to Mary A. Proudfit; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9809) granting a pension to James Edward Miller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9810) granting a pension to Claud Stine; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9811) granting a pension to Flossie M. Ramsey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9812) granting a pension to Ray Beal; to the Committee on Pensions.

Also, a bill (H. R. 9813) granting a pension to Hannah D. Warren; to the Committee on Invalid Pensions.

By Mr. REED of New York: A bill (H. R. 9814) granting a pension to Kittie Grace Bozard; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9815) granting a pension to Alice Hultberg; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9816) granting a pension to Evelyn C. Devereaux; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9817) granting a pension to Addie J. Wheeler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9818) granting a pension to Lizzie S. Reed; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9819) granting an increase of pension to Augusta C. Bittmayer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9820) granting an increase of pension to Lucinda P. Ayers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9821) granting an increase of pension to Jenettie E. Evans; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9822) granting an increase of pension to Miriam E. Crampton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9823) granting an increase of pension to Lelia Walter Lee; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9824) granting an increase of pension to Delphina Fox; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9825) granting an increase of pension to Ella G. Millspaugh; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9826) granting an increase of pension to Selena S. Luxford; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9827) granting an increase of pension to Emma Pierce; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9828) granting an increase of pension to Betsey A. Noble; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9829) granting an increase of pension to Susan C. Stanley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9830) granting an increase of pension to Martha F. Reynolds; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9831) granting an increase of pension to Grace L. Kelley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9832) granting an increase of pension to Mary L. Wilson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9833) granting an increase of pension to Emily Turner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9834) granting an increase of pension to Amelia A. Owen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9835) granting an increase of pension to Emma A. Hibner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9836) granting an increase of pension to Elizabeth R. Wilson; to the Committee on Invalid Pensions.

By Mr. ROBSION of Kentucky: A bill (H. R. 9837) for the relief of Maude Hodge; to the Committee on Claims.

Also, a bill (H. R. 9838) granting a pension to Celia Ledford; to the Committee on Pensions.

Also, a bill (H. R. 9839) to extend the benefits of the Employees' Compensation Act of September 7, 1916, to Myrtle Dixon; to the Committee on Claims.

By Mrs. ROGERS of Massachusetts: A bill (H. R. 9840) for the relief of Michael J. Day; to the Committee on Military Affairs.

By Mr. TABER: A bill (H. R. 9841) granting a pension to Ida Jones; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9842) granting an increase of pension to Martha E. H. Fisher; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9843) granting a pension to Sarah E. Schott; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9844) granting a pension to Anna L. Rumsey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9845) granting a pension to Julia Douglass; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9846) granting a pension to Lydia E. Perkins; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 9847) granting a pension to Phoebe Fite; to the Committee on Invalid Pensions.

By Mr. THOMAS: A bill (H. R. 9848) granting a pension to Isabelle H. Byrnes; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9849) granting a pension to Louise Stockwell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9850) granting an increase of pension to Sarah E. Barber; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9851) granting an increase of pension to Mary Maley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9852) granting an increase of pension to Jane Pelletier; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9853) granting an increase of pension to Mary A. Richmond; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9854) granting a pension to James C. Riley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9855) granting a pension to Margaret M. Crane; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9856) granting a pension to Addie L. Wright; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9857) granting an increase of pension to Mary I. Pingrey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9858) granting an increase of pension to Louise E. Van Norden; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9859) granting an increase of pension to Ella S. T. Witbeck; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9860) granting an increase of pension to Julia Peart; to the Committee on Invalid Pensions.

By Mr. THURSTON: A bill (H. R. 9861) for the relief of E. A. Caylor; to the Committee on Claims.

Also, a bill (H. R. 9862) for the relief of E. G. Banta, successor to the firm of Banta & Banta; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9404. By Mr. CULLEN: Petition of the Pacific Canned Salmon Brokers Association, urging the passage of House bill 8055; to the Committee on Merchant Marine and Fisheries.

9405. Also, petition of the Grand Lodge of the State of New York, Order of Sons of Italy in America, urging adherence to the policy of noninterference in European affairs; to the Committee on Foreign Affairs.

9406. By Mr. DELANEY: Petition of San Donato Di Umbriatico and Sant' Antonio Di Scala Coili, of Brooklyn, N. Y., protesting against American association with the League of Nations' sanction activities; to the Committee on Foreign Affairs.

9407. By Mr. FORD of California: Resolution of the Sixty-eighth Convention of the California Fruit Growers and Farmers, calling upon Congress to do nothing which will weaken the cooperative marketing movement, or which will deprive it of any of its present legal recognition and protection, and asking that the Senators and Representatives from California support to maintain the full strength of law behind the cooperative marketing movement; to the Committee on Agriculture.

9408. By Mr. GILDEA: Petition concerning agriculture; to the Committee on Agriculture.

9409. By Mr. KRAMER: Resolution of the California Newspaper Publishers Association, Inc., relative to the United States postal laws prohibiting newspapers, magazines, and periodicals from printing any editorial or reading matter for which money or other valuable consideration is paid unless it is plainly marked "Advertising", etc.; to the Committee on the Post Office and Post Roads.

9410. By Mr. PFEIFER: Petition of the Society of St. Joseph Palo del Colle, Italy, Inc., Brooklyn, N. Y., concerning the neutrality law; to the Committee on Foreign Affairs.

9411. Also, telegram from the Italian Dress and Waist Makers Union, Local 89, New York City, concerning the Walsh bill (S. 3055); to the Committee on Labor.

9412. Also, petition of the Grand Lodge of the State of New York, Order Sons of Italy in America, New York City, concerning the neutrality law; to the Committee on Foreign Affairs.

9413. By Mr. RUDD: Petition of the United Textile Workers of America, concerning House bill 9072, National Textile Act; to the Committee on Agriculture.

9414. Also, petition of the Italian Dress and Waist Makers Union, Local 89, I. L. G. W. U., New York City, affiliated with American Federation of Labor, concerning the Walsh bill (S. 3055); to the Committee on Labor.

9415. Also, petition of the Grand Lodge of the State of New York, Order Sons of Italy in America, 225 Lafayette Street, New York City, concerning the neutrality law; to the Committee on Foreign Affairs.

9416. Also, petition of the Italian-American Democratic Club of the Twentieth Assembly District, Brooklyn, N. Y., Peter C. Giambalvo, executive member, concerning the neutrality law; to the Committee on Foreign Affairs.

9417. Also, petition of John J. Kearney, commander, Edward A. Cummings Post, American Legion, Kings County, N. Y., favoring the Vinson bill for the payment of the adjusted-service certificates; to the Committee on Ways and Means.

HOUSE OF REPRESENTATIVES

TUESDAY, JANUARY 7, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Heavenly Father, may we hear Thee saying in the stillness of our souls: "Fear God and keep My commandments, for this is the whole duty of man." In our needs and in our aspirations may we drink deeply of the spirit of our Master. Keep the vision of our understanding strong and clear, that we may vividly recognize the claims of high character, of duty, and of the public service. Blessed Lord God, in the face of this strange, tumultuous, and mysterious world, with its wealth of emotion and power, we entreat Thee to hold us as we beat a pathway through its forbidding tides. Help us to sing the morning song of temperance, endurance, and patience. With Thy Holy Spirit consecrate a shrine and sanctuary in our breasts and give us fortitude and wisdom that shall stand the shock of time. In our Savior's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

PERMISSION TO ADDRESS THE HOUSE

Mr. PETERSON of Georgia. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. BANKHEAD. Reserving the right to object, and I shall not object to these 5 minutes, and I shall not object to any gentleman on the other side having 5 minutes, but I want to reiterate a statement I made yesterday that this day has been set down for consideration of the Private Calendar. A great many gentlemen are interested in securing consideration of that calendar. Although it is very unpleasant, I feel that I shall have to object to any further remarks.

Mr. SNELL. Reserving the right to object, does the gentleman from Alabama object to the request of the gentleman from Georgia?

Mr. BANKHEAD. I do not object to this request nor shall I object to a statement from the gentleman on the other side, but I shall object to any further requests.

Mr. SNELL. Further reserving the right to object, I want to ask the majority leader a question. Will the program tomorrow be the independent offices bill, with an opportunity for general debate?

Mr. BANKHEAD. I will yield to the gentleman from Virginia to answer that question.

Mr. WOODRUM. The present intention is to call up the independent offices appropriation bill tomorrow, and an opportunity will be given in general debate for Members to make speeches.

Mr. TAYLOR of Colorado. Reserving the right to object, I want to make a statement on behalf of the Interior Appropriations Subcommittee. The committee has finished hearings as far as the executive officers are concerned, but if any Member of the House desires to come before the subcommittee tomorrow we shall be glad to hear them.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. MAPES. Reserving the right to object, may I ask the majority leader a question?

Mr. BANKHEAD. I will yield to the gentleman.

Mr. MAPES. The morning paper speaks of a possibility that the bonus may be brought up tomorrow or Thursday. Can the gentleman give us any information in regard to that?

Mr. BANKHEAD. In reply to the gentleman's question, I will state that as far as I know this is the situation: I saw it stated in the papers that the Committee on Ways and Means yesterday afternoon had reported out the so-called "bonus" bill. Of course, before that bill can have consideration a special rule will have to be passed. I do not know whether the chairman of the Committee on Rules, the gentleman from New York [Mr. O'CONNOR], who is present, has been approached in connection with that matter or not. Nor do I know at this time what is in the mind of the chairman of the Committee on Ways and Means with reference to the consideration of the bonus bill, but there will be no disposition to delay its consideration. Of course, it is a matter that would have to be determined by the Committee on Rules. If the gentleman from New York would like to make a statement in that connection, I shall yield to him for that purpose.

Mr. O'CONNOR. Mr. Speaker, I might state that I have not been approached, and there has been no intimation to the Committee on Rules up to this moment of any request for a rule.

Mr. TREADWAY. Mr. Speaker, if the gentleman will permit, I do not see the chairman of the Committee on Ways and Means on the floor at the moment and I am not authorized to speak for him, but I think I can rightly refer to the way the matter was left in the Committee on Ways and Means last night. It was understood by the members of the committee that a rule would be asked for and there was some question whether we would go on with the Ways and Means bonus bill tomorrow or wait until the independent offices appropriation bill is disposed of.

Mr. O'CONNOR. Of course, the Committee on Rules is functioning.

Mr. BANKHEAD. I trust that answers the inquiry of the gentleman from Michigan.

Mr. MAPES. That shows the befuddled condition of the whole matter.

Mr. BANKHEAD. Oh, no; it is not befuddled at all.

Mr. PETERSON of Georgia. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. PETERSON of Georgia. Mr. Speaker, yesterday the Supreme Court of the United States declared the Agricultural Adjustment Act unconstitutional. During the session yesterday the gentleman from North Carolina [Mr. WARREN] made some very appropriate remarks in which he challenged the membership of this House to meet the emergencies and the problems which now confront the 6,000,000 farm families of America. As a Member of this House it is my pleasure to accept the challenge which has been laid before this House by the distinguished gentleman from North Carolina. If you will investigate the record of the House you will find that on May 31, 1935, during the last session of this Congress, I introduced a measure which will permanently relieve the farmers of this Nation and which will solve the problem that now confronts the 6,000,000 farm families of America. I refer to H. R. 8286, an act to provide homesteads free of debt for actual farm families. This bill is not inspired by "brain trusters", neither is it dictated by the executive branch of our Government, but it has its origin and birth in the legislative branch of the United States Government, where all other legislation should have its origin and birth. [Applause.]

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. PETERSON of Georgia. Yes.

Mr. SABATH. Was the bill prepared by the gentleman himself?

Mr. PETERSON of Georgia. It was prepared by the gentleman from Georgia, who is now speaking, written by him on a Government typewriter in his own office. This bill is not socialistic, it is not communistic, it is not dictatorial, nor autocratic, but is in strict harmony with the fundamental principles of free government. It is the very essence of Jeffersonian democracy itself, which I have heard Members of the House on numerous occasions extol so highly.

Mr. MONAGHAN. Mr. Speaker, will the gentleman yield?

Mr. PETERSON of Georgia. Yes.

Mr. MONAGHAN. I call the attention of the gentleman to the fact that the Supreme Court, as long as it retains the power to declare acts of Congress unconstitutional, might yet declare the gentleman's act constitutional.

Mr. PETERSON of Georgia. Mr. Speaker, it is not my duty and function to tear down the Constitution of the United States [applause], but to uphold it and protect our system of government.

I appeal to all the Members of this House, including the gentlemen of the Republican side of the aisle, if you believe in the individual rights of American citizens, to lay down your partisan politics and join with me in enacting a measure that is in complete harmony with the individual and inalienable rights of every citizen of America.

Mr. MONAGHAN. Mr. Speaker, will the gentleman yield again?

Mr. PETERSON of Georgia. Yes.

Mr. MONAGHAN. I had not quite completed my statement. As a matter of fact, I suggest to the gentleman that in conformity with article III, section 2, of the Constitution of the United States, giving Congress power to regulate and except legislation from the Supreme Court's jurisdiction, that you add an amendment to your bill which will prevent the Supreme Court from declaring it unconstitutional.

Mr. PETERSON of Georgia. Mr. Speaker, I am not here now to debate the Constitution of the United States, but to tell the Members of the House that there is legislation of a permanent nature before them, which is right, which is in harmony with the principles of our American government, which is the very essence of Jeffersonian democracy, and which has been placed upon the desk of every Member of Congress for his perusal and study.

Mr. FITZPATRICK. Mr. Speaker, will the gentleman yield?

Mr. PETERSON of Georgia. Yes.

Mr. FITZPATRICK. How many persons would that take care of?

Mr. PETERSON of Georgia. It will take care of every citizen of America who desires to earn an honest living in freedom and independence.

The farmers and the people of this Nation do not desire a dole. They do not desire to be given something. They desire nothing except an opportunity to earn an honest living in freedom and independence, which they are not now receiving under our present economic structure.

My friends, this bill has been placed before every Member, and likewise has been sent to your homes, so that it is before you. In a few days another copy of it will be placed on your desks, and I urge your support of it. [Applause.]

The SPEAKER. The time of the gentleman from Georgia [Mr. PETERSON] has expired.

MANDATORY NEUTRALITY LEGISLATION

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my remarks by printing a speech which I delivered over the radio on the subject of neutrality.

The SPEAKER. Is there objection?

There was no objection.

Mr. CELLER. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include my address over Station WEVD, Thursday, January 2, 1936, as follows:

I cannot justify war. Phrases like "freedom of the seas", "neutral rights" cannot sweep me off my feet and make me vote for war.

Everyone wants peace. No one wants war.

That was the temper of our people, even in November 1916, when President Wilson was reelected because "he kept us out of war." In April 1917 we were fighting Germany and Austria "to save the world for democracy" and were told we went to war "to end all wars." We were swept into the war maelstrom despite our good intentions to preserve peace, despite our neutrality. All our notes of protestation concerning violations of our rights as neutrals were as unavailing as snow falling upon an iceberg.

That shall not happen again.

There shall be no haphazard drifting, no aimless shifting, no futile note sending.

We are neutral. We must remain so.

We can only remain fixed in that idea if we have a clear, well-defined policy of neutrality.

We laid the foundations for this policy in the first session of the pending Congress. After great difficulty, skirting by prospective war profiteers, unthinking but well-intentioned patriotic societies and professional war heroes of the Army and the Navy—we passed provisions for—

1. Mandatory embargoes upon arms, ammunition, and implements of war to belligerent nations.

2. Prohibition of transportation of munitions and implements of war by vessels of the United States for use of belligerent nations.

3. Registration and licensing of munition and implement of war exporters, importers, and transporters at all times.

4. Restriction of travel by American citizens on ships owned by belligerents during the war.

This act terminates February 29, 1936. It will be renewed without question.

Under this act the President is empowered to list and define exactly the arms, munitions, and war implements thus banned. On September 27 President Roosevelt proclaimed a lengthy list. A National Munitions Control Board has been established, composed of the Secretaries of War, Navy, Commerce, Treasury, and State, with the administration of the Board in the Department of State. By November 29 all manufacturers and exporters of munitions were listed. They can no longer ship without a permit from the Board.

But that is only the beginning—the foundation. The public has manifested wholehearted approval.

A superstructure is necessary. We must and we shall pass in the coming session, in addition to an extension of the act that expires February 29, 1936:

1. Prohibition of loans and credits to belligerent nations.

2. Application of strict embargoes upon contraband materials besides munitions and implements of war. This would include oil, cotton, steel, scrap iron, wheat, etc.

This policy of embargoes on contraband materials may shock many. But certainly we cannot revert to our old ideas of neutrality, our old ideas of freedom of sea and freedom of trade. They did not work. They finally dragged us into war, the very goal we sought to avoid.

As neutral from 1914 to 1917, we demanded the right to trade freely in war materials and every kind of goods with the warring nations. We recognized, however, the right of any belligerent to seize goods called contraband.

That was the rub. Practically every article the United States exported was made to appear as contraband. It was argued that under modern war conditions everything could be used to aid the enemy and were as important as guns and munitions. Only with the greatest difficulty, I suppose, could exemptions be secured for ostrich feathers or ukeleles. Everything else under the sun was taboo as contraband. Both Germany and England made life unbearable for us as neutrals with their constant seizure of contraband and submarine sinking. It was most difficult for us to defend our neutral rights as we then understood them. On April 6, 1917, we declared war against a flagrant violator of our rights and embraced the cause of another violator with whom we were doing business going up into the billions.

Neutrality was at an end. Neutrality had failed. We must, therefore, provide our own contraband list and embargo them. Thus an ounce of neutrality prevention will be worth a pound of war cure.

Some industries might be severely hurt with such a policy—industries like cotton and foodstuffs. We might remunerate agriculture and other legitimate activities excessively hurt by drastic reduction of foreign commerce. It might cost billions, but that cost is small when compared with the loss of thousands of lives, the wounding and maiming of thousands more, let alone the billions in pensions and bonus.

Concerning war loans and credits, I am confident that the great money lenders did much to force us into the war. We had done tremendous business with the Allies. They owed us billions for war materials and foodstuffs. The bankers said we could never be paid unless we loaned the Allies the money with which to pay. Lansing and Wilson fell for this argument and approved, in September 1915, the first Anglo-French loan of five hundred million. J. P. Morgan & Co. headed the banking syndicate. They had been the purchasing agent for the Allies. Thus our Government paid Morgan's customers. Our people are still carrying the bag. They still hold unpaid allied debts.

However, this is certain, you belie your neutrality when you loan money to one belligerent as against another. Through financing one side you become at once a friend and an enemy. A friend to the borrower, an enemy to the other warring nation. We should nevermore loan to either belligerent.

The present and proposed legislation will, of course, eliminate war profits, swollen fortunes marked with skulls and crossbones. Such neutrality policy or embargo legislation may practically mean complete abstention from trade with either warring nation. What of it? Should we not rather abstain than sacrifice the flower of our youth upon the altar of war? Is any war worth the billions in pensions that follow for 75 years? Some may argue that such neutrality may mean hauling down the flag. I think not. In any event, it will save us the wholesale slaughter and holocaust of war.

Legislation to be passed by Congress must be mandatory, not discretionary. The present law, which must be extended, is mandatory. To my mind neutrality means nothing if it is discretionary. What I have to say is no reflection upon our President, whom I revere and respect most highly. However, the minute we leave the invocation of embargoes and bans to the President he must then make up his mind to invoke or waive these bans and embargoes. The result is the taking sides in the midst of the quarrel or war. His judgment, therefore, is a judgment on the war itself. That is not remaining neutral. That is becoming partisan. In one case he will say this is a war in which we will remain neutral, take no sides and bar war essentials to either party. In another war he might say that one side is right and the other side is wrong, sending goods to one warring nation and refusing goods to the other. That would be the opposite of neutrality. If there were such discretion in the matter of the present war in Ethiopia and the President made a decision to help Ethiopia, that would be a decision to impair Italy's fighting strength. It may be that remaining absolutely neutral would be tantamount to helping Italy and hurting Ethiopia. That is unfortunate. Many may have deepest sympathy for Ethiopia. Others sympathize with Italy. We should take no sides in this or any other foreign war. We must, in the words of Washington, remain outside of all foreign entanglements. We cannot, for example, consider Ethiopia undivorced from the aims and aspirations of her allies, England and France. We must remember that Italy, in dismembering Ethiopia, may be no more guilty than England in dismembering the Boer Republic and India, and Japan, in its incursions into Manchuria and north China.

England and France knew of Mussolini's designs more than a year ago, when he first made preparations. Why did they delay opposition? The Committee of Five of the League of Nations petitioned Ethiopia last year. Haile Selassie was forced to accept their demands. Eventually the League Council objected. Strangely enough, Russia and Turkey, in outlining their objections, pointed out the insincerity of England and France. The latter two at that time did not show much concern over Ethiopia. Now they are concerned. Italy is interfering and may impair their own imperialistic designs. Witness the rather disgraceful proposals put forward by Laval and Hoare, which the House of Commons, with great righteousness, rejected. Laval is a gentleman of great cunning, who usually plays both ends to the middle. Strangely enough, the name "Laval", spelled from the right or left, continues to be "Laval." Sir Samuel Hoare was not good at balancing, either. He injured his nose skating on the ice in Switzerland, and he stubbed his toe on Ethiopia.

Neutrality must be deemed more important than saying one side is right and the other side wrong. We must be neutral, as a matter of policy, regardless of the nations that do the fighting, regardless of the issues involved. If any issue is to be determined, same should be done by Congress, by the direct representatives of the people. As an illustration of how neutrality may work, already Governor Earle, Senator GUFFEY, and other influential citizens of Pennsylvania have been importuning the President, it is reported, to refrain from putting any embargo on oil and coal. Such embargoes might hurt Pennsylvania. The President should be relieved of such pressure. Other States affected by embargoes would do likewise. For these reasons I believe the power should be mandatory, not discretionary.

The State Department does well also to warn all parties to keep out of the war zone. This is necessary to avoid catastrophe, such as that of the *Lusitania* that inflame and infuriate the people and are encouragements to professional war patrioteers.

Such warnings to depart from the war zones should be heeded by all, including missionaries in Ethiopia. It was horrible for the Italians to bombard the American mission hospital property with the American flag prominently displayed. Nevertheless, it were better for the missionaries to evacuate that property for the time being and thus follow the admonitions of the State Department.

The State Department also does well, in addition to warnings of personal risk, to seek to discourage profiteering by holding as far as it can to the normal cargoes like oil, coal, steel, scrap iron, which are the necessities of war. Thus it prevents blood money by way of abnormal profits.

Finally, we are preventing the sailing of ships carrying war materials when the Government has a financial interest in such ships or where our Shipping Board exercises control, i. e., *S. S. Ulysses*.

To recapitulate, my idea of neutrality is:

First. Mandatory provisions against loans to warring nations.

Second. Mandatory embargoes upon war materials.

Third. No discretionary power to interfere with such neutrality.

THE TOWNSEND PLAN

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my remarks by printing a speech which I delivered over the radio in opposition to the Townsend plan.

The SPEAKER. Is there objection?

There was no objection.

Mr. CELLER. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include my address in opposition to the Townsend plan, delivered over Station WABC and the Columbia Broadcasting Co.'s network on Saturday, December 28, 1935, as follows:

Congressman-elect VERNER W. MAIN, of Michigan, who preceded me, claims he was asked to respond in favor of the Townsend plan. I have not seen his address, but he states that he was asked "Respondez s'il vous plait." He made a play on these words, "Respondez s'il vous plait", and said that they embraced the Townsend plan because the "R" stands for "recovery", the "S" stands for "stabilization", the "V" stands for "vision", and the "P" stands for "pension."

I respond in another way and say that the "R" stands for "ruin", the "S" stands for "slough of despond", the "V" stands for "vale of despair", and the "P" stands for "poverty."

I was amongst those who, in a standing vote in the House, voted down decisively an amendment to the social-security bill, embodying the so-called Townsend plan, known as the old-age revolving pension plan, which proposes that all citizens over 60 years of age be paid $200 per month, on condition that all gainful occupation be abandoned and that the $200 be spent in the United States before each month ends; that the money to pay such pensions is to be raised by a 2-percent tax on all so-called business transactions.

Not only did I vote against such a scheme last April, but I shall vote against it every time opportunity affords. I shall strike at it every time this preposterous economic monster rears its ugly head. In the coming session of Congress strenuous efforts will be made to get favorable consideration on H. R. 7154, the so-called McGroarty bill, which embodies this ridiculous plan.

However well-intentioned Congressman-elect MAIN and Dr. Townsend may be, the old-age revolving pensions idea is utterly impossible and absurd. Were we not subject to such national, economic suffering, the mere suggestion of such a plan would be laughed to scorn, Congressman-elect MAIN notwithstanding. But in times of stress we have, and always will have, such buncombe as a Coxey's army, a technocracy, an Upton Sinclair's E. P. I. C.—and now we have the Townsend plan. However, this plan cannot be disregarded or easily shunted aside. It has already made considerable headway, particularly in some sections of the West, where it seems to be going like a house on fire. We should not wait until the conflagration spreads to the East. Years ago we in the East thought prohibition was a fantastic scheme that could make no headway. We let it go by default. Had we met the issue earlier, perhaps prohibition would not have made such rapid strides. We should not make the same blunder with reference to the Townsend plan.

There is a sort of religious hysteria embodied in this plan. The convention recently held in Chicago was something in the nature of a revival. It not only is an old folks' crusade but an economic drive in terms of religion, wherein speeches are not one-half as important as the singing of hymns. It is this very spiritual enthusiasm which makes the plan doubly dangerous and more difficult to scotch.

Only patient, wise, and cautious opposition will serve as an antidote, and rid the body politic of this rash of Townsenditis.

Before discussing the plan in detail I must remind Congressman-elect MAIN that not a single economist or businessman of consequence has endorsed this bucolic fantasy.

As originally proposed, the Townsend plan provided that everyone over 60 years of age, even if he were a John D. Rockefeller or a J. Pierpont Morgan, would be paid $200 monthly, and would be required to spend all of it in a month and accept enforced idleness. I recall that at the congressional hearings this phase of the plan evoked enormous derision and ridicule. It has since been modified so that recipients of the $200 monthly pension must be without other sources of income.

The McGroarty bill involves a decided change from the original Townsend plan. This bill now calls for a pension "not to exceed $200 per month." It is not an unequivocal $200 allotment. It may mean as much as $200 or as little as 50 cents. However, the followers of Townsend still believe they are to receive $200 and no less per month. This may involve an element of deception.

The Townsendites claim that the adoption of the plan would bring about the following: (1) A higher standard of living; (2) a withdrawal from gainful occupations of persons over 60, thus giving jobs to younger persons now unemployed; (3) a spending of an enormous sum of money, to wit, one billion six hundred millions per month by the aged pensioners, thus greatly expanding sales and bringing a rip-snorting, roaring prosperity.

The main objections to the plan, as visualized by economists worth their salt, and as was pointed out clearly by Henry Hazlitt in a recent issue of the New York Times, are as follows:

1. That the nature and burden of the proposed "transactions tax" would be ruinous;
2. That the plan would not "create purchasing power";
3. That it would not create jobs; and
4. That it proposes a grossly unjust redistribution of income.

The plan sounds simple enough, but upon examination it assumes ridiculous, staggering proportions. What will be its cost? In a word, the cost is literally frightening. Townsend believes that of the 10,300,000 persons 60 years of age or over, 8,000,000 will apply for pensions. At $2,400 per year the cost of putting the plan into effect would, therefore, be about nineteen billion two hundred million. The cost of administration would bring it up to about twenty billion—a rather tidy sum—a sum more than five times the total revenues of the Federal Government from all sources for the fiscal year of 1935. In fact, it is the equivalent of 40 percent of the entire income of the entire American people in the year 1934.

How is this cost of twenty billions to be raised? Townsend would inflict a burden of tax of 2 percent on "all business transactions."

Under the McGroarty bill "business transactions" include sales, exchanges of all kinds of property or interests therein, rents, interest charges, commissions, fees, rendering or performance of a service, railroad fares, telephone or other communication charges; practically every business action from the cradle to the grave. Townsend estimates that there are yearly $1,300,000,000,000 worth of such transactions. He has either drawn this figure out of thin air or bases it on an estimate of Dr. Goldenweiser of the Federal Reserve Board, who indicates that the Nation's bank debits in the year 1929 were about twelve hundred thirty billions. This is still short of Townsend's notion by seven hundred and seventy billions. However, concerning Dr. Goldenweiser's statement of bank debits in 1929, the same cannot be considered as embracing all business transactions, nor can they be considered divorced from the following facts: First, they cover the boom year, 1929; bank debits for 1934, for example, would be only four hundred and seventy billions, about 60 percent less in bank debits. Second, a tremendous part of these so-called bank debits represents bank loans renewed daily, and, therefore, such transactions are counted twice and even thrice. Many of the transactions are merely transfers between banks and between individuals and corporations. Much of it is merely bookkeeping technicalities.

A 2-percent tax on these business items would tend to bring about a tremendous reduction in the transactions themselves to avoid the tax, and therefore less business and less revenue would result, so that not enough money would be yielded for the first quarter's payments. People would seek to avoid the tax by limiting the number of these transactions. Let us follow some of these transactions thus taxed with the so-called 2-percent tax. If a man buys a Government bond, he would pay 2 percent. The yield on such a bond is only about 2¾ percent. When he sells the bond he would pay another 2 percent. The taxes on the purchase and sale would be 4 percent. The yield would be only 2¾ percent. He would thus lose at least 1¼ percent. He would refrain from buying Government bonds. This would be mighty serious. How could the Government float its bond issues? If it could not float its bond issues, how could we get the wherewithal to run the Government? Such a tax on security buying would drive most people away from the market. A financial or banking panic would result.

How would it affect the ordinary mortal? Let us take retail purchases. I want to buy a suit of clothes. I would have to pay a 2-percent tax on the retail cost; a 2-percent tax on the wholesale cost; a 2-percent tax on the jobbing cost; a 2-percent tax on the cost of the material to the clothing manufacturer; a 2-percent tax on the cost of the material to the textile mill; a 2-percent tax on transportation; a 2-percent tax on the raw wool, thread, lining, buttons; a 2-percent tax on all wages at the retail stage of production, transportation, and distribution; and a 2-percent tax on all incidental supplies. Such a pyramiding of tax and costs would be prohibitive. This would be inflation with a vengeance. Each of us would have to pay the 2-percent tax so often on each article, essentials and nonessentials, that our cost of living would be raised 50 percent. It has been estimated that out of every $150 we spend $50, or one-third, would have to go for taxes to pay twenty billions of Townsend pensions. The Townsend pensioners themselves would be penalized, so that out of the $200 they would supposedly get each month $67 would be turned back into taxes.

This pyramiding of tax would drive American production costs so high that in order to protect manufacturers against floods of foreign importations we would have to apply extortionately high tariffs. Otherwise there would be a complete surrender of the domestic markets to foreign imports. Such unbelievably high tariff walls on our part would encourage retaliatory tariffs on the part of all other countries. Our international trade would become frozen.

Furthermore, this pyramided 2-percent tax would make necessary the most gigantic policing bureaucracy in the history of the country—at what a prohibitive cost for the army of spies and snoopers. All pensioners must be policed. They must spend the $200 each month. If they fail to do so and obtain the next month's quota, they are guilty of a new crime, the crime of failure to spend money.

Additional purchasing power would not be created. The Townsendites claim that by paying out $20,000,000,000 yearly, each dollar would turn itself over at least 10 times, and there would result 200 billions of purchasing power on that much additional business. By virtue of such argument, which is utterly fallacious, the 34 billions; e. g., paid out in wages and salaries in 1934 should have produced 10 times that much, or 340 billions of business or purchasing power. But the total national income that year, which was the total purchasing power, was only 50 billions.

Thus the Townsend plan creates no new purchasing power. It would simply transfer or pump 20 billions of purchasing power from one group of people to another group—that is, from those persons under 60 years of age—involving nine-twentieths of the people, to all those persons over 60 years of age, involving about one-tenth.

Townsend says he would create additional jobs—but how? Let us assume that out of the 8,000,000 pensioners 4,000,000 shall have been gainfully employed. They would relinquish their jobs. These jobs would be taken by young persons. It is obvious, therefore, that no new jobs would be created. This is simply a substitution of one young job holder for an older job holder.

Let us pause over this a minute. What would happen in prosperous times when all jobs will be filled? This would mean a scaling down of job holders by 4,000,000. We would reduce workers to that extent. This would mean less production. This would mean less wealth for everyone.

Let us take another view of it. Townsend claims that the 8,000,000 pensioners would spend $2,400 per year. This, he says, would create a tremendous demand for goods, labor, and services. This is equivalent to saying that if there were fewer persons working and if those who do not work would spend more the country would be the richer.

As Walter Lippmann properly pointed out: "If that is so, then why stop with pensions of $2,400 for persons over 60? Why not $5,000 pensions for persons over 40? Or $10,000 pensions for persons over 30? What can be said against these proposals that must not be said against the Townsend plan?" * * * "If Dr. Townsend's medicine were a good remedy, the more people the country could find to support in idleness the better off it would be."

Income would be unjustly redistributed: In 1934 our national income was fifty billion. The payment of twenty billion under the Townsend plan to 8,000,000 persons would mean that less than 7 percent of the population of the country would receive 40 percent of its entire income. The other 93 percent, nonrecipients under the Townsend plan, would receive only 60 percent of the entire national income. The fallacy of the Townsend plan lies in its mistaking a shift in the distribution of national income or wealth for the creation of new wealth.

Furthermore, millionaires like Morgan, Rockefeller, Astor, and Gould would love such a tax as involved in the Townsend plan. That 2-percent tax would affect least of all large concentrations of wealth, but would fall heaviest on the poor.

It is interesting to speculate as to how old persons over 60 would spend $200 per month or, $2,400 per year. They would become the prey of money sharks, the dupes of sponsors of crackpot get-rich-quick schemes, and their names would be on every sucker list. Let us assume an old couple, living in the country, receives $400 a month to spend—$100 per week (they must spend it!)—what could they or would they buy? Their necessities, ordinarily modest, would not absorb $100 per week. Their first thought would be to buy an automobile. So many old people would be buying automobiles that the car ordinarily priced at $400 would immediately jump in price to $1,500 or more. Meanwhile your income and mine has remained stationary. That car would be beyond our reach.

I can well imagine old couples would keep in idleness many sons and daughters and in-laws. Spinsters over 60 would again become marriageable. Gigolos and roustabouts would wait in line to propose. Old men will again become attractive to designing young minxes. Having exhausted their list of purchases, they would have to fall back on buying lots in Painted Post, while some old ladies, in order to exhaust their $2,400 per year, might have to purchase imported French perfumes.

There is real evil in the ambitious and selfish people who capitalize the hopes and fears of the aged.

The pity of it all is the false promise the Townsend plan holds out to the old, feeble, and helpless. It is hard to tell the poor aged that the scheme is merely a mirage. Everywhere they dream of riches to come. Nothing could be more tragic than their eventual disillusionment.

I was curious to know what economists abroad thought of this plan. There is unanimity of opinion that the plan is hopeless. Permit me to quote briefly from the English magazine, the Fortnightly, an excerpt from an article by S. K. Radcliffe, an Englishman:

"The endowment of some millions of old people who have never handled money would be an economic earthquake; that $200 is a definite sum in relation to the present value of the dollar, but would be anything or nothing in the second month of the Townsend era; that his 2-percent tax would fall upon people of small means, could not be administered, and would not yield money for the first quarter's payments; that, in a word, this is an adventure in Cloud-Cuckoo-Land."

Personally I am heartily in favor of sensible and adequate pensions for old people. This is embodied in our social-security bill of last year. In New York State we provide pensions for our aged and many other States do likewise. In the course of time national and State legislation will be greatly improved and more sensible benefits will be granted to the aged, helpless, and needy. The Townsend scheme would destroy at one fell swoop all progress made in old-age-pension laws. It should be consigned to the place where it belongs—limbo.

America is on the march, says my colleague, Mr. MAIN. I answer, leave it so. With Townsend it would be in retreat.

THE FOURTH ESTATE (PRESS) AND THE FIFTH ESTATE (RADIO), SO-CALLED

Mr. BOYLAN. Mr. Speaker, on yesterday I received permission to extend my remarks in the RECORD to include an address by Radio Commissioner Payne. Since that time I have secured an estimate, and I now renew my request.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOYLAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of Hon. George Henry Payne, Federal Communications Commissioner, at Columbia University School of Journalism, October 31, 1935:

Every journalist who views his profession seriously must well consider the whole matter of radio—including its regulation by the Government and its control by private capital, and the character of its programs—as these affect the great mass of the people. A new and fascinating problem is here presented to the journalist, the solution of which has been somewhat obscured by the hokum of professional ballyhoo.

The novelty of the whole problem and the sudden origin of radio, with broadcasting in the hands of a few far-seeing and able individuals, have led to difficulties in discussing impartially and dispassionately just what are the rights of those who showed enterprise, industry, and audacity in building up the new art, as well as the rights of the public, largely inarticulate, except through the voices of educators and a few groups that have tried to represent the aspiration for a more cultural output and one less tinctured with pure commercialism.

The journalist has an interest in this problem as great as any and greater than many.

The people of the future—and I do not mean generations from now, but those even of the years immediately following—are going to have to consider more and more the entire question of radio—its effect on the millions, its influence in formulating the thought, taste, aspirations, and destiny of the people of the country who turn to it hourly because of its novelty, and who may be affected beneficially or to the detriment of themselves and their government.

Therefore, while there are many aspects of the Federal Communications Commission that I should like to talk about today, I believe I should speak of the one most vital at this time to your profession. You have, of course, a professional interest in our work in the matter of the pending investigation of the telephone industry. That is of interest not only to you but to every telephone user. There is a distinct journalistic side to the recent accomplishment of a new radiotelephone channel to France, and sometime when I can do so diplomatically I shall have some possibly interesting statements to make as to that.

When it comes to the work of the Telegraph Division of the Federal Communications Commission, I might discuss with propriety the proposed merger of the wire lines, a problem which has a bearing on the journalistic profession, as have the questions of rates, press rates, competition, etc. Today, however, it seems to me the most interesting problem is the radio.

Now, in order to understand the attitude of journalism toward the progress of civilization, and what is currently regarded as democracy, it becomes necessary to review certain facts with which you, as students of journalism, are doubtless familiar.

Not the least of the interesting phases of journalistic development have been those periods when its protagonists have lost faith in its origin. It is not impossible that this lack of faith in its very humble beginnings and its struggle to survive as against autocracy and Toryism were largely due to ignoring the details of journalistic beginnings.

It was the Tories, the Conservatives, in history who were always fighting against a free press; it was the Whigs, Liberals, Progressives, who were always fighting for it.

The English have a saying that if you want to make a Conservative out of a Liberal or a Laborite, get him to dinner and then put him beside a duchess. The power of high-sounding titles to change men's fundamental beliefs—and even their natures—has, in this country, waned considerably in recent years, even in New York.

The great financier or the great industrialist in our country takes the place of the great duchess in England. The fact that the newspaper has become a large business venture has led many to assume that the interests of business and journalism are identical. They are not.

Journalism in this country began with the struggle on the part of those without political power to obtain the right to express their objections against unjust and tyrannical government and to voice their appeal for consideration of their rights as human beings.

The history of journalism in America cannot be separated from the development of the democratic idea. The very first editor in this country, the forgotten and neglected Benjamin Harris, in all his interesting struggles represented that idea, for his fight was for freedom of expression, the very essence of democracy. With us, democracy has come to mean sovereignty of the whole body of the people. The achievement of that sovereignty was of the slowest development, and frequently the battle was made nowhere else than in the meager and forgotten journals.

To journalism, then, democracy owes not only its strength but, in whole or in part, all of its important victories. No political advance has been made in this country without the aid of the press; all of our democratic achievements have been accomplished with the help of men who were in the beginning regarded as mere mechanics, poor printers, or who were, in later periods, grudgingly given credit and political recognition as the representatives of a not entirely welcome social and political phenomenon.

Journalism, in turn, owes to democracy its enjoyment of enormous privileges, its practical admission into the Government through the medium of public opinion. In the preliminary skirmishes for liberty in this country the people found that the free press was a powerful weapon by which they were able to wrest from tyranny the power of government. They found that through the press they could keep their own phalanxes compact—a difficult task in a country spread over the great area of the Thirteen Colonies.

"A free press" became their shibboleth. When the Nation was born and the political thought of the philosophers of the eighteenth century had taken root, it was the press that made the battle for the extension of the suffrage and that wrested from the minority the power which, in a democracy, must be with the people. Later the abolition movement, variously explained, was a development of the democratic idea. What many of the statesmen of the pre-Civil War time failed to realize was that there could not exist in a democracy a class, such as the slaveholders, claiming to have property rights in human beings. The press that took up the cause of the Negroes did not represent the black men alone; it was impelled to action by the moral sense of those who had recently achieved sovereignty and who, subconsciously perhaps, acted as much for their own protection as for the betterment of the blacks. The low condition to which the poor whites were sinking in the South shows that a condition worse than slavery was possible, if the right to own human beings was not abolished.

Thus the development of democracy meant the increase of the power of journalism. Strange and crude in the beginning were the instruments of this journalism, it is true, but elegance and refinement are characteristics neither of biologic nor social evolution. The manners of men are rude, and as journalism developed—as a more or less illegitimate or "poor white" brother of literature—it was subjected, helpfully in most cases, it is true, to criticism either by those who had little interest in its political significance or by those who were politically and socially opposed to the purposes to be achieved.

THE BEGINNINGS OF JOURNALISM IN THE COLONIES

It was not until 1639 that the first printing press was imported into this country. A second printing press was brought over in 1660. Two years later, with only two presses in the Colony, the government of Massachusetts, following the example of the mother country, appointed a licensor of the press, and in 1664 a law was passed permitting printing only in Cambridge, and then only by those licensed.

In the time elapsing between the sailing of the *Mayflower* and the establishment of the censorship, a little more than 40 years, the folks in the Colonies had been hearing of strange happenings at home. Journalism in England had been born. The first newspaper, the Weekly Newes, had appeared, but at a time when authors, printers, and importers of prohibited books were being subjected to the most barbarous persecutions—treatment that recalled to the Pilgrims the conditions that had driven them to Holland.

Despite all persecutions, the fight in England was on in bitter earnest. More than 30,000 political pamphlets and newspapers were issued between 1640 and the Restoration, 2,000 bound volumes of which are now to be found in the British Museum.

On September 25, 1690, Publick Occurences, the first newspaper to be printed on this continent, was published by Benjamin Harris

from his "London Coffee House", the printing having been done for him by Richard Pierce.

The first issue was printed on three pages of a folded sheet, leaving the last page blank, there being two columns to a page, each page being about 11 by 7 inches.

Harris begins by declaring that his purpose is to furnish the country once a month with an account of "such considerable things as have arrived unto our notice", a promise calculated to arouse the interest of the dwellers in the wilderness, who must have been hungry for news of their fellow men. He promises that he will take pains to collect his news and will "particularly make himself beholden to such persons in Boston whom he knows to have been for their own use the diligent observers of such matters."

Thirdly, he states, "that something may be done toward curing, or at least the charming, of that spirit of lying which prevails among us; wherefore, nothing shall be entered but what we have reason to believe is true, repairing to the best fountains for our information", etc.

Stout old Benjamin Harris, fine old Whig—even in the wilderness he was on the side of humanity and progress to the very great displeasure of the authorities. Two days after publication, Judge Sewall noted in his diary that the paper had appeared and that it had given "much distaste" because it was not licensed and because of the "passages referring to the French King and the Maquas." Four days later the legislative authorities took the matter up officially, sagely ruling that it contained "reflections of a very high nature", and strictly forbade "anything in print without license first obtained from those appointed by the Government to grant the same."

On August 7, 1721, James Franklin issued the first number of the New England Courant.

This paper continued in its course, criticizing and occasionally referring with sarcasm to the Government, until the general court took the matter in hand. A committee was appointed to consider the charges, and it finally decided, on the issue of January 14, 1722, that the tendency of the paper was to mock religion and government, and that, therefore, James Franklin should be forbidden to print and publish his paper or any other paper or pamphlet like it unless what was to be printed was first submitted to the secretary of the Province. It was on this paper that Benjamin Franklin began his journalistic career.

From these small beginnings in a short period of 44 years a new institution developed into an actual power—the beginning of the development of what Burke later declared in the House of Commons was the Fourth Estate. Like so many other institutions of civilization and progress, it apparently prospered in adversity; it fed on the oppression that would have annihilated it.

From now on the history of journalism is not of its own struggles but of the struggles of the ideas for which it stands. The institution itself is established. Henceforth it is a story of development; development in close connection with the idea of democracy, from which it sprang, to whose influence it owed its quick growth, and to which, in turn, it contributed as no other single factor in civilization, except Christianity, has contributed.

Politically and economically the Colonies were preparing for a change. They were no longer the separate settlements in which the advent of the first printer was an historic advance, nor yet were the groping imitators of conditions at home, where the publication of a newspaper was a revolutionary breaking away from the foundations of government. In the time that a bare half dozen papers had been established the colonists had accomplished a complete volte face. Instead of looking to England for complete guidance, there was, as Andrew Hamilton expressed it, a resentment at the continuous citation of English authority. In Hamilton's speech at the Zenger trial we find the idea cogently put forth—for the first time, I believe—that if the law of the mother country is wrong, the duty of the colonists is to correct it.

With such a start in so brief a time, it was but a step to a declaration of complete independence. But as a stepping stone to such a declaration there was necessary a feeling of nationality. This new institution did much to develop that feeling.

The beginning of the national spirit is in fact almost coincident with that of journalism.

The first number of the New York Weekly Journal appeared under the auspices of John Peter Zenger on November 15, 1733. In this very first issue there was an article on the liberty of the press, which was used as the text for many others, all filled with direct allusions to Governor Cosby, of New York, and his arrogant conduct. As a direct result, Zenger was arrested on a charge of libel.

When this famous case finally came to trial, Andrew Hamilton, the celebrated lawyer of Philadelphia—the ablest attorney in the Colonies and a warm personal friend of Benjamin Franklin—walked into court to defend Zenger. It is unnecessary to recite the details of this case, but it will be remembered that it represents a landmark in the struggle of a free press against censorship in this country. The victory of Zenger and Hamilton was a victory of the people.

When the 10 original amendments of the Constitution were declared in force on December 15, 1791, constituting what is known as the Bill of Rights, a free press was guaranteed to the people of this country, and since that time there have been practically no infringements of this guaranty except on the rarest occasions in war time.

In that connection it was on May 18, 1864, the World and the Journal of Commerce printed the bogus proclamation of Joseph Howard, Jr. Both papers were immediately suspended and not allowed to resume until Monday, May 23.

THE PRESS AND RADIO

Those who would compare the newspaper and the radio must consider impartially the position of radio and its problems and the political and economic position of the press.

The journalist who establishes a paper becomes a capitalist with an investment in a machine to print with, paper to print on, and the labor to bring out his paper. He uses nothing that belongs to other people.

The theory that he should be licensed, controlled, curbed, or regulated on the ground that he might be a corrupting and disturbing disseminator of false ideas and opinions has long ago vanished, and freedom has become established firmly in our policy and in that of other democratic communities.

The only restriction on the journalist is that of the law—statutory and common. He shall not commit libel with immunity from the law, which from the days of Andrew Hamilton and the Zenger trial has been so amended and construed that the broadest and most liberal interpretation must be made in libel suits.[1]

He cannot print indecent statements, because they violate statutory laws, and he cannot propagate advertisements or reading matter tending to promote illegal or illicit acts, etc.

If he commits offenses against good taste or violates other canons that are not specifically indictable, he must suffer at the hands of the public in the impaired value of his capital investment, and the disapproval of the community to whom he appeals for support. He does not and must not suffer at the hands of the Government.

Journalism has its defects; not infrequently its errors have been manifested. As one of the three persons who, in the last 50 years, have undertaken the unprofitable task of writing a history of American journalism, I feel I can speak on that subject with a certain amount of authority.

Whatever the defects and whatever the errors have been, they are the defects and the errors identical, almost, with those of a people endeavoring to develop popular institutions and to control their own government.

The horror with which the so-called upper classes viewed the introduction of the penny press in the early forties was the outcome of the natural protest of a superior social class, conscious of its caste, rebelling against the rise to power and social recognition of what were then described as the lower orders.

To interest the lower orders of "mechanics", as they were then sometimes referred to, it was necessary for the penny press to print matters that dealt with the life of the mechanic or laboring class, and to those who had more or less controlled journalism up to that time, this was an evidence of the vulgar decadence of American journalism.

That the leaders in this decadence were James Gordon Bennett, the elder, Benjamin H. Day, the founder of the New York Sun, and Horace Greeley, is evidence of the fact that in the disdain and contempt for the vulgar publications, appealing to the vulgar masses, the critics of this innovation lost track of the political significance of the social and journalistic revolution that had taken place.

PART II. RADIO

Thus we see that there has ever been in the history of journalism an interest in the public welfare and in the development and protection of democracy. It is this interest and the record of its accomplishments that account for the privileges that the "fourth estate" enjoys, for the fact that it is protected by the Constitution, and for the fact that the public has been ever alive to see that there is no curtailment of the rights and the privileges of the press.

This has been true despite the fact that journalism is a private enterprise, capitalized by individuals who pass on to the public no share of their financial profits, the public being quite content to receive in return for its support the benefits of developed news agencies, improved mechanical processes, and loyalty to the institutions of democracy. The large fortunes that have been made by individuals in journalism have rarely, if ever, been criticized as unearned. On the contrary, the American people have had a pride in the accomplishments of its great journals and journalists and have not only trusted them and followed them but voluntarily given them increased power and prestige.

Now, what is the public interest along similar lines in the matter of the radio?

Radio is a development in electrical science.

The existence of electromagnetic waves, by means of which radio broadcasting is accomplished, was predicted mathematically by Clerk Maxwell in 1864 and again in 1873. Practical experiments with these waves were first made by Heinrich Hertz in 1888, who showed that they were propagated through space in the same manner as waves of light.

The practicability of utilizing radio waves for communication was first demonstrated by Marconi in 1895, basing his work on the inventions and discoveries of numerous scientists, beginning with Savory in 1827 to his own time. Marconi used these waves at that time for signaling over distances of about 1 mile. As a result of Marconi's work the first commercial radiotelegraph company was established in 1897.

The first applications of radio to communication for commercial purposes were made by the maritime services. Until about the year 1922 nearly all ship and shore communication was conducted

[1] See History of Journalism in the United States, by George Henry Payne, pp. 48–58.



by spark transmitters operating on frequencies between 500 and 1,000 kilocycles.

The first experiments in broadcasting were made as early as the year 1916, after the invention of the vacuum tube by De Forest. These experiments led to the establishment of the first broadcasting stations in 1921, among the first being stations KDKA, East Pittsburgh, Pa., and WWJ, of the Detroit News. Many of the first broadcasting stations operating in about the year 1922 were owned by radio dealers or radio manufacturers. It was not long, however, before newspapers, educational and religious institutions, and department stores became interested, and consequently became owners of broadcasting stations.

The first interconnection of broadcasting stations by telephone wires for the simultaneous broadcasting of programs—forerunner of our chain networks of today—was made between stations in New York and Chicago in 1922. From this time on developments were so rapid that at the end of 4 years there were 550 stations operating in the United States, and the sale of radio apparatus had increased from a million dollars a year to a million dollars a day, over 200,000 men being employed in the industry.

Other high lights in the early history of broadcasting were the widening of the broadcast band to the frequencies from 550 to 1,500 kilocycles, and the provision thereby of 96 channels; the "wave jumping" episode, after the Fourth National Radio Conference in 1925, and the defeat of the Department of Commerce in the courts on the question of its authority to deny licenses and to enforce its frequency assignments, resulting finally in the enactment of the Radio Act of 1927 and the creation of the Federal Radio Commission. In 1934 came the Federal Communications Act of that year with the creation of the Federal Communications Commission.

The Federal Communications Commission has been established now 16 months. In that time it has had to meet many serious problems. One of the gravest of these has been the rising tide of criticism against the character of many of the programs on the air and the inability of those interested in cultural and educational programs to have any effect on the general situation. What I considered a most harmless speech at Cornell University last August was immediately seized on as an attack on the commercial interests. Far from having an animus in the matter, I had felt at the time that I was really making a contribution in their behalf by pointing out the danger of not meeting the criticisms of the educational forces. To show that this danger was a substantial one, I quoted from Mr. S. Howard Evans' very able report to Senator WHEELER on the broadcasting situation, a report that not only reviews the whole situation most severely but suggests reforms of a most drastic nature. In that address and in a previous one at Harvard I quoted Senator WHEELER's biting condemnation of the character of the programs that he himself was obliged to listen to, thereby indicating that the criticism of broadcasting came not only from college professors and other educators throughout the country, but from those who were in a position of power that would permit them to remedy those situations by legislation.

In all fairness to the actual leaders in broadcasting, I must say that no word of criticism came from them, but from the subordinates there was an amusing outburst at the idea that a Federal Communications Commissioner should assume to have any thoughts on the subject of reform.

I will not assume to talk for my colleagues, but for myself I will admit that I was astonished to find that there was such a misunderstanding as to what was going on in the public mind as to the attitude of the radio industry toward the public. That this misunderstanding was as much due to the old Radio Commission as to the industry itself is without question. Having gotten into the frame of mind that anything was acceptable to the public if it was accepted by the old Radio Commission, the broadcast industry seemed to have assumed that all they had to do, in view of the new and drastic law and the changed personnel, was to treat the new personnel as they had treated the old Commission and everything would be "jake."

To show how grievous was this mistake, let me quote from Mr. Evans' report to Senator WHEELER the very sharp statements that refer to the old conditions and the threatening attitude assumed toward the new Commission if it continues to follow in the footsteps of its predecessors.

"Somehow the Communications Commission has to accept responsibility for the kind of programs broadcast over stations which the Commission has in granting their licenses certified to be operating in the public interest. If the Commission cannot exercise this control through the requirement of standards, some other method must be found * * *.

"The big difficulty in getting our broadcasting system put upon a solid foundation is the fact that to date the Commission has refused to use boldly the authority with which it is vested by law. There has been the tendency to avoid criticism rather than to correct broadcasting * * *.

"Out of 40 frequencies set aside by the Commission for clear-channel service, 24 have as their dominant licensees stations which are affiliated with the National Broadcasting Co., 11 have as their dominant licensees stations affiliated with the Columbia Broadcasting System, and only 5 have independent stations as their chief licensees. All the high-power regional stations are affiliated with one or another of these two chains * * *.

"Advertisers are interested in selling goods and want entertainment only as it creates an audience to which they can address their patter. In some parts of the country, especially on small stations, they want no entertainment at all, insisting on the right to dish out direct sales talk and to quote prices * * *."

Now, it being granted that the radio does not fulfill the ideal we might expect, we must in all fairness present the other side of the picture.

This country is not inclined to accept the British system, where the radio is completely controlled by the Government, where no advertisements are permitted, and where the programs are supported by a tax on the radio sets.

Aside from the fear of political propaganda if we should have a Government-owned broadcasting system, we have the fact that under our system the commercial broadcasters have shown considerable energy and even at times imagination, and have produced some very able programs.

The American public is a generous public, a little childish at times in its delight over novelties, as one learns when one travels in Europe and sees one's countrymen in touring bodies making shrill sounds of delight over some ancient cathedral or architectural wonder; but whatever childish qualities they have, they are the qualities of the heart. They are willing to give credit where credit is due and to see that the other fellow gets the proper return for his labor, his ingenuity, and his inventions.

As I have said, I do not believe that our people would tolerate the British system, and with all the faults of the present system they would be loath to change it lest they do an injustice to those who are pioneers in the field.

But just as the American public is generous and almost childish in its appreciation of those who appeal to it, it can become angry when aroused, and the record of our people is that when they think they have been abused they are swift to punish.

If there is evident on the part of the broadcasters an intention to increase the educational and cultural qualities of the programs, if there is observable a desire to reform the advertising methods and inundations with which the public is afflicted, the present system will be maintained, I believe.

On the other hand, if there is an arrogant assumption of political power, if there is, instead of reform, increased lobbying activity, the indignation that now is unspoken, except by educators and publicists, will spread.

Now, when we come to the question of the political status of radio, it would not be necessary to go into any discussion of the subject were it not that the idea has been advanced that it is an independent political estate. The advocates of commercial broadcasting have gone so far as to declare that they constitute a "fifth estate"—a new political power in our Government.

The mistaken idea of a fifth estate would not be important were we not living in an age, due partly to the radio, where terms and nomenclature make the thought and ideation of so many people and where a wrong idea travels as fast as a right idea—again partly due to the radio; and where the wrong idea can be as easily fixed in the minds of the people as can the other.

The politics of our time is redolent with similar confusion. The etymological confusion on the part of the group that call themselves "grass rooters", denouncing another group as "radicals", is only equaled by the confusion of that historic gentleman—it is pleasant to remember his name, Sir Boyle Roche—who rose in Parliament and said:

"Mr. Speaker, I smell a rat; I see him brewing in the air; but, mark me, I shall yet nip him in the bud."

The suggestion to create a fifth estate of the radio broadcasters would, in view of its ignorance of our political and social development, be trivial if it were not for the fact that simultaneously with this suggestion there is in progress an obvious, practical, pragmatic endeavor on the part of those controlling commercial broadcasters to make the Federal Communications Commission a subservient instrument to commercial radio.

I realize that this is a very broad statement to make, but it is one that is borne out by the facts, and one that, at some other time, more appropriate and less crowded, I shall justify in detail.

I have respect for the heads of the large commercial concerns, but I cannot help feeling they are allowing their subordinates more latitude than is justified by these subordinates' judgment, knowledge, and experience in the difficult art of popular government.

It would at first blush seem unnecessary to go into the origin of these "estates" were not the misleading idea so broadly sown. Only the other day the distinguished editor of the Shreveport (La.) Journal asked:

"Evidently the gentleman" (meaning myself) "accepts the general definition of the press, although we have our doubts as to his ability to explain why it is so called or what constitutes the other three estates."

The fact and the very nomenclature of the estates grew out of the politicotheistic conception of the state.

The politico-theistic conception of the state of the medieval ages goes back to the ancient world, where the king not only had divine rights but was himself a divinity, or at least God's anointed. The king was the state. As Louis XIV said, "L'etat, c'est moi." It was a development politically and progress toward more representative government when the two estates, first, the clergy, and then the nobility, were recognized as having rights in government after the Lord's anointed.

The third estate rose first in France, but the movement was almost concurrent in England, where the Magna Carta (1215) "had sought to establish the supremacy of the aristocracy over the

king", but really led to the establishment of the third estate and the development of governmental power in the middle class.

To quote from Jeremy Bentham:

"Anno 1265 the man by whom the first germ was planted was Simon de Montfort, Earl of Leicester, a foreigner and a rebel. In this first call to the people there was no better nor steadier design than that of obtaining monetary support for rebellion. The practice of seeing and hearing deputies from the lower orders before money was attempted to be taken out of their pockets, having thus sprung up, in the next reign Edward the First saw his convenience in conforming to it.

"Henry the Sixth's was the first reign in which the commons had really a part in legislation. Till then they had no part in penning of any laws." [2]

The rise of the third estate in Europe definitely commenced about the middle of the eleventh century in those southern cities of France which, because of their proximity to Italy, maintained throughout the medieval ages some of the old Roman spirit of freedom and in some cases some of the old Roman culture.

The Teutonic invasion had brought into France the barons and overlords, and it was against these that the municipalities had to fight in order to maintain their freedom when the barons and the church had succeeded in reducing the power of the King.

Following the Merovingians there developed a King with real power, and to him the citizens of the cities appealed for protection against the feudal barons. It was to his interest to see that the citizens—the third estate—did have freedom and become a political and social power in order that he could use them to keep down the barons and the clerics constituting the first and second estates.

So it was that the bourgeoisie of the cities who, not because they wanted political power but because they wanted protection against the oppression of the second estate, made the beginnings of the third estate, the commonalty, the House of Commons, as it was called later in England, and eventually the government "of, by, and for the people" of the United States.

I have reviewed the rise of the press, the fourth estate, as Burke called it for the first time, when he said, according to Carlyle, that there were three estates in Parliament, "but in the reporters' gallery there sat a fourth estate, more important far than they all."

Now, then, what are the differences between this fourth estate of Burke and the fifth estate of the commercial broadcasting propagandists?

If a person has grievances that he thinks should be communicated to the public, he is at liberty, if he possesses the resources, to publish a paper anywhere in the country, even in the smallest hamlet, in order to disseminate his views. A similar course is absolutely impossible in the case of radio broadcasting. There are only 90 channels in this country over which broadcasting may be done. On these channels there are altogether 629 broadcasting stations, the great majority of which are limited in power and range, reaching only the people within a comparatively short distance from the stations. As it is, from an engineering point of view, this country already has a great many more stations than good service justifies. It is plain that a person cannot open a station of his own in the same manner that he can publish a newspaper of his own in order to communicate his views, no matter how valid and necessary the information which he wishes to convey to the public may be. Nature has limited the number of waves that can be used for broadcasting. Nature has placed practically no limit upon the number of newspapers that can be published.

It is interesting to note that there are only 26 broadcasting stations in Germany, 25 in France, 15 in Great Britain, 15 in Italy, and that the entire of Europe (parts of Asia included) has only 357 stations, but that even this small number of stations, qualified engineers say, is far in excess of the number that may be operated without interference.

The technical restrictions on radio affect its application so greatly that it is a radically different instrument from the newspaper, and it must be rated by a different set of values.

I have discussed this problem with one thought in mind—the upholding and development of our democracy. Despite the various doubters—the exponents of fascism on one hand, and the advocates of communism on the other hand—our democracy will, I believe, go thrivingly on its way, not because of the inherent virtue or ability of our people, which I am not inclined here at this time to deny or assert, but because at the crucial moment in our national development we took the course that was in accord with the highest principle of political evolution and modern ethics—the rule that governments must tend toward the greatest good for the greatest number, the belief that "a government holds power only by its capacity to serve the people's needs." [3]

No step in that development was more important than the doctrine of a free press. It will survive; and as long as it does, there will survive a free democracy.

INDEPENDENT OFFICES APPROPRIATION BILL, 1937

Mr. WOODRUM, from the Committee on Appropriations, reported the bill (H. R. 9863, Rept. No. 1909) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1937, and for other purposes, which was read the first and second time, and, together with the accompanying report, referred to the Committee of the Whole House on the state of the Union, and ordered printed.

Mr. WIGGLESWORTH reserved all points of order on the bill.

[2] Works, Jeremy Bentham, vol. 12, p. 444.

[3] L. T. Hobhouse, Morals in Evolution, p. 67.

THE DECISION OF 1936

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include a radio address delivered by the gentleman from Ohio [Mr. MARSHALL].

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DONDERO. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address by Hon. L. T. MARSHALL, of Ohio, from Washington, D. C., January 6, 1936:

The year 1936 is before us. For 2 years and 10 months the Government of our Nation has been under the unprecedented control of the administration in power in Washington. This year, 1936, will be a most eventful year in the history of our country.

In only a few months our citizens will at the ballot box give expression of either approval or disapproval of the policies of the present administration. Never before has there been such interest as is now manifested by an aroused people. The decision to be rendered this fall will be one of the most important and far-reaching decisions ever made by the American people. It will determine whether or not our Government is to continue as it has for a century and a half as a government of the people, by the people, and for the people. This decision will determine whether representative government under the Constitution will be preserved and passed on as a heritage to our children, or there shall be substituted in its stead a government of men rather than of law, with all power centered in the Federal Government at Washington, to be administered by a few bureaucrats, none of whom will be chosen by the people whom they assume to rule.

If our forefathers, those patriots who met in Philadelphia in 1787 and after months of striving brought forth our Constitution, giving to us a form of government that has been the envy of all the rest of the world, were to come back to earth, they would be shocked to witness the vicious onslaught on their handiwork by this present administration.

One cannot express the humiliation that would be theirs to observe the misuse of the taxing power given to Congress by the Constitution, not to raise revenue, but to control the amount of cotton and tobacco that may be sold by the farmers of our land, by the levying of a tax of one-half the selling price on all in excess of the quota assigned each farmer. The final blow to them would be to learn that by the misuse of this same power we now have a law carrying a penalty of fine and imprisonment for both the buyer and seller of the lowly "spud" unless sold in a Government-prescribed container and bearing a stamp as evidence that this transaction is within the law. The tax under this law is 45 cents a bushel. This measure affecting the economic welfare of every household in America was forced through the House of Representatives with just 1 hour of debate. In the light of the decision of the Supreme Court this afternoon these measures will be invalidated.

The abiding fear in the minds of the citizens at the time of the adoption of our Constitution was that too much authority had been given to the Federal Government, and as a result the 10 amendments now known as the Bill of Rights were submitted by the First Congress and promptly ratified by the States. Therein is guaranteed to the most humble citizen his security of both person and property. The tenth amendment reserves to each State and the citizens thereof every authority not specifically granted to the Congress. I wonder what the framers of our Government would think of the present centralization of power in Washington?

The sponsors of the New Deal would give to Congress unlimited authority to legislate on any and all subjects but in the manner they choose. My observation of Congress, both before and since becoming a Member, leads me to believe that the rights of the individual are only safe under the protection of the Constitution rather than at the hands of an ever changing Congress.

There is now pending in Congress a resolution to amend the Constitution by granting almost unlimited power to Congress to legislate on all subjects and to regulate the everyday activity of our citizens. Men and women of America, it is time to be aroused on this question. It was Hitler who said that "through propaganda a people can be made to believe * * * the most miserable existence is a paradise."

If there is anything for which this administration is outstanding, it is for the extent of its propaganda. Almost every department of Government is infested with high-salaried and able writers who have been called in from private enterprise and whose sole job is to sell the socialistic activities of this administration to citizens of the country under the promise of a more abundant life.

No administration ever had as fair a chance or so nearly unanimous and whole-hearted cooperation on every hand as did the present one for many months following March 4, 1933. The men and women of America in all walks of life were charmed with the

pleasing personality of the one whom they had chosen for their leader. They accepted his promises at face value as he declared at Chicago he accepted the platform just adopted 100 percent. Little did an unsuspecting and trustful people then know what was in store for them. How many of them who gave him their full confidence would have supported him had they known what his program was to be? He spoke in glowing terms and convincing manner of the New Deal. We did not know the New Deal meant the adoption and writing into law of 12 planks of the Socialist platform and the repudiation of all but one of the planks in the platform to which he so solemnly and apparently sincerely pledged allegiance in his acceptance speech at Chicago.

We did not know when he promised to cut the operating expense of Government 25 percent that he was going to launch this country on the greatest spending spree ever witnessed by any nation in time of peace. We did not know that he would inveigle a rubber-stamp New-Deal Congress into appropriating as much money within a period of two and a half years as was spent by all administrations from George Washington to Woodrow Wilson.

The President seems to meet the criticism of this vast debt that has been and is being piled higher and higher in his usual jovial and jesting manner. In his recent speech at Atlanta he stated that he was informed early in his administration by bankers that our country could stand an indebtedness of $70,000,000,000, but the search for these bankers goes merrily on. If the President is not alarmed by the magnitude of our debt, the same cannot be said of the taxpayers of the country. Who is the taxpayer? Every one of you who is listening in tonight, and each and every other person in the United States whether or not he or she owns any taxable property. Taxes are reflected in and add to the cost of each and every article you buy, whether it be food, raiment, or shelter, or whatever it may be. It has been pointed out that from the time the wheat is harvested, in its journey from the field to the table in the home in the form of bread, there have been collected some 53 different taxes, all of which contribute to the final cost thereof. The laborer, out of his weekly wage, contributes about one-fifth of his pay to the cost of Government. With just so much money to spend as you increase the amount that goes to taxes, you in direct proportion reduce the amount of merchandise bought. It is thus self-evident that increased taxes mean smaller consumption resulting in lessened business activity and fewer jobs, increased unemployment, and more people on relief, which in turn means more taxes. A continuation of such a program simply leads from bad to worse. I do not wish to be understood as opposed to relief, but the manner in which relief has been administered has more than doubled the necessary cost. It seems that this administration under the guidance of the master politician of Tammany fame could not resist the opportunity to perpetuate itself in office by building a vast political organization to furnish relief direct from Washington. It is needless to point out to you the waste and extravagance of this program that is observed by all on every hand.

Projects involving the expenditure of millions are apparent in many places, many of which projects are not dictated by good judgment and which can be of no lasting benefit. The problem of unemployment is a most serious one and will require in its solution all the initiative of private industry with the help of a friendly Government. Yet we observe this administration seeking to stir up public prejudice against business. They would have you believe all private industry is crooked, apparently paving the way to supplant it with Government owned and operated enterprise, thus creating more bureaus and more taxes to support them. This threatening attitude by the administration has retarded recovery.

We did not know that legislation vitally affecting all business activity in our country and the mode of life of the individual citizen would be written in advance of the session of the Congress by a group of smart college intellectuals without any practical experience and who know not what it means to earn a dollar by the sweat of their brow. And that this legislation would be forced by the power of the Chief Executive through a subservient Congress of "yes men", with little or no consideration either in committee or on the floor of the Congress, with the minority party thwarted by a gag rule which prevented even the offering of an amendment.

The President frankly stated that much of his program was experimental and that he would be the first to admit its failure, and yet we observe the following: After the National Recovery Act had proved itself a failure in the calm judgment of a large majority of our citizens and the codes written under its authority had become repulsive to liberty-loving Americans (as, for example, the arrest of a tailor for charging 5 cents less than the price fixed by the code for pressing a pair of pants), and after the Supreme Court by unanimous decision had held the act unconstitutional, the President said this decision took us back to the horse-and-buggy days. None of the dire things predicted by the President following this decision have happened. On the other hand, this decision has proved the most beneficial event since the inauguration of the New Deal. It was notice to the world that one branch of our Government still functions on its own power. It gave to businessmen that spark of courage to believe that they still have some protection from the restrictive and punitive legislation that has retarded recovery under this administration. As a result private industry has gone forward and business has shown an improvement.

There are those in high places in this administration who advocate taking from the Supreme Court the authority to pass upon the constitutionality of a law passed by the Congress. When this condition comes to pass, the President can force through a spineless Congress such legislation as he desires, with the result that we have set up a complete and perfect dictatorship in America comparable to that in Italy, Germany, and Russia.

In the early days of this administration few dared to publicly criticize or point out the unsoundness of many of its policies. To do so was branded as unpatriotic. Sufficient time has now elapsed for the people to understand the program and to know where it is leading us. It has been weighed and found wanting. It has failed to stand up under the calm judgment of the American people. It has failed not because of propaganda against it but in spite of all the propaganda in its behalf from the pen of the best propagandists paid with the taxpayers' money. This propaganda is broadcasted throughout the Nation by the use of the United States mail, also at the taxpayers' expense. Every test of public opinion now shows an overwhelming trend away from the New Deal, including the poll now being taken by the Literary Digest. Supporters of the administration would like to discount the accuracy of the poll, but I well remember that the poll taken by this magazine in 1934, which showed the President's continued popularity, received their hearty applause. The latest report is that an attempt will be made in the present session to bar these ballots from the mails.

I have refrained from any criticism of the Democratic Party in this discussion for the reason that the administration in power is not a Democratic administration, and thousands of patriotic, liberty-loving Democrats will join with us in a decision to restore representative government in America.

THE SUPREME COURT AND THE A. A. A.

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my remarks on the Supreme Court and the A. A. A.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, again it has been demonstrated beyond cavil or question that the Supreme Court of the United States is the last bulwark of reaction.

If there were any who cherished the hope that the high tribunal might change the current conception of its reactionary character by an occasional decision friendly to social-welfare legislation, their illusions must have been completely shattered by the ruling regarding the Agricultural Adjustment Act. Once more we have conclusive evidence that in a crucial case the Supreme Court may generally be depended upon to hand down an opinion helpful to predatory privilege and hostile to the common man.

It is evident from the Court's decision that there is very little, if anything, left for the farmers and producers any time a question of constitutionality affecting their interests comes before that tribunal. Almost invariably they get adverse decisions like this latest one. It is impossible to visualize the ultimate effect of the nullification of the A. A. A. and its benefits to the agricultural class if these benefits should actually cease through the ruling of the Supreme Court. To say the least, the effect would be disastrous.

It seems that legislative minds are usually ahead of judicial minds. This has been proved in other cases that have come before the Supreme Court when it declared measures unconstitutional, and after a period of years had intervened, reversed itself and discovered the same measures to be constitutional. If we were willing to let millions of American farmers starve in the interim, probably the Supreme Court could be counted upon 5 or 10 years from now to turn a judicial somersault and announce that the Agricultural Adjustment Act and similar statutes are in accord with the basic law to the most minute detail.

It happens, however, that we who are committed to a genuine New Deal for the masses and who do not intend to permit humanitarian measures to be thwarted by cunning legal processes and high-sounding phrases are not willing to consent to a 5- or 10-year starvation period.

As for my part, I am willing to stay here in Washington until next September, or longer if necessary to do so, in order to obtain justice for our farmers and workers. In my judgment, it is time to establish the truth of the statement of Justices Stone, Brandeis, and Cardoza in their minority opinion that "the courts are not the only agency of government that must be assumed to have capacity to govern." It is also time to terminate the state of affairs described in the words of Gov. Charles E. Hughes, of New York, some years ago—words that Supreme Court Justice Charles E. Hughes probably wishes had not been uttered—when he said:

We are under a Constitution, but the Constitution is what the judges say it is.

Never has the ringing answer of Abraham Lincoln to the Dred Scott decision been more appropriate as a guiding principle for the masses of the country than today. Lincoln said then what the forces of social justice in the United States may well assert now with respect to the Supreme Court's decisions concerning the Frazier-Lemke Act, the N. R. A., and the A. A. A.:

My answer: Somebody has to reverse that decision, and we mean to reverse it. If the policy of the Government upon vital questions affecting the whole people is to be irrevocably fixed by decisions of the Supreme Court, * * * in ordinary litigation between parties in personal actions, the people will have ceased to be their own rulers, having to that extent practically resigned their Government into the hands of that eminent tribunal.

Or we may quote from another outstanding President, Theodore Roosevelt, who made this vigorous pronouncement of popular rights:

I do speak. Let the people recall the decision. The highest right of a free people is the right to make their own laws; and this right does not exist if under the pretense of interpretations an outside body can nullify the laws. I hold that the people should say finally whether these decisions are or are not to stand as the laws of the land.

As I have frequently stated on other occasions, the point at issue in considering decisions of the Supreme Court such as those dealing with the A. A. A., the N. R. A., and the Frazier-Lemke law, is not the virtue or value—or lack of them—of these statutes, but the arrogant use of unauthorized power to block any legislation regulating big business. It is not because the laws enacted under the New Deal have been stringent that predatory wealth is so gleeful when the Supreme Court rules that they are unconstitutional. It is because predatory wealth does not want to submit to any regulation, severe or mild, because it wants to be above all law, because it wants to maintain at all times, without any restraint, or even the slightest suggestion of possible future restraint, its financial and industrial dictatorship, that these decisions are so welcome.

Back of all of these reactionary court rulings is the basic question of whether Congress may enact legislation intended to lessen or abolish poverty without having its will thwarted by technicalities invoked by an oligarchy of "untouchables" beyond governmental reach and utterly indifferent to human rights.

The war is on between democracy and plutocracy. It must be fought out to the finish.

NEUTRALITY THE ALL-IMPORTANT ISSUE

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my remarks on the question of neutrality, the all-important issue.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, the most important issue that confronts Congress is that of neutrality. Other questions sink into comparative insignificance beside that of keeping the flower of American manhood from being sacrificed in another barbarous and brutal international butchery.

It is my sincere hope that satisfactory common ground may be found whereby the President, the State Department, Senators NYE and CLARK, Representative MAVERICK, the National Peace Conference, the National Council for Prevention of War, both Houses of Congress, and all groups seeking to avoid American participation in another world conflict, may agree on neutrality legislation.

I am emphatically in favor of a permanent mandatory ban on shipments of arms, ammunition, and implements of war to any warring country; on loans to belligerents; and on transportation by American ships of any article whatever to belligerents or to neutral nations for reshipment to belligerents. I am likewise strongly in favor of laying down the principle that our citizens who want to travel in war zones must do so at their own risk.

With utmost confidence in the great humanitarian who is our President today, I am keenly aware, however, of the danger of permitting future Executives to exercise discretionary power with respect to embargoes. While I trust that we are so clearly committed to policies of peace and social justice that no Chief Magistrate in times to come would ever violate the spirit of a less stringent neutrality law, and, by discriminating between fighting governments, indirectly lead us into war, I am not willing to take chances. The risk is too great. The lessons of the past are too terrible.

The proposal to include cotton, copper, scrap iron, and similar commodities under the caption of "Implements of war" is a logical one. There is hardly a commodity of any kind which does not become an implement of war when nations are engaged in hostilities. To attempt to draw fine distinctions, selling belligerents articles that seem harmless and refusing to sell those that are obviously of military usefulness, is out of the question. It is impossible to tell how much or how little any salable goods may or may not contribute to waging warfare. The only safe and sure way out of the dilemma is to sell nothing whatever to any nation at war. By supplementing this with a rule prohibiting our ships from transporting any article, whether on the embargo list or not, to warring countries or to neutral countries to be reshipped to those at war, we shall make our neutrality regulations about as nearly airtight and foolproof as we possibly can.

The embargo on flotation of loans in this country by any belligerent is all-important and cannot be stressed too strongly. Back of war there are almost invariably commercial and financial interests and motives. These interests and motives must be held in a grip of iron by our Government if we are to save America from again being dragged into a festival of slaughter.

While the Government's neutrality policy to date with respect to the Italo-Ethiopian conflict is most commendable, we must not allow ourselves to be lulled to sleep by false optimism. It is altogether too easy to assume that we are safely isolated and in no peril of being swept into the war current. As a matter of fact, few of us in the early stages of the World War ever dreamed that the United States would become involved in it. All of us know now that it was only when American bankers' loans to the Allies were jeopardized by repeated German successes that this country declared war against the Central Powers. All of us remember also the widespread cunning and treacherous campaign of lies, half lies, distortions of facts, and subtle insinuations that served to inflame the public mind and whip people into a fury.

Hardly a sane man or woman will hesitate to admit that war is horrible, wasteful, sordid, and utterly indefensible, except in rare and isolated instances. We admitted all that two decades ago. Yet we permitted ourselves to be hypnotized by phrases and tales emanating from munitions makers, money lenders, and their agents. And all of us know what a nightmare of suffering followed.

Even before the United States entered the World War, Senator Robert M. La Follette, Sr., in a speech on the floor of the body of which he was a Member, appealed for organized effort so that "never again after this conflict has ceased shall the autocratic heads of European governments have it in their power, through secret diplomacy, to bring on such another world catastrophe."

The ideal for which Wisconsin's great statesman so bravely battled nearly 20 years ago, and in defense of which he was so shamefully slandered, should be our ideal as the second session of the Seventy-fourth Congress begins its labors.

To the question which constitutes the title of the splendid book on the World War, published some years ago by John Kenneth Turner—"Shall It Be Again?"—there should and must be but one answer—the uncompromising "No" of the united American people.

THE SUPREME COURT AND THE T. V. A.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include

therein some short quotations from the report of the Army engineers of the War Department.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANKIN. Mr. Speaker, the Supreme Court of the United States is asked by the selfish power interests to declare the T. V. A. Act unconstitutional because it authorizes the Government through the T. V. A. to sell at wholesale the surplus power generated in the Tennessee River and to build transmission lines over which it is to be transmitted to the purchaser.

Of course, there can be nothing in the Constitution itself dealing with electric power as such, for the reason that it never came into use until more than 90 years after the Constitution was adopted. It came into use with the invention of the electric light by Thomas A. Edison, about 1880, which invention also gave us the spark to fire the gas that makes the motor machine possible. That invention made possible the automobile, the airplane, the submarine, the X-ray, the radio, and all that great multiplicity of electrical appliances by the use and operation of which this power is to be consumed. It made possible this electric age.

Strange as it may seem, every one of the present members of the Supreme Court was born, and a majority of them had graduated from college, before the electric light was ever invented, the use of electric power as such was ever developed, or its existence as such was even known.

At that time the most learned men of our country were ignorantly oblivious of those hundreds of millions of dollars' worth of electric energy then going to waste in the waters of our navigable streams.

It reminds us of a chapter from Gulliver's Travels to witness the feeble efforts of these Brobdingnagian lawyers trying to convince the Supreme Court of the United States that because the Constitution does not expressly give Congress the right to deal with electric power, which the framers of that document did not even know existed at that time, then any attempt on the part of Congress to deal with this great natural resource so as to make it possible for the American people to use it violates the Constitution and is therefore null and void.

Their contention is that, while we own this great wealth of electric energy in our navigable streams—a wealth that exceeds any other natural resource we possess, outside of the soil from which we live—yet we cannot generate and dispose of that power because it is not so nominated in the Constitution.

The logic of their argument is that because the Constitution fails to clothe the Congress with the expressed authority to deal with a commodity that was not known to exist at the time the Constitution was written, this great wealth, which has now become one of the necessities of life, must be permitted to run waste and wanton to the sea.

It was not the intention of the framers of the Constitution that it should be understood by only a few corporation lawyers. That document was written for the government of all the American people.

The two ablest, wisest, and greatest men in the Constitutional Convention were not lawyers—George Washington and Benjamin Franklin. They were writing a document for the guidance and government of generations yet to come. They realized their inability to foresee all the contingencies that might arise, and wrote the welfare clause into the Constitution along with the rest, from all of which Congress derives certain implied powers, without which this Government would hardly be able to function.

Among those implied powers, which everyone concedes, and which even the attorneys for the power companies admitted in their oral argument before the Supreme Court, is the power to improve navigation and to provide for flood control on these navigable streams. That power is not even questioned by anyone, but is admitted by all.

In the exercise of those implied powers, the Government has built these high dams on the Tennessee River. The water falling over those dams, if properly used, will generate hundreds of thousands of horsepower of electric energy, much of which is needed by the Government itself to carry on the work of improving navigation, providing for the national defense, and so forth.

Will anyone, except a Power Trust lawyer, contend that the Government does not have the implied power to install machinery and generate this power that would otherwise go to waste?

Most assuredly not. Such a contention would be too absurd for serious consideration. This power is inextricably interwoven with the flow of the stream and must either be generated by the Government at these dams or be forever lost.

Now, since the Government has installed this machinery, and is generating more power than it needs, it surely has the right to dispose of the surplus. Having the right to dispose of this surplus power it certainly has the implied power to provide the means for disposing of it—building lines, installing transformers, and so forth.

Can it be said that the Government has the right to generate and dispose of this power, but does not have the right to transmit it? That is exactly what the Power Trust is trying to get the Supreme Court to say.

They admit that the Government has the right to generate and sell this power, provided it sells it to them at their own price. But they deny the right of the Government to build a transmission line to sell it to anyone else. That would be unconstitutional, according to their argument.

The implied right or power to generate and sell this electricity necessarily carries with it the implied power to build transmission lines or do whatever else is necessary, within legal bounds, to dispose of this power.

Prior to the passage of the T. V. A. Act this same power concern that now brings this suit—under a flimsy disguise that deceives no one—this same power concern was buying this electricity at 2 mills a kilowatt-hour and selling it to the domestic consumers within 1 mile of the dam at 10 cents a kilowatt-hour, or a profit of 4,800 percent.

Of course, that was constitutional, according to their paid attorneys who are now attempting to have the T. V. A. Act set aside.

The power company paid the sum of $2 for 1,000 kilowatt-hours of electric energy and sold it to a domestic consumer for $66.10, provided one consumer bought the entire 1,000 kilowatt-hours. But at that time the average domestic monthly consumption in that area was 30 kilowatt-hours. For that 1,000 kilowatt-hours for which this company paid the Government the sum of $2 these small consumers paid $300, or a difference of $298.

Of course, buying this 1,000 kilowatt-hours of power for $2 and selling it to these helpless consumers for $300 was entirely constitutional according to these attorneys for the Power Trust.

They were not robbing the Government; they were robbing the consumers. They want to go back to it. That is what this lawsuit is about. The people are about to escape from such bondage. That 1,000 kilowatt-hours which the power company purchased for $2 and sold to 1 consumer for $66.10 or to 30 consumers for $300 may now be purchased by 1 consumer for $8.90 or distributed among 30 consumers for $30 without loss to the Government. But, of course, that is unconstitutional according to these Power Trust lawyers.

Remember the T. V. A. is not selling this power at retail, but is selling it wholesale to various municipalities, and they are retailing it to their consumers at these rates.

Remember the Government was not selling this power below the cost of production when delivering it to the power company at 2 mills a kilowatt-hour. The Government was really making a profit of more than one-half a mill per kilowatt-hour.

The report of the Chief of Army Engineers which was submitted to Congress by Hon. Patrick J. Hurley, Secretary of War, on March 24, 1930, shows what it costs to produce and transmit this power. In part I of that report, House Docu-

ment No. 328, Seventy-first Congress, second session, at page 530, we find the following statement with reference to the cost of generating and distributing this power:

The sales prices for Wilson Dam power necessary to obtain in order to pay 4 percent on the investment in plant and transmission lines and to cover the cost of operation and maintenance (indefinitely) of these are based upon the known cost of the hydro plant to date, a careful estimate of additional installation at costs of the present installation, and upon estimates of the cost of transmission lines and of operation, depreciation, etc. It is seen, therefore, that these prices are based largely upon known costs, and that an error in the items estimated would affect the sales prices but little. The hydro prices, reduced to mills per kilowatt-hour, would be as follows:

	Mills per kilowatt-hour
At the switchboard	1.352
Transmitted—	
100 miles	1.993
200 miles	2.310
250 miles	2.467
300 miles	2.625
350 miles	2.775

If it be thought necessary to add 20 percent to the hydro prices in order to be on the safe side, the cost of prime power to the purchaser would be increased only 8.8 percent at a distance of 350 miles and 7.6 percent at a distance of 100 miles, and the prime power costs would be as follows with Wilson Dam power transmitted:

Transmitted—	*Mills per kilowatt-hour*
100 miles	3.893
200 miles	4.134
250 miles	4.268
300 miles	4.402
350 miles	4.531

These would still be very tempting prices, and especially tempting to companies depending upon steam power; and if these costs were increased 10 percent the power would still be salable. And, referring to chart II, appendix G, section C, it will be seen that a circle having a radius of 350 miles passes through Dayton, Ohio, falls a few miles short of Indianapolis, Ind., Springfield, Ill., Springfield, Mo., Alexandria and New Orleans, La., Tallahassee, Fla., and Williamson, W. Va. Less than the west half of this circle will afford a market for all the power that can be produced at Wilson Dam.

In other words, taking into consideration every single element of cost, this power could be delivered at the switchboard for 1.352 mills per kilowatt-hour and could be delivered 350 miles away at Dayton, Ohio, for instance, at 4.531 mills, or less than half a cent a kilowatt-hour.

This report of the Army engineers, at the bottom of page 531, further says:

The next step is to estimate the transmission costs, including line losses of the hydro power. To supply the prospective market under consideration it is estimated that the average transmission distance would be 250 miles, and, based upon transmission-cost data worked up in the Nashville office, a copy of which constitutes a part of appendix G, section C, of this report, this would be 1.118 mills per kilowatt-hour, including line losses.

Having the average cost of hydro power at the switchboard and the average cost of transmission over the average distance, 1,358 plus 1.118 equals 2.470 mills per kilowatt-hour, equals the average cost of the hydrc power delivered at an average distance of 250 miles.

Thus it will be seen that this power can be generated and transmitted 250 miles—according to this unbiased report of the Army engineers—for 2.47 mills a kilowatt-hour, after taking into consideration every single element of cost.

Yet the power company was buying this power at 2 mills a kilowatt-hour and selling it to the domestic consumers in Alabama, Tennessee, and Mississippi at the exorbitant rates above mentioned.

Here are the rates in effect in that section of the country prior to the passage of the Muscle Shoals bill. These were the average rates. I take them from the book called "N. E. L. A.", the National Electric Light Association, which has been referred to before as the "prayer book of the Power Trust." The National Electric Light Association has been succeeded by the Edison Electric Institute. Compare them with the T. V. A. rates which I am placing in a parallel column.

These are the published rates to the domestic consumers that were in effect prior to the time the T. V. A. bill was passed:

	Former power company rates	Tennessee Valley Authority rates
10 cents per kilowatt-hour first 30 kilowatt-hours	$3.00	$0.90
8 cents per kilowatt-hour next 170 kilowatt-hours	13.60	3.60
7 cents per kilowatt-hour next 300 kilowatt-hours	21.00	2.40
6 cents per kilowatt-hour next 350 kilowatt-hours	21.00	1.40
5 cents per kilowatt-hour next 150 kilowatt-hours	7.50	.60
1,000 kilowatt-hours	6.10	.90

For $8.90, under the T. V. A. rates, a householder now gets 1,000 kilowatt-hours a month, which would have cost him $66.10 under the power-company rates in effect at the time the Muscle Shoals bill was passed.

Although that 1,000 kilowatt-hours was costing the power company only $2 at the switchboard, yet the cost of it to one consumer was $66.10, and when distributed among 30 domestic consumers it cost them $300.

It seems to have been entirely constitutional, in the opinion of the attorneys for the power companies, for the Government to sell them the power and permit them to extort money from the helpless consumers through these outrageous rates; but when it comes to the T. V. A. selling this power wholesale to municipalities, such as Tupelo, Corinth, Athens, or Pulaski, for them to retail to the people at reasonable rates, above quoted, then the transaction becomes unconstitutional.

The attorneys for the power companies told the Supreme Court in their oral argument that there was a surplus of power in that area and that there was no market for additional power.

That was one of the most flagrant misrepresentations I have ever heard. The facts are that, even at the present time, the rates are so high that the people who patronize those power companies use, on an average less than 50 kilowatt-hours a month, while the ones enjoying the T. V. A. rates use 125 kilowatt-hours a month.

But the worst part of it is that a vast majority of the people in that area were then, and are now, denied the use of any electricity at all. The record shows that only one family out of seven in the State of Alabama enjoyed the use of any electricity at all, and only about 1 farmer out of 20 even had electric lights in his home. A similar situation existed in Tennessee, and a worse one in Mississippi. Only one family out of seven even had electric lights in Mississippi at the time the T. V. A. was created, and I dare say there was not 1 farmer out of 50 that enjoyed the use of any electricity at all at that time.

Now, when the T. V. A. is making it possible for those people to use this great God-given natural resource, this grasping outfit comes and attempts to mislead the Supreme Court, and asks that august tribunal to stultify itself by declaring the T. V. A. Act unconstitutional, and thereby shut the door of hope in the faces of the overburdened consumers of electric lights and power.

Will the Supreme Court say that this vast wealth of hydroelectric power in this stream must be permitted to run wasted to the sea while millions of our people are in need of it merely because the express power to generate it was not given by the Constitution, which was written 90 years before the use of electric power was ever known?

Or, conceding the right to generate this power, will the Supreme Court hold, in effect, that having generated this power, the Government cannot dispose of it?

Admitting that the Government has the right to generate and dispose of this surplus power, will the Supreme Court hold that it does not have the right to build the transmission lines necessary to carry it to the point of delivery, but must sell it at the place produced where the only purchaser is the very power concern behind this suit?

Will the Supreme Court of the United States hold that the Government must either let this wealth of power go to waste, or else deliver it to the Power Trust for them to rob and

plunder the ultimate consumers through exorbitant light and power rates?

Will they thus set aside the progress that has been made toward reducing light and power rates to a point that enables the American people to enjoy the benefits of this great natural resource?

Will they thus shut the door of hope in the faces of the distressed farmers of this country, who have heretofore been denied the use of any electricity at all, but who are now being supplied with T. V. A. power through their local power associations or municipalities?

Will the Supreme Court of the United States thus blast the hopes of the toiling women of this country, to whom cheap electricity is the greatest blessing they have ever known, strike the light from the homes, and hope from the hearts of the mothers who do the work, keep the homes, and rear the children of this country?

Will those nine men turn these mothers back into the dark, or drive them back to the washtub and the scrubboard, in order to gratify the cupidity of the Power Trust and enable them to continue to wring from the American consumers $1,000,000,000 a year in overcharges for electric lights and power?

Shades of George Washington, Benjamin Franklin, and Thomas A. Edison! May your immortal spirits whisper to the Supreme Court as they consider this great question that affects the happiness and well-being of the American people for all time to come!

PRIVATE CALENDAR

The SPEAKER. The Clerk will call the first bill on the Private Calendar.

ESTATE OF BENJAMIN A. PILLSBURY

The Clerk called the first bill on the Private Calendar, H. R. 7821, for the relief of the estate of Benjamin A. Pillsbury (William J. Pillsbury, executor).

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COSTELLO and Mr. CLARK of Idaho objected, and the bill, under the rule, was recommitted to the Committee on War Claims.

HELEN MAHAR JOHNSON

The Clerk called the next bill, H. R. 8220, for the relief of Helen Mahar Johnson.

The SPEAKER. Is there objection?

Mr. HOPE. Mr. Speaker, I object.

The SPEAKER. Two objections are required. Is there further objection?

There was no further objection.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Helen Mahar Johnson, of Gilboa, N. Y., the remarried widow of James P. Mahar, the sum of $5,000 in full satisfaction of any and all claims of the estate of James P. Mahar for United States Government life-insurance benefits under policy no. K-812772.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RODMAN CHEMICAL CO.

The Clerk called the next business, H. J. Res. 223, conferring upon the Court of Claims jurisdiction of the claim of the Rodman Chemical Co. against the United States.

There being no objection, the Clerk read as follows:

Resolved, etc., That jurisdiction is hereby conferred on the Court of Claims to hear, determine, and render judgment upon the claim of the Rodman Chemical Co., a corporation organized under the laws of Pennsylvania, for compensation for the use by the United States, prior to the issuance of letters patent therefor, of the process invented by Hugh Rodman for making activated carbon, for which letters patent have subsequently been issued to such corporation, the assignee of such inventor, notwithstanding no order to keep such invention secret was issued by the Commissioner of Patents as provided in the act entitled "An act to prevent the publication of inventions by the grant of patents that might be detrimental to the public safety or convey useful information to the enemy, to stimulate invention, and provide adequate protection to owners of patents, and for other purposes", approved October 6, 1917.

SEC. 2. In any such suit the said Rodman Chemical Co. shall be entitled to recover reasonable compensation for such use to the same extent as if prior to such use an order had been issued by the Commissioner of Patents as provided in such act, and such compensation shall begin from the date of such use by the United States; and the transcript of record in Interference Proceeding No. 46630 between John C. Woodruff, appellant, against Hugh Rodman, Court of Appeals, District of Columbia, April term, 1925, Patent Appeal Docket No. 1815, shall be competent and admissible evidence before the Court of Claims on the issue of the use by the United States of said invention.

SEC. 3. Suit may be instituted as provided in this joint resolution at any time within 1 year after the date of its enactment, notwithstanding the lapse of time or any statute of limitations. Proceedings in such suit, and appeals from, and payment of, any judgment therein shall be had in the same manner as in the case of claims over which the Court of Claims has jurisdiction under section 145 of the Judicial Code, as amended.

With the following committee amendment:

Page 3, line 7, insert a new section, as follows:

"SEC. 4. In any such suit the Government has a right to avail itself to any and all defenses, general or special, which might be pleaded by a defendant in an action for infringement as set forth in Title 60 of the Revised Statutes, or otherwise."

The committee amendment was agreed to.

The resolution as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADJUSTED-SERVICE CERTIFICATES

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file a report from the Committee on Ways and Means relative to the payment of the adjusted-service certificates.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. RANKIN. Reserving the right to object, and I shall not object, I should like to ask the gentleman from North Carolina when we may expect that bill to be taken up for consideration in the House?

Mr. DOUGHTON. Just as early as we can do it under the parliamentary procedure. We hope to get it up by Thursday of this week in any event.

The SPEAKER. Is there objection?

There was no objection.

PRIVATE CALENDAR

ORVILLE E. CLARK

The Clerk called the next bill on the Private Calendar, H. R. 1867, for the relief of Orville E. Clark.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Orville E. Clark, late captain, Second Pioneer Infantry, the sum of $240, representing the 1 month's pay authorized by section 9, act of May 18, 1917, and not received by him upon his honorable discharge from the service on March 4, 1918, under the provisions of the above act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN J. FOLEY

The Clerk called the next bill, H. R. 4435, for the relief of John J. Foley.

The SPEAKER. Is there objection?

Mr. HANCOCK of New York and Mr. HOPE objected, and the bill, under the rule, was recommitted to the Committee on Military Affairs.

JAMES H. SMITH

The Clerk called the next bill, S. 1179, for the relief of James H. Smith.

The SPEAKER. Is there objection?

Mr. HOPE, Mr. HANCOCK of New York, and Mr. COSTELLO objected, and the bill, under the rule, was recommitted to the Committee on Claims.

MARION SHOBER PHILLIPS

The Clerk called the next bill, S. 1935, for the relief of Marion Shober Phillips.

The SPEAKER. Is there objection?

Mr. CLARK of Idaho and Mr. HOPE objected, and, under the rule, the bill was recommitted to the Committee on Claims.

HERMAN SCHIERHOFF

The Clerk called the next bill, H. R. 977, for the relief of Herman Schierhoff.

The SPEAKER. Is there objection?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to Herman Schierhoff to compensate him for injuries received by being struck by a wagon the property of the United States Army.

With the following committee amendments:

In line 5, strike out the figures "$5,000" and insert "$750."

In line 6, strike out the words "to compensate him" and insert in lieu thereof the clause "in full settlement of all claims against the United States."

At the end of the bill strike out the period, insert a comma, and add the following: "on or about October 20, 1931, at Jefferson Barracks, Mo.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ODESSA MASON

The Clerk called the next bill, H. R. 1252, for the relief of Odessa Mason.

The SPEAKER. Is there objection?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Odessa Mason, of the city of Newport, Tenn., the sum of $1,500 for bodily injuries sustained by her on September 13, 1933, when an automobile in which she was riding was in collision with a truck of the Civilian Conservation Corps on State Highway No. 75.

With the following committee amendments:

In line 6, strike out the figures "$1,500" and insert in lieu thereof "$750."

In line 6, after the amount, insert "in full settlement of all claims against the United States."

At the end of the bill add: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

J. P. HARRIS

The Clerk called the next bill, H. R. 1346, for the relief of J. P. Harris.

The SPEAKER. Is there objection?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to J. P. Harris, Mystic, Iowa, the sum of $5,000, such sum to be in full settlement of all claims against the United States for damages sustained by the said J. P. Harris as the result of personal injuries received when struck by a Federal Civil Works Administration truck on December 20, 1933, in Mystic, Appanoose County, Iowa.

With the following committee amendments:

In line 6, strike out the figures "$5,000" and insert in lieu thereof "$3,500."

At the end of the bill add: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RAMEY BROS.

The Clerk called the next bill, H. R. 1362, for the relief of Ramey Bros., of El Paso, Tex.

The SPEAKER. Is there objection?

Mr. CLARK of Idaho. Mr. Speaker, I object.

There being no further objections, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ramey Bros., of El Paso, Tex., the sum of $8,432.22 in settlement of their claim against the United States Government, under contract no. T2sa–2930, dated September 11, 1931, for additional compensation in connection with the reconditioning of the pipe line serving the city reservoir at the Marine Hospital, Fort Stanton, N. Mex.

With the following committee amendment:

At the end of the bill add: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

R. L. TANKERSLEY

The Clerk called the next bill, H. R. 1369, for the relief of R. L. Tankersley.

The SPEAKER. Is there objection?

Mr. COSTELLO, Mr. CLARK of Idaho, and Mr. HOPE objected, and, under the rule, the bill was recommitted to the Committee on Claims.

ROLAND P. WINSTEAD

The Clerk called the next bill, H. R. 1481, for the relief of Roland P. Winstead.

The SPEAKER. Is there objection?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission be, and the same is hereby, authorized and directed to place on the rolls of those receiving compensation the name of Roland P. Winstead, of Village, Northumberland County, Va., and pay to him compensation for disabilities sustained while working as an employee of the Post Office Department at the rate and with like effect as he would have received if his claim had been filed within 1 year from the time his disabilities were incurred, as required by the statutes.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That notwithstanding the provisions and limitations of sections 15 to 20, both inclusive, of the act entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes', approved September 7, 1916, as amended, the United States Employees' Compensation Commission is hereby authorized

and directed to receive and consider, when filed, the claim of Roland P. Winstead for disability alleged to have been incurred by him during the month of February 1922, while in the employment of the Post Office Department as a driver of a mail truck operating between Fredericksburg and White Stone, Va., and to determine said claim upon its merits under the remaining provisions of said act: *Provided*, That no benefits shall accrue prior to the approval of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARY E. RONEY

The Clerk called the next bill, H. R. 1868, for the relief of Mary E. Roney.

The SPEAKER. Is there objection?

Mr. HANCOCK of New York, Mr. CLARK of Idaho, and Mr. COSTELLO objected, and, under the rule, the bill was recommitted to the Committee on Claims.

JAMES LUKER, SR.

The Clerk called the next bill, H. R. 1913, for the relief of James Luker, Sr.

The SPEAKER. Is there objection?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to James Luker, Sr., father of George DeWitt Luker, late an enlisted man in the Navy, who was killed as a result of a powder explosion on board the U. S. S. *Trenton* on October 22, 1924, the sum of $——, being a gratuity equal to 6 months' pay at the rate received by George DeWitt Luker at the time of his death.

With the following committee amendments:

In lines 3, 4, and 5, strike out the words "That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated", and insert in lieu thereof the words "That the Secretary of the Navy is hereby authorized and directed to pay, out of the current appropriation of the Navy Department for awards of 6 months' pay to beneficiaries of deceased enlisted men of the Navy,".

In line 9, after the "$", insert the figures "324."

At the end of the bill add: "*Provided*, That James Luker, Sr., shall first establish to the satisfaction of the Secretary of the Navy that he was actually dependent upon said George DeWitt Luker at the time of the latter's death."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SUPREME COURT OPINION, AGRICULTURAL ADJUSTMENT ACT, 1933

Mr. LAMBETH. Mr. Speaker, by direction of the Committee on Printing, I send to the desk a privileged resolution and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 387

Resolved, That the opinion of the Supreme Court of the United States, together with the dissenting opinion of Justices Stone, Brandeis, and Cardozo, in the case of *The United States of America, petitioner, v. William M. Butler et al., Receivers of the Hoosac Mills Corporation*, involving the question of the constitutionality of the Agricultural Adjustment Act, 1933, be printed as a House document; and that 10,000 additional copies be printed for the use of the House document room.

The resolution was agreed to.

PRIVATE CALENDAR

FRANCISCO M. ACAYAN

The Clerk called the next bill, H. R. 2155, for the relief of Francisco M. Acayan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, and in full settlement of all claims against the Government of the United States, to Francisco M. Acayan, father of Aurora Acayan, the sum of $1,500 for hospitalization and damages for injuries sustained by the said Aurora Acayan, as a result of being struck by a motor truck belonging to the United States Marine Corps and driven by an enlisted man of the United States Marine Corps, on September 8, 1933: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

THOMAS BERCHEL BURKE

The Clerk called the next bill, H. R. 2495, for the relief of Thomas Berchel Burke.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission shall be, and it is hereby, authorized and directed to extend to Thomas Berchel Burke, former employee of the United States Public Health Service at New Orleans, La., the provisions of an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, compensation hereunder to commence from and after the passage of this act.

With the following committee amendments:

Page 1, line 9, strike out the words "extend to" and insert "receive and consider the claim of."

Page 1, line 7, after the word "Louisiana", insert "for injury alleged to have been sustained on or about February 13, 1917, under."

Page 2, line 2, strike out the word "such" and insert "except that the time limitations in sections 15 to 20, inclusive, of said act are hereby waived, any."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THOMAS J. MORAN

The Clerk called the next bill, H. R. 2496, for the relief of Thomas J. Moran.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission shall extend to Thomas J. Moran, former employee of the United States Shipping Board, the provisions of an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, such compensation hereunder to commence from and after passage of this act.

With the following committee amendments:

Page 1, line 5, after the word "Board", insert the words "in respect to furunculosis to have been contracted by him between April 14, 1928, and June 22, 1928."

Page 1, line 11, strike out the word "such" and insert the words "except that sections 15 to 20, inclusive, of said act are hereby waived, any."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM H. HILDEBRAND

The Clerk called the next bill, H. R. 2497, for the relief of William H. Hildebrand.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission shall be, and it is hereby, authorized and directed to extend to William H. Hildebrand, former employee of the United States naval station at Algiers, port of New Orleans, La., the provisions of an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended; such compensation hereunder to commence from and after the passage of this act.

With the following committee amendments:

Page 1, line 5, strike out the words "extend to" and insert the words "receive and consider the claim of."

Page 1, line 7, after the word "Louisiana", insert the words "for injury sustained February 26, 1918, under."

Page 2, line 1, after the word "amended", strike out the word "such" and insert the words "except that the time limitations in sections 15 to 20 of said act, are hereby waived, any."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. AMBER WALKER

The Clerk called the next bill, H. R. 2527, for the relief of Mrs. Amber Walker.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Amber Walker, of Railroad, Pa., the sum of $65.93. Such sum represents salary as acting postmistress at Railroad, Pa., from February 25, 1933, to March 31, 1933.

With the following committee amendments:

Page 1, line 7, strike out the word "represents" and insert the words "shall be in full settlement of all claims against the United States for."

Page 1, at the end of the bill, insert the following: *"Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

R. E. SUTTON ET AL.

The Clerk called the next bill, H. R. 2619, for the relief of R. E. Sutton, Lula G. Sutton, Grace Sutton, and Mary Lou Drinkard.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lula G. Sutton the sum of $12,500; to R. E. Sutton the sum of $7,500; to Grace Sutton the sum of $7,500; and to Mary Lou Drinkard the sum of $6,000. Such sums shall be in full settlement of all claims of said parties against the Government for personal injuries sustained by them on the 22d day of December 1933, when the car in which they were traveling was struck by Civilian Conservation Corps pick-up truck no. 7 (tag no. U. S. 8–563 D. A., motor no. 3792042).

With the following committee amendments:

Page 1, line 6, strike out "$12,500" and insert "$500."
Page 1, line 6, strike out "$7,500" and insert "$100."
Page 1, line 7, strike out "$7,500" and insert "$200."
Page 1, line 8, strike out "$6,000" and insert "$200."

Page 2, at the end of line 4, insert the following: *"Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

FLORIDA O. M'LAIN

The Clerk called the next bill, H. R. 3592, for the relief of Florida O. McLain, widow of Calvin E. McLain, who died from injuries received by being struck by a Government Civilian Conservation Corps truck in the city of Knoxville, Tenn., on August 23, 1934.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to Florida O. McLain, widow of Calvin E. McLain, who died as a result of injuries by reason of being struck by a truck which was being recklessly driven by an employee of the Government Civilian Conservation Corps in the city of Knoxville, Tenn., on August 23, 1934.

With the following committee amendments:

Page 1, line 5, after the word "appropriated", insert the words "and in full settlement of all claims against the United States."

Page 2, at the end of the bill, insert the following: *"Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read as follows: "A bill for the relief of Florida O. McLain, widow of Calvin E. McLain."

ALBERT THESING

The Clerk called the next bill, H. R. 3823, for the relief of the parents of Albert Thesing.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the parents of Albert Thesing, Rochester, N. Y., the sum of $5,000, in full settlement of all claims against the Government of the United States for the death of the said Albert Thesing, resulting from an explosion and fire, caused by agents of the Bureau of Prohibition during a raid in the city of Rochester, July 7, 1933: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, after the word "Thesing", insert the word "Junior."
Page 1, line 7, strike out "$5,000" and insert "$2,500."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read as follows: "A bill for the relief of Albert Thesing, Jr."

THEODORE REICHHART, INC.

The Clerk called the next bill, H. R. 3841, to refund to Theodore Reichhart, Inc., part of the brewers' occupational tax.

Mr. HOPE, Mr. HANCOCK of New York, and Mr. COSTELLO objected, and, under the rule, the bill was recommitted to the Committee on Claims.

GLADYS ROBBINS

The Clerk called the next bill, H. R. 3864, for the relief of Gladys Robbins.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Gladys Robbins the sum of $1,120 as reimbursement of cash bail deposited with former United States Commissioner Arthur G. Fisk at San Francisco, Calif., and misappropriated by said official.

With the following committee amendments:

In line 6 strike out the word "as" and insert in lieu thereof the following: "in full settlement of all claims against the United States for."

At the end of the bill add: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MR. AND MRS. BRUCE LEE

The Clerk called the next bill, H. R. 3952, directing the Secretary of the Treasury to pay the sum of $10,000 to Mr. and Mrs. Bruce Lee.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Mr. and Mrs. Bruce Lee, father and mother of Murvel Lee, the sum of $10,000. The said Murvel Lee was killed by an automobile belonging to the Department of Agriculture (No. U. S. D. S. 11–855), driven by George Jamison, a civilian conservation camp employee.

With the following committee amendment:

Page 1, line 5, strike out "$10,000. The said Murvel Lee was killed by an automobile belonging to the Department of Agriculture (No. U. S. D. S. 11–855), driven by George Jamison, a civilian conservation camp employee", and insert in lieu thereof the following: "$2,500, out of any money in the Treasury not otherwise appropriated, and in full settlement of all claims against the United States for the death of said Murvel Lee, who was killed when struck by an automobile owned by the Department of Agriculture, and driven by an enrollee of the Civilian Conservation Corps, near Clearfield, Rowan County, Ky., on January 14, 1934: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read as follows: "A bill for the relief of Mr. and Mrs. Bruce Lee."

ANCHORAGE COMMERCIAL CO., INC.

The Clerk called the next bill, H. R. 4159, for the relief of Anchorage Commercial Co., Inc.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Treasurer of the United States is hereby authorized and directed to pay to Anchorage Commercial Co., Inc., a corporation organized and existing under the laws of the Territory of Alaska, out of any moneys in the Treasury not otherwise appropriated, the sum of $308.21 in full satisfaction of all claims against the United States on account of services rendered and materials and supplies furnished to the United States Indian Industrial School, situated at Eklutna, Alaska, between August 11, 1927, and June 30, 1929.

With the following committee amendments:

In line 3, strike out the words "Treasurer of the United States" and insert "Secretary of the Treasury."

In line 7, strike out the figures "$308.21" and insert "$307.21."

At the end of the bill add: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BARBARA BACKSTROM

The Clerk called the next bill, H. R. 4387, for the relief of Barbara Backstrom.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Barbara Backstrom, of Muskegon, Mich., the sum of $7,500, such sum representing the damages to her caused her through injuries sustained in falling from an unguarded spot on the lighthouse maintained by the Government at the entrance of the channel leading from Lake Michigan into the Muskegon Lake Harbor.

With the following committee amendments:

In line 5, after the word "to", insert the words "the legal guardian of."

In lines 6 and 7, strike out the figures and words "$7,500, such sum representing" and insert in lieu thereof "$5,000, in full settlement of all claims against the United States for."

At the end of the bill add: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

FRANK LEE BORNEY

The Clerk called the next bill, H. R. 4500, for the relief of Frank Lee Borney.

Mr. HANCOCK of New York and Mr. HOPE objected, and, under the rule, the bill was recommitted to the Committee on Claims.

ELIZABETH HALSTEAD

The Clerk called the bill (H. R. 4638) for the relief of Elizabeth Halstead.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Elizabeth Halstead, the sum of $6,000, in full compensation for the death of her son, Harold H. Halstead, who was shot and killed by Federal officers of the United States Government near Fort Hancock, Tex., March 29, 1920.

With the following committee amendments:

Page 1, line 6, strike out "$6,000, in full compensation" and insert "$5,000 in full settlement of all claims against the United States."

At the end of the bill insert the following: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBERT C. E. HEDLEY

The Clerk called the bill (H. R. 4660) for the relief of Robert C. E. Hedley.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Robert C. E. Hedley, the sum of $2,000 for injuries sustained on July 8, 1932, as a result of having his truck struck from the rear by a United States Marine truck in Philadelphia, Pa.

With the following committee amendments:

Page 1, line 6, strike out the figures "$2,000" and insert "$750 in full settlement of all claims against the United States."

At the end of the bill insert: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARTURO GUAJARDO

The Clerk called the bill (H. R. 4780) for the relief of the widow and five minor children of Arturo Guajardo.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the widow of Arturo Guajardo and to the legal guardian of her five minor children the sum of $25,000 in full of damages suffered by said widow and children by reason of the death of Arturo Guajardo, who was killed in an airplane accident, the result of the collision about 2,000 feet in the air of a United States Army plane and a commercial plane in which Arturo Guajardo was a passenger at San Diego, Calif., on April 21, 1929.

With the following committee amendments:

Page 1, line 5, strike out "the widow of Arturo Guajardo and to the legal guardian of her five minor children the sum of $25,000 in full of damages suffered by said widow and children by reason of", and insert in lieu thereof "Amelia Guajardo, widow of Arturo Guajardo, the sum of $5,000 in full settlement of all claims against the United States for."

At the end of the bill insert the following: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended.

JACK C. ALLEN

The Clerk called the bill (H. R. 4855) for the relief of Jack C. Allen.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, the sum of $286 to Jack C. Allen, on account of loss of personal possessions in a fire at Fort McPherson, Ga., in December 1929, said Allen being at the time this loss was sustained a member of the enlisted personnel of the United States Army assigned to quarters in the barracks consumed by fire.

With the following committee amendment:

On page 1, line 11, after the word "fire", insert a colon and the following: *"Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM E. B. GRANT

The Clerk called the bill (H. R. 4924) conferring jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim of William E. B. Grant.

There was no objection.

By unanimous consent, the bill S. 1422 was substituted for the House bill.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims to hear, determine, and render judgment upon the claim of William E. B. Grant, chief machinist, United States Navy, retired, against the United States for the recovery of amounts withheld under section 4 of the act entitled "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal, and the sanitation and government of the Canal Zone", approved August 24, 1912, as amended, from his salary as an employee of the Isthmian Canal Commission and the Panama Canal, from April 7, 1909, to May 3, 1917, and from November 29, 1919, to February 28, 1922, all dates inclusive.

SEC. 2. Such claim may be instituted at any time within 1 year after the enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings for the determination of such claim, and appeals from, and payment of, any judgment thereon, shall be in the same manner as in the case of claims over which such court has jurisdiction under section 145 of the Judicial Code, as amended.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROGRESSIVE COMMERCIAL CO., OF PHILADELPHIA

The Clerk called the bill (H. R. 5181) authorizing the Secretary of the Treasury to refund to creditors' committee of the Progressive Commercial Co., of Philadelphia, Pa., income taxes illegally and wrongfully paid to the Commissioner of Internal Revenue.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to refund, from moneys not otherwise appropriated, the sum of $42,577, with interest at 7 percent, to the following committee of creditors of the Progressive Commercial Co. of Philadelphia, Pa., to wit: Alexander Chesin, Oscar J. Heimberg, Benjamin Sobel, Herman Weller, Joseph Levin, Meyer R. Waitz, Mrs. M. Schindler, and Dr. Samuel B. Surkin, said sum belonging to the said Progressive Commercial Co., having been illegally and wrongfully paid by one Morris L. Schneyer as income taxes to the Commissioner of Internal Revenue and said sum having been converted into the Treasury of the United States.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That the Commissioner of Internal Revenue be, and he is hereby, authorized and directed to receive, consider, and determine, in accordance with law, but without regard to any statute of limitations, any claim filed not later than 6 months after the passage of this act by the Progressive Commercial Co. of Philadelphia, Pa., for the refund of Federal income taxes paid by said company for the years 1923 to 1930, inclusive, in excess of the amount properly due as income tax for such years: *Provided*, That in the settlement of said claim there shall be no allowance of interest."

Mr. COSTELLO. Mr. Speaker, I offer the following amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO to the committee amendment: Page 2, line 17, after the word "interest", insert: *"Provided*, That no part of the amount appropriated in this act in excess of

10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendment to the committee amendment was agreed to.

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

The title was amended to read: "A bill for the relief of the Progressive Commercial Co., of Philadelphia, Pa."

EARL THOMAS DODD

The Clerk called the bill (H. R. 5200) for the relief of Earl Thomas Dodd.

Mr. COSTELLO and Mr. CLARK of Idaho objected, and the bill was recommitted to the Committee on Claims.

LT. M. T. GRUBHAM

The Clerk called the bill (H. R. 5474) for the relief of Lt. M. T. Grubham.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lt. M. T. Grubham, United States Navy, the sum of $3,352.43 in full settlement of all claims against the United States Government for loss of his personal effects while on duty with the Civilian Conservation Corps at Warren, N. H.

With the following committee amendments:

Page 1, line 6, strike out "$3,352.43" and insert "$1,500"; and in line 10, after the word "Hampshire", insert *"Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

JOSEPH E. MOORE

The Clerk called the bill (H. R. 5900) for the relief of Joseph E. Moore.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Joseph E. Moore in satisfaction of all claims against the Government for pay and allowances a sum equal to the difference between the pay and allowances of a first lieutenant, Quartermaster Corps, United States Army, on foreign service, and the pay and allowances of a second lieutenant, Quartermaster Corps, United States Army, on foreign service, for the period between February 20, 1919, and November 19, 1920.

With the following committee amendments:

Page 1, line 6, strike out "in satisfaction of all claims against the Government for pay and allowances a sum equal to the" and insert "the sum of $829.33 in full settlement of all claims against the United States for the."

On page 2, line 3, after the figures "1920", insert: *"Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to; and the bill amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

W. D. DAVIS

The Clerk called the bill (H. R. 6263) for the relief of W. D. Davis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That W. D. Davis, of Fort Worth, Tex., as successor to the firm of W. D. and M. L. Davis, statutes of limitations being waived, is authorized to enter suit in the United States District Court for the Northern District of Texas for the amount alleged to be due from the United States on account of loss sustained by the firm arising out of action of inspectors of the Bureau of Animal Industry of the United States Department of Agriculture during 1917 and 1918 in driving diseased cattle over land of the firm and using the firm's dipping vats. For the purposes of such suit said W. D. Davis shall have all the rights of the firm.

SEC. 2. Jurisdiction is hereby conferred upon said United States District Court for the Northern District of Texas to hear and determine such claim without the intervention of a jury. The action in said court may be presented by a petition making the United States party defendant, and shall set forth all the facts upon which the claimant bases his claim, and the petition may be verified by the agent or attorney of said claimant, official letters, reports, and public records, or certified copies thereof, may be used as evidence, and said court shall have jurisdiction to hear and determine said suit and to enter a judgment or decree for the amount of such damages and costs, if any, as shall be found due from the United States to the said claimant by reason of the alleged action, upon the same principles and under the same measures of liability as in like cases between private parties, and the Government hereby waives its immunity from suit. And said claimant and the United States of America shall have all rights of appeal or writ of error or other remedy as in similar cases between private persons or corporations: *Provided*, That such notice of the suit shall be given to the Attorney General of the United States as may be provided by order of said court, and upon such notice it shall be the duty of the Attorney General to cause the United States attorney in such district to appear and defend for the United States: *Provided further*, That such suit shall be begun within 6 months of the date of the approval of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

J. H. KNOTT

The Clerk called the bill (H. R. 6273) for the relief of J. H. Knott.

Mr. CLARK of Idaho and Mr. COSTELLO objected, and the bill was recommitted to the Committee on Claims.

SAM CABLE

The Clerk called the bill (H. R. 6335) for the relief of Sam Cable.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Sam Cable, of Falmouth, Mich., the sum of $300, such sum of $300 representing the damages to him caused by the slaying of 15 head of cattle known as "abortion reactors" in connection with the Government's efforts to eradicate this disease from the dairy herds of Missaukee County, Mich.

With the following committee amendments:

Line 6, strike out "such sum of $300 representing the" and insert "in full settlement of all claims against the United States for", and at the end of the bill insert: *"Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to; and the bill as amended was ordered to be engrossed and read a third

time, was read the third time, and passed, and a motion to reconsider laid on the table.

MARGARET C. (LACKS) KING

The Clerk called the bill (H. R. 6643) for the relief of Margaret C. (Lacks) King.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Margaret C. (Lacks) King, of Kerrville, Tex., the sum of $3,500 in full settlement of her claim against the Government of the United States for personal injuries sustained through being run down by an Army autotruck while on duty at Ellington Field, Tex., on January 7, 1920.

With the following committee amendments:

Line 6, strike out "$3,500" and insert "$1,500" and at the end of the bill insert: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

MAE C. TIBBETT

The Clerk called the bill (H. R. 6698) for the relief of Mae C. Tibbett, administratrix.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the claim of Mae C. Tibbett, administratrix of the estate of Leslie L. Tibbett, deceased, against the United States of America for damages alleged to have been caused on the afternoon of September 19, 1930, as the result of a United States mail truck, then operated by an employee of the United States Post Office Department, colliding with, running over, and killing the said Leslie L. Tibbett while he was attempting to cross Plume Street at its intersection with Bank Street in the city of Norfolk, Va., may be sued for by the said Mae C. Tibbett, administratrix of the estate of Leslie L. Tibbett, deceased, in the District Court of the United States for the Eastern District of Virginia sitting as a court of law and acting under the rules governing such court, and said court shall have jurisdiction to hear and determine such suit and to enter a judgment or decree be found to be due against the United States in favor of the said Mae C. Tibbett, administratrix, upon the same principles and measures of liability as in like cases between private parties and with the same rights of appeal: *Provided*, That such notice of the suit shall be given to the Attorney General of the United States as may be provided for by order of the said court, and it shall be the duty of the Attorney General to cause the United States attorney in such district to appear and defend said United States: *Provided further*, That said suit shall be brought and commenced within 4 months from the date of the passage of this act.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to Mae C. Tibbett, administratrix of the estate of Leslie L. Tibbett, deceased, in full settlement of all claims against the United States as a result of a United States mail truck running over and killing said Leslie L. Tibbett while he was attempting to cross Plume Street at its intersection with Bank Street in the city of Norfolk, Va., on the afternoon of September 19, 1930: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF SHAWNEE, OKLA.

The Clerk called the next bill, H. R. 6848, for the relief of the First Federal Savings & Loan Association of Shawnee, Okla.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement of all claims against the Government, the sum of $196.72 to the First Federal Savings and Loan Association of Shawnee, Okla., successors to the Fidelity Building and Loan Association, for damages to real-estate property at 606 West Dewey Street, in the city of Shawnee, Okla., caused by slugs from firearms discharged by duly authorized agents of the United States of America on December 31, 1933, during the capture and death of certain outlaws sought by the Government for violation of its laws.

With the following committee amendment:

On page 2, line 4, after the word "laws", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RUSSELL J. VAUGHAN

The Clerk called the next bill, H. R. 6969, for the relief of Russell J. Vaughan.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Russell J. Vaughan, of Shiprock, N. Mex., the sum of $980.84. Such sum shall be in full settlement of all claims against the United States for pay withheld from said Vaughan, and shall represent reimbursement for suspension from duty and pay status for a period from October 18, 1933, to April 19, 1934, inclusive.

With the following committee amendment:

Page 1, line 11, after the word "inclusive", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CAPT. KARL MINNIGERODE

The Clerk called the next bill, H. R. 7031, for the relief of Capt. Karl Minnigerode.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Capt. Karl Minnigerode the sum of $526.60 for reimbursement for personal effects lost in a fire at Camp Whitnall Park, Hales Corner, Wis., on September 20, 1933, and where he had been assigned to duty by the War Department.

With the following committee amendments:

Page 1, line 5, after the word "to", insert "Georgiana Minnigerode, widow of the late"; page 1, line 7, after the figures, strike out the words "for reimbursement" and insert in lieu thereof "in full settlement of all claims against the United States"; page 1, line 8, after the word "effects", insert "of said Capt. Karl Minnigerode"; page 1, line 11, after the word "Department", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be

paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read as follows: "A bill for the relief of Georgiana Minnigerode, widow of Capt. Karl Minnigerode."

MR. AND MRS. EDWARD J. PRUETT

The Clerk called the next bill, H. R. 7034, for the relief of Mr. and Mrs. Edward J. Pruett.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mr. and Mrs. Edward J. Pruett, the sum of $10,000 in full settlement of all claims against the Government of the United States for the death of their son, Robert Edward Pruett, who was drowned in a swimming pool at Fort McClellan, Ala., on September 22, 1931: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$10,000" and insert in lieu thereof "$5,000."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DAVID DUQUAINE, JR.

The Clerk called the next bill, H. R. 8061, for the relief of David Duquaine, Jr.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to David Duquaine, Jr., minor son of David Duquaine, Sr., of the village of Neopit, Wis., the sum of $1,061.09 in full compensation for injuries sustained by being severely burned due to the negligence of a Government nurse, while receiving treatment in a Government hospital, located on the Menominee Indian Reservation at Keshena, Wis.

With the following committee amendments:

Page 1, line 5, after the word "to", insert "the superintendent and special disbursing agent of the Keshena Agency for deposit to the credit of."

Page 1, line 9, after the word "full", strike out the word "compensation" and insert "settlement of his claim against the United States, or any employee thereof."

Page 2, after the word "Wisconsin", insert a colon and the following: "*Provided*, That said $1,061.09 shall be handled in the same manner as other individual Indian moneys and out of said appropriation the Secretary of the Interior is hereby authorized to pay the court costs in the case of David Duquaine, Jr., against Audra Ball, in the county court of Shawano County, Wis., upon proper release of the judgment in said case being obtained and entered of record: *Provided further*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EBERHART STEEL PRODUCTS CO., INC.

The Clerk called the next bill, H. R. 8390, for the relief of the Eberhart Steel Products Co., Inc.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. ANDREWS of New York. Mr. Speaker, an identical Senate bill, S. 2996, passed the Senate on August 23. I ask unanimous consent that the Senate bill be sustituted for the House bill.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims to hear and determine upon the basis of just compensation the claims of the Eberhart Steel Products Co., Inc., of Buffalo, N. Y., growing out of 43 certain contracts dated on and between January 28, 1920, and September 24, 1920, for the manufacture and delivery by said company to the War Department of certain material and parts for class B military trucks, said just compensation to include losses or damages suffered by said company due to procuring and supplying dies, tools, equipment, etc., in compliance with agreement had with officers of the War Department to give said company additional orders for parts for class B military trucks, notwithstanding any failure or error of any Government official to give orders in the form required by law, or to give proper written orders for changes made in any of said contracts, or fix the value thereof, or any previous decisions or decrees rendered with reference thereto, or any alleged settlement or adjustment heretofore made, or termination agreement, except for proper credits to be given for any and all payments heretofore made: *Provided*, That suit shall be commenced within 4 months after this act becomes effective.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

CONSTANTIN GILIA

The Clerk called the next bill, H. R. 8508, for the relief of Constantin Gilia.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. A similar Senate bill, S. 3077, is on the Speaker's table. Without objection, it will be substituted for the House bill.

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay from funds on deposit to the credit of the Chippewa Indians of Minnesota, the sum of $330 to Constantin Gilia in full and final settlement of his claim for the transportation of laundry to and from Hackensack, Minn., and the Consolidated Chippewa Sanatorium, at Onigum, Minn., during the period from July 1930 to June 30, 1931.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A House bill (H. R. 8508) was laid on the table.

C. R. WHITLOCK

The Clerk called the next bill, H. R. 8509, for the relief of C. R. Whitlock.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER. A similar Senate bill, S. 3078, is on the Speaker's table, and, without objection, will be substituted for the House bill.

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $53.83 to C. R. Whitlock, of Toppenish, Wash., to reimburse him for a deposit in that amount which he made in the Treasury on January 22, 1935, to satisfy disallowances by the General Accounting Office of payments made to one Ira Hinkle, an employee engaged in emergency conservation work.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A House bill (H. R. 8509) was laid on the table.

LYDIA C. SPRY

The Clerk called the next bill, H. R. 381, granting insurance to Lydia C. Spry.

The SPEAKER. Is there objection?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay insurance of $8,000, subject to the provisions and limitations of the War Risk Insurance Act, to Lydia C. Spry, widow of James Stewart Spry, late chief machinist's mate, United States Navy.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DORIS ALLEN

The Clerk called the next bill, H. R. 8758, for the relief of Doris Allen.

The SPEAKER. Is there objection to the consideration of the bill?

There was no objection.

Mr. VINSON of Kentucky. Mr. Speaker, I ask unanimous consent to substitute for the House bill an identical bill which has passed the Senate, S. 3280.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Doris Allen, widow of Charles E. Allen, late American consul at Gibraltar, Spain, the sum of $6,600, being 1 year's salary of her deceased husband, who died while in the Foreign Service.

The bill was ordered to be read a third time, was read the third time, and passed.

A similar House bill (H. R. 8758) and a motion to reconsider were laid on the table.

JOHN COLLINS

The Clerk called the next bill, H. R. 686, for the relief of John Collins.

The SPEAKER. Is there objection?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,000 to John Collins, in full settlement of all claims against the Government for damages to his person and property as the result of being struck and knocked down by a Chevrolet roadster truck, no. U. S. N. 3447, owned by the United States Navy Department, and operated by Joseph T. Sullivan, of Quincy, Mass., said accident occurring at 4:45 o'clock p. m., December 19, 1933, at Hunt Street, junction of Hancock Street, Quincy, Mass.

With the following committee amendments:

In line 5, strike out the figures "$1,000" and insert "$700."

At the end of the bill add: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STANISLAUS LIPOWICZ

The Clerk called the next bill, H. R. 762, for the relief of Stanislaus Lipowicz.

The SPEAKER. Is there objection?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Stanislaus Lipowicz, out of any money in the Treasury not otherwise appropriated, the sum of $1,000, the amount of a fine paid by Stanislaus Lipowicz in pursuance of a judgment entered upon a plea nolo contendere under certain provisions of the so-called Lever Act previous to the time that the Supreme Court of the United States held such provisions void.

With the following committee amendments:

In line 6, after the figures, insert the clause "in full settlement of all claims against the United States for."

At the end of the bill add: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

W. A. HARRIMAN

The Clerk called the next bill, H. R. 2110, for the relief of W. A. Harriman.

The SPEAKER. Is there objection?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, to W. A. Harriman the sum of $7,500, being the amount of damages suffered by him as a result of the loss of two thoroughbred horses killed while stabled at the Meadow Brook Club, Westbury, Long Island, on or about June 8, 1928, through the crashing of an Army Air Service airplane.

With the following committee amendments:

In line 7, strike out the figures "$7,500" and insert "$1,000."

At the end of the bill add: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

J. W. HEARN, JR.

The Clerk called the next bill, H. R. 2623, for the relief of J. W. Hearn, Jr.

The SPEAKER. Is there objection?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission is hereby authorized to consider and determine, in the same manner and to the same extent as if application for the benefits of the Employees' Compensation Act has been made within the 1-year period required by sections 17 and 20 thereof, the claim of J. W. Hearn, Jr., on account of injury caused by his employment in the service of the Isthmian Canal Commission from October 22, 1910, to June 30, 1933: *Provided*, That he shall file notice of such injury and claim for compensation therefor not later than 60 days from the enactment of this act: *And provided further*, That no benefits shall accrue prior to the approval of this act.

With the following committee amendment:

In line 4, start with the word "to" and strike out all of the bill down through and including the date in line 11, and insert in lieu thereof the following: "and directed to receive and consider under the provisions of the act entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes', approved Sep-



tember 7, 1916, as amended, the claim of J. W. Hearn, Jr., former employee of the Isthmian Canal Commission, for injury sustained by him while in the performance of his duties as a foreman on the construction of Colon breakwater on July 29, 1911."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KRIKOR HAROUTUNIAN

The Clerk called the next bill, H. R. 2644, for the relief of Krikor Haroutunian.

The SPEAKER. Is there objection?

Mr. CLARK of Idaho and Mr. MOTT objected, and, under the rule, the bill was recommitted to the Committee on Claims.

JOSEPH JOCHEMCZYK

The Clerk called the next bill, H. R. 3152, for the relief of Joseph Jochemczyk.

The SPEAKER. Is there objection?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Joseph Jochemczyk the sum of $500, covering bond guaranteeing the departure from the United States of Stanislaw Stanczyk, alien.

With the following committee amendments:

In line 6, strike out the word "covering" and insert the clause "in full settlement of all claims against the United States for a."

At the end of the bill strike out the period, insert a comma and the following: "who was deported from the United States in accordance with the instructions of the Department of Labor after said bond had been declared forfeited: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

IRENE MAGNUSON AND OSCAR L. MAGNUSON

The Clerk called the next bill, H. R. 3160, for the relief of Irene Magnuson and Oscar L. Magnuson, her husband.

The SPEAKER. Is there objection?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Irene Magnuson and Oscar L. Magnuson, her husband, the sum of $7,621.50 in full settlement of all claims against the Government of the United States for injuries sustained by Irene Magnuson arising from an automobile collision in which United States Army ambulance no. W731 collided and ran into the automobile owned and driven by Mr. Oscar L. Magnuson on April 24, 1934.

With the following committee amendments:

In line 5, after the word "appropriated", insert the word "jointly."

In line 6, strike out the figures "$7,621.50" and insert "$3,500."

At the end of the bill add: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EDNA M. CALLAHAN AND ANNA SCOTT

The Clerk called the next bill, H. R. 3281, for the relief of Edna M. Callahan and Anna Scott.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Edna M. Callahan the sum of $10,000 and to Anna Scott the sum of $3,000. Such sums shall be in full settlement of all claims against the United States on account of injuries sustained by the said Edna M. Callahan and Anna Scott on or about the 10th day of October 1932 while aboard a boat provided by the Navy Department of the United States plying between the Fifth Street Landing at San Pedro, Calif., and the United States ship *Relief*, lying in the harbor of San Pedro, at San Pedro, Calif.

With the following committee amendments:

Page 1, line 3, strike out the word "is" and insert the words "be, and he is hereby."

Page 1, line 6, strike out "$10,000" and insert in lieu thereof "$3,500."

Page 1, ine 7, strike out "$3,000" and insert in lieu "$1,500."

Page 2, line 3, after the word "California", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LOOK HOON AND LAU HOON LEONG

The Clerk called the next bill, H. R. 4171, for the relief of Look Hoon and Lau Hoon Leong.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money not otherwise appropriated, to Look Hoon and Lau Hoon Leong, Honolulu, Territory of Hawaii, the sum of $1,000. Such sum represents reimbursement for loss sustained by said Look Hoon and Lau Hoon Leong on account of forfeiture of $1,000 deposited by them as security on a bail bond conditioned upon the delivery of Leong Hing Loy, alias William Hing Leong, alias William H. Wong, as stipulated in such bail bond. Such $1,000 was declared forfeited and paid into the Treasury of the United States when the said Look Hoon and Lau Hoon Leong failed to produce the said Leong Hing Loy for trial. The said Leong Hing Loy was subsequently produced by the said Look Hoon and Lau Hoon Leong and tried and convicted.

With the following committee amendments:

Page 1, line 6, after the word "sum", strike out "represents reimbursement" and insert the words "shall be in full settlement of all claims against the United States."

Page 2, line 7, after the word "convicted", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STERLING BRONZE CO.

The Clerk called the next bill, H. R. 4695, for the relief of the Sterling Bronze Co.

Mr. COSTELLO and Mr. CLARK of Idaho objected, and, under the rule, the bill was recommitted to the Committee on Claims.

CATHERINE DONNELLY

The Clerk called the next bill, H. R. 4725, for the relief of Catherine Donnelly.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Catherine Donnelly, of Elizabeth, Union County, N. J., the sum of $2,500 in full settlement of all claims against the Government of the United States for damages to herself, caused by negligence on the part of the employees of the United States in the operation of a mail truck owned and operated by the United States Government on June 5, 1933: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, after the word "Catherine", strike out the word "Donnelly" and insert the words "Donnelly and Claire E. Donnelly, both."

Page 1, line 7, strike out the words "sum of $2,500" and insert the words "sums of $1,500 and $5,000, respectively; to John Kufall and Mary F. Kufall, both of West Brighton, Staten Island, N. Y., the sums of $500 and $3,000, respectively; and to Elizabeth A. Tucker, of Linden, Union County, N. J., the sum of $2,500; in all, $12,500."

Page 2, line 2, strike out "damages to herself caused by" and insert "personal injuries sustained by them as a result of."

Page 2, line 5, strike out the words "a mail truck owned and operated by the United States Government" and insert the words "an Army truck when it struck the vehicle in which they were passengers, near Linden, N. J."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read as follows: "A bill for the relief of Catherine Donnelly, Claire E. Donnelly, John Kufall, Mary F. Kufall, and Elizabeth A. Tucker."

ELMER GESKE

The Clerk called the next bill, H. R. 5404, for the relief of Elmer Geske.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Elmer Geske, the sum of $315.50, in full settlement of all claims against the United States because of damages to his automobile which was struck by a United States mail truck in the city of St. Paul, Minn., on November 14, 1931.

With the following committee amendments:

Page 1, line 6, strike out "$315.50" and insert "$253.90."

Page 1, line 9, after the figures "1931", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

Mr. COSTELLO. Mr. Speaker, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. COSTELLO: Page 1, line 7, after the words "United States", insert the words "and against Harry St. Germain."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN W. BARNUM

The Clerk called the next bill, H. R. 5642, for the relief of John W. Barnum.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission is hereby authorized and instructed to receive and determine the claim of John W. Barnum, a former employee of the United States Shipping Board, without regard to the limitation of time within which such claims are to be filed under the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That notwithstanding the provisions and limitations of sections 15 to 20, both inclusive, of the act entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes', approved September 7, 1916, as amended, the United States Employees' Compensation Commission is authorized and directed to receive and consider, when filed, the claim of John W. Barnum, of Hillsdale, Mich., for disability alleged to have been sustained as a result of his employment on the United States Shipping Board's ship *West Modus* during the months of September or October 1919: *Provided*, That claim hereunder shall be filed not later than 60 days after the approval of this act: *Provided further*, That no benefits shall accrue prior to the approval of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPH A. RUDY

The Clerk called the next bill, H. R. 5755, to extend the benefits of the Employees' Compensation Act of September 7, 1916, to Joseph A. Rudy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission be, and it is hereby, authorized and directed to extend to Joseph A. Rudy, formerly a narcotic agent, Bureau of Narcotics, Treasury Department, the provisions of an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the United States Employees' Compensation Commission be, and it is hereby, authorized and directed to receive and determine the claim of Joseph A. Rudy for disability alleged to have resulted from an injury sustained by him on November 15, 1927, while in the employ of the Bureau of Narcotics, Treasury Department, under the provisions of the act entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes', approved September 7, 1916, as amended, except that the time limitations in sections 15 to 20, both inclusive, of said act are hereby waived: *Provided*, That such claim be filed within 60 days after the passage of this act: *Provided further*, That no benefits shall accrue prior to the approval of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read as follows: "A bill for the relief of Joseph A. Rudy."

HOMER H. ADAMS

The Clerk called the next bill, H. R. 5783, for the relief of Homer H. Adams.

The SPEAKER. There is a similar Senate bill (S. 85), with reference to the same matter, which, without objection, will be substituted for the House bill.

There was no objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Homer H. Adams, of Tarrytown, Ga., the sum of $1,000 in full satisfaction of all claims of such Homer H. Adams against the United States for damages

resulting from injuries received by him when shot by one John Alford on November 13, 1918, while such Homer H. Adams was assisting J. Ben Wilson, late United States deputy marshal for the southern district of Georgia, to serve a warrant on one J. A. Alford, father of such John Alford: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A House bill (H. R. 5783) was laid on the table.

MISSISSIPPI BARGE CORPORATION

The Clerk called the next bill, H. R. 5826, for the relief of the Mississippi Barge Corporation.

Mr. COSTELLO and Mr. CLARK of Idaho objected, and, under the rule, the bill was recommitted to the Committee on Claims.

ALICE MARKHAM KAVANAUGH

The Clerk called the next bill, H. R. 7001, for the relief of Alice Markham Kavanaugh.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended (U. S. C., title 5, secs. 767 and 770), are hereby waived in favor of Alice Markham Kavanaugh, widow of Lewis T. Kavanaugh, late assistant manager for the Inland Waterways Corporation, at Memphis, Tenn., and her case is authorized to be considered and acted upon under the remaining provisions of such act, as amended, if she files a claim for compensation with the United States Employees' Compensation Commission not later than 60 days after the date of enactment of this act.

With the following committee amendments:

Page 1, line 9, after the word "late", strike out "assistant manager of the Inland Waterways Corporation" and insert the words "an employee of the Inland and Coastwise Waterways Service, who was drowned in the Mississippi River on April 14, 1920."

At the end of the bill, after the word "act", insert a colon and the following: "*Provided*, That no benefits shall accrue prior to the approval of this act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GUIRY BROS. WALLPAPER & PAINT CO.

The Clerk called the next bill, H. R. 7107, for the relief of Guiry Bros. Wallpaper & Paint Co.

Mr. LEWIS of Colorado. Mr. Speaker, I ask unanimous consent that the Senate bill, S. 3195, may be substituted for the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Guiry Bros. Wall Paper & Paint Co., of Denver, Colo., out of any money in the Treasury not otherwise appropriated, the sum of $2,717.90, in full settlement for additional cleaning, repairing, and painting plaster in the Federal and Territorial Building at Juneau, Alaska, for which the Government received the benefit but for which no payment whatever has been made to said company, under contract no. T-1-sa-1773, dated July 2, 1931, with the United States Supervising Architect's Office, Treasury Department: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, or other party or parties, on account of services rendered in connection with said claim. It shall be unlawful for any such agent or agents, attorney or attorneys, to collect, receive, exact, or withhold any portion of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating any of the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 7107) was laid on the table.

JAMES MURPHY MORGAN

The Clerk called the next bill, H. R. 7253, for the relief of James Murphy Morgan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to James Murphy Morgan, of Miami, Ariz., the sum of $15,879.43. Such sum shall be in full settlement of all claims against the United States on account of damages to the Morgan automobile and damages sustained by the said James Murphy Morgan when he was injured in an automobile collision with a United States owned truck (Civilian Conservation Corps truck) near Claypool, Gila County, Ariz., on November 18, 1934.

With the following committee amendments:

In line 6, strike out the figures "$15,978.43" and insert "$10,000."

In lines 8 and 9, strike out the words "on account of damages to the Morgan automobile and damages sustained" and insert in lieu thereof "for permanent personal injuries, medical expenses, property damage, and loss of wages sustained."

At the end of the bill add: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF CERTAIN CLAIMANTS

The Clerk called the next bill, H. R. 7282, for the relief of certain claimants.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent to consider a similar Senate bill (S. 2519) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of F. Mansfield & Sons Co., and others, in lieu of the House bill.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims of the United States to hear, determine, and render judgment upon the claims of the F. Mansfield & Sons Co., N. P. Starbranch, Charles K. Wedmore, Charles E. Hamilton, Ernest E. Ball, the McNeil Oyster Co., the Thomas Oyster Co., the Connecticut Oyster Farms Co., and Fred C. Kral and George A. Rohr, partners trading under the name of Kral & Rohr, for a compensation for damages sustained by said claimants by reason of the injury to oysters on beds operated under perpetual franchises or leases from the State of Connecticut and injury to such oyster beds, caused by officers, employees, and/or agents of the United States in performing dredging work in the harbor of New Haven, Conn., in 1933, 1934, and 1935: *Provided*, That suit hereunder shall be instituted within 4 months from the date of the approval of this act, and proceedings therein shall be had in the same manner as in the case of claims over which the Court of Claims has jurisdiction, by virtue of section 145 of the Judicial Code, as amended.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NORMAN C. BRADY

The Clerk called the next bill, H. R. 7599, for the relief of Norman C. Brady.

Mr. HANCOCK of New York, Mr. HOPE, Mr. COSTELLO, and Mr. CLARK of Idaho objected.

OUACHITA WAREHOUSE, CAMDEN, ARK.

The Clerk called the next bill, H. R. 7668, for the relief of certain persons whose cotton was destroyed by fire in the Ouachita Warehouse, Camden, Ark.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. PARKS. Mr. Speaker, there is a similar Senate bill on the Speaker's table, except the Senate bill provides that there shall be no attorneys' fees beyond the 10 percent that is usually allowed, and I ask unanimous consent that the Senate bill be substituted for the House bill.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the following-named persons the amounts specified, in full satisfaction of their claims against the United States for damages resulting from the loss by fire on September 29, 1934, of cotton belonging to them which was stored in the Ouachita Warehouse, at Camden, Ark., upon the order of Collector of Internal Revenue, Treasury Department, Little Rock, Ark., without insurance: George Wilson, $58.73; John Carter and Gordon Supply Co., $52.38; Cuba Hobson, $66.42; Grant Carter, $56.70; C. R. Bradshaw, $59.94; C. R. Brawshaw, $74.93; Posey Pratt and E. Linebarier, $81.95; Charles R. Bradshaw and Gordon Supply Co., $58.46; Charles R. Bradshaw and Gordon Supply Co., $58.59; Charles R. Bradshaw and Gordon Supply Co., $57.24; Charles R. Bradshaw and Gordon Supply Co., $71.82; Charles R. Bradshaw and Gordon Supply Co., $60.35; Andy Bragg, $59.27; M. J. Wreyford, $69.39; M. J. Wreyford, $70.74; Charlie Jones, $79.52; Charlie Jones, $68.99; W. A. Tate, $80.60; Wylie James, $78.30; G. W. Rhymes, $62.10; G. W. Rhymes, $66.83; W. F. Stone, $74.93; W. F. Stone, $73.31; W. F. Stone, $61.43; Benton Williams, $65.48; Martin & Messer, $68.99; Martin & Goshen, $73.44; Martin & Goshen, $67.23; James Adams, $64.80; John Molden, $78.44; Joe Highsmith, $70.88; Doss Avery and G. S. Rumph, $60.35; W. M. Edwards and G. S. Rumph, $48.47; W. M. Edwards and G. S. Rumph, $73.98; James Hempstead and D. L. Gauhan, $68.04; Isom Turner and J. W. Martin, $74.39; F. B. Tribble, $73.44; Henry King, $60.75; Mit Hunter, $67.10; Hobart Clary, $64.53; W. O. Beaver and Motor Finance, $59.67; W. O. Beaver and Motor Finance, $65.61; W. O. Beaver and Motor Finance, $60.89; W. O. Beaver and Motor Finance, $60.75; Farmers Gin Co., $70.20; Farmers Gin Co., $61.97; Farmers Gin Co., $55.89; Farmers Gin Co., $63.99; Farmers Gin Co., $53.73; B. T. Laney, Jr., $72.63; Sam Shakelford, $65.48; Ran Terry, $70.61; B. P. Sharpe, $56.84; Will Scott and E. Williams, $56.97; Tollie Horton and Graham, $82.35; S. M. Thomas, $68.18; John Parker, $71.82; J. W. Martin and Trower, $71.96; W. F. Burk, $74.52; O. E. Cox, $76.68; St. Marys Church, $58.05; Fannie Montgomery, $68.18; Ed Owens, $63.45; Frank Parker, $61.43; J. W. Martin and Arnold, $75.60; J. W. Martin and Arnold, $70.88; John Lilly, $70.88; Dewey Wafford and Gordon Supply Co., $66.83; Newman Locke and Gordon Supply Co., $62.78; P. H. Highsmith and Gordon Supply Co., $71.42; Rollie Vaughn and Gordon Supply Co., $69.80; J. W. Martin, $70.20; Fannie Montgomery, $70.74; George Word and Gordon Supply Co., $62.10; Fred Curry and Gordon Supply Co., $66.15; Fred Curry and Gordon Supply Co., $69.53; Sam Bennett, $62.10; C. O. Adams, $70.61; Albert Carter, $65.61; Homer Crain, $65.48; James Curry, $66.56; Newman Locke and Gordon Supply Co., $81.68; Edwin Brodnax and Gordon Supply Co., $73.17; Joe Brodnax and Gordon Supply Co., $69.66; Hobert Clary, $63.45; W. W. Kennedy, $70.20; W. W. Kennedy and Gordon Supply Co., $68.99; Posey Pratt and Gordon Supply Co., $72.50; G. H. Silliman, $72.23; G. H. Silliman and Gordon Supply Co., $74.52; Seymore Pratt and Gordon Supply Co., $67.10; Frank Parker, $69.12; G. D. Wilcher, $70.20; Buck Lilly, $69.53; Fred Stone, $77.09; Fred Stone, $67.50; Fred Stone, $71.55; Fred Stone, $71.55; P. H. Highsmith, $66.15; G. S. Rumph and Ed McElroy, $66.83; George Berkheimer, $69.80; J. W. Martin and Arnold, $62.10; James Curry, $74.39; Jasper Newton, $50.22; L. P. Pratt, $62.64; Sawyer Robinson, $84.92; Sawyer Robinson, $81.27; Newman Locke and Gordon Supply Co., $71.55; Newman Locke and Gordon Supply Co., $68.04; Yarbrough & Pace, $61.83; Kid Leonard, $51.30; Smead Harris and Gordon Supply Co., $60.21; Lawrence Stone, $71.55; Lawrence Stone, $70.34; Lawrence Stone, $75.87; Lawrence Stone, $69.93; Phillip Webb, $71.96; Frank Goodwin, $70.74; Bose Harris, $45.50; Dan Davies, $49.14; Ira Strong, $65.34; S. P. Merritt and Gordon Supply Co., $48.87; S. P. Merritt and Gordon Supply Co., $66.96; Johnny Stough and Gordon Supply Co., $65.48; Murph Henry and Gordon Supply Co., $72.09; Murph Henry and Gordon Supply Co., $64.13; S. P. Merritt and Gordon Supply Co., $71.15; S. P. Merritt and Gordon Supply Co., $47.25; and C. R. Bradshaw and Gordon Supply Co., $74.79: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EDWARD C. PAXTON

The Clerk called the next bill, H. R. 8038, for the relief of Edward C. Paxton.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow in the account of Edward C. Paxton the sum of $1,374.50, representing the amount disallowed in the expense account of the said Edward C. Paxton for travel expense on a foreign vessel from New York to Sydney, Australia, while employed as a representative of the Foreign Agricultural Service of the Department of Agriculture.

With the following committee amendments:

In line 5, start with the figures "$1,374.50" and strike out the remainder of the bill and insert in lieu thereof the following: "$324.50, representing the amount disallowed in the expense accounts of the said Edward C. Paxton for travel and subsistence expenses incurred while traveling on a foreign vessel from New York to Sydney, Australia, while employed as a representative of the Foreign Agricultural Service of the Department of Agriculture.

"SEC. 2. The said Edward C. Paxton is hereby relieved of any liability for the payment of the sum of $1,050, representing the amount paid by the Government to a steamship company for transportation furnished upon transportation requests issued to and used by Mr. Paxton in connection with said travel, which sum is the amount of a charge that has been raised against Mr. Paxton by the Comptroller General."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MR. AND MRS. A. S. MULL

The Clerk called the next bill, H. R. 8069, for the relief of Mr. and Mrs. A. S. Mull.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to Mr. and Mrs. A. S. Mull in full compensation for personal injuries and property damages caused by an accident involving a Government truck, operated in connection with the Civilian Conservation Corps, near Ringgold, Ga., on February 22, 1934.

With the following committee amendments:

In line 7, strike out the words "and property damages caused by" and insert in lieu thereof the following words: "sustained by them as the result of."

At the end of the bill add: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. NAHWISTA CARR

The Clerk called the next bill, H. R. 8088, for the relief of Mrs. Nahwista Carr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Nahwista Carr the sum of $64.01, in full payment for the services rendered by said Mrs. Nahwista Carr as acting postmaster of Popejoy, Iowa, between the dates of December 26, 1933, and February 6, 1934, inclusive.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit the account of Henry H. Carr, deceased, former postmaster at Popejoy, Iowa, with $15.62. There is furthermore hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $82.07, $64.20 of which shall be paid to Nahwista Carr Bolk by the Comptroller General for services rendered by her as acting postmaster of Popejoy, Iowa, between December 26, 1933, and February 6, 1934, inclusive, and $17.87 of which shall be credited to the account of said post office by the Comptroller General, covering a balance due the United States from January 1 to February 6, 1934."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read as follows: "A bill for the relief of Nahwista Carr Bolk."

EDWARD B. WHEELER

The Clerk called the bill (S. 427) authorizing the reimbursement of Edward B. Wheeler and the State Investment Co. for the loss of certain lands in the Mora Grant, N. Mex.

The SPEAKER. Is there objection?

Mr. COSTELLO and Mr. CLARK of Idaho objected, and the bill was recommitted to the Committee on Claims.

ANNA HATHAWAY

The Clerk called the bill (S. 430) for the relief of Anna Hathaway.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, are hereby waived in favor of Anna Hathaway, widow of Frank J. Hathaway, former employee of the Postal Service, who now resides at Willard, N. Mex.: *Provided*, That compensation, if any, shall commence from and after the date of the passage of this act.

With the following committee amendment:

Page 1, line 8, strike out "employee of the Postal Service, who now resides at Willard, N. Mex." and insert "postmaster at Willard, N. Mex., who is alleged to have sustained disability on or about October 16, 1928, while in the performance of his duties, subsequently resulting in his death."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANCIS B. KENNEDY

The Clerk called the bill (S. 1059) authorizing adjustment of the claim of Francis B. Kennedy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and adjust the claim of Francis B. Kennedy, narcotic agent, as reimbursement for money (private funds) of which he was robbed while investigating charges against Frank De Mayo and others at Kansas City, Mo., May 28, 1928, and to allow in full and final settlement of said claim in the sum of not to exceed $350. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $350, or so much thereof as may be necessary, to pay said claim: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

W. F. LUEDERS

The Clerk called the bill (S. 1084) for the relief of W. F. Lueders.

The SPEAKER. Is there objection?

Mr. COSTELLO and Mr. CLARK of Idaho objected, and the bill was recommitted to the Committee on Claims.

MICHAEL DALTON

The Clerk called the bill (S. 1146) for the relief of Michael Dalton.

The SPEAKER. Is there objection?

Mr. CLARK of Idaho and Mr. COSTELLO objected, and the bill was recommitted to the Committee on Claims.

R. G. ANDIS

The Clerk called the bill (S. 1690) for the relief of R. G. Andis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General is authorized and directed to cancel the charge, in the amount of $68, entered on the accounts of R. G. Andis, former postmaster at Presho, S. Dak., by reason of his deposit of funds of the United States in the First State Bank of Pesho, Pesho, S. Dak., and the subsequent failure of such bank.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE W. HALLOWELL, JR.

The Clerk called the bill (S. 2434) for the relief of George W. Hallowell, Jr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to George W. Hallowell, Jr., sergeant, Ninth Squadron, United States Army Air Corps, the sum of $159.63 in full satisfaction of all claims against the United States of the said George W. Hallowell, Jr., for loss of certain personal property and tools on December 5, 1932, when an Army plane of which he was a member of the crew fell into the ocean as a result of the failure of the right motor while making certain speed tests pursuant to operations order no. 234, Eleventh Bombardment Squadron, Air Corps, March Field, Riverside, Calif., dated December 5, 1932.

With the following committee amendments:

At the end of the bill insert: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPH Y. UNDERWOOD

The Clerk called the bill (S. 2616) for the relief of the estate of Joseph Y. Underwood.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he hereby is, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Robert C. Underwood, of Brooklyn, N. Y., as executor of the estate of Joseph Y. Underwood, deceased, the sum of $10,000, in full satisfaction of all claims of such estate against the United States arising out of services rendered by such Joseph Y. Underwood in effecting the sale of 15 wooden vessels in June 1919 and of 11 wooden vessels in January 1920 by the United States Shipping Board to the Nacirema Steamship Corporation: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

ELMER H. ACKERSON

The Clerk called the bill (H. R. 5876) for the relief of Elmer H. Ackerson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Elmer H. Ackerson, who was a member of Caisson Company No. 2, One Hundred and Seventeenth Ammunition Train, attached to Company L, One Hundred and Sixty-eighth Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 27th day of May 1918, and notwithstanding any provisions to the contrary in the act relating to pensions approved April 26, 1898, as amended by the act approved May 11, 1908: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

CARL F. YEAGER

The Clerk called the bill (H. R. 5964) for the relief of Carl F. Yeager.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Carl F. Yeager, who was a member of the Five Hundred and Third Aero Squadron, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 24th day of June 1918: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

GEORGE MODRAN

The Clerk called the bill (H. R. 8324) for the relief of George Modran.

Mr. HANCOCK of New York and Mr. MOTT objected, and the bill was recommitted to the Committee on Military Affairs.

CLARENCE R. KILLION

The Clerk called the bill (H. R. 3912) to amend an act for the relief of Clarence R. Killion.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Private Law No. 226, Seventy-second Congress, entitled "An act for the relief of Clarence R. Killion", be amended by eliding the period after the word "Act" in the last line of the said act, substituting a colon therefor, and adding thereto the following: "*And provided further*, That if the veteran shall, within 12 months from the date of final passage and approval of this act, as amended, file with the Veterans' Administration an application for adjusted-service benefits under the provisions of the World War Veterans' Act, as amended, then, and in that event, nothing in this act contained shall be construed to prejudice his right to recover adjusted-service benefits thereunder if found otherwise entitled thereto."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

HENRY HILBUN

The Clerk called the bill (S. 2252) for the relief of Henry Hilbun.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding there is no official record of his enlistment, appointment, or service in the United States Army, Henry Hilbun, of Laurel, Miss., who, while in France, voluntarily reported to the regimental commander, Three Hundred and Sixteenth Regiment United States Engineers, in July 1918, and requested training; who was accepted and attached by order of the regimental commander to a company of the Three Hundred and Sixteenth Regiment United States Engineers for such training; and who, while so attached, actively participated in the St. Mihiel and Meuse-Argonne offensives and was wounded in action, shall be considered to have served as a member of the United States Army and to have been honorably discharged therefrom on October 10, 1918: *Provided*, That this act shall confer no rights, past or future, to bounty, compensation, pay, pension, or allowance.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

PENSIONS TO HELPLESS AND DEPENDENT CHILDREN

The Clerk called the bill (H. R. 8936) granting pensions and increase of pensions to certain helpless and dependent children of soldiers of the Civil War.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to place on the pension roll, subject to the provisions and limitations of the pension laws—

The name of Julia A. Silva, helpless and dependent daughter of Isaac Silva, late of Company C, Second Regiment New Hampshire Volunteer Infantry, and pay her a pension at the rate of $20 per month.

The name of Louisa J. Humphrey, helpless and dependent daughter of Benjamin Humphrey, late of Company B, One Hundred and Sixty-first Regiment Ohio National Guard Volunteer Infantry, and pay her a pension at the rate of $20 per month.

The name of Effie M. Anderson, helpless and dependent daughter of Robert Anderson, late of Company B, Seventy-seventh Regiment Pennsylvania Volunteer Infantry, and pay her a pension at the rate of $20 per month.

The name of Hattie G. Badger, helpless and dependent daughter of Stephen L. Badger, late of Company C, Sixty-first Regiment Massachusetts Volunteer Infantry, and pay her a pension at the rate of $20 per month.

The name of Hubert L. Anderson, helpless and dependent son of Robert L. Anderson, late of Company A, Eleventh Regiment Kentucky Volunteer Cavalry, and pay him a pension at the rate of $20 per month.

The name of Frances Edna Morrow, helpless and dependent daughter of Alexander Morrow, late of Company B, Thirty-second Regiment Illinois Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Everett P. Collins, helpless and dependent son of Theadric Collins, late of Company I, Seventh Regiment Illinois Volunteer Cavalry, and pay him a pension at the rate of $20 per month.

The name of Sarah H. Allison, helpless and dependent daughter of Jacob Allison, late of Company F, First Regiment New Jersey Volunteer Cavalry, and pay her a pension at the rate of $20 per month.

The name of Nellie M. Taylor, helpless and dependent daughter of Corwin M. Taylor, late of Company G, One Hundred and Twenty-first Regiment Ohio Volunteer Infantry, and pay her a pension at the rate of $20 per month.

The name of Mary M. Norris, helpless and dependent daughter of Wisner Norris, late of Companies D and F, Thirty-second Regiment Missouri Volunteer Infantry, and pay her a pension at the rate of $20 per month.

The name of John Dudley, helpless and dependent son of Seth B. Dudley, late of Company I, Twenty-third Regiment Maine Volunteer Infantry, and pay him a pension at the rate of $20 per month.

The name of Viola Shively, helpless and dependent daughter of William Shively, late of Company A, One Hundred and Fifty-fifth Regiment Indiana Volunteer Infantry, and pay her a pension at the rate of $20 per month.

The name of Walter D. Cropper, helpless and dependent son of Wheetley D. Cropper, late of Company G, Tenth Regiment Kentucky Volunteer Cavalry, and Company C, Fifty-fourth Regiment Kentucky Volunteer Mounted Infantry, and pay him a pension at the rate of $20 per month.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

PENSIONS TO CERTAIN WIDOWS, ETC.

The Clerk called the bill (H. R. 8937) granting increase of pensions to certain widows and former widows of soldiers of the Civil War.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to place on the pension roll, subject to the provisions and limitations of the pension laws—

The name of Martha Bebb, widow of William J. Bebb, late of Company F, One Hundred and Eighteenth Regiment Ohio Volunteer Infantry, and Company H, Eighth Regiment, Veteran Reserve Corps, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Clara H. Miller, widow of William Miller, late of Company E, Third Regiment Iowa Volunteer Cavalry, and pay her a pension at the rate of $30 per month in lieu of that she is now receiving.

The name of Lettie M. Fleming, widow of Alden Fleming, late of Company E, Fifty-second Regiment Pennsylvania Volunteer

Infantry, and pay her a pension at the rate of $40 per month in lieu of that she is now receiving.

The name of Ellen E. Chidester, widow of Wilbur F. Chidester, late of Company I, One Hundred and Eighty-fifth Regiment New York Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Mary C. Thomas, widow of Harvey W. Thomas, late of Company B, Second Regiment Colorado Volunteer Cavalry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Alice J. Robinson, widow of Henry H. Robinson, 2d, late of Company B, Fifth Regiment Massachusetts Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Josephine Bier, former widow of Purnell Bowen, late of Company B, Twenty-fifth Regiment, and Company D, Fifteenth Regiment, New Jersey Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Leonice T. Holmes, widow of Thomas J. Holmes, late of Company G, Eleventh Regiment Maine Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Mary I. Pingrey, widow of Henry C. Pingery, late of Company B, Eighth Regiment Vermont Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Elizabeth Thompson, widow of Martin V. Thompson, late of Company H, Seventy-fifth Regiment Illinois Volunteer Infantry, and Company H, Fifteenth Regiment Veteran Reserve Corps, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Mary A. Purvis, widow of Solomon B. Purvis, late of Company K, Twenty-fourth Regiment New York Volunteer Cavalry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Susan C. Nobles, widow of Harmon D. Nobles, late of Company G, First Regiment Missouri Volunteer Cavalry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Julia Peart, widow of John Peart, late of Company A, Twenty-first Regiment New York Volunteer Cavalry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Mary M. Snyder, widow of Christopher S. Snyder, late of Company B, Second Regiment New Jersey Volunteer Cavalry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Ruth A. Smith, widow of Richard Smith, alias Diedrich Smith, late of Company C, One Hundred and Fifty-ninth Regiment New York Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Mary E. Pierce, widow of John E. Pierce, late of the Eighth Independent Battery, Ohio Volunteer Light Artillery, and Company I, One Hundred and First Regiment Indiana Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Margaret A. Inks, widow of Adolphus J. Inks, late of Companies E, Eighty-fifth and One Hundred Eighty-eighth Regiments Pennsylvania Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Sarah E. K. White, former widow of Alexander M. Kennedy, late of Company A, Second Regiment West Virginia Volunteer Cavalry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Georgiana P. Nichols, former widow of Henry C. Packard, late of Company I, Twenty-first Regiment New York Volunteer Cavalry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Edith Pullen, widow of Disbrow Pullen, late of Company A, Thirty-third Regiment Wisconsin Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Sarah Wilcox, widow of Henry Wilcox, late of Company E, One Hundred and Forty-second Regiment Illinois Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Rose K. Cox, former widow of Francis M. Morgan, late of Company C, Ninety-second Regiment Ohio Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Mary E. Fultz, widow of Henry C. Fultz, late of Company A, Forty-third Regiment Ohio Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Rachel M. Kuhn, widow of George Kuhn, late of Company C, Forty-sixth Regiment Ohio Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Jemima Bason, widow of Thomas Bason, late of Company D, Sixty-fifth Regiment Illinois Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Mary M. Livingston, widow of Barak Livingston, late of Company H, One Hundred and Thirty-fourth Regiment Illinois Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Lovina Brown, widow of Jacob H. Brown, late of Company E, Eleventh Regiment Pennsylvania Volunteer Cavalry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Lucretia J. Jaques, widow of Oliver P. Jaques, late of Company A, Seventy-fourth Regiment Indiana Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Viola S. Whitten, widow of James C. Whitten, late of Company A, Fourteenth Regiment Kentucky Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Mary Delane, widow of David Delane, late of Company F, Ninety-eighth Regiment New York Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Mary Briggs, widow of Samuel J. Briggs, late of Company K, One Hundred and Ninety-first Regiment Ohio Volunteer Infantry, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

This bill is a substitute for the following private bills referred to your committee:

H. R. 559. Martha R. Bebb.
H. R. 2146. Clara H. Miller.
H. R. 4150. Lettie M. Fleming.
H. R. 5627. Ellen E. Chidester.
H. R. 6079. Mary C. Thomas.
H. R. 7077. Alice J. Robinson.
H. R. 7427. Josephine Bier.
H. R. 8009. Leonice T. Holmes.
H. R. 8018. Mary I. Pingrey.
H. R. 8062. Elizabeth Thompson.
H. R. 8064. Mary A. Purvis.
H. R. 8097. Susan C. Nobles.
H. R. 8153. Julia Peart.
H. R. 8155. Mary M. Snyder.
H. R. 8174. Ruth Ann Smith.
H. R. 8277. Mary E. Pierce.
H. R. 8307. Margaret A. Inks.
H. R. 8326. Sarah E. K. White.
H. R. 8339. Georgiana P. Nichols.
H. R. 8343. Edith Pullen.
H. R. 8374. Sarah Wilcox.
H. R. 8417. Rose K. Cox.
H. R. 8571. Mary E. Fultz.
H. R. 8589. Rachel M. Kuhn.
H. R. 8684. Jemima Bason.
H. R. 8704. Mary M. Livingston.
H. R. 8745. Lovina Brown.
H. R. 8778. Lucretia J. Jaques.
H. R. 8792. Viola S. Whitten.
H. R. 8812. Mary Delane.
H. R. 8889. Mary Briggs.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

WIDOWS AND FORMER WIDOWS OF SOLDIERS OF THE CIVIL WAR

The Clerk called the next bill, H. R. 8938, granting pensions to certain widows and former widows of soldiers of the Civil War.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to place on the pension roll, subject to the provisions and limitations of the pension laws—

The name of Emma Fishinger, widow of Frederick Fishinger, late of Company A, Ninety-fifth Regiment Ohio Volunteer Infantry, and pay her a pension at the rate of $30 per month.

The name of Lottie Denny, widow of Samuel T. Denny, late of Company M, Fifth Regiment Ohio Volunteer Cavalry, and Company H, One Hundred and Seventeenth Regiment, and Company D, Sixteenth Regiment Indiana Volunteer Infantry, and pay her a pension at the rate of $30 per month.

The name of Mattie Harris, widow of John A. Harris, late of Company M, Second Regiment Arkansas Volunteer Cavalry, and pay her a pension at the rate of $20 per month and increase the rate to $30 per month from and after the date she shall have attained the age of 60 years, which fact shall be determined by the submission of satisfactory evidence by the beneficiary to the Veterans' Administration.

The name of May Barnes, widow of Alanson J. Barnes, late of Company C, One Hundred and Fourth Regiment New York Volunteer Infantry, and pay her a pension at the rate of $30 per month.

The name of Mary J. Davis, widow of Ruben or Reuben Davis, late of Company D, Eighty-second Regiment Enrolled Missouri Militia, and pay her a pension at the rate of $30 per month.

The name of Mary Quirk, widow of John Quirk, late of Company H, Twenty-sixth Regiment Missouri Volunteer Infantry, and pay her a pension at the rate of $30 per month.

The name of Lucy E. Emens, widow of William J. Emens, late of Company G, Fiftieth Regiment New York Volunteer Engineers, and pay her a pension at the rate of $30 per month.

The name of Flora Green, widow of Joseph W. Green, late of Company G, Thirteenth Regiment Tennessee Volunteer Cavalry, and pay her a pension at the rate of $20 per month, and increase the rate of $30 per month from and after the date she shall have attained the age of 60 years, which fact shall be determined by the submission of satisfactory evidence by the beneficiary to the Veterans' Administration.

The name of Rachel Fuson, widow of Thomas Fuson, late of Companies B and I, Seventh Regiment, and Company E, Sixth Regiment Kentucky Volunteer Cavalry, and pay her a pension at the rate of $30 per month.

The name of Sarah Hammons, widow of Alvin W. Hammons or Hamon, late of Capt. Hiram Minor's Perry County Company of Volunteers, Missouri Militia, and pay her a pension at the rate of $30 per month.

The name of Anna E. Routson, widow of Albert M. Routson, late of Company G, One Hundred and Tenth Regiment Ohio Volunteer Infantry, and pay her a pension at the rate of $30 per month.

The name of Mima Turner, widow of Jesse Turner, late of Captain William Strong's Company E, Three Forks Battalion, Kentucky State Troops, and pay her a pension at the rate of $30 per month.

The name of Bettie C. Cunningham, widow of Israel D. Cunningham, late of Company B, Fifth Regiment Ohio Volunteer Cavalry, and pay her a pension at the rate of $30 per month.

The name of Emma J. Rose, widow of Irvin R. Rose, late of Captain William Forbe's company, Howard County Missouri Militia, and pay her a pension at the rate of $30 per month.

The name of Mary J. Whistler, widow of Thomas Whistler, late of Company G, Second Regiment Eastern Shore Maryland Volunteer Infantry, and Company K, Eleventh Regiment Maryland Volunteer Infantry, and pay her a pension at the rate of $30 per month.

The name of Martha Willoughby, former widow of Benjamin F. Willoughby, late of Company G, Fifty-third Regiment Kentucky Volunteer Infantry, and pay her a pension at the rate of $30 per month.

The name of Martha J. Rhodes, widow of Milton W. Rhodes, late of Company H, Seventy-sixth Regiment Ohio Volunteer Infantry, and pay her a pension at the rate of $30 per month.

The name of Clarissa M. Eck, widow of Alvin Eck, late of Company A, Twelfth Regiment Michigan Volunteer Infantry, and pay her a pension at the rate of $20 per month, and increase the rate to $30 per month from and after the date she shall have attained the age of 60 years, which fact shall be determined by the submission of satisfactory evidence by the beneficiary to the Veterans' Administration.

The name of Nellie M. Benjamin, widow of William H. Benjamin, late of Company D, One Hundred and Twentieth Regiment New York Volunteer Infantry, and pay her a pension at the rate of $30 per month.

The name of Sidney A. Hodges, widow of George W. Hodges, late of Company I, Fourteenth Regiment New York Volunteer Heavy Artillery, and pay her a pension at the rate of $30 per month.

The name of Ella A. Reese, widow of Frank Norris Reese, late of Company C, Tweifth Regiment, and Company K, Seventeenth Regiment Illinois Volunteer Cavalry, and pay her a pension at the rate of $30 per month.

The name of Lorella Roller, widow of Alpha Roller, late of Company G, One Hundred and Eighteenth Regiment Ohio Volunteer Infantry, and pay her a pension at the rate of $30 per month.

The name of Ella Foreman, widow of Samuel Foreman, late of Company K, Seventeenth Regiment Ohio Volunteer Infantry, and pay her a pension at the rate of $30 per month.

The name of Evangeline R. Butler, widow of William Henry H. Butler, late of Company E, Fifth Regiment United States Colored Infantry, and pay her a pension at the rate of $30 per month.

The name of Margaret Wallace, widow of John K. C. Wallace, late of Company D, Sixth Regiment Missouri Volunteer State Militia Cavalry, and pay her a pension at the rate of $30 per month.

The name of Pauline Fallahee, widow of Thomas Fallahee, late of Company A, Thirteenth Regiment New York Volunteer Cavalry, and Company G, Third Regiment New York Provisional Volunteer Cavalry, and pay her a pension at the rate of $30 per month.

The name of Flora B. Thomas, widow of Luther B. Thomas, late of Company I, Fifteenth Regiment Iowa Volunteer Infantry, and pay her a pension at the rate of $30 per month.

The name of Ruth Ann Breedlove, widow of Thomas D. Breedlove, late of Company B, Forty-sixth Regiment Missouri Volunteer Infantry, and pay her a pension at the rate of $30 per month.

The name of Ellogene M. Raymond, widow of Leverett Raymond, late of Company C, Twentieth Regiment New York Volunteer Cavalry, and pay her a pension at the rate of $30 per month.

The name of Hanie Marshall, widow of Thomas J. Marshall, late of Capt. W. E. Chester's Johnson County company, Missouri Militia, and pay her a pension at the rate of $30 per month.

The name of Martha B. Ellis, widow of Lewis W. Ellis, late of Company G, Eighth Regiment Iowa Volunteer Cavalry, and pay her a pension at the rate of $30 per month.

The name of Elizabeth Morehead, widow of Franklin Morehead, late of Company B, Thirtieth Regiment, and Company G, Fifty-third Regiment, Indiana Volunteer Infantry, and pay her a pension at the rate of $30 per month.

The name of Leah A. Rowe, widow of John W. Rowe, late of Company I, Seventh Regiment Wisconsin Volunteer Infantry, and pay her a pension at the rate of $30 per month.

The name of Nancy A. Francis, widow of Elbert S. Francis, alias Elbert C. Francis, late of Captain William D. Cardwell's company, Three Forks Battalion, Kentucky State Troops, and pay her a pension at the rate of $30 per month.

The name of Mary J. Blackman, widow of William O. Blackman, late of Company B, Ninth Regiment Maine Volunteer Infantry, and pay her a pension at the rate of $30 per month.

The name of Alice L. Stemmons, widow of Thomas J. Stemmons, late of Company C, Seventh Regiment Provisional Enrolled Missouri Militia, and pay her a pension at the rate of $30 per month.

The name of Mary J. Bolton, widow of Alexander Bolton, late of Company G, Thirteenth Regiment Kentucky Volunteer Cavalry, and pay her a pension at the rate of $30 per month.

The name of Bettie L. Lomax, widow of Henry C. Lomax, late of Captain Robert W. Holland's Linn County Provisional Company, Sixty-second Regiment Enrolled Missouri Militia, and pay her a pension at the rate of $30 per month.

The name of Mary L. Bruner, former widow of James Bruner, late of Captain Isaac D. Hon's Company K, Sixty-ninth Regiment Enrolled Missouri Militia, and pay her a pension at the rate of $30 per month.

The name of Della Means, widow of Jacob A. Means, late of Company K, One hundred and twenty-seventh Regiment Illinois Volunteer Infantry, and pay her a pension at the rate of $30 per month.

The name of Rosetta Laws, widow of William Laws, late of Company F, Twentieth Regiment United States Colored Infantry, and pay her a pension at the rate of $30 per month.

The name of Emma Campbell, widow of Alexander J. Campbell, late of Company K, Second Regiment Wisconsin Volunteer Cavalry, and pay her a pension at the rate of $30 per month.

The name of Kathryn E. Fraley, widow of William G. Fraley, late of Company A, Two hundred and fifteenth Regiment Pennsylvania Volunteer Infantry, and pay her a pension at the rate of $20 per month, and increase the rate to $30 per month from and after the date she shall have attained the age of 60 years, which fact shall be determined by the submission of satisfactory evidence by the beneficiary to the Veterans' Administration.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. BANKHEAD. Mr. Speaker, I understand this is as far as we are prepared to go today on the Private Calendar.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. KEE (at the request of Mr. EDMISTON), indefinitely, on account of illness.

EXTENSION OF REMARKS

Mr. BLANTON. Mr. Speaker, on yesterday I obtained permission to extend my remarks on the Townsend plan. I desire to incorporate some excerpts and data that I think would be enlightening to my colleagues, and I ask that permission.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

SENATE BILLS REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2524. An act amending section 112 of the United States Code, Annotated (title 28; subtitle, "Civil suits; where to be brought"); to the Committee on the Judiciary.

S. 3049. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

S. 3413. An act to give effect to the convention between the United States and certain other countries for the regulation of whaling, concluded at Geneva, September 24, 1931, signed on the part of the United States March 31, 1932, and for other purposes; to the Committee on the Judiciary.

S. 3453. An act limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to certain counsel; to the Committee on the Judiciary.

S. J. Res. 178. Joint resolution to authorize the appointment of certain officers and employees of the United States Texas Centennial Commission without regard to the civil-service laws; to the Committee on Foreign Affairs.

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 49 minutes p. m.) the House adjourned until tomorrow, Wednesday, January 8, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

560. Under clause 2 of rule XXIV, a letter from the Chairman of the Interstate Commerce Commission, transmitting the Forty-ninth Annual Report of the Interstate Commerce Commission, was taken from the Speaker's table and referred to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. WOODRUM: Committee on Appropriations. H. R. 9863. A bill making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1937, and for other purposes; without amendment (Rept. No. 1909). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOUGHTON: Committee on Ways and Means. H. R. 9870. A bill to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes; without amendment (Rept. No. 1910). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 8611) granting a pension to Henrietta V. W. Owen, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WOODRUM: A bill (H. R. 9863) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1937, and for other purposes; to the Committee on Appropriations.

By Mr. BUCKLER of Minnesota: A bill (H. R. 9864) providing for payment of $25 to each enrolled Chippewa Indian of Minnesota from the funds standing to their credit in the Treasury of the United States; to the Committee on Indian Affairs.

By Mr. BOILEAU: A bill (H. R. 9865) for the taxation of oleomargarine; to the Committee on Agriculture.

By Mr. DIMOND: A bill (H. R. 9866) to extend certain provisions of the act approved June 18, 1934, commonly known as the Wheeler-Howard Act (Public Law No. 383, 73d Cong., 48 Stat. 984), to the Territory of Alaska, to provide for the designation of Indian reservations in Alaska, and for other purposes; to the Committee on Indian Affairs.

By Mr. McCORMACK: A bill (H. R. 9867) to repeal section 603 of the Revenue Act of 1932; to the Committee on Ways and Means.

By Mr. DIMOND: A bill (H. R. 9868) to amend the first section of an act entitled "An act to reserve lands to the Territory of Alaska for educational uses, and for other purposes", approved March 4, 1915 (38 Stat. 1214); to the Committee on the Public Lands.

By Mr. EICHER: A bill (H. R. 9869) to restore and stabilize agricultural buying power by regulating interstate and foreign commerce and the value of money in agricultural commodities of which there is an exportable surplus by establishing a minimum cost of production price for the domestic consumption percentages thereof and by providing for the orderly marketing of the export percentages thereof, and for other purposes; to the Committee on Agriculture.

By Mr. VINSON of Kentucky: A bill (H. R. 9870) to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes; to the Committee on Ways and Means.

By Mr. DOCKWEILER: A bill (H. R. 9871) to amend an act entitled "An act providing for the participation of the United States in the California-Pacific International Exposition to be held at San Diego, Calif., in 1935 and 1936; authorizing an appropriation therefor and for other purposes", approved March 7, 1935, to provide for participation in the California-Pacific International Exposition to be held at San Diego, Calif., in 1936; to authorize an appropriation therefor, and for other purposes; to the Committee on Foreign Affairs.

By Mr. HOBBS: A bill (H. R. 9872) to make permanent the Civilian Conservation Corps, and for other purposes; to the Committee on Labor.

By Mr. MORITZ: A bill (H. R. 9873) to remove certain court proceedings from the District of Columbia; to the Committee on the Judiciary.

By Mr. TERRY: A bill (H. R. 9874) authorizing a preliminary examination of Cadron Creek, Ark., a tributary of the Arkansas River; to the Committee on Flood Control.

By Mr. TURNER: A bill (H. R. 9875) to provide $50,000 for the care, maintenance, and improvement of the ancestral home of James K. Polk, and for other purposes; to the Committee on Military Affairs.

By Mr. DICKSTEIN: Joint resolution (H. J. Res. 429) proposing an amendment to the Constitution of the United States giving Congress power over agriculture; to the Committee on the Judiciary.

By Mr. ENGEL: Joint resolution (H. J. Res. 430) directing the President of the United States of America to proclaim October 11, 1936, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. PARSONS: Joint resolution (H. J. Res. 431) to extend the benefits of employment on work-relief projects to certain unemployed persons; to the Committee on Appropriations.

By Mr. GUYER: Joint resolution (H. J. Res. 432) authorizing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. HOUSTON: Joint resolution (H. J. Res. 433) making the 11th day of November in each year a legal holiday; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BACHARACH: A bill (H. R. 9876) for the relief of Harry Thomas; to the Committee on Claims.

By Mr. CANNON of Wisconsin: A bill (H. R. 9877) for the relief of Howard Emmett Tallmadge; to the Committee on Naval Affairs.

Also, a bill (H. R. 9878) granting a pension to Lawrence Hilbert; to the Committee on Invalid Pensions.

By Mr. CARY: A bill (H. R. 9879) granting a pension to Laura C. Clarke; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9880) granting a pension to Andrew J. White; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9881) granting a pension to Lee Rigsby; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9882) granting a pension to Sarah Ann B. Emry; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9883) granting a pension to Bettie Dillard; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9884) granting a pension to Belle Bratton Hood; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9885) granting a pension to Sylvia Abner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9886) granting a pension to Annie Lewis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9887) granting a pension to Jennie Welborn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9888) granting a pension to Maggie Sanders; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9889) granting an increase of pension to Burley L. Van Fleet; to the Committee on Invalid Pensions.

By Mr. COLE of New York: A bill (H. R. 9890) granting an increase of pension to Mary G. Van Brunt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9891) granting an increase of pension to Mary B. Norwood; to the Committee on Invalid Pensions.

By Mr. DIMOND: A bill (H. R. 9892) for the relief of Rev. George James Beck, to the Committee on Military Affairs.

By Mr. DRISCOLL: A bill (H. R. 9893) to correct the military record of Charles H. Nason; to the Committee on Military Affairs.

By Mr. DUNCAN: A bill (H. R. 9894) for the relief of certain claimants who suffered loss by flood in, at, or near Sugar Lake in Platte and Buchanan Counties, in the State of Missouri, during the month of March 1934; to the Committee on Claims.

By Mr. ENGEL: A bill (H. R. 9895) granting a pension to Clara J. Pugh; to the Committee on Pensions.

Also, a bill (H. R. 9896) for the relief of Andrew Dowd; to the Committee on Claims.

By Mr. FULLER: A bill (H. R. 9897) granting a pension to Margaret Officer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9898) granting an increase of pension to Fronia L. B. Norwood; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9899) granting a pension to Lau Jones; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9900) granting a pension to Gemima Reeves; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9901) granting a pension to Bettie A. Reese; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9902) granting a pension to Martha J. Hopper; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9903) granting a pension to Gabriel Patrick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9904) granting a pension to Lillie Siemiller; to the Committee on Invalid Pensions.

By Mr. GIFFORD: A bill (H. R. 9905) for the relief of Seth A. Welch; to the Committee on Military Affairs.

By Mr. GINGERY: A bill (H. R. 9906) granting an increase of pension to Elizabeth Koontz; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9907) granting an increase of pension to Barbara Weber; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9908) granting an increase of pension to Alice Paul; to the Committee on Invalid Pensions.

By Mr. HESS: A bill (H. R. 9909) for the relief of Joseph Lawrence Rusche; to the Committee on Naval Affairs.

By Mrs. JENCKES of Indiana: A bill (H. R. 9910) to carry out the findings of the Court of Claims in the case of Frank T. Foster; to the Committee on Claims.

By Mr. LAMNECK: A bill (H. R. 9911) granting an increase of pension to Louisa F. Byrd; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9912) granting a pension to Mary J. Duling; to the Committee on Pensions.

By Mr. MAY: A bill (H. R. 9913) granting a pension to Sarah Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9914) granting a pension to Margaret Moore; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9915) granting a pension to Minerva Wells; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9916) granting a pension to George Brewer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9917) granting a pension to Emily Jane Poe; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9918) granting a pension to Lucinda McDaniel; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9919) granting a pension to Silas E. Shepherd; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9920) granting a pension to Emaline Gambrel; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9921) granting a pension to Polly Stewart; to the Committee on Invalid Pensions.

By Mr. POLK: A bill (H. R. 9922) for payment of compensation to Mary Fagin for services as postmaster at the fourth-class post office at Mount Holly, Clermont County, Ohio; to the Committee on Claims.

By Mr. SUTPHIN: A bill (H. R. 9923) granting a pension to Lida May Truex; to the Committee on Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 9924) granting an increase of pension to Mary Jane Butler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9925) granting a pension to Luticia C. Anderson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9926) for the relief of Robert B. Barker; to the Committee on Claims.

Also, a bill (H. R. 9927) granting a pension to Sarah J. Green; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9928) granting a pension to Lester Nevada Hays; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9929) granting a pension to Hannah T. Heaton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9930) granting a pension to Allie M. Walker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9931) granting a pension to Susan Elizabeth Jeffers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9932) granting a pension to Maggie Allen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9933) granting a pension to Louisa Weaver; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9934) granting a pension to Martha Katherine Hazelton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9935) granting a pension to Martha Wyatt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9936) granting a pension to Zubie Owens; to the Committee on Invalid Pensions.

By Mr. TERRY: A bill (H. R. 9937) authorizing the President to award the Congressional Medal of Honor to Dr. Samuel G. Boyce; to the Committee on Military Affairs.

By Mr. THOMPSON: A bill (H. R. 9938) for the relief of Isaac White; to the Committee on Military Affairs.

Also, a bill (H. R. 9939) for the relief of Louis Wardlow; to the Committee on Claims.

Also, a bill (H. R. 9940) for the relief of John Petruskey; to the Committee on Military Affairs.

By Mr. WILLIAMS: A bill (H. R. 9941) granting an increase of pension to Ida Nagel; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9942) granting a pension to Nancy V. Mosher; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9943) granting a pension to Mary E. Mecomber; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9944) granting a pension to Malisa Maze; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9945) granting a pension to Annie McKown; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9946) granting a pension to Annie C. Linthicum; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9947) granting a pension to Ruah L. Martin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9948) granting a pension to James E. Hamilton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9949) granting a pension to Emma Knight; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9950) granting a pension to Sarah K. Copeland; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9951) granting a pension to Ona Gross; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9952) granting a pension to Eddie Bassett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9953) granting a pension to Nan A. Benson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9954) granting a pension to Annie Rhodes; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9955) granting a pension to Frances E. Newton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9956) granting a pension to Margaret F. Wilson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9957) granting a pension to Ella Strutton; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9418. By Mr. BACHARACH: Petition of some 600 employees of the Whitall Tatum Co., Millville, N. J., protesting against the imports of glass products from Japan, and urging the necessity of adequate protection being given to the American glassware industry; to the Committee on Ways and Means.

9419. By Mr. BOYLAN: Petitions from the American Friends of Italy, New York City, N. Y., protesting against American association with League of Nations sanction activities, etc.; to the Committee on Foreign Affairs.

9420. Also, resolution adopted by the Warehousemen's Association of the Port of New York, Inc., relative to waterfront properties of the Federal Government now under private operation; to the Committee on Rivers and Harbors.

9421. By Mr. COLDEN: Resolution 1145, adopted by the Board of Harbor Commissioners of the City of Los Angeles, Calif., at a meeting held December 31, 1935, opposing House bill 3263, known as the Pettengill bill, and any similar bills which have been or may hereafter be introduced; to the Committee on Rivers and Harbors.

9422. By Mr. PLUMLEY: Petition of Loggia C. Colombo, I. V., No. 414, O. F. di I. in America, Inc., protesting against our Government meddling with European sanctions and embargo policies; to the Committee on Foreign Affairs.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JANUARY 8, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Infinite God, our Heavenly Father upon earth, we most gratefully rejoice that we find in Thee guidance when we are in health, comfort when we are in sickness, and strength when we are in adversity; glory be to Thy holy name! Do Thou gird us this day with the best, and may we choose well. Give us courage and aspiration that shall be tokens of Thy presence. Oh, turn men everywhere from their wicked ways; may they no longer strive for the exploits of carnal warfare but seek the higher achievements of the spirit. Heavenly Father, be Thou the bread of our lives, the light that we may see, the staff that we may walk, and the rock under whose shadow refreshment can be found. In the name of our Savior we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

PAYMENT OF WORLD WAR ADJUSTED-SERVICE CERTIFICATES

Mr. O'CONNOR, from the Committee on Rules, reported the following resolution (Rept. No. 1911), which was referred to the House Calendar and ordered to be printed:

House Resolution 388

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 9870, a bill "To provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes." That after general debate, which shall be confined to the bill and continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

PERMISSION TO ADDRESS THE HOUSE

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. ZIONCHECK. Mr. Speaker, on yesterday I had to stand trial in the police court of Washington, D. C. I was unable to get an official stenographer, as none was available, so I had my secretary go there and take the testimony. I have here a copy of the transcript of the proceedings as she reported them.

Mr. Speaker, I ask unanimous consent that at this point in the RECORD I may insert this transcript of the testimony as she has written it. I have not read it myself, as I have not had the time.

I would further request, Mr. Speaker, that the testimony be printed in the regular 8-point type.

Mr. RICH. Mr. Speaker, reserving the right to object, I question whether, if we permit this matter to be inserted in large type, we will not have similar requests from other Members. [Laughter.] I do not mean to cast any reflections upon my good friend; I just want to try to protect the RECORD.

Mr. ZIONCHECK. I think the gentleman from Pennsylvania is doing very well in that respect, but this is an exceptional case, Mr. Speaker.

Mr. RICH. Undoubtedly; but I question whether this matter ought to be printed in large type. For this reason, Mr. Speaker, I shall have to object.

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, I asked this question at least twice during the last session, under the law could this request be granted? There is a standing law on the subject, and I do not think it can be waived by unanimous consent.

Mr. ZIONCHECK. Mr. Speaker, being a law-abiding citizen, I modify my request and ask that it be printed in the regular type.

Mr. SNELL. Mr. Speaker, reserving the right to object, as far as I can remember, we have never put police-court records in the CONGRESSIONAL RECORD.

Mr. ZIONCHECK. This is not a police-court record.

Mr. SNELL. Mr. Speaker, for the present, I shall be obliged to object.

Mr. ZIONCHECK. If the gentleman will reserve his objection for a moment, this is not a police-court record; this is a transcript of the testimony that was taken there. I think the Congress should know what went on. I think the gentleman should know what is going on there. I think it is informative. I am submitting it without comment. I think this is an exceptional case.

Mr. SNELL. Mr. Speaker, I have no objection to the gentleman's making any explanation he may wish at any time in regard to his own actions or those of anyone else.

Mr. ZIONCHECK. I have no explanations to offer.

Mr. SNELL. But when it comes to putting these matters into the CONGRESSIONAL RECORD, I think it is my duty to object.

Mr. ZIONCHECK. Will the gentleman object to a request to put it in this RECORD as an extension of my own remarks?

Mr. SNELL. I am not going to allow that at the present time.

Mr. ZIONCHECK. But the gentleman may do so hereafter?

The SPEAKER. Objection is heard.

WAGNER LABOR-RELATIONS BILL

Mr. EAGLE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a letter I have written concerning the labor-disputes bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. EAGLE. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter written by me to Maj. Roland A. Laird, assistant general manager of the Chamber of Commerce of Houston, Tex.:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., June 9, 1935.

Wagner labor-relations bill.

Maj. ROLAND A. LAIRD,
Assistant General Manager, Chamber of Commerce,
Houston, Tex.

DEAR MAJOR LAIRD: I am at my office this Sunday, as usual, at work; and I received at this hour your air-mail letter of the 8th about the Wagner labor-relations bill, asking me to help to kill that bill.

You assume to assure me what is the state of united opinion of an important employing group. That is a great responsibility you thus assume, and a very broad assertion you make.

I put my views on that important matter in the Houston Post recently, and I have answered over 1,000 letters from constituents, some for it and some against it, by sending copy of my views expressed in my letter to Mr. Powell to each of them; and I send copy with this as additional reply to your welcome letter.

I cannot agree with either the facts, the views, or the sentiments you express in your letter. We have no troublesome labor problem at Houston; but it is an issue affecting the entire Nation, and there is a mighty and acute labor problem in other sections of the country. Plainly my duty is to think and act for the welfare and good of my own community—which I do always—but also as a national legislator to think and vote in terms of the entire country.

True, what we have done here since March 4, 1933, has saved business and restored prosperity; but I cannot and will not agree that, after saving all business, we are now to turn over all labor throughout the Nation to the tender mercies of these northern and eastern labor employers to be exploited by them as formerly by their increasing the hours, decreasing the pay, using chiseling company unions to deal with, and restoring child labor—thus enslaving labor as it was enslaved before N. I. R. A., and as it will be again enslaved with N. I. R. A. dead unless labor has a fair national legal tribunal, to which it may take its grievances to be adjudicated if and when management may treat it with brutal injustice. This country can never be happy and prosperous unless producers of all sorts receive fair prices and labor of all sorts receives fair treatment.

The Wagner labor-relations bill as we have amended it in the Labor Committee of the House, since its passage through the Senate before the court decision as to N. I. R. A., does exactly what you say in your letter it does not do, and it does not do exactly what you say in your letter it does do.

My conclusion is not a hasty nor a superficial one but is based upon the developed facts, and is necessary if we are to make justice the rule of law in a civilized country.

For the above reasons, as well as those set forth in my Powell letter enclosed, I do not agree with you, and usual candor compels me, with all due respect, to say so in these unevasive terms.

You must feel free to show this to all those fine and worthy friends and gentlemen employers who directed you thus to write me.

With kind regards and best wishes,

Sincerely yours,

JOE H. EAGLE.

VERNER W. MAIN

Mr. SNELL. Mr. Speaker, I send a privileged resolution to the Clerk's desk and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 389

Resolved, That VERNER W. MAIN be, and he is hereby, elected a member of the following standing committees of the House of Representatives, to wit: Census, Mines and Mining, and Flood Control.

The resolution was agreed to.

INDEPENDENT OFFICES APPROPRIATION BILL, 1937

Mr. WOODRUM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 9863) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1937, and for other purposes; and pending this motion I ask unanimous consent that general debate shall continue through the day, to be equally divided and controlled between myself and the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. RANKIN. Mr. Speaker, reserving the right to object, may I ask if the debate will be concluded today?

Mr. WOODRUM. It will not be concluded today.

Mr. RANKIN. Will it be completed tomorrow?

Mr. WOODRUM. I do not know about tomorrow. I do not know what the situation will be then.

Mr. BANKHEAD. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Alabama.

Mr. BANKHEAD. In reply to the inquiry made by the gentleman from Mississippi [Mr. RANKIN], I think it is proper to state, for the information of all Members, it is the expectation, with the approval of the chairman of the Subcommittee on Appropriations, to engage in general debate in connection with the independent offices appropriation bill today; but tomorrow that bill will be laid aside temporarily and a rule presented for the consideration of the bonus bill, which we hope will be acted upon before the end of the week. A vote upon that bill, however, is not expected until Friday.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 9863, with Mr. BOLAND in the chair.

The Clerk read the title of the bill.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that the reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WOODRUM. Mr. Chairman, I understand the gentleman from Massachusetts has a speaker who is very anxious to get away early, and I therefore yield to him at this time.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 30 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, before beginning the main subject of my discussion, and in view of what may be said upon the floor of this House with reference to the recent decision of the Supreme Court, I feel I should make a statement regarding the telegrams I have received and the comments, editorial and otherwise, which I have noted from my own section. We of New England rejoice that the burden of the processing tax has been removed. There is now some hope in the future for the textile industry. However, may we say to the farmers of the country that—reflecting all I have read from New England—we do sympathize with them. Indeed, at no time have I, nor, I think, any other New Englander, said upon the floor of this House that we object to assistance being rendered to the farmer through the Farm Credit Act and other reasonable legislation. New England will continue to vote to give all proper assistance.

In view of the subject under discussion here for the next few moments I cannot help but be one of those who may say, in consonance with the holiday spirit of recent weeks, "Glory to God in the highest, the Constitution is the savior of the Nation."

THE TOWNSEND PLAN

During recent months I have been increasingly amazed to discover how little the average person of intelligence who has not become actively associated with the Townsend organization knows about what the Townsend plan really is and means. This applies to politicians, officeholders, as well as to the rank and file of the electorate.

Under these circumstances it is small wonder that the ardent supporters of the proposition are inclined to be sharply critical of many of their critics and to charge them with attempting to dismiss with mere ridicule what is to them a serious proposal, which they believe designed to bring about a great change for the better in the social and economic structure of our Nation. Most supporters of Dr. Townsend's plan do have at least a conception of its purported aims and the method proposed for their achievement, although I find that even they have generally been left in the dark regarding the many modifications and alterations which have already been made in the original scheme. Some have, of course, studied the subject deeply and hence feel qualified to argue with authority. In consequence they believe, with some justification, that they are better qualified to pass judgment on the merits of the proposition than the uninformed critic and scoffer.

It is indeed most unfortunate that the public at large has not been better informed upon this subject. And the fault heretofore lies in part at the door of the Nation's press. That is the greatest disseminator of news and molder of the public opinion that we have today, yet it is only in very recent weeks that a considerable portion thereof has awakened to the fact that the Townsend movement has become a serious factor in America's social, economic, and political life. The weeklies in most of the smaller communities steer clear of any editorial discussion of the matter because of a natural and understandable unwillingness to jeopardize their

none-too-secure financial situation by taking a stand which might antagonize a well-organized and active minority.

The Washington Post recently stated this:

They "crack down" on the newspapers. If an unfavorable editorial appears they shoot in a sheaf of petitions signed by readers of the offending newspaper. If the editorials persist, the newspapers will receive telephone calls canceling subscriptions. By these tactics Townsendites have cowed some of the most conservative newspapers in the Western States to the point where everyday there must appear news items about the Townsend plan activities. It is the old blackjack game of putting the newspapers on the spot.

True, the Townsend Weekly clearly and distinctly states that they do not believe in coercion or boycotting, but this is followed by the suggestion: "It is not necessary to support any paper that is working directly against our interest."

It is my own feeling that this subject should now be given the utmost publicity. Every man and woman in America should be informed, and informed fully thereon. They should be urged and encouraged to give it most serious thought. In this, I am sure, the proponents of the proposition and I can meet on common ground. The people—all the people, not a minority of them—must decide the fate of the plan. And they must decide right.

Mr. ZIONCHECK. Mr. Chairman, will the gentleman yield for just one question?

Mr. GIFFORD. I prefer not to yield until I have concluded my remarks.

Mr. ZIONCHECK. For a very pertinent question?

Mr. GIFFORD. If I yield to the gentleman from Washington, I will have to yield to others. I will yield to the gentleman a little later. I have the gentleman's speech here, and I appreciate his views. I am trying to make a serious speech and not make it a subject for ridicule. It is too late for ridicule. The issue must be met.

I do not in the least question the sincerity of almost every supporter of Dr. Townsend's proposal, although doubtless—as in every movement—some are actuated by motives of self-interest and financial gain. Nor do I question the fact that they have been led into a burning belief that it provides a way alike to care for the aged, whom we have rightly been taught to honor, and to bring financial and social benefit to the Nation as a whole. The same applies with equal force to the supporters of several other schemes to insure social and economic justice, for one of which, at least, the claim is made that it has many more adherents than the Townsend plan.

I purpose, however, to confine my present discussion to this one only, and I feel that I can properly say that my comments are the result of a serious study of the problem. I have collected hundreds of clippings—letters, editorials, and news items—on this plan. I have gathered and read them impartially. I am a reader of the Townsend Weekly. Indeed, I have gone further than most Townsendites themselves. I have not only studied the basic plan but the several measures which have already been introduced in the Congress purposing to make it effective by legislation. We know—as most supporters of the plan apparently do not know—how its original form has already been modified, and why. I do, in fact, full well know how appealing to the imagination are its promises; how plausible many of the arguments advanced in support of them.

And since these have been presented to the public by an increasingly powerful and active organization over a period of some years, and to date answered only spasmodically by scattered individuals, it is no wonder that the movement has been accepted by a swelling number. They have been swept into its ranks by a wave of something akin to the religious fervor of a revival. Nor is it perhaps a reason for wonder that those zealous in the cause have become prone to make extravagant statements in opposition to any who declare the plan impracticable, even though merely their economics, and not their honesty of purpose, has been challenged. Most of us must have heard the wholly unfair and unreasonable accusation hurled that those who oppose the plan are heartless and hostile to the aged. Who could be so meanly motivated? Who does not in all sincerity desire that our people shall have peace and financial security in their declining years, if this can possibly be provided?

The subject demands divorcement from such unfair accusations, on the one hand, and mere ridicule on the other. It must be viewed without prejudicial bias and in the cool light of reason. Unless there can be tolerance in the matter, free debate and sane thinking, there is tragedy ahead for America.

There is a familiar saying, "The wish is father of the thought." Let us be very sure that in this instance a mere noble wish is not substituted for thinking.

We often hear the question: Other plans have been tried and failed; so why not try this one? Of course, that is not an argument and can properly be dismissed. Not so easy is it to dismiss another inquiry which is often made: If you assert that the Townsend plan will not work, have you a better one to propose? Of course, that is not an argument in favor of the plan either, but it does need an answer. I would say that before any still more radical and experimental scheme is attempted, the social-security law enacted by the last session of Congress should be tried out and amended as may be found advisable by experience. But, more than that, I would say that even the present social and economic system, in spite of such faults as it may have, is far, far better than the Townsend plan. That would not only fail to bring the benefits to the aged or the Nation at large claimed for it, but would necessarily result in disaster and probably ruin. And its inevitable collapse would cause far greater suffering and heartaches to the old than they have ever yet known in our America. It is with the hope of saving them—and all of us—that we must show why we know that the plan carries within it the seeds of its own destruction; why it is indeed economically unsound and merely a dreamer's dream of the sort of utopia we would all like to see, if it could be attained—an illusion and a delusion.

As a good sample of arguments advanced by speakers for the plan, I attach a short report, as follows:

We must provide safety and security for the people over 60 and plenty of jobs for people under 60.

When that is accomplished, the Townsend Club won't disband. Oh, no; we'll tackle the problem of aliens in this country; we'll tackle the whole tax system; we'll fix J. P. Morgan.

This is a friendly educational proposition.

The first Townsend plan bill introduced into Congress had a few soft spots. The bill as it now stands is just as much inspired by God Almighty as was the Emancipation Proclamation of Abraham Lincoln.

What we need is more brotherly love in our daily activity.

Our critics tell the truth, but only part of the truth.

You can't disprove this plan by statistics of an isolated community. This is a Nation-wide program based on the law of averages.

Who knows? The Townsend plan may pay off the whole indebtedness of the United States.

The transactions tax is a tax to equalize all taxes.

By relieving young people of the burden of supporting their elders, the Townsend plan will permit them to marry and have babies. It is wrecking the country to have so many young people remaining single and devoting all their money to supporting old people.

Every banker I have explained the Townsend plan to is now in favor of it. I have tackled some of the biggest bankers in Boston. (Quotations from the address of Wilbur F. Beale to Falmouth Men's Club.)

Mr. ZIONCHECK. Will the gentleman yield now, as the end of his time is approaching?

Mr. GIFFORD. I have all the time I may desire.

Mr. ZIONCHECK. I want to ask the gentleman this question, and I should like to have his answer to it: Why is it that the Republicans in the West are the sponsors of the Townsend movement and are financing it?

Mr. GIFFORD. I feel free to acknowledge that probably 80 percent of the people in my district who have endorsed it are Republicans.

Mr. ZIONCHECK. Are Republicans so unintelligent as to go for such a scheme as this?

Mr. GIFFORD. I was going to answer that later on in my speech, and that is the reason I feel I should not permit myself to be interrupted. I shall also call attention to the

Sunny South and state why they are there unable to endorse this movement.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield for just a moment?

Mr. GIFFORD. Yes.

Mr. BANKHEAD. I have been following the gentleman's address with great interest, because I am sure we all want to get as much information as we can about this proposed program.

Is there anything that would prevent the beneficiaries of the Townsend plan from investing all over and above their actual living expenses in Government bonds, for instance?

Mr. GIFFORD. I understand they cannot do that. They must spend all of it, except 10 percent, for commodities within the United States, but not necessarily manufactured in the United States. They can spend it for commodities and give all those commodities to their children if they so desire.

The Townsend plan is vulnerable at so many points that the difficulty is not so much to find flaws as to restrict oneself presenting them. One could enlarge upon them almost indefinitely.

The claim is made by the proponents of the plan that its adoption would practically end crime and thus save the Nation billions of dollars. Would more leisure, as a certain type of youth battens on the pensions paid their parents or grandparents—and more automobiles—do away with crime? True, poverty does at times drive people to crime, but a careful perusal of the records of the criminal courts will disclose comparatively few crimes of a character that would presumably be lessened by such largesses. On the contrary, the additional money and effects in the possession of the aged and defenseless would certainly furnish an additional temptation to those with innate criminal tendencies. With criminals, as with most other people, the more they have the more they desire. Moreover, human nature being what it is, the necessity for every pensioner to make a return certifying that he had spent the full amount of his pension monthly would inevitably lead, in many cases, to evasion.

According to Dr. Walter Spahr, a recognized economist, we would be turned into a nation of liars and lawbreakers. I fear that this is not an overstatement.

The plan presupposes not only an annual income of $2,400 per year for almost everyone over 60 years of age, but that this amount would be spent for commodities within the same period and create an equal number of new jobs paying the same amount by way of wages. This has undoubtedly made many adherents for the plan among the younger people. But it should be obvious that, even if such a pension could be paid, it would not all be spent for things requiring reproduction, immediately or ever. The element of thrift and saving has not yet been wholly eradicated from the American character. Certainly if my wife and I were to receive the sum of $4,800 per year, our Yankee instincts would cause us to purchase some commodities of permanent intrinsic value—jewelry, antiques, equities in homes already built, and other things which would not require reproduction immediately. Even the purchase of an automobile or clothing would not mean that a duplicate article would have to be reproduced within the year.

When we examine the situation in many of our smaller communities—at least those in New England—we find that probably 60 percent of our people over the age of 60 have been provident and are still reasonably able to take care of themselves. Many of them are still active and their places in specialized business could not be taken by untrained younger men. Should the younger breadwinners, who have children to bring up and educate, be called upon to support this class as they would have to under the plan? Many of these younger men are now forced to work on Government work-relief projects, and at least half of them are faced with a difficult problem to exist. Yet 40 percent of their income would be needed to carry out the proposal, and we can hardly agree with Dr. Townsend in his statement before the Committee on Ways and Means that while prices would be expected to rise 100 percent, the minimum wage would be $10 per day. Experience has shown, again and again, that wages never do keep pace with skyrocketing prices. It is no reflection on the needy aged to assert that under existing conditions the younger generation of people having children to support and educate must be considered.

And what of those unfortunate people under 60 who are unable to labor and have no parents whose pensions they might share? Although the Townsend supporters maintain that all other pensions could be abolished if their plan works these would certainly have to be provided for from the public purse.

How about those incapacitated, those who have not any work at all—the widows and the orphans, who are not doing anything, and have no relative on this pension roll?

But more fatal than all these things would be the inescapable fact that prices would rise enormously with the pyramiding of a 2-percent tax on every transaction. They would certainly go so high that sufficient tariff walls could not be erected to protect American-made commodities and American labor. Even the necessities of life would come flowing in from abroad.

Then there is the matter of the stock market, from the transactions in which vast sums are to be obtained, according to the roseate claims of the Townsendites. Such transactions are so multitudinous and generally on such small margins that anyone must realize that the stock market could not continue to operate. It would be forced to close down almost immediately, thus destroying the whole financial and economic structure of the Nation, as well as promptly ending one of the largest sources of income claimed. Many of the great businesses which operate on a small margin of profit would necessarily find it practically impossible to go on.

Think of the appalling amount of auditing and bookkeeping that would be required. And remember, too, that everyone who sells anything, no matter how small, would have to be licensed and pay the tax. Think of the expense of this, alike to the businessman and the Government. Licensing agents and inspectors by the thousands would have to be added to the already overburdened Federal pay roll. To be sure, this would provide jobs, but again at the expense of the harassed taxpayers. Their work would not help to create wealth. They would merely be a new army of Federal Paul Prys. More Government supervision, regulation, and regimentation for struggling business to endure.

A little clear thinking should indicate that this alone would use up almost half of the funds supposed to be raised to pay annuitants, although here, too, plausible figures are presented in an attempt to refute or distort plain facts.

And while we are dealing with these huge figures—for if the revolving plan were to work as claimed, it would amount to $20,000,000,000 a year, two-thirds of our present national debt, one-half of our national income—it is well to remind ourselves that "money" is not wealth. Nor does the increase in the amount of currency or its circulation mean prosperity. If such were the case, Germany of 1923 would have been prosperous beyond any country, since marks were circulating daily by the billions. Instead it was a ruined, bankrupt nation.

One cannot too often repeat the axiomatic statement made by Calvin Coolidge, "You cannot spend your way into prosperity." No saner words were ever spoken.

These facts are recognized by practically every economist of established reputation. Unfortunately, until just lately these experts have ignored the whole subject, for the reason set forth by Dr. Spahr in a recent radio talk. Again I quote from him:

> When the Townsend plan first appeared its complete and utter ridiculousness was so obvious that no economist felt it necessary to pay the slightest attention to it. No economist wished to dignify the movement with so much as an answer. The good Dr. Townsend, his aides and organizers, and those Congressmen who subscribe to the plan, are carving out for themselves a most unenviable and uncomfortable place in the history of the Nation. It would wreck the country. It provides for an unconstitutional licensing plan. * * *

And here I wish to interpolate a word. In view of the recent decisions of the Supreme Court on the subject of cer-

tain attempted socialistic measures which give benefit to a part at the expense of the rest of the Nation, who can possibly doubt that this plan would be held unconstitutional in toto? I quote once more:

It would penalize thrift, saving, and investment; insurance and prudent living. The spread of this fantastic scheme shows that it is high time that the people of this country wake up and get a grip on themselves.

In his annual message of January 4, 1935, the President declared—

The morale of the Nation has been restored.

Those words rang in my ears for a long time, since I had very real doubts as to whether this were true. And since the astonishing spread of the Townsend plan, as well as other panaceas of equally questionable value, I am now firmly convinced that the morale of the country appears rather to have been sadly weakened than restored.

The preceding comments have been made on the assumption—but not admitting—that by some miracle the sum of $200 per month might for a time be provided as pensions for those over 60 in order to put the Townsend plan, as originally proposed, into operation. Contrary to the general understanding, however, there is nothing to this effect in the new bill, introduced by Congressman McGROARTY, to give the plan legislative sanction.

The following is a quotation from the pen of Paul Block:

It is unfortunate that so many of our people will listen to such wild and impossible schemes as Dr. Townsend is preaching. However, there is an explanation. It is a natural outcome of the New Deal philosophy. For nearly 3 years the administration playboys have been teaching a vast number of our people how to try to get something for nothing. They have emphasized the old saying that the Government owes everyone a living, so he doesn't have to try to help himself, as the Government will look after him.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. FITZPATRICK. When the bill was under consideration in the first session of the Seventy-fourth Congress, it was stated that the 2-percent transaction tax would bring in only about $40 a month.

Mr. GIFFORD. I do not recall that.

Mr. FITZPATRICK. I think it was so stated, and out of that $40 a month there would be 12 transactions, which would be 24 percent.

Mr. GIFFORD. I desired to speak first of the general conditions relating to the subject. If we are going into figures and statistics—they have their figures and statistics—general principles should be first discussed. Everyone knows that an automobile costing around $600 would go up in price to $1,000 at least, every transaction going into its manufacture being taxed from the beginning of the mining of what goes into the automobile, and including labor costs and everything else.

I should like to interpolate a word here. In view of the recent decisions of the Supreme Court on certain attempted socialistic measures to benefit a part at the expense of the remainder of the Nation, this plan would be held unconstitutional in toto; but will it stop the movement?

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. WIGGLESWORTH. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. GIFFORD. There is an old motto that rang in my ears when a boy. "Give me liberty or give me death!" It seems to be now, "Give me liberty or give me death—but anyhow, gimme."

This new measure practically admits that the original and often-quoted scheme for a miraculous revolving fund would not raise sufficient funds to pay these pensions, for there is in addition a demand for 10 percent on all income taxes levied by the Revenue Act of 1934. Also a 2-percent tax on all inheritance and gifts in excess of $500. This would obviously necessitate new and additional levies on all taxpayers in order to meet the national expenses, which are mounting already at such a prodigious rate. And it is a far cry from the enthusiastic estimates formerly made, and which were accompanied by the statement that there would not only be sufficient revenue obtained from the 2-percent transaction tax to pay pensions at the rate of $200 a month to those over 60 but that the national debt could also be paid off therefrom and other taxes lowered or abolished.

This new bill merely provides that from the amounts raised, as aforementioned, after all administrative expenses—and they would necessarily be enormous—had been paid, the sum remaining would be divided among the annuitants. Nowhere does the amount $200—except the words "not exceeding $200"—appear, and liberal estimates show that even if the plan could work the most that would be paid would probably be not over $50 a person. And with this the pensioner, as well as everyone else, would be faced with prices increased 50 to 100 percent. Thus, even if the plan is given the benefit of every conceivable doubt, the relatively small minority which would be benefited by it in a direct financial manner would profit little, while the vast majority would be burdened beyond possible endurance.

I read with much interest a statement ascribed to Congressman MAVERICK, of Texas, to the effect that if the plan should be put into operation the country would be ruined in 2 weeks. This is a startling assertion, but it seems to me that a little clear thought will demonstrate its accuracy. Certainly it is hard to conceive that a single Member of Congress from a State south of the Mason and Dixon Line could support such a proposal. Without wishing to draw any invidious comparisons, I would call attention to the fact that such a sum as $4,800 per year tossed into the laps of a husband and wife of the elder generation of those who form so large a portion of the laboring class of the Southland would almost inevitably mean a complete cessation of work by all members of the families comprising that class there. Chaos would follow. I point this out not only to indicate one more of the flaws in the plan but to show how impossible it is that it should be made effective by legislation. It could not pass the Congress. But if it should do so, against all human probability, the Supreme Court would rule it unconstitutional at the first opportunity. In consequence, it is cruel for anyone to hearten its sincere but misguided adherents by offering them the encouragement of lip service to their cause.

According to the avowed purposes of the now powerful organization behind this proposal, all United States Senators and Representatives in Congress are to be put on the spot. Well, some of us, at least, have voluntarily gone on the spot before being placed there. It is most unfortunate, however, that in most cases candidates for other public offices are enabled to express themselves as at least sympathetic to the plan, even though they may not actually endorse it. Since they are not to be called upon to decide the matter by their votes, they have nothing to fear for themselves politically. But their attitude toward it makes just so much the more difficult the position of the Congressman who is obliged to oppose it.

We also find a similar unwillingness to take a firm and open stand against the movement evidenced by the businessmen in communities where Townsend clubs have been formed. They may fully realize the dangers to themselves inherent in the proposition, but it is natural for them to hesitate openly to express their opposition lest they lose customers. It once again demonstrates the familiar fact that "self-preservation"—not in the future but right now—"is the first law of nature."

And they are scarcely to be blamed. Well may they have cause to fear the "crack down" methods now being employed in some sections by this well-financed movement—this powerfully organized minority; misguided, but almost fanatical in its sincerity of purpose. It now appears that the original dues of 25 cents per month for membership are augmented by a fee of $12 a year, paid by the so-called legionnaires within the larger organization. According to their own publication—the Townsend Weekly—committees from each club are instructed to work diligently to have each member join the legionnaires, with the special privilege of receiving a subscription to that paper. There are going to be many angry,

as well as heartsick, people when the realization comes home to them that they have spent their hard-earned money in the search for an imaginary pot of gold at the end of an illusionary rainbow.

Still they march on, by enthusiastic paid organizers led to believe that they will surely receive the sum of $200 each per month. The phrase, "a cruel hoax", should be employed more freely, now that it has been applied to the plan by certain outstanding figures in the world of economics, for its proposals cannot possibly stand up under the clear light of reason and common-sense analysis, despite the plausibility of all the fallacious arguments advanced in support of it.

In the time allotted to me it has, of course, been impossible to set forth all the negative points which can be made against the plan, or to make a full analysis of those which I have mentioned. Skilled economists and clear-thinking businessmen will do this, more and more, in the months to come, and it is my earnest hope that their statements and explanations will be read and carefully considered. Only by understanding fully both sides of an argument can a wise decision on its merits be reached. Certainly in this instance the mental processes of an impartial judge, rather than a biased advocate, are needed.

The worst feature and the greatest pity of this whole matter, in my opinion, is that all these recent social experiments and huge expenditures involved therein, have apparently instilled in all too many people the feeling that they should expect to be supported, without effort on their own part, by their Government—forgetting that it is, after all, only one phase of themselves. That the Government should be used as a means to take from 94 percent of its own citizenry—especially when it is not a case of taking from the rich to give to the poor but of taking from all classes, especially the laboring class—to give to 6 percent of the population is a sad commentary on the present morale of the Nation.

Still I would not impugn either the sincerity of most of the adherents of the Townsend plan, nor their belief that they are being patriotic in supporting it. I believe that the American flag always has a prominent place on the platform at the meetings of every club. Yet, in the present plight and serious situation of our Nation, is it really patriotism that moves their leaders to instruct every member of the organization to support as candidates for election to the Congress only men who are willing to espouse the Townsend plan, regardless of the party to which they may belong, regardless of their experience, qualifications, or principles; regardless of all else?

Mr. GRAY of Pennsylvania. Mr. Chairman, will the gentleman yield for a question?

Mr. GIFFORD. Yes.

Mr. GRAY of Pennsylvania. I mean this as a practical question. If these people are inspired by religious fervor, if they are impelled by evangelical motives, what, as a practical proposition, are you going to do if you cannot appeal to their reason? I understand the gentleman takes the position as I have stated. As a practical proposition, what are you going to—call out the Army and shoot them?

Mr. GIFFORD. I have faced audiences of 500 people—as many of you have. Yes; religious fervor was written on their countenances, particularly when a little girl on the platform rose and recited, "Won't grandma be happy when her pension comes?" Then some speaker said, "Wouldn't you like to take that trip to California you so long wanted to take?" I have sat for 2 hours and listened to that sort of thing being fed to them. Yes; religious fervor—sincerity on their faces, certainly. Some of the finest acquaintances I have sit in these audiences—former supporters of mine, who since have written me rather threatening letters.

They say, "Put the Congressman on the spot." Other politicians running for office flirt with them. They state that they are sympathetic with it—only because they are not to be placed "on the spot." But every one of those politicians that so sympathize weaken your stand. I have told business people, "When a Townsend club is organized in your particular district, interested and determined as its members are, you hesitate to say anything against it lest you would lose a sale of something." No, gentlemen; I want to say to you it is your burden. You are not going to be greatly assisted in argument in those communities where Townsend clubs are organized and mean business. It is your fight. They will never win, but a lot of new faces may come into this House, and many here may be replaced by men who have been selected on the strength of but one qualification—their support of this plan.

Mr. CRAWFORD. Will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. CRAWFORD. The statement has been made that we are a nation of "economic illiterates", or that we are illiterate in economics. Can it be that the Townsend plan now gives the Members of Congress the opportunity to learn something about the fundamentals of economics and go out and preach that good gospel to the country, taking what may come to them as a result thereof?

Mr. GIFFORD. The gentleman is quite right. The gentleman knows that the entire first part of my address was a restrained address, acknowledging their sincerity and the absolute need for us to study these economics, because they have at least plausible reasons, and they have their economists who are advising them that the plan is feasible. I said a few moments ago that the plan would never succeed, but the Townsend Weekly tells its readers that the plan will actually pass this Congress. Is it a cruel hoax to tell them that?

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. GIFFORD. I yield.

Mrs. ROGERS of Massachusetts. Is it not true that the meetings are infinitely pathetic? These old people, over 60 years of age, are so sure that they are going to get that $200 a month, because their leaders assure them they will be successful, and they present a very pathetic picture. We could weep when we are at those meetings, because their cause seems so hopeless.

Mr. GIFFORD. I tried to draw that picture.

Mr. DUNN of Pennsylvania. Will the gentleman yield for a question?

Mr. GIFFORD. I yield.

Mr. DUNN of Pennsylvania. In regard to being put on the spot by the people who favor the Townsend plan, is it not a fact that the Manufacturers' Association went on record, stating that they would go into the district of every Congressman who believed in the New Deal and do their utmost to defeat him?

Mr. GIFFORD. I have not heard of that.

Mr. DUNN of Pennsylvania. It was in the Pittsburgh papers.

Mr. GIFFORD. Oh, they talk about big business. I represent a district the business of which I am proud of. I have only praise for them. We have to listen to these innuendoes, attempting to make it appear that all business is corrupt.

Mr. WOODRUM. Would the gentleman yield for a question?

Mr. GIFFORD. I yield.

Mr. WOODRUM. The gentleman is making a most illuminating and interesting address. Apropos of the suggestion that our colleague made as to what to do about it, is this not true, that there are two completely separated extremes: one, the persistent resistance in some quarters of having the Federal Government not to do anything toward helping the needy, and the other, the attitude of people who want something that is unreasonable, uneconomic, and impossible? Is not the answer obviously this, and has not the President of the United States found the answer when he has given to the country a social-security program that is economically sound and that can be administered, and that will not bring down upon our heads the very institutions of government which we cherish? Is that not the answer to it?

Mr. GIFFORD. I said, "Let us try out the Social Security Act, for which I voted." However, the gentleman must



not say that there is a large number of people in this country who do not want to extend any Federal aid. It is not so.

Mr. WOODRUM. Well, I think there are large sections of them who do not want any Federal aid. I stand by that statement. I do not attribute it to the gentleman, or to any particular political party perhaps, but I do think there is a large element that does not want to see the Federal Government do anything along the line of social legislation and help to the needy.

Mr. GIFFORD. I disagree with the gentleman.

Now I want to bring out one more point that I have not fully explained.

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. GIFFORD. Do you understand that the Townsend plan has what they call legionnaires? When you ask them, "How do you get your money?" they say "25 cents a month, $3 a year; that is all." There are legionnaires in that great organization. When I told one of their organizers this, I showed him a receipt which read, "I herewith enclose my check for $12 for membership", and I asked, "What does that mean?" He said, "Those are legionnaires." Yes; they have a committee in every Townsend club telling them that if they are really enthusiastic and really want to help they should be legionnaires and add $12. The public ought to know these things.

I yield to the gentleman from Montana.

Mr. MONAGHAN. I should like to ask the gentleman how much he would want to have to pay his rent, his light, his heat, clothing, fuel, doctors, druggists, and dentists' bills?

Mr. GIFFORD. I have not figured that out; but no matter how much I have, labor will get practically all of it. No matter how much I am paid, I need all of it, because my manner of living will be based upon that salary, and labor would get it, directly or indirectly. I could adjust myself and go without dental and other similar services for a long time if I had to do so. In my younger days nobody could have done with less than I.

Mr. MONAGHAN. Does the gentleman advocate that for everybody in this country?

Mr. GIFFORD. The gentleman asked me a question. A number of statements on that subject have appeared in the Townsend Weekly. Suppose they were given $200 a month and labor costs went up to $10 a day; everything would rise in price and it would be impossible to estimate how much would be needed at any given time.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. CRAWFORD. Is the gentleman able to tell us any place on earth or any source on earth from which buying power can be obtained with which to pay wages, salaries, taxes, to buy drugs, clothing, shelter, or anything man uses, other than from the "stream of production"? Is there any other source from which to draw buying power?

Mr. GIFFORD. I have heard about printed money.

Mr. CRAWFORD. But printed money does not give buying power, because with printed money the very thing would happen which the gentleman just stated; prices would go up. If the gentleman from Massachusetts knows of any other source from which buying power can be secured other than the "stream of production", I hope he will include it in his statement at this particular point in the RECORD.

Mr. GIFFORD. I assume that it might be a difficult question to answer. The gentleman is suggesting, I take it, that a gift of $200 might bring about buying power, but he cannot tell the sort of stream we might find ourselves struggling in as the result of it.

Mr. CRAWFORD. Certainly I do not want to be understood as suggesting that a gift of $200 will give the buying power. On the other hand, I want to repeat that I am firmly convinced there is no source from which buying power can come other than from production.

Mr. GIFFORD. Mr. Chairman, I want to close these remarks by making a statement as an appeal to my own people.

Personally, I cannot but believe that the constituency which it has been my privilege to represent and serve for the past 14 years, which lives in and near the original home of the sturdy, self-reliant Pilgrim Fathers, will eventually be impelled by conscience to give this subject the sort of honest consideration that I myself have given it—and which it needs. And I am sure that when the spell and allurement of the thought that there is a chance of their getting much for little or nothing has been broken, they will be guided by the hard common sense of our Pilgrim ancestors rather than by appeals to the emotion.

It is often a hard and a heartless thing to destroy a child's belief in a personal Santa Claus. But those who have come to man's estate must govern their behavior by reason, not fantasy. Dreams and visions—even fairy tales—have their proper place in this world; and splendid dreams are, indeed, the basis of many great social reforms and inventions benefiting humanity. But they must run with facts and reason, not contra to them, as in the present instance.

There is a saying that we sometimes have to be cruel in order to be kind. It seems plain to me that this is such a case. It is far better to be disillusioned early than too late. And if my own brief comments will help to persuade some believers in the Townsend fallacy to abandon it, and dissuade others from being captured by its fascinating and plausible—but fallacious—appeal, I shall feel that I have performed a worth-while service to my friends and neighbors who have been able to obtain little real information as to the glaring flaws in the scheme and the great danger to our Nation inherent in it.

Concluding, Mr. Chairman, I have often told my audiences that we have one splendid personality in the House of Representatives, whose very countenance radiates happiness, sincerity, and compassion for his fellow man. No man could have said more than I have said for my good friend the gentleman from California [Mr. MCGROARTY]. Of course, he is sincere. Of course, he wishes to be fair; and he wants now, I am sure, to look into this and find something that is workable. I do not believe for one moment that he now knows what plan will finally be presented.

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 1 additional minute to the gentleman from Massachusetts.

Mr. GIFFORD. The answer that is now given by the proponents of this plan is that there were many soft spots in the original bill, but that they expect the details to be fixed up. My only comment is that if they fix up all the details of the bill, there would be little of real importance left. [Applause.]

[Here the gavel fell.]

Mr. MORAN. Mr. Chairman, I yield 20 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and to include therein a short bill I have introduced on the subject of neutrality.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. LUDLOW. Mr. Chairman, over the portals of the exquisite Greek temple on Capitol Hill that houses the United States Supreme Court there is emblazoned a legend that reads: "Equal Justice Under Law."

That legend beautifully symbolizes in four words the genius of American institutions. Ours is a government of law, upheld and sustained by the immortal principles of justice. I think the explanation of why our Government endures is found in this very fact that it is a government of law, embedded in principles of justice that are as visible, as immutable, and as everlasting as the eternal mountains.

When one reads with care the Declaration of Independence, the Constitution, and the Bill of Rights, and the various outstanding statutes of social justice that have been enacted during the 146 years of our national existence, he must conclude, if he be a fair-minded and discerning man, that the Government of the United States is self-justifying. It carries on its face its justification for immortality, for

as long as men and women are ordained to live, afflicted by the ills that flesh is heir to and actuated by the hopes and aspirations of the human race, our Government and its institutions will be beneficently adapted to their needs.

The admitted primacy of our Government among the governments of the world in its adaptation to the needs of the common people, the brilliant success that has attended this experiment of establishing a free and independent nation in the Western Hemisphere, suggest that we should proceed slowly and exercise the utmost care in framing a permanent neutrality law, on which may depend in no small degree the future security of the Republic.

The policy that has made our Nation great—the policy that is so graphically expressed on the Supreme Court's portals by the phrase "Equal Justice Under Law"—should be the cornerstone of our neutrality policy. Our neutrality policy should be a policy that is founded on law and not a policy that will shift like a shuttlecock with the ever-changing and changeable views of an endless procession of Presidents in the White House.

I plead for a neutrality policy based on law and against a neutrality policy based on the opinions or the whim of the President who may be occupying the White House when trouble arises.

I stand for a mandatory neutrality law with teeth in it, and with all of my soul I stand against the proposal now being advanced by a number of very worthy and eminent persons who seem to think that the final determination of America's neutrality policy, with the right to perform acts or to withhold acts that are intimately connected with the delicate mechanism of war, should be left to the discretion of the President of the United States.

Mr. LUNDEEN. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I have only a little time, but I gladly yield to the gentleman.

Mr. LUNDEEN. I wish to ask a very brief question only, and that is whether the gentleman subscribes—and I imagine he does—to the policy of our first President as outlined in his Farewell Address?

Mr. LUDLOW. The gentleman is correct. I certainly do. I shall refer to that later.

I assert that law—the carefully and deliberately written legislative product of many minds, who think as they pray, and pray as they think—should govern in this matter, and not the judgment of one man who will be called upon to act, not amid surroundings that invite deliberation, but after trouble comes, to act in unforeseen and difficult situations on the spur of the moment as exigencies arise.

PRESIDENT ROOSEVELT BREATHES THE SPIRIT OF THE MASSES

In standing for a mandatory neutrality law I do not abate one jot or tittle my admiration for the man now in the White House. No more consecrated patriot ever occupied the Presidential chair. For him I have the utmost admiration and respect, because I know his heart is always true and that no less than Jefferson and Jackson and Lincoln he is a friend of the masses of humanity. President Roosevelt is a peace-loving man, thank the Lord, and is passionately dedicated to the task of keeping America out of war, but the additional years he probably will have in the White House will be but as one tick of the clock in the life of a nation.

Suppose some one of his successors in the years to come should be a dictator of the stripe of Napoleon with a flair for war. Into what dangers might he not lead us, if we clothe him with the discretionary power to direct an embargo against one nation and to withhold it from another and to issue all the other orders which are implied in discretionary neutrality legislation—orders any one of which may hold the fate of peace or war. As far as our responsibilities in framing this legislation are concerned, President Roosevelt may be considered entirely out of the picture. We are about to frame a permanent neutrality law; one that will last for all time. At least that is the solemn task to which we say we have dedicated ourselves.

In my long career as a newspaper correspondent in the press gallery up yonder it has been my fortune to know, rather intimately I think, all of the Presidents of the United States from Benjamin Harrison down to Franklin D. Roosevelt. For all of them I cannot express the same faith I have in our present Executive. I have known some Presidents—one especially—whom I would not trust for a moment with such a broad exercise of power as is contemplated in this proposed discretionary neutrality legislation. Who can assure us that we shall not some time in the future have a President who will take advantage of this tremendous power to gratify his militaristic inclinations?

LET ALL NATIONS BEHOLD OUR NEUTRALITY POLICY

I am in favor of mandatory neutrality legislation in the most definite terms, in black and white, and given the most widespread publicity, so that all nations may behold it. I would have such a law on the statute books so that any nation with designs on waging war will be put on notice in advance exactly what America's position will be if it starts a conflict.

I am supporting mandatory neutrality legislation because I believe it would be conducive to the future peace and tranquillity of America, and I am opposing discretionary neutrality legislation because I believe it would be a prolific cause of strife and turmoil, with a constant tendency to drag our country into delicate international situations and to the verge of war if not into real conflict. To illustrate the dangers of discretionary neutrality legislation, take the case of oil. If Congress at the last session had had the foresight to impose a mandatory embargo on war supplies and materials, including oil, as well as on munitions and implements of war, such as was proposed in the excellent neutrality bill introduced by that gallant veteran, Representative MAURY MAVERICK, of Texas, a dangerous situation would have been averted. Italy and Ethiopia would then have been put on notice that if they should go to war all oil supplies from America would automatically be cut off at the beginning of hostilities. There would be nothing about that to give offense to any nation.

But unfortunately oil was not banned, and now let us see what would happen if the President were given the discretionary authority to impose an embargo on oil. With oil so vital to Italy, being the key to the successful prosecution of her war in Ethiopia, it would be natural to expect that the most intense pressure would be brought to bear on the President by Italy and her friends to induce him to withhold an embargo on oil, while Great Britain and her allies would be just as zealous in persuading him to declare the embargo. This would be likely to create an international hullaballoo of the first magnitude. The White House at Washington would become the world's storm center, and there would be imminent danger of America being dragged into the most serious international complications, if not into actual war, all of which might have been happily avoided if Congress had had the vision to enact a mandatory neutrality law covering supplies and materials useful in promoting war, as well as munitions of war.

If we are to give to every future President authority to juggle with these serious and delicate international situations, then, of course, we must expect that every President will have his agents abroad mixing in the affairs of foreign lands, so as to keep him advised when to strike and when not to strike, and soon we shall have a trouble squad intermeddling with world problems that will utterly belie the sound advice given by the Father of his Country when he admonished us to keep out of all foreign entanglements. This Congress, if it be true to America, will not permit such tinkering and experimentation with world nerve centers when the possibility—nay, the virtual certainty—is that it will bring tragic involvements in world strife.

Mr. LUNDEEN. Mr. Chairman, may I interrupt the gentleman one moment at this time?

Mr. LUDLOW. Yes.

Mr. LUNDEEN. The gentleman spoke of a referendum on war. I conducted the first congressional referendum on war that was ever held. I should like to tell the gentleman what happened to me someday when we have time.

Mr. LUDLOW. I should be glad to have the gentleman tell me about it.

Mr. LUNDEEN. I have not time now.

Mr. LUDLOW. I may say to my friend from Minnesota that I have introduced in this Congress a resolution for a referendum on war which I sincerely hope may receive favorable consideration later on.

Mr. STEFAN. Mr. Chairman, will the gentleman yield for one question?

Mr. LUDLOW. Yes.

Mr. STEFAN. If we lent money to Italy right now, would this, in the gentleman's judgment, get us into war?

Mr. LUDLOW. With the utmost respect to the gentleman from Nebraska, how can I answer that any better than the gentleman himself? It is a pure guess. I do not know.

[Here the gavel fell.]

Mr. MORAN. Mr. Chairman, I yield 10 additional minutes to the gentleman from Indiana.

Mr. LUDLOW. Mr. Chairman, I think the solution of our neutrality problem would be simplified if we would remember that we are not responsible for anybody's wickedness outside of the United States; that the sins of the world are not on our shoulders, and that there is no call for us to set ourselves up as an international umpire to pass judgment on every foreign quarrel.

I do not believe this country ever had a President with a higher idealism or a more accurate conception of our international relationships than that splendid Christian gentleman and statesman, Benjamin Harrison, of Indiana. And to me, a youthful newspaper reporter long ago, he uttered a sentiment that has rung in my ears ever since, when he said, "We have no commission from God to police the world."

In my opinion that sententious utterance is entitled to a place in historical literature along with the immortal admonition of President Washington against entangling alliances. [Applause.]

WASHINGTON'S MAJESTIC FIGURE

We who in this Chamber sit in judgment on the text of a permanent neutrality law must remember that we are the guardians of posterity. Upon the faithfulness of our performance here, as measured by the Republic's traditional ideals of friendliness and service, rests in no small degree the future peace of America. In the momentous hour when we shall vote on this bill we must not be faithless to Washington. [Applause.]

From out of the background of history comes his majestic figure to warn us that this is to be a real test—a historic test—of the measure of our devotion to his immortal advice to us to keep free from foreign entanglements.

We must not deliberately by statute set up the President of the United States as an arbiter to mix in every foreign quarrel. If we pass discretionary neutrality legislation, we will be handing a dangerous weapon to every future President of the United States without knowing when he will shoot or what he will shoot at. The Congress must not do that. It must have more respect for the masses who have to suffer and die in war than to authorize such experimentation.

It must have more respect than that for the wives and mothers, who are always the worst sufferers in war. Let us not mistake the issue. If we give to every future President sweeping power to declare embargoes and to control the shipment of materials of war, we will be giving him what is tantamount to the power to declare war. I am one of those who believe that instead of further centralizing the war-making power we should decentralize it by handing it to the people themselves, to be exercised in a popular referendum. [Applause.]

DISCRETIONARY LEGISLATION WILL FRIGHTFULLY EXPOSE AMERICA TO WAR

If discretionary neutrality legislation is enacted and the President is authorized and instructed to impose and to withhold embargoes ad libitum—to specify what exports shall be banned and what exports shall be allowed, what nations are blameless and what nations are aggressors—it will inevitably lead America into the most ticklish and hair-trigger international situations and will frightfully expose this country to war.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. HEALEY. The gentleman is making a very splendid speech on this important subject, and it shows he has given a great deal of thought and consideration to it.

I should like to ask the gentleman if, in his opinion, it is wise at this time to further amplify the neutrality bill which the Congress passed at the last session by including other articles than those specified in that legislation?

Mr. LUDLOW. I may say to the gentleman I certainly do. I would create by law an absolute mandatory embargo against loans, credits, and goods of all kinds if I were writing the new neutrality statute.

Mr. HEALEY. Does not the gentleman think that embargoing any of those articles to such an extent as to work adversely to one of the belligerents would be an unneutral act toward that belligerent?

Mr. LUDLOW. I think if we attempt to decide on a permanent neutrality law, and it is understood by all the nations that this is our purpose, it will be accepted by the world as not being aimed at any particular nation. It would be simply a determination of our future policy, the policy which is to rest permanently on our statute books, and the world would so understand. I do not anticipate any complications such as my friend has in mind.

As I was saying before I yielded to my friend from Massachusetts, if discretionary neutrality legislation is enacted, threats will be made and strings will be pulled to induce the President to take this course or to refrain from taking that course. The President will be a target of all of the diabolism and chicanery known to international intrigue. When the storm clouds are thickest and vital issues hinge on the President's action the leading topic in every chancelry on earth will be, "What will America do?"

In that tense atmosphere it is possible, if not probable, that the President's action, whatever it may be, will involve us in war.

Gentlemen of the Committee, if you desire, as I know you do, to heed the cry of distressed and long-suffering America for protection from foreign wars, you should pass a strong mandatory neutrality law; but if you want—God forbid!—to sow the seeds of war, the way to do that is to pass a discretionary neutrality law directing the President and every future President to tinker with international situations by issuing embargoes against some nations and withholding embargoes from others, designating "aggressor nations", and all that kind of dangerous adventure in unknown fields.

THIS IS THE LAW

We should not take any such chances. We should remove in advance all doubt as to what America will do, and this we can easily accomplish by passing a mandatory neutrality law of broad scope and definite provisions, leaving nothing to the future or to imagination or to chance.

We can then say to every nation on earth: "This is the law. Read it and you will know exactly what America will do."

This is the frank, honest, aboveboard way of dealing with the question of neutrality. It gets rid of secret, tricky diplomacy that has brought many governments to the brink of ruin. It is the way that offers to America the greatest measure of insurance against world involvement. It is the way of peace and tranquillity.

PROPOSED PRINCIPLES OF NEUTRALITY

I have introduced a bill which I believe embodies the essential principles of a desirable permanent, mandatory neutrality law.

I should like to bring to the attention of the House and the country the principles of neutrality which I propose, and by unanimous consent I present them as a part of my remarks, as follows:

Be it enacted, etc., That upon the outbreak of war between two or more foreign nations the President shall issue a proclamation forbidding (1) exports of all kinds and (2) loans and credits to said belligerent countries or to the nationals of said belligerent

countries. Said prohibition shall be made effective in a similar way by proclamation against nations that may enter the war subsequent to its outbreak and the nationals of said nations.

SEC. 2. The penalty for violating such proclamation shall be a fine of $10,000 or imprisonment not more than 5 years, or both.

SEC. 3. No vessel of American registry shall be chartered or used to transport goods in violation of the President's proclamation forbidding said shipments, and the penalty for violation of this section shall be cancelation of the registration of said vessel.

SEC. 4. Upon the outbreak of war between two or more foreign nations the President shall issue a proclamation notifying American citizens that travel on the vessels of belligerent nations shall be at the traveler's own risk: *Provided*, That the notification shall not apply to a citizen on a voyage begun in advance of the date of the President's proclamation, if he has had no opportunity to discontinue his voyage after that date.

SEC. 5. Whenever during a war between two or more foreign nations it shall come to the notice of the Secretary of Labor that any alien is engaged in the United States or any possession thereof in propaganda activities other than the legitimate exercise of free speech and by such activities is seeking to win the favor of the United States for one or more of the belligerents, or otherwise to interfere with the position of neutrality of the United States, the Secretary shall immediately order the arrest of said alien and shall as soon as practicable deport him to the country from which he came.

SEC. 6. Recruiting in the United States in behalf of any belligerent foreign nation is forbidden. The penalty for violating this section shall be a fine of $10,000 or imprisonment not more than 5 years, or both.

SEC. 7. Whoever (1) disguises the identity of a consignor or (2) camouflages the nature or the destination of goods intended for ultimate delivery to a belligerent nation or to nationals of a belligerent nation shall be subject to a fine of $10,000 or imprisonment not more than 5 years, or both.

WOULD MAKE UNITED STATES ABSOLUTELY NEUTRAL

My bill would make the United States an absolutely neutral Nation in any foreign war. It would do this primarily by stopping all trade, loans, and credits with foreign countries simultaneously upon the entrance of those countries into war. It would deport aliens who come here to arouse our passions and prejudices in support of belligerents if their anti-American activities go beyond the constitutional right of free speech, as has glaringly happened in the past. It would prohibit recruiting for foreign armies on American soil, and it would reach those culprits who seek to escape the condemnation of public opinion and at the same time to evade legal responsibility by listing shipments of war supplies to foreign powers under alien names.

Mr. TERRY. Will the gentleman yield?

Mr. LUDLOW. I yield to the gentleman from Arkansas.

Mr. TERRY. The gentleman in his bill seeks to prohibit all trade with belligerent nations.

Mr. LUDLOW. That is correct.

Mr. TERRY. The so-called administration bill, I believe, provides that there may not be exported goods above the average of, say, the last 5 years. Will the gentleman discuss that situation a moment?

Mr. LUDLOW. I may say to the gentleman that I have not had time to study the different bills which have been presented. I am not now trying to speak in favor of any bill or to oppose any bill, but I am trying to lay down what I conceive to be certain sound principles of neutrality without reference to any particular measure. I think it is proper and appropriate that attention should be called to these matters at the present time, before we begin to legislate on this vital subject. In further answer to the gentleman's question, I may say that I am approaching in my statement the matter he has in mind.

Seek as we may to compromise the issue, there is but one way the neutrality of America may be guaranteed, and that is to break off trade and commercial relations entirely with foreign countries at war.

With others who are earnestly interested in this subject, I have given much thought to the proposal to hold our trade and loans to normal quotas after war breaks out; but it will not work. Suppose, for instance, that a foreign nation in peacetime receives a million barrels of oil from the United States for domestic peacetime requirements in its industries. If that nation goes to war and we continue to send to it 1,000,000 barrels of oil per annum, that oil will not go into peaceful uses. It will, of course, be seized by the government for war purposes, and to that extent we shall be aiding that government to prosecute its war, which would make us in fact unneutral, although on the face of things we might still appear neutral. I only cite oil as an example. The same facts would apply to practically all other articles that enter into international commerce, for there is hardly any article that may not be diverted to war uses.

The language of the existing weak neutrality law, confining embargoes to "munitions and implements of war", is a gruesome joke. Foodstuffs, oil, cotton, copper, and a variety of raw materials are just as essential to a nation bent on waging war as are the shipments which are narrowly described in our present abortive neutrality statute as "munitions." All of these things must be banned if we are to be truly neutral.

WE CANNOT BE BOTH NEUTRAL AND ACCESSORY TO WARS

There is but one way to be neutral, and that is to be neutral. We cannot be both neutral and accessory to war at the same time. The only way to protect America's neutral position in the world is to cut off all trade and all financial transactions with warring nations. There will be some, of course, who will lament the loss of trade, but I ask them, What does that amount to when we weigh it against the lives of our young manhood and the terrible burdens of cost incident to our possible involvement in war?

To those whose imagination does not rise above such base considerations, let me make this statement:

One of our fine American boys, your son or my son, or somebody else's son, is worth more than all of the wealth of the world combined.

The hand of destiny points the way clearly if we have the vision to see it. Our role in history should be that of a good neighbor, but to be a good neighbor we do not need to rush to every international fire. By remaining at home and minding our own business, cultivating the arts of peace, and showing once more some regard for the neglected spiritual values, keeping our ears deaf to the tocsin of war, but attuned always to the call of humanity, we can show the nations by precept and example the real meaning of the phrase "good neighbor" and can best fulfill our high mission in the world. [Applause.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 7 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I have not the time to speak on the state of the Union or on the state of propaganda or class hatred or state socialism this afternoon. Neither have I the time to talk on that fictitious or political budget which Al Smith would call a "baloney" or "phoney" budget that the President sent to Congress a few days ago. It refers to the approaching balancing of the Budget when approximately $2,000,000,000 needed for relief and $500,000,000 more for processing taxes were not included. Later on I will speak in detail on the Budget and take up the President's challenge to show what New Deal measures should be repealed.

I have risen for the purpose of making some observations and brief comments on the so-called Jacksonian dinner to be held in Washington and in other cities this evening.

The New Dealers, with the approval of the President, have arranged a huge dinner tonight at the Mayflower Hotel at Washington to celebrate Jackson's birthday at the cost of $50 per plate. Is it quite fair to use Andrew Jackson, that fearless and uncompromising champion of the Constitution, at a time when the New Deal "brain trust" like a lot of termites are endeavoring to undermine and destroy our Constitution at every opportunity?

I am reminded of the fifth chapter of the Book of Daniel, the first verse of which reads as follows: "Belshazzar the king made a great feast to a thousand of his lords, and drank wine before the thousand." In the midst of this extravagant, luxurious, and golden feast a handwriting unknown even to the royal magicians and "brain trusters" of those days troubled and alarmed the king. "And this is the writing that was written, 'Mene, mene, tekel, upharsin.'" The interpretation thereof, paraphrased to apply to modern conditions—the New Deal Democracy and the $50-a-plate "Rooseveltian dinner"—is "mene", the people have numbered

thy kingdom and will end it; "tekel", thou art weighed in the balances and art found wanting; "upharsin", thy kingdom is divided and will be given to the Republicans with the aid of deceived and disgusted Jacksonian and Jeffersonian Democrats. [Applause.]

Mr. TABER. Will the gentleman yield?

Mr. FISH. I yield to my colleague from New York.

Mr. TABER. Does the gentleman suppose that perhaps the reason they asked $50 a plate for the dinner was that so many of these $100-a-month fellows have been getting $5,000 a year?

Mr. FISH. Yes; and I think they have their orders to put up or get out, if that is what the gentleman means to infer.

How the party of Bryan, Champ Clark, Tom Marshall, Al Smith, Woodrow Wilson, Jackson, and Jefferson has fallen. It will be interesting to read the list of monopolists, millionaires, autocrats, and greedy seekers of special favors from the New Deal who will attend this Lucullan feast and gala social event of the New Deal to fill the campaign chest in an attempt to reelect Franklin "Deficit" Roosevelt. What sanctimonious hypocrisy about driving the money changers from the temple. Using the words of the President in his Atlanta speech, what about the steam-heated luxurious banquet hall in the Mayflower Hotel, with the tables covered with choicest wines and Corona and Coronation cigars? What is sauce for the Democratic goose is sauce for the Republican gander. It would be just as well if the President would withhold his obsessions against those who have any money left and remember that he likewise belongs to the same comfortable clubs and smokes the same expensive cigars. We have already had too much class arrayed against class for the best interests of the country. It may be good politics, but it is poor Americanism, and I am not so sure it is good politics, because sooner or later the American people will see through and resent the efforts of the administration to promote and incite class hatred in the United States. [Applause.]

Mr. MORAN. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD, and to include therein certain excerpts.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Chairman, in his earlier days our colleague from New York, Mr. FISH, was a most valuable citizen. We all remember that in the Harvard line he was an incomparable end, valiant and faithful at all times.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. BLANTON. I am sorry, but I cannot at this time.

Mr. MARTIN of Massachusetts. Just to correct a statement.

Mr. BLANTON. Well, to be exact, he was an incomparable football tackle in the Harvard line. During the war he was a valiant soldier and a valuable officer on the field of battle. I take my hat off to him for that service.

But during the last few years, since political partisanship has possessed him, and especially since a little bee has begun buzzing in his bonnet, all of his usefulness has departed.

Now he is continually, from one side of the United States to the other, wherever he can get an audience, belittling the administration for political purposes. He talks about the Jacksonian dinner at $50 a plate. Trouble in raising necessary campaign funds has always been the history of the Democratic Party. It has never given big hand-outs of special favor and privilege to big business. Naturally, it cannot get big campaign contributions like my friend's organization can. When Republicans need money to finance their campaigns they send out little messages to their rich angels and the money comes in at $50,000 a whack. [Laughter and applause.] Fifty-thousand-dollar contributions to Republicans come when they are necessary. We Democrats get ours from small contributions from small Democrats. There will be Democratic banquets all over the United States tonight, and the charge per plate will be nominal at most of them. In my home city of Abilene, Tex., there will be a banquet tonight, and the charge will be only $2 per person.

At the outset I want to say, Mr. Chairman, that, except as to the repeal of national prohibition, which repeal has been a curse to our Nation, I am heartily in favor of carrying out to the letter every pledge we Democrats made in our national Democratic platform of 1932. I am in favor of strict economy in all governmental expenses. I am in favor of abolishing every useless and unnecessary bureau, independent office, and commission. I am strictly in favor of State rights. The States do not need any dictation from an army of arrogant Federal agents. I am heartily in favor of a National Budget. I am in favor of balancing our Budget. I am in favor of keeping it balanced. I am in favor of preserving our Constitution. And I am in favor of defending it against all enemies, foreign and domestic. And I am in favor of preserving our Supreme Court of the United States and am against hampering it in any way in its right and duty to interpret and uphold the Constitution.

While I have not agreed with all of the proposals made by our administration, I have felt that the President was entitled to have a chance to put into operation his policies for economic recovery, and I have gone along with him and supported his program except in instances where I had made contrary pledges to my constituents when they elected me.

After the President of the United States has honestly and conscientiously done everything within his power to relieve the distressed people of the country, I cannot understand how any fair-minded citizen could heap upon him abuse and attack.

The gentleman from New York [Mr. FISH] spoke about the handwriting on the wall at Belshazzar's feast. Everyone knows that his reference was wholly inapplicable to our administration. I want to show you the real handwriting on the wall. It appears in a Republican newspaper, the Washington Post, which is the new mouthpiece of the Republican Party in Washington, owned by Eugene Meyer, the new spokesman of the Republican organization in our Nation's Capital. I will not quote from any Democratic newspaper, because Republicans then might charge that the evidence was colored and partisan. But I will quote from their own Republican organ, the Washington Post, so that no Republican should question the handwriting.

Before doing so, however, I want to mention that concerning President Roosevelt's address Friday night to the joint session of Congress, on its front page Saturday morning, January 4, 1936, the Washington Post said:

> It was virtually barren of recommendations. * * * He made no effort to cite figures to show the economic improvement of the country. * * * He became a political orator, throwing force and appeal into his voice and resorting to histrionics to make his points. His tone was belligerent and fighting.
>
> The Republicans sat in silence, some in apparently sullen silence. * * * But a few minutes later the Republicans, who were not getting the spirit of the meeting, broke into raucous laughter. * * * Their laughter at the President's expense was unusual if not unprecedented. Mr. Roosevelt's face was grim, and a number of persons frowned.

Both the Washington Post and its publisher, Mr. Eugene Meyer, knew that it was unnecessary for the President "to cite figures to show the economic improvement of the country", because Eugene's Washington Post had done that very thing the day preceding the President's address, and the figures the Washington Post on said January 2, 1936, then cited forms the real handwriting on the wall. I will now quote some from the Washington Post, issue of January 2, 1936, the following statement from Hon. Robert V. Fleming, one of the leading citizens of Washington, D. C., and one of the greatest bankers in the United States and one of the greatest financiers and businessmen of the country. Here is what Mr. Fleming says on this main page of the Washington Post that I hold up before you, and he is president of the Riggs National Bank and president of the American Bankers' Association:

> As the year 1935 closes there is unquestionably prevalent among the people generally and among businessmen in the retail trade particularly a conviction that the Nation is definitely on the way out of the depression toward a return to normal business activity.

There is some of the real handwriting on the wall that hurts our former Harvard tackle. [Laughter.]

Regarding our administration's new Banking Act, here is what this great banker, Robert V. Fleming, says:

We have ample evidence of a complete restoration of public confidence in banking.

Is not that accomplishment almost a miracle? Why, on March 4, 1933, when President Franklin D. Roosevelt took the oath of office, banks everywhere over the country, both National and State, had closed their doors and thereby wiped out overnight the life's savings of hundreds of thousands of citizens everywhere. The people had lost confidence in banks. In the city of Eastland, in my district, all four banks had closed and not a bank was left to handle the people's business, notwithstanding that Eastland is a county seat with two district courts and a court of appeals there in session regularly.

Now Mr. Robert V. Fleming says that "we have ample evidence of a complete restoration of public confidence in banking."

What has brought about this miracle since the gloomy days of March 1933? It was our President and his administration, which you Republicans are now continually sniping. One of the first things President Roosevelt did after he took charge of this Government was to take over the banking of the country, and he closed up all of the banks until he could find out which were solvent, and he let only those reopen that could furnish security to the people who had their money on deposit with them, and he made them guarantee their deposits; and now the great banker of the Nation's Capital says there has been a complete restoration of confidence in banking since the administration has brought this about. [Applause.]

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. In just a moment. I always yield to my friend from Massachusetts, and I will yield in just a moment; but I do not want my time to expire before I have finished my statement.

Mrs. ROGERS of Massachusetts. The gentleman will yield, then, after his time has expired?

Mr. BLANTON. I will yield for a question before I conclude. Here is what Roger W. Babson says. Many businessmen pay about $15 to get Babson's reports on financial institutions. Your big financiers, who, instead of contributing $50 to a Democratic Jackson Day dinner, sometimes give $50,000 contributions to the Republican chest, think they must have these Babson reports. This is from Roger W. Babson, from the Washington Post of January 2, 1936:

I am bullish on business for 1936. Not on any year-end since the late twenties have I felt surer than I do today that plans could be laid on the basis of better business during the coming 12 months.

"Regardless of the elections"—regardless of whether they put Ham in with BORAH or somebody else—"regardless of the elections", he says, "the tide of business is running in and nothing can stop it." I quote him further:

When we check up on this forecast next December, I am convinced that we shall find satisfactory gains in jobs, wages, sales and advertising, stocks, farm incomes, earnings, and dividends. This, of course, would be but a continuation of the current trend. Business has been moving steadily forward during most of this year—the pace quickening as the holidays approached. The immediate outlook is satisfactory, and I forecast about an 8-percent gain for the first half of 1936 over the same period of 1935.

That is from Roger W. Babson. That is a part of the handwriting on the wall.

Now, let me quote further from this issue of the Washington Post. Marcus Nadler, research director of the Institute of International Finance and professor of finance of New York University, states on this front page:

The United States now holds 45 percent of the world's total monetary gold—

And goes on to show that this is a sign of improvement and stability for the country. He says:

During the period from the passage of the Gold Reserve Act on January 30, 1934, to the end of November 1935, net imports of gold into the United States amounted to $2,685,700,000, a record for any similar period in financial history.

Let me read you from this Republican Washington Post what John T. Madden, dean of the school of commerce accounts and finance of New York University, says:

Prospects for new financing during 1936 are definitely the best since 1929. Not only is there promise of a continued large volume of refunding issues but a material increase in the number of flotations designed to raise new long-term capital for industry is also in prospect.

That is the real mene, mene, tekel, upharsin that confronts our friend from New York. [Laughter.]

Let me quote from the next page of this Washington Post for January 2, 1936. J. J. Pelley, president of the Association of American Railroads, says:

Railroad traffic, both freight and passenger, and net railway-operating income, were greater in 1935 than in any year since 1931.

Loading of revenue freight during the past calendar year totaled 31,450,000 cars, an increase of 603,000 cars, or 1.95 percent above 1934 and an increase of 2,230,000 cars, or 7.63 percent above 1933. It also was an increase of 3,270,000 cars, or 11.6 percent, above 1932.

Mr. BANKHEAD. Will the gentleman permit an interruption?

Mr. BLANTON. Certainly.

Mr. BANKHEAD. Has the gentleman got the same data for March 2, 1933?

Mr. BLANTON. I have not all of it at this time, but I am going to get it if I have time, and you will see the difference in the situation.

Now, I want to quote what Lawrence B. Mann, commodity economist from New York, said in this Washington Post on January 2, 1936:

Commodity prices exhibited very general strength during 1935 and their average advance to the highest level in 5 years.

Now let us turn over to the next page. Oh, this Republican newspaper is full of these handwritings. [Laughter.]

Here is what Lewis M. Hewlett, president of the Washington Association of Credit Men, says:

Collections in wholesale and building-supply lines in Washington have certainly been much improved in 1935. Arising out of the general business improvement is the payment of many old accounts accumulated 3 or 4 years back.

That is some more of the handwriting.

Mr. ENGEL. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Just a moment. Now, I quote from Mr. J. E. McCombs, president of the District of Columbia Life Underwriters Association. He says, in this Washington Post, on January 2, 1936:

As the clouds of the most widespread, devastating depression of all history are being rolled away by the fresh winds of recovery, the sunshine reveals that this great financial institution has * * * raised its pinnacle still further toward the sun.

Mr. ENGEL. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Just a moment, please. I want to give my friend from New York something real to tackle in his next perforation he delivers before the American people.

Now, I quote from William Montgomery, president of the Acacia Mutual Life Insurance Co., from page 3, Washington Post, January 2, 1936. He says:

* * * The forces of recovery have asserted themselves vigorously during the past year, and the general economic situation in the United States has seemingly materially improved.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. MORAN. Mr. Chairman, I yield the gentleman from Texas 10 minutes more.

Mr. ENGEL. Mr. Chairman, will the gentleman yield now?

Mr. BLANTON. Just a moment. I quote now from John L. Weaver, past president of the National Association of Real Estate Boards, in Washington Post, January 2, 1936. He says:

We have emerged from our most recent depression, as we did from many in the past. During 1935 the real-estate industry enjoyed a substantial measure of recovery throughout the country.

I quote now from Frank McMillan, the Associated Press financial writer, in the Washington Post, January 2, 1936. Here is what he says:

NEW YORK, January 1.—As Wall Street prepared to write finis to the best stock-market year since prices began to struggle out from the depression depths of 1932, the general share price level was back to the marks last scored more than 4 years ago.

I now quote from Mr. Waverly Taylor, director, National Association of Real Estate Boards, from this Washington Post of January 2, 1936. Here is what he says:

The year 1935 will go down in real-estate history as the beginning of the upswing from depression depths. Every phase of real estate throughout the length and breadth of our land has shown substantial improvement, and the upward trend is now definite, steady, and strong.

Mr. ENGEL. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. As I promised her I would do, I first yield to the gentlewoman from Massachusetts [Mrs. ROGERS] for a question only.

Mrs. ROGERS of Massachusetts. Will the Jackson Day diners have a moment of silence for the dead—the alphabetical writing on the wall?

Mr. BLANTON. We have already celebrated that sad rite, because we paused time and time again for the Republican dead that are in the Republican Party who, figuratively speaking, died when the great Democratic administration took over this Government in behalf of the people of the United States.

Mrs. ROGERS of Massachusetts. But they are still in the game.

Mr. BLANTON. Now I yield to the gentleman from Michigan.

Mr. ENGEL. The gentleman has been quoting from the Washington Post?

Mr. BLANTON. Yes; admissions from a Republican newspaper.

Mr. ENGEL. Has the gentleman changed his mind regarding the authenticity of the Post?

Mr. BLANTON. Not at all as to its editor. I want to say this——

Mr. ENGEL. I call the attention of the gentleman to what he said on the floor——

Mr. BLANTON. I regret that I cannot yield further. I have read these comments in this Republican newspaper that come from the financial leaders all over this country showing that the depression is behind it and that we are on the uplift back to recovery.

Mr. ENGEL. On April 25, 1935——

Mr. BLANTON. Mr. Chairman, I do not yield for that.

The CHAIRMAN. The gentleman from Texas declines to yield.

Mr. BLANTON. Anything that the gentleman from Michigan wants to say derrogatory to Mr. Eugene Meyer I shall back up 100 percent. He cannot say anything too bad about him to which I will not subscribe.

Mr. ENGEL. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I am quoting news items in the way of admissions from his newspaper.

Mr. ENGEL. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. No; I am sorry. These are news items that he could not color. He colors most of them. Everything he prints about me he colors to suit himself. These are from big outstanding men of finance in this country whose statements he could not color.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I regret that I cannot yield further. I now quote from James E. Colliflower, president of the Merchants and Manufacturers Association of Washington, in this Washington Post of January 2, 1936:

Business conditions in Washington have shown marked improvement during the past few months. In many lines of business this year, 1935, has been the best in several years, exceeding all expectations. In the retail field department stores in this city report an increase in business of 15.7 percent for the first 11 months of this year, as compared to last year. * * * Retail business in Washington for November showed an even greater increase, being 19.5 percent above November of last year. Bank clearings in Washington in recent months have shown an increase of from 25 to 30 percent over the corresponding periods last year. Postal receipts in the District have likewise shown marked increases over the corresponding months of last year.

The year 1935 is proving to be the best year in the history of the automobile business in Washington, exceeding even the boom year of 1929 by 20 percent. A total of 24,456 new cars were sold the first 10 months of this year as compared to 17,057 during the same period last year.

The total net registration of automobiles in the District of Columbia during the current year is about 178,000, which represents an increase of 11,000 over 1934.

The telephone company in November, for the first time in its history, passed the 200,000 mark in telephone installations. Oil-burner sales in Washington have also increased from 3,000 in 1934 to about 5,000 in 1935.

The foregoing facts are indicative that business in many lines in Washington is definitely better than it has been during the past few years.

I now quote from Mr. E. F. Middleton, president of the Washington Real Estate Board, in this Washington Post, January 2, 1936. He says:

In every phase of local business a noticeable improvement has taken place. The real-estate market has assumed its normal, healthy condition, and from all indications is very definitely on the upward trend.

I now quote from Mr. Thomas M. Cahill, the real-estate editor for the Nation's Capital, under big headlines, "Building costs in Washington exceed $116,000,000", from this Washington Post of January 2, 1936. He said:

BUILDING COSTS IN WASHINGTON TO EXCEED $116,000,000

Federal, municipal, and private construction in and near the District of Columbia during 1935 and in 1936 will reach a total value of more than $116,900,000. In the year just closed permits for private and municipal projects representing in actual value more than $24,702,000 were issued by the office of the District building inspector. Private construction in the District alone reaches a total of more than $19,993,000, a gain of more than $11,000,000 over that of 1934.

I quote now from Mr. Charles H. Doing, president of the District of Columbia Bankers Association, from this Washington Post of January 2, 1936, to wit:

No better business barometer can be found than the monthly totals of checks passing through the local clearing house since they constitute not less than 90 percent of the city's financial transactions. Comparing the total for 1934 with that of the year just ended, we find a business expansion of 21.6 percent, a most encouraging indication for the District.

From this same Washington Post of January 2, 1936, I quote the following:

WESTERN ELECTRIC SALES EXCEED $104,000,000

NEW YORK, January 1.—Edgar S. Bloom, president of Western Electric Co., manufacturing subsidiary of American Telephone & Telegraph Co., said yesterday the company's 1935 sales will exceed $104,000,000, against $91,807,000 for 1934.

As a result of this increase in operations the company, he said, reengaged many former employees.

It is well known that postal receipts are a fair barometer of the condition of business over the country. In the Sweetwater Daily Reporter, published in the city of Sweetwater, down in my Texas district, there are big headlines on the front page telling about the postal receipts having increased in 1935 over 1934, showing a substantial increase in postal receipts there. I note from the Cisco daily paper that postal receipts in Cisco, Tex., have increased. Talk about the handwriting on the wall! I want my distinguished friend from New York to ask the corn farmers in Illinois and Iowa, the Republican corn farmers, what they think about the price of corn as compared with the price at which it was sold—which did not even pay for the cost of raising it—when the gentleman's party gave up its hold on this Government. Ask the wheat farmers about it. Ask the hog farmers about it all over the West. Ask the cattle raisers what they think. Ask the Republican farmers how they feel about the present situation and they will say, "My dear Mr. Tentative Candidate for Vice President on the Republican or Bull Moose Ticket", or whatever it may be [laughter], "we much appreciate and are in love with the situation now compared to what it was when you left the handling of this Government to the Democrats." [Applause.]

[Here the gavel fell.]

Mr. MORAN. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. BLANTON. When the gentleman from New York gets political and runs for Vice President he is out of his sphere of usefulness. He is not running true to form. Why does he not let this rank politics alone? He really is a valuable legislator. He is very helpful legislatively to you Republicans. You are just using him now for a pinch hitter, putting him up here for these attacks and tackles. Why do you not take him out of this political wrangle and put him back where he belongs? [Laughter.] He is a valuable legislator.

I say to him that when this administration took hold of this Government the farmers of the United States had no organization whatever nationally. That is what has been the matter with them. They could not get together on a national organization. Every other great interest in the country has a national organization, but the farmers did not have it. This Government has tried to do something for the farmers. I do not approve of many things that Henry Wallace has done. He has filled my district with Republicans from Iowa and from all over the West. [Laughter.] He has an army of them down there. That is one of the bad things he has done. [Laughter.] But this administration has done something for the farmer. The cotton farmers in this country formerly could not sell their cotton for enough to pay for picking it. Now it is worth 10 or 11 cents a pound on the market. It is the first time that the farmers of the United States have had even a bare look-in on Government operation in Washington. But they are thankful to the Democratic administration for what it has done for them. [Applause.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 15 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, it is always a pleasure to listen to the gentleman from Texas [Mr. BLANTON], because when he wants to give us something good he always quotes a reliable authority.

Mr. ENGEL. Will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. ENGEL. The gentleman from Texas [Mr. BLANTON] quoted at length from the Washington Post. I just want to call attention to the CONGRESSIONAL RECORD of April 25, 1935, page 6397, where the gentleman from Texas, speaking about the Washington Post, used the following language:

> Of course, the Post is unreliable and unauthentic. You cannot believe much you see in that paper.

[Laughter and applause.]

Mr. BLANTON. Ordinarily, that is a fact. [Laughter.]

Mr. HOFFMAN. I wish to assure the gentleman from Texas that had I been aware of what the gentleman was going to read I certainly, out of courtesy, would never have permitted it. [Laughter.]

The gentleman asked us to inquire of the corn farmers in Iowa and, I suppose, the wheat farmers in Kansas and Michigan, as to what they thought of the pay checks they have been receiving. No need to inquire. Quite naturally they are pleased by the receipt of so much money. I think one of the papers quotes it, for the farmers the country over, at over a billion dollars.

We have asked some of the men who have been buying the pork and using the wheat and corn what they thought about the additional cost they had to pay for food when they purchased, and they did not seem too well pleased.

Undoubtedly the gentleman can get the answer on the New Deal as a whole from the Literary Digest poll, if he has it handy. The issue of January 11, 1936, shows that the New Deal received 61.15 percent in the poll of 1934; in the one just completed it received but 38.11 percent; 61.89 percent voted against it. The final result will be announced, as I understand, in November next. [Laughter.]

If the gentleman from Texas really wants to know what the country thought of the A. A. A. prior to the Supreme Court's decision he has but to read the result of the poll on that question published in the Sunday, January 5, issue of the Washington Post, from which he so copiously quoted just a few moments ago. That publication, which he just finished using to demonstrate our return to prosperity, shows that 59 percent of the voters are opposed to the Triple A, while but 41 percent favor it. It is evident that even the agricultural States resent the attempt of the administration to tell them how and when to cultivate, plant, and use their land; that, owning it, paying taxes upon it, they will accept no dictation from Washington.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. After a while, as the gentleman says. [Laughter.]

A monomaniac, you know, is a fellow with one idea; he follows it. A kleptomaniac is a fellow who takes somebody else's property. Now, I will admit that this administration has one ever-present idea—to advance itself in power and to take the taxpayers' money and to give it to someone else to accomplish that purpose. Those benefit checks for the farmer come from the consumers, notwithstanding the fact that your President in substance said in Milwaukee, "Let us not take from Peter to pay Paul." But that is what you have been doing right along. I realize your motives were fine, pure, and grand, and that those little checks, that rain of checks, that gentle rain of checks, were not given out to get votes. Oh, no! It was because you had sympathy and understanding for the downtrodden man.

You collected the pennies of the laboring man, of the housewives who purchased meat, milk, and bread, the necessities of life, to pay a bonus to the agriculturist.

As the Representative from a farming district, as one who owns and operates farms, I should be and I will be the last to condemn legitimate aid for the farmer; but never can I agree to the doctrine of scarcity; that prosperity and plenty will come through failing to till the earth, to produce the things we eat and wear. And how foolish it is to surrender our markets to foreign countries, to pay to limit production, and then expend millions upon millions of dollars to reclaim lands in order that they may be planted to produce greater crops. Let us try at least to be consistent.

The gentleman from Texas referred to the gentleman from New York as a tackle. Does the gentleman know what a tackle is? He is the fellow on the team who breaks through the defensive line, smears the play, and breaks up the offense before it starts. Undoubtedly that is what the distinguished gentleman from New York [Mr. FISH] was doing when he played on the university team. Beyond question that is what he has been doing here in Congress and the country over.

The ineffective tackle on a football team never receives any notice from the opposition. The very fact that the gentleman from New York [Mr. FISH] is the object of a concerted, persistent, and vigorous attack from the whole Democratic organization is proof enough of his ability and effectiveness as an opponent.

Mr. SCHULTE. Notre Dame?

Mr. HOFFMAN. I do not care whether it is Notre Dame or what team it is on. Then the quarterback, you know, calls the signals.' Your quarterback—he so styled himself—has done what? For some months now he has been calling the signals for Tugwell, Wallace, Johnson of pleasant memories, and a host of others who have been withdrawn from the line-up; and the total result, so far as the national debt is concerned, is a loss of something equivalent to 10,000,000,000 yards (dollars) due to his signals.

And your little brainstormers, your little "brain trusters", who were going to remake this fair earth, who were going to lead us into the land of plenty, following his signals, executing his plays, have led us into insecurity, into a maze of unconstitutional laws, and have us out in the end zone with a national deficit the greatest in all peacetime history.

Mr. SCHULTE. That was an inheritance from the Republican Party.

Mr. HOFFMAN. Thank God you had some—what is it?—ancestry; you will never have any posterity. [Laughter.]

I gather that you will admit that the Republican Party has served one useful purpose. Its existence furnishes you with a convenient excuse for your own misdeeds.

Few who have read the President's writings, listened to his radio talks, or heard him deliver his public speeches, including his message to Congress, the last of which was the most

dramatic, will doubt his sincerity, his idealism, or his confidence in his own ability to diagnose and cure our social, economic, and political ills. He is a truly great man, if greatness be measured by accomplishments, good or bad.

Like many of those who have marched across the pages of history, his mind entertains no doubt of the righteousness of his own purposes, of the iniquity of those who oppose. He has no doubts of his ability to accomplish his end, of the justice of his method, nor of the incompetency of his opponents and the impropriety of their actions. Having determined to his own satisfaction that he, and he alone, possesses the virtues needed by the times in which he lives, that those who oppose him are actuated only by greed, selfishness, inhumanity, lack of sympathy, and the desire to advance their own interests, he entertains no scruples about brushing them, their suggestions and their criticisms, aside as of no moment.

Not so long ago, in a public speech, he intimated that a new world was created with the death of the Hoover administration and the birth of his own; and so, figuratively at least, he moved the dawn of creation from the time of Adam to the date of his assumption of office, and so attempted to lead us into the delusion, illusion, or hallucination, whichever it may be, that we were again being led through the Garden of Eden by an Eve who offered no temptations.

Ignoring the fact that millions of honest, hard-working, frugal Americans still lived in this country of ours in the year of 1932; that seeds were planted and that crops grew and were harvested; that factories were still in existence and operating; that by far the greater percentage of banks in the country were solvent; that there were hundreds of millions of dollars in the savings of life-insurance companies; and that the depression which existed was due to the speculation of our people and was not the first in the history of our country, with the skill of the true artist, he painted a picture of gloom and distrust that was far darker than that disclosed by the actual conditions.

He charged that business came running to him to be saved, ignoring the fact that his nomination was accomplished on a platform which stated sound, conservative doctrine; that he had made his appeal for election to the discontented and dissatisfied, promising, in effect, that poverty should end and prosperity be universal. With the greatest public debt in the history of our country in peacetime, with a record of extravagance and waste unparalleled by that of any ruler in any country, he the other night told us that we were saved and that business now sought to ignore him.

He forgets that, notwithstanding the expenditure of untold sums, unemployment is still with us in almost as great volume as before, and that the money of the people which he used to prime the pump has but dropped into the depths of the well.

Let me repeat. There is no doubt, in my poor mind, at least, as to his sincerity or the sincerity of some of his followers, if only his speeches, his sayings, and his writings could be accepted at their face value.

Mindful of his intimation in his previous speech that his administration marked the beginning of a new world; that neither life, liberty, nor the pursuit of happiness was secure prior to his inauguration; listening to his impassioned and illogical argument, forgetful of the facts, acknowledging his sincerity, one might have been led to think that he believed he was another Moses, leading his people from a bondage imposed by big business—like Joseph Smith, he was taking them from the land of sin to a more abundant life beyond the reach of legal restrictions.

Not long ago a Townsend writer stated that the doctor's plan was conceived in Heaven, and that, if followed, it would bring happiness and contentment to all. There are those among the admirers of the candidate President who are almost ready to contend that his appearance upon the national horizon was as the prophesied second coming of the Christ, and that his purpose, as indicated by his words, was to cast into outer darkness, as worthy of hell, and hell alone, all those who cannot whole-heartedly applaud his every word and thought.

All he does is right and proper, and all that we on this side suggest is wrong and the work of the devil himself. This is the way you look at it. Surely there must be some place in between where the truth is to be found.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. For a question.

Mr. O'MALLEY. The gentleman said that all that his side suggested was wrong. What has his side suggested?

Mr. HOFFMAN. There you are. That is what the President said the other day. "There are those who, having eyes, see not and, having ears, hear not." Why do you close your eyes and your ears? What have you to suggest? Has the gentleman read what Candidate Knox had to suggest?

Did the gentleman read the farm program suggested by Mr. Knox? What has the gentleman to suggest, when the administration today has yet its first promise to keep?

Mr. O'MALLEY. Mr. Chairman, if the gentleman will yield further, I have read every newspaper printed by Candidate Knox for 20 years and have not seen a suggestion in one of them.

Mr. HOFFMAN. Truly he is a dumb man who can read papers—I do not care what they may be—for that length of time and not get an idea. [Laughter.] I get some from the Townsend Weekly, among them the thought that I cannot come back to Congress unless I surrender my right to represent my district, to form my own judgment, and blindly follow the doctor from California.

Born in a Pennsylvania Dutch home, reared in the Lutheran faith, still believing that somewhere, some place in the universe there must be a guiding, controlling power, nevertheless, I have never been able to bring myself to the full conviction that the multitudes of China, of India, or those who have gone before in this world before the advent of Christianity are doomed to everlasting torture and punishment. My capacity is too limited to acknowledge that kind of a God.

So, while shivering in my seat at the President's denunciation of the wickedness of all business, of all Republicans, of all those who did not accept his leadership, there was some consolation in the thought that those he so bitterly denounced were the very ones who had provided the capital, the factories, the brains, the ability, the energy to carry us through the depression.

It was hardly fair for the gentleman from Texas, when he had the floor, to twit us of collecting campaign funds in chunks. Farley and his cohorts collect not only in chunks, not only by the sale of $50 banquet tickets, but even from the welfare workers.

The gentleman from Texas realizes the situation, I am sure, or, at least, I take it you do, from the complaints which have been made on the floor about the inability to get appointed down there in Texas certain farm examiners to approve farm loans. There was considerable complaint from the gentleman from Texas last session, when he stood on the floor here and stated, in substance, that the administration refused to let him name some of those who were passing upon, or had something to do with, farm loans in his district. Why, you collect even from relief workers, and in my own district Democrats have collected from postmasters.

Mr. BLANTON. Will the gentleman yield?

Mr. HOFFMAN. Not being a prophet, it is not my mission to prophesy.

Mr. BLANTON. Will the gentleman yield?

Mr. HOFFMAN. If the gentleman will promise to yield to a Republican sometime in the next 3 months, I yield.

Mr. BLANTON. There is not a single Democratic postmaster in the United States who has made a contribution because of having received an appointment. All contributions to the Democratic Party are voluntary. It is a policy of the Democratic administration that they will not permit postmasters to make a single contribution by reason of their appointment.

Mr. HOFFMAN. I am not complaining about the Democratic administration. We realize that no administration would be so corrupt as to publicly, or privately for that

matter, sanction such a policy. I am talking about what some of the boys down below did.

Mr. BLANTON. I may say to the gentleman that every Republican postmaster in my State annually and regularly made a contribution to the Republican organization in Texas during his tenure of office.

Mr. HOFFMAN. Prophesying is easy. It is more difficult to point to a record of achievement. So, forsaking the method of the President in prophesying what will happen, let me call your attention to what was accomplished in Kansas, where, without excessive taxation, the State was taken out of the red and put on a sound financial basis.

Or let me get back to Michigan, where, relieved of a Democratic Governor and a Democratic legislature, we have been able to get out of the red.

If the administration desires suggestions, we offer the one that the United States Government follow the same course that was followed in Kansas and Michigan; keep its expenditures within its receipts; do business in a businesslike way. But the change in these two States from threatened bankruptcy to surpluses in the treasuries will, no doubt, be said to be the result of the New Deal.

The N. I. R. A. did not bring prosperity to Michigan. The N. I. R. A. is dead. It was, in fact, dead as General Johnson's dodo bird long before the Supreme Court gave it decent burial. It was not until this month that the President delivered the funeral oration over its demise and, although he frequently said that he was experimenting and that, if his experiments proved unworkable, he would be the first to admit the failure, we have yet to hear anywhere along the official line a single admission that any of the legislation enacted at the "brain trusters'" orders was not perfect.

The N. I. R. A.'s death, by the one faction, is mourned as the end of an organization which was working untold good; heralded by the other as a release from the restrictions which were killing small industry and business.

One thing is beyond argument. In my own self-reliant State of Michigan the automotive industry has gone ahead, brought increased employment, increase in pay rolls, in business, and in prosperity. While some of the companies adopted the N. R. A. code, they were required to make few, if any, changes in their working organization or the conditions prevailing in their factories, and the Ford companies, working independently of the code, have shown perhaps as great an increase in advancement as any.

The President's scolding of businessmen may, as one paper so aptly stated, disclose to Congress the state of his mind, if not the state of the Union. It may have served the purpose of lighting anew in the minds of those without property the flames of class hatred against those who are giving employment. It certainly must have awakened in the mind of every property owner, businessman, manufacturer, farmer, the thought that it is the President's idea to tear down our present institutions and redistribute the wealth, and brought home to the larger corporations the knowledge of a fact, which they have long suspected, that there is a powerful organization in this country prepared to put into operation a great leveling process which will sweep out of existence all large private industries, transferring the management and control to Government officials where it will be used, if not for the accumulation of dividends paid to small stockholders, which seems to be, in the minds of the President and his advisers, a crime, for the creation of a surplus to be used by Government officials, who, by its use, will perpetuate themselves in power.

History demonstrates that the absolute ruler has had less regard for the welfare of the worker than has the modern corporation. In this day and age workers, at least, are not required to make bricks without straw; and however much the critics may rant and rave, however imperfect and oppressive laboring conditions may be, the unalterable fact remains that the workingman of today, on the average, has and enjoys property rights and social privileges far beyond those obtainable by the man of wealth in bygone ages.

While this statement is not intended to mean that ambition should be stifled, or that we should not strive unceasingly to bring about better conditions for all, attention is called to the fact that progress has been made, that progress was made, even before the dawn of the new creation, which some few seem to think began with the inauguration of another President in 1933.

True, the President had asked—and received—from Congress the grant of sums of money greater than ever before placed at the disposal of any one man by a legislative body. He had received a grant of power, from a Congress willing to accept his statements as to his purpose and motives, which made him the most powerful ruler on earth. For many months he has been using that grant of power, the stupendous sums of money, to carry out his purposes, whatever they may have been.

Yet, as he came before us, real employment in useful gainful occupations had been achieved, was being maintained, not by the expenditure of the money granted him under the power authorized, but by those engaged in private industry, whom he so vigorously condemned. Giving all due credit to the relief extended, the work created by the various administration alphabetical organizations, nevertheless, the fact remains that it has been private industry—and private industry alone—which has carried the load.

It is said that business is better; and, quite naturally, the President's followers claim the credit, while those of the opposition point to the greater increase in prosperity in those countries which have not had the so-called benefit of the New Deal theories and practices. But why quarrel as to the causes? Of what moment, except as we learn something of the reasons for the betterment and so reapply the good, if any, and cast aside the inefficient.

The President the other night twitted us for having followed his lead. He said we came to him, when he was nominated, to be saved, and now we were deserting the ship. I recall when he was elected by that overwhelming majority that it was a crime in my State and community to even suggest that anything the President wanted should not be granted to him. They stuck those Blue Eagle cards in the windows of the stores and threatened the housewives with something terrible if they did not purchase from those stores.

What did the Republicans do? When we were charged with lack of patriotism and we were accused of being disloyal if we opposed anything you brought forward, we went along with you. Now what do you say? What was said by the President the other night? After you fellows became rubber stamps, after we joined with you and followed his lead, after we learned by bitter experience that all this New Deal legislation is going by the board and that the President's advisers are incompetent and incapable of handling the matters that come before them, here in this Hall the President the other night accused us of being in the same boat merely because Republicans believed in him. But not again. No more of that.

He fooled Republicans once by his appeal to their patriotism, by begging that they trust him, by asking that they believe in him. They yielded to his smiling countenance, his persuasive words, his declaration of lofty ideals and principles, and gave him their trust and confidence, and now, without one word of apology for the deception practiced upon them, they are ridiculed because of their faith and for accepting blindly the words of a President.

Bitter indeed must be the thought of Republicans, and of Democrats as well, who, against their better judgment, voted for so many of the measures devised by his "brain trusters", some of which have since, by the courts, been held to be unconstitutional because they were unjust, and others of which have, by demonstration, been found to be utterly unsuited for the purpose for which they were devised.

It is humiliation enough to find that one has been foolish, but it is cruel beyond description to be twitted of that fact, after the event, by the one at whose solicitation the foolish act was done.

Oh, I know the answer of the gentleman from Texas and others. This is a great emergency, so they say, but, according to the remarks of the gentleman from Texas this afternoon, we are now on the road to prosperity. The emergency

is gone. It has passed away. Then why not reduce Federal expenses?

Mr. BLANTON. Will the gentleman yield?

Mr. HOFFMAN. Yes; if the gentleman promises sometime to yield a second time to some Member on this side.

Mr. BLANTON. Certainly. It is true that, except as to the extraordinary expenses of relief and public works, every department budget was balanced last year.

Mr. HOFFMAN. The gentleman, I am sure, does not mean that.

Mr. BLANTON. Our Appropriations Committee kept absolutely within the Budget for every department supply bill last year except with reference to relief and public works. We did not exceed Budget estimates.

Mr. HOFFMAN. What about the $4,800,000,000 given the President?

Mr. BLANTON. That was for relief and public works outside of our regular Budget. I happen to be on the Appropriations Committee, and I know that to be a fact.

Mr. HOFFMAN. The President-candidate called our attention the other night to the necessity of the sanctity of agreements among nations. We all approve his statement. Some of us recall his words:

> Remember well that attitude and method—the way we do things, not just the way we say things, is nearly always the measure of our sincerity.

How fine it would have been, could the President have pointed with pride to the fulfillment of the promises contained in the 1932 Democratic platform and his campaign speeches. How hollow his words about the sanctity, the sacredness, of an agreement when those broken promises lie scattered all about him—proof of his insincerity, to his yielding to what he conceived to be either the political expediency of the moment or an actual necessity, if he were to remake our form of government, which he and some of his official family have been seeking to do by arraying class against class until today there is in this country more class consciousness and bitterness between classes than ever before.

We were told that there is neither war, nor rumor of war, nor desire for war, in this country. How long has it been since we were told that unless the President was elected to office, that unless his policies, after he was elected, were adopted by the Congress, that unless he had his way with his New Deal legislation and Congress became a rubber stamp, we should have a revolution?

Revolution! Revolution! That word he and his supporters have repeated almost incessantly, until some actually came to believe that submission to his desire was our only salvation.

War, rumor of war, in the United States! Do we not hear, day after day, the threat, under the cloak of charity, the mantle of sympathy, to give to those who have not by taking away from those who have? Does not the Government already take from every citizen 25 cents of every dollar by way of taxation? Has not this administration continually sought to purchase the vote of one class of people at the expense of another? Has not the administration, day in and day out, been engaged in levying, or the attempt to levy, taxes upon one group, as an example, the consumer, for the benefit of the producer? How long has it been since, at the President's request, a law was enacted authorizing the Government to pay as high as $1.29 for an ounce of silver worth but 55 cents?

Some of these efforts, halted by the Supreme Court because they were unjust as well as unconstitutional, it is said in high authorities, will be renewed in a different form, in a different manner, and, if necessary, the Constitution will be amended or the Supreme Court abolished or its membership increased.

In other countries, in other times, the unjust effort to take the property of one class and to give it to another has been met by open warfare. If this leveling process continues, will there not come a time, as it came in Old World countries, when those having property will be compelled to resort to force to retain that which they, without injustice, painstakingly acquired?

Not so long ago the man who openly stated that the world owed him a living, who refused to work, was regarded as a social outcast. Today there is throughout our country a large group of those who believe in that theory, and who act upon their belief, and who are being supported by the industrious and the frugal.

That this class has so rapidly increased, that it is so great today, is due in large part to the doctrines taught by the present administrative officials. They have spread the idea that from all who have worked and saved should be taken a portion of their earnings and their savings, to be redistributed by Government officials, not only among the needy, the deserving, but to those who appear to be such.

It is but a short step from this idea of the Federal Government collecting and dispensing the money of its taxpayers—not by law enacted by Congress but by rule and regulation promulgated by administrative officers—to an absolute dictatorship.

The President told us correctly that autocracy in world affairs endangers peace. And he might have said, as well, that autocracy in this Government breeds discontent, and that his ever-increasing bureaus, with their multitude of rules and regulations, are bearing so heavily upon the people that the New Deal, which was so overwhelmingly popular in 1932, has by the recent Literary Digest poll been demonstrated to be destined for the garbage can.

The share-the-wealth movement, the Townsend plan, which the Democratic candidate for the Presidency and the Democratic majority in this House will bitterly oppose, are but the fruits of the seed sown so lavishly and so widely by the exponents of the New Deal. The advocate of the $200-a-month pension is evidently a graduate of the President's college, who has received his diploma and is giving the administration a practical demonstration of the things he there learned.

There are those among us who still believe that the States are fully competent to care for their aged, their infirm, their needy. There are States like Michigan, which have long had upon their books laws prohibiting child labor, insuring good working conditions, protection for widows, for orphans, pensions for the aged, workmen's compensation laws, and under those laws, so far as the record discloses, no man, woman, or child in Michigan has ever died of starvation or of want; and while beyond question there is suffering and the laws must be liberalized and their scope extended, we believe that the duty is the duty of the State, one reason being that the conditions surrounding these people are the conditions permitted by the State, and the State should rightfully pay for the misery, want, or suffering which it causes or permits.

There are few among us who do not know of the waste, the extravagance, and the dishonesty, some necessarily present, in the operations of the Government, in its expenditures of the sums so recently granted the President. Yet even though we honestly disagree as to the method, and do not concede that all power should be centered in Washington and its politicians, we are accused of a lack of compassion, of sympathy, of being heartless, inhuman, unmindful of our duty.

We remember, however, that charity begins at home, and we know full well that the local communities in the various States, and the State itself spending its own money, can correct these conditions where they exist far more efficiently than can some political administrator or case worker from abroad, for by local authorities most accurately can the deserving be distinguished from the undeserving and the measure of the need be determined.

The President-candidate said we were dominated by big business prior to his coming into office and prior to the creation of this new Eden. Would you rather be dominated by big business or Wallace, Tugwell, or some "brain stormer"? At least big business has sense enough to conserve its resources so that it has the ability to carry on in time of adversity. I may say that the automobile industry in Michigan has given employment to more men and has paid out

more dollars for honest labor than any of your Tugwells or Wallaces.

Mr. COCHRAN. Will the gentleman yield for information?

Mr. HOFFMAN. I could not give the gentleman any information.

Mr. COCHRAN. I will give the gentleman information.

Mr. HOFFMAN. Nobody on this side is capable of giving any information, and you would not listen to it anyway.

Mr. COCHRAN. Will the gentleman yield for some real information in regard to the birth of N. I. R. A.?

Mr. HOFFMAN. Yes.

Mr. COCHRAN. I want to tell the gentleman that the former president of the Manufacturers Association of the United States, who came from my city, St. Louis, came to my office and pleaded with me to vote for the national-recovery bill. If big business did not have anything to do with the national-recovery bill, why did the Manufacturers Association president ask me to vote for it?

Mr. HOFFMAN. What business was he in?

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield the gentleman from Michigan 5 additional minutes.

Mr. COCHRAN. He was president of the Lambert Pharmaceutical Co., of St. Louis, and also at that time was president of the National Manufacturers Association, that is now assailing the President. His name is Robert Lund, and, as I say, he was then president of the Manufacturers Association. They wanted to beat the 30-hour bill. They brought in the national-recovery bill to beat it, and, I repeat, he came to me and pleaded with me to vote for the national-recovery bill, and I told him I would vote for it if the President wanted it. I supported the President then, and I am supporting him now.

Mr. HOFFMAN. I can see why the leader of a big business concern or a large corporation that has a monopoly would go to a man on this side and plead with him, because it is a universally known fact that all of your legislation in the end has resulted in benefit to big business, which it claims to be after. What about your little battery shop in Pennsylvania, whose owner, Perkins, you sent to jail under an unconstitutional law because he wanted to operate his own business in an honest way and give employment to his neighbors? What about the woman in New York whom you would not let make flowers in her own home in order that she might earn money sufficient to keep her children with her?

Mr. COCHRAN. Ask me about St. Louis, and I will answer.

Mr. HOFFMAN. What about the bakers that you sent to jail because they sold bread cheaper than the price fixed by the N. R. A. code; and what about the little tailor who pressed clothes too cheaply?

Mr. COCHRAN. Not in St. Louis.

Mr. HOFFMAN. Sure, when putting out political ballyhoo, you are after big business; but you brought down here the biggest political businessman of all, Jim Farley, the boy who lets nobody escape, who starts in with a $50 banquet ticket and goes straight down the line without missing anybody until he comes to the boy working on W. P. A. projects, and takes it out of the pay checks in our own county. [Applause.]

This administration against big business? Hardly. How absurd! Note these statements from an editorial in the Chicago Tribune of January 6. I quote:

> Mr. Roosevelt's stump speech to the radio audience was another of his calculated attempts to inflame class hatred. The opposition to him and his administration, he said, consisted of nothing more than a handful of bloated plutocrats. To be sure, he admitted, they have their millions of followers, but this following is made up of stooges and dupes.
>
> This is his answer to the indication of the Literary Digest poll that two-thirds of the voters in the United States are eager for the opportunity to vote him and his addle-brained administration out of office. The millions who have come to distrust and fear him, so he says, don't know what it is all about. Mr. Roosevelt pretends that taxpayers don't know what he is costing them; that housewives don't know that the cost of living has gone up and up; that stockholders who have organized for self-protection by the hundreds of thousands have no reason to fear his program of spoliation; that owners of insurance policies and savings accounts feel under obligations to him for jeopardizing the security they had bought and paid for.
>
> If Mr. Roosevelt thinks he can get away with that, his conceit matches his hypocrisy.
>
> He talks of bloated plutocrats, he who was born to great wealth and never had to earn his living! Mr. Roosevelt is a far richer man, and his wife is a far richer woman, than all but a few of his opponents. His intimates, like Vincent Astor, are all rich men.
>
> He talks about "unscrupulous money changers" and conveniently forgets that he ran a neat little pool in German marks when the exchange rates were running wild.
>
> He speaks with justified contempt of "the manipulations of dishonest speculators", conveniently forgetting those stock-peddling circulars of only a few years ago which bore his name. Mr. Roosevelt, who lent his name and his reputation to the flotation of Camco, one of the wildest of the boom-time promotions, now dares to denounce stock jobbery. The suckers who placed faith in the business competence and integrity of Franklin D. Roosevelt, director of the Consolidated Automatic Vending Machine Co., do not speak over Nation-wide hook-ups, but they have not forgotten.
>
> The same Roosevelt who now denounces the "rulers of the exchanges of mankind's goods" is the same Roosevelt who, as Governor of New York, took no step to regulate the greatest of all the exchanges. The New York Stock Exchange and the New York Curb Exchange, around which clustered most of the financial abuses of the boom era, were under the Roosevelt thumb during the boom era. The speculator in German marks and the director of Camco did nothing to protect the innocent investor when he most needed protection. It is curious that Mr. Roosevelt overlooked that fact the other night when he was shouting that he, and he alone, had the will and the competence to protect the little fellow from the plutocrats who "rule the exchanges."
>
> This is the Roosevelt who now says that those who oppose him are plutocrats and the dupes and stooges of plutocrats. No wonder Mr. Farley has felt impelled to try to explain what his chief meant the other night and has made a poor job of the explanation. No wonder the editorial supporters of the administration have been hard put to it to justify the speech and have fallen back on the labored and the obvious.
>
> Mr. Roosevelt's hypocrisy was too evident. No competent defense was made of that speech because no competent defense could be made of it or the man who delivered it.

We were told the other evening by the Presidential candidate that in the Old World countries people were blindly following their leaders, and the danger of such action was plainly brought home to us. Like those of other countries criticized by the President, this Congress has followed blindly and fervently the lead of those who seek autocratic power.

True, indeed, were the words which called this condition to our minds, and how recently, how strikingly, and disastrously has the truth of this statement been demonstrated and the folly of the Congress in blindly following the lead of, and adopting the concoctions of Corcoran, Cohen, and their associates been demonstrated.

The embryos which came as the result of the brainstorms of these gentlemen, instead of blossoming forth in all their glory and leading us into the brightness of a new day have, in the end, been shown by practice and Court decisions to be only abortions and miscarriages.

The President told us that we have recently witnessed the domination of Government by dominant financial groups. Still more recently he might, with equal truth, have said that we have been living under a government of bureaucrats and politicians, the crown prince of which is the politically efficient Postmaster General and Democratic National Committeeman, who advises the Republicans to shake dice to determine their Presidential nominee. Doubtless, he is familiar with that method and, whoever might be the choice, if so selected, it is certain that the nominee when elected could bring no greater harm to our people and our country than the nominee picked by him.

If the peace of our country is, as we are told, threatened by those who seek selfish power we need travel no farther than the city of Washington to put our hands upon the ambitious gentleman. When in any democratic form of government has like power been granted to any man or group of men? With the President's cry to restore power to those to whom it rightfully belongs we heartily agree. The Supreme Court is doing what it can to further that end. We have faith that in November of 1936 the job will be finished, that power will be so restored.

No statement was ever truer than that of the President when he said:

> We have returned the control of the Federal Government to the city of Washington. To be sure, in so doing, we have invited battle; we have earned the hate of entrenched greed.

Yes; you have returned the control of the Federal Government to the city of Washington. Your campaign orators have damned Wall Street, the international bankers; they deserved it at times, but those gentlemen, if guilty of all you charged, at least had the decency to attempt to conceal their efforts within the confines of Wall Street.

You returned the control of the Federal Government, not to the Congress elected from the various States, but to a Johnson, now a pleasant memory; to his playmate, Tugwell, whom Johnson so recently is reported to have described as a "marcelled ass"; to a Wallace, a breeder of high-bred corn, guaranteed to grow two ears where but one grew before, and who has been administering the policy of paying a bounty for not growing corn; to others who have, by you, been placed in authority, who have usurped the lawmaking prerogatives of Congress and who have gathered about them employees in such vast numbers that Wallace's force alone is stated in current newspapers to be equal to that of the standing Army, until the city of Washington is packed with humanity as sardines are put into a can, until official Washington has actually come to believe that the rest of the country exists only for the purpose of furnishing revenue, through taxation, to be here used and spent, disbursed so as to perpetuate in power this government at Washington.

Yes; we agree. "By their fruits ye shall know them." And what are the fruits? Waste, extravagance, discontent, class hatred, the creation of a horde of political officeholders, an increase in the public debt, in taxation, so great that the people are coming to realize that national bankruptcy will be the inevitable result of a continuation of the policy.

We have been challenged to repeal the laws enacted in furtherance of this so-called New Deal. The unworkability of some, as stated, has been demonstrated. Others have been wiped out by the Supreme Court.

You ask for a program, for constructive suggestions. If instead of devising new ways to impose burdens upon the people, to create new sources of revenue, to purchase by means of bounty or of benefit another group of voters, someone connected with the administration would cease admiring the work so far accomplished by it and listen to some of the things which have been said, read some of the suggestions which have been offered, both by businessmen and by legislators of experience, it would be discovered that many such suggestions have been made. It might even be learned that Colonel Knox and others have offered farm programs which are sound and workable.

But, as in the days of old, having ears, they hear not; having eyes, they see not.

In the early days of this administration the President chose to regard himself as the quarterback of a football eleven, guiding its destinies, asking cooperation from all. He received that cooperation. He played both ends against the middle, and he crowned his achievement, demonstrated his supremacy, when, at his signal the other night, members of his illustrious Cabinet, gray, reserved, and dignified Senators and Members of Congress, were called together to assist in witnessing one of his last great plays, an appeal to the grandstand.

Cabinet members, Senators, and Congressmen faithfully and loyally, at his glance and his smile, cheered when he paused, laughed when he smiled, yelled when he nodded. You could almost hear him say, "Here is the little girl, the New Deal; come on, friends, give her a big hand." They made of themselves the musical instrument upon which he played his tune for the benefit of his radio audience. Proud, indeed, must be the Cabinet members, Senators, and Representatives of the use to which they were put.

Through two sessions of Congress the President has used them as errand boys, "yes" men, and rubber stamps; at last he calls them in on the side lines and lets them cheer his show.

Mr. MORAN. Mr. Chairman, I yield 20 minutes to the gentleman from Texas [Mr. EAGLE].

Mr. EAGLE. Mr. Chairman, since March 4, 1933, I have sat here almost each day that the House has been in session, and for the first 3 or 4 months after March 4, 1933, the gentleman from New York [Mr. FISH], of the gentle manners, of the modest demeanor, of the mellifluous voice, and of the wise brain, kept perfectly silent; but no sooner had the wisdom and the patriotism of the New Deal again made the country safe from revolution than each year since, each month since, each week since, each day since, and practically each hour since, he has regaled us with petty criticisms of that which we have done to set the house of the American people in order again.

Mr. LUNDEEN. Mr. Chairman, will the gentleman yield?

Mr. EAGLE. I ask all my friends or any adversary, please, during these few minutes I have not to interrupt me, because I have a thing or two I wish to say undiverted.

I can well understand how that gentleman [Mr. FISH], and others similarly feeling and situated, would have remained silent in March and April of 1933. They had sat still in this Chamber as Members for more than 3 years since the crash in 1929, without the wisdom to utter a constructive thought, utterly crushed by the crash of the country which their administration's lack of wisdom in legislation and in administration had wrought, until the tragedy of all America was upon the country.

Prior to March 4, 1933, banking had broken down so completely that 10,335 banks had closed their doors in 3 years' time. One-half million employees had been let out of the railroads. Credit had broken down. Wall Street and big business, which are his political gods, had ceased to have an idea, less still a statesman, and Republican President Hoover sat expecting prosperity to return as a miracle around the corner. Sixteen million workers were out of work, and they, with their wives and children and dependents, made 50,000,000 persons who were hungry. Whatever thought, therefore, President Roosevelt could recommend, and we upon the Democratic side could put into execution, was preferable to a bloody revolution that would have ensued within 60 days if the Republican President had continued to sit in the White House and such paucity of ideas had continued to actuate the Republican Congress. But no sooner had the New Deal of Roosevelt given confidence and hope again to the country, no sooner had we rejuvenated banking and industry, no sooner had we fed the poor and put hope into human hearts than the same reactionary forces that had pillaged and plundered and robbed and wrecked and ruined the American people for 12 long years, from 1921 to 1933, made up their minds that they would again, by misrepresenting issues to the American people, lead them back into a Republican administration which would again pillage and wreck and plunder and rob and despoil and ruin the American people.

While we on the Democratic side have had no time or opportunity to respond to these attacks, the gentleman from New York [Mr. FISH] has sought constantly to interrupt the harmony of these proceedings by captious, partisan, carping criticism.

Very well, gentlemen, our structure of the New Deal is almost complete. We are proud of this noble work and want to go to the country with the explanation that it is complete from the mudsills to the roof. We welcome these attacks and say with Shakespeare:

> Lay on, Macduff;
> And damn'd be him that first cries, "Hold, enough!"

We will meet you at Philippi, and we welcome the attacks of all parties and scoffers. This New Deal by the Democratic administration and the Congress has been the best friend that business in this Nation ever had. Almost the first thing the Democratic Congress did on the 9th of March 1933, as I recall it, was to make eligible for rediscount practically every piece of paper to the extent of $2,000,000,000 in every one of the remaining open banks in the land. We lent the banks

$1,843,000,000 so they could keep their doors open. We bought $329,000,000 of their long-term notes. We bought $637,000,000 of their preferred shares; and then to give confidence to the country in the banking fabric we guaranteed deposits first for $2,500 and then for $5,000, so that we made all the banks that were then open liquid, able to stand up against every wind that blows.

We lent the railroads $451,000,000 in the year 1933. We lent the mortgage-loan companies $297,000,000 so they could live. We lent the building and loan associations $115,000,000 to prevent their collapse, and the insurance companies more than $100,000,000. We first made sound the business fabric of the Nation at the ultimate risk or expense of producer and laborer and masses of the people whose toil pays the interest and ultimately redeems the bonds to do that. We fed those 50,000,000 of hungry people until hope could again come and industry start up—holding up the financial and business structure meanwhile. Was there any objection from the gentleman from New York [Mr. FISH] to the doing of those things? No; and why? Because that was good business; that was not socialistic or communistic at all. The corporations were getting it, big business was getting it, when this Government owed no obligation, financially or morally, to them. But no sooner do we think in terms of the welfare of him and his family who toil in the fields to make the wheat and the cotton and the corn and all other raw materials, no sooner do we think in terms of the welfare of the laborer in the towns and villages and cities who processes that raw material, and the welfare of the humble and the poor, the scattered, disorganized masses, than the gentleman from New York [Mr. FISH] and his Republican cohorts, aided and abetted by corporation-owned Wall Street, aided and abetted by the Wall Street controlled portion of the daily press of the Nation, aided and abetted by paid writers and kept magazines, feeling now safe from revolution, try constantly to poison the people against understanding of this noble and spiritual and sound and wise point of view that has actuated recommendation and enactment of the New Deal. No sooner do we do this than the gentleman from New York and his cohorts would lead the people away from those who have saved them from rack and ruin and revolution and would again turn the people of this Nation over to the special interests, again to be pillaged as they were for 12 years while Wall Street robbed—first, under Harding; second, under Coolidge; and, third, under Hoover. These Republican gentlemen brand as socialistic and communistic all these noble enactments that have blessed the poor.

Now they want to turn this Nation back to the grand old Republican Party—the grand old Republican Party, whose President appointed Republican Senator Fall to be Secretary of the Treasury——

A MEMBER. The Interior.

Mr. EAGLE. Thank you. I see that our Republican friends have not forgotten what office it was that their Republican brother Fall disgraced—Secretary of the Interior, who sold the Navy's oil reserves to his co-conspirators for cash money and bonds for his own pocket, to the eternal disgrace of the Republican administration and the shame of the American people. Back to the good old Republican Party, whose Republican President picked Republican Daugherty as Republican Attorney General, who made out of the law-enforcement agency of the United States a private prohibition racketeering, crime-racketeering organization for his own purse.

Back to the good old Republican Party, whose Republican President appointed the Republican Forbes as Administrator of Veterans' Affairs, who sold the veterans' supplies for cash and stole the money. Back to the good old Republican Party whose Secretary of the Treasury put his arm up to the shoulder into the people's Treasury and took out several billion dollars of alleged excess income-tax payment and gave them to the big corporations, his own included. Back to the good old Republican Party, they would have this country turned—the party that turned over all processes of legislation and of administration for 12 long years to Wall Street that it might exploit this helpless and disorganized mass of American people. Back to the good old Republican Party, whose President, when thousands of war veterans came to the Capital to petition for a redress of their grievances, banished them from this Capital as if they were alien enemies.

Their crime was that after the war was over they came humbly petitioning for redress of their grievances, and were driven by the Republican President out of the Capital with gas and soldiers and other forms of warfare.

In conclusion, if the American people do permit such deception to mislead them so that they again banish their friends and elect their common enemies and exploiters, the Republicans, they will be again enslaved as peons—which God forbid!

Mr. Chairman, I yield back the remainder of my time.

Mr. MAPES. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, I was very much interested in listening to the gentleman from Texas [Mr. EAGLE]. I was so interested that I sent for the directory to find out what it contained. It reads in part as follows:

> Born at Tompkinsville, Ky., January 23, 1870; at 14 years of age received first-grade county teacher's certificate; taught writing in schools each winter to earn money with which to go through college, graduating at 17 years of age at Burritt College, Spencer, Tenn.; moved to Texas in 1887 and taught school 6 years, becoming superintendent of city schools—

And it goes on to say so much about education that I was just wondering whether it was one of those professors we have been talking about so much since we have been in this last session of Congress. I hope that in the future discussions on the floor any individual may be able to find something from those political discussions that will benefit both sides of the House. A house built on sand will fall. Watch this administration crumble under the unconstitutional legislation it has enacted into law.

I am interested today in answering the question I asked of the majority leader on Friday last, whether the speech that was to be delivered that evening by the President of the United States was to be political. The majority leader [Mr. BANKHEAD] did not give me the answer, and I do not know whether it was because he did not wish to convey that information or whether he did not know. It seems to me the majority leader of the House of Representatives should know and have good reason why things should happen in the House, and that he should be interested in seeing that only those things should transpire that are for the best interests of the American people.

The House of Representatives and the Senate were requested by the President of the United States to put off the address on the state of the Union, which is required by the Constitution at the opening of the session of Congress. Yet we waited from 2 o'clock in the afternoon until 9 o'clock at night. The fact that 435 Congressmen and 96 Senators and many other Government officials should be requested to sit idly by for that length of time in order to hear an address supposedly on the state of the Union, when the President of the United States has known for more than a year that Congress convened at 12 o'clock on January 3, is perhaps immaterial.

I was tempted, when it was told me that we were going to have a political speech, to object. Then I thought it was the duty of the President of the United States to make an address, if he chose to do so, and cause the Members of Congress to wait until he was desirous of speaking to them. For that reason alone I felt it my duty, after persuasion of the leaders on the Republican side, not to object to his delivering this speech on the state of the Union. To my utter amazement, when I was looking forward to hearing a good, sound, sensible address by the President of the United States advising Congress of the importance of certain things that should be put into law and of the things that had transpired during the past year, we were confronted with a purely cheap political address. In the first part of his address he spoke about peace. I do not believe there is a man in America today who is not interested in peace—not only

the peace of America but the peace of the whole world. We are with him 100 percent in that. I think the membership of the House of Representatives—and I hope the people of this Nation—are all sympathetic with that idea. But when I heard his speech delivered to Congress on peace of the world I could not reconcile it with his Budget estimate on Monday. The President proposed to raise a billion dollars for an increase of the Army, the Navy, and the Air Corps for purposes of war after recommending to the American people and to the world that we be sympathetic for peace. It does not seem like a wise and sensible thing for a man in the Presidential chair to do. It is only waving the red flag in front of the bull, as it were, causing people all over the world to think that we are now going to try to outdo them in the construction of things that are for war. I was very much surprised at that; he talks peace but is preparing for war.

Mr. McCORMACK. Will the gentleman yield?

Mr. RICH. I prefer not to yield at this time.

Mr. McCORMACK. Very well. I respect the gentleman's views.

Mr. RICH. Each and every Member of Congress has taken an oath and obligation to support the Constitution of the United States. A violation of our oath and obligation is a violation of the Constitution. I cannot help but think of March 4, 1933, when these words ring in my ears:

> I, Franklin Delano Roosevelt, do solemnly swear that I will faithfully execute the office of President of the United States and will, to the best of my ability, preserve, protect, and defend the Constitution of the United States, so help me God.

When the President concluded his address that day I thought to myself it was one of the finest addresses I had ever heard, in generalities, for the things he was going to do for the American people. I said to myself, "I am going to support him through thick and thin, regardless of politics, because I believe he is going to carry out the promises he has made." I voted for the Economy Act to try to get him on the right start immediately; but it was not 3 months until my faith was so shaken that I came to the conclusion he was not going to do the things he had promised the American people he would do. I am going to quote his own words and try to show you from the things he has said and done that he is not a man to be trusted. He is not a man of his word. I do not have the least thing against the President of the United States personally, nor any other public official, nor any Member of Congress. This I want understood, but I am against many things that they do.

There is an old saying, "You can catch a thief, but you cannot believe a man who prevaricates." The time the President of the United States repudiated the oath and obligation he took when he was sworn in was on July 6, 1935, when he wrote to the gentleman from Washington [Mr. HILL], chairman of a subcommittee of the Committee on Ways and Means, urging the passage of the Guffey-Snyder coal bill:

> I hope your committee will not permit doubt as to the constitutionality, however reasonable, to block the suggested legislation.

Writing this after he took the oath and obligation to support the Constitution is a deliberate falsehood, a broken promise.

Throughout the past 2 or 3 years in the consideration of legislation, regarding which there was in the minds of the President or the Members of Congress a doubt as to its constitutionality, we had the privilege and the power of securing the best legal talent in the United States to determine whether it was bordering the line of unconstitutionality. This being so, we should not pass legislation that would in any way conflict with the Constitution. If we do not like the Constitution, we should change it in a constitutional way. Members of Congress have followed the President of the United States; Members who were elected to office and who rode into Congress on his coattails, because of his popularity, followed him because they thought he was going to be a man who would tell the American people the truth, a man who would stand upright as all good men should and try to lead the American people to a better day and give them that liberty, that freedom of action, which should be given to all American citizens that they might have the more abundant life. This is a quality we should think of in the President of the United States as the leader; and he should, above all things, be honest, be a man of his word.

Mr. BLANTON. Mr. Chairman, will the gentleman yield for one question?

Mr. RICH. I cannot yield now. There is nobody to whom I would rather yield than the gentleman from Texas, but I cannot yield now. I am sorry.

When I think of those promises he has made to the American people, when I think that when he flew from New York to Chicago after the Democratic platform had been adopted and he said to the delegation in Chicago and to the people at large, "I am for this platform 100 percent", I cannot help but think also of how it has not been carried out. Let us see what that platform promised to the American people, and then I want to show you, if it is at all possible, how far he has gone afield from those promises and that his word is not to be believed. I am so sorry for that because I would like to have followed him or anybody else who was trying to do the thing that was for the best interests of the American people; but when a man tells me he is going to do one thing and then does something else I leave him. You should do the same; he is a dangerous man.

The point I want to make here with the Members of this House is: For God's sake, men, think for yourselves from now on; do not be rubber stamps; do not do what that man tells you to do or the most sorrowful day America has ever faced is in the future and not so very distant.

[Here the gavel fell.]

Mr. MAPES. Mr. Chairman, I yield 10 additional minutes to the gentleman from Pennsylvania.

Mr. RICH. Let us see what the Democratic platform said:

> To accomplish these purposes and to recover economic liberty, we pledge the nominees of this convention the best efforts of a great party whose founder announced the doctrine which guides us now in the hour of our country's needs: Equal rights to all; special privileges to none.

That Democratic convention nominated Franklin D. Roosevelt, of New York, for President, and John N. Garner, of Texas, for Vice President. The preamble of that platform contains the following statement:

> We believe that a party platform is a covenant with the people to be faithfully kept by the party when entrusted with power, and that the people are entitled to know in plain words the terms of the contract to which they are asked to subscribe. We hereby declare this to be the platform of the Democratic Party:
>
> The Democratic Party solemnly promises by appropriate action to put into effect the principles, policies, and reforms herein advocated and to eradicate the policies, methods, and practices herein condemned. We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 percent in the cost of Federal Government, and we call upon the Democratic Party in the States to make a zealous effort to achieve a proportionate result.

The President was sworn to uphold this platform, yet never in the history of this Nation have we had such extravagance. Never in the history of this Nation have we set up so many bureaus. In his great political speech on January 3, wherein he mentions himself so often, he uses the big personal pronoun "I" 36 times, as if he were the writer of all the laws that were put into effect last year and not the Members of Congress.

Speaking of the reduction of expenditures by the Federal Government, on January 3 of this year, according to the statement of Secretary of the Treasury Morgenthau, we were in debt $30,559,804,117.44.

And do not forget, my dear friends, that he devalued gold—another broken promise of the President of the United States. He charged off $2,000,000,000, and that is not included in that statement. Instead of his trying to balance the Budget as he promised in the platform, he has been the most extravagant Executive who has ever been in public office. When the President of the United States tells you that he is going

to do those things and then turns right around and does the very opposite, who in the world can believe him?

The President made the statement that he was going to enforce the antitrust laws. There was put into effect at his recommendation the unconstitutional N. I. R. A. When that was done there were laid aside all antitrust laws. I say to the Members of Congress that we ought to enforce the antitrust laws and stop big business from throttling the little businessman. There is no way under the sun to do that until we, as Members of Congress, take an affirmative stand with reference to throttling big business and prohibiting these consolidations.

There was promised by the Democratic Party in another plank the removal of Government from business. My good friend the gentleman from Missouri [Mr. SHANNON], when he came to the House of Representatives, was the originator of an effort to stop the Government from going into business. He offered a bill last year providing for an accounting system of everything in all Government departments. If that bill were passed it would put the Government out of private business, because we would be able to tell what these various business enterprises were costing the taxpayers of the country. We would kick out of politics many of these new organizations which this administration has put into effect.

The President asked the other night what administration laws we would kick out? I will tell you the first thing I would do. I would take away all the power from the President of the United States that the Congress has given to him the past 2 years, retaining this power within our own body and the Senate, where it belongs. Then I would kick out a great many of these alphabetical organizations. The Supreme Court kicked out the A. A. A. the other day. Then there is the C. A. B., the C. C. C., the C. F. B., C. W. A., D. L. B., E. C., E. H. C., E. H. F. A., F. A. C. A., F. C. A., F. C. T., F. D. I. C., E. E. R. A., F. E. S. B., F. H. L. B., H. O. L. C., I. A. B., J. E. B., L. A. B., N. C. B., N. E. C., N. L. B., N. R. A., P. A. B., P. I. A., P. S. A. C., P. W. A., S. A. B., T. V. A., U. S. E. S., and so forth, and so on.

And do not worry about the G. O. P. Just read this magazine, the Literary Digest poll, and see what the American people are now thinking about it. [Applause.]

I am not trying to be funny. I want you as Members of Congress to realize your responsibility as such. It is high time that men who occupy responsible positions assume this responsibility. I hope there is not a Member of Congress elected in 1936 who will not assume his full responsibility, and this applies to me as well as to everyone else. I tell you that it is high time to do away with a one-man administration. We should not let one individual, regardless of who he is, usurp the powers that the Constitution of the United States has given to Members of Congress.

I want to quote from an Englishman, William E. Gladstone, at the time he interpreted the Constitution of the United States. I want to give you the words of that great lawyer.

Mr. SISSON. Mr. Chairman, I make the point of order that the gentleman is about to read something that is not in his own speech.

Mr. RICH. I do not wish to misinterpret anything, and these words are a lot better than anything I could write, and I question whether any Member of this Congress is able to frame it in better language.

The CHAIRMAN. Does the gentleman insist on his point of order?

Mr. SISSON. Mr. Chairman, I withdraw the point of order.

Mr. RICH. Mr. Gladstone made this statement:

> The American Constitution is, so far as I can see, the most wonderful work ever struck off at a given time by the brain and purpose of man.

Then there was Thomas Jefferson, that great author, whom you claim as a former member of the Democratic Party. He was a great man. Let it be known also that he was a Democrat. If you please, if he was as great as you claim, and if men not only in this country but in foreign countries lauded his work, let us as Members of Congress stand up and try to carry out those fundamental principles upon which America was founded. If you continue to follow the man who is now President of the United States, a man you cannot believe, and you attempt to carry out his principles and teachings, socialistic and communistic, America is in the greatest danger that it has ever been in its history. We are piling up on the young people of today such an enormous debt that they will never be able to get out from under. It is our responsibility, and ours alone, to handle the situation which we find ourselves in at this time and not endeavor to pass it on to future generations to wreck them and the country. The boys and girls who are now in high schools will never be able to stand the great amount of indebtedness which we are piling onto them. The responsibility will be too great. It is your responsibility and my responsibility, and we ought to face it. If we continue with a ruthless expenditure of funds, where are we going to get the money? You must do one of two things. You must either stop spending or increase your rate of taxation. This is inevitable if you do not want America to lose its freedom and if you do not want our Government to take some other form, such as exists in Russia, perhaps, or in some other foreign country, which would not be acceptable or satisfactory to the free, liberty-loving American people.

[Here the gavel fell.]

Mr. MORAN. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. SHANNON].

Mr. SHANNON. Mr. Chairman, this is Jackson Day, and it has occurred to me that I might contribute a few remarks to the many that will be uttered today throughout the land in memory of that great American soldier, statesman, and jurist.

I have observed that too frequently memorial day orators do not discuss Old Hickory at all in their speeches, or at least give him scant recognition. I remember attending a Jackson Day meeting at Springfield, Mo., some years ago. There were two great speakers at the meeting and they delivered quite eloquent orations upon the fitness of certain candidates for public office, but when they got through they had forgotten to say a word about Andrew Jackson or even to mention his great victory in the Battle of New Orleans whose anniversary established this memorial day.

Sitting by my side on that occasion was a former Member of this House, Mr. Perl Decker, who has since passed away. Let me invoke a blessing on his memory, in passing. He stood upon the floor of this House and made a gallant fight against our participation in a war concerning which many of us even to this day are ignorant of the causes which led us into it or of what it was all about after we got into it. Decker was the son of a Union soldier, born in the State of Kansas. Being an intelligent and a patriotic man, when he came over to Missouri he became a Democrat and was elected to this House. He was one of the small minority who voted "no" on the question of this country's entrance into the World War—a world war which was not of our world nor within the genius of our time-honored ideals or national policies.

If the same question should come up today, in the light of all the revelations that have come to us since, I feel sure that a great majority of this House would vote, as Perl Decker did, against sending American boys to warring European countries, with their traditional principles of power and aggression—countries that their ancestors abandoned because they wanted to get away from the turmoil and strife and bloodshed which had existed there for centuries, and to seek a haven in a new land founded at least upon faith in liberty, fraternity, equality, and peace.

In this connection I recall something that I heard from the lips of John Sharp Williams upon one occasion in the Senate at a time when this country was on the edge of a bitter controversy with Mexico that had arisen from the protests of certain naval officers because their ship had not been properly saluted by the Mexican officials. Senator Williams said:

> These naval officers want us to go to war with Mexico for the reason that a naval commander who went to Tampico was not properly saluted; the flag was not dipped as it should have been.



Now, mark you, Mexico is a country we do not now recognize as a nation. I am here to say that all the naval punctilio this side of hell is not worth the sacrifice of one American boy's life.

And I am glad that I feel myself able to say on behalf of this House today, without regard to political affiliations, that every Member of it would join me in saying that we do not want any more lives sacrificed because of foreign battles or foreign diplomatic entanglements that we have no concern in and know nothing about. [Applause.]

But to come back to that Jackson Day meeting at Springfield, I recall today that my friend Decker, toward the end of the meeting, was deeply chagrined and aggrieved because he said he had attended the meeting to hear about Andrew Jackson and the Battle of New Orleans of which he was the great hero, and he had not heard a word in praise of either the man or the famous event.

He turned to me and said, "SHANNON, I am going to move that you make an Andrew Jackson speech." I said, "I am not prepared to do that; I cannot undertake to do that now." He said, "Yes; you can. I have heard you talk about Jefferson and Jackson, and we will just reorganize this meeting and have a Jackson Day speech with Jackson in it." So we did take charge of the meeting, and we both contributed some Andrew Jackson comments and some memories of New Orleans and that fateful day of January 8, and we left the meeting in better spirits. So I trust that in the many meetings that are being held today and tonight throughout the country, in forums and banquet halls, neither Andrew Jackson nor the cause of the day we celebrate—the anniversary of the battle in which a handful of American soldiers, with Jackson in the lead, conquered twice their number of the seasoned veterans of Wellington's wars—will be overlooked or forgotten.

Mr. LUNDEEN. Mr. Chairman, will the gentleman yield?

Mr. SHANNON. I have only 10 minutes.

Mr. LUNDEEN. I simply want to make the statement that if we study at the same time Andrew Jackson's attitude toward the debts that Europe owes us and the manner in which he collected the debt from France when he was President, we will make some headway on the debts the Allies owe us today, because he solved the problem and collected the debts, and never a shot was fired.

Mr. SHANNON. Perhaps the gentleman is right.

Mr. EATON. Mr. Chairman, will the gentleman yield?

Mr. SHANNON. I yield.

Mr. EATON. Does not the gentleman think that the tuition fee of $50 per for this Jackson education tonight is pretty high?

Mr. SHANNON. I have not paid mine yet, but I may do so before night.

THE ORIGINAL PARTY OF LIBERTY AND PROGRESS

But let us return to Jackson; it is so easy for a Republican in these days to switch a fellow onto a sidetrack. Andrew Jackson's influence upon the great Democratic Party that held this country in safe control during its most critical periods of progress was different in many ways from that of Thomas Jefferson. I know that many of our patriots like to forget—or let the people forget—that it was under Jeffersonian leadership that the principles embodied in the Bill of Rights were added to the Constitution, that the Nation's boundaries were extended to the western ocean, and the wilderness West carved into great States over a period of national expansion of some 60 years or more. Both Jefferson and Jackson had a hand in all that.

The Democratic Party was brought into existence by Jefferson, originally called the Republican Party—that is, the party of the Republic. It was Andrew Jackson who changed its name to the Democratic Party—that is, the party of the people. Both of these men had much to do with the formation of the party, and in doing so both were moved primarily by the desire of keeping the Government from the control of commercial autocrats and financial interests. Jefferson believed the Government, even in his early time, was approaching the danger line of moneyed control. When Jackson became President he found the powers of government not in the hands of an opposition party but wielded by the owners and directors of a powerful financial institution—a corporation created by law and called the United States Bank but privately owned by the Biddles of Philadelphia. Jackson contended that the Government as he found it was manned from top to bottom by men who owed their first allegiance to the Biddle Bank.

He ousted the bank-controlled officials from the Government service. He declared that men in the Federal employ should owe their first allegiance to the Government of the people and not to financial institutions, no matter how powerful. I say that was a sound principle and Jackson's great fight against the bank aroused hopes in every part of the country and in every American breast that thereafter every public official would owe his allegiance to the people he represented and not to some privately controlled institution, independent of the Government in principle but interwoven with its operations in every department created by the Constitution. [Applause.] The aphorism, "To the victors belong the spoils", expressed by William L. Marcy, of New York, at about that time, became a slogan of regeneration in political affairs and not, as Jackson's opponents sought to make it, a term of derision and cheap politics.

OFFICE SOUGHT JACKSON, NOT JACKSON THE OFFICE

Jackson was a man who knew his own limitations. He resigned from the supreme bench of Tennessee because he believed that his temperament was an executive one rather than a judicial one and that he felt he was not qualified by his early training for the place. He was an honest "resigner." If many of those who hold judicial positions today only had the discernment and the honest judgment of Jackson applied to their capabilities, there would be an exodus from the bench—local, State, and national. [Laughter and applause.]

[Here the gavel fell.]

Mr. MORAN. Mr. Chairman, I yield 5 minutes more to the gentleman from Missouri.

Mr. SHANNON. As I said, Jackson was a "resigner." He resigned from the judicial bench; he resigned from this House; and he also resigned from the United States Senate. He was never an office seeker. It was the office always that sought Andrew Jackson. Tennessee conferred many honors on Jackson, and Jackson did honor to Tennessee. He was a hard fighter for the principles he believed in, and naturally he aroused bitter enmities. He was probably the most abused man of his time. Among other charges that were hurled at him was that he was not American born. It was alleged that he was born in Ireland, or if not in Ireland, on the high seas. It was known to be true that both of his brothers were born on the old sod. But Jackson settled the question by stating that he was born in South Carolina on March 15, 1767, and there was no proof that he was not. Jackson's word, when solemnly given, was accepted as the truth—indeed, it was a little dangerous to question it. And when Jackson said that he was born in South Carolina, South Carolina became his birthplace.

Jackson's faith was not attached merely to the principles of the Democratic Party—he believed, and believed with all the vehemence of his nature, that the Union was inseparable and eternal. Albert J. Beveridge, in his Life of Lincoln, said, concerning Jackson's great nullification proclamation:

> It was and to this day remains one of the foremost of state papers; and it was to be the model used by Lincoln 28 years later, when composing his first inaugural. All arguments that ever had or have since been advanced for national supremacy and against secession, were presented in Jackson's proclamation, and stated, too, with a moderation and kindly appeal that added to their compelling power.

Jackson's proclamation was received by the people of many sections of the country—especially by those statesmen who linked together the ideals of the Constitution and the preservation of the Union—with unqualified approval. Daniel Webster, who was to voice these ideals in his great speech in reply to Hayne, said of it at the time of its utterance that—

> Jackson's proclamation was wise and timely, that its principles were the true principles of the Constitution, and that he heartily approved of them, and that in meeting the crisis the President would have his cordial and entire support.

But in other quarters it brought down upon the head of Jackson an avalanche of abuse and an accumulation of political hatreds. He was denounced as a tyrant. It was said, "He has issued the edict of a dictator." One statesman of the opposition said, "It is always in the power of bad men to outrage a right by violence. General Jackson has not furnished the first example. There have been a Caesar, a Cromwell, and a Bonaparte." Another said, "If the Republic has found a master, let us not live his subjects."

ABOUT "OPPONENTS OF THE CONSTITUTION"

There seems to be a familiar ring in those partisan cries of 100 years ago. Today we are hearing a great deal about the Constitution, about liberty, about dictatorships and tyranny, and in view of the happenings of the last few years in the political world, one wonders at the sources and the inspiration of these clamorous cries that are now filling the political atmosphere everywhere. Back in my own home county I read recently the report of a speech made to students of a college by a Federal judge. He had a great deal to say about liberty and the Constitution, and among other things critically aimed at the present administration he referred quite often to the "opponents of the Constitution." Of course, his meaning was obvious. He was aiming his shafts of sarcasm at the Democratic Congress and the Democratic administration.

But let me venture the assertion that there was never a more false reference made than that involved in the phrase "opponents of the Constitution." I believe I will be fully supported in the assertion that there does not exist upon American soil today an "opponent of the Constitution", whether of my own political faith or any other. The Constitution as it stands today, with its many amendments made throughout the years to meet changing conditions, is universally accepted as the basic charter of our Nation. The opposition voiced is not, as this judicial gentleman would seek to infer, against the Constitution; it is, and should be, against equivocal interpreters of the Constitution. When a great public measure, designed honestly and sincerely to benefit the masses of our citizenry, is destroyed root and branch by a court's divided opinion—one branch declaring that "public welfare" is not involved, and the other declaring just as positively that "public welfare" is not only involved but at stake, such a judicial attitude cannot be lightly swept aside by denouncing its critics as "opponents of the Constitution." Who shall decide when doctors disagree? What is the law—the constitutional law—when its final interpreters cannot interpret alike so simple a phrase as "the public welfare"? If ever the voice and the spirit of a Jackson were needed, it seems to me it is sorely needed today. He was a constitutionalist to his inmost fighting soul, but he was a constitutionalist who found in that charter the guaranteed rights of the people.

So was Jefferson a constitutionalist—at least he became one when he succeeded in having the forgotten Bill of Rights included in it as its first 10 amendments. Between Jefferson and Jackson—men of very different temperaments—there was a deep-seated harmony of political opinion. Neither of them ever forgot their responsibility to the people; neither of them forgot the constitutional guaranty of a government of three great departments. You are hearing nowadays from these sons of liberty and sacred upholders of the Constitution great praises of the judicial branch of the Government. But when do you hear them praise this Congress of the United States, or the Executive who holds the highest and the most vital position in the land? Since when has the Constitution given sanction to continued abuse of the Congress, the lawmaking body provided by the Constitution, and of the Executive who holds the helm of state? Who, I would like to ask, are the real opponents of the Constitution—the men who uphold its provisions to the letter, or those who set themselves up to deride the Congress and to whisper calumnies and abuse on the head of the Executive?

Different in their temperaments as those two great statesmen of democracy were—Jefferson and Jackson—they stood together in their ideals of the Union and in their devotion to the basic ideals of a constitutional government operating through three great branches equal in authority and equal in power within the range of their prescribed duties.

A GREAT FUNCTION RECALLED

On April 13, 1830, which was the eighty-seventh anniversary of the birth of Thomas Jefferson, a great memorial banquet was held in the city of Washington. The banquet was attended by President Andrew Jackson, Vice President John C. Calhoun, members of the Cabinet, delegates from 24 States, and many party leaders of note, both in and out of Congress. Toasts were given by the delegates from the 24 States, the sentiments of which were based upon the political acts and opinions of Jefferson.

Let me recall three of the responses to the toasts of that banquet night—they will speak for themselves without comment:

Jackson spoke—and spoke eloquently and with fervor—upon the toast—

Our Federal Union—it must be preserved.

Vice President Calhoun, one of America's really great men, proposed this sentiment:

The Union: next to our liberties the most dear. May we all remember that it can only be preserved by respecting the rights of the States and distributing equally the benefits and burdens of the Union.

And to those two sentiments let me add the harmonizing one expressed by Martin Van Buren on that occasion:

Mutual forbearance and reciprocal concessions. Through their agency the Union was established. The patriotic spirit from which they emanated will forever sustain it.

It seems to me that the echoes that come down to us from that great banquet night and the great men—Democrats all of them—who there voiced the ideals of our constitutional government—well might be hearkened to in these days of partisan hatreds and confused counsels. They sound to me like very clear notes. There were no divided opinions among those great statesmen of Democracy.

DEATH SCENE OF ANDREW JACKSON

What a beautiful thing was the death scene of Andrew Jackson at the Hermitage, near Nashville, Tenn., June 8, 1845. As the hour of his death approached there were gathered about him the members of his household and many of his slaves. Observing that they were weeping, he beckoned to them and said:

Don't cry; gather closer; I am going to leave you, but we will soon meet again. We will all meet in heaven, both white and black.

Andrew Jackson could not envisage a heaven that would not admit all his friends, both black and white.

It should be kept in mind that Andrew Jackson was intended by his mother for the cloth. It was her wish that he be a Presbyterian minister. Jackson's parents left Ireland to escape the punishment that was meted out by the English Government to both Catholics and Presbyterians. The Jacksons were Presbyterians. Jackson, of course, bore an intense hatred for the English Government, as did his father. This hatred dated back to the sufferings of Grandfather Jackson at the siege of Carrickfergus, Ireland.

As Andrew grew up, and after his father and mother had

As Andrew grew up, and after his father and mother had

died, he wandered off in the paths of adventure and became a bit willful. Two of his brothers died in the Revolutionary War. At the age of 14 he began fighting and he was a fighter to the end of his days. About 7 years before his death he affiliated himself with the Presbyterian Church in Nashville. Then his political enemies said, "The old devil, when he could not fight any more he joined the church." That was not the case at all. A certain amount of piety and reverence for religion had been instilled into him by his mother, who wished him to be a minister. He drifted along when she was no longer there to guide him. Nevertheless, all through his life he maintained a strong religious attitude.

Andrew Jackson left the Presidency more beloved than any other man who ever occupied that high office. In my time, most of the Presidents have left office with more or less bad feelings existing in some quarters. Jackson was more popular when he went out than when he became President. [Applause.]

CONTEMPORARY TRIBUTES

Let me now invoke the testimony of two eminent men of Jackson's day. First I will quote from Hon. Matthew Hall McAllister's eulogy on Andrew Jackson:

He knew that "Gold is the architect of power", and dreaded its influence upon the characters of his countrymen, and with it that baneful passion for gain which degrades a nation and converts freemen into speculators. His opposition to the incorporation of the money power raised up enemies more formidable than the foreign foe he had so gloriously vanquished. Amid the strife of contending parties, while many yielded and all wavered, he stood himself the bulwark of what he deemed the interests of the people against the gigantic power of monopoly.

I shall now quote from the eulogy by George Bancroft, the then Secretary of the Navy:

From the first, Jackson was attached to the fundamental doctrines of popular power and of the policy that favors it, and though his reverence for Washington surpassed his reverence for any human being, he voted against the address from the House of Representatives to Washington on his retirement, because its language appeared to sanction the financial policy which he believed hostile to republican freedom. * * *

From his home in Tennessee, Jackson came to the Presidency resolved to lift American legislation out of the forms of English legislation, and to place our laws on the currency in harmony with the principles of our Government. He came to the Presidency of the United States resolved to deliver the Government from the Bank of the United States, and to restore the regulation of exchanges to the rightful depository of that power—the commerce of the country. * * * And his first annual message announced to the country that the bank was neither constitutional nor expedient. In this he was in advance of the friends about him, in advance of Congress, and in advance of his party.

IS HISTORY REPEATING ITSELF?

It has been often said that history has a habit of repeating itself. I sometimes wonder if it is not repeating itself today. Andrew Jackson stood by the Union, but he also fought the money monopoly and the bankers' invisible government. He was denounced by their hired agents and newspapers as a dictator, a tyrant, a subverter of constitutional ideals, and an enemy of liberty. There was never a time when predatory interests failed to rally in the shadows of the Constitution, with their eyes on the Statue of Liberty and the American flag wrapped around their bodies. We are hearing many warnings about these bulwarks of government today. In that distant day Andrew Jackson never hesitated to take a position, he never lost a fight, either political or on the field of battle, he never sacrificed a principle, and he survived the assaults and the hatreds of his day and found a foremost place in American history.

Something seems to tell me that the spirit of Jackson is still potent, that history is again in many ways repeating itself, and that a victory for real constitutional liberty will be achieved by the party that is honored to remember its Jefferson and its Jackson as unwavering defenders of the freedom and the rights of the American people.

Mr. MORAN. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. McGROARTY].

Mr. McGROARTY. Mr. Chairman, I have asked for 2 or 3 minutes to correct what perhaps might be a misapprehension. This afternoon's session opened with a very able speech by my beloved friend the distinguished gentleman from New England [Mr. GIFFORD], in which he attacked the economic soundness and advisability of the Townsend old-age pension plan. We thought that if no reply was made that the impression might go abroad throughout the House and throughout the country that the gentleman from Massachusetts had annihilated the Townsend plan, that it was all done and dead and passed away. My purpose is to inform you that such is far from being the case. While the gentleman from Massachusetts may have made a number of untrue statements, he made at least one true statement, which is that the Townsend plan must be met. No truer statement than that ever emanated from any Member of the House. The Townsend plan is the most phenomenal movement in the political history of the United States. Instead of having become moribund it is the livest thing at this hour in America. During the past 7 days alone 260 new Townsend clubs have been organized in the United States. That is the rate at which the movement is growing. Certainly it must be met, and let no one think it may not be met. There will be no rest for this Congress, or succeeding Congresses, or for the country until this plan be met. We have the strength, we have the numbers, and we are going to force it to an issue, both inside and outside of Congress. I am not saying that at all in the nature of a threat, but simply for your information, so that no one will be deluded in mistaking that the Townsend plan can be set aside. It cannot be done. It must be met.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. McGROARTY. Yes.

Mr. BOILEAU. Does the gentleman intend to present the bill as he last introduced it, or is there any talk among those who are sponsoring the legislation in this body to change it materially?

Mr. McGROARTY. No. I think we will offer the bill as I last introduced it.

Mr. BOILEAU. With the transaction tax?

Mr. McGROARTY. And ask for amendments on the floor of the House in Committee of the Whole.

Mr. BOILEAU. Does the gentleman propose to advocate the transaction tax as a means for raising money for the payment of the pension?

Mr. McGROARTY. It is in the bill, and that will be the bill that will be pressed. If the gentleman, or any other Member objects to that transaction tax, he has the privilege on the floor of seeking to amend it.

Mr. BOILEAU. The difficulty is that that is the only way in which a sufficient amount of money could be raised to pay this pension of $200 a month. I was talking to a Townsend organizer in my district; and when I presented to him the fact that the operation of the transaction tax would be such as to wipe out all independent businessmen, he said, "Maybe they will change that."

Mr. McGROARTY. The gentleman will have the privilege of offering an amendment on the floor.

Mr. BOILEAU. That is true; but is it intended to insist on this transaction tax?

Mr. McGROARTY. I do not have time to argue the bill now.

Mr. BOILEAU. I think it is of sufficient importance to the Members of this House now to know.

Mr. McGROARTY. This is not the time or the hour. We will bring it up as soon as we have an opportunity, and it can all be discussed at that time.

[Here the gavel fell.]

Mr. MORAN. I yield the gentleman from California 2 additional minutes.

Mr. McGROARTY. Now, just one other matter of a personal nature.

I understood the calendar today called for appropriations. Somebody has appropriated my overcoat. [Applause and laughter.] At Christmas time Mrs. McGroarty astounded me by presenting me in Los Angeles, from a fine tailoring establishment, a $100 overcoat.

Mr. EKWALL. Is it a revolving overcoat? [Laughter.]

Mr. McGROARTY. Yes. It has revolved into somebody else's hands. [Laughter.] I was amazed and distressed to think that Mrs. McGroarty should spend that much money on an overcoat for me, because I did not think God ever intended that I should wear a hundred-dollar overcoat. But it is gone, Mr. Chairman. I want to suggest that some older Member—I mean older in term of service and not in years—suggest some measure of protecting property. One of my colleagues had his entire wardrobe stolen from his office in the House Office Building.

There are thieves around here. [Laughter.] Perhaps not here. You may remember the cartoon of Andy Gump, when Min wakened him in the night and said, "Andy, there is a robber in the house." Andy yawned and rubbed his eyes and said, "No; not in the House; maybe in the Senate." [Laughter.] I do not mind losing this overcoat. I had no business to have such an overcoat in the beginning. [Laughter.] But you men have overcoats, and I do not want to see you lose them. We do not wear overcoats in California. We do not need them. I brought it here because they said it would be cold in Washington. But, Mr. Chairman, something

really ought to be done. Of course, it was no Member of this House. It may have been some tourist who passed through here. I left it at half past 10 o'clock in the morning, and there was not a soul in the Speaker's lobby. They could steal anything. They could steal the lobby if they wanted to. [Laughter and applause.]

[Here the gavel fell.]

Mr. MAPES. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Chairman, I had no intention of taking any of the time of the House this afternoon. The gentleman from California [Mr. MCGROARTY] made a statement with which I am in hearty accord. He said that the Townsend plan is one of the most important issues confronting the people at this time. Certainly there is no issue before the American people that has so captured the imagination of the people as has that plan. There has been so much misunderstanding, so much misinformation, so much prejudice, that I believe most of the people of this country do not thoroughly and fully understand the provisions of that plan.

I am not going to attempt in this short time to make an analysis of the plan or to attempt to reply to the many arguments made in its behalf. However, when the gentleman from California had the floor, I referred to the transaction tax which is proposed as a means for raising this money. I believe that this 2-percent transaction tax will raise a sufficient amount of money to pay this $200-a-month pension, but I want to predict that the use of a 2-percent transaction tax as a means of raising the money to pay this pension will ruin each and every small businessman in this country. It would be impossible for the independent merchant, for example, to compete with the chain-store system, because the independent merchant buys his merchandise through a system that requires many transactions, with the result that there would be multiple taxes; whereas the chain-store system has a more simplified system of distribution that avoids many transactions and would have a decided advantage over the independent businessman. The independent merchant simply could not compete with the chain-store system. The same would be true in other lines of business. The large industrial organizations own the complete unit of production and are not required to buy as much of the component parts of the finished product as do their smaller independent competitors and would therefore have the advantage of not being required to pay as great a tax. The result would be a tendency to avoid transaction taxes through combines, mergers, and consolidations. Great corporations would become larger and more powerful, and what business is still in the hands of small industrial units would be forced to pool their assets with others and thus form more large industrial corporations. The small business institutions that have done so much to develop our country and its traditions would be cast into oblivion.

I challenge those men who sponsor the Townsend plan to come upon the floor of this House and say whether or not they favor that kind of tax. If they do not favor it, then for God's sake let them tell the people throughout the country that they favor adequate old-age pensions, but that they cannot approve of the transaction-tax feature of the Townsend plan. If they do favor the transaction tax, let them admit to the American people that they are willing to destroy independent business in America. They must assume the natural consequences of such a tax measure.

There are many Members of this body who say, "We are just working on this plan in the hope of getting some kind of compromise." What do they want to compromise? Do they want to compromise the amount from $200 down to $50, as they tried to do during the last session? If that is the case, why do they call it the $200-a-month Townsend plan? If they want to knock out the transaction tax and put some other form of tax in its place, then why in the name of common sense do they not have the courage to say so?

They know, as does every other intelligent American citizen, that it is impossible to pay $200 a month old-age pension, or anything near that amount, unless the money is raised by a transaction tax. A sufficient amount of money cannot possibly be raised by any other form of tax. The issue is squarely before us. We have a responsibility to the millions of old folks in this country who are looking to this Congress, believing that the Townsend pension plan will be enacted into law during this session. We have the responsibility of bringing this matter out in the open and upon the floor of this House. If we are going to amend the present law, let us do so immediately.

If we are going to turn down the Townsend plan, let us do so at once. I, for one, favor bringing the plan out in the open without delay. Should the Townsend plan be brought up on the floor of the House, with its present unworkable provisions, I shall most assuredly vote against it, because I could not conscientiously support any legislation that would impose a 2-percent transactions tax and thereby ruin independent business and place such a terrific, unbearable burden upon the workers of the Nation.

[Here the gavel fell.]

Mr. MAPES. Mr. Chairman, I yield 2 additional minutes to the gentleman from Wisconsin.

Mr. BOILEAU. Mr. Chairman, I suppose that each and every Member has received petitions such as I have received. The type of letter—the type of demand—that has been made upon us as Members of Congress is entirely within the rights of those who address us; but I assure you, my friends, that, so far as I am concerned, the type of letter that I am receiving is not going to frighten me into supporting legislation that I know to be unsound and un-American. I am willing that any of my constituents or any other citizen of this great country shall express himself to me, in writing or verbally, giving me his or her views on any proposed piece of legislation; but when I receive petitions and letters to the effect that my political career is dependent upon my support of this or any other legislative proposal, then I want to say to the world that I am ready and willing that a test be made at the next election, because I would much rather retire to private life than to vote for a monstrosity—for a piece of legislation which I know would disrupt our entire economic structure, a piece of legislation which no Member of this House, so far as I know, has thus far attempted to defend on this floor.

I have heard speeches for old-age pensions. I recall that last year when the social-security bill was up for consideration certain Members sponsoring the Townsend plan made glowing and appealing speeches for old-age pensions; made statements about how we should take care of the aged. Good God! We all agree with that, we all recognize our responsibility to the aged, and many of us are ready and willing to go a great deal further than the present law provides with reference to social-security legislation. The few advocates of the Townsend plan in this body have never defended its principal provisions upon this floor, and I say with a firm conviction that there is not a man in this House who can or will attempt to defend the transaction tax embodied in this plan upon the floor of the House. [Applause.]

[Here the gavel fell.]

Mr. MORAN. Mr. Chairman, I yield 8 minutes to the gentleman from Montana [Mr. MONAGHAN.]

Mr. MONAGHAN. Mr. Chairman, I am glad the gentleman from Wisconsin [Mr. BOILEAU] is anxious that the Townsend plan be brought to the floor of the House for a full consideration and discussion of that problem, which, as he and others have so well stated today, has captivated and captured the imagination of the American public. To that end I urge all Members to sign the petition on the Clerk's desk which would bring the McGroarty bill to the floor for such consideration and vote.

Why has the Townsend plan captured the imagination of the American public? It has captured the imagination of the American public because there is a real need for an adequate old-age pension. I may say to the gentleman from Wisconsin that I, too, have disagreed with the means of raising the revenue, and that I am not one of those negative critics who has nothing to offer in the way of positive and affirmative action. It was at my instigation that the inheritance, income, and gift taxes were added to the revised McGroarty bill.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. MONAGHAN. I yield.

Mr. BOILEAU. Does the gentleman believe that we could pay a $200-a-month pension, or even a $100-a-month pension, without a transaction tax?

Mr. MONAGHAN. Yes; with a sufficiently high income, inheritance, and gift tax we could easily pay an adequate pension in the neighborhood of $100 and perhaps up to $200 a month.

Mr. BOILEAU. To every person over 60 years of age, regardless of his economic needs?

Mr. MONAGHAN. Yes.

Mr. BOILEAU. I respect the gentleman's opinion, but every economist who appeared before the committee disagreed with that theory.

Mr. MONAGHAN. I do not believe in economists, because the economists that I know are the paid hirelings and tools of Wall Street. [Laughter.]

Mr. BOILEAU. The gentleman would have to increase the tax about seven or eight times.

Mr. LUNDEEN. Mr. Chairman, will the gentleman yield?

Mr. MONAGHAN. Yes.

Mr. LUNDEEN. As I understand, the inheritance, gift, and income taxes are in the bill now.

Mr. MONAGHAN. The gentleman is correct.

Mr. LUNDEEN. I wish to call attention to the fact that such a provision was in the Lundeen bill. I am very happy the gentleman has it in his bill.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. MONAGHAN. Yes.

Mr. BLANTON. Does the 2-percent sales or transaction tax the gentleman and Dr. Townsend propose in this Townsend measure apply to all commodities, or are the necessities of life excluded?

Mr. MONAGHAN. As I understand it, I may say to the gentleman from Texas that the transactions tax applies to all commodities; in fact, to all transactions.

Mr. BLANTON. It applies to all commodities?

Mr. MONAGHAN. The transaction tax covers every transaction of whatever nature that might occur in the commercial or business world.

Mr. BLANTON. Then the 2-percent transaction tax would cover the purchase of every bottle of milk and every loaf of bread?

Mr. MONAGHAN. That is correct; and I believe the answer to the question whether or not the public is willing to sustain this tax is the very urgent demand of constituents that have virtually left Members of this Congress trembling to almost the status of the earthquake that occurred in the State of Montana because of the political consequences that may occur from a defiance of the will of the people whom they represent.

Mr. EKWALL. Will the gentleman yield?

Mr. MONAGHAN. No; I cannot yield further.

Mr. EKWALL. The gentleman does not mean to say that the Members of this Congress are trembling as the State of Montana did recently?

Mr. MONAGHAN. I refuse to yield to the gentleman.

Mr. EKWALL. There will be plenty of them who will not tremble. Do not worry about that.

Mr. MONAGHAN. Mr. Chairman, outside of the question of the Townsend plan there is another question that this Congress must ultimately face dispassionately, fearlessly, and honestly. I am not so naive as to say that I support the Constitution when the Constitution suits my demand, as is the case with the Liberty League and with the businessmen and manufacturers' associations. I believe in the Constitution in its entirety, whether it pinches my foot or not.

Let us follow the Constitution of the United States and we will not have any more depressions. Let us follow the Constitution of the United States and we will not have any more violations and overthrowing of the rights of the people who send us here.

Article III, section 2, of the Constitution of the United States clearly sets forth the duty of Congress with respect to the judicial power:

> In all cases affecting ambassadors, other public ministers and consuls, and those in which a State shall be a party, the Supreme Court shall have original jurisdiction. In all the other cases before mentioned the Supreme Court shall have appellate jurisdiction, both as to law and fact, with such exceptions, and under such regulations as the Congress shall make.

Read the Constitution of the United States and you will find there is clearly a remedy in it for the judicial oligarchy that Thomas Jefferson and Andrew Jackson, both of whom have been lauded here this afternoon, clearly fought. In the case of the Bank of the United States Andrew Jackson fought usurpation of power of the Congress. Jefferson said:

> Like a thief in the night, the judiciary has usurped powers until finally there has grown up a judicial oligarchy in this country.

The theory of American Government is not the theory of judicial government. It is the theory of representative government. Men like you and I have been sent here to voice and express the will of the people. Every 2 years the constitutional fathers wisely provided for a change in the lower House in order that anything derogatory to what they believed the Constitution should mean would be repealed and rescinded, not what nine men, above the wish and approval of the people and beyond power of removal, might believe to be the wish and will of the people as expressed in the Constitution of the United States.

The Constitution of the United States clearly defines the powers of the judiciary; and I challenge any Member of either the House or the Senate—in fact, I challenge the Supreme Court itself—to show one phrase in the Constitution of the United States that gives it the power to negative and nullify and to declare unconstitutional an act of Congress.

[Here the gavel fell.]

Mr. MORAN. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. BLANTON. Will the gentleman yield?

Mr. MONAGHAN. I yield to the gentleman from Texas.

Mr. BLANTON. Under the Constitution the Congress has no power whatever to tax all the people for the benefit of a certain class. Nowhere in the Constitution is there power given to Congress to tax all the people in order to pay a gratuity to any particular class.

Mr. MONAGHAN. I believe the gentleman has stated the proposition correctly.

Mr. BLANTON. Then how could you tax all the people of the United States to pay a gratuity to those who are 65 years of age and over?

Mr. MONAGHAN. I may say to the gentleman from Texas that this Congress knows the Constitution of the United States, and the Congress has, under the Constitution of the United States, enacted the A. A. A., the Railroad Pension Act, and other acts, as acts of taxation for the benefit of the people, and the Constitution provides taxing power "to promote the general welfare." Therefore, I believe that under the general-welfare clause of the Constitution of the United States, which is set forth not only in the preamble of the Constitution but in the Constitution itself, we have ample authority to do things that will preserve this Union which today needs preservation more than at any time in its history.

Mr. McCORMACK. Will the gentleman yield?

Mr. MONAGHAN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Without getting into a discussion of any particular bill—and I may say that I have rather fixed views of my own—is my understanding correct that the gentleman takes the position there is no limitation on the power of the Congress?

Mr. MONAGHAN. I take the view, I may say to the gentleman from Massachusetts, that the only check upon this Congress in the matter of the Constitution of the United States is the people of the United States themselves.

Mr. McCORMACK. The Federal Government has delegated enumerated powers, and the people, who are the sovereign power, speak through the Constitution. Through the Constitution they have created our fundamental rights and have created a structure called Government. Now, the Government may do only those things which the people have

permitted it to do through the Constitution itself, the people's mouthpiece.

Mr. MONAGHAN. I do not agree that the Constitution of the United States is the people's mouthpiece. I believe that the people's mouthpiece sits right here before me in the Congress of the United States, and that the people's leader is in the White House, where he properly belongs.

Mr. McCORMACK. Then what is the Constitution, if it is not the means by and through which the sovereign body of America speaks?

Mr. MONAGHAN. The Constitution is the guide by which we, the spokesmen of the people, are to be guided.

Mr. McCORMACK. Does it determine our powers?

Mr. MONAGHAN. It does.

Mr. McCORMACK. Who, in turn, then, determines whether or not we have exceeded our power?

Mr. MONAGHAN. The people. That is what I am saying with reference to the Townsend plan. The people will determine whether or not they believe we are doing what is constitutional in that respect or not.

Mr. ZIONCHECK. Mr. Chairman, will the gentleman yield?

Mr. MONAGHAN. I could hardly yield to the other gentleman and refuse to yield to the gentleman from Washington.

Mr. ZIONCHECK. Does the gentleman from Montana believe that Dr. Townsend is God's gift to the people?

Mr. MONAGHAN. I will let the gentleman answer that question himself. I can only say that long before Dr. Townsend ever thought of an old-age-pension plan I had introduced one. I believe every Member of the Congress knows that my interest in old-age pensions is not a political one, because it antedated any Townsend move. I circulated a petition to block the adjournment of Congress in 1934, with the resultant effect that a railroad pension was placed upon the statute books, and I did likewise in 1935 with the same resultant effect.

I believe in pensions as a means of bringing about prosperity; as a means not only of bringing security to the aged people when in their declining years of life they are unable to gain a livelihood for themselves, with their eyesight weak, their hands infirm in grasping the throttle of motors, when their backs are stooped, and when they themselves are unable to carry on their normal duties, but also as a means of preserving the Union and establishing justice and giving employment to the thousands and thousands of young hopeful men and women who are leaving the colleges and universities of this country, only to find that they are lucky to get relief, as one young man who came into my office and begged, not for a job but for relief, with the expectancy of an addition in his family within 2 weeks. I am pleading for these people.

[Here the gavel fell.]

Mr. MORAN. Mr. Chairman, I yield to the gentleman from Montana 3 additional minutes.

Mr. MONAGHAN. I hope the Congress of the United States will realize that we have a duty to the people of this Nation to enact something that will serve this end, even if it does not completely satisfy the demands of those who expect $200 a month. I hope the Congress will build up an adequate pension system in this country.

As an example of what the effectiveness of such a plan would be, permit me to cite you to Three Forks, Mont., a town which is exclusively a railroad center, wherein the establishment of the railroad pension and its operation resulted in the reemployment of every unemployed railroad man, and I have it upon good authority that the railroads actually had to seek trainmen and put them in apprentice service and train them. The one way that selfish industry cannot escape, the one way of doing justice not only to the aged but to the youth who are coming up, is to establish a satisfactory, adequate pension system.

Delude the aged? The only ones that the Congress of the United States are deluding if they do not establish an adequate pension system at this session of the Congress are themselves, because it is conceded in private and political circles and in the cloakrooms and everywhere that you hear Congressmen talk that this is the one issue that is going to be the vital, determining factor in the next congressional election.

I do not say this by way of threat. I believe, hope, and trust in the confidence and good judgment of the Congress of the United States that it will see this problem as it has that of the railroad men and establish an adequate pension for all men in all industry, and in this way bring about real prosperity. [Applause.]

[Here the gavel fell.]

Mr. MORAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

The Committee rose; and the Speaker having resumed the chair, Mr. BOLAND, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 9863, the independent offices bill, and had come to no resolution thereon.

LEAVE OF ABSENCE

Mr. SCHNEIDER of Wisconsin, by unanimous consent, was given leave of absence for 3 days, on account of important business.

ADJOURNMENT

Mr. MORAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 55 minutes p. m.) the House adjourned until tomorrow, Thursday, January 9, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

561. A letter from the Director General of the United States Constitution Sesquicentennial Commission, transmitting pursuant to a resolution of Congress, approved August 23, 1935, a report recommending the enabling legislation which should be enacted by the Congress for a comprehensive observance of the one hundred and fiftieth anniversary of the formation of the Constitution of the United States (H. Doc. No. 311); to the Committee on the Library and ordered to be printed with illustrations.

562. A letter from the Secretary of War, transmitting the annual report of the sale of war supplies, covering the disposal of surplus property in the possession of the War Department within the United States during the period, October 15, 1934, to October 15, 1935, inclusive; to the Committee on Expenditures in the Executive Departments.

563. A letter from the Acting Secretary of the Treasury, transmitting a combined statement of the receipts and expenditures, balances, etc., of the Government during the fiscal year ended June 30, 1935 (H. Doc. No. 346); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

564. A letter from the Public Printer, transmitting the annual report of the Public Printer, covering the operations of the Government Printing Office for the fiscal year ended June 30, 1935; to the Committee on Printing.

565. A letter from the Postmaster General, transmitting a report of all cases where special contracts have been made with railroad companies for the transportation of the mails, and the terms and reasons therefor; to the Committee on the Post Office and Post Roads.

566. A letter from the Chairman of the Federal Trade Commission, transmitting an ad interim report of the Federal Trade Commission with respect to the sale and distribution of milk and milk products (H. Doc. No. 387); to the Committee on Interstate and Foreign Commerce and ordered to be printed.

567. A letter from the Acting Director of the Bureau of the Budget, transmitting a letter from the administrative assistant to the Secretary of the Treasury submitting a list of persons employed in the Procurement Division, Public Works Branch, Treasury Department, and paid from the

appropriation, "General expenses of public buildings" during the fiscal year ended June 30, 1935; to the Committee on Expenditures in the Executive Departments.

568. A letter from the Postmaster General, transmitting the cost ascertainment report for the fiscal year 1935; to the Committee on the Post Office and Post Roads.

569. A letter from the Secretary of the Navy, transmitting the draft of a proposed bill to authorize the exchange of land between the Waianae Co. and the Navy Department; to the Committee on Naval Affairs.

570. A letter from the Secretary of Commerce, transmitting a statement showing the names of those for whom work has been performed, the nature of the services rendered, the price charged for these services, and the manner in which the moneys received were deposited or used in regard to the act of May 27, 1935 (Public, No. 74); to the Committee on Expenditures in the Executive Departments.

571. A letter from the Acting Secretary of the Interior, transmitting the report of the National Bituminous Coal Commission; to the Committee on Ways and Means.

572. A letter from the Secretary of War, transmitting the draft of a bill to authorize appropriations for construction at military posts on the island of Oahu, Territory of Hawaii, and for other purposes; to the Committee on Military Affairs.

573. A letter from the Secretary of War, transmitting a draft of a bill to authorize the Secretary of War to acquire the timber rights on the Gigling Military Reservation (now designated as Camp Ord) in California; to the Committee on Military Affairs.

574. A letter from the Secretary of War, transmitting the draft of a bill to repeal an act of March 3, 1933, entitled "An act to provide for the transfer of powder and other explosive materials from deteriorated and unserviceable ammunition under the control of the War Department to the Department of Agriculture for use in land clearing, drainage, road building, and other agricultural purposes", and copy of letter to Secretary of War dated October 25, 1935; to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. O'CONNOR: Committee on Rules. House Resolution 388. Resolution for the consideration of H. R. 9870; without amendment (Rept. No. 1911). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BACHARACH: A bill (H. R. 9958) for the improvement and protection of the beaches along the shores of the United States; to the Committee on Rivers and Harbors.

By Mr. DIMOND: A bill (H. R. 9959) to provide subsistence for the Eskimos and other natives of Alaska by establishing for them a permanent and self-sustaining economy, to encourage and develop native activity in all branches of the reindeer industry, and for other purposes; to the Committee on the Territories.

By Mr. KNUTSON: A bill (H. R. 9960) authorizing the Secretary of the Interior to purchase certain lands from Andrew P. Jorgensen; to the Committee on Indian Affairs.

By Mr. RAMSPECK: A bill (H. R. 9961) to regulate the speed of motor vehicles shipped or operated in interstate commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROBSION of Kentucky: A bill (H. R. 9962) to authorize an appropriation for flood control in and about the city of Middlesboro, State of Kentucky; to the Committee on Flood Control.

By Mr. WADSWORTH: A bill (H. R. 9963) to designate a building site for the National Conservatory of Music of America, and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. CRAVENS: A bill (H. R. 9964) to prevent discrimination against those citizens of the United States engaged in agricultural pursuits in employment on relief-work projects; to the Committee on Agriculture.

By Mr. GASSAWAY: A bill (H. R. 9965) to amend subsection (d) of section 1463 of chapter 12, title 12, of the Code of Laws of the United States of America, relating to amortization of mortgages of the Home Owners' Loan Corporation; to the Committee on Banking and Currency.

Also, a bill (H. R. 9966) to amend section 182 (Judicial Code, sec. 101 amended), Oklahoma, of the Code of Laws of the United States of America; to the Committee on the Judiciary.

Also, a bill (H. R. 9967) for the relief of property owners in street improvement district no. 70 in the city of Shawnee, Okla.; to the Committee on Roads.

By Mr. HOPE: A bill (H. R. 9968) to provide for making rental and benefit payments to farmers who have made crop adjustment contracts with the Secretary of Agriculture; to the Committee on Agriculture.

By Mr. SIROVICH: A bill (H. R. 9969) relative to limitation of shipowners' liability; to the Committee on Merchant Marine and Fisheries.

By Mr. MORITZ: A bill (H. R. 9970) to remove certain court proceedings from the District of Columbia; to the Committee on the Judiciary.

By Mr. CHAPMAN: A bill (H. R. 9971) to provide for carrying out the obligation of the Government under contracts with tobacco producers made under the Agricultural Adjustment Act; to the Committee on Agriculture.

By Mr. O'CONNOR: Resolution (H. Res. 388) providing for the consideration of H. R. 9870; to the Committee on Rules.

By Mr. KING: Joint resolution (H. J. Res. 434) authorizing a preliminary examination or survey of Kaumalapau Harbor, island of Lanai, Territory of Hawaii; to the Committee on Rivers and Harbors.

Also, joint resolution (H. J. Res. 435) authorizing a preliminary examination or survey of Nawiliwili Harbor, island of Kauai, Territory of Hawaii; to the Committee on Rivers and Harbors.

Also, joint resolution (H. J. Res. 436) authorizing a preliminary examination or survey of Kaunakakai Harbor, island of Molokai, Territory of Hawaii; to the Committee on Rivers and Harbors.

By Mr. KNUTSON: Joint resolution (H. J. Res. 437) authorizing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. KOPPLEMANN: Joint resolution (H. J. Res. 438) directing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. LANHAM: Joint resolution (H. J. Res. 439) authorizing the erection in the Department of Labor Building of a memorial to the officers of the Immigration and Naturalization Service and Immigration Border Patrol, who, while on active duty, lost their lives under heroic and tragic circumstances; to the Committee on Public Buildings and Grounds.

By Mr. MARCANTONIO: Joint resolution (H. J. Res. 440) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. FENERTY: Joint resolution (H. J. Res. 441) authorizing the President to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. WOLVERTON: Joint resolution (H. J. Res. 442) directing the President of the United States to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CONNERY: A bill (H. R. 9972) for the relief of Jacob Labovitz; to the Committee on Immigration and Naturalization.

By Mr. FERGUSON: A bill (H. R. 9973) for the relief of Frank Fanning; to the Committee on Military Affairs.

By Mr. GRAY of Indiana: A bill (H. R. 9974) granting a pension to Carl L. Bodecker; to the Committee on Pensions.

By Mr. JACOBSEN: A bill (H. R. 9975) granting a pension to Honora Corcoran Flynn; to the Committee on Invalid Pensions.

By Mr. JENKINS of Ohio: A bill (H. R. 9976) granting a pension to Eva Miller; to the Committee on Pensions.

By Mr. KNUTSON: A bill (H. R. 9977) for the relief of Roy L. Wilkes; to the Committee on Military Affairs.

By Mr. LUCKEY: A bill (H. R. 9978) granting a pension to Charles J. Fuhrer; to the Committee on Pensions.

By Mr. NICHOLS: A bill (H. R. 9979) for the relief of Earl Joseph Berry; to the Committee on Military Affairs.

By Mr. RICH: A bill (H. R. 9980) granting an increase of pension to Ella L. Patterson; to the Committee on Invalid Pensions.

By Mr. ROBSION of Kentucky: A bill (H. R. 9981) granting a pension to Edgar W. Hatfield; to the Committee on Pensions.

Also, a bill (H. R. 9982) for the relief of J. W. Beams; to the Committee on Claims.

By Mr. SNYDER of Pennsylvania: A bill (H. R. 9983) granting a pension to Albert S. Miller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9984) granting a pension to Adelia T. Hoover; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9985) granting an increase of pension to Martha Gorsuch; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9986) granting an increase of pension to Sarah Miller; to the Committee on Invalid Pensions.

By Mr. SCOTT: A bill (H. R. 9987) granting a pension to Harry C. Spring; to the Committee on Pensions.

By Mr. STEFAN: A bill (H. R. 9988) granting a pension to Flavia F. Kile; to the Committee on Invalid Pensions.

By Mr. TREADWAY: A bill (H. R. 9989) granting a pension to Lucretia S. Smart; to the Committee on Pensions.

Also, a bill (H. R. 9990) granting an increase of pension to Mary E. Tucker; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9423. By Mr. COCHRAN: Memorial of all Italian organizations of St. Louis, Mo., submitted by Cav. A. Jos. Freschi, presidente generale, regarding neutrality bills; to the Committee on Foreign Affairs.

9424. By Mr. CULKIN: Petition of 10 residents of Oneida, Madison County, N. Y., favoring the Townsend plan; to the Committee on Ways and Means.

9425. Also, petition of Lewis County (N. Y.) Pomona Grange, requesting a tax on all oleomargarine products equal to the tax on butterfat, and urging that the import duties and excise taxes be increased at least 5 cents per pound on all oleo products; to the Committee on Agriculture.

9426. By Mr. CURLEY: Resolution of the Warehousemen's Association of the Port of New York, Inc., urging the United States Government to withdraw from private operation terminal properties located at the Army base piers, Brooklyn, N. Y.; Shipping Board piers at Hoboken, N. J.; Army base at Boston, Mass.; Shipping Board piers at Philadelphia, Pa.; and the Army base properties at Norfolk, Va.; to the Committee on Rivers and Harbors.

9427. By Mr. DELANEY: Petition of the Abraham Lincoln Independent Political Club, Inc., of Brooklyn, N. Y., declaring that the United States embargo on petroleum products is a heavy and unreasonable burden upon the Italian people who are friendly and at peace with our country; to the Committee on Foreign Affairs.

9428. By Mr. JOHNSON of Texas: Petition of E. Hawkins, vice president, Ennis State Bank; J. W. Tolleson, president, Citizens National Bank of Ennis; Felis Atwood, chairman, Democratic executive committee of Ellis County; Burr Lumber Co.; William Cameron & Co.; Ennis Lumber Co., all of Ennis, Tex., endorsing title I of the National Housing Act, and requesting that legislation be enacted to continue it beyond April 1, 1936; to the Committee on Banking and Currency.

9429. By Mr. RICH: Petition from the United Brethren Church of Duke Center, Pa., for the amendment of the Constitution; to the Committee on the Judiciary.

9430. By Mr. PFEIFER: Petition of Quality Bakers of America, New York City, concerning House bill 9101; to the Committee on Indian Affairs.

9431. Also, petition of United Textile Workers of America, Francis J. Gorman, first vice president, Washington, D. C., concerning House bill 9072; to the Committee on Labor.

9432. By Mr. RUDD: Petition of National Corps, Army and Navy Union, U. S. A., favoring the immediate cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

9433. By Mr. RICH: Petition from Tioga County (Pa.) Center Grange, No. 929, Patrons of Husbandry, favoring a 10-cent tax on oleomargarine, also a tax on oils and fats imported in the manufacture of oleomargarine; to the Committee on Ways and Means.

SENATE

THURSDAY, JANUARY 9, 1936

The Senate met at 12 o'clock meridian.

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

O Heavenly Father, fountain and full treasure of all goodness, who hast brought us forth to radiant birth with latent powers over the untoward forces of a seething world: Grant that we may understand Thy perfect plan for us, and never lay aside our royal gifts, nor claim for parentage the dust; but, as we are of Thine own substance made, help us to face our daily tasks, conscious of Thy great intent to speak through us the word of life that shall make men unafraid.

And when the mists lie low upon the hills, and night draws nigh, bring us to our rest weary and content and undishonored in this day of serving Thee. Through Jesus Christ our Lord. Amen.

ELLISON D. SMITH, a Senator from the State of South Carolina, appeared in his seat today.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of Monday, January 6, 1936, when, on request of Mr. ROBINSON, and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the following bills and joint resolution of the Senate:

S. 85. An act for the relief of Homer H. Adams;

S. 978. An act authorizing the Secretary of War to convey to the University of Oregon certain lands forming a part of the Coos Head River and Harbor Reservation;

S. 1059. An act authorizing adjustment of the claim of Francis B. Kennedy;

S. 1142. An act to reserve certain public-domain lands in Nevada and Oregon as a grazing reserve for Indians of Fort McDermitt, Nev.;

S. 1336. An act to amend paragraph (f) of section 4 of the Communications Act of 1934;

S. 1422. An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of William E. B. Grant;

S. 1690. An act for the relief of R. G. Andis;

S. 2252. An act for the relief of Henry Hilbun;

S. 2257. An act to amend the act entitled "An act to provide additional pay for personnel of the United States Navy assigned to duty on submarines and to diving duty", to include officers assigned to duty at submarine training tanks and diving units, and for other purposes;

S. 2519. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of F. Mansfield & Sons Co., and others;

S. 2616. An act for the relief of the estate of Joseph Y. Underwood;

S. 2673. An act for the relief of certain persons whose cotton was destroyed by fire in the Ouachita Warehouse, Camden, Ark.;

S. 2774. An act for the relief of certain officers on the retired list of the Navy and Marine Corps, who have been commended for their performance of duty in actual combat with the enemy during the World War;

S. 2845. An act to provide for the retirement and retirement annuities of civilian members of the teaching staffs at the United States Naval Academy and the Postgraduate School, United States Naval Academy;

S. 2950. An act granting the consent of Congress to the county of Saline, Mo., to construct, maintain, and operate a toll bridge across the Missouri River at or near Miami, Mo.;

S. 2996. An act for the relief of the Eberhart Steel Products Co., Inc.;

S. 3077. An act for the relief of Constantin Gilia;

S. 3078. An act for the relief of C. R. Whitlock;

S. 3195. An act for the relief of Guiry Bros. Wall Paper & Paint Co.;

S. 3280. An act for the relief of Doris Allen; and

S. J. Res. 144. Joint resolution to provide for the payment of compensation and expenses of the Railroad Retirement Board as established and operated pursuant to section 9 of the Railroad Retirement Act of June 27, 1934, and to provide for the winding up of its affairs and the disposition of its property and records, and to make an appropriation for such purposes.

The message also announced that the House had passed the bill (S. 1277) to amend section 24 of the Judicial Code by conferring on district courts additional jurisdiction of bills of interpleader, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills of the Senate, each with an amendment, in which it requested the concurrence of the Senate:

S. 430. An act for the relief of Anna Hathaway; and

S. 2434. An act for the relief of George W. Hallowell, Jr.

The message also announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 381. An act granting insurance to Lydia C. Spry;

H. R. 686. An act for the relief of John Collins;

H. R. 762. An act for the relief of Stanislaus Lipowicz;

H. R. 977. An act for the relief of Herman Schierhoff;

H. R. 1252. An act for the relief of Odessa Mason;

H. R. 1346. An act for the relief of J. P. Harris;

H. R. 1362. An act for the relief of Ramey Bros., of El Paso, Tex.;

H. R. 1381. An act to amend Public Law No. 249, Seventy-first Congress, entitled "An act to authorize the Secretary of the Navy to dispose of material no longer needed by the Navy";

H. R. 1481. An act for the relief of Roland P. Winstead;

H. R. 1867. An act for the relief of Orville E. Clark;

H. R. 1913. An act for the relief of James Luker, Sr.;

H. R. 2110. An act for the relief of W. A. Harriman;

H. R. 2155. An act for the relief of Francisco M. Acayan;

H. R. 2495. An act for the relief of Thomas Berchel Burke;

H. R. 2496. An act for the relief of Thomas J. Moran;

H. R. 2497. An act for the relief of William H. Hildebrand;

H. R. 2527. An act for the relief of Mrs. Amber Walker;

H. R. 2619. An act for the relief of R. E. Sutton, Lula G. Sutton, Grace Sutton, and Mary Lou Drinkard;

H. R. 2623. An act for the relief of J. W. Hearn, Jr.;

H. R. 3152. An act for the relief of Joseph Jochemczyk;

H. R. 3160. An act for the relief of Irene Magnuson and Oscar L. Magnuson, her husband;

H. R. 3281. An act for the relief of Edna M. Callahan and Anna Scott;

H. R. 3421. An act to authorize credit in disbursing officers' accounts covering shipment of privately owned automobiles from October 12, 1927, to October 10, 1929;

H. R. 3592. An act for the relief of Florida O. McLain, widow of Calvin E. McLain;

H. R. 3823. An act for the relief of Albert Thesing, Jr.;

H. R. 3864. An act for the relief of Gladys Robbins;

H. R. 3912. An act to amend an act for the relief of Clarence R. Killion;

H. R. 3952. An act for the relief of Mr. and Mrs. Bruce Lee;

H. R. 4159. An act for the relief of Anchorage Commercial Co., Inc.;

H. R. 4171. An act for the relief of Look Hoon and Lau Hoon Leong;

H. R. 4387. An act for the relief of Barbara Backstrom;

H. R. 4638. An act for the relief of Elizabeth Halstead;

H. R. 4660. An act for the relief of Robert C. E. Hedley;

H. R. 4725. An act for the relief of Catherine Donnelly, Claire E. Donnelly, John Kufall, Mary F. Kufall, and Elizabeth A. Tucker;

H. R. 4780. An act for the relief of Amelia Guajardo;

H. R. 4855. An act for the relief of Jack C. Allen;

H. R. 5181. An act for the relief of the Progressive Commercial Co. of Philadelphia, Pa.;

H. R. 5404. An act for the relief of Elmer Geske;

H. R. 5474. An act for the relief of Lt. M. T. Grubham;

H. R. 5642. An act for the relief of John W. Barnum;

H. R. 5755. An act for the relief of Joseph A. Rudy;

H. R. 5876. An act for the relief of Elmer H. Ackerson;

H. R. 5900. An act for the relief of Joseph E. Moore;

H. R. 5916. An act to authorize the conveyance by the United States to the State of Michigan of the former United States lighthouse supply depot, St. Joseph, Mich., for State naval force purposes;

H. R. 5964. An act for the relief of Carl F. Yeager;

H. R. 6263. An act for the relief of W. D. Davis;

H. R. 6335. An act for the relief of Sam Cable;

H. R. 6643. An act for the relief of Margaret C. (Lacks) King;

H. R. 6698. An act for the relief of Mae C. Tibbett, administratrix;

H. R. 6848. An act for the relief of the First Federal Savings & Loan Association of Shawnee, Okla.;

H. R. 6969. An act for the relief of Russell J. Vaughan;

H. R. 6982. An act to amend section 80 of chapter 9, of an act to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898;

H. R. 7001. An act for the relief of Alice Markham Kavanaugh;

H. R. 7031. An act for the relief of Georgiana Minnegerode, widow of Capt. Karl Minnegerode;

H. R. 7034. An act for the relief of Mr. and Mrs. Edward J. Pruett;

H. R. 7253. An act for the relief of James Murphy Morgan;

H. R. 7486. An act to authorize the appointment of midshipmen from among honor graduates of "honor schools" and from among members of the Naval Reserve Officers' Training Corps;

H. R. 7814. An act to authorize the Secretary of Commerce to grant to the State of California an easement over certain land of the United States in Tehama County, Calif., for highway purposes;

H. R. 7995. An act to authorize a preliminary examination of the Arkansas River and Fourche Bayou, with a view to the control of floods in the vicinity of Little Rock and North Little Rock, Ark.;

H. R. 8038. An act for the relief of Edward C. Paxton;

H. R. 8061. An act for the relief of David Duquaine, Jr.;

H. R. 8069. An act for the relief of Mr. and Mrs. A. S. Mull;

H. R. 8088. An act for the relief of Mrs. Nahwista Carr Bolk;

H. R. 8220. An act for the relief of Helen Mahar Johnson;

H. R. 8495. An act to amend certain plant-quarantine laws;

H. R. 8559. An act to convey certain land to the city of Enfield, Conn.;

H. R. 8609. An act authorizing the county of St. Clair, in the State of Illinois, to construct, maintain, and operate a toll bridge across the Mississippi River at or near a point on Broadway between Florida and Mullanphy Streets in the city of St. Louis, Mo., and a point opposite thereto in the town of Stites, in the county of St. Clair, State of Illinois, and connecting with St. Clair Avenue extended in said town;

H. R. 8624. An act to provide for the disposal of smuggled merchandise, to authorize the Secretary of the Treasury to require imported articles to be marked in order that smuggled merchandise may be identified, and for other purposes;

H. R. 8680. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Shawneetown, Gallatin County, Ill., and a point opposite thereto in Union County, Ky.;

H. R. 8872. An act authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Woman's Club, of the city of Paducah, Ky., the silver service in use on the U. S. S. *Paducah;*

H. R. 8936. An act granting pensions and increase of pensions to certain helpless and dependent children of soldiers of the Civil War;

H. R. 8937. An act granting increase of pensions to certain widows and former widows of soldiers of the Civil War;

H. R. 8938. An act granting pensions to certain widows and former widows of soldiers of the Civil War;

H. J. Res. 223. Joint resolution conferring upon the Court of Claims jurisdiction of the claim of the Rodman Chemical Co. against the United States; and

H. J. Res. 297. Joint resolution granting consent of Congress to a compact or agreement between the Commonwealth of Pennsylvania and the State of New Jersey creating the Delaware River Joint Toll Bridge Commission and specifying the powers and duties thereof.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Harrison	Nye
Ashurst	Connally	Hastings	O'Mahoney
Austin	Coolidge	Hatch	Overton
Bachman	Copeland	Hayden	Pittman
Bailey	Costigan	Holt	Pope
Bankhead	Couzens	Johnson	Radcliffe
Barbour	Davis	Keyes	Robinson
Benson	Dickinson	King	Russell
Bilbo	Dieterich	Lewis	Schwellenbach
Borah	Donahey	Logan	Sheppard
Brown	Duffy	Lonergan	Smith
Bulkley	Fletcher	McAdoo	Steiwer
Bulow	Frazier	McGill	Thomas, Okla.
Burke	George	McKellar	Thomas, Utah
Byrd	Gerry	McNary	Trammell
Byrnes	Gibson	Minton	Truman
Capper	Glass	Moore	Vandenberg
Caraway	Gore	Murray	Van Nuys
Carey	Guffey	Norbeck	Wagner
Chavez	Hale	Norris	White

Mr. BANKHEAD. I announce the necessary absence for the day of my colleague the senior Senator from Alabama [Mr. BLACK].

Mr. COSTIGAN. The senior Senator from West Virginia [Mr. NEELY] is necessarily absent from the Senate today.

Mr. ROBINSON. I announce that the Senator from Kentucky [Mr. BARKLEY], the Senator from Washington [Mr. BONE], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Montana [Mr. WHEELER], the Senator from Nevada [Mr. MCCARRAN], the Senator from Connecticut [Mr. MALONEY], the Senator from Iowa [Mr. MURPHY], the Senator from Maryland [Mr. TYDINGS], and the Senator from Massachusetts [Mr. WALSH] are necessarily detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Rhode Island [Mr. METCALF] and the Senator from Minnesota [Mr. SHIPSTEAD] are necessarily detained from the Senate, and that the Senator from Delaware [Mr. TOWNSEND] is unavoidably absent.

The PRESIDENT pro tempore. Eighty Senators having answered to their names, a quorum is present.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

SUPPORT OF UNITED STATES PRISONERS

The PRESIDENT pro tempore laid before the Senate a letter from the Attorney General, transmitting, pursuant to law, a report for the fiscal year ended June 30, 1935, showing the names of persons employed under the appropriation for the support of United States prisoners, the annual rate of compensation paid to each, together with a description of their duties, which, with the accompanying report, was referred to the Committee on the Judiciary.

COST ASCERTAINMENT REPORT

The PRESIDENT pro tempore laid before the Senate a letter from the Postmaster General, transmitting, pursuant to law, a report showing the cost of carrying and handling the several classes of mail matter and of performing the special services for the fiscal year ended June 30, 1935, which, with the accompanying report, was referred to the Committee on Post Offices and Post Roads.

SPECIAL RAILWAY MAIL TRANSPORTATION CONTRACTS

The PRESIDENT pro tempore laid before the Senate a letter from the Postmaster General, reporting, pursuant to law, relative to special contracts made with the following railroad companies for the transportation of the mails, which was referred to the Committee on Post Offices and Post Roads:

Hudson & Manhattan Railroad Co., between Hudson Terminal Station, New York, N. Y., and Journal Square, Jersey City, N. J.;

Rio Grande Southern Railroad Co., Victor A. Miller, receiver, between Ridgway and Durango, Colo.;

Colorado & Southern Railway Co., between Denver and Leadville, Colo.; and

Copper River & Northwestern Railway Co., between Cordova and Kennecott, Alaska.

REPORT OF NATIONAL BITUMINOUS COAL COMMISSION

The PRESIDENT pro tempore laid before the Senate a letter from the Acting Secretary of the Interior, making a report, pursuant to law, of the National Bituminous Coal Commission, with a request that the time for investigation and report on the subjects of production control be extended for a period of 4 months from the 6th day of January 1936, which was referred to the Committee on Interstate Commerce.

JOURNALS OF LEGISLATURE OF HAWAII

The PRESIDENT pro tempore laid before the Senate two letters from the secretary of the Territory of Hawaii, transmitting, pursuant to law (through the Governor of Hawaii and the Secretary of the Interior), a copy each of the journals of the senate and house of representatives of said Territory, regular session of 1935, which, with the accompanying documents, were referred to the Committee on Territories and Insular Affairs.

REPORT OF THE INTERSTATE COMMERCE COMMISSION

The PRESIDENT pro tempore laid before the Senate a letter from the Chairman of the Interstate Commerce Commission, transmitting, pursuant to law, the forty-ninth annual report of the Commission for the year ended October 31, 1935, which, with the accompanying report, was referred to the Committee on Interstate Commerce.

FINAL VALUATIONS OF CERTAIN RAILROAD PROPERTIES

The PRESIDENT pro tempore laid before the Senate a letter from the Chairman of the Interstate Commerce Com-

mission, transmitting, pursuant to law, final valuations of properties of the New York Dock Railway, Texas & New Orleans Railroad system, and the Chicago, Rock Island & Pacific Railway system, which, with the accompanying documents, was referred to the Committee on Interstate Commerce.

INVESTIGATION OF ELECTRIC AND GAS UTILITIES

The PRESIDENT pro tempore laid before the Senate a letter from the Chairman of the Federal Trade Commission, transmitting, in further response to Senate Resolution 83 (70th Cong., 1st sess.) and pursuant to Senate Joint Resolution 115 (73d Cong., 2d sess.), approved June 26, 1934, the final report of its investigation of electric and gas utilities, which, with the accompanying report, was referred to the Committee on Interstate Commerce.

REPORT OF SECRETARY OF THE SENATE (S. DOC. NO. 140)

The PRESIDENT pro tempore laid before the Senate a letter from the Secretary of the Senate, transmitting, pursuant to law, his annual report for the fiscal year ended June 30, 1935, which, with the accompanying report, was ordered to lie on the table and be printed.

REPORT OF THE GOVERNMENT PRINTING OFFICE

The PRESIDENT pro tempore laid before the Senate a letter from the Public Printer, transmitting, pursuant to law, the annual report of the operations of the Government Printing Office for the fiscal year ended June 30, 1935, which, with the accompanying report, was referred to the Committee on Printing.

GEORGETOWN BARGE, DOCK, ELEVATOR & RAILWAY CO.

The PRESIDENT pro tempore laid before the Senate the annual report of the Georgetown Barge, Dock, Elevator & Railway Co., transmitted pursuant to law, for the year ended December 31, 1935, which was referred to the Committee on the District of Columbia.

PETITIONS AND MEMORIALS

The PRESIDENT pro tempore laid before the Senate letters in the nature of petitions from the city council of Rockland, Maine, and American Legion Post, No. 219, of New York City, N. Y., praying for the enactment of legislation providing for the immediate cash payment of adjusted-service certificates of World War veterans, which were referred to the Committee on Finance.

He also laid before the Senate a letter in the nature of a memorial from C. Pierce, of San Francisco, Calif., remonstrating against the adoption of the so-called Townsend old-age-pension plan, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the municipal government of Sibalom, Province of Antique, P. I., expressing appreciation to the President and Congress of the United States for having recognized the Filipino capacity for self-government, which was referred to the Committee on Territories and Insular Affairs.

Mr. KEYES presented a resolution adopted by a meeting of representatives of the State Grange, New Hampshire Farm Bureau Federation, and the Society for the Protection of New Hampshire Forests, protesting against the proposed transfer of the Forest Service from the Department of Agriculture to another department, which was referred to the Committee on Agriculture and Forestry.

Mr. CAPPER presented letters in the nature of petitions from the Polish American Citizens Club, of Kansas City, and American Legion Post, No. 365, Department of Kansas, of Hope, both in the State of Kansas, praying for the enactment of legislation providing for the immediate cash payment of adjusted-service certificates of World War veterans, which were referred to the Committee on Finance.

Mr. COPELAND presented a resolution adopted by the executive committee of the Principessa Iolanda Margherita Di Savola, Inc., of Brooklyn, N. Y., protesting against the neutrality policy of the administration, which was referred to the Committee on Foreign Relations.

He also presented a letter in the nature of a memorial from Legione San Giorgio La Montagna e Mandamento Di Mutuo Soccorso, Bronx, N. Y., remonstrating against the neutrality policy of the administration, which was referred to the Committee on Foreign Relations.

He also presented a memorial signed by sundry members of the Nassau Independent Citizens Club, Inc., af Rockville Centre, Long Island, N. Y., remonstrating against the neutrality policy of the administration, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted at the annual encampment of the New York Department, Sons of Union Veterans of the Civil War, protesting against the contemplated erection of a statue of Gen. Robert E. Lee in a memorial park at Washington, which was referred to the Committee on the District of Columbia.

PROTECTION OF PURITY OF FOODS

Mr. GIBSON. I present a memorial in the form of a joint resolution adopted by the Legislature of the State of Vermont with respect to the so-called Copeland pure-food bill.

The PRESIDENT pro tempore. The resolution will be printed in the RECORD in accordance with the rule and referred to the Committee on Commerce.

The resolution is as follows:

Resolved by the senate and house of representatives, That the members of the Vermont delegation in Congress be requested to lend their favorable support to a proposed amendment to the Copeland pure-food laws, so that decolorized maple sirup should be labeled as decolorized; and that copies of this resolution be sent to each member of the Vermont delegation in Congress.

FARM RELIEF AND THE SUPREME COURT DECISION ON A. A. A.

Mr. CAPPER. Mr. President, I desire at this time to place in the RECORD a few telegrams typical of those I have received since the momentous decision of the Supreme Court of the United States invalidating the Agricultural Adjustment Act and placing strict limitations on the power of the Federal Government to assist in restoring economic equality of opportunity to agriculture.

Most of the telegrams and letters coming to me do not complain of nor attack the decision, but they do point out that the decision does not solve the farm problem. And, as most of the telegrams come from farmers and farm organizations of my own State of Kansas, which has suffered severely from low prices of farm products and lack of purchasing power during most of the period since the end of the World War, it is not unnatural that they appeal to Congress for relief.

I find a general feeling among farmers that some of the benefits given industry through the protective tariff have been industrial benefits at the expense of agriculture. And they appeal for the equivalent of tariff benefits to be given to agriculture. Not being constitutional lawyers, it is difficult for our people to understand why legislation can be enacted which results in higher prices and protected markets for industry while it is declared impossible to enact legislation which will give similar benefits to agriculture. And I will even admit I myself am a little puzzled by this situation.

Mr. President, there can be no return of permanent national prosperity if agriculture must sell at an unprotected low-price level and buy at a protected high-price level. From the viewpoint of the national welfare, it is up to the Federal Government to find some means of correcting this inequality.

We must find a solution for this problem of inadequate returns to agriculture, resulting in lack of farm purchasing power, which in turn inevitably must result in idle factories and unemployed workers in industry. Not to attempt to do so is unthinkable. Not to do so will have most disastrous results not only to agriculture but to the entire Nation.

It is not my intention even to suggest the proper solution at this time. The problem is being worked on. I can and do pledge my best efforts to cooperate with all true friends of agriculture in working out the solution, and I hope and trust a solution is possible under the restrictions upon legislative action laid down in the recent decision.

I ask unanimous consent to have printed in the RECORD as part of my remarks at this time the telegrams which I send to the desk.

There being no objection, the telegrams were referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

YATES CENTER, KANS., *January 6, 1936.*

ARTHUR CAPPER,
United States Senator, Washington, D. C.:

We, the Farm Bureau members of Woodson County, assembled in annual meeting in Yates Center, Kans., do hereby petition you as Senator from our State use all your influence and every honorable means to secure such needed legislation at this session of Congress as will secure for the farmers of this United States parity prices for the products of their business activities.

A. G. BEINE, *President.*

GOODLAND, KANS., *January 8, 1936.*

Senator ARTHUR CAPPER,
Washington, D. C.:

We greatly deplore adverse action taken by Supreme Court which simply paralyzes every step toward recovery and will effect greater hardships upon our now overburdened people.

SHERMAN COUNTY CORN-HOG ALLOTMENT COMMITTEE,
JNO. C. JONES,
JOHN MCDANIEL,
F. O. SEXSON.
SHERMAN COUNTY WHEAT ALLOTMENT COMMITTEE,
JOHN MCDANIEL,
L. R. MCCLELLAND,
A. D. MANGUS.

MEADE, KANS., *January 7, 1936.*

Senator ARTHUR CAPPER,
Washington, D. C.:

We, the undersigned, recognizing the seriousness of the decision of the Supreme Court regarding the Triple A, hereby request you as our representative in Congress to put forth every effort to expedite the payment of contracts now pending. Please use your influence in the immediate initiation of a workable adjustment program for our farmers or a speedy amendation of the Constitution of the United States.

C. A. Harner, president, Wheat Production Control Association of Meade County; Dewey D. Sheldon, county wheat committeeman; William H. Painter, county wheat committeeman; A. Wilson, chairman, county commissioners; A. E. Post, county commissioner; G. P. Gamble, county commissioner; Harold C. Love, county agent; E. R. Brown, producer; Arthur Cummings, president, Meade County Farm Bureau; John Hiatt, director, Meade County Farm Bureau; Pearl G. Ross, director, Meade County Farm Bureau; Milton Beutler, director, Meade County Farm Bureau; E. J. Shogrin, director, Meade County Farm Bureau; Theo. C. Perry, director, Meade County Farm Bureau; A. J. Merkle, director, Meade County Farm Bureau; C. G. Wallace, director, Meade County Farm Bureau.

WICHITA, KANS., *January 7, 1936.*

Senator ARTHUR CAPPER,
Washington, D. C.:

The Sedgwick County Farm Bureau in annual meeting assembled at Maize, Kans., voted unanimously to deplore the decision of the United States Supreme Court. We ask for farm legislation which will improve that which we have had and pass the apparent attitude of this judicial group.

ALBERT WINTER,
President, Sedgwick County Farm Bureau.

FREDONIA, KANS., *January 8, 1936.*

Senator ARTHUR CAPPER,
Washington, D. C.:

In view of the decision of the Supreme Court, we, the Wilson County Farm Bureau, in annual meeting assembled beseech you to provide a lawful means whereby the farmers of the United States may receive a parity price for their products.

OLEY G. APT,
President, Wilson County Farm Bureau.

GOODLANDS, KANS., *January 8, 1936.*

Senator ARTHUR CAPPER,
Washington, D. C.:

We appreciate your support of the Agricultural Adjustment Act that agriculture has lost and do request immediate legislative action for a new agricultural program.

Jno. C. Jones, John McDaniel, F. O. Sexson, Chas. H. Christenson, O. L. Jones, C. C. Rivers, Glen N. Finley, J. E. Evans, Claude Bowen, D. A. Laughlin, L. R. McClelland, E. K. Souders, Henry S. Burk, A. D. Taylor, E. L. Moore, Geo. E. Gless, E. D. Chatfield, L. J. Wolfrum, V. O. Hawks, John Witthar, Lawrence Weedman, John Elliott, Clyde Stewart, O. M. Hull, W. A. Sexson.

VALLEY FALLS, KANS., *January 8, 1936.*

Senator ARTHUR CAPPER,
Washington, D. C.:

Due to Supreme Court decision we are expecting you to make necessary legal changes to make a farm program constitutional.

Carl Leutert, Phil Reichart, Walter Wettig, Walter Wood, Henry Baumbart, Joseph Bowie, J. Ferrell, C. Ferrell, Albert Ferrell, Carl Heugel, Clarence Hefty, J. Pope, J. McAfee, W. Brown, Wallace McClenny, Guy Baker, Roy Deckard, Edd Stein, Frank Lassiter, Guy Noel, Howard Grubbs, William Hefty, Kenneth Pratt, A. Huff, Clinton Davis, Otis Overmiller, Carl Senn, Fred Senn, Herman Senn, William Stein, Walter Hefty, Clarence Brosa, Arthur Abbuehl, James Copas, Paul Copas, Arthur Brown, R. Simpson, O. Edwards, Ertle Keen, Henry Blumberg, Edward Keen, Harry Wettig, Fred Starr, Ernest Heineken, Fount Hurst, Henry Madorin.

ST. FRANCIS, KANS., *January 8, 1936.*

Senator ARTHUR CAPPER,
Washington, D. C.:

Forty corn-hog committeemen in session urge you to exert your influence to establish a satisfactory agricultural program to carry out work of the Agricultural Adjustment Administration. We believe that agriculture should have same protection that other industries enjoy. Please advise us if we can be of assistance.

T. G. WILKENS,
President Corn Hog Association.

REPORTS OF THE DISTRICT OF COLUMBIA COMMITTEE

Mr. KING, from the Committee on the District of Columbia, to which was referred the bill (S. 2953) to provide for the inspection, control, and regulation of steam boilers and unfired pressure vessels in the District of Columbia, reported it without amendment and submitted a report (No. 1462) thereon.

He also, from the same committee, to which was referred the bill (S. 3161) to amend section 13 (c) of the District of Columbia Traffic Acts, reported it with amendments and submitted a report (No. 1463) thereon.

Mr. COPELAND, from the Committee on the District of Columbia, to which was referred the bill (S. 3234) to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Dexter P. Reynolds, reported it without amendment and submitted a report (No. 1464) thereon.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably the nominations of sundry officers in the Diplomatic and Foreign Service.

Mr. ROBINSON (for Mr. MCKELLAR), from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters in the State of Arkansas.

Mr. AUSTIN, from the Committee on the Judiciary, reported favorably the following nominations:

Brien McMahon, of Connecticut, to be an Assistant Attorney General, vice Joseph B. Keenan, nominated to be assistant to the Attorney General; and

Joseph B. Keenan, of Ohio, to be assistant to the Attorney General, vice Harold M. Stephens, appointed an associate justice of the United States Court of Appeals for the District of Columbia.

Mr. HAYDEN, from the Committee on Post Offices and Post Roads, reported adversely the nomination of Wade H. Brown to be postmaster at Jane Lew, W. Va., in place of Ila Lawson.

He also, from the same committee, reported favorably the nominations of sundry postmasters.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ROBINSON:

A bill (S. 3519) granting a pension to Sidney H. Bailey; and

A bill (S. 3520) granting a pension to Roy E. George; to the Committee on Pensions.

By Mr. TRAMMELL:

A bill (S. 3521) to authorize an exchange of land between the Waianae Co. and the Navy Department; to the Committee on Naval Affairs.

By Mr. CAREY:

A bill (S. 3522) to aid in increasing agricultural purchasing power, to make the tariff effective on agricultural commodities, and for other purposes; to the Committee on Agriculture and Forestry.

A bill (S. 3523) to grant an honorable discharge to John I. Teel; to the Committee on Military Affairs.

By Mr. NORRIS:

A bill (S. 3524) to provide for the control of flood waters in the Mississippi Valley; to improve navigation on the Mississippi River and its tributaries; to provide for the irrigation of arid and semiarid lands, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. McGILL:

A bill (S. 3525) granting a pension to Beesie Kirkman;

A bill (S. 3526) granting a pension to Josephine Morton;

A bill (S. 3527) granting an increase of pension to Fanny Cunningham;

A bill (S. 3528) granting an increase of pension to Amelia Mathias; and

A bill (S. 3529) granting an increase of pension to Elizabeth Taylor; to the Committee on Pensions.

By Mr. MOORE:

A bill (S. 3530) to repeal the act entitled "An act to incorporate the North River Bridge Co. and to authorize the construction of a bridge and approaches at New York City across the Hudson River, to regulate commerce in and over such bridge between the States of New York and New Jersey, and to establish such bridge a military and post road", as amended; to the Committee on Commerce.

By Mr. OVERTON:

A bill (S. 3531) to amend the act entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes", approved May 15, 1928; to the Committee on Commerce.

By Mr. SMITH:

A bill (S. 3532) to provide for loans to farmers for crop production and harvesting during the year 1936, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. NORBECK:

A bill (S. 3533) to carry into effect the provisions of the Whaling Treaty Act; to the Committee on Foreign Relations.

By Mr. SCHWELLENBACH:

A bill (S. 3534) to amend the Emergency Relief Appropriation Act of 1935, with reference to the employment of labor; to the Committee on Appropriations.

A bill (S. 3535) authorizing the appointment and retirement of Frederick Buchanan Rosenbaum, as a first lieutenant, United States Army; to the Committee on Military Affairs.

By Mr. HATCH and Mr. CHAVEZ:

A bill (S. 3536) authorizing construction, operation, and maintenance of Rio Grande canalization project and authorizing appropriation for that purpose; to the Committee on Foreign Relations.

By Mr. HATCH:

A bill (S. 3537) for the relief of Felix Griego; to the Committee on Military Affairs.

By Mr. McNARY:

A bill (S. 3538) to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities, to provide for the issuance of export debentures, to secure to farmers a price for their commodities at least equal to the cost of production, and for other purposes; and

A bill (S. 3539) authorizing and directing the Secretary of Agriculture to investigate all phases of crop insurance; to the Committee on Agriculture and Forestry.

A bill (S. 3540) for the relief of the estate of Ralph R. Fraley; to the Committee on Claims.

A bill (S. 3541) granting a pension to Jane Armstrong (with accompanying papers); to the Committee on Pensions.

By Mr. LEWIS:

A bill (S. 3542) granting a pension to William J. Chepan (with an accompanying paper); to the Committee on Pensions.

By Mr. BAILEY:

A bill (S. 3543) authorizing adjustment of the claim of H. R. Heinicke, Inc. (with accompanying papers); and

A bill (S. 3544) authorizing adjustment of the claim of the Texas Pacific-Missouri Pacific Terminal Railroad of New Orleans (with accompanying papers); to the Committee on Claims.

By Mr. CAPPER:

A bill (S. 3545) for the relief of officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace April 11, 1899; to the Committee on Claims.

A bill (S. 3546) granting an increase of pension to Mary E. Wooten;

A bill (S. 3547) granting an increase of pension to Drusilla Wright;

A bill (S. 3548) granting an increase of pension to Terressa Willoughby;

A bill (S. 3549) granting a pension to Emma Williams;

A bill (S. 3550) granting an increase of pension to Lena Bradshaw;

A bill (S. 3551) granting an increase of pension to John C. Denbo;

A bill (S. 3552) granting an increase of pension to Minnie Mahler;

A bill (S. 3553) granting an increase of pension to Mary A. McNeil;

A bill (S. 3554) granting an increase of pension to Hannah Morrison;

A bill (S. 3555) granting an increase of pension to Martha J. Morgan;

A bill (S. 3556) granting an increase of pension to Mary L. Parker;

A bill (S. 3557) granting an increase of pension to Eliza A. Perry;

A bill (S. 3558) granting an increase of pension to Mary A. Phillippi;

A bill (S. 3559) granting a pension to Lydia C. Wark;

A bill (S. 3560) granting an increase of pension to Nancy J. Walker;

A bill (S. 3561) granting a pension to Carrie Taylor Shockley;

A bill (S. 3562) granting a pension to Martha C. Smith;

A bill (S. 3563) granting a pension to Clarence Edward Shipman;

A bill (S. 3564) granting a pension to Alma Blanche Shipman;

A bill (S. 3565) granting a pension to Hannah A. Smith;

A bill (S. 3566) granting a pension to Nancy Jane Ruffin;

A bill (S. 3567) granting a pension to Lucy A. Rose;

A bill (S. 3568) granting a pension to Belle McGary;

A bill (S. 3569) granting a pension to Addie M. Mandeville;

A bill (S. 3570) granting a pension to Roy Joyce;

A bill (S. 3571) granting a pension to William Edward Fugatt;

A bill (S. 3572) granting a pension to Lottie Flint;

A bill (S. 3573) granting a pension to Lucy W. Farwell;

A bill (S. 3574) granting a pension to Hulda Dodds;

A bill (S. 3575) granting a pension to Minnie O. Draper; and

A bill (S. 3576) granting a pension to Mary E. Bordwell; to the Committee on Pensions.

By Mr. JOHNSON:

A bill (S. 3577) for the relief of William Bartlett Heagle; and

A bill (S. 3578) to aid the national defense by fostering shipbuilding on the Pacific coast in order to more perfectly

provide the necessary shore support for the maintenance and operation of the Pacific Fleet by encouraging shipbuilding on the Pacific coast; to the Committee on Naval Affairs.

A bill (S. 3579) to adjust the rate of pension to soldiers of the Indian wars who served 90 days or more in active service against hostile Indians, and for other purposes; to the Committee on Pensions.

A bill (S. 3580) granting and confirming to the East Bay Municipal Utility District, a municipal utility district of the State of California and a body corporate and politic, of said State, and a political subdivision thereof, certain lands, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. HARRISON:

A bill (S. 3581) for the relief of Henry Thornton Meriwether; to the Committee on Naval Affairs.

By Mr. NORRIS:

A bill (S. 3582) granting a pension to Etta Brooks Reese; to the Committee on Pensions.

By Mr. COPELAND:

A bill (S. 3583) for the relief of N. C. Nelson; to the Committee on Claims.

A bill (S. 3584) to provide for economic studies of the fishery industry, market news service, and orderly marketing of fishery products, and for other purposes; and

A bill (S. 3585) to authorize the Secretary of the Treasury to dispose of material to the sea scout service of the Boy Scouts of America; to the Committee on Commerce.

A bill (S. 3586) to authorize the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, the Secretary of Agriculture, and the Secretary of the Treasury to lend Army, Navy, Coast Guard, and other needed equipment for use at the national jamboree of the Boy Scouts of America; and to authorize the use of property in the District of Columbia and its environs by the Boy Scouts of America at their national jamboree to be held during the summer of 1937; to the Committee on the District of Columbia.

A bill (S. 3587) to provide for the regulation of the display of the American flag on buildings of the Government of the United States and government of the District of Columbia; to the Committee on the Judiciary.

By Mr. KING:

A bill (S. 3588) to grant the right to cut timber in national forests for the construction of a railroad from Craig, Colo., or from Springville, Utah, to Ouray, Utah, or to a point on Green River near Ouray, Utah, or from Craig, Colo., to Springville, Utah; to the Committee on Public Lands.

By Mr. CLARK:

A bill (S. 3589) granting a pension to Mabel Forrer;

A bill (S. 3590) granting a pension to Martha J. Ward;

A bill (S. 3591) granting an increase of pension to Cornelia Anderson Damrell; and

A bill (S. 3592) granting an increase of pension to Missouri E. Griffith; to the Committee on Pensions.

By Mr. THOMAS of Oklahoma:

A bill (S. 3593) for the relief of George S. Henry; to the Committee on Military Affairs.

A bill (S. 3594) granting a pension to Carrie L. Warner; to the Committee on Pensions.

By Mr. STEIWER:

A bill (S. 3595) to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim of the Klamath and Modoc Tribes of Indians and the Yahooskin Band of Snake Indians against the United States; to the Committee on Claims.

By Mr. GORE:

A joint resolution (S. J. Res. 181) to change the name of Reno Road to Oklahoma Avenue; to the Committee on the District of Columbia.

By Mr. CAPPER:

A joint resolution (S. J. Res. 182) for the relief of William K. Richardson; to the Committee on Military Affairs.

By Mr. COPELAND:

A joint resolution (S. J. Res. 183) to provide for the erection of a suitable memorial to the memory of Comte de Grasse; to the Committee on the Library.

A joint resolution (S. J. Res. 184) to permit the temporary entry into the United States under certain conditions of alien participants and officials of the National Boy Scout Jamboree to be held in the United States in 1937; to the Committee on Immigration.

INDUSTRIAL DISPUTES AND PRODUCTION CONTROL—PROPOSED CONSTITUTIONAL AMENDMENT

Mr. LOGAN. I introduce a joint resolution proposing an amendment to the Constitution to authorize the Congress to legislate concerning industrial disputes and production control. I ask that the joint resolution be printed in the RECORD and referred to the Committee on the Judiciary.

There being no objection, the joint resolution (S. J. Res. 185) proposing an amendment to the Constitution of the United States to authorize the Congress to legislate concerning industrial disputes and production control was read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following be proposed as an amendment to the Constitution of the United States, which shall be valid as a part of said Constitution when ratified by the legislatures of three-fourths of the States, to wit:

"ARTICLE —

"SECTION 1. The Congress shall have power in the regulation of commerce with foreign nations, among the several States, and within the Indian tribes, to provide by such law as the Congress shall deem necessary or desirable for—

"(1) The conciliation, arbitration, and settlement of industrial disputes of all persons, corporations, or other business associations of whatever description, and their employees, farmers excepted, whose products may move in or affect interstate or foreign commerce; and

"(2) For the regulation and control of the production of any agricultural, mineral, or manufactured product of whatever description which may move in or affect interstate or foreign commerce."

AMENDMENT OF THE CONSTITUTION

Mr. SCHWELLENBACH. I introduce a joint resolution proposing an amendment to the Constitution of the United States, which I ask may be appropriately referred. I also ask that a brief explanation of the proposed amendment may be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The joint resolution (S. J. Res. 186) proposing an amendment to the Constitution of the United States was read twice by its title and referred to the Committee on the Judiciary.

The statement presented by Mr. SCHWELLENBACH is as follows:

The amendment to the Federal Constitution reads as follows:

"ARTICLE —

"SECTION 1. In addition to the methods of amending the Constitution provided in article V, amendments to the Constitution may be proposed by the Congress, whenever two-thirds of both Houses shall deem it necessary, and shall be valid to all intents and purposes as a part of the Constitution when ratified by a majority of the people voting in each of three-fourths of the several States at the next congressional election following the submission under this article, or at special elections which shall be held, on such date and in such manner as the President may prescribe, not less than 4 nor more than 6 months after the submission of the amendments to the States by the Congress, as the one or the other mode of ratification may be proposed by the Congress.

"SEC. 2. The Congress shall have power to enforce this article by appropriate legislation.

"SEC. 3. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by conventions in the several States, as provided in the Constitution, within 7 years from the date of the submission hereof to the States by the Congress."

The submission of an amendment of this kind is necessary in order to meet the very practical problems created by recent important decisions of the Supreme Court. Of particular importance among these decisions are those which declare unconstitutional the Railroad Employees' Retirement Act, the National Industrial Recovery Act, and the Agricultural Adjustment Act. A careful and sober consideration of the opinions in these cases

must lead inevitably to the conclusion that the "commerce" and the "taxation for general welfare" clauses of the Constitution are not available to the Congress of the United States for the purpose of aiding in the solution of the economic problems of the people of this country. Any doubt which may have existed in the mind of anyone concerning the attitude of the Supreme Court must necessarily have been erased by the opinion of the majority in the Agricultural Adjustment Act decision. The Court is determined to strictly construe the Constitution and to limit the Federal Government to those enumerated powers expressly delegated to it. We need no longer hope for liberalism upon the part of the Supreme Court. When the Court failed to define general welfare and when it held that the production control agreements under the Agricultural Adjustment Act amounted to coercion, every practical-minded individual was met with the conclusion that the people of this country must look to the States and local communities for assistance in the solution of their economic problems. The people face that course or the only alternative, which is a constitutional amendment.

In the light of these decisions certain proposals have been made. They may be divided into two groups of two each. The first is that the Supreme Court be deprived of its power to pass upon the constitutionality of statutes enacted by the Congress. The second is that the size of the Court be increased and new members appointed who might be deemed to be favorable to a more liberal construction of the Constitution. Either of these two proposals necessarily involves the complete abandonment of a constitutional system of government in this country. It is my carefully considered opinion that there are too many people in this country who cherish the liberties guaranteed as the result of the democratic form of our Government and through the medium of the first 10 amendments to secure a favorable acceptance of either of these two proposals. I think there are too many people who have a reverence for the constitutional guaranty of freedom of speech, freedom of religious preference, freedom of the press, freedom within the home, and the other liberties guaranteed by the Constitution, to succeed in an outright abandonment of constitutional interpretation by the Court.

The third proposal is to amend the Constitution so as to extend generally the power of the Federal Government. The fourth proposal is through constitutional amendment to give the Federal Government certain definite powers, such as control over the hours of labor, the wages paid to employees, the control of production in agriculture, and similar proposals. In the consideration of the practicability of the third or fourth proposals we are met with the very forcible fact that in 1924 Congress submitted the child-labor amendment. After a period of over 11 years only 24 of the 48 States have ratified that amendment. During the year 1935, despite all of the talk concerning remedial legislation, of the 28 legislatures which met and had before them the question of ratification, the child-labor amendment was ratified by only 4 such legislatures. I think no one can disagree with the contention that the child-labor amendment is as humanitarian as any proposal ever made in this country. It certainly should meet with sympathetic consideration by any legislative body or the people of any State. Having during a period of over a decade failed to secure the ratification of this amendment, I cannot help but believe that either the third or fourth proposal would meet with a similar fate.

The next question presented is whether or not the amendment proposed by this resolution is subject to the objection interposed against the four proposals. Since under it the people themselves would retain the right to pass upon any proposed amendment, it avoids the objection to the first two proposals. Against it the objections to the third and fourth proposals are not tenable for the following reasons: (1) It does not in itself extend the powers of the Federal Government or change any of the system of government. In itself it only adds to the method of amendment to the Constitution. (2) After its adoption liberalizing amendments would be much easier and much more expeditious of ratification, for the reason that (a) the people themselves would do the ratifying and would be much more likely to ratify than would legislatures or constitutional conventions, for the reason that they would have presented to them the one issue as to the desirability of ratification; (b) the fact that the people did retain the right of ratification would remove from their minds the fear that if the amendments were not practicable they could not be repealed. I think one of the most potent factors that stands in the way of ratification of constitutional amendments is the necessarily slow and involved procedure now required before changes in that document may be made. This practical difficulty causes the Congress to be slow in the submission of amendments and causes the legislatures to be slow in the ratification of amendments.

I believe an amendment such as this is necessary to preserve our institution of democracy. We may well reread the concluding words of Story's Commentaries on the Constitution: "The future is that which may well awaken the most earnest solicitude, both for the virtue and the permanence of our Republic. The fate of other republics—their rise, their progress, their decline, and their fall—are written but too legibly on the pages of history, if indeed they were not continually before us in the startling fragments of their ruins. They have perished and perished by their own hands. * * * Such are the melancholy lessons of the past history of republics down to our own."

I call attention to the following very pertinent facts: First, that since the conclusion of the World War, of the 583,000,000 people living in Europe, 447,000,000 have been willing to give up their political freedom and to surrender their personal and political liberty to a dictator in order that they might thereby secure economic security. Second, that during 1934, despite all of the efforts made throughout the world, world trade of the combined 160 countries which reported totaled only $23,375,000,000 in gold value, which was $859,000,000 less than it was in the previous year, which has become looked upon as the lowest period of the depression, and which compares with $68,606,000,000 for 1929. Third, that all of the nations which are still attempting to remain on the gold standard are today facing more serious financial and economic trouble than they have faced at any time since the termination of the war. Unemployment in Czechoslovakia is 7.8 times what it was in 1929; in Belgium it is 14.8 times what it was in 1929; in France it is 37 times as much as it was in 1929; in Holland it is 3.9 times as much as it was in 1929; in Poland, 3.3 times as much as it was in 1929; in Switzerland, 4.4 times what it was in 1929. Fourth, the possibility of war is rife in every portion of the globe. There is no place where all the potentialities of war do not today exist. What we in America must avoid is the possibility that our people will follow the leadership of Europe and on the promise of economic security surrender their political rights and liberties.

To my mind, the most serious implication of the present impasse between the administration and the constitutional situation is the danger that from it will come a feeling of futility upon the part of the people. Mankind is and always has been patient. Revolutions come at the time when people feel that their governments are impotent to assist them in the solution of their problems. It is after the people come to the feeling that sincere efforts upon their part have been frustrated and that all further efforts are futile that they are willing to make a change in their form of government.

We in America are dangerously near that feeling of futility as the result of the action of the Supreme Court in nullifying every effort of the Congress to solve the economic problems of the people. The situation is too dangerous to be met by silent acquiescence. It requires definite and courageous action, which, in my opinion, can only come through the medium of a constitutional amendment which will give to the Federal Government the powers the people of the country feel it needs and should have for their protection. The amendment proposed in this resolution is the first and, in my opinion, the necessary step along that line.

PAYMENTS TO FARMERS UNDER A. A. A. CONTRACTS

Mr. McNARY. Mr. President, the recent decision by the United States Supreme Court touching the A. A. A. holds that contracts for the reduction of acreage and control by production are outside the range of Federal power.

The decision also holds that the Congress has no power to tax and to spend as the Agricultural Adjustment Act authorizes. This undoubtedly means that the contracts themselves are void and cannot be enforced by the Federal Government or by the farmer.

It must be borne in mind, however, that these contracts were made under an act of Congress which, at the time it was taken to the Court, was presumed to be within the terms of the Constitution. The Court having declared the act invalid, the question immediately arises as to the obligation of the Federal Government to those farmers who were in a position where they could not escape being damaged, in other words, where they had performed their part of the contract but had not been paid.

For instance, if the farmer, relying upon the contract, reduced his wheat acreage when he planted it in the fall of 1935, upon condition that he should be paid a certain amount by reason of such reduction in acreage, such farmer is presumed to have suffered damage to the extent of the amount that he would have received from the Government for last year's reduction in planting. This may be said to be only a moral obligation, but my recollection is that Governments are free to appropriate money to meet moral obligations. In all cases, therefore, where the farmer has already performed his part and the Government has not paid the amount agreed upon, the Congress must in good conscience provide payment. The fact that Congress exceeded its power in authorizing the making of such contracts is no reason for permitting the farmer to suffer who relied upon the act.

To meet that situation I am introducing a bill, which I ask unanimous consent to have appropriately referred and printed in the RECORD following my brief remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The bill (S. 3596) to provide for making rental and benefit payments to farmers who have made crop-adjustment con-

tracts with the Secretary of Agriculture was read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

A bill to provide for making rental and benefit payments to farmers who have made crop-adjustment contracts with the Secretary of Agriculture

Be it enacted, etc., That there is hereby authorized to be appropriated $300,000,000, or so much thereof as may be necessary, to be available to the Secretary of Agriculture for the purpose of making rental and benefit payments which may now be, or which may hereafter become, due upon crop-adjustment contracts made by the Agricultural Adjustment Administration. Said funds shall also be available for rental and benefit payments to farmers who have applied for contracts, and who prior to January 6, 1936, have in good faith made adjustments in acreage and otherwise complied with the regulations of the Secretary of Agriculture in connection with a crop program, notwithstanding the fact that no contract has actually been signed. The sums authorized to be appropriated by this section may be used by the Secretary for all necessary administrative expenses in carrying out the provisions of this act.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and referred as indicated below:

H. R. 381. An act granting insurance to Lydia C. Spry;

H. R. 686. An act for the relief of John Collins;

H. R. 762. An act for the relief of Stanislaus Lipowicz;

H. R. 977. An act for the relief of Herman Schierhoff;

H. R. 1252. An act for the relief of Odessa Mason;

H. R. 1346. An act for the relief of J. P. Harris;

H. R. 1362. An act for the relief of Ramey Bros., of El Paso, Tex.;

H. R. 1481. An act for the relief of Roland P. Winstead;

H. R. 2110. An act for the relief of W. A. Harriman;

H. R. 2155. An act for the relief of Francisco M. Acayan;

H. R. 2495. An act for the relief of Thomas Berchel Burke;

H. R. 2496. An act for the relief of Thomas J. Moran;

H. R. 2497. An act for the relief of William H. Hildebrand;

H. R. 2527. An act for the relief of Mrs. Amber Walker;

H. R. 2619. An act for the relief of R. E. Sutton, Lula G. Sutton, Grace Sutton, and Mary Lou Drinkard;

H. R. 2623. An act for the relief of J. W. Hearn, Jr.;

H. R. 3152. An act for the relief of Joseph Jochemczyk;

H. R. 3160. An act for the relief of Irene Magnuson and Oscar L. Magnuson, her husband;

H. R. 3281. An act for the relief of Edna M. Callahan and Anna Scott;

H. R. 3592. An act for the relief of Florida O. McLain, widow of Calvin E. McLain;

H. R. 3823. An act for the relief of Albert Thesing, Jr.;

H. R. 3864. An act for the relief of Gladys Robbins;

H. R. 3952. An act for the relief of Mr. and Mrs. Bruce Lee;

H. R. 4159. An act for the relief of Anchorage Commercial Co., Inc.;

H. R. 4171. An act for the relief of Look Hoon and Lau Hoon Leong;

H. R. 4387. An act for the relief of Barbara Backstrom;

H. R. 4638. An act for the relief of Elizabeth Halstead;

H. R. 4660. An act for the relief of Robert C. E. Hedley;

H. R. 4725. An act for the relief of Catherine Donnelly, Claire E. Donnelly, John Kufall, Mary F. Kufall, and Elizabeth A. Tucker;

H. R. 4780. An act for the relief of Amelia Guajardo;

H. R. 4855. An act for the relief of Jack C. Allen;

H. R. 5181. An act for the relief of the Progressive Commercial Co., of Philadelphia, Pa.;

H. R. 5404. An act for the relief of Elmer Geske;

H. R. 5474. An act for the relief of Lt. M. T. Grubham;

H. R. 5642. An act for the relief of John W. Barnum;

H. R. 5755. An act for the relief of Joseph A. Rudy;

H. R. 5900. An act for the relief of Joseph E. Moore;

H. R. 6263. An act for the relief of W. D. Davis;

H. R. 6335. An act for the relief of Sam Cable;

H. R. 6643. An act for the relief of Margaret C. (Lacks) King;

H. R. 6698. An act for the relief of Mae C. Tibbett, administratrix;

H. R. 6848. An act for the relief of the First Federal Savings & Loan Association of Shawnee, Okla.;

H. R. 6969. An act for the relief of Russell J. Vaughan;

H. R. 7001. An act for the relief of Alice Markham Kavanaugh;

H. R. 7031. An act for the relief of Georgiana Minnigerode, widow of Capt. Karl Minnigerode;

H. R. 7034. An act for the relief of Mr. and Mrs. Edward J. Pruett;

H. R. 7253. An act for the relief of James Murphy Morgan;

H. R. 8038. An act for the relief of Edward C. Paxton;

H. R. 8061. An act for the relief of David Duquaine, Jr.;

H. R. 8069. An act for the relief of Mr. and Mrs. A. S. Mull;

H. R. 8088. An act for the relief of Mrs. Nahwista Carr Bolk;

H. R. 8220. An act for the relief of Helen Mahar Johnson; and

H. J. Res. 223. Joint resolution conferring upon the Court of Claims jurisdiction of the claim of the Rodman Chemical Co. against the United States; to the Committee on Claims.

H. R. 8495. An act to amend certain plant-quarantine laws; to the Committee on Agriculture and Forestry.

H. R. 6982. An act to amend section 80 of chapter 9 of an act to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898; to the Committee on the Judiciary.

H. R. 8559. An act to convey certain land to the city of Enfield, Conn.; to the Committee on Public Buildings and Grounds.

H. R. 8624. An act to provide for the disposal of smuggled merchandise, to authorize the Secretary of the Treasury to require imported articles to be marked in order that smuggled merchandise may be identified, and for other purposes; to the Committee on Finance.

H. R. 8936. An act granting pensions and increase of pensions to certain helpless and dependent children of soldiers of the Civil War;

H. R. 8937. An act granting increase of pensions to certain widows and former widows of soldiers of the Civil War; and

H. R. 8938. An act granting pensions to certain widows and former widows of soldiers of the Civil War; to the Committee on Pensions.

H. R. 7814. An act to authorize the Secretary of Commerce to grant to the State of California an easement over certain land of the United States in Tehama County, Calif., for highway purposes;

H. R. 7995. An act to authorize a preliminary examination of the Arkansas River and Fourche Bayou, with a view to the control of floods in the vicinity of Little Rock and North Little Rock, Ark.;

H. R. 8609. An act authorizing the county of St. Clair, in the State of Illinois, to construct, maintain, and operate a toll bridge across the Mississippi River at or near a point on Broadway, between Florida and Mullanphy Streets, in the city of St. Louis, Mo., and a point opposite thereto in the town of Stites, in the county of St. Clair, State of Illinois, and connecting with St. Clair Avenue extended in said town;

H. R. 8680. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Shawneetown, Gallatin County, Ill., and a point opposite thereto in Union County, Ky.; and

H. J. Res. 297. Joint resolution granting consent of Congress to a compact or agreement between the Commonwealth of Pennsylvania and the State of New Jersey creating the Delaware River Joint Toll Bridge Commission and specifying the powers and duties thereof; to the Committee on Commerce.

H. R. 1867. An act for the relief of Orville E. Clark;

H. R. 3421. An act to authorize credit in disbursing officers' accounts covering shipment of privately owned automobiles from October 12, 1927, to October 10, 1929;

H. R. 3912. An act to amend an act for the relief of Clarence R. Killion;

H. R. 5876. An act for the relief of Elmer H. Ackerson; and



H. R. 5964. An act for the relief of Carl F. Yeager; to the Committee on Military Affairs.

H. R. 1381. An act to amend Public Law No. 249, Seventy-first Congress, entitled "An act to authorize the Secretary of the Navy to dispose of material no longer needed by the Navy";

H. R. 1913. An act for the relief of James Luker, Sr.;

H. R. 5916. An act to authorize the conveyance by the United States to the State of Michigan of the former United States lighthouse supply depot, St. Joseph, Mich., for State naval force purposes;

H. R. 7486. An act to authorize the appointment of midshipmen from among honor graduates of "honor schools" and from among members of the Naval Reserve Officers' Training Corps; and

H. R. 8872. An act authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Woman's Club, of the city of Paducah, Ky., the silver service in use on the U. S. S. *Paducah;* to the Committee on Naval Affairs.

SUPPLEMENTAL AND DEFICIENCY APPROPRIATIONS AMENDMENT

Mr. HAYDEN submitted an amendment intended to be proposed by him to House bill 9215, the supplemental and deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

At an appropriate place in the bill, to insert the following:

"That section 1 of the Emergency Relief Appropriation Act of 1935, approved April 8, 1935, be, and the same is hereby, amended by inserting at the end of the first proviso of the second paragraph thereof a new proviso, as follows:

"'*Provided further*, That the apportionment requirements of this paragraph shall not apply to loans or grants, or both, to States under limitation (g) of the first paragraph of this section, for public highways and related projects, including grade crossings.'"

CHANGE OF REFERENCE

On motion of Mr. COPELAND, the Committee on the District of Columbia was discharged from the further consideration of the bill (S. 3025) to amend the act entitled "An act to provide compensation for disability or death resulting from injury to employees in certain employments in the District of Columbia, and for other purposes", approved May 17, 1928, and for other purposes, and it was referred to the Committee on the Judiciary.

ADDITIONAL COPIES OF THE LIFE AND MORALS OF JESUS

Mr. FLETCHER submitted the following concurrent resolution (S. Con. Res. 26), which was referred to the Committee on Printing:

Resolved by the Senate (the House of Representatives concurring), That there be printed and bound, with illustrations, by the photolithographic process, in such style and manner as may be directed by the Joint Committee on Printing, 9,000 copies of House Document No. 755, Fifty-eighth Congress, second session, entitled "The Life and Morals of Jesus of Nazareth", by Thomas Jefferson, as the same appears in the National Museum, of which 3,000 copies shall be for the use of the Senate and 6,000 copies for the use of the House of Representatives.

ADDIE MOORE TRINKLE

Mr. BYRD submitted the following resolution (S. Res. 216), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for miscellaneous items, contingent fund of the Senate, fiscal year 1935, to Addie Moore Trinkle, widow of Clarence M. Trinkle, late an employee in the office of the Secretary of the Senate, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

INVESTIGATION AND COORDINATION OF EXECUTIVE AGENCIES

Mr. BYRD submitted the following resolution (S. Res. 217), which was referred to the Committee on Rules:

Resolved, That there is hereby established a Senate committee to be composed of five Senators, of whom three shall be from the majority political party and two shall be from the minority political party, to be appointed by the President of the Senate. The committee is authorized and directed to make a full and complete study of all the activities of the departments, bureaus, boards, commissions, independent agencies, and all other agencies of the executive branch of the Government, with a view to determining whether the activities of any such agency conflict with or overlap the activities of any other such agency and whether, in the interest of simplification, efficiency, and economy, any of such agencies, any officials and employees thereof, should be coordinated with other agencies or abolished. The committee shall report to the Senate at the beginning of the session of 1937 the results of its investigations, together with its recommendations, of any, for necessary legislation.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate, to employ such experts, and clerical, stenographic, and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, and to take such testimony and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $50,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

WAR DEBTS, DISARMAMENT, CURRENCY STABILIZATION, AND WORLD TRADE

The PRESIDENT pro tempore. Resolutions coming over from a previous day are in order.

The Chief Clerk proceeded to read the resolution (S. Res. 141), submitted by Mr. TYDINGS on May 21, 1935, favoring conferences with foreign governments on war debts and certain other international matters.

Mr. ROBINSON. I ask that the resolution go over for the day.

The PRESIDENT pro tempore. Without objection, it is so ordered.

INDUSTRY AND BUSINESS COMMITTEE FOR N. R. A.

The Chief Clerk proceeded to read the resolution (S. Res. 142), submitted by Mr. NYE on May 21, 1935, making inquiry as to whether members of the industry and business committee for N. R. A. extension are, or have been, officials or employees of the National Recovery Administration or of code authorities.

Mr. ROBINSON. I ask that the resolution go over.

The PRESIDENT pro tempore. Without objection, it is so ordered.

APPOINTMENT AND CONFIRMATION OF CERTAIN FEDERAL EMPLOYEES

The Chief Clerk proceeded to read the resolution (S. Res. 152), submitted by Mr. GORE on June 15, 1935, calling on Comptroller General for information concerning appointees or employees of the Government receiving compensation at the rate of $4,000 per annum or more.

Mr. ROBINSON. I ask that the resolution go over.

The PRESIDENT pro tempore. Without objection, the resolution will go over.

FINANCIAL CONDITION OF GOVERNMENT

The Chief Clerk proceeded to read the resolution (S. Con. Res. 20), submitted by Mr. MCNARY and Mr. HASTINGS on July 1, 1935, providing for a recess of the two Houses, the study by committees of the financial condition of the Government, and the consideration of a revenue bill upon reconvening.

Mr. ROBINSON. Mr. President, the occasion for the resolution having entirely passed, I ask that the concurrent resolution be indefinitely postponed. I assume the Senator from Delaware [Mr. HASTINGS] will have no objection.

Mr. HASTINGS. I have no objection.

The PRESIDENT pro tempore. Without objection, the concurrent resolution will be indefinitely postponed.

CONSTITUTIONALITY OF BITUMINOUS COAL CONSERVATION BILL

The Chief Clerk proceeded to read the resolution (S. Res. 167) calling upon the Attorney General for an opinion with respect to the constitutionality of H. R. 8479, the Bituminous Coal Conservation Act of 1935, submitted by Mr. BYRD on July 9, 1935.

Mr. ROBINSON. I ask that the resolution go over.

The PRESIDENT pro tempore. Without objection, the resolution will go over. Morning business is closed.

ESTABLISHMENT OF AIR CORPS TECHNICAL SCHOOL

Mr. ROBINSON. Mr. President, there is a special order for today, the bill (S. 3398) to establish the Air Corps Technical School and to acquire certain land in the State of Colorado for use as a site for said Air Corps Technical School and as an aerial gunnery and bombing range for the Army Air Corps. I am informed by Senators who are especially concerned about the bill that it is impossible for them to be present today. I ask that the special order stand as the order of business for the next day on which the Senate is in session.

The PRESIDENT pro tempore. Is there objection?

Mr. McNARY. Mr. President, do I understand correctly that the Senator from Arkansas proposes that the special order shall go over for the day?

Mr. ROBINSON. Yes.

Mr. McNARY. Is it the intention of the Senator that the Senate shall recess over until Monday?

Mr. ROBINSON. My intention is to move that the Senate adjourn until Monday at the conclusion of today's business.

Mr. McNARY. Very well; I have no objection.

Mr. COSTIGAN. Mr. President, it is my understanding that the priority of the bill just referred to by the leaders on both sides of the Chamber will not be lost by virtue of the unanimous-consent agreement. Is that a proper assumption?

The PRESIDENT pro tempore. The understanding of the Chair is that that is the parliamentary situation.

There being no objection, the special order will stand as requested by the Senator from Arkansas.

PATRICK HENRY AND JOHN RANDOLPH—ADDRESS BY HON. WILLIAM CABELL BRUCE

Mr. GLASS. Mr. President, recently Mr. William Cabell Bruce, formerly a Senator from the State of Maryland, delivered a notable address on Patrick Henry and John Randolph, at Charlotte Court House, Va., November 4, 1935. I ask unanimous consent that the address may be inserted in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, ladies, and gentlemen, it is a noteworthy fact that the two most striking tributes that have ever been paid to the intellectual character of the old Virginia society have been paid by two bitter New England sectionalists, Henry Adams and Henry Cabot Lodge. Of that society Adams says, in his Life of John Randolph of Roanoke: "This small, cheerful world * * * produced the greatest list of great names ever known this side of the ocean"; and of the same society Lodge says, in his Life of George Washington: "We must go back to Athens to find another instance of a society so small in numbers, and yet capable of such an outburst of ability and force." It was in the bosom of this community that the two famous men, whose names are indestructibly linked with the history of this county, Patrick Henry and John Randolph, were born and nurtured. Of Henry it may be safely said that he belongs to the same category of supreme orators as Demosthenes, Cicero, Chatham, and Mirabeau. Of that contemporary testimony of the most impressive character leaves us no room to doubt. Silas Deane, of Connecticut, who served in the Continental Congress with Henry, declares that he was the "completest speaker" that he had ever heard. Chief Justice John Jay, of New York, who also served with Henry in the Continental Congress, pronounced him on one occasion "the greatest of orators." This statement was made by Jay to Justice Iredell as Henry was about to begin his masterly argument in the celebrated British Debtors' cause at Richmond; and so deeply impressed, we are told, was Justice Iredell by this argument, that at one point in it he relieved his overwrought feelings with the exclamation, "Gracious God! He is an orator, indeed."

Of Henry, George Mason, a man of the first order of wisdom, among those who acted on the theater of the American Revolution, in the opinion of Jefferson, also said, "He is, by far, the most powerful speaker I ever heard." Of Henry, John Randolph, too, said, on one occasion, that the united powers of painting and eloquence could, alone, give a faint idea of what he was; on another, that "he spake as never man spake"; on another, that "he was Shakespeare and Garrick combined"; and on another, that "when Henry was speaking one felt like whispering to his neighbor, "Hush; don't stir, don't speak, don't breathe!" On still another occasion, when he was referring in the House of Representatives to a bill providing for a State-wide election for Presidential electors, which had been carried in the Virginia House of Delegates by a Democratic majority of only five votes, Randolph confidently affirmed: "Had Patrick Henry lived and taken his seat in the assembly, that law would never have been passed. In that case the electoral votes of Virginia would have been divided and Mr. Jefferson lost his election. Five votes, Mr. Chairman! Patrick Henry was good for five times five votes, doubled, in that body."

In his autobiography, Jefferson tells us that as a law student at Williamsburg he attended the debate in the House of Burgesses of Virginia over the Stamp Act and heard, to use his own words, "the splendid display of Mr. Henry's talents as a popular orator." "They were", he adds, "great, indeed; such as I have never heard from any other man. He appeared to me to speak as Homer wrote." In another place in his autobiography, Jefferson speaks of "the poetical fancy of Mr. Henry, his sublime imagination, his lofty and overwhelming diction."

Very glowing, too, is the description given us of Henry, as an orator, by the celebrated Presbyterian divine, Dr. Archibald Alexander, a preacher, for a time, in this county, and the first professor of the theological seminary, at Princeton. After assigning the chief place among Henry's rhetorical endowments to his "emotion and passion", he declares that Henry never indulged in an expression that was not instantly accepted as nature itself, and that he could not have achieved his oratorical triumphs but for a "matchless perfection of the organs of expression, including the entire apparatus of voice, intonation, pause, gesture, attitude, and indescribable play of countenance." "Caesar had his Brutus, Charles the First his Cromwell, and George the Third may profit by their example. If that be treason, make the most of it." These are familiar words from the lips of Henry that will endure as long as human civilization shall endure, and pass along with them, as they go, will that other flaming utterance of Henry's: "I know not what course others may take, but as for me, give me liberty or give me death." Imagine what one of us would feel if he could hear such words as those when set off by the matchless perfection of the organs of expression of which Dr. Alexander speaks. How world-wide, too, must have been the fame which caused Byron, an English poet, to picture Henry as

The forest-born Demosthenes
Whose thunder shook the Philip of the Seas!

When the people of this county come to place upon the walls of their historic courthouse the portrait of such a man as this, it seems to me that they might well do it almost in the reverent spirit of the builder of the Temple at Jerusalem, when he exclaimed: "Heaven, and the Heaven of Heavens cannot contain thee; how much less this house that I have built!"

It remains for me to say that Henry was not less admirable as a man than as an orator, for his religious convictions were even profounder than his political, and he was irreproachably faithful, besides, to every obligation of civic, social, and domestic life.

We are told that when Henry descended from his carriage, at this county seat, for the purpose of engaging in his memorable discussion with John Randolph, he received so much popular homage that a Baptist minister exclaimed reproachfully, "Mr. Henry is not a god!" and that Henry replied in tones of the deepest humility, "No, no, indeed, my friend; I am but a poor worm of the dust, as fleeting and unsubstantial as the shadow of the cloud that flies over your fields and is remembered no more." This belief, however, it is needless to say, was not shared by his time, for, after his death, over his grave at Red Hill, his home in this county, were inscribed simply these words: "His fame is his best epitaph." Nor is it shared by our time, for now, some 136 years after his death, Congress has just taken the first step toward making Red Hill a national shrine, consecrated, like Mount Vernon, Monticello, and Stratford, to genius and patriotism.

The renown of John Randolph, of Roanoke, as a parliamentary and popular orator and talker, is also sustained by an imposing mass of contemporary testimony. In a letter to Monroe, Jefferson mentions Randolph's popular eloquence "as giving him such advantages as to place him, unrivaled, as the leader of the House of Representatives."

In one of his writings, John Adams, our second President, credited Randolph with "brilliant wit, fine imagination, and flowing eloquence." Testifying, after Randolph's death, in the litigation over his will, John C. Calhoun said: "Mr. Randolph was generally regarded as a man of remarkable genius and great brilliancy, with uncommon sagacity and keenness in debate, and distinguished colloquial powers." "Wit and genius all allowed him", we are told by Senator Thomas H. Benton, of Missouri, who served in the House of Representatives with him. "For more than 30 years", Benton further says, "he [Randolph] was the political meteor of Congress, blazing with undiminished splendor during the whole time." "I have listened", said Churchill C. Cambreling, of New York, in the House of Representatives, "with delight and instruction to some of our disinguished rivals for parliamentary fame, to the simple, but persuasive and fascinating reasoning of a Lowndes, to the melodious and impassioned eloquence of a Clay, to the lucid, commanding, and solid argument of a Webster, but, for a combination and profusion of all the weapons of parliamentary war, of wit, irony, sarcasm, imagination, and eloquence, he [Randolph] was surpassed by none. Nay, sir, as a parliamentary orator, he was unequaled. He combined all the skill of a debater, the genius of a poet, with the patriotism and sound philosophy of a statesman."

In the judgment of S. G. Goodrich, of Connecticut, better known to my early life under the pen name of Peter Parley, Randolph was undoubtedly a man of genius. Indeed, Goodrich says that, at times, Randolph "seems almost inspired." "There is no speaker in either House that excites such universal attention as Jack Randolph", that charming writer, Washington Irving, wrote to a correspondent, on one occasion. "His genius and oratorical powers, language, voice, and gesture, cause him to be listened to as, perhaps, no other man was ever listened to in Congress",

George R. Gilmer, who was in the House, at one time, with Randolph, writes of him in one of his letters. "He attracted a crowded gallery", says James Buchanan, who was also, at one time, in the House with him, "when it was known he would address the House, and always commanded the undivided attention of his whole audience." "When he began to speak", wrote Phoebe Morris, from Washington, to her father, at Philadelphia, "What a silence reigned throughout the House. Everyone appeared to wait in anxious, almost breathless, expectation, as if to catch the first sound of his voice." Still more significant were the words of Horace Binney, the celebrated advocate, at a memorial meeting, in honor of Randolph, held in Philadelphia, after his death. "He has probably spoken to more listeners than any other man of his day; having been unrivaled in the power of riveting the attention by the force and pungency of his language, the facility and beauty of his enunciation, and the point and emphasis of his most striking manner."

To the same effect is the language of Hugh Blair Grigsby, the well-known historical writer of this county: "It is unquestionably his praise that, above all his contemporaries, he was successful in fixing the attention of his audience of every class and degree throughout his longest speeches." Francis Walker Gilmer, of Virginia, who, to borrow a thought from Edgar Allan Poe, doubly died in that he died so young, after hearing Randolph in the House, ends a description of him in his Sketches with the remark: "Popular opinion has ordained Mr. Randolph the most eloquent speaker now in America." Samuel C. Jewett, of Maine, too, after hearing Randolph in the House, wrote to Gen. H. A. S. Dearborn, of Massachusetts, that Randolph was truly a man of astonishing powers of mind, and that his language was elegant beyond description. In his Memories of Fifty Years, W. H. Sparks depicts the speeches of Randolph in the House as "brilliant and beautiful." In his published recollections, Jacob Harvey said that he would never forget, while life remained, the delight with which he had listened to Randolph's most captivating eloquence. Referring to Randolph's gift for ridicule, Lemuel Sawyer, who served in the House of Representatives with him, says in his memoir: "With this powerful lever, he could shake, if not move, from its foundations, any administration." Well, indeed, might Henry Adams, when speaking of the shining part that Randolph played in the discussions of the Tenth Congress, say that "his every track was a flash of golden fire."

Hardly less profound was the impression made by Randolph upon his auditors, when he was a member of the Virginia Constitutional Convention of 1829–30. By Jeremiah Bell Jeter, the distinguished Baptist divine when, recalling the proceedings of that convention, we are told that John Randolph was "unquestionably the most perfect orator" to whom, in the course of half a century, it had been his privilege to listen. As to the influence, exerted by Randolph over that convention, Hugh R. Pleasants, the Richmond editor, testifies: "He was like the musical director in the midst of an immense orchestra; the players and the instruments seemed to obey the slightest motion of his hand." Nor should I forbear to add that the thrilling eloquence of Randolph, on the hustings, has also been attested in a very vivid way by men who heard him address audiences in his own congressional district. This testimony is largely contained in a series of remarkably well-written papers, assembled—to his lasting credit be it said—by Powhatan Bouldin, a native, I believe, of this county. In his recollections, William B. Green, of this county, mentions a speech delivered by Randolph, at this county seat, in 1833, in support of a series of resolutions drawn by him, which condemned the nullification proclamation of Andrew Jackson, and, commenting on this speech, says: "He spoke for a considerable time with overwhelming power and unsurpassed eloquence."

Still more intensive are the recollections of James W. Bouldin, of this county. Describing a speech that Randolph made at Prince Edward Courthouse, Bouldin says: "He spoke for an hour, perhaps, and when he concluded I found myself musing and walking without any aim or object; and, looking around, found the crowd gradually dispersing in the same mood. The Rev. Moses Hoge was sitting in a chair opposite the speaker, and remained till I observed him, still with his mouth open and looking steadfastly in the same direction. Parson Lyle was standing by him. Said Mr. Hoge to Lyle: 'I never heard the like before, and I never expect to hear the like again.'" The Rev. Mr. Hoge, we should remember, was, himself, one of the most eloquent orators that southside Virginia has ever known. As to the reputation for distinguished colloquial powers, which Calhoun assigns to Randolph, it is enough to say that Jared Sparks, of Massachusetts, the distinguished historical writer, records, in his journal, his belief that, if the conversation that he had had with Randolph in the course of a stage journey were printed, it would be "quite as entertaining, profound, and versatile" as Randolph's recent speeches in the United States Senate had been. To this we need but add the words of Senator Thomas H. Benton: "He was the charm of the dinner table, where his cheerful and sparkling wit delighted every ear, lit up every countenance, and detained every guest."

Not the least salient feature of the different personal recollections of Randolph, which have come down to us, is the distinctness with which they bring home to us Randolph's physical characteristics and manner in speaking. From all accounts there was something strange, not to say outré, in his general appearance. He was 6 feet 2 inches in height, and very thin. His lower limbs were disproportionately long for his body, and his head was disproportionately small for his body, and rested, or seemed to rest, upon his very shoulders. His hair was light and glossy and worn long. His face, though a beautiful one in his youth, was, even at 30 years of age, a young-old face, pallid in hue from chronic ill-health and suffering, seamed with wrinkles, and beardless. His teeth were as white as ivory. His eyes were hazel, of the darkest hue, and are said to have absolutely blazed when kindled by the excitement of debate. They and his voice were the truly redeeming attributes of his physique. Apparently, few voices, even on the operatic stage, have ever been more admired than was his. Hugh Blair Grigsby terms it "a rich soprano" and says that during the sessions of the Virginia Constitutional Convention of 1829–30 its thrilling music fell upon the ear of that assembly like the notes of a bird singing in the pause of the storm. One of Randolph's auditors informs us that its inflections were so sweet and its emphasis so proper and varied, that there was a positive pleasure in hearing him speak any words whatsoever. Another says that Randolph's voice was as clear as the tones of a silver bell; another that it was as soft, as rich, and as delicious as the most mellifluous tones of Jenny Lind when she poured her whole soul into one of her breathing melodies.

In speaking, Randolph's manner was highly dignified, graceful, and commanding. He gesticulated but little, except with his long, bony, sarcastic forefinger, and his enunciation was so deliberate that it seemed as if he almost heeded points of punctuation as he spoke. The truth is, perhaps, that Hugh Blair Grigsby was not far wrong when he said that John Randolph was a consummate actor, and, in the philosophy of voice and gesture and in his pauses, as perfect an adept as ever trod the boards of a stage.

Of Randolph's infirmities, this is no time to speak. They were all referable to a high-strung temperament, unceasing ill-health, and a mental balance that more than once lost its poise. Suffice it to say that he was scrupulously honorable and upright in his private conduct, and, in public conduct, was actuated by as lofty motives as have ever shaped the political career of any native of Virginia—that State which Jefferson once termed "the good Old Dominion, the blessed Mother of us all", and the New England poet, James Russell Lowell, later termed "the Mother of States and unpolluted men." If he was more susceptible than most men are to the impulses of human resentment and animosity, we should not forget that he was more susceptible than most men are to the tenderest impulses of love and pity.

Last year that accomplished scholar, Dr. Fitzgerald Flournoy, of Washington and Lee University, in a letter to me, spoke of the woods of Charlotte County as "immortal woods." Such they were, and are, and ever will be, in the eyes of every true son or daughter of this county. As for myself, I need say only that on the Staunton Hill plantation, in this county, where I was born, there is a hill called Hunt's Hill, and that it has always been imperishably impressed upon my memory because unquestionably authentic testimony establishes the fact that this hill, uninhabitated and lonely as it is now, has been honored by the footsteps of both Patrick Henry and John Randolph, of Roanoke, two men of genius, if two men of genius there ever were.

Some time ago the happy thought occurred to my son David, who is, I am glad to say, fully alive to the noble traditions of this county, that the gift of a portrait of each of the great orators to whom I have been referring, to the people of this county, might be an acceptable one to them; and now that they have assured him that it would be, I present, on his behalf, to them, the two portraits which are to serve his purpose; believing, as I do so, that they will always, from generation to generation, be cherished by the local pride and patriotic instincts of this county.

THE PRESIDENT'S JACKSON DAY DINNER ADDRESS

Mr. ROBINSON. Mr. President, I ask unanimous consent to have printed in the RECORD the text of the address delivered by the President of the United States on the occasion of the Jackson Day dinner in Washington, D. C., January 8 last.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, my friends, on our dinner card tonight is a medallion portrait of a man who gave a memorable toast: "The Federal Union—it must be preserved!"

This meeting tonight, in the city of Washington, is one of many hundreds being held throughout our 48 States and Territorial possessions, and even on board ships at sea, in honor of the memory of a great general and President, Andrew Jackson. To all of you I extend my most sincere and heartfelt greetings.

I am happy to stand here tonight and declare to you that the real issue before the United States is the right of the average man and woman to lead a finer, a better, and a happier life. That was the same issue, more than 100 years ago, that confronted Andrew Jackson.

I speak tonight to this Democratic meeting—and to those Democratic meetings throughout the Nation—in the same language as if I were addressing a Republican gathering, a Progressive gathering, an Independent gathering, a Farmer-Labor gathering, a gathering of businessmen, or a gathering of workers or farmers. There is nothing that I say here tonight that does not apply to every citizen in the country no matter what his or her political affiliations may be.

It is true that we Americans have found party organizations to be useful, and indeed necessary, in the crystallization of opinion and in the demarcation of issues. It is true that I have received many honors at the hands of one of our great parties. It is nevertheless true that in the grave questions that confront

the United States today I, as President of the United States, must and will consider our common problems first, foremost, and preeminently from the American point of view.

To most of us Andrew Jackson appropriately has become the symbol of certain great ideals. I like best to think of him as a man whom the average American deeply and fundamentally understood. To the masses of his countrymen his purposes and his character were an open book. They loved him well because they understood him well—his passion for justice, his championship of the cause of the exploited and the downtrodden, his ardent and flaming patriotism.

Jackson sought social justice and fought for human rights in his many battles to protect the people against autocratic or oligarchic aggression.

If at times his passionate devotion to this cause of the average citizen lent an amazing zeal to his thoughts, his speech, and his actions, the people loved him for it the more. They realized the intensity of the attacks by his enemies, by those who, thrust from power and position, pursued him with relentless hatred. The beneficiaries of the abuses to which he put an end pursued him with all the violence that political passions can generate. But the people of his day were not deceived. They loved him for the enemies he had made.

Backed not only by his party but by thousands who had belonged to other parties, or belonged to no party at all, Andrew Jackson was compelled to fight every inch for the ideals and policies of the democratic Republic in which he believed. An overwhelming proportion of the material power of the country was arrayed against him. The great media for the dissemination of information and the molding of public opinion fought him. Haughty and sterile intellectualism opposed him. Musty reaction disapproved him. Hollow and outworn traditionalism shook a trembling finger at him. It seemed that sometimes all were against him—all but the people of the United States.

Because history so often repeats itself, let me analyze further. Andrew Jackson stands out in the century and a half of our independent history not merely because he was two-fisted and fought for the people's rights but because, through his career, he did as much as any man in our history to increase, on the part of the voters, knowledge of public problems and interest in their solution. Following the fundamentals of Jefferson he adhered to the broad philosophy that decisions made by the average of the voters would be more greatly enduring for, and helpful to, the Nation than decisions made by small segments of the electorate representing small or special classes endowed with great advantages of social or economic power.

He, like Jefferson, faced with the grave difficulty of disseminating facts to the electorate as a whole, was compelled to combat epithets, generalities, misrepresentation, and the suppression of facts by the process of asking his supporters, and indeed all citizens, to constitute themselves into informal committees for the purpose of obtaining the facts and of spreading them abroad among their friends, their associates, and their fellow workers.

I am aware that some wise-cracking columnist will probably say that good old Jackson no doubt realized that every red-blooded American citizen considered himself a committee of one anyway. Nevertheless, Jackson got his ideas and his ideals across, not through any luxurious propaganda but because the man on the street and the man on the farm believed in his ideas, his ideals, and his honesty; went out and dug up the facts and spread them abroad throughout the land.

History repeats—I am becoming dimly conscious of the fact that this year we are to have a national election. Sometimes at the close of a day I say to myself that the last national election must have been held a dozen years ago—so much water has run under the bridge, so many great events in our history have occurred since then. And yet but 34 months, less than 3 years, have gone by since March 1933.

History repeats—in these crowded months, as in the days of Jackson, two great achievements stand forth—the rebirth of the interest and understanding of a great citizenry in the problems of the Nation and an established Government which by positive action has proved its devotion to the recovery and well-being of that citizenry.

Whatever may be the platform, whoever may be the nominee of the Democratic Party—and I am told by the chairman that a convention is to be held to decide these momentous questions—the basic issue will be the retention of popular government, an issue fraught once more with the difficult problem of disseminating facts and yet more facts in the face of an opposition bent on hiding and distorting facts.

That is why organization—not party organization alone, important as that is, but organization among all those, regardless of party, who believe in retaining progress and ideals—is so essential.

That is why, in addition to organization, I make this specific recommendation—that each and every one of you who are interested in obtaining the facts and in spreading those facts abroad, each and every one of you interested in getting at the truth that lies somewhere behind the smokescreen of charges and countercharges of a national campaign, constitute yourself a committee of one. To do this you need no parchment certificate; to do this you need no title. To do this you need only your own conviction, your own intelligence, and your own belief in the highest duty of the American citizen.

To act as such a committee of one will need only your own appointment, an appointment which carries with it some effort, some obligation on your part to carry out the task you have assigned to yourself. You will have to run down statements made to you by others which you may believe to be false. You will need to analyze the motives of those who make assertions to you, to make an inventory in your own community, in order that you may check and recheck for yourself and thereby be in a position to answer those who have been misled or those who would mislead.

After my annual message to the Congress last Friday evening I received many appreciative letters and telegrams from all over the country, and I think it will interest you to know that within a few hours I received more of these than at any time since the critical days of the spring of 1933. I have carefully read those letters and telegrams and found two facts which are worthy of repeating to you tonight. The first is that a very large number were sent to me by families who evidently heard my message while grouped together in the family home. "My wife and I want you to know how much we appreciate", and so forth, or "the Jones family, gathered tonight with our friends, sends you this message of confidence." In other words, as greatly and perhaps even more greatly than on any other occasion since I have been in the White House, I have the definite feeling that what I have said about the great problems that face us as a Nation received a responsive, an appreciative, and an understanding answer in the homes of America. And I need not tell you that this means a lot to me.

The other interesting fact about these letters and telegrams is the very great number of them that come from businessmen, storekeepers, bankers, and manufacturers. The gist of their messages to me is that they appreciate and are grateful for my statement that it is but a minority in business and finance that would "gang up" against the people's liberties. I reiterate that assertion tonight. By far the greater part of the businessmen, industrialists, and other employers of the Nation seek no special advantage; they seek only an equal opportunity to share in the common benefits, the common responsibilities, and the common obligations of government.

I am naturally grateful for this support and for the understanding on their part that the Government of the United States seeks to give them a square deal and a better deal—seeks to protect them and to save them from being plowed under by the small minority of businessmen and financiers, against whom I shall continue to wage war.

We can be thankful that men and women in all walks of life realize more and more that government is a living force in their lives. They understand that the value of their Government depends on the interest which they display in it and the knowledge they have of its policies.

A government can be no better than the public opinion that sustains it.

I know you will not be surprised by lack of comment on my part tonight on the recent decision by the Supreme Court 2 days ago. I cannot and will not render offhand judgment without studying, with the utmost care, two of the most momentous opinions—the majority opinion and the minority opinion—ever rendered in any case before the Supreme Court of the United States. The ultimate results of the language of these opinions will profoundly affect the lives of Americans for years to come. It is enough to say that the attainment of justice and the continuance of prosperity for American agriculture remains an immediate and constant objective of my administration.

Just as Jackson roused the people to their fundamental duties as citizens, so must the leadership of this era do its utmost to encourage and sustain widespread interest in public affairs. There was something of the eternal youth in the spirit of Jackson. The destiny of youth became the destiny of America.

Tasks immediately before us are as arduous as the conquest of the frontier a century ago. The Nation is still young, still growing, still conscious of its high destiny. Enthusiasm and the intelligence of the youth of the land are necessary to the fulfillment of that destiny.

As I understand the temper of the people, particularly the temper of youth, no party of reaction, no candidates of reaction can fulfill the hope and faith of that everlasting spirit. It is the sacred duty of us who are vested with the responsibility of leadership to justify the expectations of the young men and women of the United States.

We are at peace with the world; but the fight goes on. Our frontiers of today are economic, not geographic. Our enemies of today are the forces of privilege and greed within our own borders.

And so I say to all of you, may a double portion of Old Hickory's heroic spirit be upon us tonight. May we be inspired by the power and the glory and the justice of his rugged and fearless life.

The people of America know the heart and the purpose of their Government.

They and we will not retreat.

MAINTENANCE OF PEACE—"LET'S HOLD FAST TO AMERICA"

Mr. DAVIS. Mr. President, in reference to Senate bill 3474, permit me to say that the most important issue before the American public today and in the days that are to come is the maintenance of peace. Confronted as we are by the pressure of many unsolved political and economic problems within our own borders we cannot afford to be plunged into the maelstrom of war. I shall favor every practical measure which will keep us in the paths of honorable peace, at home and abroad.

With the lessons of the World War still fresh in our minds, with unpaid war debts speaking to us every time we consider the financial ills of our Nation, and with ominous war clouds threatening the peace of the world, let us take every known precaution to establish our will to peace in the eyes of every nation before it is too late.

During our national history we have become embroiled in but two foreign wars. We were led into the War of 1812 and the World War of 1914 because our rights on the high seas were jeopardized. If we are to escape war in the future, we must make provision for our maritime relationships so that they will not again implicate us in strife.

We must be careful lest our sincere desire for peace leads to our betrayal into war as was the case 20 years ago. We must beware lest the pressure of organized peace propaganda thrust us into such a conspicuous position that we become an object of attack simply because we have spoken too fast and too soon. How many of us would care to see our country thus made the moral scapegoat for the rest of the world?

In this connection I ask unanimous consent to have printed in the RECORD the observations of Walter Pitkin in the January issue of the Farm Journal, of which he is editor. His editorial bears the title: "Let's Hold Fast to America."

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

[From the Farm Journal, January 1936]

Watch your step! One slip and you may be wiped out!

The power lunatics of the Old World prepare for bigger and better mass murder. We must keep out of the range of their guns. We must not cheer either side, lest the other side turn upon us. We must close our ears to the seemingly innocent bystander who tells us of the merits of some great gang.

Our only safety lies in absolute neutrality and aloofness, no matter what its price. (And the price will be heavy enough, no doubt, though not one one-hundredth so heavy as the price of war.) One more world war and we shall be ruined. We have thus far lost $55,000,000,000 on the last World War and gained nothing in return. (Is any sucker still fooled by any of the silly claims that we did gain something?)

Luckily, most older Americans are thoroughly disillusioned about war. What the American Legion men think about France, Germany, Italy, Belgium, Rumania, and other nations cannot be printed on a polite page. Whether they are right or not is beside the point. They will join up with the wildest pacifists in keeping us out of war.

But alas, we now have millions of younger citizens (many of them voters) who know the years 1914–18 only through story books and the tales told by veterans around the card tables. These millions haven't a glimmering of what is going on behind the scenes in the Old World, and youth never learns from age—only by its own hard bumps.

Three war gangs scheme to wreck the older and larger nations of the Old World and to seize choice parcels of their territories. By all odds the most powerful and most ruthless gang just now is that led by the Japanese generals and admirals, who put Dillinger to blush. They have just seized another vast tract of North China, using the mask of a comic puppet kingdom, which fools nobody. Just as fast as they think it safe to snatch more land from China, Russia, or Great Britain, they will snatch it. In fact, they admit it in ingeniously veiled phrases.

Tokio gangsters know that the Russians must have another 5 years' peace to push their stupendous job of creating an industrial state out of a medieval barbarism. They also know that the British will have a hard time holding their own against Italy in the Mediterranean. So the Japanese grow bolder with each passing day.

Were Mussolini to carry out his threat with his death squadron, and were these 125 fliers to be even half successful in their openly avowed plan to fly their bombing planes straight into British battleships and cruisers, blowing up themselves and their targets with superbombs, the British Navy would, in a single day, sink to the level of a third-class power—and the Japanese fleet would steam into Hong Kong within 30 days thereafter. The power of the British in the Far East would pass.

Would Russia move against Japan in that event? No. For it knows that Hitler publicly declares his intention to seize part of Russia as soon as he finishes his present program of arms and ammunition. So the plot of the great gangs is very simple: Italy and Japan will take the British for a ride, while Germany mops up Russia. A fair division of thuggery and a fair division of loot after the smoke clears away!

No wonder that some of the most powerful newspapers in England are now saying that England's only hope is not the League of Nations but rather an alliance with the United States. So declared Lord Beaverbrook just before Thanksgiving Day in an impassioned speech before the assembled trade-union leaders of Great Britain. We shall hear much more such talk before long. Make no mistake about that.

And what shall we say to those who suggest any alliance whatever? Simply this:

"Gentlemen! In every way everybody loses and nobody gains in the long run. We would rather lose all of our business with the great gangs than to side with any of them or against them all. Loss of foreign trade is petty beside the losses of any war, even a fourth-class one.

"If you start another European war or a Far Eastern war, we promise you complete and final ruin.

"We further promise you a brisk, bloody, and complete overthrow of your vaunted institutions by an impoverished and outraged mob of ex-soldiers, war widows, ruined businessmen, and idle workers. The victims of your imbecile war will outnumber those of you who retain influence and wealth. They will dispossess you of both and rightly, too, for you will have proved yourselves unfit to rule. No, thanks. We'll stay home and take care of ourselves, no matter what happens abroad."

A few weeks ago Mussolini sent to all Italian newspapers published in the United States a stern set of rules as to what they should and should not print; and how they should play up certain high lights about Italian activities in Africa.

A few Italian editors who happened to be more American than Fascist disclosed this censorship from Rome. We may expect similar disclosures in the future from other sources.

We are the richest nation on earth still, in spite of all our hard luck. We are also the most secure. Of course, every great gang wants us either on its side or else entirely out of the gun play. Of course, we must endure a withering barrage of propaganda during 1936. Let's be prepared in advance.

"Millions for defense, but not one cent for gangsters!"

SUPREME COURT DECISION IN A. A. A. CASE

Mr. DAVIS. Mr. President, I ask unanimous consent to have inserted in the RECORD an editorial from the Philadelphia Inquirer, under date of January 8, entitled "Still the Land of the Free."

The editorial comments on the opinion of the Supreme Court in the Agricultural Adjustment Administration case; and inasmuch as reference is made to one of the attorneys in the case who not so many years ago was a distinguished Member of this body, I am confident none of his former colleagues would interpose an objection.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

STILL THE LAND OF THE FREE

Wreckage of the invalidated Agricultural Adjustment Act today lies beside the ruins of the outlawed N. R. A. Thus fall, at a word from the Supreme Court of the United States, those regimented monstrosities which President Roosevelt, in October 1933 proudly acclaimed as the "pillars" of the New Deal. From the debris rises plain, old-fashioned Americanism.

The Court's 6-to-3 verdict against the A. A. A., amendments and all, is the best news this country has had since that epochal day last May when the Blue Eagle bit the dust. Affecting directly, perhaps, more persons than has any other decision by a Supreme Court in the history of the Nation, it shines forth as unqualified assurance that it is the Federal Constitution, and not that weird jumble which the President has termed "new instruments of public power", that still guides the Nation's destinies.

The majority opinion of the Court, as read by Justice Roberts, leaves no shadow of doubt concerning the fundamental illegality of the farm act. Congress has no constitutional power to enforce its commands upon the farmer to the ends sought by the law. It has no power to tax and spend to obtain compliance. It has no legal authority to regulate agriculture within the States. It should be noted that the majority of the Court holds that even were farm cooperation wholly voluntary, instead of being in part compulsory, the act would still be invalid.

Moreover, the majority clarifies to a degree the extent to which the "general welfare" clauses of the Constitution may be made the basis for specific legislation. In the interpretation of the Court majority, "general welfare" does not authorize the use of tax funds for any particular group. The clause means what it implies—taxing and spending for general, not special, welfare.

What this sweeping decision against A. A. A. may indicate concerning the fate of other controverted legislation of the New Deal it may be idle to speculate. Yet there can be little question that inherent in the Guffey coal-control law, the Bankhead Cotton Act, and the notorious hot-potato law, are the same regulatory philosophy and the same invasion of the rights of States which marked the foredoomed A. A. A. Nor are the Wagner Labor Act and the Wheeler-Rayburn utility law armored against some of the same accusations of invalidity which found A. A. A. vulnerable. It is significant that the majority decision declares that if the A. A. A.'s taxes were valid, all industry could be dominated by Congress through the same means.

With the grotesque farm program reduced to unspeakable chaos, there remains doubt as to what the Roosevelt administration, which has paid more than $1,000,000,000 to farmers for not producing crops and livestock, will contrive to offset this extreme blow to its prestige, its economic policies, and its Presidential election campaign strategy. Hundreds of millions of dollars in processing

taxes are left, by the decision, hanging in the air. Crop-curtailment contracts which call for payment of other hundreds of millions remain to be adjusted. Whatever the administration does to clear up this ghastly mess, it is plain that it must act within constitutional limits.

What now have the great planners, the Wallaces, the Tugwells, and all the rest of the goose-step crew to say for a policy which, in order to raise prices to the farmer, promulgated a reign of scarcity in a land that demands abundance? What of the 6,000,000 little pigs that became a sacrificial symbol of a Federal administration which set itself above natural law and sane economics? And what, it may reasonably be asked, is the status of President Roosevelt, who declared that A. A. A., no longer on an emergency basis, was to be a permanent institution?

The planners, the professors, the "brain twisters", and the President have suffered set-backs before in their career of making America over. But never have they been faced with such a gigantic, overwhelming failure, such a stupendous blunder as their fantastic A. A. A. Whence now will come the "gentle rain" of corn-hog checks which have kept the rural fields fertile for that joyous sower of partisan political seed, James A. Farley?

The Nation's millions of consumers have cause to give thanks that the artificial price kiting of the processing taxes has been eliminated. The market basket scores a victory at last. But by the same token there is no reason to believe that prices to the farmer will collapse in the wake of the A. A. A. decision. Rather, it would appear more likely that prices, freed from restraint, as in the historic case of the N. I. R. A., will go forward—and that without the inequitable rise in general living costs induced by the processing taxes. With the present industrial upswing dating from the overthrow of N. I. R. A., it is improbable that the extinction of A. A. A. can have anything but a beneficial effect on farm prosperity.

To a distinguished leader of the Philadelphia bar, George Wharton Pepper, should go a measure of the Nation's gratitude for A. A. A.'s death sentence. Nor will that day be forgotten, when, pleading the cause of America and the American people against the Roosevelt Regimenters of A. A. A. before the Supreme Court, former Senator Pepper cried: "I pray Almighty God that not in my time may the land of the regimented be accepted as a worthy substitute for the land of the free."

Thanks to the Supreme Court, America is still the land of the free.

RECORD OF THE NEW DEAL—ADDRESS BY GOVERNOR LEHMAN

Mr. COPELAND. Mr. President, last evening the able Governor of my State made a notable speech at the Jackson Day dinner in New York City. I ask unanimous consent that the address may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

[From the New York Times of Thursday, Jan. 9, 1936]

GOVERNOR LEHMAN'S ADDRESS TO DEMOCRATS ON NATION'S RECOVERY UNDER THE NEW DEAL

I am not here tonight to make a political speech. I would not invoke oratory even if I had the power to do so. I do not intend to appeal to emotions, passions, or partisanship. I come here as a former businessman for the purpose of laying before you a few simple facts with regard to the recent economic crisis in this country and our recovery from it. They are facts which too many of us are apt to take for granted; facts that have been discolored or submerged by a lot of political dispute, charge, and countercharge.

The years since the fall of 1929 will long stand out as a period of unusually acute world depression, in which the very souls of men were tried and in which the test of leadership was accomplishment toward social and economic recovery. Heavy as the responsibilities have been, it has been my great privilege to serve our State and its people during this critical period. I have had the opportunity of observing closely and at first hand the ever-changing scene and of playing some small part in stemming the relentless flood of disaster and in toiling for the recovery which happily has now come to us.

None of us will readily forget the situation in this country at the beginning of 1933. I recall only too vividly the nightmare of those gripping and heart-rending weeks. I recall the ever-increasing stream of men who sought, almost without hope, help and encouragement and leadership. Many of these men had for years been great leaders in industry, in commerce, in finance, and in the professions.

CRY FOR LEADERSHIP IN 1933 IS RECALLED

In those trying days of 1933 they were not rugged individualists; they were just a lot of tired and bewildered men. And well may there have been fear and panic and distrust. Men knew not where to turn or on whom to lean.

No one was wise enough to plan with confidence for the future; no one knew from day to day whether the economic and social fabric of our Nation would hold. The very future of our Nation was in the balance, and it was evident that we would safely emerge from the crisis only if leadership was wise and courageous and action vigorous and sound.

We cannot forget the critical plight of the banks at the beginning of 1933. Efforts were made by Government as well as by public-spirited individuals to protect the savings of millions of bank depositors and to safeguard the fruits of a lifetime of labor.

Unfortunately, hysteria and fright, together with lack of liquidity in many institutions, had placed upon the banking facilities of the country a burden so great that it could no longer be carried. Because of distrust and panic, people all over the country wanted their money, and even the soundest banks were unable to convert their assets into cash sufficiently rapidly to care for the insistent demands.

We have not forgotten the situation of our great life-insurance companies, endangered by the ever-increasing demands of policyholders for loans or surrender value of their policies.

Because I came in contact with so much of their suffering I remember vividly the thousands upon thousands of people out of employment and in need, who could not possibly be taken care of adequately through the resources of State and municipalities alone.

You and I recall the position of manufacturers and merchants whose business had fallen off so rapidly and so greatly that they were forced either to shut down or substantially to reduce their working forces. It takes no effort of memory to picture the unhappy financial status of even our strongest companies in 1932 and 1933. Corporation after corporation, firm after firm, showed deficits instead of the usual profits.

We remember the difficulties of the railroad companies in avoiding insolvency. At that time it looked as if the entire railroad system of the country inevitably would rapidly move into receivership.

Throughout the country home owners and property owners in larger and larger numbers were being foreclosed and dispossessed. The situation of agriculture was desperate. Prices were so low that the farmer could not get back even the money he had put into his production of commodities.

BANKRUPTCY WAS NEAR FOR MUNICIPALITIES

It is a matter of public record that the municipalities of this country, including New York City and many of the other large cities, were deeply embarrassed. They were powerless to finance even their current needs. Inability of property owners to meet their real-estate tax obligations and the unwillingness of financial institutions to extend further credit were rapidly bringing about municipal bankruptcy on a large scale. Had the threatened default of New York City become an actuality it would have rocked the entire municipal credit structure of this country.

That, in brief, was the situation in the spring of 1933. I have not overdrawn the picture. No honest person can deny the existence of a gripping fear and panic—indeed of almost complete economic paralysis. The country was sick well-nigh unto death, and our people were without hope. Old leadership was impotent.

If we were to survive, if we were to recover, it was necessary to replace distrust, suspicion, fear, and panic with a spirit of hopefulness and a deep determination to fight on. New leadership was needed—a leadership that would rally the fighting qualities of the American people—a leadership that would translate supine theorizing into vigorous and courageous action. That was the situation on March 4, 1933, when into the office of President of the United States stepped Franklin D. Roosevelt.

Three years have passed since March 1933. Much has happened. We talk glibly of regimentation, of constitutional safeguards, of rugged individualism. These terms mean many things to many people. In themselves they are mere catch phrases, slogans to be gloated over and to be used for political purposes. Clearly, the only real test in any undertaking is that of accomplishment.

CONSTITUTION HELD SACRED BY DEMOCRATS

No responsible public official wishes deliberately to impose unnecessary limitations or rules upon people and upon the freedom of their individual activities. The Constitution is as sacred to Democrats as to Republicans. Every public official, National, State, and municipal, desires, I am sure, so far as the circumstances permit, to have a balanced Budget.

I can testify from my own experience that the leaders of government worry their hearts out day and night with the problems of unemployment relief. What a great world it would be if we were only wise enough to find the answer to the problem of putting back at work more than 10,000,000 unemployed in the face of depleted purchasing power and the mounting tide of labor-saving machinery and tools!

But until we do, every public official, no matter what his political faith, can do no less than provide food and shelter to the needy unemployed. Who would dare do otherwise?

No thinking person could have expected that there would be no mistakes made in the fight against depression. No sincere person can claim that there have been no mistakes. Of course, there have been mistakes made, both in the Nation and in the State—I would not be honest if I claimed otherwise.

Emergencies call for action; and until our foresight is as good as our hindsight, only those men who are unwilling to act with decision and promptness can possibly hope to avoid mistakes. But, regardless of whether one is in agreement with every act and every policy, the fact is clear that progress—real progress—has been made all along the line. The record speaks for itself.

Our financial institutions, our savings banks, commercial banks, and trust companies were reopened as promptly after the Fourth of March as it was possible. Today they are happily stronger than ever. Their rapid recovery was not a matter of chance. It came after careful planning and the fullest cooperation of Federal and State Governments.

Their position has continuously improved because of careful and wise supervision, partial guaranty of deposits, increased liquidity, and very greatly enhanced security and investment values. As a result of the increased strength and the renewed confidence that

people have in our financial institutions, deposits have grown each year since 1933.

Although large numbers are still unemployed and the relief rolls are large, the deposits in mutual savings banks throughout the Nation had reached a total on July 1, 1935, of nearly $10,000,000,000, which is within 2 percent of the all-time high-peak record. The number of individual savings-bank accounts on July 1 was the largest in banking history, being nearly 14,000,000. That is certainly an indication of renewed confidence and prosperity.

INSURANCE COMPANIES A HEALTHY BAROMETER

Our insurance companies, guardians of the savings and protectors of the destinies of many millions of families throughout the country, are today as strong as ever in their history. Again their recovery was not just a matter of chance. It came through wise legislation, sound governmental supervision and the great advance that has taken place not only in securities but in the value of mortgages on farms, homes, and business properties.

The volume of business transacted by insurance companies is recording a healthy, steady growth. Could there be a better evidence of the thrift and restored confidence of the American people?

Whereas, in 1932 and the early part of 1933, manufacturers and merchants were facing actual deficits and in many cases threatened with bankruptcy, today they are in the main making money, and the outlook is promising.

I quote from an article from Thomas J. Watson, president of one of our largest corporations:

"Industrial activity stands at 80 percent as compared with 1929. Pig-iron production, which is a basic industry, was more than one-fourth greater in 11 months of 1935 than in the comparable period of 1934. It was one and one-half times the corresponding output of 1933 and was more than two and a quarter times that of 1932.

"These industrial gains have been reflected in corporation earnings and prices of shares. Net earnings of industrial corporations in 9 months of 1935 were 29 percent above 1934, and 54 percent above 1933, for corresponding periods. During the past 3 years we have had an increase in corporate share values of 97 percent, and during the year 1935 share values increased 32 percent."

And here are a few more figures: Electrical-power consumption increased almost 10 percent over last year, and it is now at its all-time high. Wool consumption increased 84 percent. It, too, is at an all-time high. Automobile production increased 35 percent. I am advised that production and sales of automobiles throughout the year 1935 not only surpassed all depression years but in many instances eclipsed former records of 1928 and 1929.

INCREASES RECITED IN INDUSTRIAL OUTPUT

Crude-oil production increased 9 percent. It is now at the highest point since 1929. The production of shoes increased 6 percent over 1934, and the production is today at the highest for all time. Copper production increased 20 percent. It is now at its highest point since 1931.

From the steel industry comes the report that the production of ingots for November 1935 was virtually twice as great as in November 1934. Total pay rolls were almost 50 percent higher than those paid in November 1934.

Construction contracts in 37 Eastern States in November 1935 were $180,000,000 as compared to $111,000,000 in 1934. Our railroad companies, for the first time in many years, are showing profits instead of deficits. Reports by 74 railroads show net earnings in November of $51,000,000, as compared to $32,000,000 for the same month of 1934. Carloadings in that month were the highest since 1931.

In summary, I would like to cite a few index figures taken from reliable business-activity indices. I shall compare March 1933 and November 1935.

New York Times business index rose from 63 in March 1933 to 96 in November 1935.

The Annalist index of business activity from 58 to 90.

Guaranty Survey index of business activity from 53 to 80.

Every one of these indices shows at least a 50-percent increase in business activity since March of 1933.

AGRICULTURE'S STATUS IS GREATLY IMPROVED

Likewise the position of agriculture has completely changed since 1932. Farm-cash income for October, the peak month for cash-crop marketing, is placed at $851,000,000, the highest monthly income since 1929. This is 22 percent above October 1934 and 102 percent over the same month in 1932.

It is estimated that total cash income for 1935 will reach nearly $7,000,000,000, compared with $6,383,000,000 last year, $5,117,000,000 in 1933, and low-water mark of $3,987,000,000 in the 12 months ended April 1933. In other words, from this 1933 figure there has been an increase of nearly $3,000,000,000 of farm income.

The record shows that there was not a single failure on the New York Stock Exchange during the entire year 1935. The market average of listed securities is 30 percent higher than a year ago. The value of securities listed on the New York Stock Exchange increased $2,000,000,000 in the month of December alone.

It is an interesting and significant fact that while American Government and corporation bonds sold on an average 2 points higher than in 1934, the average price of foreign bonds was 7 points lower than a year ago.

In 1933 the municipalities, including those of the highest credit standing, were frequently unable to borrow money, even at 6 percent. In September 1933 the credit of the city of New York was substantially restored under the so-called bankers agreement. This brought about such renewed confidence in municipal financing that the credit of all the municipalities of the country has been vastly and permanently strengthened. Today municipal credit is good. Today municipal securities have regained their original values.

The pages of every newspaper and of every trade journal show improvement both in actual conditions and in sentiment for the future. No one who lived through 1932 and the first half of 1933 can possibly doubt that the situation today is entirely different from what it was in those terrible days.

Confidence, hope, and vigorous optimism have replaced fear and panic. Relatively satisfactory earnings have taken the place of huge deficits. Dividends from business are increasing. Our banks, our insurance companies are solvent and making money.

Many railroad companies are out of the red for the first time in years. Merchants, manufacturers, service industries are doing well. The situation today is just as different from what it was in 1932 and the early part of 1933 as day is from night.

I promised you at the beginning of my remarks that I would confine myself to a careful submission of facts. The figures I have given speak for themselves forcefully and in unmistakable terms. They need no advocate or special pleading or explanation. They are unanswerable because they constitute a record of outstanding accomplishment toward recovery and prosperity.

May I say that these are times not for recrimination but for understanding, not for exaggerated statements but for sober, detached judgments, not of fear and concern but of confidence and courage.

The interests of the people of America are common. They are interdependent. With mutual understanding of the rights and interests of other groups, we should courageously and unitedly pursue the road of recovery to the point where the great numbers of American people may enjoy a high level of economic security, both during their working years and during their old age.

DECISION OF SUPREME COURT ON A. A. A. LAW

Mr. BANKHEAD. Mr. President, the decision by the Supreme Court in the Hoosac Mills case, holding that the processing tax levied in the Agricultural Adjustment Act is not enforceable on the ground that the proceeds from the tax are to be used for local agricultural purposes, sets up a judicial landmark which will stand out in the history of this country in the progressive efforts of the Supreme Court to establish in that Court power to supervise the action of the other two coordinate branches of the Government.

The Court stated in the majority opinion:

We approach its decision [the constitutionality of the act] with a sense of grave responsibility to render judgment in accordance with the principles established for the governance of all three branches of the Government.

The responsibility involved was one of asserting power in the Court to investigate and annul the exercise of the power which the other two branches of the Government believed they had the power under the Constitution to exercise.

The economic philosophy of the act involved is one which has caused widespread controversy between differing groups of economic philosophy. It seems that while there are very definite views on the wisdom of the act pro and con, the opinion of the majority of the court clearly indicates that a majority of the judges have very definite views on the wisdom of the act. Current newspaper reports state that the judge who delivered the opinion manifested emotion and pathos in his pronouncements of the reasons for destroying the essential features of the act. The opinion engages in a discussion of what the Court regards as many absurd things that Congress might hereafter do if the Supreme Court does not halt it in this case.

Many of the arguments sound very much like what would be expected from a legislator speaking in an effort to convince his political colleagues that the act under consideration was unwise and set a bad precedent.

The majority opinion held that Congress had the power to tax and to appropriate under what is commonly called the welfare clause. I quote from the opinion:

Since the foundation of the Nation sharp differences of opinion have persisted as to the true interpretation of the phrase. Madison asserted it amounted to no more than a reference to the other powers enumerated in the subsequent clauses of the same section; that, as the United States is a government of limited and enumerated powers, the grant of power to tax and spend for the general national welfare must be confined to the enumerated legislative fields committed to Congress. In this view the phrase is mere tautology, for taxation and appropriation are, or may be, necessary incidents of the exercise of any of the enumerated legislative powers. Hamilton, on the other hand, maintained the clause confers a power separate and distinct from those later enumerated, is not restricted in meaning by the grant of them,

and Congress consequently has a substantive power to tax and to appropriate, limited only by the requirement that it shall be exercised to provide for the general welfare of the United States. Each contention has the support of those whose views are entitled to weight. This Court has noticed the question but has never found it necessary to decide which is the true construction. Mr. Justice Story, in his commentaries, espouses the Hamiltonian position. We shall not review the writings of public men and commentators or discuss the legislative practice. Study of all of these leads us to conclude that the reading advocated by Mr. Justice Story is the correct one. While, therefore, the power to tax is not unlimited, its confines are set in the clause which confers it, and not in those of section 8, which bestow and define the legislative powers of the Congress. It results that the power of Congress to authorize expenditure of public moneys for public purposes is not limited by the direct grants of legislative power found in the Constitution.

At a later place in the opinion the Court said:

We are not now required to ascertain the scope of the phrase "general welfare of the United States" or to determine whether an appropriation in aid of agriculture falls within it. Wholly apart from that question another principle embedded in our Constitution prohibits the enforcement of the Agricultural Adjustment Act. The act invades the reserved rights of the States. It is a statutory plan to "regulate and control" agricultural production, a matter beyond the powers delegated to the Federal Government. The tax, the appropriation of the funds raised, and the direction for their disbursement are but parts of the plan. They are but means to an unconstitutional end.

The Court, after approving Hamilton's and Story's views on a proper construction of the welfare clause, points out that Story makes it clear that the powers of taxation and appropriation extend only to matters of national as distinguished from local welfare. As a necessary prerequisite for annulling the power of Congress to tax and appropriate for the welfare of agriculture, the Court finds that agriculture is a local rather than a national interest; and therefore, even with power in Congress to tax and appropriate for the general welfare without limitation of subjects, it cannot be done under the Constitution for agriculture on account of another section in the Constitution which reserves to the States or the people powers not granted in the Federal Constitution.

It is a most remarkable and astounding conclusion of fact by the Court that agriculture in this country is solely a local affair—just millions of farm units—and that aggregate crops, constituting a great stream of interstate and foreign commerce, always remain separate units from separate farms, local in their existence, and that no national interest is involved. It seems, however, to have been necessary for the Court to assert that conclusion in order to place its decision upon the ground that the act invaded the rights of the States.

It conceded that the general-welfare clause was a grant to Congress to tax and spend for purposes other than the specific grants of power contained in the same section and article of the Constitution. It denied, however, the application of that power to promotion of the welfare of agriculture on the ground that only matters involving "national welfare"—the Constitution uses the words "general welfare"—are included and that agriculture is made up of local conditions throughout the country. From that finding the Court based its holding that the States' rights doctrine prevented consideration of the general-welfare clause in this case.

It is also a strange and new construction when the Court holds that, notwithstanding there is express power in the Constitution to tax and appropriate for the general welfare, such action cannot be taken by Congress unless there is also a specific grant to tax and appropriate for the specific purpose on the theory that the rights reserved to the States prevent it.

This construction narrows to the point of practical destruction the power specifically granted to Congress to levy taxes to provide for the general welfare of the United States; and before concluding I shall attempt to point out the limitations put upon Congress by this decision.

The holding by the Court that agriculture is of purely local concern, ignoring the fact that distribution in interstate and foreign commerce as well as production is involved, is an astounding one. Whether the Court has reached that conclusion as a result of its right to take judicial notice of generally recognized and established conditions is not stated in the opinion. It is quite clear that such a conclusion cannot be based upon the facts in the record. It is also quite clear to any intelligent layman that the Court's conclusion on that point has no imaginative grounds of support.

The purpose of the act was to deal, in the aggregate, among other things, with the entire crop of cotton produced in 16 States, and its manufactured products sold in each State in the American Union. Surely that fact is known to every member of the Court. Since the establishment of our Government the balance of trade in favor of the United States has amounted to about $37,000,000,000. Raw cotton and cotton textile goods account for all of that balance of trade except approximately $3,000,000,000. Exports of cotton and the products thereof have brought to America practically all of the increase in national assets flowing out of our international commerce for nearly 150 years.

For many long years we have exported approximately 60 percent of the entire cotton crop, and for a number of years that trade brought to America from foreign countries nearly a billion dollars a year. The proceeds from that cotton, the Supreme Court seems to think, are a matter of local concern to the farmers and, therefore, only a local affair. The august Justices, while taking judicial notice of current affairs, should know, if they do not know, that practically all the money received for the sale of cotton ultimately moves into other sections of the United States in payment for the products of industry and for the products of wheat and corn throughout the West, and for specialty crops in Florida, California, and Texas.

Cheap cotton textiles are used by rich and poor alike everywhere. The continued supply of cotton and the financial capacity of the cotton growers to continue in the cotton production business are essential to this industry, of the very widest national importance. In view of this situation, recognized everywhere else, the Supreme Court has seen fit, as a ground for condemnation of the cotton-processing tax, to find that the general-welfare authority for the program cannot be invoked because the cotton industry is a local affair, cannot be made a national affair, and, therefore, the power to deal with its welfare in any way is by implication, reserved to the separate States.

I repeat that the foundation for the decision in this case crumbles unless it is held as a matter of law that the adjustment of the supply of cotton to the world's consumption demands is a matter which applies only to local and separate farms, and does not affect the general welfare of the United States. If that holding is not sound, then the Court has no basis for discarding the general-welfare power on the ground that its application is an invasion of the reserved rights of the States.

For the same reason it cannot hold that the "reserved rights" doctrine dominates this case.

The Court has declined to give effect to both clauses now under consideration. It holds that the reservation of rights not granted forbids the exercise of rights granted.

While, of course, wheat and corn and their products, and tobacco, and probably other agricultural commodities, have the same wide national interest, I am confining my statement chiefly to cotton because the case involves directly only cotton.

The decision of the Court is based upon findings of facts of which the Court assumes to have judicial knowledge. If the Court had been willing to recognize what I believe each Member of Congress, regardless of his attitude toward the Agricultural Adjustment Act or its wisdom, knows to be true—namely, that the cotton industry is affected with a broad national interest—then it would have been necessary for the Court to condemn the act on some ground other than that stated in the opinion. If the cotton industry is not viewed as solely a local one and its welfare left to the exclusive consideration of each separate State, then the power to tax and appropriate for the general welfare could not have been avoided by the Court; and it would have been necessary to find some other ground to pronounce the economic philosophy that is manifested by the written opinion.

In holding that legislation affecting the cotton industry was one of purely local application, the Court ignored and declined to give consideration to a finding by Congress contained in the Bankhead Cotton Act, which was before the Court and to which the Court's attention had been called. That finding was as follows:

It is prima facie presumed that all cotton and its processed products will move in interstate or foreign commerce.

The Court was dealing particularly with the cotton phase of the bill. It knew that Congress had made the finding just stated. In the face of that fact, the Court said, in effect, either the Congress had no right to make a finding of what constitutes a subject of national interest or ignored entirely its finding.

The Supreme Court has recognized the right of Congress to make findings on what matters affect the public interest. After declaring the first Grain Futures Act unconstitutional the Court, in the case of *Board of Trade* v. *Olson* (262 U. S. 1), said:

In the act we are considering Congress has expressly declared that transactions and prices of grain in dealing in futures are susceptible to speculation, manipulation, and control which are detrimental to the producer and consumer and persons handling grain in interstate commerce and render regulation imperative for the protection of such commerce and the national public interest therein.

It is clear from the citations, in the statement of the case, of evidence before committees of investigation as to manipulations of the futures market and their effect, that we would be unwarranted in rejecting the finding of Congress as unreasonable and that in our inquiry as to the validity of this legislation we must accept the view that such manipulation does work to the detriment of producers, consumers, shippers, and legitimate dealers in interstate commerce in grain and that it is a real abuse.

The question of price dominates trade between the States. Sales of an article which affect the country-wide price of the article directly affect the country-wide commerce in it. By reason and authority, therefore, in determining the validity of this act, we are prevented from questioning the conclusion of Congress that manipulation of the market for futures on the Chicago Board of Trade (mere local transactions) may, and from time to time does, directly burden and obstruct commerce between the States in grain, and that it recurs and is a constantly possible danger. For this reason Congress has the power to provide the appropriate means adopted in this act by which this abuse may be restrained and avoided.

Section 3 of the Grain Futures Act, upon which the above decision is predicated, is as follows:

SEC. 3. Transactions in grain involving the sale thereof for future delivery as commonly conducted on boards of trade and known as "futures" are affected with a national public interest; that such transactions are carried on in large volume by the public generally and by persons engaged in the business of buying and selling grain and the products and byproducts thereof in interstate commerce; that the prices involved in such transactions are generally quoted and disseminated throughout the United States and in foreign countries as a basis for determining the prices to the producer and the consumer of grain and the products and byproducts thereof and to facilitate the movement thereof in interstate commerce; that such transactions are utilized by shippers, dealers, millers, and others engaged in handling grain and the products and byproducts thereof in interstate commerce as a means of hedging themselves against possible loss through fluctuations in price; that the transactions and prices of grain on such boards of trade are susceptible to speculation, manipulation, and control, and sudden or unreasonable fluctuations in the prices thereof frequently occur as a result of such speculation, manipulation, or control, which are detrimental to the producer or the consumer and the persons handling grain and products and byproducts thereof in interstate commerce, and that such fluctuations in prices are an obstruction to and a burden upon interstate commerce in grain and the products and byproducts thereof and render regulation imperative for the protection of such commerce and the national public interest therein.

In the Grain Futures Act case the Court had held that an act along the same lines was an invasion of States' rights, but with this declaration by Congress in the new act the Court held that Congress had the power to make that declaration, and thereby removed it from the doctrine of the reserved rights of the States. With the declaration there pointed out by Congress, and to which the Court's attention had been specifically called, that they were dealing solely with the cotton tax, with an act all of which, not merely some of which, dealt with that subject, and that the commodity prima facie was presumed to move in interstate and foreign commerce.

The Court in the opinion I am now discussing has declined to follow the rule, without expressly overruling it, as laid down in the decision in the Grain Futures Act case. This decision is based upon the ground primarily that States' rights have been invaded in a local matter. Congress says it is not a local matter, in the case of cotton, as it said it was not in the matter of grain.

Faced with the declaration by Congress that trading in grain futures on the Chicago Board of Trade was affected by national public interest, the Supreme Court sustained the validity of the act regulating the exchange as within the power of Congress.

That the writer of the Triple A opinion labored upstream in working to the decision reached by the Court is evidenced by the conflicting statements in the opinion. At one place in the opinion it is stated:

It is not contended that this provision (the welfare clause) grants power to regulate agricultural production upon the theory that such legislation would promote the general welfare.

That is a most remarkable statement, in view of the briefs filed in the case. Shortly after that statement in the opinion the following statement appears:

Nevertheless, the Government asserts that warrant is found in this clause (the welfare clause) for the adoption of the Agricultural Adjustment Act. The argument is that Congress may appropriate and authorize the spending of moneys for the "general welfare"; that the phrase should be liberally construed to cover anything conducive to national welfare; that decision as to what will promote such welfare rests with Congress alone, and the courts may not review its determination; and, finally, that the appropriation under attack was in fact for the general welfare of the United States.

It is unfortunate that, in a case of such momentous consequences, in its immediate effects and as a new charter of power for the Supreme Court there should appear in a document of such historical and landmarking importance conflicting statements of fact by the Court itself.

The Court gravely holds that acreage-rental contracts made by the farmers are not voluntary but that benefit payments constitute the power to coerce or destroy. If the contracts were voluntary, then the reserved rights of the States were not violated. The voluntary sale or lease of lands to the Government for parks, forests, flood control, military camps, C. C. C. camps, and so forth, has never been regarded by bench or bar as a violation of States' rights. If the Government cannot make voluntary contracts with citizens of the States relating to subjects not specifically covered by specific grants of power, what becomes of the entire operations of the Home Owners' Loan Corporation, the Farm Credit Agency, and the Reconstruction Finance Corporation? The opinion further states that "if the cotton grower elects not to accept the benefits, he will receive less for his crops; those who receive payments will be able to undersell him. The result may well be financial ruin."

Upon statements of that sort the Court reached the conclusion that coercion, even honest coercion, was used to the extent that these contracts were not voluntary but were involuntary.

The Court reaches the finding of fact which I have just quoted on the basis of an abstract theory and without any support by the record. Its conclusion is totally erroneous, unauthorized, and unjustified. No one who is familiar with the actual administration of the act or who ever touched elbow to elbow with the cotton growers during the administration of the act would make any such assertion.

The finding of the Court is in direct conflict with the declaration of Congress. The Agricultural Adjustment Act states that the program is to be carried out "through agreements with producers or by other voluntary methods." It is supposed that the Court was passing on the law as written and would be guided by its language. Congress did not intend and did not provide for in the Triple A Act any program that was not entirely voluntary. Yet the Court now asserts that the law is unconstitutional because, although the law provides for voluntary cooperation, that members of the Court, looking under and beyond the language of the law, entertain the economic philosophy that the declaration

of Congress on the subject was a deception and a fraud. The Court seems to have labored under the impression that in order to avoid the application of the welfare clause and in order to hold that the program interfered with State rights it was necessary to reach the conclusion that the program was not a voluntary one on the part of the producers but that it was a compulsory program and based upon economic pressure.

The Court expressly predicates its invalidation of that part of the act under consideration on the ground that regardless of the power of Congress under the welfare clause to enact the law, it is foreclosed from doing so in this instance by another part of the Constitution reserving to the States the powers not delegated.

In short, the Court says that under the welfare clause the power to tax and to spend for the promotion of agriculture is granted to Congress if the object is the promotion of the national welfare; still, and notwithstanding that express grant, Congress cannot exercise the specific power granted, because of the State rights reservation.

The power granted to Congress in the welfare clause is as specific a grant as the others contained in the Constitution, though it may be more elastic. Why does the reserved-rights doctrine forbid Congress from exercising the "welfare" power and have no application to the other powers granted to Congress?

It is disturbing to have a program of such widespread value and touching the lives and fortunes of so many millions of people knocked down and destroyed, not because of any quoted provision of the Constitution or of any previous judicial decision, but solely because of the views of a majority of the judges on the effect of the application of the program, namely, whether a farmer who rents land to the Government for compensation does so voluntarily or under economic compulsion.

It is also disturbing for the Court to generate unhappiness and despair and also to start millions of people back to the poverty and starvation days growing out of excessive production as a result of their opinion that the plan provided by Congress, and expressly declared by Congress to be entirely a voluntary one, is in fact and in truth not what Congress provided—namely, a voluntary plan.

The statement of the Court "If the cotton grower elects not to accept the benefits, he will receive less for his crops; those who receive payments will be able to undersell him" is the most astonishing one in the entire finding of facts by the Court. In fact, it shows total ignorance of the practical operation of the program. The assertion may help the conclusion that the program is compulsory, but unfortunately the assertion is not supported by the true facts.

It was pointed out in the minority opinion that in 1934, 6,343,000 acres of productive cotton land, 14 percent of the total, did not participate in the plan, and in 1935, 2,790,000 acres, or 6 percent of the total, did not participate, and that of the total number of farms growing cotton, 33 percent did not participate in 1934 and 13 percent in 1935.

The known facts are that those who did not participate profited most, notwithstanding the assertion of fact to the contrary by our great Supreme Court. The Government paid 3½ cents per pound as rental based upon the average yield on the land during the 5-year base period adopted. The average yield during the same period was approximately one bale to 3 acres. For renting the 3 acres the farmer got $17.50 and had one bale less to sell. In 1934 and 1935 cotton averaged about $60 a bale. With practically the same supply of stock and labor the additional acreage upon the average farm could have been planted and with very small additional cost. The noncooperating farmer received $60 from his 3 acres, while the cooperating farmer received $17.50.

For reasons above stated, many farmers, in the exercise of their rights, refused to cooperate. The economic coercion drove them toward noncooperation from the standpoint of their immediate crop returns. These farmers, however, gradually came to understand and appreciate the fact that the cooperative rental program was responsible for the $60 a bale they were getting for their cotton, whereas before the program they were getting from $25 to $30 a bale. As a result of that understanding the number cooperating increased, but there was no sort of compulsion on them. They rented for the purpose of getting a higher price upon the cotton produced on the unrented land, and which they realized would be a larger amount than they would get if all farmers planted their previous cotton acreage.

The statement "those who receive payments will be able to undersell him" is one that will cause every cotton farmer in the South to laugh at the cotton intelligence of the learned judge who rendered the opinion and the judges who concurred. Cotton sells everywhere throughout the Cotton Belt at the world price, and that price is largely fixed at Liverpool. There is an open market every day in the year at prevailing uniform prices for all cotton offered on the market. To the cotton trade the cooperating producer and the noncooperating producer look exactly alike. They make no inquiry. They look at nothing but the bale of cotton. It will astound the people in the Cotton Belt to find that the Supreme Court has judicially determined that a cotton farmer will reduce the price of his cotton in order to undersell his neighbor. Who ever heard of such a thing before?

I had supposed that the members of the Supreme Court knew that the farmer has nothing to do with fixing the price of his cotton. I had supposed that the members of the Supreme Court knew that the buyers fix the price of all farmers' products. According to the declaration of the learned Court that a farmer receiving benefits would undersell those not receiving benefits, the same rule would, of course, apply to those having different cost of production. According to the view of the learned Court there is constant menace to the price of cotton growing out of the ability of farmers who have the richest land or have the lowest cost of production to rush into the market and push down the price of cotton because they can afford to undersell their less fortunate neighbor.

I have always had great respect for the courts. I think it is one of the most valuable attributes of American citizenship that the courts are held in high esteem and respect, and that there is with all good citizens a prompting to willingly obey the mandates of the courts. That respect, however, cannot always be blindly maintained unless the courts deserve it. For the sake of the respectful attitude of millions of men and women and children throughout the Cotton Belt who would laugh to scorn the statements of fact above quoted upon which the decision in this case largely rests, I very much hope that appropriate action will be taken by the Court to expunge them from the record.

If State rights have been invaded, as the Court seems to think, through economic coercion and the fear and danger of unfair trade competition in the matter of cotton prices, and it develops that such coercion and such trade menace does not exist, then upon what does this remarkable decision stand? Can Congress go into the States voluntarily, as Congress declares it was doing in this case, and avoid in any way the charge of the Supreme Court that it is not doing what it declared it intended to do?

Under the decision in this case many of the long-practiced activities of the Government must be discontinued. The decision holds that unless there is a specific grant of power the general-welfare clause cannot be exercised except for the national welfare as distinguished from local welfare. If the great national industry of agriculture spreading across the continent from the Atlantic to the Pacific Oceans covering cotton, wheat, corn, barley, oats, rice, and tobacco, and providing the food and clothing for all the people in the Nation does not affect the national welfare, then it is most difficult to sustain countless Government activities.

In the dissenting opinion, Judge Stone points out a number of Government appropriations which are used locally that must fall under the condemnation of the decision in this case because there is no specific grant in the Constitution under which they are made, other than the welfare clause. In addition to appropriations on the happening of earthquakes, fires, tornadoes, pestilence, and floods, all of which involve purely local welfare, there are many fields

heretofore occupied by the Government which must be abandoned.

Appropriations for boll-weevil control are purely local if cotton is not recognized as involving national welfare. Appropriations for suppression of grasshopper epidemics, for the corn borer, and for tree insects fall under the same condemnation.

What specific authority is there in the Constitution for appropriations for flood control involving, among others, the great Mississippi River project? While the area involved is relatively large and the values of property involved are enormous, nevertheless the Mississippi Valley, which is to be safeguarded by the Mississippi River flood-control project, is a local area. Who can say, under the Supreme Court decision, that it involves the general welfare? Agriculture does not, as we are now advised.

Appropriations for agricultural experiment stations are used for local projects. If Congress follows the Supreme Court decision, these wonderfully useful projects must disappear.

There is no specific grant in the Constitution for the payment of old-age pensions. Until this time support of the aged has been accepted by the public as a local responsibility. It involves individuals in numerous localities. No one but the Supreme Court can now say whether the general welfare is involved in caring for the aged, the crippled, and helpless children. Let the friends of the Social Security Act understand now that if the Supreme Court adheres to its broad pronouncement in the A. A. A. case, the social-security program, of necessity, goes into the discard. That includes not only old-age pensions but the workmen's unemployment insurance.

Let the advocates of the Townsend plan direct their petitions and their efforts to the judiciary. Members of Congress cannot afford to violate their oaths to support the Constitution. That means, of course, as construed by the Supreme Court.

What about the Extension Service, the land-grant colleges, vocational rehabilitation, vocational education and public health, the Home Owners' Loan Corporation, the Farm Credit Agency, and R. F. C.? There is no specific grant covering them. Do taxes and appropriations for them provide for the national welfare, as distinguished from a local activity, such as the Supreme Court holds agriculture to be?

Ask the Supreme Court. They are the sole judges under the Triple A decision.

It seems quite evident, judging by recent declarations by the Supreme Court, that progressively the Bankhead Cotton Act, the Smith-Kerr Tobacco Act, the Costigan-Jones Sugar Act, the Warren Potato Act, the Guffey Bituminous Coal Act, the Social Security Act, and possibly the T. V. A. Act will be repealed by the Supreme Court.

It is unfortunate, from the viewpoint of those of us who have always upheld the courts and intend to continue to do so, and who believe in the orderly processes established by the Constitution for conducting public affairs, that the present members of the Supreme Court are so generally believed to be influenced by their economic philosophy and by their views that the Constitution is not sufficiently elastic to cover a progressive social and economic evolution.

I beg to call attention to the following statement from the dissenting opinion delivered by Mr. Justice Stone, and concurred in by two other great justices. I call the statement to the special attention of those who may charge that I am unduly criticizing the Supreme Court:

> The power of courts to declare a statute unconstitutional is subject to two guiding principles of decision which ought never to be absent from judicial consciousness—

This is a statement by the minority following the conference of the justices in which the A. A. A. Act was condemned—

> One is that courts are concerned only with the power to enact statutes, not with their wisdom. The other is that while unconstitutional exercise of power by the executive and legislative branches of the Government is subject to judicial restraint, the only check upon our own exercise of power is our own sense of self-restraint. For the removal of unwise laws from the statute books appeal lies not to the courts but to the ballot and to the processes of democratic government.

That is a remarkably clear statement of the situation and will ring with increasing force down through the years to come. Mr. Justice Stone ably points out that there is an appeal from the action of unconstitutional exercise of power by the other two coordinate branches of the Government, but there is no appeal from the failure to exercise self-restraint by the Supreme Court. It is clear that the judge was expressing his view of the unrestrained attitude of the majority judges toward certain legislation.

Mr. FLETCHER. Mr. President, would it bother the Senator if I should interrupt at that point? If he prefers, I will wait until he concludes.

Mr. BANKHEAD. I should prefer not to break into the continuity of my statement at this time.

Mr. FLETCHER. Very well; I merely wanted to call attention to one provision of the Constitution.

Mr. BANKHEAD. Mr. President, the minority opinion delivered by Mr. Justice Stone is a legal classic. It upholds our form of representative government and the power of the representatives of the people in Congress to deal with the public purse, under the general-welfare clause as well as under the specific grants, and without the Court's arrogating to itself the power of nullification influenced by the viewpoint of judges that the legislation is wise or unwise.

In view of the remarkably clear presentation of the case, in the opinion by Mr. Justice Stone, I feel that it is important to make it available to the public libraries and to students of a representative government. I ask unanimous consent that immediately following my remarks the opinion of Mr. Justice Stone, concurred in by two other able judges, namely, Mr. Justice Brandeis and Mr. Justice Cardozo, be printed in the RECORD.

The PRESIDING OFFICER (Mr. ASHURST in the chair). Is there objection? The Chair hears none, and the dissenting opinion will be printed in the RECORD at the conclusion of the remarks of the Senator from Alabama.

(See exhibit A.)

Mr. BANKHEAD. Mr. President, the practical question presents itself, What are we going to do about it? Is there any way under orderly processes by which the Congress can protect itself from the action of a coordinate branch of the Government in divesting Congress of powers that it believes it possesses? I submit that problem for the thought and consideration of those who are interested in it, but without proposing at this time any definite formula as an answer.

For my own part, and speaking now primarily in the interest of agriculture, I do not propose to accept a defeatist attitude until other plans have been presented to Congress and every reasonable effort made to send them on their legislative and administrative way so that the Court may have another opportunity to pass upon the power of Congress to exercise the power granted to it under the welfare clause of the Constitution.

At present, but reserving the right to change my views as a result of further study of developments, I favor proceeding along the following general lines:

First. Pass a separate and independent bill relevying the processing tax as a general revenue measure.

Second. I favor an appropriation by Congress out of the general funds of the Treasury in a suitable and reasonable amount, and placing the funds at the disposition of the Secretary of Agriculture. The majority opinion contains the following statement:

> By the Agricultural Adjustment Act the amount of the tax is appropriated to be expended only in payment under contracts whereby the parties bind themselves to regulation by the Federal Government. There is an obvious difference between a statute stating the conditions upon which moneys shall be expended and one effective only upon assumption of a contractual obligation to submit to a regulation which otherwise could not be enforced. Many examples pointing the distinction might be cited.

In arriving at the conclusion that the voluntary plan set up in the Agricultural Adjustment Act was not a voluntary

plan but was one of coercion, the Court laid considerable stress upon the requirements in the rental contracts that the farmers should comply with the Government regulations. This difficulty can be removed by observing the distinction pointed out by the Court and, instead of securing contracts of the type condemned by the Court, let the Secretary announce a formula for acreage adjustment followed with an assurance that on proof of full compliance with the formula the Government would pay benefit payments or a bounty. Such a program would entirely remove the objections now entertained by the Court based upon the idea that the contracts, when executed, constitute a form of compulsion and would follow the distinction which the Supreme Court appears to be willing to recognize.

Third. I favor a finding and declaration by Congress, as was done in the Grain Futures Act, that production and distribution of basic agricultural commodities directly affect interstate and foreign commerce and also directly affect the general welfare of the United States.

If Congress cannot appropriate money for bounties, benefits, or subsidies, then the shipping interests will be left high and dry. If it cannot appropriate money for a bonus, then the ex-service man will be made very unhappy. If it cannot appropriate money for benefits, then, of course, it cannot appropriate money for the relief of the aged, and at the same time the appropriation for the relief of the millions of unemployed will fall by the wayside.

There are doubtless groups of people in this country who are now rejoicing because of the apparent destruction of the farmers' program as contained in the Agricultural Adjustment Act. When these groups come to realize the sweeping and all-embracing effect of the decision on the power of Congress to make appropriations and realize that their own hopes are likely to be frustrated, there will doubtless be a difference in the attitude of millions of American people.

I propound the question with all seriousness: Is it possible that views on the wisdom of this particular legislation had either a conscious or unconscious influence upon the block of so-called conservative judges who laid down this new rule of State rights in the face of, and with express rejection of the application of, a specific grant to Congress?

The Court, more than once in the opinion, in discussing the power of Congress to invade State rights, attempted to show that the adjustment program was compulsory, or that the economic pressure was equivalent to compulsion. It said:

> The Congress cannot invade State jurisdiction to compel individual action; no more can it purchase such action.

It said at another place in the opinion:

> Congress has no power to enforce its command on the farmer to the ends sought by the Agricultural Adjustment Act. It must follow that it may not indirectly accomplish those ends by taxing and spending to purchase compliance.

It further said:

> It does not help to declare that local conditions throughout the Nation have created a situation of national concern, for this is but to say that whenever there is a widespread similarity in conditions Congress may ignore constitutional limitations upon its own powers and usurp those reserved to the States.

I hope the friends of true remedial and progressive measures will comprehend the full significance of that statement.

The last statement quoted is totally faulty for two reasons: First, it assumes that, however widespread local agricultural conditions may be and although they may affect every community and every interest in the country, still agricultural affairs cannot become a matter of national interest. It is also faulty and unsound for the reason that it totally rejects the power of Congress under the welfare clause to spend for agriculture, if the condition of agriculture affects the national welfare.

In short, the Court recognizes the power of Congress to spend under the welfare clause on subjects affecting the national welfare, but holds that agriculture can in no event affect the national welfare.

It is disturbing to thoughtful citizens who understand the fallacy of that judicial conclusion, because the declaration of the Court requires the Government to deal with farming as millions of separate units. It excludes the idea that processors, distributors, and consumers in the cities everywhere, who are dependent upon the products of the farm, have no interest in agriculture as an industry. It is the first pronouncement that has been made by any branch of this Government that agriculture and its welfare are not a subject of national interest.

It is not my view that the Agricultural Adjustment Act has been destroyed and declared unconstitutional by the decision in the Hoosac Mills case. That judgment dealt only with a review of the judgment rendered by the circuit court of appeals. The only point under consideration was the enforcement of the processing tax and the plan for spending that tax money. The Supreme Court held that the collection of the tax could not be enforced because it was levied and appropriated for a purpose beyond the power of Congress. I do not know what conclusion would have been reached by the Court if the appropriation of the processing tax for specific agricultural purposes had not been contained in the Agricultural Adjustment Act. No one doubts the power of Congress to levy a processing tax as a revenue measure.

In justice to myself as a member of the Senate Committee on Agriculture and Forestry who supported the Agricultural Adjustment Act, I beg to state that in the amendments I proposed the elimination from the bill of the section appropriating the tax. I was supported in that view by able lawyers upon the Senate Committee on Agriculture and Forestry. Our view, however, was not acceptable to others whose agreement was necessary.

There are many phases of the Agricultural Adjustment Act which have not been touched or invalidated by the decision. It seems to me that the way is clear for us to rewrite the Agricultural Adjustment Act without including any tax provision and also eliminate the acreage contracts, which have so profoundly shocked the consciences of the Supreme Court majority. The real and true friends of the farmers, and all who recognize the value to all interests in this country, of purchasing power in the hands of nearly half of our total population, will not quietly retire and meekly refrain from further efforts to work out an agricultural program if one can be found not in conflict with the decision rendered by the Court.

When an appropriation is made to be used by the Secretary of Agriculture in a beneficial adjustment program, if there are those who desire to contest the power of Congress to make appropriations for that purpose, a splendid opportunity will be afforded to test also the legality of countless appropriations that are annually made for useful governmental purposes, but which can be sustained only by reference to the general-welfare clause.

It should not be forgotten that only the original Agricultural Adjustment Act was before the Court. The amendments passed during the last session of Congress made many changes in the original act and added new provisions. That act is still in effect, except that phase of it relating to the processing taxes and the appropriation of the taxes for agricultural-production control.

It is inevitable that a race of production will take place this year if Government aid in securing an adjustment of production is abandoned. Price recessions will not immediately occur because the supply of basic farm commodities is reasonably adjusted except in the case of cotton. With new crops prices will decline under the operations of the law of supply and demand. If this administration is deprived of aiding farmers to get a fair price through methods heretofore so successfully employed, it has another way to accomplish the same result. Speaking only for myself, I very much hope that power will be exercised by the administration. If it becomes necessary, the President can protect farm prices by increasing the currency. He has the power and I think he should exercise it to issue currency against all the silver owned by the Government and against the gold profits now lying sterile in the Treasury.

It seems incredible that a currency expansion, covered by 100-percent gold, could in any way impair the soundness of

our money. Expansion of the currency within the stated limits will doubtless protect farm prices.

Having concluded my formal statement, I am glad now to yield to the Senator from Florida [Mr. FLETCHER].

Mr. FLETCHER. Mr. President, perhaps it is not quite in order, but the Senator suggested that some measure may be introduced to meet the objections raised by the Supreme Court. In considering legislation on this subject I desire to draw attention to a provision of the Constitution found in section 2, article III, page 384, of the Senate Manual. The language is very plain, and yet I do not know of precedents and I do not know whether the question reaches as far as it might seem to reach. I do not know of an instance where Congress has attempted to impose exceptions and regulations such as this section provides. Section 2, article III, of the Constitution reads as follows:

> In all cases affecting ambassadors, other public ministers and consuls, and those in which a State shall be party, the Supreme Court shall have original jurisdiction. In all the other cases before mentioned, the Supreme Court shall have appellate jurisdiction, both as to law and fact, with such exceptions, and under such regulations as the Congress shall make.

That seems to me an important provision. As I say, it is possible that Congress heretofore has not attempted to make exceptions or to enact regulations limiting or restricting the jurisdiction of the appellate court; but under this provision of the Constitution has not Congress the power and the right to do it?

This whole subdivision of the Constitution, article III, bears on the subject of the judicial power of the United States, and in section 2 the Constitution outlines the jurisdiction of the Court. Then this provision also is inserted, which says that Congress shall have power to make exceptions and regulations in connection with appellate jurisdiction.

Mr. BANKHEAD. I think the Senator from Florida has made a very valuable contribution to the problems now confronting us. Of course, I assume that most Senators have given some thought to the question presented by the Senator from Florida; namely, whether or not Congress should limit, in some reasonable way, the power of the Supreme Court to act on matters on which Congress says they should not act.

I think it is clear, from a reading of the article of the Constitution cited by the Senator, that Congress has the power to make all exceptions from that jurisdiction that Congress sees fit to make. The Constitution gave the Supreme Court both original and appellate power, and then, as the Senator has pointed out, made that general power, that all-embracing power which they have exercised since the foundation of the Government, subject to exceptions which Congress in its wisdom may see fit to adopt; and, of course, if the present trend shall continue, it may become necessary for Congress to recognize that situation and take suitable action.

EXHIBIT A

SUPREME COURT OF THE UNITED STATES

No. 401.—October Term, 1935

United States of America, Petitioner, v. *William M. Butler et al., Receivers of Hoosac Mills Corporation.* On writ of certiorari to the United States Circuit Court of Appeals for the First Circuit. (January 6, 1936)

Mr. Justice STONE: I think the judgment should be reversed.

The present stress of widely held and strongly expressed differences of opinion of the wisdom of the Agricultural Adjustment Act makes it important, in the interest of clear thinking and sound result, to emphasize at the outset certain propositions which should have controlling influence in determining the validity of the act. They are:

1. The power of courts to declare a statute unconstitutional is subject to two guiding principles of decision which ought never to be absent from judicial consciousness. One is that courts are concerned only with the power to enact statutes, not with their wisdom. The other is that while unconstitutional exercise of power by the executive and legislative branches of the Government is subject to judicial restraint, the only check upon our own exercise of power is our own sense of self-restraint. For the removal of unwise laws from the statute books, appeal lies not to the courts but to the ballot and to the processes of democratic government.

2. The constitutional power of Congress to levy an excise tax upon the processing of agricultural products is not questioned. The present levy is held invalid, not for any want of power in Congress to lay such a tax to defray public expenditures, including those for the general welfare, but because the use to which its proceeds are put is disapproved.

3. As the present depressed state of agriculture is Nation-wide in its extent and effects, there is no basis for saying that the expenditure of public money in aid of farmers is not within the specifically granted power of Congress to levy taxes to "provide for the * * * general welfare." The opinion of the Court does not declare otherwise.

4. No question of a variable tax fixed from time to time by fiat of the Secretary of Agriculture, or of unauthorized delegation of legislative power, is now presented. The schedule of rates imposed by the Secretary in accordance with the original command of Congress has since been specifically adopted and confirmed by act of Congress, which has declared that it shall be the lawful tax. Act of August 24, 1935, — Statute —. That is the tax which the Government now seeks to collect. Any defects there may have been in the manner of laying the tax by the Secretary have now been removed by the exercise of the power of Congress to pass a curative statute validating an intended, though defective tax (*United States* v. *Heintzen & Co.*, 206 U. S. 370; *Graham & Foster* v. *Goodcell*, 282 U. S. 409; cf. *Milliken* v. *United States*, 283 U. S. 15). The Agricultural Adjustment Act as thus amended declares that none of its provisions shall fail because others are pronounced invalid.

It is with these preliminary and hardly controverted matters in mind that we should direct our attention to the pivot on which the decision of the Court is made to turn. It is that a levy unquestionably within the taxing power of Congress may be treated as invalid because it is a step in a plan to regulate agricultural production and is thus a forbidden infringement of State power. The levy is not any the less an exercise of taxing power because it is intended to defray an expenditure for the general welfare rather than for some other support of government. Nor is the levy and collection of the tax pointed to as effecting the regulation. While all Federal taxes inevitably have some influence on the internal economy of the States, it is not contended that the levy of a processing tax upon manufacturers using agricultural products as raw material has any perceptible regulatory effect upon either their production or manufacture. The tax is unlike the penalties which were held invalid in the *Child Labor Tax case* (259 U. S. 20), in *Hill* v. *Wallace* (259 U. S. 44), in *Linder* v. *United States* (268 U. S. 5, 17), and in *United States* v. *Constantine*, decided December 11, 1935, because they were themselves the instruments of regulation by virtue of their coercive effect on matters left to the control of the States. Here regulation, if any there be, is accomplished not by the tax but by the method by which its proceeds are expended, and would equally be accomplished by any like use of public funds, regardless of their source.

The method may be simply stated. Out of the available fund payments are made to such farmers as are willing to curtail their productive acreage, who in fact do so and who in advance have filed their written undertaking to do so with the Secretary of Agriculture. In saying that this method of spending public moneys is an invasion of the reserved powers of the States, the Court does not assert that the expenditure of public funds to promote the general welfare is not a substantive power specifically delegated to the National Government, as Hamilton and Story pronounced it to be. It does not deny that the expenditure of funds for the benefit of farmers and in aid of a program of curtailment of production of agricultural products, and thus of a supposedly better ordered national economy, is within the specifically granted power. But it is declared that State power is nevertheless infringed by the expenditure of the proceeds of the tax to compensate farmers for the curtailment of their cotton acreage. Although the farmer is placed under no legal compulsion to reduce acreage, it is said that the mere offer of compensation for so doing is a species of economic coercion which operates with the same legal force and effect as though the curtailment were made mandatory by act of Congress. In any event it is insisted that even though not coercive the expenditure of public funds to induce the recipients to curtail production is itself an infringement of State power, since the Federal Government cannot invade the domain of the States by the "purchase" of performance of acts which it has no power to compel.

Of the assertion that the payments to farmers are coercive, it is enough to say that no such contention is pressed by the taxpayer, and no such consequences were to be anticipated or appear to have resulted from the administration of the act. The suggestion of coercion finds no support in the record or in any data showing the actual operation of the act. Threat of loss, not hope of gain, is the essence of economic coercion. Members of a long-depressed industry have undoubtedly been tempted to curtail acreage by the hope of resulting better prices and by the proffered opportunity to obtain needed ready money. But there is nothing to indicate that those who accepted benefits were impelled by fear of lower prices if they did not accept, or that at any stage in the operation of the plan a farmer could say whether, apart from the certainty of cash payments at specified times, the advantage would lie with curtailment of production plus compensation, rather than with the same or increased acreage plus the expected rise in prices which actually occurred. Although the Agricultural Adjustment Act was put into operation in June 1933, the official reports of the Department of Agriculture show that 6,343,000 acres of productive cotton land, 14 percent of the total, did not participate in the plan in 1934, and 2,790,000 acres, 6 percent of the total, did not participate

in 1935. Of the total number of farms growing cotton, estimated at 1,500,000, 33 percent in 1934 and 13 percent in 1935 did not participate.

It is significant that in the congressional hearings on the bill that became the Bankhead Act (48 Stat. 598), as amended by act of June 20, 1934 (48 Stat. 1184), which imposes a tax of 50 percent on all cotton produced in excess of limits prescribed by the Secretary of Agriculture, there was abundant testimony that the restriction of cotton production attempted by the Agricultural Adjustment Act could not be secured without the coercive provisions of the Bankhead Act. See hearing before Committee on Agriculture, United States Senate, on S. 1974, Seventy-third Congress, second session; hearing before Committee on Agriculture, United States House of Representatives, on H. R. 8402, Seventy-third Congress, second session. The Senate and House committees so reported, Senate Report No. 283, Seventy-third Congress, second session, page 3; House Report No. 867, Seventy-third Congress, second session, page 3. The report of the Department of Agriculture on the administration of the Agricultural Adjustment Act (Feb. 15, 1934, to Dec. 31, 1934), page 50, points out that the Bankhead Act was passed in response to a strong sentiment in favor of mandatory production control "that would prevent noncooperating farmers from increasing their own plantings in order to capitalize upon the price advances that had resulted from the reductions made by contract signers."[1] The presumption of constitutionality of a statute is not to be overturned by an assertion of its coercive effect which rests on nothing more substantial than groundless speculation.

It is upon the contention that State power is infringed by purchased regulation of agricultural production that chief reliance is placed. It is insisted that, while the Constitution gives to Congress, in specific and unambiguous terms, the power to tax and spend, the power is subject to limitations which do not find their origin in any express provision of the Constitution and to which other expressly delegated powers are not subject.

The Constitution requires that public funds shall be spent for a defined purpose, the promotion of the general welfare. Their expenditure usually involves payment on terms which will insure use by the selected recipients within the limits of the constitutional purpose. Expenditures would fail of their purpose and thus lose their constitutional sanction if the terms of payment were not such that by their influence on the action of the recipients the permitted end would be attained. The power of Congress to spend is inseparable from persuasion to action over which Congress has no legislative control. Congress may not command that the science of agriculture be taught in State universities. But if it would aid the teaching of that science by grants to State institutions it is appropriate, if not necessary, that the grant be on the condition, incorporated in the Morrill Act (12 Stat. 503, 26 Stat. 417), that it be used for the intended purpose. Similarly it would seem to be compliance with the Constitution, not violation of it, for the Government to take and the university to give a contract that the grant would be so used. It makes no difference that there is a promise to do an act which the condition is calculated to induce. Condition and promise are alike valid, since both are in furtherance of the national purpose for which the money is appropriated.

These effects upon individual action, which are but incidents of the authorized expenditure of Government money, are pronounced to be themselves a limitation upon the granted power, and so the time-honored principle of constitutional interpretation that the granted power includes all those which are incident to it is reversed. "Let the end be legitimate," said the great Chief Justice, "let it be within the scope of the Constitution, and all means which are appropriate, which are plainly adapted to that end, which are not prohibited, but consist with the letter and spirit of the Constitution, are constitutional" *McCulloch* v. *Maryland* (4 Wheat. 316, 421). This cardinal guide to constitutional exposition must now be rephrased so far as the spending power of the Federal Government is concerned. Let the expenditure be to promote the general welfare, still, if it is needful in order to insure its use for the intended purpose to influence any action which Congress cannot command because within the sphere of State government the expenditure is unconstitutional. And taxes otherwise lawfully levied are likewise unconstitutional if they are appropriated to the expenditure whose incident is condemned.

Congress, through the Interstate Commerce Commission, has set aside intrastate railroad rates. It has made and destroyed intrastate industries by raising or lowering tariffs. These results are said to be permissible because they are incidents of the commerce power and the power to levy duties on imports. See *Minnesota Rate cases* (230 U. S. 352), *Shreveport Rate cases* (234 U. S. 342), *Board of Trustees of the University of Illinois* v. *United States* (289 U. S. 48). The only conclusion to be drawn is that results become lawful when they are incidents of those powers but unlawful when incident to the similarly granted power to tax and spend.

Such a limitation is contradictory and destructive of the power to appropriate for the public welfare and is incapable of practical application. The spending power of Congress is in addition to the legislative power, and not subordinate to it. This independent grant of the power of the purse, and its very nature, involving in its exercise the duty to insure expenditure within the granted power, presuppose freedom of selection among divers ends and aims and the capacity to impose such conditions as will render the choice effective. It is a contradiction in terms to say that there is power to spend for the national welfare while rejecting any power to impose conditions reasonably adapted to the attainment of the end which alone would justify the expenditure.

The limitation now sanctioned must lead to absurd consequences. The Government may give seeds to farmers but may not condition the gift upon their being planted in places where they are most needed, or even planted at all. The Government may give money to the unemployed but may not ask that those who get it shall give labor in return or even use it to support their families. It may give money to sufferers from earthquake, fire, tornado, pestilence, or flood, but may not impose conditions—health precautions designed to prevent the spread of disease, or induce the movement of population to safer or more sanitary areas. All that, because it is purchased regulation infringing State powers, must be left for the States, who are unable or unwilling to supply the necessary relief. The Government may spend its money for vocational rehabilitation (48 Stat. 389), but it may not, with the consent of all concerned, supervise the process which it undertakes to aid. It may spend its money for the suppression of the boll weevil but may not compensate the farmers for suspending the growth of cotton in the infected areas. It may aid State reforestation and forest fire prevention agencies (43 Stat. 653) but may not be permitted to supervise their conduct. It may support rural schools (39 Stat. 929, 45 Stat. 1151, 48 Stat. 792) but may not condition its grant by the requirement that certain standards be maintained. It may appropriate moneys to be expended by the Reconstruction Finance Corporation "to aid in financing agriculture, commerce, and industry", and to facilitate "the exportation of agricultural and other products." Do all its activities collapse because, in order to effect the permissible purpose, in myriad ways the money is paid out upon terms and conditions which influence action of the recipients within the States which Congress cannot command? The answer would seem plain. If the expenditure is for a national public purpose, that purpose will not be thwarted because payment is on condition which will advance that purpose. The action which Congress induces by payments of money to promote the general welfare, but which it does not command or coerce, is but an incident to a specifically granted power, but a permissible means to a legitimate end. If appropriation in aid of a program of curtailment of agricultural production is constitutional—and it is not denied that it is—payment to farmers on condition that they reduce their crop acreage is constitutional. It is not any the less so because the farmer at his own option promises to fulfill the condition.

That the governmental power of the purse is a great one is not now for the first time announced. Every student of the history of government and economics is aware of its magnitude and of its existence in every civilized government. Both were well understood by the framers of the Constitution when they sanctioned the grant of the spending power to the Federal Government, and both were recognized by Hamilton and Story, whose views of the spending power as standing on a parity with the other powers specifically granted have hitherto been generally accepted.

The suggestion that it must now be curtailed by judicial fiat because it may be abused by unwise use hardly rises to the dignity of argument. So may judicial power be abused. "The power to tax is the power to destroy", but we do not, for that reason, doubt its existence or hold that its efficacy is to be restricted by its incidental or collateral effect upon the States. (See *Veazie Bank* v. *Fenno*, 8 Wall. 533; *McCray* v. *United States*, 195 U. S. 27; compare *Magnano Co.* v. *Hamilton*, 292 U. S. 40.) The power to tax and spend is not without constitutional restraints. One restriction is that the purpose must be truly national. Another is that it may not be used to coerce action left to State control. Another is the conscience and patriotism of Congress and the Executive. "It must be remembered that legislators are the ultimate guardians of the liberties and welfare of the people in quite as great a degree as the courts." (Justice Holmes, in *Missouri, Kansas & Texas R. R. Co.* v. *May*, 194 U. S. 267, 270.)

A tortured construction of the Constitution is not to be justified by recourse to extreme examples of reckless congressional spending which might occur if courts could not prevent expenditures which, even if they could be thought to effect any national purpose, would be possible only by action of a legislature lost to all sense of public responsibility. Such suppositions are addressed to the mind accustomed to believe that it is the business of courts to sit in judgment on the wisdom of legislative action. Courts are not the only agency of government that must be assumed to have capacity to govern. Congress and the courts both, unhappily, may falter or be mistaken in the performance of their constitutional duty. But interpretation of our great charter of government which proceeds on any assumption that the responsibility for the preservation of our institutions is the exclusive concern of any one of the three branches of government, or that it alone can save them from destruction, is far more likely in the long run "to obliterate the constituent members" of "an indestructible Union of indestructible States" than the frank recognition that language, even of a constitution, may mean what it says: that the power to tax and spend includes the power to relieve a Nation-wide economic maladjustment by conditional gifts of money.

Mr. Justice Brandeis and Mr. Justice Cardozo join in this opinion.

[1] Whether coercion was the sole or the dominant purpose of the Bankhead Act, or whether the act was designed also for revenue or other legitimate ends, there is no occasion to consider now.

THE PRESIDENT'S RECENT ADDRESS TO CONGRESS

Mr. HASTINGS obtained the floor.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Harrison	Nye
Ashurst	Connally	Hastings	O'Mahoney
Austin	Coolidge	Hatch	Overton
Bachman	Copeland	Hayden	Pittman
Bailey	Costigan	Holt	Pope
Bankhead	Couzens	Johnson	Radcliffe
Barbour	Davis	Keyes	Robinson
Benson	Dickinson	King	Russell
Bilbo	Dieterich	Lewis	Schwellenbach
Borah	Donahey	Logan	Sheppard
Brown	Duffy	Lonergan	Smith
Bulkley	Fletcher	McAdoo	Steiwer
Bulow	Frazier	McGill	Thomas, Okla.
Burke	George	McKellar	Thomas, Utah
Byrd	Gerry	McNary	Trammell
Byrnes	Gibson	Minton	Truman
Capper	Glass	Moore	Vandenberg
Caraway	Gore	Murray	Van Nuys
Carey	Guffey	Norbeck	Wagner
Chavez	Hale	Norris	White

Mr. ROBINSON. I reannounce the absence of certain Senators as announced by me on the former roll call, and the reasons therefor.

The PRESIDING OFFICER. Eighty Senators having answered to their names, a quorum is present.

Mr. HASTINGS. Mr. President, upon Friday, when the Congress convened, arrangement was made at the President's request for a joint session to hear the President of the United States. At 9 o'clock at night, with the floodlights of the House trained upon him, and with the wavelengths of the radio monopolized, his fellow countrymen heard one of the most remarkable addresses ever delivered upon the state of the Union. It was truly a fighting speech. The President told the autocrats abroad and the autocrats at home how he could hate when he wanted to hate, and demonstrated how easy it was for him to write and speak hateful words which could be so readily understood by the people he hated.

He undertook to make plain, without mentioning them, the countries he intended to abuse. These words, instead of promoting peace, may very well be taken by those countries as a deliberate effort to create a controversy. The autocrats at home are the industrial and financial groups which, he says, have dominated the Government for the 12 years which succeeded the World War; that is, from the beginning of the Harding administration until the end of the Hoover administration; in other words, between the two Democratic administrations, of Wilson and Roosevelt. This demonstrates that the speech was not wholly nonpartisan, after all, and that the President did have some interest in convincing his radio audience, as well as the Democrats in Congress, that there would be some danger of returning to an autocracy if he were not reelected.

I do not think the President gave a full and complete picture of the state of the Union in his radio broadcast Friday night.

I should like to be permitted to state some pertinent things about the state of the Union which the President did not mention; or, putting it in another way, I think the President would have been more nearly accurate and would have presented a better picture of what his administration had done if he had said something like this:

The candor which should guide us in our dealings with each other permits me to tell you that the state of the Union is not so good. For 34 long months I have been President of the United States. It will be remembered that in my election I received a certain mandate from the people. I had promised to reduce Government expenses by 25 percent, to abolish and consolidate useless bureaus, and to eliminate waste and extravagance. I promised that Government expenses should not exceed the income, or, in other words, that the Budget would be balanced. I promised to maintain sound money at all hazards. I promised to keep the Government out of business, and I also promised to enforce the antitrust laws, as well as a lot of other things that I knew were for the best interests of the Government.

In my inaugural address I called attention to the fact that we must put our national house in order and make our income balance the outgo. Six days later I addressed a special message to the Congress, calling attention to the fact that by the end of the fiscal year 1934 there would be an accumulated deficit of $5,000,000,000 unless the Congress followed the suggestions I then made.

I am sorry to report that I have not been able to keep the promises made about the reduction of Government expenses; and you, of course, know without my telling you that I was not able to keep the deficit within the five billions I mentioned on March 10, 1933, even though the Congress was good enough to grant me the power requested.

I cannot quite explain to the Congress what it was that went wrong with my fiscal plans. I must say to you frankly that we know not whither we are going. Our national debt has reached the stupendous figure of more than thirty and one-half billion dollars. This is a new high record for all time. It is billions higher than when my administration took charge of your Government on March 4, 1933, and just now, as the Congress convenes, the picture of the future has a dreary appearance. Our deficit is increasing and increasing; with only 6 months of the current year gone by, our Federal deficit has reached nearly $2,000,000,000. Let me emphasize that this is for only a period of 6 months. What it will be at the end of the next 6 months is a matter of speculation. Waste and extravagance in the conduct of your Government have led us into a morass of financial trouble from which we can extricate ourselves only by a display of the utmost determination and courage.

Since last I addressed you on the state of the Union the Treasury has been busy borrowing money. This has helped somewhat to confuse our fiscal affairs. Yet with all this skyrocketing of expenditures, as we spend $2 for every dollar we take in, as our deficit and our debt enlarge, and as we go merrily along borrowing more and more, I am happy to tell you that we are approaching a balancing of the Budget, and that for the moment there is no danger of any new taxes.

It seems to me that it is not too much to say that we have come upon evil times. Unemployment continues to be with us, the number of the unemployed being, according to no less an authority than the American Federation of Labor, 11,672,187. This is true notwithstanding the fact that I have spent billions of the people's money in trying to improve this situation. Today, however, many of our people are still in need of relief; many are without shelter, despite the efforts of my friend, Dr. Tugwell. Just why this should be true, in view of the fact that recovery is here, is something I cannot explain to the Congress. With all of the millions of dollars that have been expended in order to bring about this recovery, I have been able to find jobs for only 30 percent of those who were unemployed. It is not quite fair to say that we planned it this way, although I do not like to admit that any of my plans have failed. I want you to know, however, that experiments proceed, particularly in rural electrification, emergency housing, and the resettlement administration. These are ambitious programs, but I do not think that at this time I should burden you with any of their details. I am sure time will cure all things, and I beg of you to have no fear.

Doubts cloud my mind as to the relief program beginning with the next fiscal year, but we have invited battle, and selfish interests and economic autocrats shall not prevail. We have already established the greatest bureaucracy in history. More than 100 new agencies have been created; machine politics governs practically all appointments to these bureaus. Today I can report to you that approximately 200,000 Government employees are outside the civil service. Our regular pay roll has been increasing rapidly during my administration, until today there are more than 800,000 Federal employees. In addition to that we had more than 100,000 Triple A agents engaged on a per-diem basis, and only last month the number of persons receiving Government pay checks reached the astounding figure of 9,047,956. It

will be observed that we have thus succeeded in increasing the number of persons receiving monthly checks until their number equals about 25 percent of all of the votes cast in the last general election, and the Government dispenses to these persons the huge sum of $5,387,555,364 annually.

Our commerce is depreciating in value and in quantity. In practically no time at all, pursuing our present policies, American boats will no longer be needed on the high seas. We have recently repaired our tariff walls. We have negotiated reciprocal-tariff treaties, and as a result of so doing we have lost foreign markets for our farmers, and now import commodities we used to export. We are, however, I assure you, good neighbors. We are, for the present at least, at peace abroad. At home we wage war. Your Government is now striving its best to arouse class hatreds, to pit class against class, and your Executive leads this battle.

I think, however, that with respect to the importation of foreign products, I ought to explain to you that I permitted Mr. Wallace to kill too many pigs and prohibit the farmers from planting enough wheat and enough corn. But this is not because we did not plan it properly. It was due to an "act of God" in refusing to send the rain which we expected under normal conditions. But I ask my countrymen, how in the world was I to tell that "it wasn't going to rain any more"?

There is another condition in the country to which I think I ought to call your attention. One of the things that has bothered me the most is the Federal Constitution. We have departed from the Americanism of our forefathers to take up the socialistic doctrines which abound in alien lands. We have done this wherever we could under the terms of the Constitution, and we have interpreted the Constitution in accordance with the ideas prevailing with the best brains that are around and about me.

One of our latest digressions from the doctrine of those who have gone before us is the effort of our Government to wipe out State lines, destroy the autonomous governments of our Commonwealths, and centralize in Washington, removed from the control of the economic autocrats, the new United States autocracy. Only recently members of my cabinet have recommended that we divide these United States into 10 or more Federal subcapitals. This is somewhat along the line which leads to the heart of socialism, and it has been approached with great deliberation. These recommendations follow closely the concept of the proposed Constitution for the "Socialist Commonwealth of America." That instrument was drafted by the Socialist Lawyers' Association, upon which committee served such distinguished men as Felix Cohen, E. Michael White, David I. Asche, and Jacob Karo. Article 6 of this constitution of the Socialist Commonwealth of America provides for regional government. Article 6 reads as follows:

> It shall be the duty of Congress to divide the territory of the commonwealth into such regions as it may determine for the purpose of limited self-government and shall issue to such regions charters of local self-government.
>
> The charters for each particular region shall be drafted by a convention elected by the inhabitants of that region and after adoption by a majority of such inhabitants shall be submitted to Congress for its approval.

I have no recommendations to make upon this subject at the present time. I think it needs careful study before any action is taken upon it.

In conclusion, while I have neglected to be specific about certain things in which you are interested, let me assure you that I have no desire to be evasive. I repeat that we are going through difficult times. Out of this situation it is most difficult for any one man to grasp the details of government. But we must advance. There must be no retreat. It will probably be necessary to spend much more money. I want to leave with you one thought. It is not actually a recommendation, but you might bear in mind this little couplet:

> Borrow and spend—in November to win,
> Let's squander ten billions; come, pals, pitch in;
> Do not hesitate, do not fear,
> We must do it—this is election year.

Mr. ROBINSON. Mr. President, the Senator from Delaware [Mr. HASTINGS], being unable to answer to his own satisfaction the address of the President, presumes to tell the Senate of the United States and the country what the President should have said in his message to Congress. If this speech of the Senator from Delaware had occurred anywhere else than on the floor of the Senate, it would be criticized by everyone who heard it as an unparalleled impertinence. If the President of the United States should take the conception of the Senator from Delaware as his ideal of duty in discharging his exalted responsibilities, the country would be horrified.

The Senator from Delaware is bold—I cannot say arrogant; the rules of the Senate do not permit that—when he rises here and assumes to speak for the President of the United States. The one certain way to make doubtful the utterance of the President would be to make it approvable by the Senator from Delaware. The latter stands for everything to which the President is opposed. He stands against almost everything that the majority of his colleagues on the other side of the Chamber favor.

The Senator from Delaware referred during the course of his remarks to conditions pertaining to unemployment, and he blamed the President for them. The President in his address, which the Senator has impliedly criticized, made a challenge to the Senator from Delaware of which the latter has taken no notice. "If you are against the measures that have been taken, then why do you not propose their repeal?" My retort to your answer would be that the great majority of your colleagues voted for all of them.

One significant fact which the able Senator from Delaware ignores in his remarks is that under the administration of President Roosevelt conditions which, if not brought about by the administration for which the Senator from Delaware stands, in any event existed at their termination, conditions that appalled the people of this Nation, have been materially improved. The record shows, and the Senator from Delaware is familiar with it—I assume that he is familiar with it, because he admits that he has knowledge of current events—that the business of the country has greatly improved, and that many of the important enterprises in which our people are engaged are approaching the peak of all time.

The Senator from Delaware is a master in the use of irony and sarcasm. One would not think it from hearing him talk, but he is really a good fellow at heart; and I know when he rises in this Chamber, and has no argument to make in which he has real confidence, that he resorts to the strategy which he has employed this afternoon. He may attempt impliedly to ridicule the President's message to Congress if he pleases, but deep down in his heart he cannot escape the conviction that the message rang from limit to limit of this country, and contained a challenge which he has neither the courage nor the ability to meet.

I heard the Senator from Iowa [Mr. DICKINSON], my candidate for Republican nominee for President [laughter], make some side remarks during the course of my observations. What they were, I do not know. I say "my candidate for Republican nominee for President" because I think he represents just what the Senator from Delaware stands for; and if Roosevelt cannot defeat any candidate on that sort of a platform in every State in this Union in 1936, then I confess—what the Senator from Delaware would now maintain to be true—that I am no political prophet. [Laughter.]

Mr. President, the Senator from Delaware proposes nothing. He advocates nothing. He is a little galled in the withers, a little sore on the back, a little lame on foot, a little stammering in speech when he refers to the remarks of the President of the United States arraigning the Senator from Delaware and those who stand with him for their lack of loyalty to the real cause of the people of the United States.

What did the Senator suggest should be done? What proposals does he make? The answer is, none.

It is easy to criticize. Even one with less intelligence than the Senator from Delaware demonstrates can criticize; but the real test, both of patriotism and of intelligence, is the





ability to suggest something helpful when reform or advancement is needed.

I had not expected to say anything. In conclusion of my remarks I should like to impress on the mind of the Senator from Delaware, if it be possible to do so, that he does not speak for the President. He cannot tell the President what to say; and if he has nothing to say for himself, he had better keep silent. [Laughter.]

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. THOMAS of Oklahoma. Mr. President, another body of the Congress is now considering the bill (H. R. 9870) to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes. Inasmuch as this bill will probably be acted upon by the other body within the next day or two, and will then come to the Senate, and because of the general interest in the measure throughout the country, I ask unanimous consent that the bill as reported by the Ways and Means Committee of the House of Representatives be printed in the RECORD at this point in connection with my remarks.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma? The Chair hears none, and it is so ordered.

The bill (H. R. 9870) to provide for the immediate payment of the World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes, as reported by the Committee on Ways and Means of the House of Representatives, is as follows:

Be it enacted, etc., That notwithstanding the provisions of the World War Adjusted Compensation Act, as amended (U. S. C. 1934 ed., title 38, ch. 11), the adjusted-service certificates issued under the authority of such act are hereby declared to be immediately payable. Payments on account of such certificates shall be made in the manner hereinafter provided upon application therefor to the Administrator of Veterans' Affairs, under such rules and regulations as he may prescribe, and upon surrender of the certificates and all rights thereunder (with or without the consent of the beneficiaries thereof). The payment in each case shall be in an amount equal to the face value of the certificate, except that if, at the time of application for payment under this act, the principal with respect to any loan upon any such certificate has not been paid in full by the veteran (whether or not the loan has matured), then the Administrator shall (1) pay or discharge such unpaid principal in such amount as is necessary to make the certificate available for payment under this act, (2) deduct the same from the amount of the face value of the certificate, and (3) make payment in an amount equal to the difference between the face value of the certificate and the amount so deducted.

SEC. 2. In the case of each loan heretofore made pursuant to law by the Administrator of Veterans' Affairs and/or by any national bank, or any bank or trust company incorporated under the laws of any State, Territory, possession, or the District of Columbia, upon the security of an adjusted-service certificate, any interest that has been or, in consequence of existing law, would be charged against the face value of such certificate either shall be canceled or not so charged, as the case may be, notwithstanding any provision of law to the contrary. Any interest on any such loan payable to any such bank or trust company shall be paid by the Administrator of Veterans' Affairs.

In the case of any such loan which is unpaid and held by a bank or trust company at the time of filing an application under this act, the bank or trust company holding the note and certificate shall, upon notice from the Administrator of Veterans' Affairs, present them to the Administrator for payment to the bank or trust company in full satisfaction of its claim for the amount of unpaid principal and unpaid interest, except that if the bank or trust company, after such notice, fails to present the certificate and note to the Administrator within 45 days after the mailing of the notice, such interest shall be paid only up to the forty-fifth day after the mailing of such notice.

SEC. 3. (a) An application under this act for payment of a certificate may be made and filed at any time before the maturity of the certificate (1) personally by the veteran, or (2) in case physical or mental incapacity prevents the making or filing of a personal application, then by such representative of the veteran and in such manner as may be by regulations prescribed. An application made by a person other than a representative authorized by such regulations shall be held void.

(b) If the veteran dies after the application is made and before it is filed it may be filed by any person. If the veteran dies after the application is made it shall be valid if the Administrator of Veterans' Affairs finds that it bears the bona fide signature of the applicant, discloses an intention to claim the benefit of this act on behalf of the veteran, and is filed before the maturity of the certificate, whether or not the veteran is alive at the time it is filed. If the death occurs after the application is filed but before the receipt of the payment under this act, or if the application is filed after the death occurs but before mailing of the check in payment to the beneficiary under section 501 of the World War Adjusted Compensation Act, as amended, payment shall be made to the estate of the veteran irrespective of any beneficiary designation.

(c) Where the records of the Veterans' Administration show that an application disclosing an intention to claim the benefits of this act has been filed before the maturity of the certificate, and the application cannot be found, such application shall be presumed, in the absence of affirmative evidence to the contrary, to have been valid when originally filed.

(d) In case application under this act for payment of any certificate is filed before April 6, 1937, payment shall be made by the Administrator of Veterans' Affairs upon approval of the application. In case application for payment under this act is filed on or after April 6, 1937, payment shall be made on the 1st day of May, September, or January, whichever month first follows the date of filing the application, except that if payment on such application is made to the estate of the veteran pursuant to subsection (b), payment shall be made upon approval of the application.

(e) If at the time this act takes effect a veteran entitled to receive an adjusted-service certificate has not made application therefor, he shall be entitled, upon application made under section 302 of the World War Adjusted Compensation Act, as amended, to receive, at his option, under such rules and regulations as the Administrator may prescribe, either the certificate under section 501 of such act, as amended, or payment under this act.

SEC. 4. If an application under this act for payment of the certificate of any veteran is not made prior to maturity of the certificate or is not filed prior to April 6, 1937, interest shall accrue on such certificate at the rate of 3 percent per annum. Such interest shall be computed on a principal amount equal to the face value of the certificate less any indebtedness of the veteran on account of the principal of any loan or loans secured by such certificate. Such interest shall begin to accrue on the day after the date of enactment of this act, or the date of issuance of the certificate, whichever is the later date, and shall continue to accrue until January 1, 1945, death of the veteran, or payment of the certificate upon an application therefor under this act, whichever is the earliest date. The accrued interest shall be paid by the Administrator of Veterans' Affairs upon payment of the certificate under this act or the World War Adjusted Compensation Act, as amended.

SEC. 5. The Secretary of the Treasury is authorized and directed to redeem from the United States Government life-insurance fund all adjusted-service certificates held by that fund on account of loans made thereon, and to pay to the United States Government life-insurance fund the amount of the outstanding liens against such certificates, including all interest due or accrued, together with such amounts as may be due under subdivision (m) of section 502 of the World War Adjusted Compensation Act, as amended. The Secretary of the Treasury is authorized and directed to make such payment by issuing, to the United States Government life-insurance fund, bonds of the United States which shall bear interest at the rate of 4½ percent per annum. No such bonds shall mature or be callable until the expiration of a period of at least 10 years from date of issue, except that any such bond shall be redeemed by the Secretary of the Treasury and the principal and accrued interest thereon paid to the United States Government life-insurance fund at any time upon certification by the Administrator of Veterans' Affairs that the amount represented by such bond is required to meet current liabilities. Bonds issued for the purposes of this section shall be issued under the Second Liberty Bond Act, as amended, subject to the provisions of this section.

SEC. 6. Amounts in the adjusted-service certificate fund are hereby authorized to be appropriated and made immediately available to the Administrator of Veterans' Affairs for making payments authorized to be made by this act. The Administrator of Veterans' Affairs shall from time to time advise the Secretary of the Treasury as to the amount of funds necessary to make such payments.

SEC. 7. There is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

SEC. 8. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

SEC. 9. This act may be cited as the "Adjusted Compensation Payment Act, 1936."

Mr. THOMAS of Oklahoma. Mr. President, reserving the opportunity for further discussion of this bill, I wish to call the attention of the Senate to section 7, which reads as follows:

There is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

Mr. President, if this bill should pass the two bodies of the Congress and thereafter should be approved by the President, the veterans would simply have an authorization bill upon the statute books, with not a single penny anywhere available to meet the payment, although the bill recites in its title that it is a bill "to provide for the immediate payment of the World War adjusted-service cer-

tificates." As the bill carries no appropriation at this time, I ask unanimous consent to offer an amendment to be known as title II to the House bill, which probably will be in the Senate very shortly, and I ask that the amendment as submitted be printed in the RECORD following the text of the House bill, and that the amendment be otherwise printed and referred to the Committee on Finance.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma? The Chair hears none, and it is so ordered.

The amendment intended to be proposed by Mr. THOMAS of Oklahoma was referred to the Committee on Finance, ordered to be printed, and to be printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. THOMAS of Oklahoma to the bill (H. R. 9870) to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes, viz: On page —, after line —, insert:

TITLE II. APPROPRIATION AND FINANCING

SECTION 10. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $2,225,000,000, or so much thereof as may be necessary to pay the balance due on the adjusted-service certificates as authorized in section — of this act.

SEC. 11. In order to supplement the amounts in the adjusted-service-certificate fund, which are hereby appropriated and made immediately available to the Administrator of Veterans' Affairs for making the payments authorized in this act, the President may, in his discretion, direct the Secretary of the Treasury to use any one or more of the following methods for the purpose of providing funds for making such payments:

(1) The issuance of silver certificates as provided in section 203.

(2) The issuance of United States notes as provided in section 204.

(3) The issuance of bonds of the United States as provided in section 205.

SEC. 12. (a) The Secretary of the Treasury is authorized to issue additional silver certificates in an amount sufficient to bring the amount of such certificates outstanding up to the full amount of the monetary value of all silver bullion heretofore or hereafter acquired by the United States.

(b) The silver certificates issued pursuant to this section shall be made available to the Administrator of Veterans' Affairs in such manner and under such regulations as the Secretary of the Treasury shall prescribe, and the certificates so made available shall be used by the Administrator solely for the purpose of making the payments authorized in this act.

SEC. 13. (a) The Secretary of the Treasury is authorized to issue United States notes in such denominations as he may prescribe against any free and unpledged gold in the Treasury of the United States to the extent that the President directs that such notes be issued for the purpose of making the payments authorized in this act.

(b) The United States notes issued pursuant to this section shall be made available to the Administrator of Veterans' Affairs in the same manner and shall be used for the same purpose as the silver certificates issued pursuant to section 12.

SEC. 14. (a) The Secretary of the Treasury is authorized to issue from time to time bonds of the United States which shall be delivered to the Federal Reserve banks as hereinafter provided. Such bonds shall be payable on or before 20 years from their respective dates of issue, and shall bear interest at a rate per annum to be agreed upon by the Secretary of the Treasury and the Federal Reserve bank to which such bonds are to be delivered, but such rate shall be based upon a reasonable charge for the services to be performed by such bank in connection with the payments authorized in this act. The total amount of such bonds shall not exceed the total amount of such payments that the President directs to be made by the method provided in this section.

(b) Upon the receipt by the Secretary of the Treasury of a statement from the Administrator of Veterans' Affairs containing an estimate of the amount of such payments to be made in any Federal Reserve district, the Secretary shall deliver to the Federal Reserve bank of such district bonds issued pursuant to subsection (a) of a face amount equal to such estimate. Upon the receipt of any such bonds the Federal Reserve bank shall credit to the account of the United States an amount equal to the face amount of the bonds so received and the Secretary of the Treasury shall notify the Administrator of Veterans' Affairs that such credit has been established and the Secretary shall make such credit available to the Administrator of Veterans' Affairs under such rules and regulations as he may prescribe. Thereafter such payments within such Federal Reserve district may be made by the Administrator by check drawn against such account. Such estimates may be revised from time to time, and if the amount of bonds so delivered to any Federal Reserve bank shall exceed the amount of the payments required to be made by the method provided in this section in the Federal Reserve district in which such bank is located, bonds in the amount of such excess shall be returned to the Secretary of the Treasury for cancelation.

(c) For the purposes of this section, each Federal Reserve bank is hereby made a special financial agent of the Government.

(d) Bonds issued for the purposes of this section shall be issued under the Second Liberty Bond Act, as amended, subject to rules and regulations to be promulgated by the Secretary of the Treasury, and subject to the limitations of this section.

(e) There is hereby authorized to be appropriated for each fiscal year, beginning with the fiscal year ending July 1, 1937, such amounts as will, within a period of 20 years from the date such bonds are issued, be sufficient to provide for the payment of the principal of such bonds and the interest or service charge thereon as provided in this act. All amounts appropriated for the purposes of such payment shall be set aside in a special fund in the Treasury and shall be allocated and prorated immediately among the several Federal Reserve banks on the basis of the amount of such bonds held by such banks. As soon as practicable after the making of any such allocation, the amount in such fund allocated to each such bank shall be used to pay for the bonds held by such bank, and the bonds so paid for shall be retired and canceled under such regulations as the Secretary of the Treasury shall prescribe.

Mr. THOMAS of Oklahoma. Mr. President, the amendment which I propose provides in its first section an appropriation to pay this debt if the authorization bill carries. It provides for a sufficient amount of money being appropriated by the Congress to meet the amount necessary to pay the claim or claims as they are now embodied in the adjusted-service certificates.

Now, as to method of raising the necessary money. The amendment proposes four different ways, and I desire to take just a moment to explain what those four different ways are.

At the present time we have in the adjusted-service-certificate fund approximately $250,000,000. That money has been appropriated from time to time as a sinking fund to pay the certificates when they become due in 1945. On former occasions the Congress has authorized loans to veterans upon their certificates, and the veterans who have secured loans have secured the money from this fund. The Congress has during the past 10 years appropriated more than $1,000,000,000 to go into this fund. The loans have taken most of that money, and, as I have said, there are only about $250,000,000 left.

The second section of my amendment provides that whatever money remains in this fund shall be appropriated to help meet the expense of paying the bonus under whatever form the Congress may agree upon. That will take care of the expenditure to the extent of $250,000,000. It will take something like $2,220,000,000 to pay the bonus if the certificates shall be paid in full and the interest shall not be deducted. According to the terms of the House bill, it will cost approximately $2,220,000,000 to meet this debt. We start out with a fund, already on hand, to the extent of $250,000,000. That leaves approximately $2,000,000,000 that must be raised some way, somehow, sometime, if the veterans are to get their money.

I propose now three other ways to raise this money, and these ways are discretionary with the administration or the President.

Under the terms of the Silver Purchase Act the Treasury Department has purchased in excess of 1,000,000,000 ounces of silver. We have paid for that silver the sum of $580,000,000. That is at the rate of about 57 cents per ounce. Under the law this silver is carried on the Treasury books at its monetary value of $1.29 an ounce.

As I have said, we paid the sum of $580,000,000 for a billion ounces of silver. This billion ounces of silver at its monetary value is worth $1,290,000,000. Under the law the Treasury Department could issue certificates against this silver on the basis of $1.29 an ounce. My amendment authorizes the President to direct the Treasury Department to proceed to issue additional certificates against the silver we now have or the silver we may purchase hereafter at the monetary value of $1.29 an ounce. That would give us approximately $1,290,000,000 more of silver certificates. That provision is not mandatory; it is only discretionary. When I get through, perhaps, the Senate will see my purpose in placing this provision in the amendment.

A third way to raise the money to pay the certificates is this——

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. VANDENBERG. Before the Senator leaves his silver computation, can he tell me whether the sum in the daily Treasury balance of five-hundred-and-eighty-odd million dollars in silver is figured at the $1.29 rate?

Mr. THOMAS of Oklahoma. It is figured at the cost rate.

Mr. VANDENBERG. That is, the cost rate of the silver?

Mr. THOMAS of Oklahoma. We have paid that much money for the silver; we paid approximately 57 cents an ounce to obtain approximately 1,010,000,000 ounces of silver—I am using the round figures, a billion ounces of silver—which, at its monetary value, would enable us to issue total certificates to the amount of $1,290,000,000.

Mr. President, 2 days ago we had gold in the Public Treasury in the total sum of $10,139,000,000. That gold is owned by the Treasury. We have allocated some of that gold actually and theoretically as follows: The Federal Reserve banks have outstanding certificates which are, in a sense, receipts for the gold, if we care to make the gold available to the Federal Reserve banks, so that the Federal Reserve banks have a claim on about $5,000,000,000 of this gold. Then the Congress has heretofore appropriated $2,000,000,000 of this gold to go into the stabilization fund. The five billion allocated to the Federal Reserve banks and the two billion allocated to the stabilization fund make a total of seven billion, which leaves in the Public Treasury in excess of $3,000,000,000 of gold free, unhampered, which is serving no useful purpose at the present time.

Mr. VANDENBERG. Mr. President, will the Senator yield to a further question?

Mr. THOMAS of Oklahoma. I yield.

Mr. VANDENBERG. I notice from the Treasury statement that the exchange stabilization fund is listed at $1,800,000,000. Would that indicate that the fund has lost $200,000,000?

Mr. THOMAS of Oklahoma. No; the Congress made available $2,000,000,000 to the Treasury, but up to the present time the Treasury has used only $200,000,000 of the amount. It can still use $1,800,000,000 if it sees fit. So far as I know, that $1,800,000,000 has not been called upon; it is there, free, and not allocated for whatever claims or claim the stabilization fund may be called upon to meet. My amendment, in its third provision, authorizes the President to direct the Treasury to issue some form of gold currency against a sufficient amount of this surplus gold to make up the difference between what is in the present adjusted-service-certificate fund and what may be represented by silver certificates and the total amount required. It will take approximately $1,250,000,000 to make up the deficiency. We have the gold not being used. However, the provision is not directory but only discretionary.

That brings me to the main part of the amendment. The amendment then authorizes the President and the Treasury Department to issue United States bonds to the full amount required to meet the payments due and to place such bonds in the different Federal Reserve banks, placing in the Chicago banks enough bonds to pay the veterans residing in the Chicago district; placing in the Kansas City Federal Reserve Bank enough of those bonds at their face to pay the soldiers residing in the Kansas City Federal Reserve district, and sufficient to provide for the requirements throughout the other 10 districts. These bonds would be in regular form, and would be placed in the banks as Senators would give a note to the bank if they should borrow money as security for the loan. Under my amendment these bonds would be placed in the banks, not sold to the banks, and would not be placed there on an interest rate but on a service charge. That service charge might be comparable to a call rate. Borrowing on the money call rate from day to day is the cheapest possible way to raise funds. The call rate today is at present three-fourths of 1 percent. We can place those bonds in the 12 Federal Reserve banks upon a contract, and the 12 Federal Reserve banks can get the call rate from day to day. That is the cheapest possible way to raise money for any purpose; and that is provided for by my amendment.

We have appropriated $112,000,000 a year to go into this fund for maturing certificates when they are due in 1945. Under the terms of my amendment we can bring that down to $100,000,000 a year and save $12,000,000 a year in the appropriation item. In 20 years that would be $240,000,000. Then for the service charge in the first year we would appropriate $100,000,000, and the Treasury Department would be authorized to take the $100,000,000 and divide it into 12 parts in proportion to the bonds held by the 12 banks and retire that number of bonds—a hundred million dollars' worth a year—so that in 20 years the bonds would be retired. The first year we would have, of course, to pay a service charge on the entire $2,000,000,000. The second year we would have to pay a service charge on only $1,900,000,000; after 18 years on only $200,000,000, and in 19 years only $100,000,000 would be left subject to the service charge of three-fourths of 1 percent. It might be lower or it might be higher, but whatever it might be it would be the lowest possible rate for which money could be borrowed at any place in these United States.

I would not ask that this method be adopted by the Congress if the money were to be used for profitable commercial enterprises. If the Government were going to lend this money for people to make money on it, it would not be fair to ask the Federal Reserve banks to loan the Government the money at a call rate or on a service charge of three-quarters of 1 percent and then in turn loan it out at 4 or 5 percent. This is a patriotic debt and has to be paid. The Federal Reserve banks have all the bonds they need to pay their expenses, drawing the regular rate of interest, which is a fairly good income for the Federal Reserve banks.

If this plan should be adopted, the President would have these different ways for raising the money. I think he probably would take the bond method. He could call in the officials of the Federal Reserve banks and say, "I am authorized to raise $2,000,000,000. I could raise it by issuing certificates against the silver or by issuing certificates against the gold, or I can do it by issuing bonds and placing those bonds in your banks on a call rate, or a service charge which is comparable. I want to issue the bonds." But if the banks are unwilling to issue bonds on this basis there is provided in the amendment the power for the President to issue the money.

Mr. President, I simply make this statement in order that the Senate may understand what is the purpose of the amendment. The amendment is now being considered by a responsible authority for the Federal Government and I shall be governed very largely by their verdict after study shall have been made.

In connection with my remarks I ask permission to have printed at the end thereof a statement which I made in New York City last night.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

It is now 30 minutes until 10 o'clock. Promptly at 10 o'clock, from the banquet room in the Mayflower Hotel in Washington, you will hear our great President, and likewise the next President of the United States, Franklin D. Roosevelt. Having no information as to the nature of the address of the President, I will use my allotted time in presenting a sort of background for his address which is to follow.

Today is Jackson Day. Throughout America and the world, on land and sea, millions are now assembled at thousands of dinners and in special meetings to do honor to the memory of one of the patron saints of democracy, Andrew Jackson, of Tennessee.

Who was Andrew Jackson?

Why do we celebrate this day?

Jackson was born on the 15th day of March 1767; hence we are not celebrating the anniversary of his birth.

Let me give you a few of the high lights of Jackson's life:

He was born in the backwoods of South Carolina. At the age of 15 years, with an only brother, he joined the armed forces of the Colonies. His brother was killed in action, and at that tender age, without father or mother, brother or sister, or even a near relative, Andrew Jackson was forced to face western pioneer life alone.

Inspired by ambition, overflowing with energy, and led on by an indomitable will, he went West to lead in the development of one of the great States of the American Union.

Jackson studied law; was a delegate to the Constitutional Convention of Tennessee; he was in turn Tennessee's first Congressman, a United States Senator, and a justice of the supreme court of his State. When Jackson was Senator, Thomas Jefferson was the Vice President and Presiding Officer of the United States Senate.

In addition to the foregoing, he was a successful planter, stock raiser, and farmer.

But this was not all of Jackson's many-sided life. As a major general of militia he waged war against the Indian tribes of Tennessee, Florida, and the South. He was a Territorial Governor of Florida, declined the post of Minister to Mexico, and served as a United States Senator a second time.

Andrew Jackson was commissioned a major general in the Regular Army; and in command of the southern forces, on January 8, 1815, he decisively defeated the British at New Orleans. Today is the one hundred and twenty-first anniversary of Jackson's victory over Pakenham at New Orleans. Jackson the man, his victory, and his many seemingly impossible accomplishments form the basis of our celebration today.

Great as was his triumph at New Orleans, it was only one of the great events in the crowded life of the hero of the Hermitage. Because of his activities and successes, the fame of Jackson spread among the people. He was hailed as "Old Hickory", the "Iron Warrior."

He soon became the people's candidate for President. In 1824, as the candidate of the masses, he won the popular vote for President. In that election no candidate received a majority of the electors, hence the contest was thrown into the House of Representatives, and Jackson lost to John Quincy Adams, of Massachusetts.

In 1828 political parties took definite shape. The first Democratic National Convention was held at Baltimore. No platform was prepared, but the convention adopted the rule "that two-thirds of the whole number of the votes in the convention shall be necessary to constitute a choice." In such convention and under such a rule Andrew Jackson was nominated as the first regular Democratic candidate for President. In the election which followed Jackson won over John Quincy Adams by an electoral vote of 178 to 83, and thereby became the seventh President of the United States.

In such election Jackson carried the great States of Pennsylvania and New York. In 1832 he was reelected and served to March 4, 1837; hence, 100 years ago tonight Andrew Jackson sat in the White House at Washington, the President of the people's Government in the hands of the people.

At the end of his Presidential term, Jackson, although worn and gray, named and elected his successor. As he left the White House great cheering masses lined the streets. Crowds surrounded and followed his carriage as he started to his beloved home in Tennessee.

How different from the leave taking of the last President of the United States.

Andrew Jackson entered public life opposed by the special interests but supported by the masses of the people. Jackson learned early in his political career that greedy, concentrated wealth makes the noise but that the people do the voting.

As President, what did Jackson do?

If Jackson had been President the last 3 years, what would he have done? If he were President today, what would he do?

We know what Jackson did 100 years ago. His record made and left, now growing brighter with the years, is the agenda of what he would do were he serving us today.

Conditions of the immediate past and even of the present have been and are in many ways duplicates of the issues and events of 100 years ago. Democratic principles had been asserted by Thomas Jefferson, but Andrew Jackson organized the Democratic Party and placed the Jeffersonian principles into effect.

Formerly Presidents had been selected by political caucuses at the Capital, but now thousands of average citizens, including the poor residing in the interior, were enfranchised and dominated and controlled the machinery of the Government. On the one side were the Clays, the Calhouns, and the Websters, and on the other side was Andrew Jackson and the masses of the people.

In his campaigns Jackson was opposed by the newspapers, the manufacturers, and the bankers. His political enemies asserted that he was the leader of the "mob" and that the "mob" must not be given control of government. The defeated group regarded Jackson as the extreme radical of his day.

What of the record which he made?

Hard times were known in Jackson's day, and he had his experience with a panic. He defeated his depression by making money plentiful and credits easy. As the result of his policies, labor was employed at high wages. Buying power was restored to the planter and the producer, and labor and industry flourished.

His domestic policies were successful, and his foreign policies were brilliant. Foreign nations were made to play and pay.

Jackson was a positive and determined character. He demanded nothing but what was right and submitted to nothing that was wrong. He made the American flag respected at home and abroad.

Confidence in Jackson and his administration developed, prosperity returned, and soon the Public Treasury was overflowing with money.

Elected by the masses from the South and West, before his term expired he was respected and admired in the North and East. He made a triumphal voyage to New England, and there was given the degree of doctor of laws by Harvard University.

After 8 years of Democratic government, Andrew Jackson had his people prosperous and happy and the United States at peace with the world.

Relative to the great issues pending before our people today, were Jackson President, what policies would he pursue? What would he do about preparedness for our national defense? Jackson favored an adequate army and navy. In his farewell address he said: "We shall more certainly preserve peace when it is understood that we are prepared for war."

The United States form the greatest, strongest, and richest Nation in the world, and Jackson would see that our national defense is ample to protect our people and our property on land and sea throughout the world.

What would Jackson do about the control and regulation of industry?

When he became convinced that the United States bank was injurious to the public interest, he destroyed the bank. Were he President today, he would either protect the people against monopolistic oppression or he would destroy the monopolies.

Down at Washington our political enemies contend that the entire New Deal is unconstitutional. It is true that some of our temporary and emergency measures have been held void by the Supreme Court of the United States.

We passed an act seeking to aid the small independent oil operators of the country, and the larger companies, wishing to continue and strengthen their existing monopoly, attacked the law, and a divided Court sustained their contention.

We passed an act seeking to protect the farmers against foreclosures at a time when they could neither refinance nor meet their maturing obligations. The law was attacked, and the Supreme Court held the act unconstitutional.

We passed a law seeking to divide such work and labor as was demanded among as many workers as possible to the end that hours might be shortened, wages might be raised, and distress might be relieved. The law was attacked in the courts and was held in violation of the Constitution.

We passed a law seeking to increase the purchasing power of the farmers. Two days ago this act was likewise held to be void.

Andrew Jackson had the same troubles 100 years ago. On one occasion, after an adverse ruling by the Court, Jackson said, "Now that the Supreme Court has ruled, let it enforce its decision."

Not all the New Deal laws have been attacked, and not all of those attacked have been held void.

The money-adjustment amendment introduced by myself was likewise assailed, but the Supreme Court sustained the act. The law referred to provided for the devaluation of the dollar. President Roosevelt acted under the law and reduced the size and weight of the gold dollar 40 percent. This act has had the effect of cheapening the dollar. To the extent that the dollar has been cheapened prices have been increased, and in proportion that the general price level has been raised prosperity has returned.

High-value dollars and consequent low prices never fail to bring on panics and depressions. Low-value dollars and resultant high prices have never failed to bring about activity, progress, and prosperity.

Andrew Jackson had his monetary troubles. He became involved in a controversy over an extension of the charter of the Bank of the United States. Jackson contended that the bank was interfering with legitimate business; that the bank was perniciously active in politics, and that the act creating the bank was unconstitutional. He opposed the extension of the bank's charter, and in fact his opposition destroyed the bank.

The Jackson panic was something like the Hoover depression. Both were caused by the high-valued dollars and low prices.

Jackson acted. In addition to destroying the bank he had his Congress reduce the gold content of the dollar. With the gold dollar reduced in weight and value, with plenty of money in circulation, with higher prices and purchasing power restored, labor was employed, industry flourished, prosperity returned, and Jackson ended his term with the people busy, prosperous, and happy, and the Federal Treasury overflowing with revenue.

Again, how different from the ending of the term of the last President of the United States.

President Roosevelt has followed and is following the Jackson precedent. He has reduced the gold content of the dollar, and the dollar has been cheapened.

Through a wider use of silver, the actual money in circulation has been increased some $500,000,000. The upturn in business and the upturning prosperity are due in the main to the monetary adjustment policy of President Franklin D. Roosevelt.

If time will permit, I shall outline briefly the causes of our legal troubles in Washington.

When Governor Roosevelt was inaugurated President on March 4, 1933, the Hoover panic was almost 4 years old. Business was at a standstill. Millions were hungry, cold, and homeless, and something had to be done.

Without precedents, President Roosevelt attacked the problem. As in times of panic, conflagration, and pestilence, laws were of necessity hurriedly passed. In such times, with the Capital surrounded by thousands of hungry, idle, and almost naked men, it is not to be wondered at that laws were rushed through Congress in order to provide relief.

In passing, let me remind you what kind of relief measures passed during President Hoover's administration.

The first measure passed was one granting a rebate and refund of $160,000,000 to the big income-tax payers of the country.

The second relief measure recommended by President Hoover was the creation of the Reconstruction Finance Corporation, to loan public money to the banks, trust companies, life-insurance companies, and the railways of the country.

These acts typify the Hoover plan for relief.

Had Andrew Jackson been President from 1929 to 1933, he would have provided relief, but he would have started with the hungry, sick, and naked instead of shoveling out public money to the banks, railroads, and to the captains of industry.

The Supreme Court at Washington is making history. The Constitution is being more thoroughly and minutely considered. The powers of the Congress are being defined. If the decisions rendered and the precedents set are hereafter adhered to, then a mass of our statute law, if and when attacked, will be held to be invalid.

In the past the Congress has enacted many laws creating agencies, boards, and commissions and authorizing such agencies to promulgate rules and regulations carrying into effect the policies adopted.

Many of these laws are in force only and for the simple reason that they have not suffered court attack.

In recent decisions, typified by the case of Panama Refining Co. against Ryan and the Schechter poultry case, the Supreme Court has held "that the Congress is not permitted to abdicate or to transfer to others the essential legislative functions with which it is vested."

"The principle", says the Court, "forbidding Congress to abdicate or to transfer to others the essential legislative functions with which it is vested by the Constitution has been recognized by the Court in every case in which the question has been raised."

The Constitution provides that "the Congress shall have power to coin money and to regulate the value thereof."

Congress has delegated this power without laying down a policy as to the amount of money to be coined or establishing a standard as to the value of the dollar.

This question no doubt will be very soon raised, and unless the Court reverses its present position it may be that the most important features of the Federal Reserve System will be held to be invalid.

Under the Constitution and our form of government the people have the constitutional right and the constitutional power to rule and govern themselves.

While Thomas Jefferson created the Democratic Party, it remained for Andrew Jackson to organize the party and to place the people and the people's representatives in control of the Government. The ever-present issue of what group shall control the Government is with us today. In the contest now before us the issue is special interest against public interest.

President Roosevelt is serving and protecting the public interest and the masses of our people in their right to the pursuit of happiness, prosperity, and security.

Monopoly having been first served at the Public Treasury by President Hoover, and having had second helpings by our administration, is now seeking to deny to the masses even the crumbs that may fall from monopoly's table.

As Jackson over 100 years ago held the fort at New Orleans and protected the people of the South from British invasion, so will President Roosevelt hold the White House and protect the people of America from monopolistic invasion.

REFERENCE OF HOUSE MESSAGES

Mr. ROBINSON. Mr. President, I desire to submit a request, and I ask the attention of the Senator from Oregon [Mr. McNARY]. I ask unanimous consent that during the adjournment of the Senate following today messages from the House may be received and appropriately referred by the Secretary of the Senate.

Mr. McNARY. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOINT RESOLUTIONS RECOMMITTED

Mr. KING. Mr. President, there have been referred to the Committee on the District of Columbia, Senate Joint Resolution No. 133, for designation of a street to be known as Missouri Avenue, and House Joint Resolution No. 280, for the designation of a street or avenue in the Mall to be known as Maine Avenue.

They have been favorably reported and are on the calendar.

This morning, in the further consideration of these measures, the committee suggested that they be recommitted for further action by the committee. I therefore move that those two joint resolutions be recommitted to the Committee on the District of Columbia.

The PRESIDING OFFICER. The question is on the motion of the Senator from Utah that the joint resolutions referred to by him be recommitted to the Committee on the District of Columbia.

The motion was agreed to.

CONFEDERATED BANDS OF UTE INDIANS

Mr. THOMAS of Oklahoma. I ask the Chair to lay before the Senate the action of the House of Representatives on Senate bill 381.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 381) for the relief of the Confederated Bands of Ute Indians located in Utah, Colorado, and New Mexico.

Mr. THOMAS of Oklahoma. I move that the Senate disagree to the amendments of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint conferees on the part of the Senate.

The PRESIDING OFFICER. The question is on the motion of the Senator from Oklahoma.

Mr. McNARY. I inquire what is the nature of the motion. I did not understand it.

The PRESIDING OFFICER. The Senator from Oklahoma moves that the Senate disagree to the amendments of the House to Senate bill 381, request a conference with the House on the disagreeing votes of the two Houses thereon, and that conferees on the part of the Senate be appointed by the Chair.

Mr. McNARY. I understand the amendments of the House have been messaged over to the Senate.

The PRESIDING OFFICER. The Senate bill passed the House with amendments, which have been sent to the Senate. The question is on the motion of the Senator from Oklahoma.

The motion was agreed to; and the Presiding Officer appointed Mr. THOMAS of Oklahoma, Mr. BULOW, and Mr. FRAZIER conferees on the part of the Senate.

ANNA HATHAWAY

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 430) for the relief of Anna Hathaway, which was, on page 1, lines 8 and 9, to strike out "employee of the Postal Service, who now resides at Willard, N. Mex.," and insert "postmaster at Willard, N. Mex., who is alleged to have sustained disability on or about October 16, 1928, while in the performance of his duties, subsequently resulting in his death."

Mr. HATCH. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

REPORT OF NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

The PRESIDING OFFICER laid before the Senate a message from the President of the United States, which was read and referred to the Committee on Naval Affairs, as follows:

To the Congress of the United States:

Pursuant to the act of March 3, 1915, which established the National Advisory Committee for Aeronautics, I submit herewith the annual report of that Committee for the fiscal year ended June 30, 1935.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 9, 1936.*

[NOTE.—Report accompanied similar message to the House of Representatives.]

REPORT ON EMERGENCY RELIEF FUNDS

The PRESIDING OFFICER laid before the Senate a message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Appropriations, as follows:

To the Congress of the United States:

I have the honor to transmit herewith, in accordance with the provisions of section 15 of the Emergency Relief Appropriation Act of 1935, a report of the operations under such joint resolution, consisting of an itemized statement regard-

ing funds appropriated under the act, prepared by the Secretary of the Treasury, and of a statement prepared by the Acting Director of the National Emergency Council. Pursuant to the act, such report includes a statement of the expenditures made and obligations incurred, by classes and amounts.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 9, 1936.*

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER, as in executive session, laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

ADJOURNMENT TO MONDAY

Mr. ROBINSON. I move that the Senate adjourn until 12 o'clock noon, Monday next.

The motion was agreed to; and (at 2 o'clock and 20 minutes p. m.) the Senate adjourned until Monday, January 13, 1936, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 9, 1936

AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY

John Van A. MacMurray, of Maryland, now Envoy Extraordinary and Minister Plenipotentiary to Estonia, Latvia, and Lithuania, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Turkey, vice Robert P. Skinner.

ENVOYS EXTRAORDINARY AND MINISTERS PLENIPOTENTIARY

Arthur Bliss Lane, of New York, now Envoy Extraordinary and Minister Plenipotentiary to Nicaragua, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Estonia, Latvia, and Lithuania, vice John Van A. MacMurray.

Boaz Long, of New Mexico, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Nicaragua, vice Arthur Bliss Lane.

DIRECTOR, BUREAU OF FOREIGN AND DOMESTIC COMMERCE

Alexander Vincent Dye, of New York, to be Director, Bureau of Foreign and Domestic Commerce, vice Claudius T. Murchison, resigned.

WORKS PROGRESS ADMINISTRATION

E. A. Pynchon, of Florida, to be State administrator in the Works Progress Administration for Florida, to which office he was appointed during the last recess of the Senate.

EXAMINER IN CHIEF, UNITED STATES PATENT OFFICE

Charles H. Shaffer, of Maryland, now holding recess appointment, to the position of Examiner in Chief, United States Patent Office.

APPOINTMENTS IN THE NATIONAL GUARD OF THE UNITED STATES

GENERAL OFFICERS

To be major general, National Guard of the United States

Maj. Gen. Charles Elmo McPherren, Oklahoma National Guard, from December 19, 1935.

Maj. Gen. Herbert Jay Paul, Nebraska National Guard, from October 9, 1935.

Maj. Gen. George Perry Rains, Texas National Guard, from October 24, 1935.

To be brigadier general, Adjutant General's Department, National Guard of the United States

Brig. Gen. John Critcher Coleman, Adjutant General's Department, Alabama National Guard, from November 8, 1935.

Brig. Gen. Harry Hamilton Morehead, Adjutant General's Department, California National Guard, from November 26, 1935.

To be brigadier general, National Guard of the United States

Brig. Gen. William Kern Herndon, Kansas National Guard, from September 30, 1935.

Brig. Gen. George Emerson Leach, Minnesota National Guard, from December 2, 1935.

Brig. Gen. Gilson Don Light, Ohio National Guard, from December 19, 1935.

Brig. Gen. Charles William Nimon, Texas National Guard, from November 1, 1935.

Brig. Gen. William Ottmann, New York National Guard, from October 30, 1935.

Brig. Gen. Heinrich August Pickert, Michigan National Guard, from October 8, 1935.

REAPPOINTMENT IN THE OFFICERS' RESERVE CORPS OF THE ARMY

GENERAL OFFICERS

To be brigadier general, Reserve

Brig. Gen. Brice Pursell Disque, Reserve, from February 17, 1936.

Brig. Gen. Hugh Samuel Johnson, Reserve, from April 11, 1936.

Brig. Gen. Richard Coke Marshall, Jr., Reserve, from February 4, 1936.

Brig. Gen. John Henry Sherburne, Reserve, from February 11, 1936.

To be brigadier general, Inactive Reserve

Brig. Gen. Benedict Crowell, Inactive Reserve, from January 23, 1936.

HOUSE OF REPRESENTATIVES

THURSDAY, JANUARY 9, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou who art the Ancient of Days, at Thy footstool we humbly bow. We praise Thee, for Thou art the Eternal Word, through whom all things hold together and in whom divine majesty and power are incarnate. Father, we ask for a vision of Him that we may feel our unworthiness and be moved to make a deeper consecration to our sacred trust. O God of might, flow through our human weakness that the trials and tests of life may lead us through discipline to a destiny with its glorious dawn. Deliver us from worry, and may Thy peace guard our hearts and minds. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries.

EXTENSION OF REMARKS

Mr. MONAGHAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a statement about the recent Supreme Court ruling by Mr. Raymond Clapper, of the Daily News, which appeared in the News of Tuesday, January 7.

The SPEAKER. The gentleman from Montana asks unanimous consent to extend his remarks in the RECORD by including the statement referred to. Is there objection?

Mr. RICH. Mr. Speaker, I object.

THE SUPREME COURT'S DECISION AND THE A. A. A.

Mr. SCHULTE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. SCHULTE. Mr. Speaker and Members of the House, Tuesday, January 7, 1936, will be a day long to be remembered by agriculturists of this great Nation of ours as it was on this day the Supreme Court of the United States, by a vote of 6 to 3, found the A. A. A. unconstitutional just when the farmers were commencing to see the light of day, paying their debts, buying new machinery, and were looking to the future with a confidence and hope that the

depression had passed and the American people had turned the corner and were looking forward to better times.

Those who believe that the American farmer is going to stand idly by and watch his program for economic equality and parity for which he has fought more than a decade swept into the discard will be badly mistaken. The fight is on and this time all gloves are off.

The overthrow of the A. A. A., together with the decisions handed down against the N. R. A. and the Frazier-Lemke Acts, have been serious blows against the efforts of the Roosevelt administration and this Congress to accelerate recovery in this country; and the decisions have done more than anything else to retard recovery, with the A. A. A. the most serious of them all. I feel that the adverse effect which the decision of the A. A. A. will have on our economic and agricultural life will be felt for a long, long time.

The program launched by organized agriculture must go forward. The American farmer will continue to fight for economic parity. Under the operations of the Agricultural Adjustment Act the agricultural march toward parity by giving farmers a purchasing power has stimulated business revival throughout the country. Certainly, if industry is protected by a protective tariff, then agriculture is entitled to protection. If industry is to receive aid from the Federal Government, then, I believe, that agriculture, which I consider the basic industry of this Nation, needs some kind of protection; and laws should be passed provisioned to aid this most vital part of our industrial life.

Since the Supreme Court declared unconstitutional the A. A. A. I have received many letters and telegrams from people of all walks of life from my district and the Middle West protesting the action of the high Court.

I have cataloged the letters and telegrams and find that not only farmers are raising their arms in protest but the merchant in the cities, the workers in the mills and plants, the bankers, and other mercantile workers who earn their daily bread far removed from the farms are crying aloud at the action of the Supreme Court.

While I do not want to appear hasty in my opinion of the ruling, yet I do not hesitate to say that from the tone of the messages which I have received that these citizens feel that a stunning blow has been dealt the national economic recovery.

I am sure that this Congress will take specific steps to provide legislation, the mechanism by which agricultural parity is to be continued. I believe that it is up to the Members of this Congress to provide that legislation within the provisions of the Constitution with as little delay as possible.

I say that if the Constitution in its present form makes it impossible for all groups to enjoy economic equality, steps should be taken to immediately amend the Constitution so that the rights of all groups and of all citizens in this great country of ours will no longer be jeopardized.

The day of special privilege for certain groups is over. The laws of this country must protect equally all groups and all classes showing no favoritism regardless of color, creed, or nationality. The A. A. A., which has just been declared invalid, is the farmers' own program. It was written by the farmers, and by no one else, as it was known in the beginning that those who tilled the soil knew best the problems of the farmers.

I say without hesitation that those who attacked this farm program in the preliminary hearings before congressional committees, and in suits against the Department of Agriculture and the A. A. A., are enemies of this country. Because of their selfish attitude and their un-American spirit they have left no stone unturned to keep the farmer impoverished, to reduce him to a state of peasantry, and to retard the whole program of national economic recovery advocated by our President.

And what has been the result? The farm problem is with us again. We are right back where we started from. The puzzle with which every administration has wrestled since the dark days of the World War is now as unsolved as it was when it first appeared in the crash of prices that followed the close of the war. The prices of farm products may stay steady or even rise for a while, or there may be a sudden drop in prices. If they drop, the problem becomes acute. If they rise or stay steady, that will mean eventually an increased and uncontrolled acreage, and hence the "surplus" seat of the infection that has caused economic sickness to some 45,000,000 of our population directly and a malady to the rest of the Nation because of the farmer's inability to buy what the industries of the cities produce.

I predict that there will be cheers for a while from the Republican side of the fence, as the decision handed down by that august body will first be seen in the light of its effect on the coming campaign. But those cheers will soon die down. For this problem is not the exclusive property of any one political party. It is broader than that and longer than 1936. It is the same thorn that afflicted Harding, pricked Coolidge, bewildered Hoover. The sum total of the Supreme Court majority decision is that the farm problem is a State and not a National one. I personally like the comment of Justice Stone of the minority as to this exercise of judicial power:

> For the removal of unwise laws from the statute books, appeal lies not to the courts but to the ballot and to the processes of democratic government * * * courts are not the only agency of government that must be assumed to have capacity to govern. * * * Interpretation of our great charter * * * which proceeds on any assumption that the responsibility for the preservation of our institutions is the exclusive concern of any one of the three branches of Government, or that it alone can save them from destruction, is far more likely, in the long run, "to obliterate the constituent members" of "an indestructible Union of indestructible States" than the rank recognition that language, even of a Constitution, may mean what it says: that the power to tax and spend includes the power to relieve a Nation-wide economic maladjustment. * * *

After all, that was the interpretation of the minority. In court affairs, the majority rules. So the situation as it now stands is that the A. A. A. is out, and the farm problem is in again. What is to be done now. It is too early to say. First, I believe an attempt should be made to make a law that will fit the views of the Supreme Court judges. If that fails, then there is just one other route. If it must be handled, as it is evident it must be, as a national one, that route is a constitutional amendment. Should that finally prove necessary, I believe that all parties in Congress will join in support.

Whether or not the majority of the Members here today believe as I do, there is one thing that I am sure of. I believe that such national recovery as we have experienced since Mr. Roosevelt took office is in large part due to the improvement of agricultural conditions and that such improvement in agricultural conditions is largely due to the A. A. A. and its administration.

I feel that a vast majority of farmers, and also that a majority of my colleagues, hold to the same convictions, and that whatever is necessary to cure any defects in the act pointed out by the Supreme Court will have immediate attention of the farm leaders and the Members of this Congress.

Yes, my friends, the fight is on, and the days that are ahead are most important not only for the farmers but for the people of other walks of life.

EXTENSION OF REMARKS

Mr. GEARHART. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a letter which I received this morning from the Army and Navy Union of America, expressing the views of that organization respecting pending legislation.

The SPEAKER. Is there objection?

Mr. RICH. Mr. Speaker, I object.

PITFALLS OF NEUTRALITY LEGISLATION

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend in the RECORD a radio address which I shall deliver this afternoon.

The SPEAKER. Is there objection?

There was no objection.

Mr. LUDLOW. Mr. Speaker, through courtesy of the National Broadcasting Co., I spoke over its Nation-wide network from the United States Capitol on the subject, Pitfalls of Neutrality Legislation. My address was as follows:

Ladies and gentlemen of the radio audience, I agree with my distinguished precedessor on this program, Mrs. ROGERS, that the most important subject immediately before Congress from the standpoint of our country's vital interests is neutrality legislation. In a world of turmoil if we are to escape the hooks that are reaching out from many directions to drag us into the maelstrom of strife, we must speedily enact legislation that will establish America's neutral position beyond equivocation or dispute.

Fate has put up to the Congress of the United States at this particular time a task of tremendous meaning and magnitude—the task of writing a permanent neutrality law. It is imperative for the future of America that this task shall be performed with completeness and finality; that when the legislative product is brought forward for world inspection it will be recognized by all the nations on earth as answering the requirements of real neutrality; that whosoever reads it will know that nothing needs to be added or subtracted, and that as it stands it is a perfect legislative act to protect America's neutral position in a warring world.

The danger is that we shall discharge our duty only partially. The danger is that powerful economic and selfish interests will halt us short of a real performance. Many of these influences are now at work, subtly and with Machiavellian cleverness seeking to create the impression from the platform and through the press that we must "go slow" in enacting permanent neutrality legislation, lest it may interfere too much with our foreign trade. Just as if dollars and cents should be weighed in the same scales with the lives of our precious young men!

Our country wants to stay out of war. It wants us to shield our young men from the bloodletting that periodically reddens vast foreign areas with the life stream of the human race. It is looking to us to pass legislation that will keep our boys out of the world's slaughter pens, and it will not have patience or forgiveness for any halfway milk-and-water performance. I say shame on all of the crew of selfish interests who for the sake of filthy dollars would wreck our prospects of securing real neutrality legislation. To those whose imagination does not arise above such base considerations let me make this statement:

One of our fine American boys, your son or my son or somebody else's son, is worth more than all of the wealth of the world combined.

A brief review of our foreign-trade statistics shows how sordid and puerile is the argument that our foreign trade must be allowed to interfere with a proper determination of this neutrality question, which is so intimately interwoven with the tragic problems of life and death, misery and happiness of our people. America, of all nations on earth, is most nearly self-sufficient. Our total exports to Italy, everything included, are only twenty-three hundredths of 1 percent of the total value of our products, according to the latest figures of the Department of Commerce. Our trade with all the world amounts to only 7.5 percent of the estimated total value of all movable goods produced in this country, according to the same authority. It is impossible to imagine a situation where a complete embargo on goods to all of the foreign nations that conceivably might be at war at one time would amount to more than a tiny fraction of the cost in dollars and cents of the World War, or to more than a mere bagatelle compared with the astounding cost and the inevitable loss of life that would result if we should allow cupidity for profits to snare us into another such war. The actual direct cost of the World War up to date, as shown by Treasury Department records, is $41,765,000,000, or the equivalent of $60,000 for every day since Christ was born, and that does not take into account future pension lists, veterans' hospitalization, and other left-over expenses.

President Coolidge probably was not far wrong when he said that the World War will ultimately cost America $100,000,000,000. The total foreign trade of the United States in 1934, the last year for which statistics are available, was $2,100,000,000. Thus it will be seen that if the entire foreign trade of the United States, including all exports of every kind and description, were entirely cut off for 47 years, the loss to the United States would still be less than our part of the financial cost of the World War, based on Mr. Coolidge's forecast, to say nothing of the heart-sickening toll of lives and the terrible burden of grief and misery caused by that war. Therefore from every standpoint, economic as well as humanitarian, there is a genuine obligation resting upon us to write into the statutes a real neutrality law with teeth in it.

With neutrality legislation right at our threshold there is a conflict between sharply contradictory principles—that is to say, between discretionary neutrality legislation and mandatory neutrality legislation. The State Department is the leading protagonist of discretionary legislation and its prophet is Hon. SAM D. MCREYNOLDS, chairman of the House Committee on Foreign Affairs, while the champions of mandatory legislation are Senators GERALD NYE and BENNETT CLARK and Representative MAURY MAVERICK. The State Department's proposal has been introduced in the House by Judge MCREYNOLDS and is known as House Joint Resolution 422. The Nye-Clark proposal has been introduced in identical form at the opposite end of the Capitol, being known as Senate bill 3478 and House bill 9668.

The asperity of the conflict between these two principles has been somewhat softened by mutual concessions, so that the McReynolds bill is not nearly as discretionary as in the original draft and the Nye-Clark bill is not as mandatory as it was formerly. The first contention of sponsors of the State Department bill was that the President should have carte blanche discretion in declaring and withholding embargoes, defining "aggressor" nations, and so forth, while those of the opposite school insisted that the President should have no discretion at all, but that America's neutrality policy should be based solely on definite law.

While so far there has not been a coalescing of the two elements, my personal opinion as of one who has given considerable thought to neutrality legislation, is that the entente cordiale that has grown up between the two schools bodes no good as it is likely to result in an agreement that will land us too far away from the goal of fixed and definite mandatory neutrality. Both schools for instance are now in agreement on the quota system of regulating exports of goods to warring nations—that is to say, normal quotas of shipments are to be allowed in respect to goods that do not come under the head of munitions and implements of war.

I think it would be a great mistake to allow normal quotas of exports to nations at war, and I have introduced a bill (H. R. 9492), the opening paragraph of which reads as follows:

"Be it enacted, etc., That upon the outbreak of war between two or more foreign nations the President shall issue a proclamation forbidding (1) exports of all kinds and (2) loans and credits to said belligerent countries or to the nationals of said belligerent countries. Said prohibition shall be made effective in a similar way by proclamation against nations that may enter the war subsequent to its outbreak and the nationals of said nations."

With others who are earnestly interested in this subject, I have given much thought to the proposal to hold our trade and loans to normal quotas after war breaks out, but it will not work. Suppose, for instance, that a foreign nation in peacetime receives a million barrels of oil from the United States for domestic peacetime requirements in its industries. If that nation goes to war and we continue to send to it 1,000,000 barrels of oil per annum, that oil will not go into peaceful uses. It will, of course, be seized by the government for war purposes, and to that extent we shall be aiding that government to prosecute its war, which would make us in fact unneutral, although on the face of things we might still appear neutral. I only cite oil as an example. The same facts would apply to practically all other articles that enter into international commerce, for there is hardly any article that may not be diverted to war uses.

The language of the existing weak neutrality law, confining embargoes to "munitions and implements of war", is a gruesome joke. Foodstuffs, oil, cotton, copper, and a variety of raw materials are just as essential to a nation bent on waging war as are the shipments which are narrowly described in our present abortive neutrality statute as "munitions." All of these things must be banned if we are to be truly neutral.

There is but one way to be neutral, and that is to be neutral. We cannot be both neutral and accessory to war at the same time. The only way to protect America's neutral position in the world is to cut off all trade and all financial transactions with warring nations.

It is obvious that much persuasion will be brought to bear on Members of Congress to aline them in support of the discretionary provisions liberally sprinkled through the State Department's bill, which even in their amended form would give to every future President great authority in levying and lifting embargoes, in choosing nations to be penalized and those not to be penalized, in deciding what exports shall be banned and what exports shall be allowed, etc. I have the utmost respect for President Roosevelt. He is a peace-loving President, thank the Lord, but sometime in the future we may have a militaristic President in the White House, and then the exercise of such powers will be fraught with the gravest dangers.

We should not take any such chances. We should remove in advance all doubt as to what America will do, and this we can easily accomplish by passing a mandatory neutrality law of broad scope and definite provisions, leaving nothing to the future or to imagination or to chance.

We can then say to every nation on earth: "This is the law. Read it and you will know exactly what America will do."

This is the frank, honest, aboveboard way of dealing with the question of neutrality. It gets rid of secret, tricky diplomacy that has brought many governments to the brink of ruin. It is the way that offers to America the greatest measure of insurance against world involvement. It is the way of peace and tranquillity.

If we are to give to every future President authority to juggle with these serious and delicate international situations, then, of course, we must expect that every President will have his agents abroad mixing in the affairs of foreign lands so as to keep him advised when to strike and when not to strike, and soon we shall have a trouble squad intermeddling with world problems that will utterly belie the sound advice given by the Father of his Country in respect to foreign involvements. Congress, if it be true to America, will not permit such tinkering and experimentation with world nerve centers when the possibility—nay, the virtual certainty—is that it will bring tragic involvements in world strife.

We Members of Congress who sit in judgment on the text of a permanent neutrality law must remember that we are the guardians of posterity. Upon the faithfulness of our performance, as measured by the Republic's traditional ideals of friendliness and service, rests in no small degree the future peace of America. In the momentous hour when we shall vote on this bill we must not be faithless to Washington, who left to the Nation which he founded a legacy of priceless value when he admonished us in his Farewell Address to keep free from foreign entanglements.

SHARE THE WEALTH

Mr. HUDDLESTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a speech which I delivered in my home town.

The SPEAKER. Is there objection?

There was no objection.

Mr. HUDDLESTON. Mr. Speaker, as an extension of my remarks, I include an address which I made to the Kiwanis Club of Birmingham, Ala., on November 5, 1935, as follows:

A few weeks ago a prominent Federal official, speaking in this chamber and to this organization, defined the New Deal as a movement for the redistribution of wealth. He stated that the issue was between the "haves" and the "have nots." Such a statement from such a prominent source should not pass unnoticed.

To impute such doctrine to the President is to impeach his loyalty to the platform on which he was elected and to the principles of the party of which he is the leader. The Democratic Party has always been a party of extreme individualism. It has been highly individualistic, not only on matters of liberty and personal right but on matters relating to economics and property rights. Thomas Jefferson held that "that people is governed best which is governed least." The right of a man to order his own life and to do as he chooses with his own property is a Democratic fundamental. An examination of party platforms discloses few departures from this principle in nearly 100 years. I am bound, therefore, to reject all implications that the President holds to any such political philosophy.

I will not attempt to define the New Deal nor to expound its philosophy. It would be presumptuous to do so. However, I decline to accept the definition which was given. I decline to believe that the New Deal is committed to principles which clearly violate American fundamentals and the Constitution of the United States.

During the recent lean years men have been thinking and talking more about economics than ever before. Men who never before had given such matters a thought have been thinking and talking about the problems heretofore given over to the economists. Some of this thinking is of value, but much of it is badly muddled. Much of the talk has merely added to the confusion.

Out of our stress and difficulty have arisen new prophets who assume to point the way out. Most of them are concerned with reforms which have no relation to recovery. Much of their advice is essentially unsound and harmful.

Many of these new false leaders are sincere fanatics who, in this time of suffering and doubt, are moved to risk the fate of the world on half-baked theories—others are idealists who, having caught a glimpse of heaven, forget that we live in a practical world and have faulty human nature to deal with. Some of the false leaders are demagogues who are trading on misery and seek to capitalize on the confusion of the times. There also are those who have lost their all, and now having turned "defeatists", are ready to surrender our traditions and to engage in reckless experiments as a way out.

Some of the false prophets are harmless—others are extremely dangerous. Among the most dangerous are those who advocate schemes for the redistribution of existing wealth on the basis of an equal share for all. They are even more dangerous than the Fascists, Socialists, and Communists, for these collectivists have consistent principles, whereas the "redistributors of wealth" have no system, but are moved by sentimentality and half-baked idealism. Their demand is not for equality of opportunity to labor and to receive just rewards for their efforts. They demand equality in the enjoyment of existing wealth. Apparently they are not interested in equality in opportunity for creating new wealth.

Proposals for the redistribution of wealth usually take the form of taking property into the Public Treasury through confiscatory taxation and then redistributing it in the form of pensions or other gratuities. The implication is that only the rich will be taxed, and that the average citizen will escape. But let no man assume that he will be able to escape merely because the levy does not fall directly upon him. Every citizen will have to make his contribution, indirect though it may be. In this respect the levy is not unlike other taxes. All taxes are bad—all fall upon the whole people, either directly or indirectly. All have a bearing upon the standard of living of every consumer.

The proposal is to take the wealth which has been accumulated. It is not aimed at the prevention of accumulation or at unfair methods by which accumulation is made. Men are to be allowed to continue the exaction of unjust profits if they are able to do so. It is proposed to seize these profits after they are made, then to hand them over to the class considered as deserving. It has never occurred to its advocates to demand the free play of economic laws so that extortionate profits could not be exacted. This would leave the funds in the hands of those to whom they rightfully belonged at the beginning.

With the ideal of equality of opportunity every thoughtful man must be in full accord. The future of civilization depends upon the solution of the problem presented by the injustices arising under the existing system. These injustices are not inherent in the system and are no proper part of it. They are the result of privilege and special advantage. They are the result of abuses of the system and are cankers and sores upon it. The real remedy is to cure the abuses—to restore the system to a healthy condition, not to destroy it merely because it has been abused. Why should we burn the house merely to rid it of the vermin? The remedy is to secure equality of opportunity, and not to try to place energy and worthiness upon a dead level with thriftlessness, laziness, and improvidence. The world cannot go forward that way. Progress requires the initiative and labor which cannot be had unless man is permitted to enjoy the fruits of his own achievements.

The proper business of government is to protect the citizen in the enjoyment of his rights, and in the equality of opportunity to work and to create, free from oppression and wrong. No man should be allowed to use his wealth to oppress others—no man should be allowed to acquire wealth through special favors and privileges. Just governments do not permit such wrongs.

But government may not properly concern itself with natural inequalities. Given a sound mind and a sound body, man should be left to his own resources. Government should secure equality of opportunity. This done, it should not concern itself with the results. Man must be held to his own due responsibility. Otherwise he cannot attain his full stature. Civilization cannot advance on any other basis.

It is, of course, proper for the Government to extend aid to the needy in times of extraordinary stress and emergency. I should be the last to take any other position, for, whether it be creditable or otherwise, I was the first of all those connected with the Government to propose Federal relief for the suffering during the present emergency. Despite Mr. Hoover's recent claim on behalf of his party, it was I, a member of the opposition party, who originated the slogan that "no worthy American should be allowed to starve." I am, therefore, wholly committed to the policy of governmental recognition of responsibility for relief. This is based upon the dual principle of response to the instincts of humanity and of the right of the Government to preserve itself.

The fundamental trouble with the "share the wealth" advocates lies in their assumption that there is somewhere a vast and inexhaustible reservoir of wealth, and that all that is needed for perfect ease is that the individual should be able to connect with this fountain. They do not think things out and see that wealth does not consist of the mere counters of money and other bits of paper, but that real wealth consists in the product of mind and muscle, and can be created only through human effort. They do not see that wealth is constantly being destroyed through consumption and the processes of time. They do not see that if men should cease for only a year to labor in the creation of wealth, all civilization would perish and the few individuals who might survive would be forced into savagery. They do not see that it is only through increased production that the standard of living may be enhanced.

Whatever form the proposal for redistribution of wealth may take, it is un-American as a violation of man's right to enjoy the fruits of his own labors, a principle inherent in the preamble of the Declaration, which proclaims that "life, liberty, and the pursuit of happiness" are among the inalienable rights of man.

The most amazing aspect of the situation is that the advocates of "redistribution" regard themselves as liberals. Since when did liberalism become the word for irresponsible experimentation and the reckless disregard of property rights? The only sense in which they are liberal is in the spending of other people's money. True liberalism stands for the greatest permissible freedom of action on the part of the citizen. It has no place in any system of regimentation or other form of collectivism.

The proposal is not even good socialism. Karl Marx preached the confiscation of wealth only as a necessary means to secure for the worker the full fruits of his labor. He never advocated that the lazy and incompetent should share equally with those of more usefulness to society. Even communism claims nothing for the man who will not work. No collectivist of any stripe, Socialist or what not, ever stood for such false equality.

All such measures are, of course, violative of the Constitution, but that is a matter of no moment to their advocates. They coolly invite us to change the organic law, so that those having any fruits of thrift and industry may be despoiled.

Schemes to share the wealth are, of course, immoral. They are merely a form of legalized robbery. They would take the savings of a man who has toiled and sacrificed to provide for his old age and give it to others who have no honest claim upon it.

But, to pass all other objections by, let us consider "sharing the wealth" solely from an economic standpoint; let us visualize the consequences of "redistribution." It would give each individual an undivided interest in mills, mines, railroads, and other property which have value only when used in cooperative effort. The inevitable consequence would be a wholesale slump in production, with disorder and starvation unparalleled even in Russia in 1920. It might even result in a total economic paralysis and chaos. This is the condition which the fanatics and demagogues invite us to submit to. It would be far better to have any intelligent system of collectivism, socialism, or even communism, than such an insane situation.

And bear in mind that there will be only one "redistribution." It will not occur the second time, for no wealth will be created for a second distribution. Robbed of the fruits of thrift and industry, man will no longer have the incentive to accumulate.

It is certain that times are getting better. The improvement as yet is slight, and in some lines it is not yet perceptible. However, on the whole, it is clear that an advance has been made. It is certain that it is merely a question of time before we will have normal conditions again. The question is one of time, which in turn depends largely upon the wisdom and fortitude with which we may deal with our problems. A lack of courage, patience, and straight thinking may operate to continue our sufferings for several years yet.

Recovery, when it does come, will come through the resumption of normal business activities. There is no other way. It cannot come through governmental spending nor through schemes of redistribution. It cannot come through reforms, however desirable they may be. It will come only when the wheels of industry begin to grind in the production of the things that men desire or that are required for their welfare.

Recovery will come through natural processes. How long it will be delayed will depend upon the extent of the interference with the free play of economic laws. Man did not enact these laws—he cannot repeal them. He may retard or thwart their operation only under the certain penalty of paying the price. In this situation may we demean ourselves in a manner worthy of our civilization and of citizenship in our great Republic.

REGENTS OF SMITHSONIAN INSTITUTION

Pursuant to provisions of title 20, section 43, United States Code, the Speaker appointed as Regents of the Smithsonian Institution the following Members of the House: Mr. GOLDSBOROUGH, of Maryland; Mr. CANNON, of Missouri; Mr. GIFFORD, of Massachusetts.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 388, which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 388

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 9870, a bill to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. O'CONNOR. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

Mr. Speaker, this is a rule for the consideration of the so-called "bonus" bill. In just a few words I shall explain the parliamentary situation. It has been the practice of the House to refer bills relating to the payment of the veterans' adjusted service certificates to the Committee on Ways and Means, which Committee also has charge of revenue-raising bills. This particular bill, however, and similar bills are not revenue-raising bills, and have no privileged status in the House. In the ordinary course of events, therefore, this bill could not come before the House without the aid of a special rule.

On the reporting of the bill by the Committee on Ways and Means, and I understand that report was practically unanimous, the Committee on Ways and Means appeared before the Rules Committee and asked the Rules Committee to bring in a rule for the consideration of the bill, that being the only method by which the bill could be considered on the floor of the House. The Ways and Means Committee requested 4 hours of general debate. If I recollect rightly, this subject has been discussed here once or twice before. The Rules Committee granted the request of the Committee on Ways and Means and brought in an open rule providing for 4 hours of general debate, after which the bill will be read for amendment under the 5-minute rule.

The question involved is one that is familiar to everyone here, and is also one in which millions of our people have shown an active personal interest. The matter has been before Congress during all of my service here and long before. It has been particularly a much-mooted question during the past 10 years. It is my desire and the desire of the Committee on Rules that it again be thoroughly considered by the House. We expect a vote will be taken on the final passage of the bill tomorrow afternoon so that the bill may be forwarded to the other body.

I reserve the remainder of my time.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FENERTY].

Mr. FENERTY. Mr. Speaker, the time has now arrived when we, Members of this Congress, are privileged to write the luminous concluding chapter to a great and important phase of American history. It is now almost two decades since the Great War ended, leaving to many of our young men a heritage of interrupted careers and broken bodies. You remember the days when our boys returned from France, having succeeded in their mission to make the world, as President Wilson said, "a better place to live in." You recall the waving of banners, the sounds of music, the shouts of a happy populace, as the veterans of America's latest battles marched beneath the triumphal arches that a grateful Nation had builded in our city streets.

1918

There were those among them in carriages and automobiles—young men who could no longer march as they did in the spring of 1917 on their way to unknown lands and unknowable fates. They, like all our veterans, had abandoned everything that life then held of success and happiness for the hardships of crowded camps, of rain-drenched battle cruisers, of mud-filled trenches, and fitful slumbers beneath the exploding shell fire of the lifted guns. They had not questioned the Nation's summons as they went forth with eager faces turned toward the rising sun.

What a contrast is today presented in the spectacle of our Nation's heroes standing in the bread lines, vainly seeking for employment, hoping against hope for some opportunity to earn the little necessary to keep their wives and children from want and cold during the rigors of the winter, waiting humbly, yet proudly, for America to remember darker days even than these, when they were chosen from among our citizenship to keep the dignity and integrity of our country untarnished.

TODAY

Look about you today, my colleagues—there are in the galleries of this Chamber, garbed in worn and insufficient clothing, men who once wore the uniform of their country; men whom you yourselves acclaimed as the saviors of the Nation; men of whom it was then said that no reward could adequately compensate them for their unselfish sacrifice. They wear no trim uniforms now. There is little light gleaming in their eyes, save that which is enkindled by their hope in us. No martial music now beats a rhythm for their feet. No cheers greet their approach. There they are—some of them, too, with sightless eyes, mutilated lungs, shattered nerves, weakened hearts. And beyond the walls of this Capitol, in the hospitals of the land, are thousands of men whom the Republic has forgotten, while within the little houses of the country are multitudes awaiting an opportunity for hospitalization—long lists numbering practically a fourth of those who answered the call to arms in 1917.

WE PAID A BONUS TO EUROPE

Almost 20 years have gone since the world's most tragic period came to a close. And after we returned from France the Government settled its debt in cash with everyone except the boys who had brought victory to the arms of America and the nations with which she was then associated. Railroads, manufacturers, clerks, shipyard workers—all received cash for their services and were promptly paid. Even Great Britain and France, those ungrateful nations which we had saved from inevitable and certain defeat, were given adjusted-service certificates by our Government in the form of cancelation of principal and interest to the extent of several billions of dollars of their debts to us, much of which money they actually used for payment of compensation to their own veterans at our expense. So, too, 600,000 Government employees who had remained at home received first a bonus of $120, then another of $240, and still a third of a similar amount, and finally in 1923 a Reclassification Act that materially increased the wages of all of them and even in some cases doubled and trebled their salaries. But the men who were willing, if need be, to die that the Government might live received no recognition until the passage of the Adjusted Service Certificate Act, and even then the

amount was adjusted upon the basis of the lowest paid workingman. It is payment of this just debt that we urge upon you today.

PRESIDENT DENIES JUSTICE TO VETERANS

In May of last year, shortly after the President had read his veto message, shutting the door of promise in the faces of those who only a few years before had been hailed as the champions of liberty and democracy, I stood upon the floor of this House and used these words:

It is utterly ridiculous and fallacious for the President to insinuate that payment of this just debt would ultimately injure the financial credit of the Nation and impair recovery. He is himself a financial czar, having absolute dictatorial control of $5,000,000,000, not to mention the gigantic sums still left unspent from the last Congress. If he would be just to the veteran, let him take two billions from this huge fund and with it pay the soldiers the debt which the Nation owes them. He could pay every veteran the value of his adjusted-service certificate and still have enough left over to influence half a dozen national elections. Tomorrow I shall introduce a bill directing the President to do this, in the event that his veto be sustained.

FIRST BILL TO PAY BONUS FROM $4,000,000,000 FUND

I did introduce such a bill the following day, directing that the adjusted-service certificates be paid from the billions already in the President's control. I am in favor of any plan that will properly repay to the veterans this debt which has been overdue since the day they doffed their uniforms, and I believe that the manner of acquiring the funds is of less importance than the necessity and the justice of the payment. It is estimated by Commander Murphy, of the American Legion, Commander Van Zandt, of the Veterans of Foreign Wars, and Commander Harlan, of the Disabled American Veterans of the World War, that $1,000,000,000 will be immediately required for the purpose. Since the country has already reached the limit of what is possible in the imposition of taxes, what more reasonable method of payment can be devised than to take the necessary money from the $2,000,000,000 that are now lying idle in the Treasury, part of the great fund which the administration demanded and received from this docile Congress. If the President is truly sincere in his oft-stated claim to assist the Nation in its struggle towards a return of prosperity, let him, in a spirit of atonement and patriotic service, take this money from its hiding place and put it into the hands of those whom the Washington Herald yesterday called "the Nation's patiently waiting creditors—the defenders of the Republic."

And while I shall gladly support any amendment which will hasten justice to the veterans by appropriating a portion of the huge $2,000,000,000 fund for the purpose, let it be understood that I will not vote tomorrow for any motion to recommit the bill for that reason, thus delaying the payment of the money which the veterans should have received many years ago.

WE CAN OVERRIDE THE VETO

We have been constantly informed that the President will veto any bill calling for the payment of the so-called "bonus" to the veterans of the World War. He told us in his veto message last year that it was his belief that the certificates were not due until 1945 and that payment before that time would violate the contract contained in them. It might be construed as partisan if I were even to allude to the fact that violation of contracts and repudiation of platform pledges have never before annoyed the conscience of this administration. But this debt, I repeat, became due 18 years ago, and besides, this is an election year—and in election years some of those who seek reelection are a trifle more susceptible to the wishes of those whom at other times they have systematically ignored. In any event, there are sufficient votes to pass the bonus over the President's veto and thus do tardy and long-delayed justice to the men who held aloft the torch that they caught flaming amid the poppies of Flanders Fields.

REMEDY A GREAT INJUSTICE

It is in our province today to remedy a great injustice. Let it no longer be said that less than 5 percent of the Nation's manpower should be required, in the name of patriotism, to undergo the rigors and torment of war for the general welfare and safety of the other 95 percent—for the mere privilege of being called veterans. Patriotism is a sublime virtue. Nations flourish and decay as the flame of patriotism burns brightly or flickers in its socket. But unselfish patriotism should not demand that one class alone should bear the burden of battle, the horrors and tortures of conflict, the sorrow and suffering of permanent disability.

LET US WRITE A NEW CHAPTER IN OUR HISTORY

Let us now, dispassionately and in utter sincerity, and in the name of the American people, blot out from our history the injustice that has so long and unreasonably delayed the hopes of those who, giving most, have received so little. The veteran waves no American flag in his demand for his rights. He makes no flamboyant claim to being a better American or a more loyal patriot than others. He scorns to solicit from your charity that which his patriotic devotion gives him the right to challenge from your sense of justice. Before the setting of tomorrow's sun let it be said that America has refused to take her hand from salute to her brave defenders to put a penny in her pocket. Let the determination of the Members of this House be written indelibly into the pages of our national archives. Let it be remembered that—

Truth must triumph at the last, as round and round we run,
For ever the right comes uppermost, and ever is justice done.

In this spirit, Mr. Speaker and my colleagues of the House, I urge you to vote for the immediate payment of the World War adjusted-service certificates. [Applause.]

Mr. O'CONNOR. Mr. Speaker, I yield 10 minutes to the gentleman from Texas [Mr. PATMAN].

SO-CALLED "BONUS" BILL

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include certain excerpts in connection with the statement I shall make.

The SPEAKER. Is there objection?

There was no objection.

Mr. PATMAN. Mr. Speaker, we are considering now a rule which calls for the consideration of the bill to pay in full in cash now the remainder due to three and a half million veterans of the World War on their adjusted-service certificates. This rule, of course, will be debated 1 hour, and the bill will be called up for consideration if the rule is adopted, and, of course, I assume that it will be adopted.

RULES COMMITTEE CONGRATULATED

First, I congratulate the Rules Committee. This committee has been, as always, unusually fair. It seems to me that they have gone out of their way to give consideration to the views and suggestions of everyone in connection with this legislation. Last year a rule was brought out by the Rules Committee that made it possible for any plan of payment to be considered. It was made broad. It was made liberal in order that all views, suggestions, and proposals of Members might be considered. This year the Rules Committee has cooperated in every way to make sure that everyone will receive a fair and square deal. I want to congratulate the members of that committee on their fairness and the interest they have manifested in this legislation.

CONGRESSMAN O'CONNOR COMMENDED

Especially do I commend the chairman of that committee, the Honorable JOHN J. O'CONNOR. He has been fair in every way, and I personally am under many obligations to him for the very fair and excellent way in which he has handled the rule for this legislation. We have had many conferences with him on this matter, and he has always been very patient and considerate.

VINSON-PATMAN-M'CORMACK BILL

The bill that comes up this morning after the adoption of this rule will be the bill known as the Vinson-Patman-McCormack bill. I am very glad indeed to be associated with my good friends Congressmen VINSON and MCCORMACK in sponsoring this legislation. We have been fighting together for this legislation for years, and I am glad we are together working shoulder to shoulder in an effort to have this legislation passed. My name on the authorship of the bill does not mean that I am one of the authors, necessarily.

It means all of those who have worked with me for so many years. They are just as much joint authors of this bill as I am, as far as I am personally concerned. We are all working together.

METHOD OF PAYMENT NOT INVOLVED

This particular bill does not provide a method of payment. It is an authorization. If this bill becomes law as it is now, the question will then be as to the method of payment to the veterans. We are not going to raise that question on this bill. It will not be in order. It is not germane. We understand that. We go into it with our eyes open. We are working with the three major veteran organizations, the American Legion, the Veterans of Foreign Wars, and the Disabled American Veterans of the World War, and I commend their national commanders, my friends Murphy, Van Zandt, and Harlan, for getting together and working shoulder to shoulder, trying to get this bill passed for the veterans. We are not going to try to get a method of payment on this bill. We are going to work with them and they with us. After this bill is enacted into law, then the question of the payment will come up and I, for one, expect to propose that it be paid as I have advocated, along with others on this floor for many years. These veterans' organizations are not going to oppose us. They are not going to throw any stones in our way. They are not going to do anything that would prevent our method of payment being adopted.

AUTHORIZATION NOT APPROPRIATION

Mr. MAPES. Will the gentleman yield?

Mr. PATMAN. I shall be glad to yield to the gentleman from Michigan.

Mr. MAPES. This bill authorizes an appropriation to pay the certificates. In the last Congress we passed a bill authorizing the Secretary of the Treasury to issue bonds up to quite an unlimited amount.

Mr. PATMAN. The Second Liberty Loan Act was amended to permit that; yes.

Mr. MAPES. If this legislation is passed and no other legislation is passed, such as the gentleman has in mind advocating, the only alternative will be for the Secretary of the Treasury to issue bonds in order to get the money to pay these certificates. Is that not true?

Mr. PATMAN. I am glad the gentleman asked that question. If this bill passes as it is, the Secretary of the Treasury cannot, under the amendment to the Second Liberty Loan Act or any other law, issue bonds. It will next be necessary for an appropriation bill to be passed. If an appropriation bill is passed without any specific method, then, under the law which the gentleman mentions, the Secretary of the Treasury may issue bonds and get the money to make these payments.

Mr. MAPES. Will the gentleman yield further?

ISSUE WILL BE TAXES OR NEW MONEY

Mr. PATMAN. In just a moment. I presume that in the appropriation of such a large sum of money, the issue will be before this Congress, and not very long from this time, as to whether or not we will levy more taxes to pay this debt or whether we will use the idle, unused gold in the Treasury to pay the debt. Then the Members of Congress can vote as they choose. I expect to vote to issue the money on the gold, and no new taxes will be required.

Mr. MAPES. Will the gentleman yield further right there?

Mr. PATMAN. I only have a few minutes. I hope the gentleman will not take too much of my time.

Mr. MAPES. I agree with the gentleman's statement, but if the bill passes authorizing the appropriation, then an appropriation follows, more or less as a matter of course?

Mr. PATMAN. In an ordinary bill that is true; but in one involving such a large sum of money, I do not think that rule would prevail.

Mr. MAY. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. MAY. Is it correct, according to the gentleman's statement, as I understand it, that it will be necessary to either vote additional taxes or authorize the payment based on idle gold in the Treasury, by issuing currency, before this bill can be complied with?

Mr. PATMAN. Before the veterans will get their money, yes; but we know this House is not going to adjourn until provisions are made for the money to be paid after the authorization is passed.

Mr. COX. Will the gentleman yield to me?

Mr. PATMAN. I yield to the gentleman from Georgia.

REFUND OF INTEREST

Mr. COX. Of course, I am not opposing the adoption of the rule, but are you not inviting trouble in the future by reason of the preference that you are showing the borrowers on certificates in giving them accrued interest? On what basis do you justify that preferential treatment of the borrower?

Mr. PATMAN. The gentleman has asked me a question that would take several minutes to answer. I only have 2 minutes remaining and I hope the gentleman will excuse me, and I will extend my remarks and answer that very question which the gentleman has propounded.

Mr. COX. If the gentleman speaks on the bill, I hope he will answer that question.

Mr. PATMAN. Yes.

CHAIRMAN DOUGHTON AND WAYS AND MEANS COMMITTEE

I want to commend the chairman of the Committee on Ways and Means, Mr. DOUGHTON. He has worked long and hard on a bill to provide for the payment of this obligation, not only this year but other years. Members of the committee have worked with him, and they are just as much entitled to credit in regard to this legislation as any other Member of the House; myself or anybody else. They have tried to give everybody a fair and square deal in every way.

I therefore want to commend the members of the Ways and Means Committee and especially the chairman of that committee.

I hope this rule is adopted. [Applause.]

ADJUSTED COMPENSATION ACT OF 1924

In May 1924 Congress enacted a law over a Presidential veto providing for the issuance of adjusted-service certificates to veterans of the World War. By reason of the passage of this law three and a half million veterans now hold adjusted-service certificates of the average value of $1,000. Most of these certificates were issued January 1, 1925.

FIRST BILL FOR FULL PAYMENT

May 28, 1929, I introduced a bill in the House of Representatives, and Senator Smith W. Brookhart, of Iowa, introduced a bill in the Senate of the United States providing for the full and immediate cash payment of these certificates. During the latter part of 1929, when the stock market broke and the depression set in, and during the year 1930, many of us were selling the country on the theory that the payment of the remainder due the soldiers would revive buying power and start the country on the way back to recovery. I still believe the results would have been satisfying.

THE 50-PERCENT LOAN LAW

In 1931 our strength had grown sufficiently that our opponents, in order to prevent a forcing of the issue on full and immediate cash payment, caused to be enacted a bill which we supported, providing for a 50-percent loan to the holders of these certificates. These loans were to be made at an interest rate of 4½ percent. During the year 1932 another law was passed which reduced the interest rate to 3½ percent.

PAY IN NEW MONEY

From 1931 to the present time many of us have been advocating a bill for the payment of these certificates that would cause the payment to be made with non-interest-bearing Treasury notes, oftentimes referred to as greenbacks or paper money, but, incidentally, the same kind of money as much of the money that is now outstanding, and would be on a par with all other money issued by the Government.

INCREASED STRENGTH EACH SESSION

Our bill first passed the House of Representatives June 15, 1932, by a vote of 211 for to 176 against. It was killed

in the Senate June 17, 1932, by a vote of 62 against to 18 for. Our bill again passed the House March 12, 1934, by a vote of 295 for to 125 against. It was again killed in the Senate June 11, 1934, by a vote of 51 against to 31 for. Our bill again passed the House of Representatives March 22, 1935, by a vote of 318 for to 90 against. It passed the Senate May 7, 1935, by a vote of 55 for to 33 against, lacking 9 votes of receiving a two-thirds majority in that body. The President vetoed the bill, and his veto was overridden by the House May 22, 1935, by a vote of 322 for to 98 against. The President's veto was sustained by the Senate May 23, 1935, by a vote of 54 to override to 40 against overriding; a two-thirds vote being necessary to override a veto. Of the 514 Representatives of the two Houses of Congress who voted, 376 voted for our bill in 1935 and only 138 against it; in other words, over 73 percent of those voting voted for the bill.

FORCED CONSIDERATION JANUARY 13

Before the end of the first session of this Congress in 1935 those of us who have fought for this legislation for many years succeeded in obtaining the signatures of 218 Members of the House of Representatives to a motion to discharge the Committee on Ways and Means from further consideration of our bill, H. R. 1, in order that we may force consideration of the bill at the beginning of this session of Congress. The petition which would force consideration of our bill next Monday, January 13, was signed by the following Members of the House:

LIST OF MEMBERS WHO SIGNED PETITION TO DISCHARGE WAYS AND MEANS COMMITTEE FROM THE CONSIDERATION OF THE BILL H. R. 1

Alabama: Starnes and Boykin.
Arizona: Greenway.
Arkansas: McClellan, Miller, Cravens, and Driver.
California: Stubbs, Scott, Colden, Costello, Kramer, Hoeppel, McGroarty, Dockweiler, Gearhart, Tolan, McGrath, and Welch.
Colorado: Cummings and Martin.
Connecticut: Citron, Shanley, and Kopplemann.
Florida: Green.
Georgia: Deen, Brown, Owen, Vinson, and Whelchel.
Idaho: White.
Illinois: Schuetz, Adair, Reed, Dirksen, Arends, Allen, Mitchell, O'Brien, McAndrews, Schaefer, Thompson, Kelly, Beam, McKeough, Sabath, Mason, Dobbins, Brennan, Meeks, Parsons, Keller, and Buckbee.
Indiana: Schulte, Griswold, Jenckes, Greenwood, Crowe, Gray, Larrabee, and Ludlow.
Iowa: Eicher, Jacobsen, Wearin, and Gilchrist.
Kansas: Lambertson, Guyer, Patterson, Carpenter, Houston, Carlson, and Hope.
Kentucky: May and Robsion.
Louisiana: Fernandez, Maloney, Sandlin, Wilson, Sanders, DeRouen, and Dear.
Maryland: Goldsborough, Palmisano, and Kennedy.
Massachusetts: Granfield, Connery, Healey, Higgins, and McCormack.
Michigan: Sadowski, Blackney, Wolcott, Crawford, Engel, Hook, Rabaut, Dingell, Lesinski, and Dondero.
Minnesota: Ryan, Lundeen, Knutson, Kvale, Pittenger, and Buckler.
Mississippi: Rankin, Doxey, Ford, Dunn, Colmer, and McGehee.
Missouri: Nelson, Wood, and Cannon.
Montana: Monaghan and Ayers.
Nebraska: Luckey, Stefan, Binderup, and Coffee.
Nevada: Scrugham.
New Jersey: Wolverton and Kenney.
New Mexico: Dempsey.
New York: Brunner, Delaney, Sirovich, Kennedy, Marcantonio, and Dickstein.
North Carolina: Hancock and Weaver.
North Dakota: Burdick and Lemke.
Ohio: Kniffin, Polk, Fletcher, Duffey, Underwood, Secrest, Ashbrook, Imhoff, Sweeney, and Crosser.
Oklahoma: Disney, Nichols, Cartwright, Gassaway, Lee, Johnson, Massingale, Ferguson, and Rogers.
Oregon: Mott and Pierce.
Pennsylvania: Dorsey, Stack, Frey, Gildea, Focht, Doutrich, Walter, Haines, Gingery, Faddis, Eckert, Gray, Berlin, Crosby, Moritz, Ellenbogen, and Dunn.
Rhode Island: O'Connell.
South Carolina: Fulmer, Taylor, and Richards.
South Dakota: Hildebrandt and Werner.
Tennessee: Reece, Taylor, Mitchell, and Turner.
Texas: Patman, Dies, Sanders, Johnson, Patton, Eagle, Mansfield, Cross, McFarlane, Thomason, Blanton, Mahon, Maverick, and South.
Utah: Murdock and Robinson.
Virginia: Flannagan.
Washington: Zioncheck, Wallgren, Smith, Knute Hill, and Lloyd.
West Virginia: Ramsay, Randolph, Edmiston, and Johnson.
Wisconsin: Amlie, Sauthoff, Withrow, Cannon, O'Malley, Boileau, Schneider, Hull, and Gehrmann.

Although the petition was not considered a reflection on the Ways and Means Committee, most of whom are our supporters, the motion was perfected for the purpose of protecting our rights at the beginning of this session and to force early consideration of the legislation. No one will dispute the fact that this petition, which forced consideration of the bill next Monday, January 13, 1936, has caused early action on this legislation. This bill would not be before Congress now so soon after Congress met on January 3 were it not for this petition, which will force consideration next Monday. Therefore, the signers of this petition are entitled to much credit for getting immediate consideration of our proposal.

STEERING COMMITTEE

For several years I have been assisted by a steering committee for the passage of H. R. 1, known as the Patman bill.

ONE HUNDRED AND FIFTY HOUSE MEMBERS JOINT AUTHORS

It is a matter of small concern to me or to the veterans whether I am the author of the particular bill that pays the debt. It is not pride of authorship that we are interested in. At least 150 Members of the House of Representatives are just as much entitled to be known as joint authors of the Patman bill as myself. For many years we have all worked together on this proposal. For several years in the House I have been aided and assisted by a steering committee. This committee is composed of the following Members: ABE MURDOCK, of Utah, secretary; ADOLPH J. SABATH, Illinois; JAMES G. SCRUGHAM, Nevada; ARTHUR H. GREENWOOD, Indiana; WILLIAM M. COLMER, Mississippi; JENNINGS RANDOLPH, West Virginia; CLARENCE CANNON, Missouri; WILLIAM P. CONNERY, Jr., Massachusetts; WILLIAM M. BERLIN, Pennsylvania; FRANK HANCOCK, North Carolina; JED JOHNSON, Oklahoma; JAMES P. RICHARDS, South Carolina; GERALD J. BOILEAU, Wisconsin; ANDREW J. MAY, Kentucky; FRED H. HILDEBRANDT, South Dakota; MARTIN F. SMITH, Washington; MARTIN DIES, Texas; JOHN E. MILLER, Arkansas; GEORGE A. DONDERO, Michigan; PAUL J. KVALE, Minnesota; ROY E. AYERS, Montana; and myself, chairman.

I am personally greatly indebted to the members of this committee for their very able, loyal, and effective support in this cause. Without this good steering committee, success would not have been possible.

"BONUS" A MISNOMER

The word "bonus" is a misnomer, was coined by the enemies of the veterans, and should never be used. Adjusted-service certificates were delivered to veterans in return for services rendered at a very low rate of pay.

SOLDIERS' PAY VERSUS CIVILIAN PAY

April 6, 1917, war was declared by this country against Germany. Congress immediately commenced consideration of a bill that had for its purpose raising an army. Little consideration was given to the question of pay that men in uniform would receive. It was well known that if any injustice should be done in this regard it could be corrected later. Between four and five million men were caused to don the uniform of their country. Practically all of these men felt it was their duty, desired to be patriotic, and, like all good soldiers, served wherever they were called upon to serve. Nevertheless, it was admitted that practically all of them suffered a serious economic disability by being required to serve at $1 a day, when others, for various reasons exempted from military service, were making, in the words of our own great President, from $8 to $20 a day in the shipyards and munition factories.

DEDUCTIONS GOT THE $30 A MONTH

Do not get the impression that the private soldier actually received $30 a month, as reported. The average allotment of his pay for his dependents, if he had dependents, was about $15 a month. He was required to carry war-risk insurance, which cost him on an average of $6.60 a month, the Government thereby requiring him to make his monthly

contribution for the protection of the loved ones of his dead buddies. Four million veterans paid Uncle Sam approximately $400,000,000 in this way for which they did not receive one penny in return.

Uncle Sam paid for the insurance on his ships, but not on his men. The soldier was required to pay for altering and mending his clothing and shoes, his barber bills, laundry bills, and bills at canteens for tobacco and incidentals. If he had anything left, he subscribed for a Liberty bond on the installment plan or he was called a "slacker."

Commissioner O'Reilly, who is now an alderman in a western city, at the end of his first month in the service, after waiting 2 hours in line with his company, approached the paymaster's table, saluted, and gave his name, he told Mr. James E. Van Zandt, commander in chief of the Veterans of Foreign Wars. The paymaster, looking at the company pay roll, replied, "Private O'Reilly, you owe this Government 80 cents."

OTHERS RECEIVED ADJUSTED PAY

When the war was over those who dealt with property rights had their pay adjusted by the Congress of the United States. Seven thousand World War "cost plus" contractors—many of them had engaged in a "war for profits"—had their pay adjusted. Included in this group were the Du Ponts, who recently admitted that they made a profit of a quarter of a billion dollars out of the war after paying all expenses and taxes on what they billed to South American countries as "sporting goods." The railroad owners and war contractors received an adjustment of pay in cash and other benefits amounting to billions of dollars. They asked the Government for a revision of their contracts and were not called unpatriotic for doing it, and they were paid in cash.

Five hundred thousand Federal employees of the Government, who received up to $2,500 a year during the war, received an adjustment of pay amounting to $1,440 each—they asked for a revision of their contracts and they were paid in cash $240 a year for 6 years.

Foreign countries asked for a revision of their contracts and had their debts adjusted, which resulted in Congress giving to them as an outright gift the huge sum of $10,000,000,000. Many of these countries used our money to pay their own soldiers adjusted pay and bonuses up to the enormous sum of $7,290 each.

CONSCIENCE-STRICKEN CONGRESS

After doing so much for property rights and foreign countries, a conscience-stricken Congress was determined to make some adjustment of pay received by the men who wore the uniform. The cost of the war was $36,000,000,000; the men in uniform received $4,500,000,000. It was agreed that the Members of Congress could not save their faces and allow less than $1 a day as adjusted pay.

SECRET CAUCUS AND CHISELING AMENDMENTS

The Ways and Means Committee of the House consisted of 15 Republicans and 10 Democrats. The Republicans put the Democrats out of the committee room, closed the door, called in representatives from the War Department, and outlined the plan of paying $1 a day to each veteran for home service and $1.25 a day for service overseas. These representatives were instructed to suggest how deductions and reductions could be made, to propose every chiseling amendment for which any argument could be offered for its adoption, and to get up some sort of a plan that would appear to the veterans that they were actually getting the $1 a day, but which, in fact, would be so manipulated that they would get just as little of it as possible. One of the unfairest chiseling amendments was the deduction of the first $60. Another was to provide a way whereby the banks would consume one-half of each certificate through compound interest after a few loans, obtained in dribs, had been made.

In this secret caucus, where words were spoken that were supposed to never be known, the plan was conceived which was enacted to give the veteran a post-dated check, an I O U, or a "tombstone" certificate, payable in 1945. The basis for it was the $1 a day for domestic service and $1.25 for service overseas, plus interest at 4 percent and plus 25 percent of the basic pay for waiting from 1925 until 1945. The veterans were not asked to take or reject these certificates. They had to take them or leave them alone, just like they were compelled to go in the service, whether they wanted to or not.

CERTIFICATE HOLDERS AND REMAINDER DUE

Three and one-half million veterans hold certificates, averaging $1,000; three million of them have borrowed the limit allowed by law, which is 50 percent of each certificate, and after deducting prior loans and interest before October 6, 1931, there is a remainder due of $2,000,000,000. They are paying $163,000 a day in compound interest on these loans to the Government and to the banks, which is rapidly consuming the balance due.

HIGH INTEREST AND TIME DUE

They have paid as high as 6-percent and 8-percent interest, compounded annually, for their own money. If the Government should now allow the veterans the highest interest rate the veterans were charged, an amount equal to the face value of each certificate was due long before 1931. If the certificates remain as they are, the average veteran who has a $1,000 certificate will receive the small sum of $68.50 in 1945. Compound interest paid to the banks and to the Government on a few small loans obtained in dribs will have eaten up the remainder.

If Congress grants a revision of the contract, as requested in H. R. 1, and these certificates are dated back to the time the services were rendered, and there is an adjustment of interest so as to give the veteran the same rate of interest, and no more, that was paid to war contractors, railroad owners, and all others on contracts growing out of the World War, and is given only the earned part of the 25-percent increase that Congress admitted was due for waiting 20 years and not deduct the first $60, each veteran is entitled at this time to a substantial sum more than the face value of his certificate. If the Government will allow the veteran the earned part of the 25 percent for waiting, along with the $1 and $1.25 a day, together with a rate of interest less than the Government has charged veterans, 6 percent compounded annually, an amount equal to the full face value of each certificate was due October 1, 1931.

PAST DUE ANY WAY IT IS COMPUTED

There is no fair way to compute the amount due a veteran, using the $1 and $1.25 a day as a basis, without determining that each veteran was entitled to an amount equal to the full face value of his certificate on or before October 1, 1931.

If the veterans receive credit for a fair adjustment of interest, and the certificates are dated back to 1918, they have borrowed the equivalent of the accumulated interest—the principal remains intact.

We are not trying to change the amount of $1 a day for home service and $1.25 a day for service overseas, representing the basic pay of $1,400,000,000, that Congress acknowledged. We want it paid as of the time the services were rendered.

According to the testimony of Secretary of War Baker before the House Appropriations Committee in 1918, it cost the Government $154 a year for each soldier for food, clothing, and maintenance. This was less than 50 cents a day. The first financial benefit the veteran received was the $1 a day, a greater part of which was taken up by deductions for allotments, insurance, and so forth. The next financial benefit was food and clothing, which cost the Government less than 50 cents a day, and the third financial benefit is the extra compensation confessed by Congress in 1924, and which is included in the adjusted-service certificates.

VETERANS FIGURED OUT OF 7 YEARS' INTEREST

Mr. Andrew Mellon, with his short pencil in the middle of the night, aided by a secret committee meeting, figured the veterans out of 7 years' interest. This omission appears to have been deliberate, since title 5, section 501, of the act provides that in no case shall a veteran receive interest before January 1, 1925. He also persuaded the committee to deduct the first $60 and then got the bill passed through

the House under a gag rule that did not permit an amendment to cross a "t" and dot an "i."

January 28, 1931, the Committee on Finance of the United States Senate was considering my bill to pay this debt in full. Mr. Andrew Mellon testified. Under Secretary Mills was by his side and was answering many of the questions. Senator CONNALLY, of Texas, asked him this question:

If you are going to base compensation on the idea of interest, why should you ignore the 7 years that had expired between the war and the date you were settling with them?

Under Secretary Mills answered for Mr. Mellon:

We did. That is the answer.

Senator CONNALLY:

But why should you ignore it?

The answer was:

I do not know; but we did ignore it.

Mr. Mellon and Mr. Mills were not in the habit of making admissions favorable to veterans. This testimony may be found on page 62 of the hearings.

BABY BONDS

The United States Treasury is now selling baby bonds. The face amount of the bond is due in 1945 if purchased in 1935. Suppose the holder of one of those baby bonds should in 1945 discover that 7 years' interest had been omitted in computing his bond, and according to its terms he would not receive the full amount until 7 years later, or 1952. In such a case he would be entitled to ask for a revision of the terms of his bond in order that he may not be deprived of the 7 years' interest. This is exactly what the veterans are doing today. In calculating the amount due these veterans, 7 years' interest was ignored.

COMPARED WITH LIFE-INSURANCE POLICY

Comparing a certificate with a life-insurance policy is not fair. A life-insurance policy is a voluntary contract, and the one obtaining it accepts the contract and complies with its terms and provisions. These so-called "bonus" certificates are not contracts, and the veteran did not accept its terms. He had no option. He had to accept it or receive nothing.

CRIES OF DEFICITS AND TAX REDUCTIONS

The acknowledgment of this debt was delayed several years by cries of deficits and tax reductions, which were not heard when billions were being voted for adjusted pay to others.

The Secretary of the Treasury, when the bill was before Congress, predicted a great deficit at the end of the next fiscal year. He made a billion-dollar error in his prediction, but the discovery, months later, was too late—as intended—for the "tombstone" certificate bill had already become a law.

REFUNDS OF INCOME-TAX PAYMENTS

Income-tax payers received approximately $3,000,000,000 in adjustments on their income-tax payments made during and by reason of the war. Secretary Andrew Mellon made huge refunds to citizen Andrew Mellon and to citizen Andrew Mellon companies. When a payment was made on such a refund, 6-percent interest was allowed by him from 1918, or the time of the alleged overpayment. He did not forget his own interest over the same period of time he deprived the veteran of interest on a confessed debt.

Suppose holders of Government bonds should discover they paid money for bonds in 1918 and that they were not drawing interest until 1925. One of such bondholders would make more noise than a thousand veterans are now making over a similar loss.

VETERAN RECEIVED $1; MUST PAY HIS PART OF $21

Veteran A entered the service during the war and received $1 a day. Civilian B went to the shipyards and received $20 a day. The Government borrowed $21 a day to pay the pair. When the war was over, these debts had to be paid. Veteran A, although he received only one of the $21, must pay his part of the entire $21. With the adjusted pay, the veteran receives about 20 percent or less of what civilians received. If a veteran should receive more than a civilian, the excess could properly be termed a bonus, or pay for patriotism, but such is not the case.

A few companies made as much in net profits during the war as we are asking now to be paid on a confessed debt to three and one-half million men.

PAYMENT WILL KILL UNREASONABLE DEMANDS

If the payment is made now and veterans should make an unreasonable demand, public sentiment will be against it. But if you let a few banks of the country and the Government unfairly deprive the veterans of half of their certificates, public sentiment will likely be with them for anything they want—reasonable or unreasonable.

VINSON-PATMAN-M'CORMACK BILL

Our group is supporting the bill known as the Vinson-Patman-McCormack bill, H. R. 9870, for full and immediate cash payment. It carries authorization for an appropriation for the payment. When this bill becomes a law, it will then be material to propose a method of payment. Our group will insist upon the method as embodied in H. R. 1. After the Vinson-Patman-McCormack bill becomes law, the veterans' organizations will not oppose us in our efforts to get the payment made according to the way we want it made. We have agreed not to insist upon the method of payment in this authorization bill, and they will not resist our efforts to get our method adopted for the payment after this authorization bill is enacted into law. Our steering committee has at all times maintained that our first objective is full and immediate cash payment. We are, however, secondarily interested in the method of payment—one that will help the country as well as the veterans. We are submerging the method of payment embodied in H. R. 1 at this time until the authorization bill becomes a law in compliance with that policy.

HOUSE BILL 1 FOR IMMEDIATE PAYMENT

Our bill, H. R. 1, provides that each veteran who holds a certificate will get the remainder due him in cash immediately. Prior loans received on his certificate will be deducted, but no interest to be deducted on loans after October 1, 1931.

Government currency will be issued to pay the debt, and, as this form of Government currency is paid to the veterans, the Secretary of the Treasury is authorized, if he desires, to retire from circulation another form of Government currency—Federal Reserve notes—equal to the amount paid the veterans. This provision removes any chance of inflation, because as one form of money is paid to the veterans another form of money is retired. Therefore, the circulating medium will not necessarily be increased by one dollar. Anyone who charges that the bill is inflationary is either misinformed, uninformed, or is deliberately misrepresenting the facts. A bond bill that the bankers want will be inflationary.

MAY BE PAID IN GOLD

The daily statement of the United States Treasury today discloses that the Government has on hand more than $10,000,000,000 in pure gold and more than $1,000,000,000 in silver. According to existing law, the title to all gold is in the Government of the United States. Therefore, the Government possesses enough gold to set aside a 100-percent reserve to take care of all outstanding money and to then set aside $2,000,000,000 to pay the remainder due the veterans 100 cents on the dollar in gold, and still have more than $3,000,000,000 in idle gold and $1,000,000,000 in idle silver. In view of these undisputed facts, how can one contend that it would not be idiotic and imbecilic for the Government to issue more tax-exempt, interest-bearing bonds to pay the debt owed to the soldiers? If the debt is not paid in the manner we propose, it will take more bonds and more taxes to pay it. Practically all the $4,800,000,000 appropriated for public works has been allocated; only a very small sum remains in this fund. Therefore, the debt cannot be paid from this fund. A question remains: Will we pay the debt in Government currency, based upon a 100-percent gold reserve, or will we issue more nontaxable, interest-bearing bonds to pay it? Our plan is a sensible, sane, and reasonable plan. It will require neither bonds nor taxes to make the payment. If there is objection to printing the

money based upon the gold, as Congressman RANKIN, of Mississippi, has pointed out, the payment can conveniently and safely be made in pure gold.

BANKERS GREATLY BENEFITED

No group in America has been helped more since March 4, 1933, than the big banking group, yet they demonstrated monumental gall and gross ingratitude at the recent New Orleans convention of the American Bankers' Association and are now trying to chisel in on the payment of this debt. Let me tell you the benefits the banking group has received during this period:

(1) All the banks were closed on March 4, 1933. They owed the people $40,000,000,000 and had in their vaults only $1.75 for every $100 owed. Congress passed a law allowing the bankers to put up any sort of paper, collateral or no collateral, even their own demand notes, and get money printed on them in order that their doors might be opened. The credit of the Nation was being used absolutely free by the bankers, and they paid only 27 cents per thousand dollars for printing the money.

(2) All deposits of $5,000 or less have been guaranteed by an agency of the Government, the Government paying $300,000,000 of what can be termed the initial premium and the banks only $39,000,000 of the premium.

(3) The Government purchased half the stock in practically all the banks. This stock is tax-exempt. This has enabled the banks to get a 50-percent tax reduction during the depression, which no other group received.

(4) A law was passed relieving the banks of the obligation to pay interest on demand deposits, thereby saving them more than $250,000,000 a year.

(5) The Government has delivered to them Government bonds, tax-exempt, interest-bearing, for a bank's credit, which enables them to collect three-fourths of a billion dollars a year in interest from the Government, representing a pure bonus, subsidy, or gratuity.

BANKERS' DOLE

Therefore, the banks of the Nation during this depression have received a 50-percent tax reduction, a saving of $250,000,000 a year interest on demand deposits, collecting $750,000,000 a year interest on Government bonds that they are holding, enjoying a guaranty of their deposits practically at Government expense, and using the credit of the Nation absolutely free. The bankers have been and are now enjoying a Government dole equal to more than millions of poor and unfortunate people receive annually.

Considering all these benefits, the banking group has been well taken care of, and I see no reason why Congress should give them an additional "rake-off" or "grab" of $2,000,000,000 in order to pay a just and honest debt of $2,000,000,000 to the veterans of the World War.

WEALTHY ESCAPE TAXATION

There are outstanding today tax-exempt obligations issued by the Federal, State, county, and city governments amounting to more than $50,000,000,000. The people who hold these obligations do not pay taxes on them. We are rapidly going in the direction of permitting the people who own the wealth of this Nation to go scot free of any sort of tax and compelling others to pay taxes on what they owe and what they consume, in order to support our different governments. The issuance of nontaxable, interest-bearing bonds must be stopped. The time is opportune—it is now! The big bankers will object. They want their "drag" or "rake-off" on every debt, or they will oppose the payment of the debt. Now is the time to start in the direction of the Government's issuing its own credit within limited bounds and reasonable limitations, according to the Constitution of the United States, instead of the Government's paying the bankers for the use of the Government's credit.

No longer should we permit the credit of this Nation to be farmed out for the use and abuse of a few big bankers.

PAYMENT NOW WILL HELP ENTIRE COUNTRY

In conclusion, may I repeat that the debt to the veterans is past due because 7 years' interest was ignored in computing the so-called "bonus" certificates; that the full amount should be paid now without deducting interest on loans since 1931. This will require the payment of $2,000,000,000 to the veterans, which will go into every nook and corner of the Nation. It will be new and added purchasing power that will quickly flow into the channels of trade and production and not only help the veterans but help everybody. The payment can safely be made without bonds or taxes. It can even be made in pure gold, and the Treasury will still have sufficient gold to redeem all outstanding money and have on hand $4,000,000,000 in idle gold and silver.

If this bill is enacted into law, the veterans in the following-named States will receive the amounts indicated:

Alabama (50,867)	$26,888,528.74
Arizona (10,870)	6,668,187.11
Arkansas (43,849)	21,993,238.27
California (200,424)	122,833,011.86
Colorado (34,259)	19,362,059.24
Connecticut (44,043)	26,914,018.40
Delaware (4,884)	3,527,070.50
District of Columbia (28,281)	16,278,716.59
Florida (39,535)	21,921,858.79
Georgia (58,583)	32,262,445.70
Idaho (13,575)	7,411,798.86
Illinois (253,343)	141,472,589.16
Indiana (95,587)	50,730,624.28
Iowa (79,814)	41,019,480.37
Kansas (57,114)	31,436,036.43
Kentucky (63,696)	34,261,787.60
Louisiana (53,885)	27,849,762.05
Maine (21,412)	12,121,627.12
Maryland (48,424)	27,931,248.31
Massachusetts (137,113)	83,147,947.57
Michigan (134,009)	77,476,794.12
Minnesota (85,532)	52,789,520.36
Mississippi (36,802)	19,308,411.76
Missouri (111,706)	60,820,922.70
Montana (18,108)	10,281,687.92
Nebraska (40,233)	21,802,190.95
Nevada (3,066)	1,771,846.11
New Hampshire (12,370)	7,298,113.14
New Jersey (116,440)	69,579,645.59
New Mexico (10,101)	5,810,422.87
New York (377,182)	221,373,427.96
North Carolina (63,926)	34,622,162.80
North Dakota (16,174)	8,762,475.18
Ohio (182,692)	106,061,344.03
Oklahoma (67,181)	35,202,766.82
Oregon (35,376)	20,679,034.90
Pennsylvania (259,931)	155,594,459.25
Rhode Island (20,789)	12,356,383.60
South Carolina (35,747)	19,316,831.04
South Dakota (22,713)	11,757,600.97
Tennessee (59,009)	32,497,536.52
Texas (148,771)	83,696,221.25
Utah (14,387)	8,035,096.92
Vermont (8,243)	5,042,465.50
Virginia (63,132)	36,811,791.20
Washington (56,335)	34,079,306.15
West Virginia (43,294)	23,345,392.42
Wisconsin (88,036)	47,177,680.61
Wyoming (11,177)	6,329,955.57

The figures in parentheses represent the number of veterans holding certificates, and the other figures represent the total amount that will be paid to them after deducting all prior loans and interest before October 1, 1931.

This computation and the following computations are based upon no interest being paid by the veteran on prior loans after October 1, 1931. The Vinson-Patman-McCormack bill provides for a cancelation of all interest on loans after the year 1931. This will change the figures very, very slightly, not more than a few dollars in each county.

After deducting all prior loans, with interest to October 1, 1931, there is estimated to be a remainder due to the veterans the sum of $2,015,162,456.76, which includes the amount due the ones who have not negotiated loans on their certificates; interest on loans prior to October 1, 1931, amounts to a comparatively small sum.

If the face or maturity value of these certificates is paid in full at this time, there will be a remainder due the veterans in each county in the United States approximately as follows (this information compiled from information obtained from the Veterans' Administration, Statistical Division of the Bureau of Internal Revenue, and from other governmental sources):

Alabama (50,867 certificate holders): Autauga $200,110.74, Baldwin $287,444.53, Barbour $329,470.42, Bibb $211,145.58, Blount

$284,711.22, Bullock $203,382.53, Butler $306,811.30, Calhoun $565,063.37, Chambers $399,459.39, Cherokee $205,445.26, Chilton $249,747.22, Choctaw $208,432.59, Clarke $264,348.58, Clay $180,540.65, Cleburne $130,843.20, Coffee $330,801.52, Colbert $303,407.46, Conecuh $258,384.07, Coosa $126,606.06, Covington $420,218.32, Crenshaw $240,368.62, Cullman $417,119.21, Dale $235,481.17, Dallas $559,810.13, DeKalb $407,496.74, Elmore $348,319.08, Escambia $284,131.99, Etowah $644,197.24, Fayette $187,399.22, Franklin $257,804.89, Geneva $305,886.74, Greene $200,628.94, Hale $266,878.66, Henry $231,874.02, Houston $466,745.53, Jackson $374,747.84, Jefferson $4,384,400.37, Lamar $182,908.16, Lauderdale $417,921.93, Lawrence $273,757.66, Lee $366,436.09, Limestone $372,187.27, Lowndes $232,463.36, Macon $275,393.58, Madison $656,634.29, Marengo $370,124.59, Marion $263,850.69, Marshall $404,428.12, Mobile $1,202,686.44, Monroe $305,541.27, Montgomery $1,002,596.03, Morgan $469,194.34, Perry $268,097.98, Pickens $253,029.22, Pike $327,590.64, Randolph $272,934.62, Russell $278,177.70, St. Clair $249,046.11, Shelby $280,199.74, Sumter $273,625.57, Talladega $459,693.80, Tallapoosa $316,901.27, Tuscaloosa $651,858.59, Walker $604,020.64, Washington $166,284.76, Wilcox $252,805.68, Winston $158,470.96; total $26,888,528.74.

Arizona (10,870 certificate holders): Apache $271,964.39, Cochise $627,638.39, Coconino $215,305.78, Gila $474,823.95, Graham $158,800.26, Greenlee $151,344.78, Maricopa $2,311,199.73, Mohave $85,301.75, Navajo $324,581.42, Pima $852,343.89, Pinal $338,038.03, Santa Cruz $148,252.36, Yavapai $435,847.23, Yuma $272,745.15; total $6,668,187.11.

Arkansas (43,849 certificate holders): Arkansas $274,557.60, Ashley $309,659.12, Baxter $117,197.93, Benton $434,034.94, Boone $183,904.35, Bradley $215,386.13, Calhoun $120,066.63, Carroll $194,775.84, Chicot $278,817.56, Clark $306,962.79, Clay $335,846.74, Cleburne $140,024.38, Cleveland $156,904.13, Columbia $336,363.84, Conway $270,236.09, Craighead $550,838.88, Crawford $277,623.29, Crittenden $488,995.71, Cross $316,701.58, Dallas $180,629.36, Desha $268,573.97, Drew $245,353.54, Faulkner $349,426.88, Franklin $194,061.75, Fulton $133,388.21, Garland $443,613.68, Grant $121,076.21, Green $321,675.63, Hempstead $379,788.27, Hot Spring $222,908.76, Howard $215,324.57, Independence $298,258.20, Izard $158,480.07, Jackson $344,034.22, Jefferson $789,864.05, Johnson $237,486.17, Lafayette $208,491.41, Lawrence $266,714.86, Lee $327,954.75, Lincoln $249,318.00, Little River $191,020.68, Logan $296,842.32, Lonoke $415,640.81, Madison $164,168.21, Marion $109,281.32, Miller $376,574.84, Mississippi $853,086.17, Monroe $254,255.12, Montgomery $132,575.62, Nevada $251,250.99, Newton $130,063.97, Ouachita $368,005.68, Perry $94,740.84, Phillips $500,889.10, Pike $145,183.11, Poinsett $365,604.84, Polk $182,919.39, Pope $326,846.67, Prairie $186,982.35, Pulaski $1,695,694.83, Randolph $207,715.76, St. Francis $411,146.93, Saline $192,806, Scott $145,318.54, Searcy $136,121.48, Sebastian $670,092.92, Sevier $201,473.57, Sharp $131,923.08, Stone $98,409.82, Union $687,009.60, Van Buren $147,276.15, Washington $483,307.56, White $471,167.93, Woodruff $279,260.79, Yell $262,405.66; total $21,993,238.27.

California (200,424 certificate holders): Alameda $10,274,568.59, Alpine $5,214.28, Amador $183,776.19, Butte $737,636.15, Calaveras $129,989.09, Colusa $221,942.09, Contra Costa $1,700,762.69, Del Norte $102,533.01, Eldorado $180,119.70, Fresno $3,123,784.05, Glenn $236,589.66, Humboldt $935,389.19, Imperial $1,317,697.31, Inyo $141,824, Kern $1,786,484.52, Kings $549,229.86, Lake $155,043.58, Lassen $272,375.61, Los Angeles $47,782,932.92, Madera $371,360.31, Marin $901,096.13, Mariposa $69,949.19, Mendocino $508,554.18, Merced $795,079.73, Modoc $173,910.17, Mono $29,424.96, Monterey $1,161,961.38, Napa $495,399.50, Nevada $229,255.06, Orange $2,567,630.67, Placer $529,389.65, Plumas $171,205.67, Riverside $1,753,035.27, Sacramento $3,072,290.37, San Benito $244,724.80, San Bernardino $2,877,060.40, San Diego $4,536,182.13, San Francisco $13,725,748.59, San Joaquin $2,227,209.84, San Luis Obispo $640,706.87, San Mateo $1,674,734.58, Santa Barbara $1,409,953.22, Santa Clara $3,139,773.05, Santa Cruz $809,990.39, Shasta $301,324.58, Sierra $52,402.40, Siskiyou $551,285.28, Solano $883,484.43, Sonoma $1,346,235.20, Stanlaus $1,225,484.68, Sutter $316,275.50, Tehama $300,004.78, Trinity $60,775.53, Tulare $1,675,535.12, Tuolumne $200,587.36, Ventura $1,189,460.74, Yolo $511,561.59, Yuba $245,157.52; total $122,833,011.86.

Colorado (34,259 certificate holders): Adams $378,439.79, Alamosa $160,797.19, Arapahoe $423,340.38, Archuleta $59,892.38, Baca $197,585.01, Bent $170,741.87, Boulder $606,700.01, Chaffee $151,899.32, Cheyenne $69,594.04, Clear Creek $40,283.42, Conejos $183,247.48, Costilla $108,026.85, Crowley $110,924.27, Custer $39,703.94, Delta $265,515.38, Denver $5,380,985.68, Dolores $26,394.52, Douglas $65,388.12, Eagle $73,351.34, Elbert $122,999.94, El Paso $926,612.01, Fremont $353,222.93, Garfield $186,462.68, Gilpin $22,655.92, Grand $39,404.85, Gunnison $103,316.22, Hinsdale $8,393.16, Huerfano $318,939.97, Jackson $25,908.50, Jefferson $407,694.33, Kiowa $70,771.70, Kit Carson $181,789.43, Lake $91,577.01, La Plata $242,541.68, Larimer $619,429.95, Las Animas $673,097.55, Lincoln $146,740.05, Logan $372,850.58, Mesa $484,298.25, Mineral $11,963.52, Moffat $90,866.68, Montezuma $145,786.02, Montrose $219,493.21, Morgan $341,762.62, Otero $455,908.50, Ouray $33,348.32, Park $38,358.04, Phillips $108,363.33, Pitkin $33,086.61, Prowers $275,946.07, Pueblo $1,234,448.34, Rio Blanco $55,705.14, Rio Grande $186,051.43, Routt $174,816.94, Saguache $116,831.25, San Juan $36,170.96, San Miguel $40,825.52, Sedgwick $104,306.74, Summit $18,450, Teller $77,407.72, Washington $179,284.57, Weld $1,216,858.23, Yuma $254,467.81; total $19,362,059.24.

Connecticut (44,043 certificate holders): Fairfield $6,476,871.80, Hartford $7,052,953.66, Litchfield $1,382,730.45, Middlesex $860,697.62, New Haven $7,762,307.31, New London $1,992,561.54, Tolland $480,009.60, Windham $905,886.42; total $26,914,018.40.

Delaware (4,884 certificate holders): Kent $471,119.44, New Castle $2,382,629.48, Sussex $673,321.58; total $3,527,070.50.

District of Columbia (28,281 certificate holders): Total $16,278,716.50.

Florida (39,535 certificate holders): Alachua $513,103.82, Baker $93,662.17, Bay $180,530.73, Bradford $140,426.06, Brevard $198,328.48, Broward $300,023.52, Calhoun $108,966.44, Charlotte $59,918.11, Citrus $82,359.40, Clay $102,411.73, Collier $43,046.08, Columbia $218,559.98, Dade $2,134,461.11, De Sota $115,640.60, Dixie $95,842.09, Duval $2,321,815.30, Escambia $800,212.02, Flagler $36,819.85, Franklin $93,811.48, Gadsden $446,287.59, Gilchrist $61,769.55, Glades $41,239.43, Gulf $47,510.45, Hamilton $141,157.68, Hardee $154,500.99, Hendry $52,139.06, Hernando $73,878.59, Highlands $137,245.76, Hillsborough $2,292,192.19, Holmes $192,968.25, Indian River $100,396.05, Jackson $477,329.14, Jefferson $200,194.85, Lafayette $65,114.10, Lake $345,816.90, Lee $223,815.69, Leon $350,520.16, Levy $185,980.54, Liberty $60,724.38, Madison $233,132.64, Manatee $335,977.37, Marion $441,629.12, Martin $76,312.35, Monroe $203,419.95, Nassau $139,978.13, Okaloosa $147,772.11, Okeechobee $61,650.10, Orange $742,623.15, Osceola $159,746.77, Palm Beach $773,142.12, Pasco $157,880.44, Pinellas $927,946.72, Polk $1,079,376.93, Putnam $270,191.38, St. Johns $278,851.36, St. Lucie $105,368.07, Santa Rosa $210,273.28, Sarasota $185,741.64, Seminole $279,732.29, Sumter $158,925.57, Suwannee $234,879.57, Taylor $196,133.62, Union $110,907.47, Volusia $638,404.77, Wakulla $81,642.71, Walton $217,634.26, Washington $181,859.58; total $21,858.79.

Georgia (58,583 certificate holders): Appling $144,989.46, Atkinson $75,075.66, Bacon $76,828.95, Baker $85,138.02, Baldwin $249,141.42, Banks $105,665.67, Barrow $135,046.89, Bartow $276,213.96, Ben Hill $142,081.83, Berrien $159,494.94, Bibb $838,987.38, Bleckley $99,458.37, Brantley $75,083.85, Brooks $232,283.70, Bryan $64,817.28, Bulloch $288,683.01, Burke $318,249.36, Butts $101,767.05, Calhoun $115,172.64, Camden $69,020.82, Campbell $107,843.67, Candler $97,911.99, Carroll $373,262.08, Catoosa $102,594.69, Charlton $47,709.09, Chatham $1,148,143.59, Chattahoochee $96,855.66, Chattooga $167,782.23, Cherokee $217,832.67, Clarke $278,925.57, Clay $75,609.27, Clayton $111,731.40, Clinch $76,393.35, Cobb $385,593.12, Coffee $214,957.71, Colquitt $333,473.58, Columbia $95,755.77, Cook $123,176.79, Coweta $273,633.03, Crawford $76,447.80, Crisp $188,865.27, Dade $45,149.94, Dawson $38,136.78, Decatur $257,243.58, DeKalb $765,327.42, Dodge $235,213.11, Dooly $196,292.25, Dougherty $242,912.34, Douglas $103,030.29, Early $198,992.97, Echols $29,882.16, Effingham $110,685.96, Elbert $201,301.65, Emanuel $262,459.89, Evans $77,340.78, Fannin $141,232.41, Fayette $94,361.85, Floyd $529,983.63, Forsyth $115,695.36, Franklin $173,172.78, Fulton $3,469,412.43, Gilmer $79,976.16, Glascock $47,785.32, Glynn $211,266, Gordon $183,452.94, Grady $209,088, Greene $137,388.24, Gwinnett $303,319.17, Habersham $138,825.72, Hall $330,108.57, Hancock $142,332.30, Haralson $142,332.30, Harris $121,314.60, Hart $165,244.86, Heard $99,120.78, Henry $173,412.36, Houston $122,839.20, Irwin $132,847.11, Jackson $235,322.01, Jasper $93,588.66, Jeff Davis $88,405.02, Jefferson $225,717.03, Jenkins $140,568.12, Johnson $138,096.09, Jones $97,922.88, Lamar $106,123.05, Lanier $56,519.10, Laurens $356,026.77, Lee $90,691.92, Liberty $88,786.17, Lincoln $85,453.83, Long $45,520.20, Lowndes $226,634.66, Lumpkin $53,655.03, McDuffie $98,162.46, McIntosh $62,759.07, Macon $181,242.27, Madison $162,489.69, Marion $75,881.52, Meriwether $244,338.93, Miller $98,837.64, Milton $73,289.70, Mitchell $257,221.80, Monroe $126,389.34, Montgomery $109,117.80, Morgan $100,351.35, Murray $626,806.62, Muscogee $188,288.10, Newton $135,994.32, Oconee $88,012.98, Oglethorpe $140,775.03, Paulding $134,241.03, Peach $111,818.52, Pickens $105,491.43, Pierce $136,364.58, Pike $118,189.17, Polk $273,785.49, Pulaski $98,064.45, Putnam $91,116.63, Quitman $41,599.80, Rabun $68,944.59, Randolph $187,024.86, Richmond $794,861.10, Rockdale $78,919.83, Schley $58,228.83, Screven $223,277.67, Seminole $80,466.21, Spalding $255,860.55, Stephens $127,848.60, Stewart $121,031.46, Sumter $291,852, Talbot $92,107.62, Taliaferro $67,213.08, Tattnall $167,825.79, Taylor $115,619.13, Telfair $163,317.33, Terrell $199,178.10, Thomas $355,144.68, Tift $174,980.52, Toombs $186,926.85, Towns $47,327.94, Treutlen $81,544.32, Troup $400,229.28, Turner $121,924.44, Twiggs $91,171.08, Union $69,042.60, Upson $212,453.01, Walker $285,383.34, Walton $229,975.02, Ware $289,216.62, Warren $121,761.09, Washington $272,576.70, Wayne $137,725.83, Webster $54,798.48, Wheeler $99,632.61, White $65,949.84, Whitfield $226,599.12, Wilcox $146,350.71, Wilkes $173,630.16, Wilkinson $118,091.16, Worth $229,713.66; total $32,262,946.70.

Idaho (13,573 certificate holders): Ada $632,475.23, Adams $47,812.96, Bannock $521,423.09, Bear Lake $131,281.35, Benewah $106,249.17, Bingham $309,541.80, Blaine $62,838.94, Boise $30,802.42, Bonner $219,335.91, Bonnerville $327,936.53, Boundary $75,963.74, Butte $32,253.32, Camas $23,531.25, Canyon $515,819.61, Caribou $35,371.92, Cassia $218,735.54, Clark $18,711.60, Clearwater $110,051.51, Custer $52,732.68, Elmore $74,896.41, Franklin $156,413.59, Fremont $165,502.55, Gem $123,726.67, Gooding $126,411.66, Idaho $168,554.44, Jefferson $152,944.77, Jerome $139,386.37, Kootenai $324,684.52, Latah $296,817.25, Lemhi $77,431.32, Lewis $87,354.15, Lincoln $54,066.84, Madison $138,685.94, Minidoka $140,136.84, Nez Perce $293,365.11, Oneida $97,893.99, Owyhee $68,425.74, Payette $112,042.29, Power $74,329.39, Shoshone $317,863.62, Teton $59,586.93, Twin Falls $497,441.56, Valley $58,169.38, Washington $132,782.28, Yellowstone National Park $16.68; total $7,411,798.86.

Illinois (253,343 certificate holders): Adams $1,164,015.36, Alexander $417,928.68, Bond $267,087.24, Boone $279,546.12, Brown

$146,317.68, Bureau $720,186.30, Calhoun $148,950.36, Carroll $341,-747.82, Cass $306,559.98, Champaign $1,191,621.42, Christian $695,-954.52, Clark $331,346.88, Clay $299,513.70, Clinton $396,181.26, Coles $691,820.10, Cook $73,828,560.42, Crawford $390,915.90, Cumberland $193,168.26, De Kalb $605,219.76, De Witt $344,806.92, Douglass $332,125.56, Du Page $1,705,642.92, Edgar $462,869.64, Edwards $153,937.62, Effingham $352,501.02, Fayette $435,448.98, Ford $287,-166.06, Franklin $1,102,054.68, Fulton $815,444.82, Gallatin $187,-087.14, Greene $378,531.18, Grundy $346,290.12, Hamilton $240,-927.30, Hancock $489,826.80, Hardin $128,945.70, Henderson $162,-744.12, Henry $812,997.54, Iroquois $610,207.02, Jackson $661,-507.20, Jasper $237,478.86, Jefferson $575,370.36, Jersey $232,788.24, Jo Daviess $375,156.90, Johnson $189,163.62, Kane $2,323,562.58, Kankakee $928,761.30, Kendall $195,689.70, Knox $951,769.44, Lake $1,935,334.98, La Salle $1,811,265.30, Lawrence $405,747.90, Lee $599,379.66, Livingston $724,765.68, Logan $535,120.02, McDonnough $506,679.66, McHenry $650,364.66, McLean $1,355,689.18, Macon $1,515,292.74, Macoupin $902,953.62, Madison $2,666,608.20, Marion $660,672.90, Marshall $241,446.42, Mason $280,232.10, Massac $261,061.74, Menard $196,060.50, Mercer $308,524.14, Monroe $229,321.26, Montgomery $654,054.12, Morgan $634,809.60, Moultrie $245,599.38, Ogle $521,307.72, Peoria $2,620,517.76, Perry $422,100.18, Piatt, $289,001.52, Pike $451,578.78, Pope $148,245.84, Pulaski $275,-022.36, Putnam $97,056.90, Randolph $543,463.02, Richland $260,-542.62, Rock Island $1,820,651.14, St. Clair $2,925,148.50, Saline $687,834, Sangamon $2,071,529.82, Schuyler $216,473.04, Scott $158,313.06, Shelby $472,232.34, Stark $170,271.36, Stephenson $742,-786.56, Tazewell $854,360.28, Union $368,630.82, Vermilion $1,656,-345.06, Wabash $244,672.38, Warren $403,162.30, Washington $301,-942.44, Wayne $354,670.20, White $336,482.46, Whiteside $723,412.26, Will $2,052,971.28, Williamson $908,935.20, Winnebago $2,176,095.42, Woodford $348,403.68; total $141,472,589.16.

Indiana (95,587 certificate holders): Adams $328,512.18, Allen $2,-415,538.53, Bartholomew $409,286.31, Benton $196,105.45, Blackford $224,149.44, Boone $366,915.69, Brown $85,070.45, Carroll $247,721.59, Cass $568,200.80, Clark $506,406.21, Clay $435,870.82, Clinton $449,862.67, Crawford $167,243.76, Daviess $425,220.56, Dearborn $346,602.82, Decatur $284,906.99, DeKalb $410,059.98, Delaware $1,107,331.47, Dubois $388,322.94, Elkhart $1,133,751.38, Fayette $316,759.03, Floyd $570,-455.96, Fountain $295,820.64, Franklin $238,651.58, Fulton $247,540.52, Gibson $480,694.13, Grant $840,597.43, Greene $518,208.75, Hamilton $385,911.69, Hancock $273,334.91, Harrison $284,018.10, Hendrick $324,693.23, Henry $580,052.72, Howard $768,662.86, Huntington $478,-570.66, Jackson $390,636, Jasper $220,379.87, Jay $343,146.01, Jefferson $315,754.91, Jennings $194,239.80, Johnson $357,302.47, Knox $721,-205.80, Kosciusko $452,479.97, Lagrange $226,832.58, Lake $4,301,-423.91, La Porte $995,725.89, Lawrence $585,731.77, Madison $1,364,-419.37, Marion $6,957,505.03, Marshall $412,792.50, Martin $166,305.49, Miami $477,895.76, Monroe $592,168.02, Montgomery $444,117.78, Morgan $319,738.47, Newton $161,992.71, Noble $368,792.25, Ohio $61,679.-37, Orange $287,392.60, Owen $186,848.82, Parke $272,610.63, Perry $273,664.13, Pike $269,318.43, Porter $375,656.49, Posey $293,878.24, Pulaski $184,280.90, Putnam $336,594.53, Randolph $409,204, Ripley $297,581.96, Rush $319,540.94, St. Joseph $2,634,303.22, Scott $109,-696.11, Shelby $437,072.48, Spencer $275,112.70, Starke $174,815.82, Steuben $220,346.95, Sullivan $436,097.32, Switzerland $138,799.16, Tippecanoe $782,473.64, Tipton $250,338.89, Union $96,790.68, Vanderburg $186,536.52, Vermillion $382,520.72, Vigo $1,627,350.93, Wabash $414,323.37, Warren $150,897.99, Warrick $300,084.03, Washington $268,067.39, Wayne $902,210.95, Wells $303,063.46, White $260,594.10, Whiteley $262,240.20; total $50,730,624.28.

Iowa (79,814 certificate holders): Adair $235,660.82, Adams $177,-063.71, Allamakee $277,004.52, Appanoose $421,325.78, Audubon $208,058.76, Benton $387,667.22, Black Hawk $1,173,061.89, Boone $496,582.52, Bremer $289,185.39, Buchanan $331,665.75, Buena Vista $316,685.66, Butler $298,872.41, Calhoun $298,668.83, Carroll $378,-760.59, Cass $329,494.23, Cedar $284,333.40, Cerro Gordo $652,745.34, Cherokee $317,873.21, Chickasaw $248,316.71, Clarke $176,164.56, Clay $273,255.26, Clayton $416,643.44, Clinton $752,855.81, Crawford $356,740.02, Dallas $422,488.75, Davis $189,159.75, Decatur $252,829.40, Delaware $307,439.73, Des Moines $647,418.33, Dickinson $186,309.63, Dubuque $138,495.51, Emmet $218,102.04, Fayette $494,444.93, Floyd $331,224.66, Franklin $277,920.63, Fremont $263,517.35, Greene $280,-397.52, Grundy $239,766.35, Guthrie $293,901.66, Hamilton $355,-891.77, Hancock $251,115.93, Hardin $389,295.86, Harrison $422,-377.61, Henry $299,601.90, Howard $221,936.13, Humboldt $223,974.93, Ida $202,443.35, Iowa $294,037.38, Jackson $313,530.17, Jasper $558,-759.24, Jefferson $275,528.57, Johnson $513,632.34, Jones $325,829.79, Keokuk $324,845.82, Kossuth $431,793.18, Lee $70,111.62, Linn $1,396,830.24, Louisa $196,369.88, Lucas $256,409.01, Lyon $259,445.75, Madison $243,125.42, Mahaska $437,764.86, Marion $436,485.56, Marshall $572,178.56, Mills $269,166.69, Mitchell $238,612.73, Monona $308,983.55, Monroe $254,644.65, Montgomery $284,197.68, Muscatine $498,516.53, O'Brien $312,308.69, Osceola $172,737.63, Page $439,-461.36, Palo Alto $261,227.07, Plymouth $409,857.44, Pocahontas $266,129.96, Polk $2,932,179.71, Pottawattamie $1,185,649.92, Poweshiek $317,703.56, Ringgold $203,003.19, Sac $299,279.57, Scott $1,311,-937.38, Shelby $290,627.42, Sioux $454,763.79, Story $528,307.07, Tama $373,009.46, Taylor $252,082.94, Union $295,784.78, Van Buren $213,-809.90, Wapello $686,743.20, Warren $300,280.50, Washington $336,-280.23, Wayne $233,896.46, Webster $685,810.13, Winnebago $222,-971, Winneshiek $366,952.95, Woodbury $1,724,814.59, Worth $189,397.26, Wright $342,964.44; total $41,019,480.37.

Kansas (57,114 certificate holders): Allen $357,507.79, Anderson $223,202.12, Atchison $400,192.79, Barber $170,104.92, Barton $330,-516.29, Bourbon $374,137.22, Brown $343,502.29, Butler $600,063.56, Chase $116,188.78, Chautauqua $173,012.98, Cherokee $525,740.85, Cheyenne $116,121.93, Clark $80,155.55, Clay $243,274.43, Cloud $300,934.28, Coffey $228,182.59, Comanche $86,542.70, Cowley $683,-611.84, Crawford $824,435.58, Decatur $148,177.46, Dickinson $432,-365.31, Doniphan $235,034.92, Douglas $420,214.96, Edwards $121,-921.34, Elk $153,926.73, Ellis $265,853.70, Ellsworth $169,336.12, Finney $184,076.99, Ford $345,073.32, Franklin $368,087.12, Geary $240,098.96, Gove $94,311.46, Graham $129,893.44, Grant $51,676.60, Gray $103,804.45, Greeley $28,612.66, Greenwood $321,474.56, Hamilton $55,620.87, Harper $214,310.80, Harvey $369,691.56, Haskell $46,879.97, Hodgeman $69,475.95, Jackson $246,951.29, Jefferson $236,137.98, Jewell $241,703.41, Johnson $454,242.63, Kearney $53,-414.75, Kingman $195,107.57, Kiowa $100,862.96, Labette $523,885.-70, Lane $56,356.24, Leavenworth $713,193.85, Lincoln $162,233.10, Linn $226,193.75, Logan $69,275.39, Lyon $488,688.12, McPherson $394,226.25, Marion $346,610.91, Marshall $385,334.93, Meade $114,-617.76, Miami $355,034.26, Mitchell $213,491.80, Montgomery $859,-232.05, Morris $198,199.47, Morton $68,389.60, Nemaha $306,549.85, Neosha $378,800.15, Ness $139,687.06, Norton $195,558.82, Osage $293,112.60, Osborne $193,335.99, Ottawa $164,104.95, Pawnee $175,-653.63, Phillips $203,213.37, Pottawatomie $265,101.61, Pratt $222,-483.46, Rawlins $123,041.11, Reno $798,630.71, Republic $246,433.19, Rice $230,639.40, Riley $332,287.87, Rooks $159,341.75, Rush $151,-971.31, Russell $184,590.09, Saline $490,309.29, Scott $66,450.89, Sedgwick $2,278,483.29, Seward $134,957.48, Shawnee $1,423,847.60, Sheridan $100,913.10, Sherman $123,676.20, Smith $226,377.59, Stafford $174,817.98, Stanton $35,966.38, Stevens $77,799.02, Sumner $484,008.48, Thomas $122,573.15, Trego $108,133.11, Wabaunsee $181,-001.79, Wallace $48,166.87, Washington $285,992.86, Wichita $43,102.-83, Wilson $311,630.60, Woodson $142,495.04, Wyandotte, $2,360,059.-45; total $31,436,036.43.

Kentucky (63,696 certificate holders): Adair $214,918.71, Allen $198,918.72, Anderson $111,305.38, Ballard $129,860.64, Barren $338,-659.78, Bath $145,126.80, Bell $507,740.69, Boone $125,732.88, Bourbon $236,658.24, Boyd $574,597.30, Boyle $213,359.33, Bracken $126,-008.07, Breathitt $277,057.88, Breckenridge $227,590.28, Bullitt $116,-206.28, Butler $165,372.48, Caldwell $180,586.23, Calloway $231,442.85, Campbell $961,715.67, Carlisle $96,484.76, Carroll $106,863.12, Carter $312,386.26, Casey $219,452.69, Christian $449,244.44, Clark $231,154.56, Clay $242,764.71, Clinton $117,988.42, Crittendon, $156,-343.83, Cumberland $133,713.22, Daviess $573,680.02, Edmondson $150,368.40, Elliott $99,210.39, Estill $223,803.22, Fayette $898,-187.48, Fleming $169,447.83, Floyd $549,607.97, Franklin $276,022.66, Fulton $195,603.41, Gallatin $58,142.45, Garrard $51,508.45, Grant $129,415.11, Graves $403,314.92, Grayson $223,488.72, Green $149,-398.71, Greenup $321,755.62, Hancock $80,550.29, Hardin $274,043.96, Harlan $845,954.93, Harrison $194,712.34, Hart $211,878.53, Henderson $344,569.68, Henry $164,638.66, Hickman $114,332.40, Hopkins $490,731.70, Jackson $137,159.57, Jefferson $4,656,506.40, Jessamine $162,895.83, Johnson $300,972.68, Kenton $1,225,669.54, Knott $199,-573.92, Knox $344,189.67, Larue $119,154.68, Laurel $276,612.34, Lawrence $219,007.16, Lee $127,488.82, Leslie $141,064.56, Letcher $467,839.01, Lewis $187,583.76, Lincoln $231,770.45, Livingston $112,-799.24, Logan $286,650, Lyon $111,777.12, McCracken $606,335.19, McCreary $191,672.21, McLean $145,087.49, Madison $361,945.59, Magoffin $205,981.78, Marion $203,098.90, Marshall $168,897.46, Martin $112,484.74, Mason $247,167.65, Meade $105,382.37, Menifee $64,-969.64, Mercer $189,627.99, Metcalfe $122,823.80, Monroe $171,361.01, Montgomery $152,792.64, Morgan $198,263.52, Muhlenberg $495,-121.54, Nelson $216,884.31, Nicholas $112,314.39, Ohio $320,641.78, Oldham $96,995.81, Owen $140,343.84, Owsley $94,650.20, Pendleton $142,519.10, Perry $552,805.35, Pike $829,050.77, Powell $76,003.20, Pulaski $467,026.56, Robertson $43,819.78, Rockcastle $198,512.50, Rowan $142,741.88, Russell $156,330.72, Scott $188,697.60, Shelby $231,665.62, Simpson $148,546.95, Spencer $86,565.03, Taylor $157,-863.89, Todd $177,166.08, Trigg $164,206.23, Trimble $70,080.20, Union $223,462.52, Warren $441,290.31, Washington $165,411.80, Wayne $207,672.20, Webster $269,077.54, Whitley $389,581.92, Wolfe $110,401.20, Woodford $143,895.03; total $34,261,787.70.

Louisiana (53,885 certificate holders): Acadia $524,884.13, Allen $203,688.57, Ascension $246,091.99, Assumption $213,418.53, Avoyelles $466,157.33, Beauregard $194,452.45, Bienville $317,511.79, Bossier $378,894.64, Caddo $1,663,970.49, Calcasieu $560,080.17, Caldwell, $139,209.21, Cameron $80,802.74, Catahoula $166,183.50, Claiborne $430,907.90, Concordia $170,547.97, De Soto $413,970.56, East Baton Rouge $910,372.18, East Carroll $211,082.81, East Feliciana $232,891.81, Evangeline $340,121.61, Franklin $407,483.91, Grant $209,668.03, Iberia $376,278.63, Iberville $328,843.39, Jackson $184,-295.38, Jefferson $534,307.11, Jefferson Davis $263,803.46, Lafayette $518,223.97, Fafourche $432,696.40, La Salle $155,732.80, Lincoln $304,605.24, Livingston $242,995.49, Madison $197,922.67, Morehouse $316,177.09, Natchitoches $513,552.52, Orleans $6,123,096.42, Ouachita $725,235.94, Plaquemines $128,237.98, Pointe Coupee $280,380.43, Rapides $873,627.89, Red River $214,593.07, Richland $352,013.78, Sabine $321,796.17, St. Bernard $86,915.67, St. Charles $161,645.52, St. Helena $113,342.73, St. James $204,716.29, St. John the Baptist $187,899.07, St. Landry $801,807.68, St. Martin $290,524.15, St. Mary $392,361.76, St. Tammany $279,339.37, Tangipahoe $516,991.77, Tensas $201,486.32, Terrebonne $397,954.16, Union $276,696.66, Vermilion $449,580.35, Vernon $267,567.31, Washington $399,128.69, Webster $393,175.93, West Baton Rouge $129,679.46, West Carroll $185,456.57, West Feliciana $145,802.63, Winn $197,081.81; total $27,849,962.05.

Maine (21,412 certificate holders): Androscoggin $1,082,524.02, Aroostook $1,335,301.45, Cumberland $2,046,738.65, Franklin $303,-123.15, Hancock $466,989.93, Kennebec $1,074,573.90, Knox $420,-961.30, Lincoln $235,585.10, Oxford $630,583.09, Penobscot $1,404,-

253.18, Pisctaquis $277,129.44, Sagadahoc $257,307.33, Somerset $594,526.32, Waldo $308,367.49, Washington $574,993.03, York $1,108,669.74; total $12,121,627.12.

Maryland (48,424 certificate holders): Allegany $1,358,982.74, Anne Arundel $947,824.23, Baltimore $2,140,151.27, Baltimore City $13,828,540.20, Calvert $163,700.57, Caroline $298,726.05, Carroll $618,138.02, Cecil $443,733.69, Charles $277,748.05, Dorchester $460,-674.16, Frederick $935,333.64, Garrett $342,039.35, Hartford $542,-971.15, Howard $277,799.59, Kent $244,691.81, Montgomery $845,-408.29, Prince Georges $1,032,492.20, Queen Annes $250,344.36, St. Marys $260,962.21, Somerset $401,726.15, Talbot $319,274.53, Washington $1,131,918.65, Wicomico $436,545.45, Worcester $371,521.95; total $27,931,248.31.

Massachusetts (137,113 certificate holders): Barnstable $632,-079.63, Berkshire $2,361,616.20, Bristol $7,133,567.94, Dukes $96,-910.40, Essex $9,744,650.64, Franklin $970,708.40, Hampden $6,564,-314.74, Hampshire $1,424,424.37, Middlesex $18,292,722.99, Nantucket $71,963.75, Norfolk $5,858,569.12, Plymouth $3,175,777.03; Suffolk $17,209,001.38, Worcester $9,611,640.98; total $83,147,947.57.

Michigan (134,009 certificate holders): Alcona $79,205.37, Alger $148,074.46, Allegan $618,751.23, Alpena $294,880.83, Antrim $158,-426.61, Arenac $127,119.14, Baraga $145,551.17, Barry $332,252.93, Bay $1,102,969.23, Benzie $104,575.22, Barrien $1,287,003.82, Branch $380,230.20, Calhoun $1,381,894.67, Cass $331,617.89, Charlevoix $190,190.36, Cheboygan $182,605.76, Chippewa $397,646.18, Clare $111,610.04, Clinton $383,786.43, Crawford $49,167.98, Delta $512,-577.28, Dickinson $465,343.32, Eaton $503,713.73, Emmet $239,870.49, Genesee $3,360,012.52, Gladwin $117,864.43, Gogebic $501,316.46, Grand Traverse $317,695.61, Gratiot $480,280.76, Hillsdale $435,-272.30, Houghton $839,062.48, Huron $494,251.64, Ingham $1,850,-945.22, Ionia $557,136.47, Isoco $119,339.90, Iron $330,300.18, Isabella $335,396.38, Jackson $1,465,418.31, Kalamazoo $1,450,558.37, Kalkaska $60,312.93, Kent $3,818,352.64, Keweenaw $80,586.58, Lake $64,551.82, Lapeer $450,052.85, Leelanau $130,278.46, Lenawee $791,-402.73, Livingston $305,994.03, Luce $103,638.53, Mackinac $139,-438.91, Macomb $1,224,760.90, Manistee $276,385.29, Marquette, $699,750.58, Mason $297,770.26, Mecosta $249,856.49, Menominee $375,-499.16, Midland $304,025.40, Missaukee $111,005; Monroe $833,-251.81, Montcalm $436,129.60, Montmorency $44,675.07, Muskegon $1,343,585.88, Newaygo $270,352.41, Oakland $3,353,820.88, Oceana $219,168.18, Ogemaw $104,702.22, Ontonagon $176,445.87, Osceola $203,308.06, Oscoda $27,433.73, Otsego $88,175.31, Ottawa $870,-925.61, Presque Isle $179,875.08, Roscommon $32,625.18, Saginaw $1,916,503.10, St. Clair $1,072,630.19, St. Joseph $496,091.47, Sanilac $440,574.88, Schoolcraft $134,168.08, Shiawassee $627,371.90, Tuscola $522,860.19, Van Buren $518,145.02, Washtenaw $1,040,354.28, Wayne $29,988,906.70, Wexford $267,135.46; total $77,476,794.12.

Minnesota (85,532 certificate holders): Aitkin $279,752.76, Anoka $343,237.19, Becker $419,433.42, Beltrami $385,957.78, Benton $280,-628.79, Big Stone $183,370.49, Blue Earth $630,874.24, Brown $436,674.50, Carlton $395,743.25, Carver $315,670.11, Cass $290,-600.65, Chippewa $293,787.92, Chisago $245,829.78, Clay $430,933.68, Clearwater $177,927.90, Cook $45,385.97, Cottonwood $275,521.70, Crow Wing $477,661.66, Dakota $644,760.29, Dodge $226,035.16, Douglas $350,655.51, Faribault $403,385.24, Fillmore $461,277.98, Freeborn $535,703.50, Goodhue $583,717.57, Grant $178,151.57, Hennepin $9,650,994.62, Houston $258,056.96, Hubbard $178,859.85, Isanti $225,177.76, Itasca $507,428.14, Jackson $295,670.46, Kanabec $159,512.57, Kandiyohi $439,395.79, Kittso $180,574.64, Koochiching $262,399.85, Lac qui Parle $287,003.33, Lake $131,740.46, Lake of the Woods $78,171.97, Le Sueur $335,315.61, Lincoln $210,676.62, Lyon $360,217.32, McLeod $382,509.56, Mahnomen $114,685.77, Marshall $316,916.92, Martin $417,532.24, Meeker $333,899.05, Mille Lacs $262,362.57, Morrison $474,213.44, Mower $523,103.54, Murray $259,119.38, Nicollet $308,475.45, Nobles $347,020.91, Norman $262,-082.98, Olmsted $560,305.22, Otter Tail $950,700.84, Pennington $195,467.20, Pine $377,700.76, Pipestone $228,104.09, Polk $671,-358.15, Pope $243,891.32, Ramsey $5,344,192.72, Red Lake $128,-366.80, Redwood $384,336.18, Renville $440,719.16, Rice $558,685.39, Rock $204,320.72, Roseau $235,242.82, St. Louis $3,813,464.85, Scott $263,108.13, Sherburne $180,966.06, Sibley $295,707.74, Stearns $1,157,873.32, Steele $344,355.53, Stevens $189,838.22, Swift $274,-645.67, Todd $487,782.63, Traverse $147,956.39, Wabasha $328,288.71, Wadena $204,842.61, Waseca $268,625.27, Washington $461,371.17, Watonwan $238,616.48, Wilkin $182,494.45, Winona $655,049.02, Wright $505,471.05, Yellow Medicine $309,873.38; total $52,789,520.36.

Mississippi (36,802 certificate holders): Adams $226,497.17, Alcorn $227,352.64, Amite $189,471.75, Attala $250,248.42, Benton $94,-322.56, Bolivar $682,942.22, Calhoun $173,784.96, Carroll $189,981.18, Chickasaw $200,266.02 Choctaw $118,602.47, Claiborne $116,805.03, Clarke $189,154.55, Clay $172,352.78, Coahoma $445,295.13, Copiah $303,873.77, Covington $144,449.14, De Soto $244,510.06, Forrest $289,-465.38, Franklin $117,920.02, George $72,311.06, Greene $102,310.13, Grenada $161,500.83, Hancock $109,720.98, Harrison $424,302.52, Hinds $818,154.22, Holmes $370,388.81, Humphreys $237,695.15, Issaquena $55,115.21, Itawamba $175,178.70, Jackson $153,532.48, Jasper $179,110.01, Jefferson $137,365.10, Jefferson Davis $137,268.98, Jones 398,821.11, Kemper $210,320.18, Lafayette $192,028.54, Lamar $123,-454.98, Lauderdale $507,013.78, Lawrence $119,871.26, Leake $209,-570.44, Lee $339,428.56, Leflore $514,299.68, Lincoln $253,343.49, Lowndes $288,235.05, Madison $344,071.16, Marion $191,499.88, Marshall $239,040.83, Monroe $347,387.30, Montgomery $144,266.51, Neshoba $256,553.90, Newton $220,210.92, Noxubee $245,682.72, Oktibbeha $183,771.83, Panola $275,364.58, Pearl River $186,520.86, Perry, $78,789.57, Pike $309,516.02, Pontotoc $211,790.81, Prentiss $185,175.18, Quitman $243,222.05, Rankin $195,633.04, Scott $201,-026.47, Sharkey $133,385.73, Simpson $200,861.97, Smith $176,908.86, Stone $56,826.85, Sunflower $637,890.77, Tallahatchie $341,879.62, Tate $167,853.66, Tippah $179,340.70, Tishomingo $157,742.54, Tunica $204,091.60, Union $204,428.02, Walthall $123,328.06, Warren $343,-965.42, Washington $522,027.72, Wayne $147,025.54, Webster $116,-576.34, Wilkinson $134,154.69, Winston $204,149.27, Yalobusha $170,-613, Yazoo $358,162.35; total $19,308,411.76.

Missouri (111,706 certificate holders): Adair $325,708.49, Andrew $225,713.51; Atchison $224,909.12, Audrain $369,966.37, Barry $382,-132.68, Barton $243,996.48, Bates $369,815.55, Benton $196,202.67, Bollinger $205,603.91, Boone $519,414.21, Buchanan $1,652,891.82, Butler $397,114.33, Caldwell $209,625.83, Callaway $333,869.64, Camden $153,201.64, Cape Girardeau $556,415.88, Carroll $334,154.52, Carter $92,219.28, Cass $351,281.20, Cedar $186,617.09, Chariton $328,255.71, Christian $230,686.11, Clark $171,836.54, Clay $449,298.74, Clinton $226,316.79, Cole $516,950.79, Cooper $327,149.68, Crawford $189,-147.55, Dade $197,141.12, Dallas $176,646.08, Daviess $241,171.40, DeKalb $172,104.66, Dent $183,902.30, Douglas $233,924.93, Dunklin $599,919.65, Franklin $511,437.41, Gasconade $203,978.38, Gentry $240,443.79, Greene $1,389,724.19, Grundy $270,390.33, Harrison $288,790.62, Henry $384,277.70, Hickory $107,753.94, Holt $213,161.76, Howard $226,065.42, Howell $329,663.38, Iron $161,580.64, Jackson $7,883,868.14, Jasper $1,236,907.98, Jefferson $461,900.76, Johnson $375,597.06, Knox $161,848.77, Laclede $273,490.56, Lafayette $490,-322.33, Lawrence $398,404.70, Lewis $202,654.50, Lincoln $233,422.19, Linn $391,114.97, Livingston $311,950.17, McDonald $233,539.49, Macon $386,607.06, Madison $157,826.85, Maries $140,230.95, Marion, $561,275.70, Mercer $156,687.30, Miller $280,327.83, Mississippi, $264,-139.60, Moniteau $203,995.14, Monroe $225,663.23, Montgomery $218,-038.34, Morgan $183,801.75, New Madrid $507,130.60, Newton, $451,778.93, Nodaway $441,925.22, Oregon $204,782.76, Osage $208,-838.20, Ozark $159,821.05, Pemiscot $624,805.28, Perry $229,701.91, Pettis $580,899.32, Phelps $256,531.47, Pike $301,660.76, Platte $231,-578.81, Polk $296,342.68, Pulaski $180,232.29, Putnam $192,767.28, Ralls $179,377.64, Randolph $442,930.70, Ray $332,579.27, Reynolds $149,531.64, Ripley $187,287.41, St. Charles $408,124.34, St. Clair 222,697.07, St. Francois $600,472.66, St. Louis $3,545,875.50, St. Louis City $13,774,405.68, Ste. Genevieve $169,205.53, Saline $512,761.29, Schuyler $116,474.86, Scotland $148,358.58, Scott $417,492.06, Shannon $182,561.66, Shelby $200,811.12, Stoddard $460,040.62, Stone $194,627.42, Sullivan $254,922.70, Taney $148,593.19, Texas $311,-363.64, Vernon $419,469.50, Warren $135,438.16, Washington $242,-153.10, Wayne 205,168.20, Webster $270,608.19, Worth $109,513.53, Wright $280,545.68; total $60,820,922.70.

Montana (18,106 certificate holders): Beaverhead $127,257.75, Big Horn $163,384.88, Beam $172,239.75, Broadwater $52,364.25, Carbon $240,420.38, Carter $79,101, Cascade $786,917.25, Chouteau $165,144.38, Custer $215,003.25, Daniels $106,201.13, Dawson $188,-974.13, Deer Lodge $311,603.63, Fallon $87,363, Fergus $316,155.38, Flathead $367,200, Gallatin $308,371.50, Garfield $81,319.50, Glacier $101,305.13, Golden Valley $40,659.75, Granite $57,623.63, Hill $263,-444.88, Jefferson $79,043.63, Judith Basin $100,176.75, Lake $183,471.63, Lewis and Clark $348,534, Liberty $42,036.75, Lincoln $135,577.13, McCone $91,608.75, Madison $120,927.38, Meagher $43,452, Mineral $31,070.25, Missoula $416,580.75, Musselshell $138,503.25, Park $208,-883.25, Petroleum $39,110.63, Phillips $156,978, Pondera $133,186.50, Powder River $74,759.63, Powell $118,613.25, Prairie $75,371.63, Ravalli $197,274.38, Richland $184,231.13, Roosevelt $204,102, Rosebud $140,511.38, Sanders $108,850.50, Sheridan $188,744.63, Silver Bow $1,089,532.13, Stillwater $119,588.63, Sweet Grass $75,429, Teton $116,050.50, Toole $128,405.25, Treasure $31,766.63, Valley $213,-836.63, Wheatland $71,737.91, Wibaux $52,918.88, Yellowstone $588,-763.13, Yellowstone National Park $994.50; total $10,281,687.92.

Nebraska (40,233 certificate holders): Adams $415,723.05, Antelope $240,589.34, Arthur $21,264.77, Banner $26,517.68, Blaine $25,062.05, Boone $233,184.64, Box Butte $187,664.75, Boyd $113,-427.92, Brown $91,324.59, Buffalo $385,075.84, Burt $206,666.97, Butler $227,995.02, Cass $279,796.25, Cedar $259,908, Chase $86,-767.85, Cherry $172,428.16, Cheyenne $161,178.72, Clay $214,720.37, Colfax $180,908.75, Cuming $226,681.80, Custer $414,362.26, Dakota $150,388.11, Dawes $181,842.25, Dawson $282,818.25, Deuel $63,161.43, Dixon $183,313.70, Dodge $399,869.41, Douglas $3,686,241.21, Dundy $88,761.42, Fillmore $205,227.17, Franklin $143,885.27, Frontier $128,379.71, Furnas $192,079.08, Gage $478,488.93, Garden $80,676.38, Garfield $50,741.16, Gosper $67,828.92, Grant $22,578, Greeley $133,569.33, Hall $429,045.18, Hamilton $192,379.70, Harlan $141,-717.66, Hayes $57,006.67, Hitchcock $115,010.12, Holt $261,205.40, Hooker $18,669.96, Howard $158,536.44, Jefferson $259,623.20, Johnson $144,882.06, Kearney $128,063.27, Keith $106,339.67, Keyapaha $50,677.87, Kimball $73,967.85, Knox $302,358.42, Lancaster $1,587,-326.33, Lincoln $405,470.40, Logan $31,865.51, Loup $28,764.40, McPherson $21,486.28, Madison $411,957.42, Merrick $168,013.82, Morrill $157,428.90, Nance $137,936.20, Nemaha $195,496.64, Nuckolls $199,816.04, Otoe $314,873.63, Pawnee $149,090.71, Perkins $92,305.55, Phelps $146,527.55, Pierce $175,307.76, Platte $335,125.79, Polk $159,675.63, Redwillow $219,277.10, Richardson $313,686.98, Rock $53,256.86, Saline $258,784.64; Sarpy $164,580.45, Saunders $319,-082.28, Scotts Bluff $453,205.37, Seward $252,171.04, Sheridan $170,766.85, Sherman $144,328.29, Sioux $73,841.28, Stanton $123,-554, Thayer $216,508.25, Thomas $23,891.22, Thurston $165,529.77, Valley $150,831.13, Washington $191,367.09, Wayne $167,175.26, Webster $161,542.62, Wheeler $36,944.37, York $272,755.46; total $21,802,190.95.

Nevada (3,066 certificate holders): Churchill $99,754.20, Clark $167,705, Douglas $36,167.04, Elko $195,773.76, Esmeralda $21,169.52, Eureka $26,201.45, Humboldt $74,594.52, Lander $33,690.39, Lincoln $70,781.26, Lyon $74,899.36, Mineral $36,619.13, Nye $78,407.79,

Ormsby $43,655.98, Pershing $34,127.72, Storey $13,110.56, Washoe $533,817.65, White Pine $231,370.78; total $1,771,846.11.

New Hampshire (12,370 certificate holders): Belknap $353,868.97, Carroll $223,320.84, Cheshire $526,900.77, Coos $609,396.68, Grafton $669,727.88, Hillsboro $2,192,460.93, Merrimack $898,329.59, Rockingham $840,757.50, Strafford $603,468.36, Sullivan $379,881.62; total $7,298,112.14.

New Jersey (116,440 certificate holders): Atlantic $2,149,077.60, Bergen $6,283,809.01, Burlington $1,610,495.40, Camden $4,344,055.71, Cape May $507,660.47, Cumberland $1,203,382.22, Essex $14,350,-593.33, Gloucester $1,218,998.04, Hudson $11,892,298.41, Hunterdon $597,911.98, Mercer $3,222,041.04, Middlesex $3,653,585.14, Monmouth $2,534,497.36, Morris $1,901,531.57, Ocean $569,348.98, Passaic $5,-201,755.00, Salem $634,170.98, Somerset $1,121,377.65, Sussex $479,-149.11, Union $5,254,783.36, Warren $849,125.23; total $69,579,645.59.

New Mexico (10,101 certificate holders): Bernalillo $604,309.86, Catron $43,657.17, Chaves $260,040.80, Colfax $254,826.42, Curry $210,291.32, De Baca $384,826.69, Dona Ana $365,196.41, Eddy $210,-730.29, Grant $253,403.10, Gaudalupe $93,473.16, Harding $58,808.15, Hidalgo $66,896.95, Lea $81,727.49, Lincoln $95,747.80, Luna $83,-097.60, McKinney $454,593.19, Mora $137,303.25, Otero $130,080.26, Quay $144,034.06, Rio Arriba $284,410.07, Roosevelt $147,771.92, Sandoval 148,237.49, San Juan $195,552.71, San Miguel $314,406.08, Santa Fe $260,280.24, Sierra $68,957.57, Socorro $127,245.53, Taos $191,468.99, Torrance $123,295.24, Union $146,800.88, Valencia $215,-306.18; total $5,810,422.87.

New York (377,182 certificate holders): Albany $3,727,405.46, Allegany $668,707.65, Bronx $22,250,827.19, Broome $2,585,528.90, Cattaraugus $1,273,191.23, Cayuga $1,138,711.09, Chautauqua $2,223,872.81, Chemung $1,313,322.48, Chenango $609,618.69, Clinton $821,037.59, Columbia $731,876.57, Cortland $557,634.48, Delaware $723,892.52, Dutchess $1,854,654.74, Erie $13,407,707.09, Essex $597,-202.98, Franklin $803,574.69, Fulton $818,804.16, Genesee $782,-014.25, Greene $453,859.49, Hamilton $69,095.40, Herkimer $1,125,-609.52, Jefferson $1,469,732.37; Kings $45,027,211.99, Lewis $412,-338.95, Livingston $660,530.16, Madison $699,746.94, Monroe $7,454,-371.27, Montgomery $1,056,496.54, Nassau $5,329,490.06, New York $32,838,448.84, Niagara $2,626,099.80, Oneida $3,495,446.12, Onondaga $5,128,183.12, Ontario $954,497.74, Orange $2,292,714.49, Orleans $506,388.87, Oswego $1,224,776.97, Otsego $821,442.06, Putnam $241,701.99, Queens $18,977,562.60, Rensselaer $2,106,468.67, Richmond $2,784,672.76, Rockland $1,048,108.02, St. Lawrence $1,599,-622.56, Saratoga $1,113,440.01, Schenectady $2,198,619.31, Schoharie $345,863.87, Schuyler $227,017.68, Seneca $439,351.04, Steuben $1,453,852.21, Suffolk $2,832,313.23, Sullivan $620,293.40, Tioga $448,091.28, Tompkins $729,643.14, Ulster $1,409,605.83, Warren $600,983.97, Washington $817,432.46, Wayne $879,212.07, Westchester $9,161,373.95, Wyoming $505,843.71, Yates $296,288.93; total, $221,373,427.96.

North Carolina (63,962 certificate holders): Alamance $464,214.24, Alexander $142,348.76, Alleghany $79,160.98, Anson $323,308.59, Ashe $231,545.31, Avery $130,021.85, Beaufort $385,846.42, Bertie $284,-697.51, Bladen $246,637.23, Brunswick $174,251.09, Buncombe $1,078,-874, Burke $323,980.56, Cabarrus $488,350.30, Caldwell $308,624.26, Camden $60,158.38, Carteret $186,170.40, Caswell $200,645.43, Catawba $484,604.86, Chatham $266,333.84, Cherokee $177,919.42, Chowan $124,282.52, Clay $59,860.95, Cleveland $571,884.63, Columbus $415,523.52, Craven $337,805.64, Cumberland $498,132.51, Currituck $73,917.36, Dare $57,305.24, Davidson $527,280.84, Davie $158,-476.18, Duplin $386,694.65, Durham $740,231.14, Edgecombe $527,-600.31, Forsyth $1,230,277.90, Franklin $324,487.30, Gaston $860,-272.49, Gates $106,229.82, Graham $63,344.46, Granville $316,412.57, Greene $205,514.50, Guilford $1,465,238.16, Halifax $586,557.94, Harnett $417,627.58, Haywood $311,455.37, Henderson $257,818.47, Hertford $193,242.68, Hoke $156,911.91, Hyde $94,186.80, Iredell $514,370.09, Jackson $192,989.31, Johnston $634,752.94, Jones $114,-874.85, Lee $187,228.94, Lenoir $393,447.46, Lincoln $251,957.96, McDowell $224,021.38, Macon $150,610.76, Madison $223,690.90, Martin $257,774.40, Mecklenburg $1,409,728.54, Mitchell $153,805.40, Montgomery $178,657.49, Moore $310,816.44, Nash $581,446.52, New Hanover $473,798.16, Northampton $299,205.58, Onslow $168,423.63, Orange $233,219.74, Pamlico $102,437.79, Pasquotank $210,879.26, Pender $172,796.98, Perquimans $117,518.69, Person $242,781.63, Pitt $599,997.46, Polk $112,539.46, Randolph $399,429.15, Richmond $374,720.26, Robeson $732,696.20, Rockingham $562,730.33, Rowan $624,221.64, Rutherford $445,619.24, Sampson, $441,543.32, Scotland $222,236.79, Stanly $332,859.46, Stokes $245,546.64, Surry $437,874.99, Swain $127,433.09, Transylvania $105,632.43, Tyrrell $56,886.63, Union $451,424.67, Vance $300,670.71, Wake $1,043,843.12, Warren $257,377.83, Washington $127,818.65, Watauga $167,057.64, Wayne $583,991.21, Wilkes $398,360.60, Wilson $494,772.63, Yadkin $198,-398.16, Yancey $159,577.78; total, $34,622,162.80.

North Dakota (16,174 certificate holders): Adams $81,634.41, Barnes $242,007.48, Benson $171,518.49, Billings $40,411.80, Bottineau $191,158.11, Bowman $65,881.53, Burke $128,674.26, Burleigh $254,427.03, Cass $627,219.45, Cavalier $187,309.98, Dickey $139,-986.99, Divide $124,015.32, Dunn $123,114.42, Eddy $81,673.02, Emmons $160,450.29, Foster $81,763.11, Golden Valley $53,050.14, Grand Forks $411,273.72, Grant $130,424.58, Griggs $88,661.43, Hettinger $113,204.52, Kidder $103,358.97, LaMoure $148,223.79, Logan $104,105.43, McHenry $198,699.93, McIntosh $123,822.27, McKenzie $124,954.83, McLean $231,544.17, Mercer $122,470.92, Morton $252,-856.89, Mountrail $174,311.28, Nelson $131,312.61, Oliver $54,851.94, Pembina $189,922.59, Pierce $116,782.38, Ramsey $209,163.24, Ransom $141,351.21, Renville $93,474.81, Richland $270,372.96, Rolette $138,481.20, Sargent $119,665.26, Sheridan $94,890.51, Sioux $60,-321.69, Slope $53,410.50, Stark $197,425.80, Steele $89,729.64, Stutsman $335,907, Towner $108,017.91, Traill $162,162, Walsh $258,004.89, Ward $432,393.39, Wells $170,977.95, Williams $251,647.11; total $8,762,475.18.

Ohio (162,692 certificate holders): Adams $325,219.62, Allen $1,107,718.99, Ashland $428,716.72, Ashtabula $1,090,836.48, Athens $704,900.48, Auglaize $447,338.54, Belmont $1,511,431.09, Brown $321,501.64, Butler $1,820,438.39, Carroll $256,221.55, Champaign $384,611.58, Clark $1,451,065.76, Clermont $475,295.21, Clinton $343,825.48, Columbiana $1,380,025.19, Coshocton $462,370.04, Crawford $564,000.17, Cuyahoga $19,171,617.44, Darke $606,509.62, Defiance $362,447.30, Delaware $415,137.32, Erie $672,316.29, Fairfield $702,267.57, Fayette $331,187.54, Franklin $5,761,354.64, Fulton $374,622.49, Gallia $367,808.85, Geauga $245,961.20, Greene, $530,-513.87, Guernsey $661,992.11, Hamilton $9,404,353.70, Hancock $644,726.63, Hardin $440,971.70, Harrison $300,693.71, Henry, $359,415.47, Highland $405,563.12, Hocking $325,634.50, Holmes $266,896.79, Huron $537,750.90, Jackson $399,563.28, Jefferson $1,409,114.80, Knox $468,046.47, Lake $664,992.02, Lawrence $710,-740.74, Licking $956,813.64, Logan $462,449.82, Lorain $1,742,600.15, Lucas $5,548,392.52, Madison $323,177.13, Mahoning $3,768,117.90, Marion $724,766.94, Medina $473,555.89, Meigs $382,345.68, Mercer $400,456.88, Miami $818,610.06, Monroe $294,023.69, Montgomery $4,363,936.32, Morgan $216,743.94, Morrow $231,200.98, Muskingum $1,075,469.89, Noble $238,732.68, Ottawa $384,707.32, Paulding $244,158.06, Perry $501,767.87, Pickaway $434,636.77, Pike $221,419.34, Portage $681,076.68, Preble $358,314.44, Putnam $400,096.82, Richland $1,051,598.22, Ross $720,953.22, Sandusky $633,987.57, Scioto $1,296,043.50, Seneca $764,994.54, Shelby $397,712.27, Stark $3,539,-007.29, Summit $5,491,298.37, Trumbull $1,963,716.30, Tuscarawas $1,088,155.71, Union $306,246.75, Van Wert $419,238.27, Vinton $164,-149.66, Warren, $436,392.04, Washington $677,167.21, Wayne $750,-361,97, Williams $388,010.42, Wood $802,956.24, Wyandot $303,757.46; total $106,061,344.03.

Oklahoma (67,181 certificate holders): Adair $220,720.35, Alfalfa $227,780.43, Atoka $217,384.62, Beaver $171,299.02, Beckham $433,-647.38, Blaine $305,921.02, Bryan $482,799.37, Caddo $759,552.29, Canadian $420,544.17, Carter $619,545.41, Cherokee $261,316.26, Choctaw $361,116.04, Cimarron $80,892.87, Cleveland $373,172.10, Coal $172,331.12, Comanche $513,313.69, Cotton $230,981.44, Craig $270,021.82, Creek $959,032.17, Custer $411,599.29, Delaware $229,-904.46, Dewey $198,193.50, Ellis $157,672.28, Garfield $681,905.31, Garvin $469,696.16, Grady $712,659.21, Grant $211,655.70, Greer $303,378.16, Harmon $206,928.98, Harper $116,089.04, Haskell $242,-558.93, Hughes $453,735.98, Jackson $432,435.78, Jefferson $260,-149.54, Johnston $195,680.56, Kay $750,682.19, Kingfisher $238,729.68, Kiowa $443,205.54, Latimer $167,290.28, Le Flore $641,638.37, Lincoln $504,653.01, Logan $415,249.04, Love $144,180.17, McClain $322,718.85, McCurtain $519,925.13, McIntosh $372,813.20, Major $182,577.35, Marshall $164,926.91, Mayes $267,493.92, Murray $185,-628.78, Muskogee $993,570.20, Noble $226,449.17, Nowata $203,593.34, Okfuskee $434,021.33, Oklahoma $3,316,757.01, Okmulgee $845,994.57, Osage $708,020.98, Ottawa $576,511.24, Pawnee $297,394.96, Payne $552,024.99, Pittsburg $759,537.33, Pontotoc $485,671.31, Pottawatomie $995,783.98, Pushmataha $220,540.76, Roger Mills $211,865.12, Rogers $283,543.85, Seminole $1,190,970.92, Sequoyah $291,755.79, Stephens $494,646.11, Texas $210,907.80, Tillman $364,825.62, Tulsa $2,805,731.90, Wagoner $335,478.03, Washington $415,488.37, Washita $440,288.73, Woods $254,361.79, Woodward $236,994.56; total $35,-202,766.82.

Oregon (35,376 certificate holders): Baker $363,243.48, Benton $358,928.96, Clackamas $1,001,770.59, Clatsop $457,989.45, Columbia $434,639.01, Coos $615,155.02, Crook $72,327.82, Curry $70,615.02, Deschutes $319,773.07, Douglas $476,223.17, Gilliam $75,168.03, Grant $128,785.14, Harney $128,351.52, Hood River $193,784.76, Jackson $713,695.16, Jefferson $49,671.18, Josephine $249,288.14, Klamath $702,616.17, Lake $104,784.78, Lane $1,181,462.74, Lincoln $214,-706.95, Linn $535,520.70, Malheur $244,323.19, Marion $1,312,589.43, Morrow $107,125.83, Multnomah $7,333,403.13, Polk $365,498.30, Sherman $64,566.02, Tillamook $256,356.15, Umatilla $528,994.72, Union $379,244.06, Wallowa $169,415.34, Wasco $274,177.93, Washington $656,392.28, Wheeler, $60,685.12, Yamhill $477,762.52; total $20,679,034.90.

Pennsylvania (259,931 certificate holders): Adams $599,802.84, Allegheny $22,203,593.55, Armstrong $1,281,059.19, Beaver $2,408,-096.61, Bedford $602,726.90, Berks $3,743,388.14, Blair $2,259,-015.20, Bradford $792,225.05, Bucks $1,562,624.69, Butler $1,300,-254.40, Cambria $3,281,823.63, Cameron $85,734.59, Carbon $1,023,-903.90, Centre $747,879.57, Chester $2,045,691.50, Clarion $557,-848.31, Clearfield $1,401,074.69, Clinton $522,113.45, Columbia $788,-412.47, Crawford $1,017,441.90, Cumberland $1,102,342.58, Dauphin $2,669,306.81, Delaware $4,527,664.92, Elk $540,077.81, Erie $2,831,-599.94, Fayette $3,207,446.01, Forest $83,682.99, Franklin $1,050,-236.55, Fulton $149,126.81, Greene $674,745.89, Huntingdon $630,-384.26, Indiana $1,218,006.23, Jefferson $841,901.67, Juniata $231,420.36, Lackawanna $5,014,463.54, Lancaster $3,180,628.71, Lawrence $1,571,202.99, Lebanon $1,084,048.97, Lehigh $2,793,086.42, Luzerne $7,190,735.90, Lycoming $1,509,216.26, McKean $891,222.89, Mercer $1,603,319.13, Mifflin $651,611.93, Monroe $456,960.33, Montgomery $4,294,063.62, Montour $234,522.14, Northampton $2,735,-106.12, Northumberland $2,075,982.12, Perry $351,274.32, Philadelphia $31,517,774.96, Pike $120,877.87, Potter $282,534.80, Schuylkill $3,804,583.28, Snyder $304,295.58, Somerset $1,304,742.42, Sullivan $121,146.35, Susquehanna $546,135.93, Tioga $514,876.01, Union $282,195.54, Venango $1,021,416.03, Warren $669,673.22, Washington $3,308,576.31, Wayne $459,125.10, Westmoreland $4,765,-644.23, Wyoming $250,677.14, York $2,700,065.93; total $155,594,-459.25.

Rhode Island (20,789 certificate holders): Bristol $450,924.60, Kent $923,632.47, Newport $748,898.97, Providence $9,705,707.57, Washington $527,19.99; total $12,356,383.60.

South Carolina (35,747 certificate holders): Abbeville $257,765.80, Aiken $523,897.96, Allendale $146,925.29, Anderson $894,648.35, Bamberg $214,519.32, Barnwell $234,534.50, Beaufort $241,099.38, Berkeley $245,752.28, Calhoun $184,645.77, Charleston $1,116,804.60, Cherokee $355,885.46, Chester $351,486.76, Chesterfield $379,459.37, Clarendon $331,957.88, Colleton $285,373.70, Darlington $457,851.21, Dillon $284,401.12, Dorchester $209,501.72, Edgefield $213,590.96, Fairfield $257,367.99, Florence $674,470.41, Georgetown $240,248.38, Greenville $1,293,183.47, Greenwood $398,734.06, Hampton $190,-569.64, Horry $435,183.56, Jasper $110,387.38, Kershaw $354,437.64, Lancaster $309,234.96, Laurens $465,222.89, Lee $266,309, Lexington $403,331.69, McCormick $126,777.50, Marion $300,846.50, Marlboro $349,618.97, Newberry $383,294.42, Oconee $368,783.14, Orangeburg $705,824.93, Pickens $372,551.87, Richland $968,895.69, Saluda $200,-571.70, Spartanburg $1,385,601.80, Sumter $507,308.91, Union $341,-727.84, Williamsburg $365,869.53, York $590,375.74; total $19,-316,831.04.

South Dakota (22,713 certificate holders): Armstrong $1,358.64, Aurora $121,241.64, Beadle $389,190.42, Bennett $77,951.97, Bon Homme $199,329.48, Brookings $286,112.61, Brown $534,251.22, Brule $125,945.93, Buffalo $32,794.18, Butte $145,866.99, Campbell $95,-597.31, Charles Mix $283,667.05, Clark $187,186.63, Clay $171,324.51, Codington $296,472.24, Corson $161,932.91, Custer $90,910, Davison $285,671.05, Day $248,053.70, Deuel $148,250.56, Dewey $109,981.91, Douglas $122,689, Edmunds $147,955.90, Fall River $148,448.41, Faulk $117,097.79, Grant $182,210.61, Gregory $193,945.86, Haakon $79,463.46, Hamlin $140,941.82, Hand $161,083.76, Hanson $104,-122.78, Harding $60,951.99, Hughes $119,033.85, Hutchinson $236,-131.64, Hyde $62,667.27, Jackson $44,767.19, Jerauld $98,773.13, Jones $53,955, Kingsbury $217,467.32, Lake $210,232.56, Lawrence $236,403.36, Lincoln $236,369.40, Lyman $107,587.31, McCook $175,-196.63, McPherson $149,008.85, Marshall $162,017.82, Meade $194,-998.81, Mellette $89,891.02, Miner $142,249.61, Minnehaha $863,-959.18, Moody $163,087.75, Pennington $341,001.66, Perkins $148,-040.82, Potter $97,856.05, Roberts $268,025.71, Sanborn $124,417.46, Shannon $68,917.02, Spink $259,907.84, Stanley $40,436.53, Sully $65,418.54, Todd $100,165.74, Tripp $215,887.90, Turner $252,893.86, Union $194,964.84, Walworth $149,297.56, Washabaugh $42,015.95, Washington $31,027.95, Yankton $281,730.99, Ziebach $68,594.34; total $11,757,600.79.

Tennessee (59,009 certificate holders): Anderson $244,947.24, Bedford $261,786.34, Benton $139,563.54, Bledsoe $88,529.76, Blount $422,-143.38, Bradley $284,045.40, Campbell $333,191.34, Cannon $110,972.70, Carroll $324,559.44, Carter $362,949.66, Cheatham $112,090.50, Chester $131,689.26, Claiborne $301,967.46, Clay $118,946.34, Cocke $270,445.50, Coffee $208,668.42, Crockett $215,598.78, Cumberland $142,085.80, Davidson $2,767,946.68, Decatur $125,516.52, De Kalb $176,525.46, Dickson $220,658.22, Dyer $390,050.10, Fayette $358,826.22, Fentress $137,-067.12, Franklin $270,706.32, Gibson $577,877.76, Giles $347,958.72, Grainger $158,193.54, Greene $436,177.98, Grundy $120,685.14, Hamblen $206,370.72, Hamilton $1,980,952.74, Hancock $120,138.66, Hardeman $275,637.06, Hardin $201,365.46, Hawkins $299,533.14, Haywood $323,702.46, Henderson $219,275.10, Henry $328,285.44, Hickman $169,-073.46, Houston $68,993.10, Humphreys $149,524.38, Jackson $168,-775.38, Jefferson $222,491.88, Johnson $151,685.76, Knox $1,936,302.84, Lake $130,236.12, Lauderdale $290,702.82, Lawrence $332,557.92, Lewis $65,304.36, Lincoln $315,741.24, Loudon $221,138.10, McMinn $360,-415.98, McNairy $247,170.42, Macon $172,290.24, Madison $634,152.78, Marion $217,958.58, Marshall $193,429.08, Maury $422,478.72, Meigs $76,097.34, Monroe $265,502.34, Montgomery $383,554.44, Moore $50,-139.54, Morgan $168,949.26, Obion $361,248.12, Overton $224,541.18, Perry $88,765.74, Pickett $69,738.30, Polk $194,820.12, Putnam $295,-086.78, Rhea $172,277.82, Roane $304,004.34, Robertson $350,132.22, Rutherford $400,992.12, Scott $174,873.60, Sequatchie $50,263.74, Sevier $254,361.60, Shelby $3,806,506.44, Smith $192,174.66, Stewart $164,912.76, Sullivan $634,500.54, Summer $355,485.24, Tipton $341,-425.16, Trousdale $69,912.18, Unicoi $157,460.76, Union $141,227.82, Van Buren $43,668.72, Warren $350,995.78, Washington $568,898.10, Wayne $150,704.28, Weakley $363,434.04, White $193,044.06, Wilson $297,198.18, Williamson $283,734.90; total $32,497,536.52.

Texas (148,771 certificate holders): Anderson $511,954.26, Andrews $10,876.61, Angelina $410,872.74, Aransas $32,792.39, Archer $143,110.16, Armstrong $49,195.97, Atascosa $131,334.82, Austin $278,713.08, Bailey $76,638.71, Bandera $55,919.96, Bastrop $353,-016.87, Baylor $109,623.21, Bee $232,324.94, Bell $739,343.34, Bexar $4,323,052.68, Blanco $56,777.08, Borden $22,240.89, Bosque $232,-753.50, Bowie $717,663.99, Brazoria $340,692.02, Brazos $322,677.63, Brewster $97,889.48, Briscoe $82,609.02, Brooks $87,204.98, Brown $389,873.20, Burleson $293,313.75, Burnet $153,026.19, Caldwell $463,984.87, Calhoun $79,579.53, Callahan $188,936.73, Cameron $1,145,886.12, Camp $148,711.01, Carson $114,455.61, Cass $443,783.34, Castro $69,752.16, Chambers $84,382.38, Cherokee $638,114.04, Childress $237,098.23, Clay $214,946.01, Cochran $29,009.21, Coke $77,-628.83, Coleman $349,780.48, Collin $682,448.04, Collingsworth $213,-704.66, Colorado $282,688.36, Comal $177,099.55, Comanche $272,-358.54, Concho $112,977.81, Cooke $356,681.81, Corvell $295,545.22, Cottle $138,839.31, Crane $32,821.93, Crockett $38,275.02, Crosby $162,897.89, Culberson $18,147.38, Dallam $115,711.74, Dallas $4,813,-061.60, Dawson $200,581.79, Deaf Smith $88,357.59, Delta $194,153.36, Denton $485,043.52, De Witt $405,523.10, Dickens $127,105.58, Dimmitt $130,460.18, Donley $151,651.84, Duval $180,158.60, Eastland $504,757.37, Ector $58,491.82, Edwards $40,846.39, Ellis $797,066.21, El Paso $1,944,740.47, Erath $307,441.51, Falls $572,957.84, Fannin $608,306.81, Fayette $453,802.82, Fisher $200,434.02, Floyd, $183,-380.21, Foard $93,323.07, Fort Bend $439,173.61, Franklin $125,-524.34, Freestone $338,820.25, Frio $139,075.76, Gaines $41,378.40, Galveston $951,717.98, Garza $82,549.91, Gillespie $162,853.56, Glasscock $18,664.62, Goliad $149,154.36, Gonzales $418,764.19, Gray $326,446.02, Grayson $973,027.86, Gregg $233,167.29, Grimes $334,603.48, Guadalupe $400,153.65, Hale $298,353.05, Hall $250,723.55, Hamilton $199,842.90, Hansford $52,432.35, Hardeman $214,753.90, Hardin $205,946.21, Harris $5,310,149.19, Harrison $723,190.99, Hartley $22,289.93, Haskell $246,334.49, Hays $220,413.87, Hemphill $68,525.59, Henderson $451,955.58, Hidalgo $1,137,965.12, Hill $635,966.01, Hockley $137,405.85, Hood $100,180.07, Hopkins $434,620.98, Houston $443,591.23, Howard $338,238.87, Hudspeth $35,092.39, Hunt $724,358.45, Hutchinson $219,423.75, Irion $30,280.13, Jack $133,681.79, Jackson $162,262.44, Jasper $252,171.80, Jeff Davis $26,600.40, Jefferson $1,971,252.20, Jim Hogg $72,692.99, Jim Wells $198,852.77, Johnson $492,258.63, Jones $358,-115.28, Karnes $344,563.85, Kaufman $604,494.99, Kendall $73,446.66, Kenedy $10,359.38, Kent $56,910.08, Kerr $150,011.48, Kimble $60,870.59, King $17,630.16, Kinney $58,816.44, Kleberg $184,000.88, Knox $167,996.91, Lamar $717,161.57, Lamb $257,905.66, Lampasas $128,228.71 La Salle $121,593.39, Lavaca $407,133.90, Lee $197,877.42, Leon $294,052.65, Liberty $293,609.31, Limestone $583,686.67, Lipscomb $66,678.34, Live Oak $132,351.77, Llano $81,840.57, Loving $2,881.71, Lubbock $578,878.92, Lynn $182,833.42, McCulloch $205,-162.98, McLennan $1,458,322.60, McMullen $19,965.08, Madison $180,690.61, Marion $153,262.64, Martin $85,490.73, Mason $81,441.56, Matagorda $261,245.49, Maverick $90,441.36, Medina $206,729.45, Menard $65,717.77, Midland $118,297.89, Milam $560,307.87, Mills $122,553.96, Mitchell $209,596.38, Montague $283,131.71, Montgomery $215,581.47, Moore $22,979.79, Morris $148,193.79, Motley $100,667.74, Nacogdoches $447,625.62, Navarro $894,172.46, Newton $185,079.68, Nolan $286,555.30, Nueces $765,190.07, Ochiltree $77,-200.28, Oldham $20,748.32, Orange $223,871.93, Palo Pinto $259,-738.13, Panola $355,603.02, Parker $277,220.51, Parmer $86,732.09, Pecos $115,445.74, Polk $259,427.79, Potter $680,970.24 Presidio $150,055.82, Rains $105,130.70, Randall $104,495.24, Reagan $44,747.79, Real $32,467.27, Red River $456,980.10, Reeves $94,682.65, Refugio $113,657.60, Roberts $21,531.55, Robertson $402,552.72, Rockwall $113,169.93, Runnels $322,470.74, Rusk $480,048.56, Sabine $177,-306.45, San Augustine $184,296.44, San Jacinto $143,509.16, San Patricio $352,248.41, San Saba $151,814.40, Schleicher $46,787.15, Scurry $180,114.27, Shackelford $98,938.71, Shelby $423,049.81, Sherman $34,196.30, Smith $790,051.70, Somervell $44,570.45, Starr $168,602.21, Stephens $244,723.68, Sterling $21,147.32, Stonewall $83,746.93, Sutton $41,481.85, Swisher $108,514.86, Tarrant $2,919,-438.34, Taylor $606,237.90, Terrell $39,309.48, Terry $131,272.98, Throckmorton $77,628.84, Titus $236,492.34, Tom Greene $532,495.68, Travis $1,149,388.51, Trinity $201,527.59, Tyler $169,178.55, Upshur $329,505.07, Upton $88,195.11, Uvalde $191,301.21, Val Verde $220,-546.88, Van Zandt $477,551.07, Victoria $296,269.35, Walker $273,-806.79, Waller $147,986.90, Ward $67,964.03, Washington $375,272.54, Webb $622,567.57, Wharton $438,625.82, Wheeler $229,871.79, Wichita $1,099,719.65, Wilbarger $363,228.47, Willacy $155,154.23, Williamson $652,389.59, Wilson $260,181.47, Winkler $100,253.96, Wise $283,412.49, Wood $357,376.38, Yoakum $18,664.62, Young $297,451.59, Zapata $42,268.53, Zavala $152,837.53; total $89,696,221 25.

Utah (14,387 certificate holders): Beaver $81,261.80, Box Elder $281,789.82, Cache $433,902.53, Carbon $281,599.96, Daggett $6,504.-85, Davis $221,840.27, Duchesne $130,737.19, Emery $111,418.53, Garfield $73,445.73, Grand $28,685.29, Iron $114,345.60, Jaub $136,-148.31, Kane $35,362.17, Millard $157,349.79, Morgan $40,124.15, Piute $30,947.84, Rich $29,634.61, Salt Lake $3,071,081.85, San Juan $55,313.72, Sanpete $253,500.09, Sevier $177,190.58, Summit $150,-737.20, Tooele $148,932.49, Uintah $142,951.77, Utah $775,610.27, Wasatch $89,172.80, Washington $117,399.24, Wayne $32,704.08, Weber $825,465.39; total $8,035,096.92.

Vermont (8,243 certificate holders): Addison $251,722.95, Bennington $303,646.41, Caledonia $382,141.57, Chittenden $665,638.37, Essex $99,093.48, Franklin $420,309.45, Grand Isle $55,302.77, Lamoille $153,498.84, Orange $234,083.27, Orleans $323,010.80, Rutland $679,407.97, Washington $585,180.13, Windham $364,782.33, Windsor $524,647.16; total $5,042,465.50.

Virginia (63,132 certificate holders): Accomac $546,307.40, Albemarle $411,109.50, Charlottesville City $232,288.07, Alleghany $307,-604.56, Clifton Forge City $104,205.85, Amelia $136,813.03, Amherst $289,807.74, Appomattox $128,021.26, Arlington $405,532.76, Alexandria City $367,958.32, Augusta $581,489.64, Staunton City $182,691.63, Bath $123,983.47, Bedford $443,259.57, Bland $91,894.35, Botetourt $235,518.31, Brunswick $312,145.19, Buchanan $255,-067.38, Buckingham $202,880.66, Campbell $348,698.75, Lynchburg City $619,551.66, Caroline $232,562.34, Carroll $337,362.42, Charles City $74,371.80, Charlotte $244,721.46, Chesterfield $396,908.62, Clarke $109,203.58, Craig $54,274.20, Culpeper $202,743.53, Cumberland $114,810.80, Dickenson $246,275.64, Dinwiddie $281,762.61, Petersburg City $435,229.67, Elizabeth City $302,225.90, Hampton City $97,242.54, Essex $106,293.32, Fairfax $384,947.57, Fauquier $321,058.83, Floyd $178,242.43, Fluvanna $113,759.45, Franklin $370,-822.87, Frederick $200,625.58, Winchester City $165,397.64, Giles $195,094.55, Gloucester $167,896.51, Goochland $121,179.87, Grayson $304,999.03, Greene $91,117.26 Greensville $203,992.96, Halifax $629,029.08, Hanover $259,166.14, Henrico $461,833.47, Richmond City $2,787,289.18, Henry $306,080.86, Martinsville City $117,401.09, Highland $68,947.43, Isle of Wight $204,312.94, James City $59,-104.33, Williamsburg City $57,565.39, King and Queen $116,075.47, King George $80,710.39, King William $120,814.18, Lancaster $135,-548.36, Lee $463,494.31, Loudon $312,484.93, Louisa $218,026.24, Lunenburg $216,201.75, Madison $136,401.63, Mathews $120,128.51, Mecklenberg $497,061.42, Middlesex $110,818.71, Montgomery $298,-

721.39, Radford City $94,880.80, Nansemond $343,289.61, Suffolk City $156,499.23, Nelson $249,048.77, New Kent $65,519.10, Norfolk $458,359.44, South Norfolk City $119,717.11, Norfolk City $1,976,-391.27, Portsmouth City $696,391.85, Northampton $282,874.91, Northumberland $168,841.20, Nottoway $226,513.25, Orange $183,-910.59, Page $226,299.93, Patrick $240,546.52, Pittsylvania $935,-917.49, Danville City $338,977.54, Powhatan $93,600.90, Prince Edward $221,241.24, Prince George $157,108.71, Hopewell City $172,-589.50, Princess Anne $248,088.84, Prince William $212,571.39, Pulaski $313,364.15, Rappahannock $117,583.93, Richmond $104,800.09, Roanoke $537,698.50, Roanoke City $954,491.83, Rockbridge $318,-483.78, Buena Vista City $60,978.48, Rockingham $452,676.04, Harrisonburg City $110,193.99, Russell $395,506.81, Scott $368,445.90, Shenandoah $314,720.24, Smyth $382,829.63, Southampton $409,-418.19, Spotsylvania $153,223.28, Fredericksburg City, $103,901.11, Stafford $122,657.85, Surry $118,121.76, Sussex $184,367.70, Tazewell $494,852.05, Warren $127,076.58, Warwick $134,527.48, Newport News $524,411.83, Washington $515,772.45, Bristol City $134,695.08, Westmoreland $129,468.79, Wise $779,631.58, Wythe $315,456.85, York $116,029.76; total $36,811,791.20.

Washington (56,335 certificate holders): Adams $168,258.77, Asotin $177,348.53, Benton $238,731.70, Chelan $689,557.94, Clallam $445,747.31, Clark $878,808.17, Columbia $116,074.35, Cowlitz $695,-486.99, Douglas $164,814.68, Ferry $93,557.02, Franklin $133,774.33, Garfield $79,824.28, Grant $123,507.47, Grays Harbor $1,307,487.64, Island $117,033.47, Jefferson $181,926.11, King $10,103,743.57, Kitsap $670,855.25, Kittitas $395,720.90, Klickitat $214,165.35, Lewis $872,-661.14, Lincoln $258,873.05, Mason $219,287.88, Okanogan $403,677.17, Pacific $326,316.06, Pend Oreille $155,964.69, Pierce $3,571,427.92, San Juan $67,508.41, Skagit $766,025.32, Skamania $63,018.02, Snohomish $1,719,012.08, Spokane $3,280,097.65, Stevens $404,352.90, Thurston $683,389.10, Wahkiakum $84,183.88, Walla Walla $619,-956.92, Whatcom $1,288,872.15, Whitman $610,649.18, Yakima $1,-687,208.80; total $34,079,306.15.

West Virginia (43,294 certificate holders): Barbour $251,813.31, Berkeley $378,909.54, Boone $332,353.55, Braxton $305,221.93, Brooke $333,394.44, Cabell $1,227,245.15, Calhoun $146,886.59, Clay $177,-423.75, Doddridge $141,776.79, Fayette $973,971.90, Gilmer $143,-845.04, Grant $114,105.44, Greenbrier $484,998.81, Hampshire $159,-999.05, Hancock $385,411.70, Hardy $132,692.69, Harrison $1,062,-068.71, Jackson $217,964.24, Kanawha $2,131,342.51, Jefferson $213,314.04, Lewis $294,611.30, Lincoln $258,950.81, Logan $791,-262.62, McDowell $1,223,095.13, Marion $901,042.29, Marshall $538,-435.46, Mason $281,012.19, Mercer $828,964.32, Mineral $271,495.52, Mingo $517,996.25, Monongalia $677,022, Monroe $161,526.59, Morgan $113,632.31, Nicholas $279,633.35, Ohio $974,336.89, Pendleton $130,-583.88, Pleasants $88,475.31, Pocahontas $196,754.49, Preston $392,-603.28, Putnam $226,250.77, Raleigh $920,197.30, Randolph $338,-612.39, Ritchie $210,799.70, Roane $263,303.61, Summers $276,686.43, Taylor $258,383.06, Tucker $180,789.74, Tyler $172,827.63, Upshur $242,567, Wayne $421,842.71, Webster $192,171.89, Wetzel $301,911.02, Wirt $85,947.45, Wood $764,050.88, Wyoming $282,877.67; total $23,345,392.42.

Wisconsin (88,036 certificate holders): Adams $128,496.17, Ashland $338,043.03, Barron $550,736.86, Bayfield $240,936.34, Brown $1,127,917.95, Buffalo $246,138.48, Burnett $164,301.05, Calumet $270,511.49, Chippewa, $599,563.16, Clark $548,553.24, Columbia $489,756.17, Crawford $269,435.74, Dane $1,810,105.28, Dodge $836,-389.16, Door $291,930.20, Douglas $747,936.65, Dunn $434,106.08, Eau Claire $659,692.88, Florence $60,499.01, Fond du Lac $961,481.46, Forest $178,510.61, Grant $617,658.27, Green $351,144.72, Green Lake $223,387.13, Iowa $321,746.19, Iron $159,484.25, Jackson $264,-410.21, Jefferson $590,619.96, Juneau $277,190.79, Kenosha $1,015,-975.52, Kewaunee $257,490.08, La Crosse $874,329.43, Lafayette $299,428.35, Langlade $345,910.47, Lincoln $338,332.04, Manitowoc $942,069.75, Marathon $1,134,019.23, Marinette $538,357.68, Marquette $150,733.73, Milwaukee $11,644,822.73, Monroe $461,433.39, Oconto $423,653.62, Oneida $255,274.35, Outagamie $1,008,156.24, Ozaukee $279,278.07, Pepin $119,617.20, Pierce $337,866.41, Polk $426,559.76, Portage $543,126.32, Price $277,511.91, Racine $1,448,-524.16, Richland $313,493.40, Rock $1,191,451.54, Rusk $258,196.54, St. Croix $408,705.48, Sauk $514,273.68, Sawyer $142,545.17, Shawano $538,132.90, Sheboygan $1,143,749.16, Taylor $283,950.36, Trempealeau $373,898.96, Vernon $458,194.08, Vilas $117,112.47, Walworth $498,667.25, Washburn $178,269.77, Washington $426,302.86, Waukesha $840,660.05, Waupaca $538,084.73, Waushara $231,639.92, Winnebago $1,229,242.84, Wood $607,960.44; total $47,177,680.61.

Wyoming (11,117 certificate holders): Albany $338,436.39, Big Horn $315,416.76, Campbell $188,879.04, Carbon $320,166.84, Converse $200,824.52, Crook $149,894.64, Fremont $294,842.43, Goshen $330,369.68, Hot Springs $153,913.94, Johnson $135,363.32, Laramie $744,532.42, Lincoln $306,197.66, Natrona $682,213.11, Niobrara $132,749.37, Park $230,674.15, Platte $272,497.37, Sheridan $474,-305.63, Sublette $54,640.01, Sweetwater $510,563.66, Teton $56,298.33, Uinta $184,719.21, Washakie $115,491.67, Weston $131,344.02, Yellowstone National Park (part) $5,621.40; total $6,329,955.57.

If this bill is enacted into law and our method of payment is finally adopted by Congress, the following will result:

First. It will save the Government more than a billion dollars, or $112,000,000 a year for 12 years.

Second. It will save the Government more than $10,-000,000 in administration expenses of the Adjusted Compensation Act between now and 1945.

Third. It will pay a debt heretofore confessed by the Government to the veterans for services rendered.

Fourth. It will in effect be granting to the veterans the right to deposit a Government obligation and receive in return therefor new currency, the same right that is now enjoyed by Federal Reserve banks.

Fifth. It will prevent the veterans from losing a valuable equity by releasing them from the payment of compound interest on their loans. Veterans who have borrowed 50 percent under the present law, if the law remains as it is, will have very little remaining in 1945. It is not right for the Government and the banks to consume these valuable equities by requiring the veterans to pay compound interest on their own money.

Sixth. It will require no bond issue, no increase in taxes, no additional interest payment by the Government. The debt must be paid sometime. Everybody will be helped if it is paid now.

Seventh. It will partly restore to Congress its constitutional duty to issue money and deprive a few privileged bankers of a monopoly on the Government's credit.

Purchasing power must be placed in the hands of the masses. In this way it can be distributed quickly without the possibility of graft or favoritism. It is the best plan that has been proposed to be used as a vehicle to convey additional money into the hands of those who will buy goods. Underconsumption is our problem, and there is no better way to distribute purchasing power.

QUESTIONS AND ANSWERS WHICH I HAVE PREPARED ON THE PAYMENT OF THE ADJUSTED-SERVICE CERTIFICATES

First. Q. What is an adjusted-service certificate?—A. It is a Government obligation payable to an honorably discharged veteran of the World War, who served longer than 110 days, payable in 1945, or 20 years from date of issuance, in return for services rendered.

Such a certificate is often referred to as a "bonus certificate." It is not a bonus certificate and should not be referred to as a "bonus." The term "soldiers' bonus" is a misnomer. It was coined by the enemies of the law in order that our cause might be condemned every time it is used. It is a soldier debt and should not be referred to as a "bonus."

Second. Q. Why did the veterans who served less than 110 days not receive such a certificate?—A. When each veteran was discharged he received $60 cash bonus to purchase civilian clothing, shoes, etc. The veteran had given his civilian outfit to the Red Cross when he entered the service. All veterans entitled to receive $50 or less were paid in cash and not given a certificate. In arriving at the amount of an adjusted-service certificate, the first 60 days were deducted on account of the $60 payment.

Third. Q. How did the Government arrive at the amount of an adjusted-service certificate?—A. Each veteran was allowed $1 a day extra for each day he served in the United States, and $1.25 a day extra for each day he served overseas with a limitation of $500 for home service and $625 for service overseas. John Doe, a veteran, was entitled to a credit of $460; $210 for 210 days home service and $250 for 200 days service overseas. The first $60 was deducted, reducing his credit to $400. Since he was being given a certificate due in the future, 20 years from date, the Government increased the amount of his credit by 25 percent for waiting, making the credit $500. He was then given a certificate for an amount equal to the $500 credit with 4-percent interest, compounded annually, for the 20 years, which amounted to $1,000. His certificate was dated January 1, 1925, and made payable January 1, 1945, or at death. This illustration represents the average veteran's adjusted-service certificate.

Fourth. Q. Why did Congress agree to give the veterans this extra amount?—A. When the Selective Service Act and other various legislative proposals were pending in Congress, relating to induction and enlistment of soldiers, sailors, and marines, the question of pay was very much debated. It was understood then that the pay agreed upon by Congress could be adjusted after the emergency in the event an

adjustment was due. Many Members of Congress insisted on a $3 a day minimum pay. The war cost the United States more than $36,000,000,000; all the man power in uniform received less than $4,500,000,000 of this amount, or less than one-eighth of the cost of the war.

Fifth. Q. Did others receive adjusted pay from the Government for their services after the war?—A. Seven thousand war contractors received adjusted pay amounting to billions, directly and indirectly, after the war was over; many of them had invalid and illegal contracts which were validated by Congress. They were paid in cash. The railroad owners received a guaranteed return during the war equal to the average return 3 years prior to America's entrance into the war, which was the most prosperous period of railroading in the United States; in addition, they were given $3,000,000 a day extra pay for the next 6 months after being released from Government operation. Their adjustments in pay amounted to between one and two billion dollars; they were paid in cash. There were about 500,000 Federal civilian employees during the war; all of them receiving $2,500 a year or less had their pay adjusted, and the average received $1,000 extra pay. It was paid in cash. Many soldiers worked on the public roads in America during the war, side by side with civilians who were receiving $8 a day; these soldiers received an adjustment of $7 a day representing the difference between their soldier pay of $1 a day and the $8 a day drawn by the civilians. They were paid in cash after the war. Foreign countries, our allies during the war, were loaned billions of dollars by our Government after the war was over. They used a part of this money to pay their own veterans adjusted compensation and bonuses aggregating as high in some instances, as $7,290 each.

Sixth. Q. Are the veterans asking for the payment of a debt that is not due until 1945?—A. The debt is really past due now, although payable in 1945. The adjusted-service certificates gives the veteran the $1 a day for home service and the $1.25 a day for service overseas as of January 1, 1925, thereby depriving the holder of approximately 7 years' interest. If one is entitled to a certain amount daily or monthly over a period of time, the interest should be computed by allowing full interest from a date representing a time halfway between the beginning and ending of the period, about June 5, 1918.

Seventh. Q. If the veterans are allowed interest from the time the services were rendered instead of from 1925, will they be receiving special favors from the Government?—A. No; it has always been the policy of the Government to deal with others in that manner. For instance, when the war was over, applications for tax refunds were filed by individuals and corporations, many of them claiming that they had paid too much income taxes during the war and others claiming that they failed to deduct a sufficient amount for depreciation of their facilities used in war services. These claims were made, although they had made and sworn to the income-tax returns themselves. The Secretary of the Treasury refunded to large income-tax payers more than three thousand million, or $3,000,000,000, from the year 1922 to the year 1929, inclusive; an amount more than sufficient to pay the remainder of the adjusted-service certificates in full. Much of this money was refunded or given back to them on the theory that the taxpayers did not charge off a sufficient amount for depreciation in value of their properties during the war from 1917 to 1919. A large part of it was refunded in plain violation of the law. A large number of the beneficiaries of these large gifts were war profiteers and should have been convicted of treason for dissipating and plundering our resources during the war. When each refund was paid, the Treasury also paid the one receiving it 6-percent interest from the year it was claimed the deduction should have been made. On one refund to the United States Steel Corporation of $15,736,595.72, interest amounting to more than $10,099,765 was paid. Mr. Andrew Mellon, while Secretary of the Treasury, made large refunds to himself and to his companies, and in each case allowed 6-percent interest from the year he claims the credits should have been given, and not from 1925, the date of the adjusted-service certificates, or 7 years later. Those who are so loud in their denunciation of the proposal to pay the veterans this honest debt have been just as silent as the tomb while these war profiteers were wrongfully getting billions of dollars from the Treasury.

One receiving a tax refund in 1925 for an alleged overpayment in 1918 was paid 6-percent interest from 1918 on the amount of the payment. There is no reason why the veterans should not be paid from the time they rendered their services until 1925, the date of the certificates.

Eighth. Q. Why do you say that the certificates are past due?—A. If a holder of an adjusted-service certificate is paid the extra pay Congress has acknowledged and confessed was due him with 6-percent interest, compounded annually, from the time the services were rendered, he was entitled to an amount equal to the face or maturity value of his certificate October 1, 1931.

In other words, if a veteran is given his adjusted-service credit as of the time he rendered the service, without deduction of the $60 and without adding the 25-percent increase, he was entitled to an amount equal to the full face value of his certificate on October 1, 1931. If you allow him the 25-percent increase or a portion of it for the number of years elapsed since 1925, the full face value of his certificate was due long before October 1, 1931.

Ninth. Q. Is the interest rate suggested too high?—A. No. The veterans for many years were required to pay the Government 6-, 7-, and 8-percent interest, compounded annually, for their own money, when they borrowed on their certificates. The amount charged on these high interest rates is now a part of the loans, and compound interest is being paid on the amount annually. If it was fair for the veterans to pay 6-, 7-, and 8-percent interest compounded annually for their own money, and then receive it in small dribs, certainly it is not unfair for the Government to pay the veterans this 6-percent rate.

Tenth. Q. You have stated that $60 was deducted from each veterans' adjusted-service claim before arriving at the amount of his certificate; why was this $60 deducted?—A. In February 1919 Congress passed a law giving each ex-service man $60 additional pay upon discharge, considered to be an amount sufficient to purchase a civilian suit of clothes, the soldier having given his civilian clothing to the Red Cross when he entered the service, and it was sent to foreign countries to relieve distress there. The $60 was authorized to be given to all officers, including the major general, who received $8,000 a year with additional allowances, as well as the private who had served only 1 day in the military service. When the adjusted-compensation law was passed, the veterans receiving the certificates were required to account for the $60; in other words, to pay it back. The officer who drew $8,000 a year was permitted to keep his $60 and make no return to the Government, although such officer, or any other officer above the grade of captain, did not receive an adjusted-service certificate, Congress feeling that such officers were not entitled to have their pay adjusted. Neither was the private who served 3 days required to pay his $60 back to the Government. So why should the Government play the role of Indian giver to the holders of adjusted-service certificates? The $60 should not have been deducted. A compromise entered into by uninformed persons with the wise, greedy Secretary of the Treasury caused this chiseling amendment to be accepted.

Eleventh. Q. What did the veterans receive for their services during the war?—A. An enlisted man, private, received $1 a day, except the overseas service, when he received 10 percent extra, or $1.10 a day. They were permitted and in many cases required to make allotments of a certain amount of their pay monthly to their dependents; the amounts varied from $5 to $25 a month and were deducted from the amount due them. They also paid for altering and mending their clothing and shoes, barber bills, laundry bills, and other incidental expenses. In addition, the average veteran had deducted from his pay $6.60 a month for insurance; if he had anything remaining after these deductions were made, he

was usually required to subscribe for a Liberty bond on the installment plan or be called a slacker disguised in American uniform.

Twelfth. Q. How many of these certificates are there outstanding; what is their average value, and so forth?—A. December 1934, there were 3,531,800 adjusted-service certificates in force, of the face or maturity value of $3,485,650,000; 3,037,500 of these certificates have been pledged to the Government and to the banks for loans aggregating $1,465,500,000, not including interest after October 1, 1931. These certificates range in value from $126 to $1,590 each, and their average value is approximately $1,000, to be exact, $959.88.

Thirteenth. Q. Why were the veterans not paid in cash in 1924 when the debt was confessed by Congress?—A. Mr. Andrew Mellon, Secretary of the Treasury, convinced Congress that there was going to be a deficit of more than $600,000,000 at the end of that fiscal year. Congress, therefore, did not feel that the payment could be made. However, after the "tombstone" certificates had been issued and the fiscal year expired, there was a surplus in the Treasury of more than $300,000,000. It was Mellon's billion-dollar error that caused the issuance of the I O U's payable in 1945.

Fourteenth. Q. Have the veterans obtained loans on their certificates?—A. Yes; the average veteran has obtained a loan amounting to 50 percent of the face value of his adjusted-service certificate under the law of 1931. Most of the veterans, however, had borrowed on their certificates before the 50-percent loan act was passed. In fact, the average veteran holding a thousand-dollar certificate obtained a loan of $87.99 in 1927, $26.79 in 1928, $26.33 in 1929, $24.59 in 1930, and $23.50 in 1931, before the passage of the 50-percent loan act. When the 50-percent loan act was passed he borrowed $271.99 additional, which included the amount he had borrowed with interest to date. The veterans have borrowed the accumulated interest on the amount due them, the principal remains intact if their debts are adjusted in the same way that the Government adjusted the debts of others on contracts growing out of the World War. A veteran who has borrowed the limit on his certificate if the contract is not revised to do equity will obtain the following additional sums the dates indicated, and the remainder will be consumed or eaten up by the payment of interest: January 1, 1942, $30.04; January 1, 1943, $38.25; January 1, 1944, $39.79; and on January 1, 1945, he will be given $68.50, and the debt will be liquidated, nothing before 1942.

Fifteenth. Q. Would it not be better for the veterans to keep their certificates as a nest egg to be used in 1945 as suggested by Mr. Andrew Mellon?—A. If the remainder is not paid now, practically all of the remainder due will be consumed by compound interest required to be paid on prior loans. The veterans will be benefited more by substantial payments than they will be by receiving their money in dribs; it will benefit the country more.

Sixteenth. Q. If the veterans are not paid now, how much will be received in future by those who have borrowed the limit allowed by law, and will continue to borrow the limit on their certificates?—A. The following statement will answer for the average veteran holding a certificate of the average value:

Tabulation shows average adjusted-service credit, average amount of certificate, and amounts of principal and interest on loans, and amounts of cash to veterans as loans and at maturity. Assuming loans by a bank in the eleventh (Texas) Federal Reserve district at the maximum interest rate chargeable from 1927 to 1931, inclusive, then a loan on March 1, 1931, for the 50-percent loan value and redemption of the note by the Government in 6 months.

Certificate dated Jan. 1, 1925—made payable Jan. 1, 1945, average adjusted-service credit ($1 per day home service, $1.25 overseas, and after deducting $60)	$400
Amount of additional 25 percent added for deferred payment from 1925 to 1945	100
Total amount applied to purchase certificate (no interest allowed from 1918 to 1925)	500
Amount of certificate issued for the above amount at 4 percent compounded annually from Jan. 1, 1925	1,000

Year	Loan value	Outstanding indebtedness	Interest rate	Interest due beginning of period	Cash to veteran
			Percent		
1927	$87.99	$87.99	6		$87.99
1928	120.06	93.27	6	$5.28	26.79
1929	153.59	127.26	[1]7	7.20	26.33
1930	188.67	164.08	7	10.49	24.59
1931	225.38	201.88	7	13.21	23.50
Emergency Loan Act, Mar. 1, 1931	500.00	228.01	4½	2.63	271.99
Redemption by the Government:					
Sept. 1, 1931	500.00	511.25	4½	11.25	
1932	500.00		4½		
July 21, 1932		533.68	3½	22.43	
Sept. 1, 1933	500.00	552.36	3½	18.68	
1934	500.00	571.69	3½	19.33	
1935	500.00	591.70	3½	20.01	
1936	500.00	612.41	3½	20.71	
1937	500.00	633.84	3½	21.43	
1938	535.73	656.02	3½	22.18	
1939	589.05	678.98	3½	22.96	
1940	645.06	702.74	3½	23.76	
1941	703.92	727.34	3½	24.60	
Jan. 1, 1942	765.86	735.82	3½	8.48	30.04
1943	831.12	792.67	3½	26.81	38.45
1944	900.00	860.21	3½	29.09	39.79
Jan. 1, 1945	1,000.00	931.50		31.50	68.50
Total				362.03	637.97

[1] Mar. 2, 1929.

Seventeenth. Q. How much money will be required to pay the remainder due?—A. About $2,000,000,000. All except about 500,000 veterans have borrowed the limit allowed by law on their certificates.

Eighteenth. Q. If this amount of money is needed in circulation, would it not be better for the country to provide that amount for public buildings or highway construction?—A. No; because it would not be so well distributed in that way; it would go to certain localities and certain cities and only to people engaged in that kind of work. If it is paid to the veterans, it will go into every nook and corner of America; will raise the per-capita circulation of money about $15, can be paid immediately without waiting for blueprints, and will place purchasing power into the hands of consumers who will put it into circulation.

Nineteenth. Q. You are asking that money be distributed to one class, are you not?—A. No; every class, race, and creed; every occupation, avocation, trade, and business will get a share. It is the only plan yet suggested that will cause such a wide distribution of money to such a large number of consumers without payment of a dole.

Twentieth. Q. Are you asking for a revision of the contract?—A. Yes; in order that another part of the contract, the legislative intent, may be carried out. Congress contemplated that the veterans should be paid the adjusted pay as of the time the services were rendered and not 7 years later without interest. The report of the Committee on Ways and Means of the House reporting the adjusted-compensation legislation in the year 1924 states two objects they had in mind, as follows: "That it should represent an amount approximately equal to the difference between what the soldier received and what he should have received. That it should confer substantial benefits upon the soldiers." The first object is not carried out by paying the veterans the amount representing that difference 7 years later. The second object is not carried out if the money is paid in dribs and a large part of the principal consumed by the payment of compound interest on loans.

Twenty-first. Q. Have others ever asked the Government for a revision of contracts?—A. Yes; the foreign countries that borrowed billions from us asked for a revision of their contracts. In the revision that was granted them they were given more than $10,000,000,000 by our Government. Hundreds of thousands of income-tax payers have asked the Government to revise their income-tax returns and allow them credits, refunds, and abatements. This has been done and more than 3½ billion dollars refunded in that manner. The income-tax returns were prepared wholly by the ones wanting the refunds, yet they asked for a revision and got it. The foreign countries asking for a revision of their contracts were parties to the contracts and had a voice

in their making. The veteran had no other alternative than to accept the adjusted-service certificate in the form in which it was offered to him. He did not make it out and agree to it like the income-tax payers or the foreign countries.

Twenty-second. Q. Did the veterans not agree to accept payment in 1945?—A. No. They were told what would be given them and were never asked to enter into any agreement at all.

Twenty-third. Q. While a mechanic enlisted as a soldier, what was received by mechanics who stayed at home?—A. As everyone knows, they received America's all-time high wages for mechanics. Laborers were paid as much as $6 and $8 a day, and the soldier, through service, probably lost from $1 to $10 a day as compared with what he could have made had he not served with the armed forces. The adjustment that was made of his compensation was only a partial adjustment. During the war some laborers in shipyards, doing piece work, are reported to have made as high as $70 a day. Of course, such cases were exceptional.

Twenty-fourth. Q. Did the United States pay her soldiers more than any other country engaged in the war?—A. The United States paid a private $30, while Canada paid her privates $33. New Zealand, $36.60, and Australia, $43.10 a month. When the corporal in the United States Army was receiving $36 a month, the Australian corporal was receiving $72.90. While the sergeant in the United States Army was receiving $38 a month, the Australian sergeant was receiving $76.10 a month.

Twenty-fifth. Q. Is it not a fact that the 25-percent increase that the Government allowed the veteran in addition to his $1 and $1.25 a day was intended to compensate him for the loss of interest from 1917–18 to 1925?—A. No; the CONGRESSIONAL RECORD and the reports of the committees reporting the legislation in Congress clearly disclose that there was no such intent. Congress intended, as disclosed by these records, that the 25 percent would compensate the veteran for waiting from 1925 to 1945 for his money. As positive and convincing evidence that the 25-percent increase was not to compensate the veterans for waiting until 1925 from the time the services were rendered, the ones receiving $50 or less in cash did not receive the 25-percent increase, neither did the beneficiaries of the ones who died prior to the passage of the act receive the 25-percent increase. In other words, a veteran who served 105 days during the war was paid $60 on discharge. After the Adjusted Compensation Act was passed, and in 1925, he was paid $45 additional. He was not paid the 25-percent increase which he would have been paid if it was intended to cover the period between the time he rendered the services until 1925. The widow of a veteran who died in the service and who was entitled to a claim of $460 received $400 in 1925, $60 was deducted, and the $400 was paid without the 25-percent increase. These two illustrations are convincing proof that Mr. Spafford and Mr. Kinsolving are wrong. Further, Mr. Andrew Mellon, when he was Secretary of the Treasury, and Mr. Ogden Mills, when he was Under Secretary, both testified before the Senate committee in opposition to my bill, and both admitted in my presence that the 25 percent extra was for waiting from 1925 to 1945 and was not intended as interest from 1917–18 to 1925.

Mr. RANSLEY. Mr. Speaker, I yield 15 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker, in the last session of Congress I voted to sustain the President's veto because I was opposed to any inflationary method of payment of the adjusted-service certificates. I have not changed my mind so far as the method of payment is concerned, not that I am alarmed lest the issuance of $2,000,000,000 of greenbacks would impair the credit of the United States when we have approximately $10,000,000,000 in gold and $1,000,000,000 in silver. We might well issue $2,000,000,000, as has been said by the gentleman from Texas, and we would still have a sound dollar; but I voted against the principle, and am still against the principle, of paying these certificates through inflationary methods. There is no more reason to pay the adjusted-service certificates in this manner through starting the printing press than there is to pay for the maintenance of the Army, or the Navy, or to pay the salaries of Members of Congress, or to pay the running expenses of the Government, or even to reduce the national debt. Once you invoke this inflationary principle, there is no end to it, and your dollar will automatically be depreciated down to 20, 10, or even 5 cents, as occurred in Germany, and Soviet Russia, and every country that sought to pay its bills by printing-press money.

For some time I have been in favor of the payment of these certificates and propose to vote for this bill as a relief measure. Billions of dollars have been doled out in all directions by this administration to various groups for plowing under crops, for destroying cotton, and for the birth control of pigs, and there is no reason why the veterans should be discriminated against. Many of these veterans are unemployed, many of them are destitute, most of them owe money, many of them are in need of relief, and as long as we have made a contract with the veterans and are obligated to pay them these certificates, this is the proper time to pay them—right now. [Applause.]

Furthermore, when we entered into this contract in 1925—and I voted for it then over the veto of a Republican President, President Coolidge—we entered into that contract on a sound-dollar basis. Since then this administration has reduced the dollar to 59 cents. Who knows but this dollar may again be depreciated? The veterans, naturally, want it paid now and do not want to take the risk of being paid in a 20-cent dollar or in a 10-cent dollar later on.

I have not risen here, however, for the purpose of presenting the merits of the proposal. Every Member of the House, Republican or Democratic, has already made up his mind how he proposes to vote on this bill. I have risen to discuss the main feature of this bill, that is, how it is to be paid. There are four methods. First, there is the ordinary and regular method of payment through bond issues, which has been the method of this administration in all its authorized payments; second, is the suggestion of the gentleman from Texas [Mr. PATMAN] payment through greenbacks or printing-press money, or through inflation; third, is a suggestion that has been made on the floor of this House by myself and others to take $2,000,000,000 out of the Public Works funds and other unexpended balances. The fourth is a suggestion that I propose to make to the Congress at the present time. After all, what the people throughout the country are worrying about with regard to the passage of the bill is whether it will mean more taxes. How is it going to affect the people of the country, not only the taxpayers, but the wage earners, who pay no direct income taxes but through increased cost of living because of inflation and idle factories because of the burden of taxation are vitally interested.

I offer in all seriousness this suggestion as a means to pay the bill: On the 30th of January 2 years ago the Congress authorized the President to establish a fund of $2,000,000,000 to stabilize the dollar. This money was put in charge of the Secretary of the Treasury as a secret fund. There has been no accounting of this money whatsoever to the Congress of the United States. In all fairness to the Secretary of the Treasury, I assume this money still exists and that it has not been dissipated. It was turned over as an emergency measure, purely for an emergency, and was so written in the law. This $2,000,000,000 fund was credited to the exchange-stabilization fund and made available to the Secretary of the Treasury under section 10 of the Gold Reserve Act of 1934, enacted January 30, 1934, which expires on the 30th day of this January. This secret stabilization fund expires on January 30, 1936, unless the President issues a proclamation that the emergency still exists and that there is a necessity for the continuation of the fund, under which conditions it can be continued for not exceeding 1 year.

Now, I submit, in accordance with every statement made by this administration and its spokesmen, that we are out of the emergency. This being an emergency measure, therefore, it expires automatically the 30th of this month; and in view of the fact that the President says that we have a

sound dollar and in view of the fact he says that there has been no impairment of the national credit, I submit that the Congress ought to pass a resolution recalling this $2,000,000,000 on January 30 and apply it to the payment of the adjusted-service certificates. [Applause.] If you did that, you would be taking a step in the right direction.

I am opposed to placing in the hands of any President or Secretary of the Treasury, be he Democrat or be he Republican, a secret fund of $2,000,000,000 to play with, with no accounting whatever to any Member of Congress, not even the chairman of the Ways and Means Committee.

Mr. VINSON of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes; I yield to the gentleman from Kentucky.

Mr. VINSON of Kentucky. The distinguished gentleman from New York referred to the $2,000,000,000 gold-stabilization fund as a secret fund and stated that there has been no accounting of it. The gentleman had in his hand a moment ago, as I understand it, a Treasury statement issued daily. Will the gentleman agree with me that this $2,000,000,000 gold-stabilization fund appears in each Treasury statement made daily?

Mr. FISH. I can say to the gentleman only that there has been absolutely no accounting of it whatever. I do not know whether it is $2,000,000,000, $2,500,000,000, or $500,000,000; and the gentleman does not know it, either.

Mr. VINSON of Kentucky. The point about it is that the gentleman stated there had been no accounting. I want the gentleman, who is usually frank, and who is courageous in meeting a point, to state whether or not that complete, full stabilization fund created in the amount of $2,000,000,000 appears daily in the Treasury statement as gold on hand.

Mr. FISH. Of course, I hope the money is on hand. It should be there. I have no way of knowing—and no Member of Congress has any way of knowing—just what the situation is. An accounting is made only once a year to the President of the United States. He probably knows. The Secretary of the Treasury probably knows. But I defy any Member of Congress to find out anything with reference to how much money is there or what they have done with it. Yesterday we received information that the Treasury Department had entered into some monetary treaty with Mexico. I do not know what right it has to negotiate a treaty with Mexico without the consent of the Senate or the Congress of the United States, but that is going on. I am opposed to a continuation of this secret fund. I want it restored to the Congress of the United States to be used to pay the adjusted-service certificates of the World War veterans. [Applause.]

Mr. ANDREWS of New York. Will the gentleman yield?

Mr. FISH. I yield to my colleague from New York.

Mr. ANDREWS of New York. Is it not a fact that the Government, as a result of the profit received from this gold deal, has already charged this profit back against its own losses?

Mr. FISH. No; there should be two billions in the secret stabilization fund. Let us keep the record straight, because this should not be a partisan matter. The question of payment of the bonus will not be a partisan matter until action is taken by the Executive. If he vetoes the bill and tries to increase taxes, then the Democrats will have to take the responsibility.

When they depreciated the value of the dollar to 59 cents, the Government profited to the extent of $2,800,000,000. Two billion dollars was set aside in a stabilization fund. Six hundred and seventy-five million dollars was used to pay off "circulation bonds", known as United States consuls, and some Panama bonds which were outstanding at that time. Also, an estimated $139,000,000 has been used to purchase stock in the Federal Reserve to effect loans to industry through the F. D. I. C., under section 13 (e) of the F. D. I. C. Act. This came from the profit made on the devaluation of the dollar; and if it can be used for loans to industry, it can be used, now that the emergency has ended, to pay the adjusted-service certificates without increased taxation.

Mr. RANKIN. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Mississippi.

Mr. RANKIN. The gold which is set aside for this stabilization fund is gold bullion. It is not money; it is gold bullion. I suggested the other day that we coin this gold and silver and pay these veterans in money. Is that what the gentleman is agreeing to?

Mr. FISH. I should be perfectly willing to do that. I do not care how it is used. We have the money, and it may be used for this specific purpose, and, as a matter of fact, it should be, because the veterans' contract was made on that gold basis in 1925.

Mr. RANKIN. Then we would have currency expansion to the extent of $2,000,000,000.

Mr. FISH. I am not worrying about such an expansion. I am worrying about the principle of enacting legislation that would start the printing presses. In this case you can avoid the principle. This money has been set aside and may be recalled without the necessity of a tax, and should be recalled and used for the payment of the veterans' adjusted-service certificates.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. RICH. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Pennsylvania.

Mr. RICH. A question was asked the gentleman by the gentleman from Kentucky [Mr. VINSON] with reference to the $2,000,000,000. When they devalued the dollar there was a profit of $2,800,000,000 from that devaluation. On the Federal statement in that year they charged off the $2,000,000,000, and it is not shown on the statement today.

Mr. FISH. I thank the gentleman for his observation, because I could not honestly answer the question, as I have not got a copy of the daily Treasury statement before me.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from New York.

Mr. FITZPATRICK. What is the purchasing power of the dollar today as compared with 1928 and 1929?

Mr. FISH. What we are trying to do is to get back to 1925 and 1926, when this obligation to the veterans was entered into.

Mr. FITZPATRICK. I am asking the gentleman what the purchasing power of the dollar is today as compared with 1928 and 1929.

Mr. FISH. I am concerned with its purchasing power in 1925, when this contract was entered into, not in 1929.

Mr. FITZPATRICK. The gentleman is not answering the question.

Mr. FISH. And I do not propose to either. [Laughter.]

Mr. BOILEAU. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Wisconsin.

Mr. BOILEAU. Does the gentleman propose to make gold coins out of the $2,000,000,000 in gold, or issue currency backed up by the $2,000,000,000 of gold bullion?

Mr. FISH. I am in favor of using the $2,000,000,000 to pay the certificates in cash.

Mr. BOILEAU. Then why not back the Patman bill, which has four times more gold back of it?

Mr. FISH. Because that is exactly what I am trying to avoid to have Congress vote—to start the printing press going.

Mr. BOILEAU. But there is four times more gold back of the Patman bill than behind the gentleman's proposition.

Mr. FISH. I have previously made the statement that $2,000,000,000 would not upset the finances of the United States. I am against the principle involved, and the $2,000,000,000 is already available; and I am now informed that $1,800,000,000 is carried specifically under the heading of "Exchange stabilization fund."

The President on last Monday sent a Budget message to Congress, if you could give it such a name, because it was a hollow mockery and a travesty as a Budget message. It was a "phoney" or "baloney" Budget. The President even went on to state in it: "We are approaching the balancing of the Budget", in spite of the fact that even the President's

alleged Budget showed a deficit of $1,000,000,000. Now this is the phoney part of it. He ignored and left out $2,000,000,000 which will be necessary to carry on relief. This will create a deficit of two and one-half billion dollars. He omitted, of course—and we can excuse him for that—$500,000,000 which will have to be paid in processing taxes, since the Supreme Court held the A. A. A. unconstitutional. This will create a deficit of three and one-half billion dollars. The President omitted—and this is natural—any consideration of the bonus; and I am not blaming him for that, because it would not be fair. However, when the bonus is paid there will be a deficit of five and one-half billion dollars. That is why it is a "phoney" or "baloney" Budget message and absurd to refer to the approaching balancing of the Budget when, as a matter of fact and in all fairness, there will be a deficit of five and a half billion dollars tomorrow afternoon when this bill is passed by the House of Representatives.

This is not a partisan matter, but the question naturally arises, How is it going to be paid? Where is the money coming from? You have soaked and swatted the rich to the limit. You have soaked the millionaires 75 percent of their income. In the State of California they have a tax of 20 percent of the Federal tax, which means 15 percent more, or a total of 90 percent. In addition to that there is the real-estate tax, the city and town taxes, school tax, gasoline tax, sales tax, and dog tax.

As I estimated it out there in California, it amounts to 101 percent. [Laughter.]

Now, after having done this, you are not going to get much more money by soaking and swatting the rich. I have been a liberal for 20 years, and I am not here to defend any 56 rich men in America. I have two of them in my own district, and both of them are Democrats. You know them both. One is Mr. Vincent Astor, of yachting fame; and the other is Mr. Averill Harriman, until recently assistant director of the late lamented N. R. A. [Applause.]

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I yield 10 minutes to the gentleman from Indiana [Mr. GREENWOOD].

Mr. COX. Mr. Speaker, will the gentleman yield for a question before commencing his statement?

Mr. GREENWOOD. Yes; I yield.

Mr. COX. I was wondering if the gentleman would yield to the gentleman from New York, who has just surrendered the floor, the time to state to the House whether, by what he has just stated, he intends to advocate restoring to the dollar its former gold content?

Mr. GREENWOOD. I may say to the gentleman from Georgia that the gentleman from New York [Mr. FISH] speaks here quite often, and the gentleman from New York can answer that question for himself on some other occasion and in his own time.

Mr. Speaker, there will be no doubt about the adoption of this rule, which is a liberal rule allowing debate and amendment. It is what we call an open rule and is the kind of rule requested by the chairman of the Committee on Ways and Means.

The question in the bill that is up for our consideration is a familiar one to all the Members of the House, because it has been before us many times. I think an injustice to the soldiers who served in the World War is about to be righted. The Congress has recognized this debt to the soldiers of the World War on the basis of compensation that they earned. During their period of service wages in this Nation were high; profits were running at a high-water mark. The soldiers alone served at a very meager wage. To adjust this and place on a parity the wages that were earned by the soldier the Congress recognized this payment.

According to my theory, it should have been paid when the task was finished at the end of the war. The laborer is always worthy of his hire, and when he has earned his wage he is entitled to have it paid; but now, some 17 years after the close of the war, we are righting an injustice that should have been righted at the time. Every other industry or corporation that had a claim against the United States Government growing out of the war, involving compensation or contracts that were unfinished, has been paid and paid in cash. The soldier never had any option in the matter, but had to take the certificate that was given him. It was not a two-sided contract. It was legislation that he never desired, but which he accepted because no alternative was offered. I believe this amount has been earned and ought to have been paid. I have always voted for it and have always voted to override every Presidential veto.

In addition, I think at this particular time great benefits will accrue to the Nation. We talk about purchasing power and we talk about the necessities that have arisen from the depression. There can be no better way in which there can be a distribution of Government funds that will be as fair and equal from a geographical standpoint as to pay this obligation to the soldier population, which is distributed over the entire Nation, township by township and county by county, on the basis of total population. So the purchasing power of the Nation will be increased by paying this debt now and allowing these soldiers to pay their debts, to purchase the necessities of life, to purchase new equipment, to set themselves up in business, to pay their debts, and to put money in the channels of commerce and trade so as to help move the machinery of industry in all lines of endeavor.

Of course, there is not involved in this bill the manner of payment. This has been in previous bills, but all veterans' organizations and all groups in this House have agreed that this question, temporarily at least, should be waived in the interest of the payment to the soldiers themselves of this debt, and that that question should not be involved in the legislation at this time.

This is an authorization. After the authorization has been enacted by the Congress, then an appropriation bill will come at a later date. With this amount involved I take it that the Congress may be called upon to designate the manner in which the payment shall be made. Perhaps new taxes may be suggested in order to meet a debt of this size, or, perhaps, bonds may be used. I am one who has been in favor of using the idle gold and silver that lie in the Treasury of the United States to pay this debt, on the same theory that a businessman, you and I, if we owed a debt to an individual or to a bank, and had money on deposit, would pay it out of our resources rather than create a new debt in order to pay an old one.

This idle gold, variously estimated at from one to two and a half billion dollars—I do not know the exact amount; I have not examined the statement of the Treasury recently; but the amount has been growing, and it is stated there is over $700,000,000 of profits on the purchase of silver, and that there is $250,000,000, approximately, in the fund that has been accumulated to meet the payment of these certificates when they matured in 1945; but in the profits on the revaluation of gold itself there are sufficient funds in the Treasury of the United States, whether it be in coin or whether it be in bullion, aside from the stabilization fund, to pay this debt and save the interest on any interest-bearing bonds that might be issued.

I never could understand why anyone should reach the conclusion that when this debt is fixed as to amount and the Congress should decide on the policy of using the idle gold and silver that is already there to pay it, that this would open the floodgates in the future to the issuance of more money. The Congress of the United States controls the situation, and because they vote for this fixed amount of expansion of the currency necessarily does not fix the policy of the future with respect to some future item of appropriation.

I am one who believes we should have this expansion of the currency. I believe it would help purchasing power and raise the prices of commodities and solve the very problems that this special legislation of farm relief and other legislation have been designed to improve by way of raising farm prices.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. Yes.

Mr. COX. Are we to understand that the gentleman is advocating payment along the lines of the Patman plan?

Mr. GREENWOOD. Certainly. The gentleman understands that I voted for the Patman plan and I am still in favor of it. However, I am not in favor of that just to confuse the issue so far as the payment at this particular time, whatever method is approved.

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. Yes.

Mr. O'MALLEY. If that gold and silver profit in the Treasury is not used in some way, preferably in this way, of what value was it to devalue the dollar to obtain that profit?

Mr. GREENWOOD. There is some value to the credit of the United States, both domestically and internationally, that we have this reserve of gold standing there behind our indebtedness as a reserve to meet obligations; but there never was a time when the credit of this Nation at home or abroad was better than it is at this hour. When the bonds of the Nation are offered, even at the lowest rate of interest ever offered in the history of our country, they are oversubscribed four and five times, because these resources, not only of credit but of gold and silver, lie there in the Treasury. There is some advantage. But I agree with the gentleman that in this particular instance, in order to save the interest on bonds in the future, which would be double the amount which would be involved in the payment of the debt, we can very well use this surplus gold and silver upon which to issue Treasury notes or gold certificates or any money that is backed by that gold and silver or credit of the United States, and with that gold and silver pay this debt that is fixed in amount, and is not as wide open as some of you gentlemen seem to believe it is.

Mr. LUNDEEN. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. Yes.

Mr. LUNDEEN. I am much interested in the able speech of the gentleman from Indiana, but why debate this question when we all know, and this House has demonstrated it time after time, that we are overwhelmingly in favor of the bonus, and that we have the votes to pass it over a veto if necessary?

Mr. GREENWOOD. I am not trying to convince the gentleman. I know he believes probably as I do about that. I am stating my personal views, because I believe at a future date an appropriation bill will come before this House to decide that question, and I am merely stating my personal views in regard to the matter.

The SPEAKER. The time of the gentleman from Indiana has expired.

Mr. O'CONNOR. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 148, noes 0.

So the resolution was agreed to.

ADDRESS BEFORE THE NATIONAL CONVENTION OF THE VETERANS OF FOREIGN WARS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to insert in the RECORD an address recently delivered by the gentleman from Mississippi [Mr. COLMER].

The SPEAKER. Is there objection?

There was no objection.

Mr. McCORMACK. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following address of the gentleman from Mississippi [Mr. COLMER] before the national convention of the Veterans of Foreign Wars at New Orleans, La., on September 18, 1935:

INTRODUCTION

Mr. Commander and comrades, it is an honor to address this organization of men who have crossed the seas and the boundaries of their own native land to fight an enemy of the American people and its institutions.

As a veteran of none too glorious experience who also happens to be a Member of the American Congress and who dwells in the Southland just to the east of the mighty Mississippi River, I should like to add on behalf of the veterans of the South, and particularly those whom I have the honor to represent, a word of welcome to you who come from other sections of our common country. I am sure that you have immensely enjoyed the hospitality which is so peculiar to this section, and I trust that the remainder of your stay will afford an opportunity for a continuation of a pleasant visit to the unique and historic city of New Orleans and our sun-kissed Southland.

In the brief time on this rostrum I desire to discuss with you some phases of the legislative program affecting veterans in the National Congress; the duty of the people of the country as a whole to the veterans; and to respectfully remind you of your corresponding responsibility to the country which is so heavily indebted to you.

LEGISLATION AND PUBLIC OPINION

It is only fitting that the Veterans of Foreign Wars, who fought for the preservation of their country, should have a powerful voice and a keen interest in its legislative affairs. But in the outset, may I not remind you that any legislative program, sponsored by a veterans' organization, should never be allowed to get ahead of public opinion. Laws are but expressions of public opinion written into codes of law. A dangerous, if not fatal, mistake too often made by those who have the interest and welfare of the veterans at heart is to attempt legislation for the welfare of the veteran for which the proper background in the forum of public opinion has not been established.

The Veterans of Foreign Wars and all other organizations who would seek to better the conditions of the veterans themselves should always bear in mind two things: First, the American people are a grateful people; they are desirous of seeing to it that the men who offered their all as a living sacrifice upon the altar of their country should be well and amply cared for. And, second, that before presenting their program to the several States' legislatures and the National Congress, the justice and desirability of that program should first receive the approval of this great American people. This should be done by a campaign of enlightenment and education as to the merit and justice of the proposed legislation. In my opinion, if this procedure is followed, no meritorious legislation will fail at the hands of the legislative body before which the legislation is considered.

ADJUSTED-SERVICE CERTIFICATES

Unquestionably the outstanding piece of legislation affecting the veteran, and, in my opinion, the most important piece of legislation affecting the country at the session of Congress to be convened in January next will be the consideration of the immediate payment of the veterans' adjusted-service certificates. This question has long been before the American people; every veteran here is so familiar with its provisions, with its trials and its controversies, that I shall not dwell upon it at length. Moreover, there is a man present at this convention who is better fitted to discuss this matter than any other man in the United States. I refer, of course, to the Honorable WRIGHT PATMAN, the outstanding friend of the American veteran, one of the ablest men in the American Congress, and the man who has fought in season and out of season for the immediate payment of these certificates. Like all strong men who have waged the battles for principles and justice in the past, he has incurred the ill will of those who oppose him. But the rank and file of the American veterans, of the Legion, of the disabled veterans, and of the Veterans of Foreign Wars realize that the fight that WRIGHT PATMAN has made has been their fight. When those certificates are cashed the law authorizing the payment may not bear the name of PATMAN, but every veteran who presents his certificate for payment is bound to realize that he is receiving his pay at the time because of the valiant efforts made by WRIGHT PATMAN. As one who has served on the steering committee for the payment of these certificates in the Seventy-third and Seventy-fourth Congresses, and who has had first-hand opportunity to observe his efforts, I feel in a position to state, beyond the ability of anyone to successfully deny, that PATMAN of Texas, is the most potent influence in the Congress and in the country for a square deal for the American veterans. All honor to him.

This issue of the immediate payment of the veterans' adjusted-service certificates has dragged too long. There are those who have made of it a political football, tossing it about upon the gridiron of politics. The certificates should be paid now. Their payment is in line with the program of the present administration. The American people want these certificates paid. And it is my confident opinion that the bill authorizing their payment will be passed and become a law, with or without the signature of the President, before March 1 of next year. The only fight, as I see it, will be one on the question of compromise. Personally, I think that no compromise should be made, and, moreover, it is my opinion that if our forces will stand fast no compromise will be necessary.

I could not pass from this subject without calling your attention to an inherent danger to the payment of these certificates that lies apparent to all thoughtful American veterans; that is, the danger of a division among the veterans themselves. There are those even in the veterans' organizations who at heart are opposed to the immediate payment of these certificates. They would divide the veterans into two camps; they would have the several veterans' organizations sponsor different bills providing for the payment of these certificates. As one who believes in the fundamental principle that the average American veteran is not concerned about the method of payment, I would urge those occupying positions of trust and honor in the various veterans' organizations to unite their strength in the common cause for the immediate payment of these certificates. Let Congress, whose responsibility it is, determine how that payment is to be financed. The Congress unquestionably is sold upon the immediate payment of these certificates. Congress should not be put in the attitude

of having to decide between various groups of veterans. The leading veterans' organizations should agree upon a common program and present a united front.

Personally I have always favored the procedure outlined in H. R. 1. To that end I have supported the Patman bill with all of my energy, and will continue to do so, but the immediate cash payment of the certificates is my primary motive, as it is of WRIGHT PATMAN himself, and I think it is primarily the motive of every Member of Congress who favors the payment of these certificates. If I might be so bold as to suggest a procedure for the veterans themselves, it would be that those entrusted to the leadership of the various veterans' organizations should get together about the council table and agree upon a procedure of urging the Congress and the President to pay these certificates early next year, leaving to them the matter of financing the program. If this is done and a united front is presented by the veterans themselves, there is no power in this country that can stop the payment of these certificates before March 1, 1936.

WAR CLOUDS

You, my comrades, fought well the cause of our united country in its time of peril. Your cause has always been a just one. You drove the enemy from a small continent and set up a new and free republic where despotism had reigned. Later your comrades in arms braved the seas infested with deadly submarines, when the Germans were hammering at the gates of Paris, and extinguished a conflagration which threatened civilization and Christianity. Your humanitarian and patriotic record of achievements is scintillating and resplendent. Long may your memory be acclaimed by a grateful and appreciative American people.

The memory of your brilliant achievement; the toll of death and casualties caused; the billions in wealth destroyed, all are too fresh in the American mind for us to be swept off of our feet by the impending European strife. America must not become embroiled in this maelstrom of European diplomacy which can have but one result—war. America's course is clear; it was charted by the greatest of all Americans, George Washington, in his Farewell Message to the Congress when he advised us to steer clear of European alliances and entanglements. I hope that in this instance the American people will follow his advice.

CONCLUSION

The veterans of all wars in America occupy a unique and strategic position in the affairs of this great country. United, they can wield a powerful influence in shaping the political, social, economic, and civic affairs of this country. Today they are the most powerful group in the country. That power has a corresponding responsibility. It should be used for no selfish purpose. As a military organization in the war period, its full and destructive power was thrown at the enemy with the sole patriotic purpose of winning the war. In periods of peace and of economic strife the full force and effort of that influence should be felt in all constructive efforts bent toward the glorification and preservation of our common country. We should always remember that we are members of the Veterans of Foreign Wars, we are members of the American Legion, we are members of the Disabled American Veterans, but always we should remember first that we are Americans. We owe an everlasting duty to the welfare of our living comrades; we owe a solemn duty to ever hold aloft the torch passed on to us by those who paid with the supreme sacrifice to see to it that the sacrifice of their lives for the preservation of the Government and its institutions was not made in vain.

ANNUAL REPORT, NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committees on Military Affairs, Naval Affairs, and Interstate and Foreign Commerce and ordered printed:

To the Congress of the United States:

Pursuant to the act of March 3, 1915, which established the National Advisory Committee for Aeronautics, I submit herewith the annual report of that Committee for the fiscal year ended June 30, 1935.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 9, 1936.*

STATEMENT OF ACTING DIRECTOR, NATIONAL EMERGENCY COUNCIL

The SPEAKER also laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Expenditures in Government Departments.

To the Congress of the United States:

I have the honor to transmit herewith, in accordance with the provisions of section 15 of the Emergency Relief Appropriation Act of 1935, a report of the operations under such joint resolution, consisting of an itemized statement regarding funds appropriated under the act, prepared by the Secretary of the Treasury, and of a statement prepared by the Acting Director of the National Emergency Council. Pursuant to the act, such report includes a statement of the expenditures made and obligations incurred, by classes and amounts.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 9, 1936.*

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that on January 6, 1936, the Senate adopted the following resolution:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. HENRY W. KIMBALL, late a Representative from the State of Michigan.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased Representative the Senate do now adjourn.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 430. An act for the relief of Anna Hathaway.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 381) entitled "An act for the relief of the Confederated Bands of Ute Indians located in Utah, Colorado, and New Mexico", requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. THOMAS of Oklahoma, Mr. BULOW, and Mr. FRAZIER to be the conferees on the part of the Senate.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 9870) to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 9870, with Mr. BLANTON in the chair.

The Clerk read the title of the bill.

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from North Carolina is recognized for 2 hours.

Mr. DOUGHTON. Mr. Chairman, I yield 20 minutes to the gentleman from Kentucky [Mr. VINSON].

Mr. VINSON of Kentucky. Mr. Chairman, it is most gratifying to witness the united front presented by the major veteran organizations and the friends of the veterans in the House in support of the bill now under consideration, H. R. 9870, introduced by me. It has the united support of the major veteran organizations, the American Legion, the Veterans of Foreign Wars of the United States, and the Disabled American Veterans. I drafted the bill and introduced it at the request of the three major veteran organizations above referred to with my good friends, JOHN W. MCCORMACK, of Massachusetts, and WRIGHT PATMAN, of Texas, long-time ardent advocates of the immediate cash payment of the adjusted-service certificates, its cosponsors with me.

The original bill in this session was introduced in the House immediately after the gavel sounded on the first day of this session. It was H. R. 9500. In the main, it followed the bill which I introduced in the last session which was favorably reported out by the Ways and Means Committee of the House, H. R. 3896. Except for the new money features of H. R. 1, introduced by Hon. WRIGHT PATMAN, there was no major difference in the two measures considered last session. It will be remembered that H. R. 3896 was very carefully considered by the Ways and Means Committee in the last session before it was favorably reported to the House. In consequence of which it was thought that

consideration of the measure this session would be facilitated and expedited before the committee and House by using a bill with which they were familiar as a base and with such changes as were deemed proper.

POINTS IN AGREEMENT BETWEEN H. R. 9870 AND H. R. 3896

Each bill provided for the immediate cash payment in full of the face value of the adjusted-service certificates.

Each bill provided for the cancelation of all interest accrued.

Each bill provided an authorization for the appropriation of moneys necessary to carry out the provision of the act.

H. R. 9500 was carefully considered by the Ways and Means Committee in conjunction with Hon. Frank W. Hines, Administrator of the Veterans' Administration, and Assistant Administrator Breining, and others, and certain amendments were adopted by the committee. The refund of interest paid by veterans was stricken, and the interest rate on special obligation to the United States Government life-insurance fund was increased to 4½ percent per annum. The preamble was stricken. The payment to an applicant who died after filing application for cash payment, but before his claim was proved, was changed so that payment will be made to his estate rather than to the beneficiary. A new bill, H. R. 9870, was introduced by me and was favorably reported out by the committee January 7, 1936, by a vote of 24 to 0.

Each bill received favorable report from the Ways and Means Committee—H. R. 3896 by a vote of 23 to 1 and H. R. 9870 by a vote of 24 to 0.

MAJOR POINTS OF DIFFERENCE BETWEEN H. R. 9870 AND H. R. 3896

(a) H. R. 9870 reduces the immediate cash outlay to the Treasury by $490,000,000 with use of a special obligation or bond to the United States Government Life Insurance Fund in the payment of principal and interest on loans made by such fund to veterans upon certificates.

(b) While providing for immediate cash payment in full to all certificate holders who desire it, H. R. 9870 permits those who do not desire cash at this time to hold their certificates with a 3-percent interest rate as an inducement. It is believed that this will relieve the pressure on the Treasury at this time of more than $500,000,000.

THE NEW FEATURES

It will be noted that the two major differences are the provisions for the payment of interest to those who do not cash their certificates until after April 6, 1937, and the special obligation or bond to the United States Government life-insurance fund, which we believe will save at least $1,000,000,000 in the immediate cash outlay hereunder. We will endeavor to present the viewpoint of these two features of the bill which have not appeared in any bill that has been considered by the House of Representatives heretofore.

Mention will be made in the debate about manners and methods of payment. The veterans' organizations and the gentlemen sponsoring this bill have agreed that amendments dealing with methods might confuse the issue. Heretofore veterans and friends of veterans have divided over paths of payment. This bill comes to you from the Committee on Ways and Means and provides regular authority for an appropriation.

It should be stated that only two committees of the House have the power of appropriation. Since the Budget law only two committees of this House have such power. I know that there are gentlemen in the House who are friends of the veterans and the country who have certain amendments they would like to offer for paying money out of certain funds and paying it in a certain way. I want to call to their attention that it is upon these rocks that cash-payment legislation has struck and floundered. I hope that friends of the veterans of the World War in the House will present a united front and send this bill over to the other body by overwhelming vote without extraneous matter.

After the veto of the bill last year by the President, which bill had the new money payment feature, I had several conferences with one of the ablest men in the House and one of the most practical men I ever came in contact with and a man who has good, sound business judgment. It was his firm conviction that the Congress of the United States, in the payment of these certificates, should relieve as much as possible the immediate cash outlay burden upon the Treasury of the United States. The gentleman to whom I refer is none other than our distinguished colleague, the chairman of the Ways and Means Committee, Hon. ROBERT L. DOUGHTON. [Applause.]

It was his thought that under the bills that have heretofore passed the House, immediate cash payment in full was provided not only to those who needed it but to those who did not need it; those who wanted it and those who did not want it. In other words, all the bills that have previously passed the House provided immediate full cash payment of all adjusted certificates at one time, whether holders wanted to cash them or not.

Now, I hasten to state that the bill under discussion, H. R. 9870, provides for immediate full cash payment of all certificates to those who want the cash at the time of its enactment or who will want the cash between then and January 1, 1945. It was thought originally that bonds might be issued and delivered to those veterans who did not desire to get their cash for their certificates. Later the thought came to me that in the signing of the application for the bonds and the manual delivery of the certificate to the Veterans' Administration that the certificate holder might well decide to make out the application for the cash payment. He might not need to secure the cash, but if he had the trouble of going to his safety-deposit box or his private safe, bureau drawer, or other receptacle and send in his certificate for the bond, he might well conclude, "I'll just get the cash."

So the machinery herein was devised to take the place of the issuance of bonds which would bear 3-percent interest to be exchanged for the certificates.

INTEREST ON CERTIFICATES

Section 4 of the bill reads as follows:

SEC. 4. If an application under this act for payment of the certificate of any veteran is not made prior to maturity of the certificate or is not filed prior to April 6, 1937, interest shall accrue on such certificate at the rate of 3 percent per annum. Such interest shall be computed on a principal amount equal to the face value of the certificate less any indebtedness of the veteran on account of the principal of any loan or loans secured by such certificate. Such interest shall begin to accrue on the day after the date of enactment of this act, or the date of issuance of the certificate, whichever is the later date, and shall continue to accrue until January 1, 1945, death of the veteran, or payment of the certificate upon an application therefor under this act, whichever is the earliest date. The accrued interest shall be paid by the Administrator of Veterans' Affairs upon payment of the certificate under this act or the World War Adjusted Compensation Act, as amended.

In the above section you will find the machinery that permits those who desire to hold their certificates, whether they have borrowed on them or not, to cash those certificates between the date of the enactment of the act and April 6, 1937. If they cash their certificates within that period, they get the face value of the certificates in cash, less the principal of any loan which may have been made, the interest being canceled under section 2. As an inducement, to relieve the strain and burden on the Treasury, the section provides that if the certificates are not cashed prior to April 6, 1937—and I may say that date is the twentieth anniversary of our entry into the war—then the holders of those certificates, subsequent to that date, may cash them at any time prior to January 1, 1945, and receive 3-percent interest on the face value, if there is no loan, or upon the face value less the principal of any loan that may be made, and interest on the remainder at the rate of 3 percent per annum from the date of the enactment of the law until the obligation is met.

At the present time there are 494,000 veterans with an average of $1,000 per veteran who have not borrowed any money upon their certificates. There is $494,000,000 in amount, representing the matured value of the certificates, upon which no loans have been made.

Now, it seemed to us that if 494,000 veterans, aggregating five hundred millions in dollars, have not seen fit and have not had the need to take advantage of the 50-percent loan rights, it certainly is logical to say that most of that number will let their certificates ride and receive the same rate of interest that the man who purchased the bond would receive, the current rate of interest being 3 percent. In

other words, instead of paying interest to the man who purchased the bond that procured the cash with which to pay in full those who did not need it, this 3-percent interest would be paid to the veteran himself.

Then there are many of those who have borrowed to the limit, who, in our judgment, would permit the remainder of their certificate to ride if, with cancelation of accrued interest and payment of loan, they secured 3-percent interest on the remainder. I think the committee is conservative in saying that at least $500,000,000 will be deferred in that way to those who do not need the cash at this particular time, and thereby reduce the amount of cash outlay by $500,000,000.

THE UNITED STATES GOVERNMENT LIFE-INSURANCE FUND

Section 5 of the bill reads as follows:

SEC. 5. The Secretary of the Treasury is authorized and directed to redeem from the United States Government life-insurance fund all adjusted-service certificates held by that fund on account of loans made thereon, and to pay to the United States Government life-insurance fund the amount of the outstanding liens against such certificates, including all interest due or accrued, together with such amounts as may be due under subdivision (m) of section 502 of the World War Adjusted Compensation Act, as amended. The Secretary of the Treasury is authorized and directed to make such payment by issuing, to the United States Government life-insurance fund, bonds of the United States which shall bear interest at the rate of 4½ percent per annum. No such bonds shall mature or be callable until the expiration of a period of at least 10 years from date of issue, except that any such bond shall be redeemed by the Secretary of the Treasury and the principal and accrued interest thereon paid to the United States Government life-insurance fund at any time upon certification by the Administrator of Veterans' Affairs that the amount represented by such bond is required to meet current liabilities. Bonds issued for the purposes of this section shall be issued under the Second Liberty Bond Act, as amended, subject to the provisions of this section.

It developed that there was another item of $500,000,000 that might be deferred without doing injustice to any veteran who wants to get cash on his certificate at this time.

A number of years ago authority was given to the United States Government life-insurance fund to loan money in that fund to veterans upon their certificates. That has been going on for a number of years. It was going on when the interest rate was 2 percent in addition to the rate in the particular Federal Reserve district. It went along when the rate was 4½ percent. It continued after it was reduced to 3½ percent. We found that in that fund, if the certificates were immediately paid in cash, it would be necessary to take up $490,000,000 in its present assets. When the veterans came in and paid their loans and the accrued interest, or the Veterans' Administration did it for them, they would have $490,000,000 in cash, representing assets, liens on adjusted-service certificates, and accrued interest. Now, what would be the situation? If this transaction were a cash transaction, it would be necessary immediately for the United States Government life-insurance fund to go out into the market and purchase $490,000,000 of Government securities.

In lieu of that transaction, section 5 of this bill provides that the Secretary of the Treasury is authorized and directed to make payments of these obligations in the United States Government life-insurance fund by the issuance of bonds which would bear interest at the rate of 4½ percent per annum. In that way the Government life-insurance fund is held intact. In that way there is no necessity for selling $490,000,000 of bonds to the public, and payment of that $490,000,000 is deferred under this bill for at least 10 years. The bonds are not callable until 10 years, and that puts it past January 1, 1945, when under the original act, of course, it would have been liquidated.

In H. R. 9500 originally introduced, the interest rate on these Government bonds was fixed at 3½-percent interest. The reason for so doing was because the holders of adjusted-service certificates today pay into that fund 3½-percent interest on the loan. We felt that that was a proper rate. No more and no less than the present rate. General Hines and his associates were before our committee, and they called our attention to the fact that back in July 1932 there was legislation enacted, and now on the statute books, which requires an earning upon those certificates in the United States life-insurance fund of 4½ percent. There would be 1 percent difference between 4½ and 3½. Naturally, one would think that might be an added cost to the Government because of the enactment of this legislation, but that fund is only earning now 3½ percent on the loans made to veterans. General Hines is the authority for our committee and is my authority for the statement that the increase to this 4½-percent rate on the Government bond is no added cost because of this legislation.

THE REFUND OF INTEREST

H. R. 9500 contained a provision which related to refund of interest paid veterans. The committee last year, in the consideration of the adjusted-service-certificate measures, felt that that provision should not be inserted in that bill. In this session the committee struck the refund provision from this bill.

I think it is only fair to the committee to say, so far as the veterans' organizations are concerned, that while they would like to see the refund of interest carried in the bill, they do not propose to object to the action of the committee in striking it from the bill. Now, it must be understood that there is a material difference between the item of refund and the cancelation of accrued interest. The exact amount of the refund item cannot be known, but it is estimated, and the current figure used by the Veterans' Administration and others of us is a figure between $6,500,000 and $7,000,000, about $1,500,000 or $2,000,000 paid to the Veterans' Administration and the rest of it at the banks.

It can well be argued that if interest accrued upon the loans and remaining unpaid is to be canceled that the veteran who has paid interest upon the loan upon his certificate should have refund of such interest so paid. The Ways and Means Committee is very sympathetic to this point of view, but there were certain practical features that caused it to take the action it did. The three major veteran organizations recognize the existence of these practical difficulties. It is estimated that between six and one-half and seven million dollars is all that this refund item represents. About $2,000,000 represents the amount which the Veterans' Administration states has been paid by the veterans to them on their loans, and about four and one-half to five million dollars is the estimated amount of interest on loans upon certificates paid by the veterans to banks. It is stated that several thousands of these banks have closed their doors and have been completely liquidated, and much difficulty would be had in securing proof of interest paid which would be the subject of refund. Certainly, cases would develop where one veteran could make out his claim very clearly and satisfactorily, but other veterans would not be able so to do. Then the cost of the administration would be a very considerable item. It was stated that it might even total more than the refunds themselves. The necessity of checking up the various banks' books to secure the necessary evidence of payments would certainly require considerable work and entail heavy expense. There is another item that is quite important. In the event the matter of refund of interest would have to be determined, months of delay might ensue before the payment of the amount of the certificate could be made. Then some do not favor the cancelation of the accrued interest. This item amounts to nearly $300,000,000. The friends of the bill feel that the action of the committee in regard to this refund item should not be disturbed.

Mr. MILLARD. Mr. Chairman, will the gentleman yield for a brief question?

Mr. VINSON of Kentucky. I yield.

Mr. MILLARD. Does not the gentleman from Kentucky feel that the method of payment should be contained in this bill so that we may all know what effect our vote will have on the Treasury of the United States?

Mr. VINSON of Kentucky. May I ask the gentleman what was his position in regard to the cash payment of the bonus in the last Congress?

Mr. MILLARD. That does not answer my question.

Mr. VINSON of Kentucky. I am asking the gentleman this question.

Mr. MILLARD. I was against it.

Mr. VINSON of Kentucky. I wanted to know whether the gentleman was really friendly to our cause.

Mr. MILLARD. Will the gentleman now be so kind, please, as to answer my question?

Mr. VINSON of Kentucky. The gentleman who just interrogated me is one of the good-hearted, best-natured gentlemen in the House—a very capable Representative in this body. He always knows the direction in which it is going. He always drives for a certain objective—and does it well.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 10 additional minutes to the gentleman from Kentucky.

Mr. VINSON of Kentucky. In the answer to questions of this kind, I solemnly ask the friends of the veterans in the House today to follow the same method that Ulysses and his sailors practiced when they were passing the islands of the Sirens. If necessary, stop up your ears lest you be persuaded by such clever maneuvers. The method of payment should not be injected into this bill at this time and place. As stated heretofore, it can only confuse the issue and does not have a proper place here under the rules of the House.

Mr. MILLARD. Mr. Chairman, will the gentleman yield for a further question?

Mr. VINSON of Kentucky. Yes.

Mr. MILLARD. Is that the best answer the gentleman can give to my question?

Mr. VINSON of Kentucky. Will the gentleman state his question again, please?

Mr. MILLARD. My question was, Does not the gentleman feel that the method of payment should be contained in this bill, so that we may know the effect our vote will have on the Treasury of the United States?

Mr. VINSON of Kentucky. Now, let us deal with that; I am ready to answer that. Some question has been raised with reference to payment out of the emergency appropriations. Friends of this legislation believe that this thought is injected to bring confusion to our ranks; to cause an outside issue to weaken our front; to lose votes in another body; in short, to defeat our bill.

THE REGULAR METHOD UNDER HOUSE RULES

In the last Congress the method-of-payment argument was made, and the bill that passed the House carried a provision for the manner in which the payment was to be made. This bill passed the Senate and was vetoed by the President because the method of payment—new money—did not coincide with his views. We passed the bill over the veto in the House, but it failed of passage over the veto in the Senate.

Other gentlemen propose another method of payment, with the gold in the stabilization fund or money backed by that gold. The gold-stabilization fund has played a great part, in my opinion, in the recovery program. It has protected the American dollar from an attack abroad and has done valiant service. The mere fact that the gold is there, ready to be used, has proved of great benefit. Now, assume that we adopt this method of payment, then those who recognize the real worth of the gold-stabilization fund might be brought to oppose our bill. Those opposing the legislation certainly ought not to be blamed for their endeavor to kill it through indirection.

This bill is the regular, orderly method of procedure. This is an authorization bill, the only sort of bill the Ways and Means Committee, or any legislation committee in the House, can report. If we made an appropriation in this bill, some gentleman who might not be friendly to the legislation—and it might be my able friend from New York—would solemnly rise and say, "Mr. Speaker, I make a point of order against the bill because it carries an appropriation", and the Speaker, even though friendly to the legislation, would have to bow to the rules of the House, and the bill would be thrown out. So, again, I say let us not be lured from our paths by the music of our siren friends, however much we love them. [Applause.]

Mr. ROBSION of Kentucky. Mr. Chairman, before my colleague leaves this subject, will he yield for a question?

Mr. VINSON of Kentucky. I yield.

Mr. ROBSION of Kentucky. As my colleague knows, I have always been, and am now, a friend of this legislation. I appreciate that the veterans' organizations have gotten together on a bill now. Could the gentleman give us some idea as to when we shall have an opportunity to provide an appropriation to carry out this authorization?

Mr. VINSON of Kentucky. I may say to the gentleman that another body in the last session of Congress answered that question completely. In that other body the rules are not similar to ours. In the last session the language was changed under their parliamentary rules and an appropriation made in lieu of the authorization as originally appeared in H. R. 3896, which was considered in the House in the last session. If a similar course is pursued, that will be behind us. I may also say to my good friend from Kentucky that the independent offices appropriation bill is now pending in this body. It is the appropriation bill regularly carrying moneys for the Veterans' Administration. If we pass our bill, H. R. 9870, and it passes the Senate and becomes law, as I hope it will, there will be time to include this appropriation in the independent offices appropriation bill in another body. As the gentleman from Kentucky knows, since he has had experience in the other body, a majority vote is all that is required to place an appropriation in the independent offices appropriation bill that will carry into effect the mandate of the Congress.

Mr. ROBSION of Kentucky. I want further to say to the gentleman from Kentucky that I think it is a wise policy to divide the issue and pass first on the question: Are you for or against the bonus, and then take up the other question of method.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield for a question?

Mr. VINSON of Kentucky. I yield.

Mr. FITZPATRICK. Many veterans have borrowed on their adjusted-service certificates and have not paid up their interest. Will this interest be refunded?

Mr. VINSON of Kentucky. Yes; that is cared for in section 2—the cancelation of interest.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield for a brief question before he proceeds?

Mr. VINSON of Kentucky. Mr. Chairman, I yield.

Mr. MARCANTONIO. What provision is made in this bill to protect the unemployed veteran? My point is simply this, If the gentleman will permit me to state it, that an unemployed veteran who at this time is receiving either direct relief or work relief, will the moment he receives payment of his adjusted-service certificate automatically be discharged? So far as the unemployed veteran is concerned, the payment of the bonus, as this bill now stands, amounts to nothing but a lump-sum relief payment. Is not this correct?

Mr. VINSON of Kentucky. I would not agree with the gentleman that the payment herein is lump-sum relief payment. I understand the gentleman intends to offer an amendment covering that feature, and then we can thrash it out.

THE IMMEDIATE CASH OUTLAY

I want now to get down to the matter of immediate cash outlay and the release of present burden on the Treasury. The figures here given are as of January 1, 1936. They were furnished to us by the Veterans' Administration. The matured value of the outstanding certificates is $3,463,000,000. The interest to be canceled and refunded in H. R. 9500 is $297,350,000. With refund of interest out in H. R. 9870, the accrued interest to be canceled would amount to approximately $290,350,000. The sum total of the matured value of the certificates and the cancelation of interest therefore would be about $3,753,350,000. The value of the adjusted-service certificate fund is $1,471,000,000. Thus from figures given to us by the best authority possible it can be seen that the amount required to make immediate cash payment of the

adjusted-service certificates and cancel accrued interest would be about $2,282,350,000.

Undoubtedly $490,000,000 is taken care of in the United States Government life-insurance fund. More than $500,000,000, if our judgment is correct, will be taken care of in the matter of those who will get interest on their certificates. This totals $1,000,000,000. This reduces the $2,282,000,000 to $1,282,000,000.

In the independent offices appropriation bill, now pending in the House, there is contained an item of $160,000,000 carried for the adjusted-service-certificate fund. This is not enough. General Hines and the Veterans' Administration requested $190,000,000, but the Budget O. K.'d only $160,000,000. Evidently the Veterans' Administration thought that the adjusted-service-certificate fund should have been $190,000,000 on January 1 of this year. Why? Because the adjusted-service-certificate fund as of January 1, 1936, was $60,000,000 short. More than that, I have it over the signature of Mr. Breining himself, Assistant Administrator of the Veterans' Administration, that with the money in the adjusted-service-certificate fund as of January 1, 1936, $1,471,000,000, it is $64,000,000 shy. I said it was $60,000,000 short as of January 1, 1936. It was $60,000,000 short as of September 30, 1935, but as of January 1, 1936, the deficit was $64,000,000.

THE DEFICIT IN THE ADJUSTED-SERVICE-CERTIFICATE FUND

It was originally agreed that payments of $112,000,000 annually on January 1 of each calendar year for the 20-year period from the enactment of the original Adjusted Service Certificate Act would provide sufficient moneys, on January 1, 1945, to pay the adjusted-service certificates at their matured face value. We have an expressed admission that with the payments which have been made, which considerably exceed the $112,000,000 per year originally agreed upon, there is a deficit in the adjusted-service-certificate fund, as of January 1, 1936, of $64,000,000. Mr. Breining tells us, and we present the picture to the House, that if a $60,000,000 payment is made up as of January 1, 1936, and nine annual payments of $112,000,000 with earnings of 3-percent interest thereon, which certainly is more than the last long-term sold for, the adjusted-service-certificate fund would show a deficit on January 1, 1945, of approximately $293,000,000.

It is not the fault of the veteran that this fund is not up to proper level. The $293,000,000 deficit as of January 1, 1945, will accumulate because of the failure to have proper amounts appropriated, and certainly more than $100,000,000 should now be in the fund to finally realize $293,000,000 as of January 1, 1945. Sound business, it seems to us, would require that such moneys be in the fund, earning compound interest, rather than to await the day of reckoning and be required to raise the full amount of the deficit. So, with the $160,000,000 carried in the independent offices appropriation bill and the more than $100,000,000 which should be in this fund to avoid a deficit that, with the ordinary payments, must be there, we submit that the immediate cash outlay above that which will be raised, and should be raised this year as a matter of sound business financing, will not be more, in our opinion, than $1,000,000,000.

To add proof that the adjusted-service certificate fund has not been maintained, it is self-evident that the $112,000,000 annual payments originally agreed upon as the amount necessary to do the job is not enough. In the 11 annual appropriations made for the adjusted-service-certificate fund, through January 1, 1935, there is a total of $1,396,000,000, or an average of about $127,000,000 a year, and yet the fund is $64,000,000 shy as of January 1, 1936. These figures are official figures concerning which there can be no question.

With reference to the current interest rate—I call attention of the Members of Congress to the recent issue, aggregating $950,000,000 presented to the country by the Treasury and which was oversubscribed between four and five times. The rate of interest on these long-term bonds was 2⅞ percent per annum.

Mr. CARPENTER. Will the gentleman yield?

Mr. VINSON of Kentucky. I yield to the gentleman from Kansas.

Mr. CARPENTER. If the interest has been unpaid and is canceled, is it not a fair proposition to refund the interest which has already been paid by the veteran?

Mr. VINSON of Kentucky. I do not think I would quarrel with the gentleman in regard to that. It was in the bill which I introduced. But because of certain administrative difficulties and expenses involved it was stricken out.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I gladly yield the gentleman 5 additional minutes of my time.

Mr. VINSON of Kentucky. Mr. Chairman, I shall be happy to answer any questions I can.

Mr. SEGER. Will the gentleman yield?

Mr. VINSON of Kentucky. I yield to the gentleman from New Jersey.

Mr. SEGER. There are a number of veterans, as I understand it, who have not made application for the adjusted-service certificates. Will they come under this bill?

Mr. VINSON of Kentucky. Yes. During the last session of Congress legislation was passed extending the time in which they might file to 1940. If this bill is passed, those who have not filed an application for certificates may secure the rights under the certificate of get cash payment in full.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. VINSON of Kentucky. I yield to the gentleman from New York.

Mr. FITZPATRICK. Assuming that a veteran made a loan and failed to pay the interest and did not care to take the balance at this time, would such a veteran have to pay interest on the money previously borrowed?

Mr. VINSON of Kentucky. Does the gentleman mean if a veteran has a certificate and has not paid the interest?

Mr. FITZPATRICK. The veteran has $1,000 due him, and he borrowed $500. He is now paying interest. He is not going to draw the other $500. Under those circumstances will he have to continue to pay interest on the $500 previously borrowed?

Mr. VINSON of Kentucky. No. The principal of the loan is paid, and the accrued interest will be canceled under the terms of this bill.

Mr. DONDERO. Will the gentleman yield?

Mr. VINSON of Kentucky. I yield to the gentleman from Michigan.

Mr. DONDERO. Some criticism has been offered that the certificates of the veterans include interest up to 1945, and therefore it would not be just to pay them now. Will the gentleman throw some light on that question?

Mr. VINSON of Kentucky. It is just a question of how you look at it. Of course, you can take your lead pencil and figure interest and arrive at a certain amount, but as far as I am concerned, my notion is that in an adjustment of pay for personal services rendered it goes back to the day and date that the service was rendered. [Applause.]

Mr. McCORMACK. Will the gentleman yield?

Mr. VINSON of Kentucky. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Let us assume, for example, that I borrow $500 from my friend from Michigan and I give him a note payable in 1 month and I do not pay it. My friend, we will assume, waits for 5 years before bringing suit, assuming there is a statute of limitation of 6 years within which period he could bring suit. My friend would get interest, when judgment was entered, from the time he made the loan, and the position of the gentleman from Kentucky, as I understand it, is identically the same. The gentleman from Kentucky contends that the interest on this adjusted compensation should begin to run at the time it was made. Of course, technically, it should start to run from the day of discharge, but, obviously, that could not be done with 3,700,000 veterans having different dates of discharge, and therefore the one day that everybody could agree on was the actual termination of the war on November 11, 1918.

Mr. VINSON of Kentucky. Let me suggest to my friend from Michigan——

Mr. DONDERO. The gentleman understands I am not criticizing but am asking the question for information.

Mr. VINSON of Kentucky. I understand that, because I know the gentleman's position.

The maturity date of most of the certificates, under existing law, happens to be January 1, 1945. Why? The bill was passed in May, as I recall it, of 1924, and they used up about 6 months' time and January 1, 1925, was used as initial date. The first bill for cash payment was introduced in 1919. Certainly, if that bill had passed and it had been a 20-year proposition, the maturity date on the certificate would have been entirely different. The fact that January 1, 1925, is the date of the certificates is just because Congress had failed to do that which it ought to have done prior to that date.

Mr. BIERMANN. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. BIERMANN. Was not the basis of the adjusted compensation $1 a day for service in this country and $1.25 a day for service in foreign countries and the settlement was made in 1924 or 1925, and then because it was not at the end of the war but 7 years later, 25 percent was added to the adjusted compensation, and then this sum was invested in a 20-year endowment policy due 20 years after it was taken out?

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman from Kentucky 5 additional minutes.

Mr. VINSON of Kentucky. I see my friend's point.

Mr. BIERMANN. Let me finish my question.

Mr. VINSON of Kentucky. The gentleman has several questions in his statement and let me answer them.

There are two arguments about the 25 percent. One is that it covers 6 years' deferred payment, but the weight of authority is, and my friend, I think, is a very good lawyer——

Mr. BIERMANN. No; we have plenty of lawyers here, but I am not one of them.

Mr. VINSON of Kentucky. I am sorry. The weight of authority is that the 25 percent is for the 20-year deferment.

THE CERTIFICATES ARE NOT A SINGLE-PREMIUM INSURANCE POLICY

Let me tell you about the endowment policy. This is not a single-premium endowment policy, and that brings up a very interesting development. It has been said again and again and again that this is a single-premium endowment policy. It is not. It is not a single-premium endowment policy. If it had been on January 1, 1945, according to the Veterans' Administration figures, there would be in the adjusted-service-certificate funds two and a half billion dollars, instead of one and a half billion dollars. In other words, if the single-payment-premium plan had been followed, there would be no necessity for any immediate cash outlay under this bill at all. The money for it would be in the fund.

Instead of the single premium payment, what have they done? They have been paying annually into the fund, making annual appropriations. Many times there has been a failure to pay that which should have been paid in order to keep the fund intact, and today, under the plan adopted, they admit there is a deficit of $60,000,000; and, further, the Veterans' Administration admits that if you continue the $112,000,000 annual payments—even though you make up the deficit of $60,000,000 as of January 1, 1936—there is going to be a further deficit of almost $300,000,000 on January 1, 1945.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. I yield to my friend from Massachusetts.

Mr. McCORMACK. In further answer to the gentleman from Iowa, it must be borne in mind that when we were discharged we were given a $60 bonus. This, as I understood it, was so that the men going back into civilian life could buy civilian clothes. This was generally understood by the man who was discharged. However, they deducted that from the bonus, and that must be borne in mind in connection with the 25 percent.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. I yield to my friend from Texas.

Mr. PATMAN. May I remind the gentleman that on January 28, 1931, Mr. Mellon and Mr. Mills were testifying before the Senate Finance Committee on this question, and they admitted that the 25 percent was not interest from 1918 to 1925 but was for deferred payment or for waiting 20 years, from 1925 to 1945. This is in the printed hearings of the Senate Finance Committee and may be found on pages 62 and 63 of those hearings.

Mr. VINSON of Kentucky. There is no question but that your statement is correct.

Mr. DONDERO. In other words, the situation is this: The interest to which the veterans would be entitled from the time of their discharge up to 1925 would offset what they would get from now to 1945.

Mr. VINSON of Kentucky. In conclusion, I want to express my appreciation for the splendid cooperation we have received from the members of the Committee on Ways and Means. They, at all times, have been very considerate of the veterans' interests. Particularly do I want to thank our chairman, Hon. ROBERT L. DOUGHTON, who has been of most valuable assistance in the preparation of the bill and its expeditious consideration. The veterans of this country are indebted much to Speaker BYRNS for his friendly cooperation—a highly important service—in our arriving at "a united front." Also, we must not overlook the friendly attitude of the important Committee on Rules, which has enabled the bill to come up at this time. The committee appointed by the Patman conference, composed of Congressmen COLMER, chairman, of Mississippi; CONNERY, of Massachusetts; HANCOCK of North Carolina; DIES, of Texas; SCRUGHAM, of Nevada; and BERLIN, of Pennsylvania, assisted materially in enabling this measure to come to the floor of the House with a united front, and their efforts in this respect is appreciated.

Let me say this last word: Let us stand together—with united front. Let us avoid confusing the issue. Let us send this bill to the Senate with an overwhelming vote. [Applause.]

IMPORTANT FACTS

Under leave granted me, I insert herein statement as of November 30, 1935, submitted to me by the Veterans' Administration giving certain information on this subject:

Nov. 30, 1935

Total number of certificates issued	3,737,123
Maturity value of certificates issued	$3,683,536,660
Number of certificates matured	218,932
Maturity value of certificates matured	$218,548,330
Number of certificates outstanding	3,518,191
Maturity value of certificates outstanding	$3,464,988,330
Number of certificates pledged as collateral for loans	3,026,190
Total liens outstanding against certificates	$1,763,144,548
Value of adjusted-service certificate fund	$1,469,766,987
Total net basic credit certificates outstanding	$1,377,950,134
Present value of certificates outstanding (allowing earned portion of additional credit)	$2,187,998,155
Present value of certificates outstanding (allowing full additional credit)	$2,420,821,127
Additional appropriation required now to pay maturity value	$1,995,221,343

We desire to present a succinct statement of the history of the adjusted-service certificates, together with a short explanation of the bill by sections. We believe that this information is fully and briefly, as well as clearly, explained in the report of the committee, and we include herewith the language of the report:

HISTORY OF ADJUSTED-SERVICE CERTIFICATES

Almost 100 bills and resolutions were presented in the Sixty-sixth Congress to adjust the pay of the World War veterans. This was the Congress that began on March 4, 1919—the first Congress to convene after the World War.

On May 21, 1920, a bill was reported from the Committee on Ways and Means providing for adjusted-service pay, adjusted-service certificates, vocational-training aid, farm or home aid, and

land-settlement aid. Quoting the Honorable Henry T. Rainey, late Speaker of the House of Representatives and then a distinguished member of this committee:

"It would seem that the insurance features of the bill, which have never been requested by any soldiers' organization in existence today, could with propriety have been left out of this bill."

This was the first adjusted-compensation measure. It passed the House May 29, 1920, by a vote of 289 to 92. It was reported from the Finance Committee, but was not brought up for action in the Senate, and failed with the adjournment of the Sixty-sixth Congress.

In the Sixty-seventh Congress numerous bills to provide adjusted compensation for the World War veterans were introduced. H. R. 1, in that Congress, was very similar to the bill which had been reported out of the committee in the previous Congress. On March 13, 1922, an adjusted-compensation bill was reported to the House by Mr. Fordney, then chairman of the Ways and Means Committee. It had the fivefold plans of compensation—adjusted-service pay, adjusted-service certificates, vocational-training aid, farm or home aid, and land-settlement aid.

This measure, as did the one previously reported, arrived at the adjusted-service credit with adjusted pay of $1 for each day of home service and adjusted pay of $1.25 for each day of oversea service with an outside limit of $500 and $625, respectively.

The adjusted-service certificate would have a face value equal to the sum of the adjusted-service credit increased by 25 percent, plus interest thereon for 20 years at the rate of 4½ percent per annum, compounded annually (such value being approximately equal to 3.015 times the adjusted-service credit of the veteran). The certificate was to be dated October 1, 1922, and payable 20 years thereafter.

The minority report as filed contained the following language:

"We believe and insist that the amount of money, bonus, or service credit which Congress concludes is justly due the veteran should be paid in cash, on demand, and we protest against the veteran being given, as is provided by the pending bill, a 20-year due bill or, as the Comptroller of the Currency calls it, a 'rain check.'

"If the Government justly owes the veteran an additional compensation, as the bill admits, why should it not treat him as it does its other current creditors—pay him on demand in cash?

"The due bill, rain check, borrowed-money bonus mode of payment is an insult to the World War veteran and a shameful discredit to the Congress and the Nation."

This measure passed the Congress, was vetoed by the President, passed the House over Presidential veto, but failed of passage in the Senate over the veto.

In the Sixty-eighth Congress, on March 17, 1924, the Honorable William R. Green, then chairman of the Ways and Means Committee of the House, reported H. R. 7959, the adjusted-compensation bill, which was enacted into law. It fixed the adjusted-service credit, as did the former bills, at $1 per day for each day of home service and $1.25 per day for each day of oversea service, not to exceed, however, in any case $500 for home service or $625 for oversea service.

Under that act the veteran received the equivalent of a paid-up 20-year endowment policy for the amount which his adjusted-service credit, plus 25 percent, would purchase at his age. Such insurance to be computed in accordance with the accepted actuarial principles and based upon American experience tables of mortality, with interest at 4 percent per annum, compounded annually. A sinking fund was created by the act sufficient to extinguish all claims of every character. This fund to be used, first, to pay death losses as they occurred, and, second, the surplus to be invested to provide for payment of the remaining certificates on maturity.

During the Sixty-ninth Congress H. R. 16886 was enacted authorizing the Director of the Veterans' Administration to make loans to veterans up to 50 percent of the face value of their adjusted-service certificates. Congress also enacted laws reducing interest charges on such loans, first reducing same to 4 percent and later reducing interest charges to 3½ percent. All interest is being compounded annually.

In the Seventy-second Congress H. R. 7726 was adversely reported by the Ways and Means Committee of the House of Representatives. H. R. 1 likewise received an adverse report from the committee. The consideration was had after the Rules Committee was discharged by way of petition from the consideration of the bill. The Owen amendment was adopted, and the bill passed the House by a vote of 211 to 176 on June 15, 1932. The bill was brought up in the Senate on June 17, 1932, and was defeated by a vote of 62 to 18.

In the next Congress, the Seventy-third, the Ways and Means Committee took no action on the cash-payment bills. Upon petition filed by Mr. LUNDEEN, of Minnesota, it was discharged from consideration of H. R. 1, which passed the House on the 12th day of March 1934 by a vote of 295 to 125.

The Finance Committee of the Senate reported this bill unfavorably, and no vote was taken on it.

In the first session of the present Congress the provisions of H. R. 1 were substituted on March 22, 1935, for the provisions of H. R. 3896 by a vote of 207 to 204, and were passed by the House by a vote of 319 to 90. The bill was passed by the Senate on May 7, 1935, by a vote of 55 to 33. The President on May 22, 1935 (H. Doc. No. 197, 74th Cong., 1st sess.), vetoed the bill. On May 22 the House passed the bill over the President's veto by a vote of 322 to 98, but it failed of passage in the Senate by a vote of 54 to 40.

H. R. 9500 was introduced by me on January 3, 1936, and immediately referred to the Ways and Means Committee.

H. R. 9870, introduced by me with the committee amendments, is a committee modification of bill H. R. 9500. This latter bill, H. R. 9870, was reported to the House on January 7, 1936, by a vote of 24 to 0.

PROVISIONS OF THE BILL BY SECTIONS

SECTION 1. CASH PAYMENT

In this section the adjusted-service certificates are declared immediately payable upon surrender of the certificates and all rights thereunder, with or without the consent of the beneficiary thereof. The amount of payment shall be equal to the face value of the certificate subject to any loan that may be made upon the certificate. The payment made, therefore, would be the difference between the face value of the certificate and the principal of any loan made thereon.

SECTION 2. CANCELATION OF INTEREST ON LOANS

Any interest that has been or would be charged against the face value of the certificates either shall be canceled or not so charged. Any interest on any such loan payable to any bank or trust company shall be paid by the Administrator of Veterans' Affairs.

In the case of an unpaid loan held by a bank at the time of filing application for payment the bank holding the note and certificate is to present them to the Administrator of Veterans' Affairs for payment of the bank's claim on the loan, but interest will not be paid beyond the forty-fifth day after mailing of notice to the banks to present the note for payment.

SECTION 3. APPLICATION AND PAYMENTS

This section provides that applications for payments may be made and filed either personally by the veteran, or in case of physical or mental incapacitation, by the proper representative of the veteran.

If the veteran dies after application is made and before it is filed, it may be filed by any person. If the veteran dies after the application is made, it shall be valid if it bears the bona-fide signature of the applicant, discloses the intention to claim the benefits of this act, and is filed before the maturity of the certificate. If the death occurs after the application is filed but before the receipt of the payment, or if the application is filed after the death occurs but before mailing of the check in payment to the beneficiary under section 501 of the World War Adjusted Compensation Act, as amended, payment shall be made to the estate of the veteran irrespective of any beneficiary designation.

Where the records of the Veterans' Administration show that an application has been filed before the maturity of the certificate and, for any reason, the application cannot be found, such application shall be presumed, in the absence of affirmative evidence to the contrary, to have been valid when the application was filed.

If application for payment of a certificate is filed before April 6, 1937, payment is to be made upon approval of the application. If application for payment is filed on or after April 6, 1937, payment is to be made on the 1st day of May, September, or January, whichever month first follows the date of filing the application, except that if payment is made to the estate of the veteran pursuant to subection (b), payment shall be made upon approval of the application.

Provides that a veteran who has not heretofore made application for the adjusted-service certificate shall have the right to make such application and to receive either the certificate or cash payment.

SECTION 4. INTEREST ON CERTIFICATES

If a veteran does not file an application for cash payment until on or after April 6, 1937, or does not apply at all before the maturity date of the certificate, he will draw interest on the face value of the certificate (less the unpaid principal of any loan thereon) at the rate of 3 percent per annum from the time of enactment of the act until January 1, 1945, his death, or payment under the act, whichever is the earliest date. The interest is payable upon final payment of the certificate under the act (H. R. 9870) or under the World War Adjusted Compensation Act.

SECTION 5. REDEMPTION OF CERTIFICATES HELD BY THE GOVERNMENT LIFE-INSURANCE FUND

The Secretary of the Treasury is authorized and directed to pay off the loans made by the United States Government life-insurance fund upon the security of certificates by issuing to the fund, bonds of the United States, which shall be at least 10-year bonds, but any such bond shall be redeemed by the Secretary and paid to the fund whenever the amount of the bond is required to meet current liabilities.

SECTION 6. FUNDS

Amounts in the adjusted-service-certificate fund are authorized to be appropriated for making payments under the act. The Administrator of Veterans' Affairs shall from time to time advise the Secretary of the Treasury as to the amount of funds necessary to make such payments.

SECTION 7. AUTHORIZATION

This section is the usual authorization for an appropriation for such amounts as may be necessary to carry out the provisions of this act.

SECTION 8. SEPARABILITY PROVISION

This is the usual separability provision relating to invalidity of a statute.

SECTION 9. SHORT TITLE

This states that this act may be cited as the "Adjusted Compensation Payment Act, 1936."

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from Connecticut [Mr. MERRITT].

Mr. MERRITT of Connecticut. Mr. Chairman, it is too late to discuss the question whether the original issue of adjusted-service certificates was justified, but there is no doubt that these certificates were issued after the introduction of many bills and great discussion, and finally were issued as representing an agreement, a compromise agreement, if you please, but an agreement between the representatives of the Legion and the Congress; and that it was the general understanding at that time that aside from those veterans who were suffering from war-connected disabilities, the question of the bonus was settled. Then, shortly after it was arranged that the veterans could borrow money at certain specified rates of interest on the certificates. Now comes a proposal to pay at their face value these certificates in cash. I think that the suggestion of the committee contained on page 10 of the report can hardly bear examination. That suggestion reads:

Hence the face value of the certificates is an acknowledged debt and obligation of the Federal Government. There is strong sentiment in this country against repudiation of war debts to us. We submit that this debt to war veterans is now due and payable; it is unthinkable to us that it should be repudiated.

That is a bare-faced assumption, because, while this is a debt, it is a debt that is not due for 10 years. I think when anyone gives a note payable in 10 years and the creditor comes at him in a year or two and says, "There is no question that you owe that money, and you have to pay it now", the maker of the note would be justified in objecting to that assumption.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. MERRITT of Connecticut. Yes.

Mr. PATMAN. If the gentleman were to purchase a baby bond, say, in 1936, due in 1946, for which he paid $750, and on which he expects to get $1,000 in 1946, and then in 1946 he looks at his bond and discovers it is not due until 1953 and that 7 years' interest has been ignored, would not the gentleman insist that he get his thousand dollars then and take into consideration that 7 years' ignored interest? That is this proposition exactly.

Mr. MERRITT of Connecticut. I do not understand that that is the proposition here at all. I think a man is bound by whatever he takes.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. MERRITT of Connecticut. Yes.

Mr. McFARLANE. I think it is admitted that in the passage of the Adjusted-Service Certificate Act in 1924, effective January 1, 1925, the interest from the close of the war in 1918 to 1925 was ignored and not included in those certificates. It may be argued that the soldier is bound by that law, but why should the soldier be estopped when he had to take this or nothing? It was not what he wanted, but the only thing that he could get, and what we are trying to give him now is justice, and right part of the raw deal given him in 1924.

Mr. MERRITT of Connecticut. It is fair to assume that Congress well knew in 1924 that the war had been over several years, and the fact of the matter is that the leaders of the American Legion said at that time that that law passed in 1924 settled this thing for all time.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. MERRITT of Connecticut. No more.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. MERRITT of Connecticut. Yes.

Mr. PERKINS. May I suggest to those who are asking the gentleman questions that they read the President's veto message of last May, and they will get their answer there.

Mr. McFARLANE. And by our vote last session he received his answer.

Mr. MERRITT of Connecticut. This proposition to pay these certificates in full comes at a very inopportune time for this country, when there have been enormous deficits and promises of continuing deficits, and although the administration may be reckless in spending money wildly and assuming obligations wildly, it is no excuse for the Congress to add to the embarrassments of the United States by further legislation of this sort.

That, Mr. Chairman, in brief is my whole argument. The question is, What is the obligation of the Government now? And I cannot see that these men who are asking to change that obligation at a time like this have any proper ground, legally or morally, to stand on.

In closing, with reference to the attitude of the men in the American Legion, I read just a sentence from the resolution which was passed by the American Legion at their session in New Orleans in 1922:

The Legion desires to stand not in a position of getting something from the Nation but of giving something to the Nation.

I suggest that the members of the Legion have that in mind now in their attitude toward the United States Government. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. WITHROW].

Mr. WITHROW. Mr. Chairman, more than 5 years ago when I entered Congress one of my first official acts was to advocate the cash payment of the adjusted-service certificates to the veterans of the World War. Since that time the need for this legislation has become increasingly greater and all arguments against the cash payment have collapsed.

It must be admitted that during the past several years our Government has made strenuous efforts to restore normal conditions, and while relief has been provided to some extent, and while I hope the foundation for recovery has been laid, the fact remains that there has been very little substantial gain, and what gain we have made is directly due to Government expenditures. Unemployment has not been decreased in proportion to these extraordinary Federal investments.

CASH PAYMENT SHOULD BE GIVEN TRIAL

The program embodying C. W. A., P. W. A., and W. P. A. has called for an expenditure of billions of dollars. Regardless of cost, we have tried almost every scheme that has been suggested. We, who have been advocating the cash payment of the adjusted-service certificates for years, now demand that this, the one sound plan which has a real chance to correct the cause of our trouble, be enacted into law.

We who advocate the cash payment of the adjusted-service certificates do not claim that it is a cure-all for all our troubles, but we are sure it should supplement a comprehensive legislative program embodying the refinancing of farm-mortgage indebtedness, as provided under the Frazier-Lemke bill and a constructive public-works program.

SUPPORTED BY VETERANS' ORGANIZATIONS

The measure under consideration today is supported by all three veterans' organizations, the American Legion, the Veterans of Foreign Wars, and the Disabled American Veterans of the World War. The measure provides for the cash payment of the adjusted-service certificates. If by chance there are veterans who do not wish to turn in their certificates, they may hold them and interest at the rate of 3 percent will be paid them up to 1945, the date of maturity. Those veterans who wish to cash in their certificates will be paid the face value of their certificates after deducting the amount they may have borrowed. The interest which has not been paid is to be canceled.

BENEFIT TO OUR DISTRICT

Here is what the cash payment of the adjusted compensation will mean to the Third Congressional District of Wisconsin, which I represent. The following amounts of cash will go into the counties of the Third District:

Crawford County	$299,373
Grant County	686,286
Iowa County	357,495
Juneau County	307,989
La Crosse County	971,477
LaFayette County	332,698
Monroe County	512,703
Richland County	348,326
Sauk County	571,415
Vernon County	509,100

Bear in mind that this money will change hands many times in each community and in each county. It would be conservative to multiply these figures by 10 to determine the total benefit each county will receive by the payment of the adjusted compensation.

NO RED TAPE, FAVORITISM, OR GRAFT

Unlike C. W. A., P. W. A., and W. P. A., there is no opportunity for red tape or possible favoritism or graft. In this bill we are distributing purchasing power by paying a debt for services rendered. There is no question as to who will receive the money. It is a program that can be put into effect immediately, and each community will immediately begin to feel the effects of the purchasing power so distributed. It has been estimated that the cash payment will save the Federal Government and the localities more than $900,000,000 in the cost of their outdoor relief.

EVERYONE WILL BENEFIT

The payment of the adjusted compensation will benefit not only the veteran but the entire Nation. It is true, the veteran and his family will receive the benefit of the money first, but that is as it should be, as each veteran earned his share of the adjusted compensation at the risk of his own life in the highest service of his country. He will use the money to pay debts and buy goods. He will buy food, and every farmer will benefit. He will buy other goods, and every merchant will benefit. When goods are consumed, new goods must be manufactured, and men will be reemployed. There are veterans in every nook and corner of the country. To be exact, there are 3,545,284 holders of adjusted-compensation certificates. Of these, 3,019,382 have already borrowed half of the face value of their certificates.

VETERANS UNFAIRLY TREATED

The veteran has been shabbily treated by the last two Congresses. The Seventy-third Congress by the enactment of the un-American so-called Economy Act took away a large portion of what small benefits he was receiving, notwithstanding the fact that the majority of those benefits were paid him by reason of service-connected disabilities. It is true, that a portion of these benefits have since been restored, but only a small portion.

We now have an opportunity of partially making up for this unfair treatment by paying the adjusted compensation to the veterans in time of their need. By using the veteran as the vehicle for the distribution of this much-needed purchasing power, he will again help to save the country from economic ruin, just as he went over the top to save it from physical ruin in 1918.

This is not a measure for the relief of veterans alone. It is a measure for the relief of our entire Nation.

MUNITION MANUFACTURERS PROFITED

The investigation into war profits of the munitions makers shows clearly why they willingly enlisted in the World War. The munitions makers enlisted in return for millions of dollars in profits.

A Government which granted to one individual who faced no danger a profit of millions of dollars cannot refuse to the veterans who faced death itself the payment of their small adjusted compensation and retain any vestige of national honor.

While the munition maker was piling up millions in profits, the soldier in the ranks was exposed to every form of danger and privation conceivable to war-crazed minds. This service he gladly rendered to his country without regard for his personal safety or welfare and all for a salary of $1 per day, most of which went to the support of his dependents. Can there be any justice in now refusing to pay the adjusted compensation to the veteran who served in the ranks? [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. I yield the gentleman 1 additional minute.

Mr. WITHROW. My one remaining thought is this: If our country is going to long endure, if the Government is to remain sound, it must recognize not only its debt to disabled veterans and their dependents, but, likewise, its debt to veterans who are not disabled and who are not dependent. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Chairman, as it is with a great many Members of the House, this discussion of the payment of the bonus is an old story in my experience. I make no concealment of the fact that since the first introduction of the so-called "bonus" bill in another body, of which I was then a Member, I think in 1920 or 1921, I have been opposed to the basic theory upon which the whole proposal has been erected. It is not my purpose upon this occasion to discuss the merits or demerits of the bonus as such, but will merely content myself with the statement that I believe it unsound, as I believed it unsound from the beginning. I believed it was going to be bad for the country, and eventually bad for the veterans themselves. I am still of that belief. Perhaps that belief is more thoroughly established in my mind when I look at or endeavor to examine the present condition of the country. It is from that standpoint, and from that standpoint alone, that I desire to discuss this question today.

We listened to the Budget message the other day, in which the President laid down the financial program of the Government, and made certain estimates and prophecies as to its financial prospects. With the exercise of a great deal of optimism—and I do not criticize him for being optimistic—the President concluded that the regular Budget of the United States Government would be balanced in the fiscal year 1937. He was frank to say, however, that he did not include within his estimates of governmental expenditures anything for relief. He left that item unestimated, unguessed at. That it will be a very, very large item everyone knows, and if we are estimating the condition of the Government a year from now, granted that we are going to balance the regular Budget, which, incidentally, I very much doubt, it is perfectly evident that when we have finished making appropriations for relief the Budget as a whole will be desperately out of balance. The out-of-balance figure may not be quite as large as it has been this year, but nevertheless it will be of staggering proportions. Since the Budget message was read and those estimates were given to us and to the country a dramatic event has occurred. I refer to the decision of the United States Supreme Court with reference to the A. A. A.

I am not going to discuss the merits or demerits of that decision, but merely to call your attention to the fact that as a result of it a very substantial additional burden must be placed upon the United States Treasury. We understand that the President, according to press despatches, has given assurance that the contracts which the A. A. A. authorities have made with farmers, and which are now in existence, must be fulfilled. In other words, that the money which the Government has promised to pay farmers will be paid. I have made diligent inquiry in the short time which has elapsed since the decision to find out how many millions that will involve.

I have heard it estimated all the way from $200,000,000 to $600,000,000. What the true figure will be I do not know, but that it will be in the hundreds of millions there can be no doubt. I am one of those who regard $100,000,000 as somewhat important, although perhaps I am out of fashion in this regard. Whatever the sum, it must come out of the United States Treasury directly. No longer can it be raised by a processing tax. So, since the Budget message was received, an additional burden has been placed upon the United States Treasury unlooked for at the time of the reading of the message. In other words, the Budget estimate has got to be revised. I do not mean to use exaggerated expressions, but in some respects it is not today worth the paper it is written on. It must be rewritten and reestimated; and I have no doubt in due time the Director of the Budget or the President will inform us as to the additional obligations which must be shouldered and carried by the Treasury of the United States. Now, this is serious enough, at least it is serious enough to those of us who believe that if we are to escape ultimate inflation of one sort or another, be it credit

inflation or currency inflation, one of the things which must be done is to balance the Federal Budget. At best it cannot be balanced short of 18 months or 2 years, and every one of us knows that every month that goes by with it out of balance increases the danger of financial collapse. It is not a partisan question at all; it is a great public question. If we reduced our expenditures drastically this very day, we still would have a huge task in front of us to straighten out the finances of the Government in such fashion as to avoid the pitfalls and dangers which come from a continuation indefinitely of the piling up of deficits and debts. Now comes this bill.

The gentleman in charge of the bill assures us that it will not cost at the outset more than $1,000,000,000. He has not vouchsafed to tell us, nor has the committee vouchsafed to tell us where the $1,000,000,000 is to come from. I do not know where it is to come from. I have heard various suggestions, as all of you have, that it might be taken from the $4,000,000,000 appropriation, but that seems to have been negatived; that these certificates might be paid by the issuance of currency, which I assume the administration has the power to issue. Another basis suggested for the raising of funds is the issuance of bonds; in other words, by borrowing. However this sum is to be paid, it is $1,000,000,000, perhaps more; and it is going to impose upon the financial structure of this Government and of this country a tremendous burden on top of the burden inadvertently imposed upon the country and the Treasury by the collapse of the A. A. A. processing tax.

The President in his message transmitting the Budget, as I recall it, or perhaps it was in his speech at the convening of the Congress, stated that no new taxes would be necessary if existing laws were left undisturbed; but he certainly conveyed the very clear impression that if any additional financial burdens were placed upon the Treasury as the result of changes in existing laws that he would demand that tax measures be passed to meet the additional expenditures.

[Here the gavel fell.]

Mr. JENKINS of Ohio. Mr. Chairman, I yield 5 additional minutes to the gentleman from New York.

Mr. WADSWORTH. I assume this bill is going to pass by a very, very large majority. I shall vote against it, futilely, I suppose. I assume it will pass another body by a very, very large majority. If the President vetoes it, as is confidently expected, I understand that it can and will be passed by both Houses over the veto. Thus $1,000,000,000 additional obligation is to be placed upon the Treasury of the United States in some form, and whatever its form it will be a burden, because money does not drop from the skies, and you do not pick it up on the street more than once in a lifetime. The $1,000,000,000, Mr. Chairman, is to be paid out by the Government; and the Government will either print it, borrow it, or take it from the people's earnings in the form of a tax.

This is a matter which in my humble judgment must be considered very, very seriously. Can we at this time, no matter how good our intentions, no matter how meritorious some of these measures may seem, can we at this time pile upon the Federal Treasury an additional burden of such huge dimensions and postpone, I may say almost indefinitely, the balancing of the Federal Budget?

I wonder, Mr. Chairman, how long our economic system, how long the confidence of the country, can be maintained. How long can our economic system last if we persist in piling additional burdens upon the Treasury, thus postponing indefinitely the wiping out of the annual deficits? I have tried to read the history or story of other countries who have gotten themselves in financial difficulties finally resulting in complete collapse of their currencies.

I would not be a prophet of evil or a pessimist; but, Mr. Chairman, there are signs in this country today which indicate that we are in the initial stages of inflation—credit inflation, perhaps. I am not an economist, and do not speak with authority; but, frankly, I am deeply disturbed by certain developments. The way to stop this and save us from the catastrophe which will surely overtake us if we go on with these new expenditures and the undertaking of these enormous obligations is to balance the Federal Budget just as soon as we can. I think the President must have had that in mind when he inserted the sentence in his message to the effect that the Treasury cannot endure much more borrowing without taxes being imposed. If we impose taxes much heavier than the people are today carrying, both Federal, State, and local, we shall put an impediment in the path of recovery more effective than any other obstacle we could raise.

I know it is not conducive to oratory to discuss the dollars-and-cents side of government. I know that audiences do not become excited and demonstrative; but, Mr. Chairman, the dollars-and-cents side of government is about the most important side of government, and it is a grim problem at this hour. [Applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. JOHNSON].

Mr. JOHNSON of Texas. Mr. Chairman, I congratulate the Ways and Means Committee upon reporting this bill, which is to provide for the immediate payment of the World War adjusted-service certificates, sometimes known as the "bonus", and I also commend the leadership of the House for permitting the measure to be brought up for consideration thus early in this session of Congress.

It is needless to say that I shall most heartily support this bill, since I have consistently and upon every occasion voted for all legislation designed to accomplish this purpose.

When the present Adjusted-Compensation Act was passed in 1924 I voted for the bill, and also voted to pass it over President Coolidge's veto, but I also voted at that time for an amendment, which was defeated, which would have authorized the payment of the adjusted compensation in cash. The 1924 act was a compromise and was the best that could be secured at that time.

To my mind, the veterans of the World War are entitled to this compensation, since the payment for services which they received as soldiers was grossly inadequate as compared with that received by those in civilian employment, and the object of the Adjusted Compensation Act was in some measure to adjust the compensation received by the veterans with that received by persons not in the service.

Believing that it is a just debt due from the Government of the United States to the defenders of our flag in the World War, I have upon every occasion when opportunity was afforded voted to pay the veterans this sum, and not defer it until some later day.

Payment at this time will, therefore, discharge a debt which the Government owes the World War veterans. The veterans of the World War are greatly in need of the sums due them at this time, and I am convinced that the payment now will be of immense benefit to the veterans throughout the country.

Furthermore the payment at this time will not only be a benefit to the veterans but will increase the purchasing power of the country and put into circulation a sum of money which will facilitate the recovery from the depression.

Large sums of money have been expended by the Government to aid the needy and restore the purchasing power of the people, but this payment will not only accomplish this purpose but will at the same time discharge a debt due from the Government and equitably distribute the payment thereof throughout all the States.

Other forms of relief have been criticized because the payments have not been equitably distributed through the various sections of the country, but this bill will not be subject to this objection. As illustrative of the increased purchasing power that the payment of these adjusted-service certificates will accomplish, I cite the figures as to the payments which the veterans will receive in the eight counties comprising the Sixth Congressional District of Texas which I represent, which are as follows:

Brazos County	$322,677.63
Ellis County	797,066.21
Freestone County	333,820.25

Hill County	$635,986.01
Leon County	294,052.65
Limestone County	583,686.67
Navarro County	894,172.45
Robertson County	402,552.72
Total	4,264,014.59

All of the other congressional districts in the United States will receive payments in proportion to the population of the veterans residing therein.

It is gratifying to know that the sponsors of the different bills and the various organizations favoring this legislation have adjusted their differences and are all supporting this bill, which should insure its immediate passage.

In this connection I cannot refrain from commending my colleague, Hon. WRIGHT PATMAN, of Texas, for the long and faithful fight which he has made in behalf of this legislation.

It is my fervent hope that the bill may not only pass the House but will soon be enacted into law, so that delayed justice may be done to the veterans and at the same time that the country may be benefited by increased purchasing power.

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. RANKIN].

LET US PAY THESE CERTIFICATES IN GOLD

Mr. RANKIN. Mr. Chairman, I have listened with a great deal of interest to the able gentleman from New York [Mr. WADSWORTH] speaking of balancing the Budget.

To my certain knowledge the National Budget has not been balanced in 10 years; but even if it had been balanced, that prosperity to which the gentleman refers, and to which his party harkens back during the late twenties, was a prosperity in name only. The toiling masses of this country—the farmers, the men who produce the raw materials that feed and clothe the world—never had their budgets balanced during those years. So, when we talk of balancing the Budget, Mr. Chairman, we should take into consideration the budgets, the welfare of those people who really pay all the running expenses of the Federal Government, the State governments, and all local governments.

The gentleman from New York talks about a collapse of our financial structure. I stated years ago, and I say it today, that if we continue to attempt to run this Government and balance the Budget on the present price levels, we will probably have worse than a collapse of our financial structure. We will likely come to the time when the American people will be unable to meet their obligations and pay the debts of this country on the present price levels. Then we may witness the terrible spectacle of wholesale repudiation.

I stated on the floor of this House many years ago that there were only two ways out of our difficulties. One of them lay in a liberal, controlled expansion of currency, and the other one in a reduction of our debts of all kinds, scaling them down and reducing the interest rates. I stand by that statement today.

This bill does not pay the bonus; it merely authorizes it. If no other legislation is passed, they will never get a dollar. Some means of payment must be provided.

Mr. Chairman, I am an old hand in this fight. I appeared before the Ways and Means Committee in 1924 and urged them to pay these adjusted-service certificates in cash at that time. They could have been paid by the expenditure of a little more than $1,400,000,000, and all this interest rake-off that has been going to financial institutions would have been saved, either to the Government or to the soldiers.

I shall support this measure, but I am sorely disappointed that there has been stricken from the bill the only sane method of payment that has ever been advocated, and that is by means of a liberal, controlled expansion of the currency which would have put to work some of the gold that we now have piled up in the Federal Treasury. You say you are afraid that will start inflation. The gentleman from New York [Mr. WADSWORTH] is the only one I have heard say he is afraid of an expansion of credit. The rest of them seem to be afraid of expansion of currency.

Let us pay these certificates in gold.

We have at the present time $10,000,000,000 in gold and $1,000,000,000 in silver, with a circulating medium of only about five and one-half billion dollars, including a great deal of money that is lost or unaccounted for.

If you are afraid of uncontrolled expansion I will tell you how to pay the adjusted-service certificates without uncontrolled expansion, or inflation. Let us coin this gold and silver and pay the veterans off in gold and silver. Then we will not have to levy taxes. Then there will be no danger of going into uncontrolled inflation, but we will be paying them out of wealth we now have in the Treasury and which at the present time is doing us no good.

Of course, it would be the same thing if we just set aside that amount of gold and silver and issue United States gold notes or silver certificates against that gold and silver, but that does not please those people who have their money invested in tax-exempt securities and who want their pound of flesh. That does not please the Wall Street banker who is looking forward to the interest he will get out of the bonds which will be floated to meet this obligation. They will get no rake-off if we pay these certificates in this way.

I have pointed out before that in 1914 we had about $35 per capita in circulation. The price levels were down at the time. From 1914 to 1920 we raised that to $53 per capita and commodity prices went up. On that price level we incurred these debts. Now we are asking the people to pay those debts on existing price levels. It cannot be done. You may pay these certificates in the way I am explaining to you. If the gold is coined down to $5 and the rest of it in silver, how can you "hard money" Members on the Republican side object?

That could not result in uncontrolled inflation. What is this gold and silver supposed to be for? Why, to be coined into money. We need the money, and we have the surplus gold and silver. Let us coin it and pay this debt. Put this new gold and silver money in the hands of these veterans in every precinct in the United States and this country will leap forward into the greatest era of prosperity you and I have ever seen.

You "hard money" Democrats, how can you object to that? You are going to be called upon here to raise taxes, and to tax until it hurts, unless you do put this surplus gold and silver to work. How can you object to coining this gold and silver and paying these certificates in that way? You are going to vote for paying them, and it is your duty to provide the means to pay them. This is the method that should be pursued.

Besides, you "sound money" fellows cannot call the issuance of gold and silver dollars "wild inflation", and nothing in God's world would do more to stimulate the American people, to bring back real prosperity, to bring back a satisfied state of mind, than to coin $2,200,000,000 worth of gold and silver money out of the gold and silver we now have, and pay it to these soldiers in every nook and corner of the United States.

I say it would do more to bring back prosperity than any other one thing you can do. It would stimulate business, start the wheels of industry, raise the price of wheat and corn and hogs and cotton and land and lumber, and bring back prosperity to all the American people. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. PATMAN].

CANCELATION AND REFUND OF INTEREST

Mr. PATMAN. Mr. Chairman, the question of refund of interest was mentioned in connection with this bill. In order that there may be a fair understanding of this question I want to go back and explain it a little more fully than it has been explained here this morning.

These certificates were delivered to the veterans January 1, 1925. Two years later they could borrow a small sum. On a thousand-dollar certificate they could go to a bank and borrow $88.15. They paid 2 percent above the rediscount rate on 90-day commercial paper in the Federal Reserve district in which the bank was located. This resulted in the veteran paying 6-, 7-, and 8-percent interest compounded

annually. Each year the veteran could go to a bank and borrow an additional sum. In 1928 he could borrow an additional twenty-eight dollars and some odd cents on a $1,000 certificate, and in 1929 twenty-seven dollars and some odd cents. It was reduced each year; but in 1931 a law was passed which permitted a veteran to borrow 50 percent of the face value of his certificate.

Six out of every seven veterans who hold these certificates have borrowed the limit allowed by law and have not paid the interest on these loans. The Veterans' Administration has never notified them to pay the interest, the banks have never notified them to pay the interest, therefore the interest has remained practically unpaid since that time and has been accumulating. Now, before the 50 percent loan law was passed, millions of loans were made to veterans. They would borrow $80 or $100 and then go back and pay it, or pay the interest, and later on they would go back and borrow some more money. If they paid the interest it would not be refunded under this bill. If the interest accumulated it will be canceled under this bill.

We will suppose veteran A, who received a $1,000 certificate, borrowed $87.99 on it from a bank January 1, 1927. January 1, 1928, he renewed his loan by having the accumulated interest of $5.28 added to the principal and obtained an additional loan of $26.79. On January 1, 1929, 1930, and 1931 he did the same thing. Each time renewing his loan, having the interest added to the principal and getting a small additional loan, but the limit permitted by law. March 1, 1931, he borrowed the limit, which was up to 50 percent of the face value of his certificate, $271.99. After all prior loans and accrued interest had been deducted veteran A's certicate is then transferred to the Government, where it is now held, the Government paying the debt and interest.

Under this bill, if it becomes a law, these interest payments will not be deducted, because they present accrued interest and not interest paid.

When these loans were first authorized in 1927, there were 25,000 banks in this Nation. Today there are only about 14,000. Eleven thousand banks have gone out of existence. Many of the banks having these small loans, with small amounts of interest involved, have gone out of business, and if we were to attempt to refund this interest at all we would have to refund it to all of them and if we attempt to refund it to all of them, it would require such cumbersome administration that the cost to the Government, I predict, would be more than the veterans themselves would get in return.

Therefore I shall not oppose the committee's action in striking out this provision with respect to refund of interest paid. The cancelation of accrued interest remains in the bill. It is a small amount that is involved, and I think the veterans would be satisfied if this bill remained just exactly as it is.

Mr. TAYLOR of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I have only a very short time, but I yield.

Mr. TAYLOR of Tennessee. The gentleman has said that it would be a small amount. I wonder if the gentleman has any exact figures on that?

Mr. PATMAN. The gentleman from Kentucky [Mr. VINSON] estimates it between six and seven million dollars. I am sure it is less than $10,000,000. It is a comparatively small amount.

It is undisputed by anyone that the veterans were not allowed 7 years' interest from 1918 to 1925. No one can consistently or truthfully say that that interest was allowed. So in asking for the passage of this legislation you are merely asking the Government to go back and redate these adjusted certificates to the time they rendered the service and give them a reasonable rate of interest.

Mr. BIERMANN. Will the gentleman yield?

Mr. PATMAN. Yes.

Mr. BIERMANN. Does the gentleman say that when the war was over these men were entitled to the face of the adjusted certificates?

Mr. PATMAN. No; I did not say that. I hope the gentleman will not take up my time.

Mr. BIERMANN. The gentleman has had considerable time over the radio, in extension of remarks, and on the floor.

Mr. PATMAN. I would be glad to answer the gentleman's questions if I had time. I say that they, the private soldiers, had due them a dollar a day after the war was over.

Mr. BIERMANN. Will the gentleman yield?

Mr. PATMAN. Yes.

Mr. BIERMANN. None of these men who went overseas received as little as a dollar a day. Not one American soldier was overseas at as little as a dollar a day.

Mr. PATMAN. They received $1.10 a day for overseas service.

Mr. BIERMANN. The buck private.

Mr. PATMAN. Most of them were buck privates, few of them were officers.

Mr. BIERMANN. Fewer than half of them got as low as $1.10 a day.

Mr. PATMAN. On an average it was a dollar a day on this side and $1.10 a day for the foreign service.

Mr. BIERMANN. On an average? Then some must have got less.

Mr. PATMAN. The buck privates constituted the average.

Mr. BIERMANN. No; they did not.

Mr. PATMAN. They represent most of the veterans, very few of them were officers.

Mr. BIERMANN. But many of them were something above buck privates. I have heard the gentleman say in his addresses——

Mr. PATMAN. Oh, I cannot allow the gentleman to take up all of my time, as much as I like the gentleman. Anyway, the veteran has borrowed his own money, and he contracted to give as much as 6- and 7- and 8-percent interest, compound, for that money. That interest goes into principal, and they are now paying interest on that, and if this debt is not paid now, by 1945 practically all the remainder will be consumed by the payment of compound interest to the banks and to the Government. In other words, the banks and the Government will get one-half the certificate and the veteran will get one-half unless this debt is liquidated now in the manner we want it liquidated.

Mr. ANDREWS of New York. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I am sorry; I have not the time.

I want to say just a word or two about this Budget. When war was declared, tax measures were passed. I mean after the declaration of war these tax measures were passed; and if they had continued in effect, if the tax-reduction bills for the big corporations had not been passed immediately after March 4, 1921, the Government would have collected sufficient money to have entirely liquidated the national debt by June 30, 1927. We had a law that would have captured the profits of the war; to pay for that war. When the other party came into power on March 4, 1921, they commenced to reduce the taxes on those war profiteers and allowed them to escape that taxation and caused us to have this enormous war debt on our shoulders which we have today. Had they not been trying to protect the big interests and the war profiteers, this national debt would have been paid long ago and this Budget would have probably been balanced. [Applause.]

LAWS TO TAKE PROFITS OUT OF LAST WAR REPEALED WHEN WAR OVER

At my request, Mr. L. H. Parker, Chief of Staff, Joint Committee on Internal Revenue Taxation, prepared a statement for me which shows the amount of money that would have been collected and the time that the war debt would have been paid off had the wartime taxes remained in effect. The table is as follows:

Estimate of additional revenue that would have been derived under the income and excess-profits tax rates of the year 1918 continued in subsequent years, with effect upon the public debt by the application of such additional revenue thereto

INDIVIDUAL—INCOME TAX

Year	Actual net income	Actual tax	Theoretical tax	Excess
1918	$15,924,639,000	$1,127,722,000	$1,127,722,000	
1919	19,859,491,000	1,269,630,000	1,406,052,000	$136,422,000
1920	23,735,629,000	1,075,054,000	1,680,483,000	605,429,000
1921	19,577,213,000	719,387,000	1,386,067,000	666,680,000
1922	21,336,213,000	861,057,000	1,510,604,000	649,547,000
1923	24,777,466,000	661,666,000	1,754,245,000	1,592,579,000
1924	25,656,153,000	704,265,000	1,816,456,000	1,112,191,000
1925	21,894,576,000	734,555,000	1,550,136,000	815,581,000
1926	21,958,506,000	732,471,000	1,554,662,000	822,191,000
Total	178,795,247,000	6,758,085,000	12,658,705,000	6,400,620,000
1927	22,545,091,000	830,639,000	1,596,192,000	765,553,000
Total	201,340,338,000	7,588,724,000	14,254,897,000	7,166,173,000

CORPORATIONS—INCOME AND EXCESS-PROFITS TAXES

Year	Actual net income	Theoretical net income	Actual tax	Theoretical tax	Excess
1918	$8,361,511,000		$3,158,764,000		
1919	9,411,418,000	$8,031,704,000	2,175,342,000	$3,034,137,000	$858,795,000
1920	7,902,655,000	6,542,608,000	1,625,235,000	2,471,601,000	846,366,000
1921	4,336,048,000	3,399,895,000	701,576,000	1,284,378,000	582,802,000
1922	6,963,811,000	5,222,858,000	783,776,000	1,973,060,000	1,189,284,000
1923	8,321,529,000	6,241,147,000	937,106,000	2,357,743,000	1,420,637,000
1924	7,586,652,000	5,689,989,000	881,550,000	2,149,530,000	1,267,980,000
1925	9,583,684,000	7,187,763,000	1,170,331,000	2,715,350,000	1,545,019,000
1926	9,673,403,000	7,255,052,000	1,229,797,000	2,740,770,000	1,510,973,000
Total	63,779,200,000	49,571,016,000	9,504,713,000	18,726,569,000	9,221,856,000
1927	8,981,884,000	6,736,413,000	1,130,674,000	2,544,842,000	1,414,168,000
Total	72,761,084,000	56,307,429,000	10,635,387,000	21,271,411,000	10,636,024,000

Public debt June 30, 1926		$19,643,000,000
Additional revenue if rates continued through 1926	$15,122,476,000	
Probable saving in interest by annual payment of such additional revenue on public debt	2,450,000,000	
		17,572,476,000
Balance of debt, 1926		2,070,524,000
Public debt June 30, 1927		18,510,000,000
Additional revenue if rates continued through 1927	17,302,197,000	
Probable saving of interest by annual payment of such additional revenue on public debt	2,750,000,000	
		20,052,197,000
Surplus after complete payment of public debt		1,542,197,000

NOTE.—It is assumed that business profits (net income) would not have been depressed by the high tax.

(This statement prepared by the Joint Committee on Internal Revenue Taxation. Mr. L. H. Parker, Chief of Staff.)

DIVIDENDS ON CAMPAIGN CONTRIBUTIONS

This table discloses that we had laws during the World War that would have made those who profited most by the war pay the cost of the war. If these laws had remained in effect, the entire national debt would have been paid by June 30, 1927, and the Treasury would have had a balance of a billion and a half dollars. Instead, however, the Republicans were determined to reduce the taxes on the big corporations. Evidently, these large concerns had made big contributions to the Republican campaign fund and the Republican Party was under obligations to them. This is the danger of any political party receiving its money from so few people. It is much better that the party be supported by a large number, small amounts from each.

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, where will you get the money?

A bill proposing to pay the adjusted-service certificates to World War veterans, due in 1945, is again before the Congress for consideration. We are being asked by certain veteran and other groups to pass a bill to authorize the payment of these certificates now, and without making any provision for the money with which to pay them. Should the bill become law, approximately $2,000,000,000 of the taxpayers' money would be required to pay these certificates, and at a time when our national debt is the largest at any time in the history of the country. Our national debt has been growing at the rate of more than three billions each of the past 3 years. The importance and far-reaching effect of this bill is therefore obvious and should have the fullest consideration of the Congress.

I am concerned about and have been interested in aiding all veterans who are ill and who were wounded during the World War. I believe it is clearly the duty of the Government to take care of them. They were patriotic, and our Government should assume its responsibility to them. It is a moral obligation.

The question of paying the adjusted-service certificates at this time, however, is a financial matter. Congress passed a law, now on the statute books, authorizing the payment of the certificates in the year 1945. The bill now before Congress proposes the immediate payment of the sum of money due 10 years hence. To anticipate by 10 years the date at which the bonus certificates mature is, in effect, the bestowal upon veterans a gratuity or bounty. Certainly no holder of an endowment policy taken out with a private concern would consider his claim worth as much today as it would be 10 years hence, neither would he assume that the insurance company could pay him now without impairment of its assets. The same principle is applicable to the bonus and the Federal Government. It would be difficult to believe that the majority of able-bodied veterans want to be a favored class of citizens, demanding special gratuities from our Government, and particularly at a time when the Nation is billions of dollars in debt and in the midst of a desperate struggle to emerge from the worst economic depression the world has known.

If this bonus bill becomes law, it will be necessary to either add a large sum to a rapidly mounting national debt or else resort to the printing press. In either case the public would eventually pay the bill. Should the Government borrow two billions or more to pay these certificates now, the taxpayers would be called upon to meet interest charges on the new debt and in which case the public would have to carry the burden. The ex-service men of today and their children of tomorrow would be compelled to shoulder the burden of this stupendous financial debt, and the question is, Will they be able to bear that burden? If they are not, then we will have repudiation, and if we repudiate the debts of this Nation, then we repudiate all obligations. In voting against the bill I am thinking of the interest of all veterans and their families in years to come. In 10 years from now there will probably not be a World War veteran but who will thank me for voting against the bill.

The time has come for financial retrenchment on the part of the Government, and it is imperative that this Congress take cognizance of the unparalleled national debt and give immediate attention to the matter of curtailment in Government expenditures.

Where will you get the money? [Applause.]

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. RICH. Yes.

Mr. VINSON of Kentucky. Did I understand the gentleman to say that the Treasury statement did not say anything about the stabilization fund?

Mr. RICH. I was referring to the devaluation of the gold dollar.

Mr. VINSON of Kentucky. I shall present to the gentleman a daily statement of the United States Treasury, dated January 7, 1936, which shows that exchange stabilization fund is carried in the statement at $1,800,000,000.

Mr. RICH. The statement of the Federal Government charges off $2,000,000,000, and you will find that in the statement of the year we devaluated the gold dollar.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. TREADWAY. Mr. Chairman, I yield 3 minutes more to the gentleman from Pennsylvania.

Mr. RICH. The Federal Government statement which the gentleman holds in his hand shows that $2,000,000,000 were taken off when we devaluated the gold dollar.

Mr. VINSON of Kentucky. I submit to the gentleman that the stabilization fund——

Mr. RICH. I have answered the gentleman's question. It is not in that statement. I do not yield any further.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. RICH. Yes.

Mr. PATMAN. I invite the gentleman's attention to the fact that there is a difference between a life-insurance contract and these adjusted-service certificates. When a man gets a life-insurance contract he enters into that contract voluntarily. The terms and the provisions of the contract are written out and he accepts them and thoroughly understands them. The adjusted-service certificates were not voluntarily taken. The veteran had nothing to do with it. He did not agree to any terms. The Government said, you take it or leave it alone, just as it said they would have to serve.

Mr. RICH. I was not in the Congress at the time that law was passed, but at that time this obligation should have been adjusted and paid; but it was not, and the various veterans' organizations and the Members of Congress at that time agreed that that was the bill they wanted—the bill which should be written on the statute books. Everyone agreed to it. Therefore you have the obligation between the ex-service men and the Members of Congress at that time and the Federal Government. That was the obligation that was due at that time, and it should have been paid then, but it was not; and that is what we are considering today. We are repudiating that obligation that was given to the soldiers at that time and agreed to by the veterans' organizations at that time and by Congress.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. TREADWAY. If the gentleman desires additional time I will be glad to yield him 5 minutes of my time.

Mr. McCORMACK. I thank the gentleman.

The CHAIRMAN. The gentleman from Massachusetts is recognized for 15 minutes.

Mr. McCORMACK. Mr. Chairman, in all probability every Member of the House has made up his or her mind as to how they are going to vote on the final passage of this bill. For that reason my remarks will be brief.

At the outset I want to congratulate the American Legion, the Veterans of Foreign Wars of the United States, and the Disabled American Veterans for uniting behind one bill. The three national commanders, Ray Murphy, of the American Legion; James E. Van Zandt, of the Veterans of Foreign Wars; and M. A. Harlan, of the Disabled American Veterans, and other national officers of these organizations, have shown fine leadership in their willingness and ability to adjust the past differences which have resulted in a lack of unity necessary to obtain the passage of this meritorious legislation. The differences of the past were not as to the objective but to the method to employ to obtain the objective.

I am pleased to be a co-sponsor of this bill with my two distinguished colleagues and friends, the gentleman from Kentucky [Mr. VINSON] and the gentleman from Texas [Mr. PATMAN]. Both of my friends and colleagues have fought steadfastly for years to secure the passage of such legislation. The action of the gentleman from Texas [Mr. PATMAN] in joining in a united front assures the passage of the pending bill by an overwhelming vote and its probable enactment into law. During the several conferences which took place, which resulted in unity among the friends of this bill in the House, many Members played an important part therein. They are too many to mention by name. Furthermore, there are many other Members who have fought just as hard for the passage of such legislation, such as we are considering today, who are also entitled to the future appreciation of veterans, their families and friends. However, there is one of our colleagues who played such an important part that I feel warranted in paying him a tribute. I refer to my friend and colleague from Mississippi, Mr. COLMER, who, as chairman of a committee representing Mr. PATMAN and his associates, by his patience and advice, contributed greatly to the present situation where all of the friends and supporters of this legislation are united and not divided.

This subject has been discussed many times, covering a number of years. As a matter of fact, if no debate were permitted, I doubt if there would be a general feeling of disappointment on the part of the membership of the House other than the feeling that debate is necessary in order that the regular parliamentary procedure with reference to the passage of a bill in the House should be complied with.

The gentleman from Kentucky [Mr. VINSON] and the gentleman from Texas [Mr. PATMAN] and others who have preceded me have ably presented most of the reasons why this bill should be passed. The gentleman from Pennsylvania [Mr. RICH] has expressed his opinion in opposition, which is his right, an opinion with which I am not in accord, but which I respect. Naturally, as I respect his opinion, although in disagreement, I know that he respects the opinions of his other colleagues who are in disagreement with him.

There seems to be certain pertinent facts, certain outstanding pieces of evidence, compelling in their nature, having in mind that the three outstanding World War veterans' organizations heretofore in dispute, in some respects, have agreed that there is justice in asking for the cash payment of the bonus at this time.

One of our colleagues asked a question of the gentleman from Kentucky [Mr. VINSON]—and it was not in any unfriendly sense—about interest starting from January 1, 1925. If there is a debt, if the membership believes that the veterans who served were entitled to adjusted compensation, then the debt was contracted during the period of service; and if payment was delayed, interest should have started from the time the debt was actually incurred. If there is agreement in your minds in this respect, and if we follow that reasoning and that argument to its final conclusion, the interest should have started from the time when a veteran received his discharge. Of course, that would be a practical impossibility, with approximately 4,000,000 veterans; so a common date must be agreed upon. It seems to me that November 11, 1918, the date when the war in fact stopped, is a proper date from which interest on the debt which the Congress said the Government owed to the veterans should start. If we follow that reasoning, the debt would be paid today in accordance with some computations; but in accordance with the maximum period with reference to the computation of interest, it would be payable on November 11, 1938, at the latest. If that is so, the debt is practically payable today, accepting the argument of those who believe that the 20-year period should have run, and who agree with my argument that interest should start from the date that the debt was contracted.

There is very little difference between this bill and the Steiwer-Byrnes bill. The Steiwer-Byrnes bill brings interest forward to November 11, 1918, and, as a result of computation of interest therein provided, makes the certificates payable in 1937, with a cash surrender value, if their bill became a law at this session, of approximately 98 percent.

The bill now under consideration calls for the immediate cash payment. That is also the primary purpose of the Steiwer-Byrnes bill. The Steiwer-Byrnes bill is a very excellent bill, and if the veteran organizations had united behind that, I would have supported the same. The bill now under consideration differs from the Steiwer-Byrnes bill in that this bill contains a provision that the veterans who do not desire cash payment can hold their certificates and receive interest at the rate of 3 percent, as an inducement for their doing so; and, as the distinguished gentleman from Kentucky [Mr. VINSON] has well said, resulting in a reduced demand at this time upon the Treasury in the sum of at least $500,000,000.

There is another major problem that we cannot ignore, at least as the situation presents itself to us. Approxi-

mately 3,000,000 veterans have borrowed 50 percent of the face value of their certificates. Interest is running. Let us assume the Congress does nothing between now and 1945. The law, as it exists today, continues during the next 9 years. How much do you think those veterans who borrowed will receive?

Mr. ANDREWS of New York. Will the gentleman yield?

Mr. McCORMACK. Yes; I yield.

Mr. ANDREWS of New York. I am of the belief that what three-quarters of the veterans want is what the gentleman is speaking of at the moment. I am wondering if the gentleman favored a bill which was before the House during the last session which would wipe out the interest?

Mr. McCORMACK. That is not relevant to the bill under discussion today. I do not want to appear by my answer to be discourteous. There is no discourtesy intended, but that is a separate subject in itself. We are fighting for a bill which goes beyond that. Naturally I am practical enough to feel that if we cannot gain the full objective, then we should be willing to take the lesser involved in the greater; but that is not a matter that presents itself today. We are concerned with the greater proposition.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. FISH. I should like to ask the gentleman, who is one of the sponsors of the bill, if it is not a fact that those who did not cash their certificates will be compensated by the 4-percent interest carried by the certificates they continue to hold?

Mr. McCORMACK. The rate is 3 percent.

Mr. FISH. Then I am in error. That is the first thing. The second thing is my disagreement with the gentleman's committee. The gentleman's committee says that only $1,000,000,000 will be needed to finance this bill. Are not the same percentage of veterans asking for immediate payment of their certificates as borrowed the 50 percent, which is about 80 percent or more of the total number?

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. VINSON of Kentucky. Assuming the percentage would be the same, there are 494,000 veterans who have not borrowed anything. Assuming the average value of their certificates at $1,000 makes $500,000,000.

Mr. FISH. As I understand it, about 500,000 veterans who own certificates have not borrowed on them and the gentleman is assuming that these 500,000 will not cash their certificates.

Mr. VINSON of Kentucky. There are approximately 500,000 who have not borrowed.

Mr. FISH. That leaves 3,000,000 who will cash their certificates.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 5 additional minutes to the gentleman from Massachusetts.

Mr. FISH. Will the gentleman take that up as one of the authors of the bill? Will he give the House the estimate of the number of veterans who will cash their certificates? I for one am going to vote for this bill, but I say to the members of the committee that $1,000,000,000 is far too low. I think it will be nearer $2,000,000,000.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Mr. Chairman, I yield.

Mr. VINSON of Kentucky. There is $500,000,000 in the life-insurance fund. If 500,000 veterans do not borrow on their certificates, these two items will make $1,000,000,000. The cash required is $2,282,000,000. So if you subtract the $1,000,000,000 we have from the $2,282,000,000, it leaves $1,282,000,000; and then there is the sinking fund of $1,500,000,000.

Mr. FISH. Oh, it is going to be taken out of the sinking fund, is it?

Mr. VINSON of Kentucky. That is why it was put there.

Mr. McCORMACK. That is part of the fund, anyway. I do not think there is any argument about that.

Mr. FISH. How will the sinking fund be made available for payment?

Mr. VINSON of Kentucky. It is in the form of securities, loans, Government bonds.

Mr. FISH. Was not that money used to pay the 50 percent in cash a few years ago? I am trying to get facts. I am going to vote for the bill.

Mr. McCORMACK. That fund was used to make the 50-percent loans, and in addition the Government insurance fund made loans amounting close to $500,000,000. We are providing a special security in this bill to be given to the Government insurance fund, carrying 4½-percent interest. This fund should be protected because the present law guarantees 4½ percent.

Mr. FISH. You gentlemen framed the bill and ought to know the facts.

Mr. McCORMACK. We did not "frame" the bill; we drafted it.

Mr. FISH. At any rate, it did not come from the White House or the "brain trusters." However, I want to be sure that when the President vetoes this bill, if he does, he will not come down here and say: "You people are all wrong. It will take $2,000,000,000 instead of $1,000,000,000."

Mr. McCORMACK. I do not want to stop my distinguished friend, the gentleman from New York, and I hope he will be the nominee for President on the Republican ticket, but I have only 2 or 3 minutes left, and I want to present one more thought.

Mr. McREYNOLDS. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Tennessee.

Mr. McREYNOLDS. If I understood correctly, the gentleman from Kentucky [Mr. VINSON] stated that there was one and one-half billion dollars in the sinking fund.

Mr. VINSON of Kentucky. One billion four hundred and seventy-one million dollars of assets in the sinking fund as of January 1, 1936.

Mr. FISH. Of course, a billion dollars does not make much difference.

Mr. McCORMACK. I think the remark of the gentleman is rather facetious in view of the fact he said he was going to vote for the bill anyway.

Mr. Chairman, I am going to conclude by trying to finish a thought I was attempting to convey when the various questions were asked. In 1945, if we do nothing more, we are going to have another problem. Do you think that the American people are going to stand having the balance of the veterans' adjusted certificates wiped out by interest? Do you think any American Congress will stand for that? Do you not think that in 1941, 1942, 1943, 1944, or 1945, or in any event if nothing is done until 1945, that an aroused public opinion, and an aroused feeling in the Congress which will exist at that time, whether we are here or not, will demand and secure the passage of legislation that will bring about cancelation of the interest? Common sense tells us that the American people are not going to let the balances of these adjusted-service certificates be wiped out by interest.

Payment at this time will assist business recovery. I am not going to say it will alone bring about recovery of business, but with other factors that exist at this time it will go to play an important part in business recovery. In addition to that, by passing this bill at the present time we are solving the interest problem which is going to stare Congress in the face during the next 9 years unless something is done along these lines. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. When the bonus bill was up at the last session of Congress, I was somewhat embarrassed to find the American Legion fighting for one bill and the Veterans of Foreign Wars for another. It is most pleasing now to observe the American Legion, the Veterans of Foreign Wars, and the Disabled American Veterans, all three of these great veterans' organizations of the World War, fighting shoulder to shoulder and urging the passage of

H. R. 9870, the measure now before us. This unanimity of action on the part of the veterans insures success.

What does this measure provide?

First. It authorizes appropriations to provide for the immediate cash payment in full of all of the adjusted-service certificates—bonus.

Second. If any veteran has borrowed any money from the Government on his certificate, the amount he has borrowed on his certificate will be subtracted from the face of his certificate. If any interest has accumulated, the interest due the Government will be canceled. In other words, the veteran will be paid the full face value of his certificate less the amount of money he borrowed from the Government.

Third. If the veteran has borrowed any money from any bank or other institution and has deposited his certificate as collateral, the Government will pay off the amount of his loan and will pay the veteran the difference between his loan and the face of his certificate. If the veteran owes the bank any interest on his loan, the Government will pay this interest, and the veteran will get the full face of his certificate less the amount of his loan.

Fourth. If the veteran has procured no loan on his certificate and does not desire the cash at this time, his certificate will be treated as having matured and he will be paid 3-percent interest on the face of his certificate until such time as he desires to secure the cash on it; but every holder of a certificate will be paid the cash if he desires the cash.

There are three or four important questions, in my opinion, to be determined in voting upon this important measure. In the first place, is this proposal just; in the second place, do the veterans need this relief; and last, is this compensation to the veterans now due?

I was not a Member of Congress at the time, but I never could understand why the Congress of the United States fixed the pay of the World War service men at $1 per day for service in this country and $1.25 per day for service overseas.

At the same time the Government carried on extensive civil works. The workers remained at home and received on an average $10 per day or more with 8 hours' work. Furthermore, during the period of the war and following the war the Government paid a bonus of $20 per month or $240 per year to approximately a million Federal employees. They each received this bonus for 4 years, amounting in all to $960 each. Their average pay was approximately $1,500 per year or $125 per month. They worked 7 hours per day.

The Government took over the railroads. The average pay of the railroad workers was perhaps $8 per day. They were granted an increase. This increase was retroactive for a period of 6 months. Each one of the railroad workers received this bonus of 6 months and many of them received a sum in excess of the soldiers' bonus.

Many persons employed in the coal mines made as much as $30 per day. The average pay of workers who remained at home throughout the Nation averaged approximately $8 per day.

I have never heard any satisfactory reason or justification for requiring the American soldiers and sailors to leave their homes, their families, their friends, their opportunities to acquire an education and their opportunities to enter business, and be subject to the orders of their commanders 24 hours a day and 7 days a week, serving your country and mine at $1 per day on this side and $1.10 across the seas.

As a matter of fact, a million or more of them had to contribute half of their pay to support dependents at home, and used much of the little that remained to buy Government bonds, while tens of thousands of those who remained at home and engaged in industry and other activities accumulated millions of dollars.

Observing this condition when I was a candidate for Congress in 1918, one of the first planks of my platform declared that if I were elected to Congress I would do my part to see that the American soldiers and sailors received more than $1 per day on this side and $1.10 per day for service overseas.

I was elected and became a Member of Congress on March 4, 1919, after the war was over. President Wilson was our Chief Executive, and the Democrats had control of Congress during the war. Before the Democratic Congress went out of power on March 4, 1919, there was passed an act which appropriated $5,000,000,000 to adjust the pay of war contractors. A little later there was an act passed for an adjustment to the railroad owners of this country. This involved about $2,000,000,000. The war minerals relief bill was passed by the Democratic Congress. This adjusted the claims of thousands of persons and concerns and involved many millions of dollars.

The pay of everything and everybody appears to have been adjusted and bonuses paid to almost everybody except the fine group of the flower of the young manhood of America that defended our country most heroically and successfully in those dark days. These young men had been denied the opportunity of pursuing their education work or carrying on any business or taking advantage of the prosperity of those years. They came home and found everything out of joint so far as they were concerned. They found thousands of those who had remained at home in their jobs.

After learning of the billions that had been spent in helping others and of the great fortunes that had been made out of the war and considering the small amount that they had received, it is little wonder that they began to agitate for additional compensation.

When we survey the whole matter dispassionately, is there any fair-minded person who will say that the claim of the veterans is not just? If we had called the money of this contry to the colors as we did the flesh and blood and placed capital on an equality with the young manhood of our country, we would not have had a national debt at the close of the war of nearly $26,000,000,000.

Ever since that war I have strongly favored, in the event of another war, that all of us be required to sacrifice and that money and property be required to sacrifice to the same extent that we require flesh and blood to do so. Take the profits out of war! If this is done, there will be fewer wars. It is not good for our country as a whole for one part of us to have all the patriotism and do all the sacrificing and the other to have the money. Let those who made the profits and did not sacrifice share at least in a measure with those who did offer their lives and sacrificed their opportunities.

Who are the chief objectors to the discharge of this just and honest obligation of the Government? For the most part, it is those who remained at home during the war and piled up their millions in profits. I am happy to say that, so far as I have been able to learn, only one man in my great district has expressed opposition in the last 2 years to this measure. He, too, remained behind the lines and furnished no son to defend our country.

Was it unusual for these young men to return to their homes and, in tens of thousands of instances, find those who remained at home in their jobs, and to find themselves out of step and out of joint, and learn for the first time the billions that had been made in war profits and the prodigal manner in which the Government had dealt with those who remained at home—for them to ask for additional compensation? The Great War contractors, the railroads, and others had had their matters adjusted and billions had been paid to them. The first measure with the cash payment of this so-called "bonus" came up in the House on May 29, 1920, when I had an opportunity to make my first speech and cast my first vote for the bonus. In doing so I kept my campaign pledge and did what I thought was just and right. This bill passed the House by an overwhelming majority, but no action was taken on it in the Senate. It is unfortunate that favorable action was not had at that time; $1,492,000,000 would have paid it in full—$1 additional for each day of service in this country and $1.25 for each day of service overseas. Other bills were introduced in the House from time to time and passed; some of these passed the Senate and were vetoed, but none of them could be passed over the President's veto.

The veterans were worn out in their efforts and finally in the summer of 1924 the so-called Adjusted Service Act was

passed by Congress and vetoed by the President and passed over his veto. It provided that certificates should be issued for this additional compensation, with interest, dating January 1, 1925, and payable January 1, 1945.

Much has been said on the floor and in President Roosevelt's veto message that this money is not due until January 1, 1945. They assert that these certificates are contracts between the Government and the veterans. This is not true. There was no agreement on the part of the veterans to defer the payment of this just claim until January 1, 1945. Congress merely passed the act and forced the veterans to take these certificates instead of cash. The war contractors, the railroads, and others received their adjusted compensation or pay in cash. They were not required to wait until January 1, 1945. What just ground was there to require the veterans to do so? All the bonus means is additional pay for services rendered during the World War. If they were entitled to that additional pay, and undoubtedly they were, it was due when they rendered the service. The armistice was signed on November 11, 1918. This money has been due over 17 years, but the opponents of the veterans would have them wait another 10 years. I insist that this money is now due, and has been due for more than 17 years. I am voting for this bill because this money is now due and, in a small measure, do justice to the defenders of your country and mine in one of the most trying periods in our history. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. I yield 5 additional minutes to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. The Government has issued its obligations to pay this money. It is now a legal, as well as a moral obligation. We have been spending billions in the last 3 years on "boondoggling" and every other fantastic scheme. When we pay off these certificates we are discharging a legal and moral obligation of the Government.

I am also voting for this measure because it is necessary. Eighty-five percent of the defenders of our country, and their families are now in need, and tens of thousands of them are walking the streets and highways seeking employment that they cannot find. It cannot help our country to have its defenders, their widows and orphans to become common beggars. It has been well said that a nation that will not defend its defenders and protect its protectors will in time be without defenders and protectors. Today we have the threat of communism, the enemies of our Government and the American institutions. What great force in this country can be depended upon more than these same veterans and the Spanish War veterans to combat that threat?

I trust that when I cast my vote for this measure tomorrow it will be the last vote necessary, that it will be passed by the Senate and signed by the President. Of course, if the President vetoes this bill, I shall feel it my duty and it will be a pleasure for me to vote to override his veto as I did at the last session of Congress.

There are intimations in the press that the President will soon call upon Congress to turn over to him an additional $2,000,000,000 to spend as he may desire. We have seen much of the appropriations heretofore turned over to him wasted or used for political purposes, and I trust that the President will not appear before us and veto this soldiers' measure, as he did at the last session, and tell us that there is no difference between those who went and those who stayed at home. There is a vast difference between those who left their homes, their families, and friends and went to camps and battlefields to undergo the hardships and dangers of war from those who stayed at home, and I desire to do what I can to recognize that difference and will cast my vote for this measure tomorrow. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS of Ohio. Mr. Chairman, ladies, and gentlemen of the Committee, it is very evident from the temper manifested here today that this adjusted-service bill, commonly known as the bonus bill, will pass the House overwhelmingly. I expect to vote for the bill, for I supported the bonus bill in times gone by and have voted to override the President's veto of former similar measures.

There is not much use to consume time in a discussion of the merits of this bill. Every Member of this House has surely made up his own mind as to how he intends to vote. There are many who maintain that the adjusted certificates should not be paid because of the strain upon the Treasury that will result from their payment. That argument was much more potent and forceful in the days when we were trying to live within our means and to pay our obligations when the incomes were falling off because of the depression than there is now when the policy of the Government is to spend lavishly. It would seem to me that so long as the administration spends money with such a reckless abandon there could be no reasonable objection to paying the veterans an obligation which is due them and which they earned in defense of their country.

In the last session of Congress we had a very spirited controversy between the Patman bill and the Vinson bill. At that time I was opposed to the Patman bill because it provided a method of payment which called for the issuance of new money, or what was commonly termed as "printing-press money." I favored the Vinson bill because it provided for the payment of the bonus in regular manner that other Government obligations are paid. I voted for the Vinson bill, but when the Vinson bill failed I then voted for the Patman bill, and I also voted to override the President's veto.

As a member of the Ways and Means Committee, I participated very actively in the consideration of these two bills and in the preparation of the Vinson bill which our committee recommended in the last session of Congress. The fact that the various contending parties, with reference to these bills in the last session of Congress, have now agreed upon a course has made the work of our committee much easier in this session, and the bill has been recommended for consideration by almost a total vote of this great committee.

There are many who believe that the President will sign the bill, if for no other reason than that he will thereby expect the support of the veterans in his coming campaign for reelection. If the President does approve this measure I cannot see how he possibly can escape the accusation that he was moved to do it for political considerations. In his veto message of the bill passed in the last session, delivered to the House on May 22, 1935, the President expressed his views in language that would, it seems to me, preclude him from signing the bill now under consideration. The President has, on different occasions, changed fronts on important principles and measures. It would appear to me that he will have considerable trouble in squaring himself with his former utterances if he changes front on this measure. For instance in that message he says:

> Why, I ask, should the Congress lift that burden in respect only to those who wore the uniform? Is it not better to treat every able-bodied American alike and to carry out the great relief program adopted by this Congress in a spirit of equality to all?

He further says:

> This bill favors the able-bodied veteran at the expense of the disabled veteran.

Further he says:

> The statement in this same second "whereas" clause that payment will discharge and retire an acknowledged contract obligation of the Government is, I regret to say, not in accordance with the fact. It wholly omits and disregards the fact that this contract obligation is due in 1945 and not today.

The President has on other occasions taken the position that a veteran should be given no preference over the person who did not wear the uniform, and in attempting to maintain that position in his veto message he has the following to say:

> Rightly, we give preferential treatment to those men who were wounded, disabled, or who became ill as a result of war service. Rightly we give care to those who subsequently have become ill. The others—and they represent the great majority—are today in the prime of life, are today in full bodily vigor. They are American citizens who should be accorded equal privileges and equal rights to enjoy life, liberty, and the pursuit of happiness—no less and no more.

Further in his message he rises to heights of sublime oratory in an effort to show that it is a question of moral obligation with him and that it would shock his moral convictions greatly to be compelled to sign a bonus bill. In this message he has the following to say in that respect:

> I well realize that some who favor this bill are moved by a true desire to benefit the veterans of the World War and to contribute to the welfare of the Nation. These citizens will, however, realize that I bear an obligation as President and as Commander in Chief of the Army and Navy which extends to all groups, to all citizens, to the present and to the future. I cannot be true to the office I hold if I do not weigh the claims of all in the scales of equity. I cannot swerve from this moral obligation.

The President, in his veto message, offers all of the excuses and reasons that he can advance, but we must remember that the President has always been opposed to any and all legislation that is at all favorable to the veteran. He opposed the legislation for restoring the Spanish War veterans to their former pensions, and this was passed regardless of his opposition. Every veteran knows of the President's opposition, and I feel sure that if the President did in this late hour assume a different attitude he would not thereby gain the moral support of the veterans and neither would he gain their political support.

It is my firm conviction that the American people are thoroughly in favor of recognizing the claim of the veterans and that they will welcome the payment of these certificates as provided for in this pending bill.

In 1932 I introduced a bill in Congress providing for the payment of the bonus, and the plan incorporated in my bill was very similar to the plan provided in this bill. My original plan was that those veterans who were able to maintain themselves without cashing their bonus should be encouraged to carry their bonus and would thereby make it easier for the Government to cash the certificates of those who were without work and were in need. My plan provided that all of those who could carry their bonus should be encouraged to do so and should be given some additional advantage by way of interest, and so forth, for their efforts in that respect. My plan further provided that all those who were employed in any public position for the city, county, State, or Nation should be compelled to withhold their applications until their less fortunate comrades had been paid. If my plan had been carried out, the unfortunate veteran would have had his bonus ere this, and the more fortunate would still be carrying his bonus certificate, and the Government would have been able to finance the whole transaction without much of a strain.

The present bill has in it many of the same principles advocated in my bill, for under the terms of the present bill those who have not cashed any portion of their certificates are encouraged to keep them until a later date, or until maturity, and those who have cashed one-half of their certificates are also encouraged to carry the remainder, but those who are in need and are out of employment are given an opportunity to turn in their certificates at once and receive cash for the same. While the strain on the Government will be heavy, this amount can be met by the Government in various ways. For instance, the President can, out of the huge fund which was voted to him in the last session of Congress, easily pay these bonus demands and yet have millions upon millions which he can spend as he has been spending it. And again, the amount of the bonus can be paid from the secret fund of $2,000,000,000 which a former Congress voted to be used by the Secretary of the Treasury as he may see fit, without any report of any kind to the Congress and to the American people. I voted against the allowance of that fund, and I still maintain that it was an un-American program and that this secret fund should be turned into the Treasury and out of it the veterans' bonus can easily be paid. If the administration should fail to pay the bonus in either of these manners above indicated, then there is no reason why the bonus payments should not be made in the regular way by a direct appropriation. The President has already indicated that he expects to ask for additional sums for relief. He does not indicate how much this should be; but in view of the fact that in the last session he asked for and received the huge sum of $4,880,000,000, it is fair to assume that he will ask for another huge allowance equal to and probably more than his prior request.

Summing up the whole argument, therefore, I have to say that if the American people are generally in favor of paying the bonus at this time, and if the American Congress is overwhelmingly in favor of it, the President should not complain if the Congress, as representative of the people, should record its sentiments by passing this bill notwithstanding the President's opposition and his veto.

I feel it my duty to support this measure again as I have supported similar measures in the past. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. SUMNERS]. [Applause.]

Mr. SUMNERS of Texas. Mr. Chairman, it is to me a matter of deep regret that I find myself unable to support this bill.

I voted for each of the propositions in favor of the soldiers of this country until the Government expenditures began to exceed its receipts. I voted for the adjusted-compensation certificates, but I cannot vote to pay now the obligation created by these certificates, which mature in 1945, and in taking that position I do not feel that I am voting against the most substantial of all the interest of the ex-service men involved, namely, the stability of their country's credit.

In passing, it may be observed that it is not at all impossible that this bill will prove to be the spearhead behind which will be the mightiest pressure upon the American Treasury ever exerted. I say it is not impossible. It is not even improbable. These are strange times. I will not discuss this bill from the standpoint of what this Government owes these soldiers if it should undertake to pay them in money for their defense of its flag. No one can measure in dollars and cents what it is worth, what ought to be paid to a man hired to go out and face the gas and face the bullets. The ex-service men deserve no such insult as that. You cannot figure that in dollars and cents. There is much said about relief, and so forth. The soldiers of this country do not live off in any province by themselves. They are not aliens. This is their country. They fought to defend it, and they are just as much interested as any other group in America in preserving this country today. If I am correct in my belief, I am not voting against their interest. Let us examine our condition. We talk about appropriating money as if we have some money to appropriate. We get up here and talk about the appropriation of a billion dollars or $2,000,000,000 just as if we had the money to appropriate. We are mortgaging the future.

We have another group of people in this country who have a right to be considered. I refer to the boys and girls who have been coming out of the high schools and the colleges since 1918, who did not have a thing on earth to do with this war. So far as the folks of this generation are concerned, we are engaged in making debts and refusing to pay them in taxes—piling up billions and billions of dollars of debts on these boys and girls, many of whom have no jobs and who have a right to have families and a home and a decent chance to live the same as anybody else. This bill anticipates another addition to our unpaid debts, but there is another consideration of more immediate importance.

We will not go back over the past history very far; it is not necessary. I have not agreed with most of the Members here on the propositions passed before the present administration in regard to establishing agencies by which we tried to borrow ourselves out of debt; but when this administration came into power—and it does not make any difference who was responsible for it—everyone knows that the whole economic structure seemed to be tottering for a fall. I do not charge the Republican Party with the responsibility for that. To change the figure, we had put the ship on the rocks and had to take to the boats. We were all in the same boat. We were really exactly in the situation of a bunch of people in a boat whose ship had been wrecked and were trying to reach land. Everyone was in the same boat—the soldiers, everybody—and that was recognized here, as indicated by the votes cast in this House. There was no division on either

side of the line; everyone knew that we were in the same boat; and the thing that stood in the place of or represented the water and food that shipwrecked people attempt to provide themselves with was the credit of the Nation. The question then was, and the question now is, whether that credit will hold out until we can reach shore; until we reach stable economic conditions. I do not think anyone who has any sense will deny that.

We lack over 30 billions of dollars today of having a cent in the Federal Treasury, and that amount is going to increase—and let nobody fool himself about that—in this effort to keep people from starving and to keep things going. That brings us down to this practical question. We have reached the evening mealtime, when all of the people in the open boat are dished out what little they can have, so as to keep everybody living until we can get to shore, and that represents these relief billions, this relief arrangement. I do not believe that these brave boys that fought to defend this country, if they saw this thing as I do, would demand of us that they get a bigger cut, a larger share of the remaining national credit now than all the rest of the people that are in the same boat—the widows and orphans and the generation since 1918. I do not believe it. I do not believe that the thing has been figured quite right to them. I do not believe they understand just the situation that we are in now, and I think we are largely responsible for it. Of course, I may be wrong about this matter, but I do not think so. I have the highest respect for my distinguished friend from Texas [Mr. PATMAN] and the rest of the people who do not agree with me. I have learned that when I do not agree with people, somebody is wrong, and that I may be that person; but I have a responsibility in this council of the Nation. I have a duty today. These soldiers were not afraid to become military casualties in the war, and I am not trying to strike any heroic pose when I say that I am perfectly willing to become a political casualty if I feel that I am doing it in the interest of my country. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. TREADWAY. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. SUMNERS of Texas. I recognize that this bill will pass with but a few votes against it. It is going to pass the Senate, I understand, and, if not signed by the President, it will pass over the President's veto. My appearing today is not for the purpose of trying to beat this bill, but I am taking advantage of the psychology of this situation to say to my colleagues on this floor that there is a limit to the Nation's credit. We have spent billions of dollars trying to get where we are. There must be a limit. If we keep increasing this deficit, just as certain as the sun rises the time will come when this Government will put out an issue to the people and the issue will not go over, and then the crash will come. There is not a bit of doubt about it. I regret to see this bill here now.

The veterans of this country are as patriotic as any group of people on the face of this earth. I would not say one word to reflect upon the men who followed the flag; but I do not believe this action is to their interest, because their interest is their country's interest, and their country's interest is their interest. I do not think there can be any argument on the point, considering the condition of the Treasury, $2,000,000,000 new burden adds a peril to their country's Treasury; and this example, this two billion draft upon a depleted Treasury, now will make more difficult its protection in the future.

I appreciate the applause I received in the beginning. I am glad I got it then. [Laughter.] I appreciate your attention. I yield back the balance of my time. [Applause.]

Mr. DOUGHTON. I yield 5 minutes to the gentleman from Massachusetts [Mr. CONNERY].

Mr. TREADWAY. Mr. Chairman, I yield 5 additional minutes to the gentleman from Massachusetts.

Mr. CONNERY. Mr. Chairman, 13 years ago the first speech I made on the floor of this House was in favor of the payment of the soldiers' bonus. It is a very happy day for me today to hear my distinguished friend from Texas [Mr. SUMNERS] say that the "dope" is, with which I agree, that this bill is going to pass the House, pass the Senate, and if not signed by the President, which I hope it will be, both Houses will override the President's veto. Of course, this bill should have passed long ago.

Now, as to the question of how the bonus should be paid, I understand is to come up at a little later date. I want to take this opportunity, after 13 years here, to congratulate the Veterans of Foreign Wars. The commander, Mr. James Van Zant, is now present in the gallery. I want to congratulate that organization upon the fine spirit that they have shown during this past year. They have fought continually for the Patman bill. Then they went into their national convention and they gave a wonderful reception to the distinguished gentleman from Texas [Mr. PATMAN] when he appeared before that convention. Then a little later they voted to support a bonus bill, without regard to how payment should be made. In other words, whether it should be the Patman bill or whether it should be a bond issue or whatever means would be taken by the Congress to pay that bill, the Veterans of Foreign Wars were in favor of the passage of a bonus bill. The national commander of that organization got together with Ray Murphy, national commander of the Legion, and National Commander Harlan of the Disabled American Veterans, and they have cooperated to secure the passage of this legislation. I belong to the American Legion and the Veterans of Foreign Wars, and I was informed a few weeks ago that I am eligible for membership in the Disabled American Veterans organization also; so that I feel very happy at these three great organizations uniting on one bill.

Mr. MARTIN of Colorado. Is the gentleman a member of the Spanish-American War Veterans also?

Mr. CONNERY. I am sorry, but I am not a member of the Spanish-American War Veterans. I am proud to say I am an honorary member of the General Sanger Camp of the Spanish-American War Veterans of Lynn, Mass.

Mr. MARTIN of Colorado. Is the gentleman eligible as an "N. P."?

Mr. CONNERY. I am eligible as a member of the "K. P."—kitchen police—but not as an "N. P."; at least, not up to the present time. [Laughter.]

So I congratulate the national commanders of those organizations and all of the organizations for getting together on this bill. We expect the bill to pass the House by a tremendous majority. We expect it to pass the Senate, and we hope the President will sign it. If he does not, we expect to override his veto.

Of course, I am one of those who went along with the gentleman from Texas [Mr. PATMAN] for the issuance of currency with which to pay this bonus bill. I do not believe in issuing bonds. [Applause.] I believe the American people have been bled to death with bond issues.

I should like to make a suggestion at this time. I should like to suggest something as to what could happen after this bill is passed and becomes a law. Under the rules of the House an appropriation bill will be brought in containing an item for an appropriation to pay this $2,200,000,000. Legislation cannot be offered on an appropriation bill on the floor of the House. A point of order could be raised against such legislation as might be offered to pay the bonus with currency instead of bonds. So I am suggesting to my colleagues on the Democratic side of the House who are interested in the payment by currency and not by bond issue that before the appropriation bill comes on the floor of the House we ask our leaders to hold a caucus, and in that caucus that we should ask that a rule be brought in making it in order to offer the provisions of the Patman bill as an amendment to the appropriation bill, so that currency may be issued to pay the veterans their adjusted-compensation certificates, instead of paying them by a bond issue.

If that could be done, we would have a real vote on the floor of this House, giving all Members an opportunity to vote whether they are in favor of expansion of the currency or

whether they are against it. It only requires 25 names to call a caucus. I do not mean that this should be done now. Later, after this bill has become law, I shall start a petition for a caucus for the purpose to which I have referred. I intend to vote for this bill as it is, the bill as we have it here today.

Mr. JOHNSON of Oklahoma. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. JOHNSON of Oklahoma. Does not the gentleman understand there has been a gentlemen's agreement between the various groups here, including the so-called leaders of this House, that those of us who favor the Patman bill, will be given an opportunity somewhere down the line to express themselves by a vote, as to what particular method for payment of the bonus they prefer?

Mr. CONNERY. The understanding that I have is that those with whom we conferred would endeavor to obtain that for us, to the best of their ability; but in the event they are not able to obtain that, I suggest that we have a caucus, and in that caucus suggest that a rule be brought in permitting us to offer legislation on the appropriation bill, along the line of the Patman bill.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. HOUSTON. Am I correctly informed that at one time there was a provision in this bill which is before the House now to refund the interest that had been paid by men who borrowed on their certificates?

Mr. CONNERY. I shall have to refer the gentleman to the chairman of the committee; I do not know about that.

Mr. VINSON of Kentucky. The gentleman is correct.

Mr. HOUSTON. Does the gentleman think that is fair?

Mr. VINSON of Kentucky. That was in the bill I introduced.

Mr. HOUSTON. Will an amendment be offered to restore this provision to the bill?

Mr. VINSON of Kentucky. I do not know whether one will be offered or not, but I take it the gentleman is in the proper frame of mind to offer one.

Mr. HOUSTON. Does not it penalize the fellow who paid the interest?

Mr. CONNERY. Mr. Chairman, I cannot yield further, but I may say to the gentleman that that is one meritorious amendment I would accept. I will vote for such an amendment, because I agree with the gentleman. I do not see anything wrong in refunding the interest, especially to men who may have had to scrape to get the money together to keep paying it. If the gentleman will offer that amendment, I will vote for it. I do not think it will hurt the bill in the slightest.

The distinguished gentleman from Kentucky does not think that such an amendment would interfere with the passage of the bill, does he?

Mr. VINSON of Kentucky. Mr. Chairman, I may say to my friend from Massachusetts that this provision was in the bill as originally introduced. It involved, however, as I tried to explain, between $6,500,000 and $7,000,000 to administer, and according to gentlemen representing the Veterans' Bureau it might cost more than that to make a check-up over the country, for thousands of banks have closed, banks in which these transactions were made. I am using the arguments presented against the provision. It is said it would discriminate against men in the same group. In other words, one veteran being able to prove he paid the interest would get the refund, whereas the man living next door unable to prove it would not get it.

Mr. CONNERY. But the gentleman would not undertake to say that such an amendment would interfere with the passage of the bill in either the House or the Senate, would he?

Mr. VINSON of Kentucky. I do not think so.

Mr. CONNERY. That is the way I feel about it also.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. FISH. I may say to the gentleman from Massachusetts that I am with him in this proposition. I cannot understand why the Ways and Means Committee ever permitted this provision to be taken out of the bill. It involves only $6,000,000 or $7,000,000. Those who have paid their interest should be compensated. They talk about the immense cost of checking up this information, of the bookkeeping involved. There must be something wrong if the veteran does not know or cannot find out which veterans actually paid and which did not.

Mr. CONNERY. I think in justice it should be paid.

Mr. HARTLEY. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. HARTLEY. What is to become of the veteran on relief when he is paid the balance due on his certificate? Is he to be dropped from the relief rolls?

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 1 additional minute to the gentleman from Massachusetts.

Mr. CONNERY. I believe the gentleman from New Jersey will have to address his question to the gentleman from Kentucky or some other member of the committee.

In conclusion, Mr. Chairman, permit me to say that this bill is a bill of justice for the veterans of the United States. We know what the profiteers got out of the war, we know how little a private had left of his $30 a month after insurance, Liberty bonds, allotments, and other costs were deducted from his pay in advance. You know that when we went to France those same profiteers who now oppose this bill lined the streets and came down to the docks waving American flags and crying out, "Good-bye boys, good luck, and God bless you; and when you come back nothing will be too good for you." And that is what they gave them when they returned—exactly nothing, even to the extent of trying to take away compensation from wounded, gassed, and helpless disabled veterans. If we want to do justice to the veterans, let us not waste time with months of futile discussion. Let us pass this bill quickly and do belated justice to the men who were willing to sacrifice their lives for the United States of America. [Applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. O'LEARY].

Mr. O'LEARY. Mr. Chairman, the bill now before the House for consideration, H. R. 9870, soldiers' bonus, provides for the present cash payment of the World War adjusted-service certificates and the unpaid interest accrued on loans secured by such certificates. I favor the immediate passage of this bill on the grounds that it is in keeping with the policy of this Government in giving to its citizens a just reward for service; that it is a debt which has been due since the signing of the armistice and is today a bill favored by a majority of the people of the United States irrespective of party ties or service record.

I might state that because of the history of this and similar measures, referring as I do to the number of occasions on which such legislation has been under consideration, that I doubt if it would be possible to add much to what has already been said at one time or another. However, I do feel that no time is more fitting to review some of these arguments and decide, if we can, the proper action of this body to pursue today.

There are outstanding today about 3,550,000 adjusted-service certificates. Their total value amounted to approximately $3,550,000,000 until loans amounting to $1,335,000,000 were made against the face value of these certificates. The present obligation of the Government, or, to state it another way, the present equity of the veterans, amounts to about $2,215,000,000. This is the amount that would be due and subject to payment should this bill be enacted into law, since the interest due on loans would be canceled, leaving the principal intact. However, inasmuch as more than 500,000 veterans have not borrowed on their certificates to date, and for this reason would not be apt to borrow after the passage of this bill, it is safe to assume that its passage will not require the payment of the entire amount of the certificates, since this bill provides for the payment of 3 percent per annum on funds left with the Government. I offer these figures, although there has been some controversy as to just



how much money will have to be paid out by the Treasury, because they represent nearly enough the various sums involved and because I will refer to them later in making clear why I favor the passage of this bill. Particularly do I desire that you keep in mind the amount of money that has already been borrowed by the veterans and what the interest on this money will do to reduce the amount of the certificates were they paid in the year 1945.

I mentioned in the beginning that I should like to do some reviewing. I refer to my own record here in Congress, as well as to that of the measure now under consideration.

If nothing else, I hope to be consistent during my tenure of office. When we last voted for the passage of bonus legislation we had before us the Vinson and Patman bills. I first supported the bill introduced by the gentleman from Kentucky [Mr. VINSON], because I felt that it had the better chance of being enacted. The President had warned this body in advance that he would veto the Patman bill, and I believed it useless to send this bill to the White House when none of us were sure that it could be passed over such a veto. I do not know if the President would have vetoed the other bill, but certainly it had the better chance. I will state again, just as I stated then, that I am earnestly desirous of seeing this legislation passed, of seeing the veteran paid, and am not merely voting for the bill to save my face with the veterans.

This body subsequently passed the Patman bill, and I am happy to state I voted for this measure. I voted for it again after it had been vetoed by the President and prior to defeat in the Senate. My support of this legislation at all times favored the bill which I believed would ultimately be enacted into law.

I know, just as you gentlemen know, that the Patman bill for the payment of the adjusted-service certificates in new money was being used as a football for the exploitation of personal monetary theories. I do not infer, nor have I ever believed, that this was the reason for its introduction by the gentleman from Texas, but I do know that the failure of the Members of this body, as well as the failure of the American Legion and the Veterans of Foreign Wars, to agree on one of these two bills was one of the reasons for the failure to enact this legislation into law during the last session of Congress. Some who did not approve of paying the bonus were anxious to see the issuance of additional currency. Others were desirous of giving the veteran his due and were not in accord with the theory of inflation represented by the Patman bill. I use the term "inflation" not as my personal viewpoint in the matter, but this was the term which the press and a great many Members of this body used in their discussions. What was the result? We injected a monetary theory in the question of the soldiers' bonus and failed in the mission it was our first duty to accomplish.

The same discord prevailed, to a certain extent, among the people of my own district as well as in other parts of the country. We were all divided on the question of how to pay. I followed the course that I believed had the better chance of accomplishing the purpose of paying the veterans.

I believe that this is enough about what we did and did not do regarding the bonus during the first session of Congress. The question I ask you to ponder over in your minds today is, Are we going to let the veterans down again?

I can state, without fear of contradiction, that the majority of the people in my district favor the passage of this bill. I venture this opinion as strongly as I have made it because I have only to refer to my daily mail or to my association with them since the adjourning of Congress this past summer. Regardless of whatever philosophy of government may govern our own minds on this question, we cannot fail to take into consideration the wishes of the people. And yet I feel that there is even a deeper responsibility in voting on this legislation. It was this body of our Government that voted, back in 1917, to declare war, to send millions of men to their death, sufferings, and hardships that greeted them on the other side, and I think that we are rather tardy in offering to compensate those who in one way or another managed to survive the hell of the other side. Their actions were such that my district can well be proud. They are also demanding that this legislation be passed.

While these men, many of whom were only boys in 1917, were stopping bullets for $30 a month, those who remained at home were earning more than they ever made before or since. I do not propose to return to the people of my district and explain why I failed to vote for justice.

This history of the bonus legislation has been among the major topics of national politics for the past 15 years. I believe that it is time to eliminate this topic from partisan politics and settle the debt by immediate cash payment.

The World War has already cost the United States more than $36,000,000,000. The men in uniform received less than five billions of this, or about one-eighth of the cost of the war. It has been pointed out before that no one can receive this adjusted pay who held rank above captain. Hence it can readily be appreciated that the boys in uniform, 4,000,000 of them, were not responsible for the big cost of the war. Is there anyone here today who believes that the boys in uniform are asking too much when they request an additional $1.25 per day for the time spent overseas and $1 per day for the time spent in service in this country? All of us know that this foreign service involved hardships and dangers that none of us would care to go through for 50 times this amount. It is highly improper to make a financial proposition out of the bonus question. You cannot pay those who never came back. Money will never compensate those who are to spend the remainder of their lives in hospitals which dot the land. Their futures are ruined beyond repair. I submit to you gentlemen: Is it asking too much to offer this assistance to those who survived to live and suffer?

When the veterans returned to these shores following the successful conclusion of the war we greeted them with open arms and promised them the world. Most of these promises, I imagine, were made in earnest. All of us were in a rather jubilant state of mind when peace was declared; the war to end wars was over, and the world was supposedly safe for democracy. How long did it take for us to forget those promises? Well, one of the first things we did, even before the passage of the adjusted-compensation act, was to reward 7,000 war contractors to the extent of a $3,000,000,000 bonus. I refer to the Dent Act passed by Congress. These men worked on a cost-plus plan—the more the Government spent the more they made—and we paid almost $2,000,000,000 to the railroads, who, for the first time in years, showed a very high return on their investments. Too, we loaned the allied Governments something more than $10,000,000,000, about one-third of this being loaned after the war was over, and then adjusted their interest payments over a period of 62 years in such a way as to save them an amount equal to the principal of the loan. It would have saved considerable debate, reams of paper, and untold suffering if the veterans' question of fair compensation could have been settled in this same fashion. Perhaps it would have been were it not for that group who believe that the cause of patriotism was enough for those who fought to save the investments of others who during the fighting continued to make money.

I contend today, gentlemen, that if this Government was in a position to pay $5,000,000,000 to adjust the pay of the war contractors and railroads, that we are in a position to pay the veterans whenever they ask for their money. I contend that if we can pay $10,000,000,000 to allied nations, who have since not only repudiated this obligation but defeated as well the purpose for which the last war was fought, that we can pay the boys who were instrumental in winning the war. In brief, gentlemen, it is beyond my comprehension, considering the facts contained in the records of this body, how we can refuse justice to the veteran today. The means have been found for other things. I know of no reason why they cannot be found for this.

During this session we will no doubt pass legislation to strengthen our national defense. Nothing would stimulate

the morale of the Nation more than to prove that patriotism does not always go unrewarded.

In referring to the benefits which this Government has bestowed upon those who remained at home, I can never think of this aspect of the bonus question without thinking also of the difference in conditions which faced these two groups—referring, of course, to those who served in uniform and those who assisted through connections in private business. It is rather absurd to review this part of the question we have under consideration. But to recall a part of it, I remember that during the war every home in America had on the table or wall a map of Europe. We watched, day by day, the reports of how our lines advanced toward the goal set by our military leaders.

For the first time since the beginning of the war our boys made it possible for that line to advance. Wavering sometimes, but always pressing forward. Cannon fire, sprays of hot lead from machine guns, mud, disease, and all it takes to make a living hell, could not stop the American doughboy. He outfought the finest professional soldiers in the world—Germany's pride of the battlefield. While we did without the extra lump of sugar in our morning coffee these boys often went without eating. The shell hole was their bed, the loss of an arm or leg the price paid for gaining a single yard on that long march to victory. Their objective was victory at any cost—and often the price paid was high.

How many of these men came back to start again where they left off? I doubt if any of them did in every respect: A mother dead, a job taken by another, an education out of reach, or other heartaches to greet their return.

These things, gentlemen, cannot be paid for in dollars—nor can they ever be paid for by those of us here. These are the things from which life is made, and, once they are gone, they pass beyond the reach of human hands. What we are trying to do here today is to show some measure of appreciation—not to pay with dollars for the wreckage that can never be salvaged.

This Government has, in many respects, been kind indeed to the soldiers of the war. I believe we have provided the best and most modern hospital facilities in the world for those who were diseased and crippled. We have, until the passage of the economy act, provided, with few exceptions, for the widows of the veterans. We have voted and paid a part of the adjusted-service certificates, and yet, are we to say that this was enough? These favors, if we are to term them such, were the very least that could be done. Aroused public sentiment demanded all of this. Can we point with pride to legislation already enacted, in view of what was paid to groups far less deserving?

Our duty to the veteran today is expressed, as nearly as money can express it, in the terms of this bill. It is neither an adjusted compensation, a bonus, nor a payment in full for the duty performed. Rather it is a token of appreciation of the people from California to Maine, from Canada to Mexico, that the veteran remains high in our esteem, that his service shall not go unrewarded.

I believe I have covered, and I am sure that this has been my aim, most of the reasons why the bonus should have been paid at the close of the war. I do not know why it was not paid; but I do understand to a certain extent why three Presidents, including our present Chief Executive, have seen fit to veto this legislation. I realize that our present national debt is in excess of what it is in normal times. The past several years have been trying times. Prior to these past 3 years, efforts were made to capitalize on prosperity to reduce the amount of debts already made. Before 1930 it was not necessary to have the Government spend vast sums of money to support bread lines and give work to the unemployed. As a nation, we desired to set an example of thrift, and since a great majority of the veterans were employed, we were willing to let the matter care for itself. Today that situation has changed.

In the first session of the Seventy-fourth Congress, one of the longest ever held, we enacted legislation to help about every class in the United States, plunged further into debt to relieve distress, and adopted the policy of making huge Government expenditures to save the country from a national catastrophe.

I voted for the passage of all of these bills. I would do it again in the face of the conditions which were present at the time. And yet I believe that in adopting such a policy we proved there was a greater reason than ever for settling the debt to the veteran.

The return of better times has proven that we are, by any set of figures available from reliable sources today, definitely on the road to recovery. We have placed money in the hands of the masses, who have spent it to the advantage of all industry.

Through the Agricultural Adjustment Act, since declared unconstitutional, we have made it possible for the farmer to again enter the markets and buy goods of all kinds. By the enactment of the bill establishing the Civilian Conservation Corps we took more than half a million boys from idleness and placed them doing much-needed work and thereby helped their families who were in desperate condition. Through the Reconstruction Finance Corporation we assisted banks, life-insurance companies, railroads, and industry generally. I submit, gentlemen, that while we have been spending money for these projects, not to mention a $4,000,000,000 fund for direct and work relief, that the veterans of the World War have remained, after more than 18 years, the forgotten group in our assistance to the people of the Nation.

Since the war-clouded days of 1917, since the heydays we knew during the existence of national prosperity, the condition of the veteran has changed. The depression has written its scar across his brow, and yet he has been overlooked in all that we have attempted to do.

As I stated in the beginning of this address, loans amounting to about $1,335,000,000 have already been made against the adjusted-service certificates under the terms of an act of Congress passed in 1931. Assuming that the amount of the certificates averaged $1,000, and that the veteran secured loans amounting to one-half of this amount, his equity in the remaining $500 by the year 1945, after all interest deductions were made, would be about $180. One can only conclude from this that unless this bill is enacted the veteran will not receive the amount of money which the measure providing for adjusted compensation intended that he should receive. In view of these facts, I cannot help but wonder how many can maintain that these certificates should be held as an endowment for the veteran during the latter period of his life. No one wanted to fight a war to secure a paid-up endowment for $180.

The loss in income to the people of this Nation since the beginning of the depression has amounted to untold billions. I imagine that, were there any way of determining the exact amount, that it would be more than $100,000,000,000; and for the past 3 years we have been spending a fraction of this amount in our attempt to reduce this annual loss. I think that every business barometer points to the conclusion that we have been successful. I note that stores in all parts of the country enjoyed the largest volume of business this past December of any year since 1929, and I believe that the payment of this debt would have the same general effect on business.

Business, and by this I refer to financial and industrial groups, cannot realize a profit and witness the return of improved conditions until the man on the street has money with which to purchase their goods. It is the policy of this administration to provide that money in the form that would reach the greatest number of people, in a form designed to relieve the most distressed, and in a form which would, in many instances, be paid back with the return of better business conditions. This bill embodies all of these principles. We would be paying a debt already on the books of the Government, reaching men in every section of America, and helping a class who fully deserve such assistance.

These, gentlemen, constitute my reasons for voting for this bill here today.

I yield to no man in my devotion to the Government of the United States. I do not believe that we are considering

today the question of pitting the veteran against business, or vice versa. This Nation cannot adopt a policy of creating class hatred; but as each of us realizes that American business played a part in helping to win the conflict, so must we understand that the man along the battle lines is due a just compensation for his service. This bill does not provide it; this Nation cannot afford to pay it, but this measure will at least indicate to some degree the appreciation we hold for those who fought for this country.

Flanders Field and other fields are dotted with the graves that mark the homes of the dead. These men gave everything for the cause that took us into the war. Their price for glory was the highest that man can offer; the price was the right to live. These men could not even be returned to their homes to be buried. Theirs was the lot of being content to rest in a foreign field. From the tobacco fields of Virginia, the orchards of California, the wheat fields of Nebraska, the oil fields of Texas, and the industrial and commercial areas of New York, these men laid down their work, aims, plans, and ambitions to answer a call to arms.

Through the long days of the war they fought, suffered, and died. With blood and gloom everywhere, they were America's contribution to the cause of democracy; it was they who saw the worst and accomplished the impossible.

It is all of these men that I am thinking of today. It is for all of them that I plead for justice and ask, in all sincerity, that this body pass the bill now under consideration. Only a white marker could be our contribution to the dead; some measure of security, some gift of happiness can serve as a token of appreciation to the living.

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. McFARLANE].

STANDING TOGETHER AGAINST THE COMMON ENEMY—THE BIG BANKERS—WE WILL PAY THE SOLDIERS' CERTIFICATES THIS SESSION

Mr. McFARLANE. Mr. Chairman, in opening my remarks I want to concur with the remarks of the gentleman from Massachusetts who just preceded me, regarding the Veterans of Foreign Wars. We all like a fighting organization. The Veterans of Foreign Wars have shown this in their attitude on this legislation 100 percent. All down the line since the close of the World War they have never wavered in their support of this legislation. I am glad also that we have the united support of the three principal veterans' organizations on this legislation at this time—the Veterans of Foreign Wars, the American Legion, and the Disabled American Veterans. The Members of the House know that since I have had the honor of being a Member I have agreed wholeheartedly with the Patman plan of payment of this indebtedness. I hope we shall be able to work out this method of payment at this session of Congress. If we cannot work out this method of payment, then I am going to hold my nose and vote for a bond issue, but I see no reason why every time anything comes in here the big bankers of the country have got to come in and force their cut. I do not see why we should have to pay the bankers $2,000,000,000 in interest in order to pay the $2,000,000,000 that we owe the veterans.

THIS DEBT CAN BE PAID WITHOUT HURTING THE TREASURY

We have heard considerable discussion here this afternoon regarding the effect this legislation will have upon the Treasury. It has been pointed out the outstanding bonded indebtedness existing at this time as the reason for nonpayment, but we call to your attention that a similar large indebtedness confronted the Nation soon after the close of the World War.

This same plea was made by Mr. Mellon, the United States Chamber of Commerce, the National Economy League, the Manufacturers' Association, and by those who still have that same line of thought and was given as their reason for opposing the payment of this indebtedness. These same organizations and their line of thought never raised their voice, soon after the close of the World War when their organizations and many of their members stormed Washington and asked a much larger bonus to be paid the so-called war contractors, the railroads, the Federal employees, and the soldiers stationed at home to do civilian work each and all of whom received a much larger bonus than is here involved in this legislation today. Yet, these organizations and those who represent their line of thought advocated and demanded payment in cash to the above-mentioned parties a bonus amounting to several times as much as is involved in the balance due the soldier on his adjusted-service certificate. The outstanding bonded indebtedness was almost as great then as now, yet, these organizations demanded their "pound of flesh" and received it.

A LONG HARD FIGHT

The friends of the soldier presented their claim for an adjustment in their pay in March 1919. Many bills have been offered in each session of Congress since that time until finally the "tombstone" bonus was enacted into law on May 19, 1924, which is known as the adjusted-service certificate bill. It allowed the soldier $1 per day for home service and $1.25 per day for overseas service, and was payable January 1, 1945. It did not take into consideration any interest payment from the time the soldier's service was rendered until the legislation became effective January 1, 1925. Had this legislation been computed on the same basis as income-tax refunds to the wealthy and interest payments made accordingly, these adjusted-service certificates would have become due in 1931. Yet, because the above-named organizations have been able to maintain a strong lobby continuously in Washington and because of their ill-gotten gains received during the war and through their protective tariffs, tax refunds and other special privilege legislation they have been able to put over at Washington, they have been able to defeat this legislation session after session.

WEALTH CONTROLS POLITICS OF NATION

It is well known that the 4 percent who own more than 90 percent of the wealth of the Nation, who worked through these and other similar organizations control all known means of communication—the press, radio, telephone, telegraph—and because of their wealth through their propaganda, daily distributed Nation-wide, they have kept the veterans' organizations in turmoil and the people divided on what is fair and just for them, not only on this question but on most all of the economic questions of the day. These same organizations have raised all objections possible each and every time this measure has come before Congress for payment. One of their favorite tricks is to try to instill fear into the hearts of the Members with all kinds of tricky statements to the effect that payment of this just debt to the soldier will bankrupt the Treasury.

THE REAL TREASURY RAIDERS

I am wondering why these same objectors have not waved that same red flag when the big bankers come in here and raid the Treasury, when the railroads come in here and raid the Treasury, and when the Wall Streeters come down here and raid the Treasury on their many kinds of special-privileged pieces of legislation; when the favored few, the 4 percent who own 90 percent of the wealth of the country, are given secret tax refunds of over $4,000,000,000 in tax payments, plus interest at 6 percent from date of payment until repaid. I wonder why some of the spokesmen for these organizations do not have some of their friends stand down here in the well of the House and condemn those practices. It is always the soldiers that get the ax whenever any legislation comes up for their benefit.

DEBT LONG PAST DUE

Is this debt due? Of course it is due. No one can stand in the well of this House and contend with merit that the debt is not only due but long past due. Why can we not pay it? Did they not pay the big bankers soon after the war was over what they claimed was due them? The railroads were paid. The war contractors were paid even on estimated contracts that were not even attempted to be fulfilled. The profits of the contractors were paid, which ran into many more millions of dollars than is involved here. They paid every fellow connected with the war directly or indirectly except the fellows that kept the old flag flying—the soldier. The time has long passed for the payment of this compen-

sation to the soldiers and sailors. It has been delayed too long. Now is the time, under distressed conditions, to do justice to the soldier as far as it is possible under this legislation. We are told it will require just a little over a billion dollars to pay this debt, taking into consideration funds now available.

PAY WITH PATMAN PLAN

I hope that after this authorization bill is passed a rule may be brought out for consideration whereby we will be given the opportunity to say whether or not we want to pay the balance due on this just indebtedness through the issuance of new currency. There should be currency in circulation upon which the bankers do not collect interest. Now is a good time to start in that direction. Is anything more inflationary than a Government bond, which the bankers use as a basis for the free use of the credit of this country in order to inflate currency to suit their own whims? Certainly there is not.

STOP FURTHER ISSUANCE OF TAX-EXEMPT BONDS

I agree 100 percent with the message delivered last session by the President of the United States, in which he said we ought to stop any further issuance of tax-exempt securities. We have too many tax-exempt securities now outstanding. We ought to change our reserve base so that we can pay off these outstanding tax-exempt securities by the issuance of new Treasury notes as and when these obligations come due. We are paying over $800,000,000 interest now to the holders of these Government securities. This is more money than it annually cost to run our Government before the World War. We have to cut down these expenses, and I am in favor of cutting where the cutting will hurt the least, and that is these fellows who largely own and control the country. Let us put them back into the banking business, where they belong, instead of the coupon-clipping business.

Mr. HOUSTON. Will the gentleman yield?

Mr. McFARLANE. I yield to the gentleman from Kansas.

Mr. HOUSTON. Is the Liberty League and the United States Chamber of Commerce, and so forth, back of this bill at the present time?

Mr. McFARLANE. Yes; just like they always have been. They are out to defeat, in any way possible, each and every one who votes for this legislation wherever and whenever possible. We heard nothing of the American Liberty League or the United States Chamber of Commerce, the Manufacturers' Association, the National Economy League, the Sentinels of the Republic, or those who benefited the most by the tax-exempt program when that legislation was being enacted; but the minute something comes up for the benefit of the common people of the country, the people who have kept the stores of these individuals open and their factories running, then they say, if and when they see they cannot defeat such legislation, "Unless we get our cut, we are against you." That has always been their program of destruction. Now that we have saved them, they are out to destroy and defeat this administration if they can. [Applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 2 minutes to the gentlewoman from Indiana [Mrs. JENCKES].

Mrs. JENCKES of Indiana. Mr. Chairman, a woman's viewpoint must be given consideration by the Congress while we are debating the soldiers' bonus legislation which is now before us.

It was the women who sent their men to defend our Nation. It was our American women who suffered.

American women are today enduring the hardships and are still paying the price of keeping America safe for democracy.

It was the women of America who promised our veterans that their service would never be forgotten.

I now stand before you as an American woman, as an American mother, and as a Member of Congress, appealing to this House of Representatives to pass the bonus bill by a large majority, so that our American women will know that the men of Congress are also keeping faith with our veterans.

America must pay this debt some future day.

Let us put some money in the empty pockets of our veterans by passing the bonus bill now.

I know this House of Representatives will hear the prayers and will answer the appeal of the women of America. Let us keep faith with oncoming generations of veterans.

Let us pay the veterans their well-earned bonus.

I thank you.

Mr. TREADWAY. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. HANCOCK].

Mr. HANCOCK of New York. Mr. Chairman, I expect to be one of a small minority to vote against the passage of this bill, H. R. 9870, and I feel justified in taking space in the RECORD to state my position very briefly.

First of all, the nature of the adjusted-service certificates should be clearly understood. To avoid inaccuracy let me quote from the act of May 19, 1924—the Bonus Act. Section 601, title 39, United States Code, reads as follows:

> The amount of adjusted-service credit shall be computed by allowing the following sums for each day of active service, in excess of 60 days, in the military or naval forces of the United States after April 5, 1917, and before July 1, 1919, as shown by the service or other record of the veteran: $1.25 for each day of overseas service and $1 for each day of home service; but the amount of the credit of a veteran who performed no overseas service shall not exceed $500, and the amount of the credit of a veteran who performed any oversea service shall not exceed $625.

The foregoing language defines the bonus. Any ex-soldier can easily figure the amount of the additional pay that was awarded him by the act of May 19, 1924.

A furious debate raged at that time on the question of paying the bonus in cash. We now know that if it had been done, the perennial controversy on the bonus question would have been avoided and the misunderstanding and the resentment that rankles in the hearts of many veterans would have been averted. It was determined, however, to be in the interest of the Government and the veteran himself to make payment in the form of a 20-year endowment insurance policy in the amount the veteran's bonus would purchase.

Section 641, title 38, United States Code, contains this provision, and the essential language reads as follows:

> The Director of the Veterans' Bureau is directed to issue without cost to the veteran designated therein a nonparticipating adjusted-service certificate of a face value equal to the amount in dollars of 20-year endowment insurance that the amount of his adjusted-service credit increased by 25 percent would purchase, at his age on his birthday nearest the date of the certificate, if applied as a net single premium, calculated in accordance with the accepted actuarial principles and based upon the American Experience Table of Mortality and interest at 4 percent per annum, compounded annually.

The adjusted-service certificates provided for in the foregoing section are, in fact, 20-year endowment policies with loan privileges and provision for payment of the maturity value to designated beneficiaries in case of the death of the insured during the life of the policies. They are dated January 1, 1925, and mature January 1, 1945. The amount due a holder of an adjusted-service certificate today is the basic credit plus 11 years' interest compounded at 4 percent. The bill calls for the payment of the face value of the certificates, which includes 20 years' compound interest at 4 percent. In the aggregate it amounts to an excess payment of approximately one and one-half billion dollars.

It was never intended that the Government should make a profit at the expense of veterans who availed themselves of the borrowing privilege. Since the certificates were figured on a basis of 4-percent interest, veterans should not have been charged a higher rate. Interest charged in excess of 4 percent should be refunded, but I cannot see the justification of canceling all the unpaid interest charged for loans. Neither can I see the justice of retaining the interest that has been paid and forgiving the unpaid interest.

Under the act of July 21, 1932, the holders of certificates were permitted to borrow up to 50 percent of the face amount of the certificates at 3½-percent interest. This act was passed for the benefit of necessitous veterans, but the liberal

terms attracted many thousands of others, who made loans to put into business, speculation, and luxuries.

By this bill the people of the United States pay the veterans the amount of the extra compensation for war service they agreed in 1924 to pay, with interest to date, and a further payment of 9 years' additional interest. They also cancel all the interest, reasonable or unreasonable, that veterans have agreed to pay on their loans, except such interest as has been paid.

I do not feel that I have any more right as a Representative in Congress to vote for this bill than I would have as a trustee of a mutual life insurance company to vote to pay the face amount of endowment insurance held by a favored group 9 years before maturity and to cancel all the interest that may have accrued on policy loans.

We must not blind our eyes to the financial crisis which is rapidly approaching. The Federal Budget is out of balance to the extent of about two and one-half billion dollars. The national debt has reached unprecedented heights and is going higher. Prudent people know that we must pay the interest and reduce the principal. The A. A. A. decision of the Supreme Court will result in demands that the hundreds of millions for which the Government is obligated to farmers on illegal contracts be paid, that other hundreds of millions of illegal taxes paid by processors be refunded. It is almost certain that other New Deal measures will be found unconstitutional within the reasoning of the A. A. A. decision, which will result in similar burdens on the taxpayers. The vast majority of Americans realize that repudiation of debt through inflation means universal misery and despair and are reconciled to bear any tax burden that may be necessary to avoid that disaster. If I had voted for the profligate measures of this administration, the foolish and costly experiments, I could not in good conscience oppose this additional extravagance. But I have not done so.

I have received a great many letters which reveal poverty and distress in the homes of World War veterans that cannot fail to stir deep compassion and a desire to render immediate and effectual relief. It is not easy to say "no" to such entreaties. It is especially difficult for the Member who has served with these men, who knows their fine spirit of unselfish devotion to patriotic ideals 18 years ago, and realizes their present needs.

But it is not a relief bill; it is not designed to take care of the veterans in distress. If passed, this bill will permit every veteran to collect the maturity value of his adjusted-service certificate—the rich, the well-to-do, and the poor, the employed and unemployed, the able-bodied and disabled, alike.

There are many thousands of veterans now on relief. I assume the proportion is about the same as in other classes of citizens of the same age. The unfortunate veterans on relief give the proponents of this measure their chief oratorical inspiration. To such veterans I say this bill is a gold brick. As soon as their bonus is paid they will go off relief until they have spent their money. To them I say the passage of this bill means the loss of the equity in their certificates which will be due in 1945, and in the meantime the loss of the insurance benefits to the beneficiaries named.

The bill is not in the interest of the veteran who needs help most; it is frankly a surrender to minority "pressure groups", it is a breach of the contract made between the World War veterans and the American people in 1924, it is a serious threat to the tottering financial stability of the United States. Believing these things, I must vote against it.

Mr. TREADWAY. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I am suddenly brought to the realization that all is not the harmony that has been portrayed to us. I thought that the Appropriations Committee, perhaps, and others were to decide the manner of payment of the bonus, but I find that a caucus may be called, and that the payment method of printing currency will be fought to the death practically as the method of payment. I cannot vote for this matter as I somewhat expected to do. I now practically have been given the assurance that that will be the method of payment. I am very sorry that the harmony is not what I thought it was.

Mr. TREADWAY. I yield to the gentleman from Tennessee [Mr. TAYLOR] such time as he may desire.

Mr. TAYLOR of Tennessee. Mr. Chairman, I have had the pleasure of supporting every bonus proposition that has come before the Congress since 1920. I have deprecated the disagreement that has heretofore existed between the various veterans' organizations, and it is a source of much gratification to me that these organizations have got together in support of this measure.

There has been some suggestion that the payment of this bonus to the soldiers may be used as a pretext to deny them relief in the future. I understand an amendment will be offered to this bill to meet this contingency and prevent the use of any such pretext. When such an amendment is offered I shall take pleasure in supporting it. Having made many speeches in advocacy of bonus legislation in the past, I shall not undertake to discuss the merits of the proposal before us. While I think the amount which each veteran will receive in its final analysis is niggard compensation for his physical and economic sacrifices, I shall nevertheless support the bill, which I predict will pass this House practically unanimously, pass the other body by a large majority, and if vetoed by the President, pass both Houses over his veto. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. HARTLEY].

Mr. HARTLEY. Mr. Chairman, I want to ask the chairman of the Ways and Means Committee a question, if I may. Can the gentleman tell what will be the situation of a veteran who is now on relief and who cashes in the balance of his certificate under this bill? Will he be taken off the relief?

Mr. DOUGHTON. There is nothing in this bill that would do that.

Mr. HARTLEY. If the policy that has been carried on in the past is continued, a veteran on relief who collects the balance of his certificate will be taken off relief.

Mr. DOUGHTON. I know of no reason why he would not, and if the bill is passed in its present form there is no reason why he should not if he has means with which to support himself. This bill does not deal with that matter.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. HARTLEY. Yes.

Mr. FISH. I think the gentleman has put his finger on one of the weaknesses in this bill. It will be absolutely unfair and preposterous if this bill is passed and these veterans get $700 or $800 apiece or $500, as an average, if they have borrowed money on their certificates, and then owe money to the banks or owe money for insurance or to meet other kinds of obligations and indebtedness, and when they pay this indebtedness there will be nothing left, and naturally they should not be taken off the relief, and I hope the gentleman from New Jersey and the gentleman from New York will put in an amendment that will insure their not being taken off the relief.

Mr. HARTLEY. That is just the point I am making, because if they are taken off relief they will be handing the veterans a gold brick.

Mr. KVALE. If the gentleman will permit, I think the gentleman from New Jersey has touched upon one of the most critical points brought up in this entire argument.

Mr. HARTLEY. I have inquired as to the position of a veteran on relief, should the proposed bonus bill become a law, for the purpose of demonstrating its most inequitable feature.

It would be an easy thing for me to vote for this bill as far as my district is concerned. In all probability it would be a most popular vote. However, the popular vote is not always the right one. In view of my belief that a majority of my constituents would have preferred to have me vote for this bonus proposal, I feel that I owe it to them to make an explanation of my position.

The bill, in the first place, is a "buck passing" measure in that it merely says, "Let's pass the bonus" and then leaves it up to someone else to find out where the money will come

from. It has become a bad habit of those in public office to appropriate the taxpayers' money all too freely. Here we find the Congress of the United States calling for the appropriation of a sum, which may be over $2,000,000,000, out of a treasury which does not exist. As the gentleman from Texas [Mr. SUMNERS] so clearly stated, "We lack over $30,000,000,000 today of having a cent in the Federal Treasury."

While each veteran may point to the good that the payment of the bonus will do him individually, yet it fades into insignificance when we stop to consider how much the stability of his country's credit means to him. I feel certain that if the veterans of this country realized that the demands for billions and billions of dollars were retarding recovery and blocking their own opportunities for reemployment, they would not be so anxious to add this burden to the $30,000,000,000 national deficit.

I was amused to hear one of my beloved colleagues congratulate the leaders of the various veterans' organizations for their successful fight to have the bill passed. It was noticeable that in the list of those upon whose heads were placed the laurel wreaths of congratulations there was missing the noblest Roman of all, John Q. Public, the taxpayer.

There is but one legitimate argument that can be advanced for the payment of the bonus at this time, and that is that it would provide financial assistance to those veterans in distress. Just who are the veterans in greatest need? Obviously those who are on relief. It is ironic that they, the most deserving of all, will suffer rather than gain as a result of the passage of this bill. The veteran who is on relief will immediately be taken off the relief rolls when he cashes the balance of his certificate.

Passage of the bill today defeats the very purpose for which it was originally granted to the veteran. That was to keep in store for him a fund that would be most valuable to him at the time in his life when he would need it most.

As a Member of Congress I feel that I have an obligation to the veterans of this Nation but an even greater duty to the Nation at large. Even the threat of political reprisals will not deter me in voting on this matter as my conscience dictates—for the best interest of the Nation at large.

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from Oregon [Mr. EKWALL].

Mr. EKWALL. Mr. Chairman, I may say at the outset that I am one who is going to vote for this bill. I voted for the bill similar to this one introduced during the last session of the Congress and voted to override the veto of the President.

I also want to pay a tribute to my friend Jimmy Van Zandt, national commander of the Veterans of Foreign Wars, to Ray Murphy national commander of the American Legion, and the national commander of the Disabled American Veterans of the World War for having agreed upon this bill which will at least bring a modicum of justice to the ex-service men and women of this country, veterans of the World War.

There have been some specious arguments made here during the day. I have the greatest respect and reverence in the world for the very able chairman of the Judiciary Committee, the gentleman from Texas. The gentleman makes the argument that it is impossible to measure what we owe the veterans of this country in dollars and cents. He reminds me of a case that came before me when I was sitting on the circuit bench in Oregon at one time when we had a defendant charged with taking some money that did not belong to him. His argument was that he got the money that did not belong to him mixed in his pocket with money that did belong to him and he did not want to cheat himself; therefore he kept it all. [Laughter.]

Of course, we cannot measure in dollars and cents what we owe to the ex-service men and women, but that does not mean that we cannot at least give them the minimum of justice to which they are entitled. It does not mean that we are going to turn them out and give them nothing at all because we cannot measure to a mathematical certainty what we owe them. The genial gentleman from Texas used the illustration of the sinking ship and of the rowboat full of survivors, depicting that, as the sun was descending over the horizon, they commenced dividing what was left in the way of food, and the gentleman says that, of course, there would be no one who would want more than his or her share of the food. Why, of course not; but if some of them were so greedy as to want their food the minute they were in the boat and took more than their share, then where is the injustice if the survivors at nightfall desired at least a portion of what was coming to them at the outset?

I say that is a specious argument; that it is no argument at all. It seems to me that the picture which the opponents of this bill have painted of dire disaster that will come to our country by paying these several billions of dollars does not come with good grace from many of them who have voted to spend lavishly the money of the taxpayers of this country. If this bill were submitted to the people by a referendum, I believe they would vote overwhelmingly to pay the soldiers, the sailors, the members of the Marine Corps, and the women who are veterans of the World War the benefits provided under this bill.

The gentleman from Iowa said that we were told at one time that when the service certificates were adjusted in 1925 that would be the end of it. Yes; we were also told when we went into the World War that it was the war to end wars and that it would be the last war. Yet there are wars and rumors of war all around us, and any man who has the ability to think knows that we are in danger at all times when the world conditions are as they exist today.

I was in the Army for a few months as a private of Infantry; not in the American Expeditionary Forces, but in the Arkansas expeditionary forces at Camp Pike. I have not a cent coming to me on an adjusted-service certificate; so I am not speaking from a selfish standpoint, but I am speaking for simple justice to those who have certificates. I believe it will, as has been argued here, be a recovery measure to some extent, because the veterans want to take this money which has been due them for 17 years and pay their honest debts, they want to pay their taxes on their homes, they want to pay these bankers, whom they owe, and to pay the butcher, the baker, and the candlestick maker.

Some Members of Congress call this a bonus. That is a misnomer. It should never have been called that. It is the payment of adjusted-service certificates. There is no bonus provided for in this bill. The only ones who received a bonus were shipyard owners, munition manufacturers, and possibly others who profited in other lines by furnishing supplies to the Government. And I am not speaking disparagingly of those people, because they all did their bit to win the war, but everybody has been paid, every Tom, Dick, and Harry, except the men and women who actually won the war; the men and women who lived in the muck and the mud and the slime of France in order to hold our flag up; and when anyone says here that they are asking for special gratuities, I say that is an insult to the ex-service men and women of this country. I wish that George Washington, Lafayette, "Old Hickory", Theodore Roosevelt, or any of the great soldiers of the past were here so that we might get their opinion as to whether this is a gratuity. They would throw such words into the teeth of the accusers of the ex-service men and women, because it is not a gratuity. It is simple justice.

We have already used up too much time in arguing this question. Let us pay these certificates at once; let us get them paid over the veto of the President, if necessary, and get this question definitely behind us, so that we can attend to some other business in this Congress and throughout the United States. I have no fear but that the people of this country are for the payment of the adjusted-service certificates. When our soldiers left our country for France the Government told them that we would be behind them. We are behind, all right, 17 years behind, in giving what is due them. We have paid everybody except the soldiers. The country knows this bill is going to pass, and yet the business improvement is noted every day. The earnings in various lines of endeavor are increasing.

Business is not afraid that the payment of the adjusted-service certificates will wreck the financial structure of the country. I wish some of these gentlemen who are arguing against this bill would use their talents against some of the specious bills that are coming in before this Congress; some bills that call for appropriations which, if passed, will wreck the financial structure of the country beyond peradventure of doubt. I wish they would use their ability along that line—to argue against some of the really dangerous bills, in comparison to which this bill and the amount involved fade into insignificance.

Our good friend, Mr. SUMNERS of Texas, may not be a prophet; but if not, at least he is the son of a prophet when he says that this bill is going to pass. There is no finer man in this Congress, and I venture to say that in a short time after this bill becomes a law he will acknowledge that he was mistaken in his opposition and will be glad to admit it. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. DUNN].

Mr. DUNN of Pennsylvania. Mr. Chairman, I desire to go on record favoring the immediate payment of the adjusted-services certificates. It is only just that we should compensate our ex-service men for the valuable service they have rendered to their country. I am always willing to support legislation which will benefit our ex-service men and their dependents.

Mr. DOUGHTON. Mr. Chairman, I yield to the gentleman from Ohio [Mr. SWEENEY].

Mr. SWEENEY. Mr. Chairman, it gives me pleasure to announce that I shall wholeheartedly support the measure now before the House authorizing the full payment of adjusted-service certificates. On three occasions I supported legislation looking toward the payment of this obligation. In each instance I followed the Patman plan of payment. I am committed to this method of meeting the payment of this obligation to the veterans rather than the issuance of tax-exempt interest-bearing bonds.

While the question of the method of payment is not an issue in the consideration of this measure before us, nevertheless, it is pertinent to discuss briefly some phases of this subject, because the Congress will be bound to meet this responsibility in the very near future, after the authorization of this payment is passed by both Houses of Congress.

It seems unbelievable that this Nation, through its National Legislature, will authorize payment of a bond issue, which, after all, will mean a bonus for the bankers when we have complete ownership of over ten billion of idle gold and silver in the vaults of the United States Treasury. It is unbelievable that our Nation in the role of Santa Claus to the world would neglect legitimate demands of the veterans who were willing to pay the supreme sacrifice in the last World War, a war in which they had no choice of decision one way or other. We cannot forget the cancelation of the war debts to the Allies; the bonus to railroads, bankers, and big industries who profited by the last World War.

Mr. Chairman, when the payment of this obligation is made we will extend a ray of hope to thousands and thousands of distressed veterans and their dependents who are, many of them, on the verge of starvation and in many cases unable to secure the bare necessities of life. Many of us are familiar with the plight of the veteran who is receiving $20 or $25 a month compensation for some disability incurred in the line of duty, denied the right to obtain employment under the Government Public Works Administration because they receive this mere pittance from their Government. We are familiar with other cases of veterans who are denied direct relief from various governmental agencies because of the same reason. Those of us who were in Congress at that time can never forget the spectacle of the bonus marchers who came to petition for aid and who were driven, at the point of machine guns, from the Nation's Capital by the Hoover administration. Many of us can never forget the insults directed against the veterans by the so-called Economy League and the war profiteers when the Economy Act was under consideration. These groups took special delight in referring to the ex-service men of the Nation as "parasites." I have a firm conviction that this Congress will pass this legislation and meet the payment of this obligation without any direction or consideration from the Economy League, the Liberty League, or the plutocrats of Wall Street. No time should be lost in securing the necessary method of payment of this obligation.

In my opinion, the Patman plan, issuing Treasury certificates in lieu of a tax-exempt, interest-bearing bond issue presents a solution to this problem and undoubtedly will meet with the approval of a great majority of the people of this country. This was evident by the tremendous vote accorded the Patman plan in the first session of the Seventy-fourth Congress. Congressman Wright Patman deserves great credit for the progress of this legislation to date.

I salute the commander of the Veterans of Foreign Wars of the United States, James Van Zandt, and his organization, for their untiring efforts in behalf of the veterans in presenting and supporting legislation of this nature. I pay tribute at this time to one individual in this country who has done more than any other in publicizing the Patman plan of payment of the adjusted-service certificates. I refer to Rev. Father Charles Coughlin, founder of the National Union for Social Justice. Father Coughlin has educated our people through his radio discourses in exposing the privately owned money-controlled racket disguised as our Federal Reserve Banking System. He has turned the spotlight on the "money changers" who were able by a sleight-of-hand operation to inflate the money credit of the Nation to the sum of $58,000,000,000 in 1929, and then to bring about a complete collapse of our banking structure in 1932 when, through a scarcity of money, banks were unable to pay their depositors the hard-earned savings entrusted with them primarily for safekeeping.

Our people are determined to take control of our monetary system by the creation of a central national bank of the United States, and restore to Congress its constitutional power of coining and regulating the value of money. This administration is on record to drive the "money changers from the temple." It must make good its sacred promise to the people of the United States, or stand repudiated before the civilized world.

I am interested in voting for this measure and for a subsequent measure to insure the payment of these certificates, not only because of the assistance it will give to the veterans and their dependents, but because it will create a purchasing power so necessary to the welfare of the Nation today. Every avenue of trade and business will be substantially benefited by the payment of these adjusted-service certificates. In the State of Ohio alone will go $117,000,000.

The majority of veterans need this money, as is evidenced by the fact that out of close to 4,000,000 eligibles all but 500,000 have borrowed on their certificates.

I am glad to cast my vote in behalf of this measure, and to know it has every possible chance of victory; that the obligation, long the football of politics and unnecessarily delayed, will be met by the Members of this Congress.

Let us remove the stigma that in many quarters seems to attach itself to the veterans as being unpatriotic. Let us demonstrate to the nations of the world that there are still men and women in this Seventy-fourth Congress who remember the sacrifices of those who fought a so-called bankers' war in the interest of a so-called democracy, and prove to them that we are grateful when other selfish money-mad interests who eulogized them before the war, but with deliberation and malice turned their backs upon them when the smoke of battle had cleared and the armistice was signed.

Mr. DOUGHTON. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, I heartily supported the measure when the first bill authorizing the issuance of the adjusted-compensation certificates came before the Congress. I was then in favor of paying same in cash, and then urged the passage of such an amendment. I have voted for every bill to pay these adjusted-compensation certificates, and have spoken in favor of same from this floor. I have signed the petitions on the Clerk's desk that made it pos-

sible to consider and pass such bills, and in every instance I have voted to override the President's veto.

I am going to support this bill and help to pass it. And if it should be vetoed, I am going to vote to override the President's veto.

I do not believe there is an American in the United States who for the amount in one of these certificates would leave his family or business for as much as 30 days on an enforced stay abroad. I think it is only just to pay these adjusted-compensation certificates to our men who served us during the World War.

I yield back the remainder of my time, and I ask unanimous consent to revise and extend my remarks hereafter on this subject in the RECORD.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Chairman, I realize that I am very greatly in the minority on this question.

I also realize that this bill will pass and become law, either with or without Presidential approval, and that my individual vote against it will be ineffectual.

Good politics, therefore, might dictate that I vote for it, save myself from the criticism of those in my district who earnestly desire its passage, and at the same time salve my conscience by the statement that my vote against it would not have affected the result.

I cannot do that. I am completing 10 years of service in Congress, during which time I have never voted for or against any measure except as I believed was in the best interests of my country, and I cannot begin now to do otherwise.

I voted against the Economy Act when every other Congressman from my State supported it. I incurred severe criticism by reason of that vote. It was cast in the interest of justice for sick and disabled veterans and I have never had reason to regret it.

I have several times voted against prepayment of the bonus, explaining that I could not do so so long as the financial condition of the Government is such that the expenditure of this vast sum of money will endanger national economic recovery. The money, of course, must be borrowed. We have not got it. Just how much more we can borrow without straining national finances to the breaking point I do not know. No one else seems to know. I do not want our country to find out by actual experience. Certainly there must be a limit to what even the richest country in the world may borrow and spend.

Since I last voted against payment of the bonus our national debt has increased by billions of dollars. Taxes of the people have been largely increased. If I could not vote for it when our debt was less, when our taxes were less, how can I vote for it now, when our national debt is growing by leaps and bounds and when no one seems to know when we may hope to balance our expenditures with our receipts. If I as an individual spend year after year more than I take in, the sheriff will soon be knocking on my door. In my judgment, a nation cannot long continue to do it.

The customary reply to this argument is that this purpose is just as worthy as some of those for which billions are being spent. I shall not take issue with that. Many of those billions I voted against spending. The passage of this bill does not substitute the payment of the bonus for these other expenditures. It simply adds it on top of everything else.

In speeches I made in my district during my last candidacy for reelection I stated that I could not vote to pay the bonus until such time as the financial condition of the country would permit it to be done without endangering the welfare of all our people. I have already pointed out that since then the indebtedness of our Government has vastly increased. Therefore, when I vote against this bill today I am according with every statement I have ever made to my people, veterans and all, regarding this issue. I am standing firm, where I told them I would stand; and I am convinced that my constituents, including the veterans, would have no respect for me if I changed my position on this issue, when I could have no reason therefor except political cowardice. So far as I know, I have never been accused of that.

Although my vote today against this bill will be ineffective, I never cast one which I have felt was more thoroughly in accord with the best interests of the American people.

Those who go to extremes either to economize by taking away proper allowances for sick and disabled veterans on the one hand, or, on the other hand, by borrowing money on the Nation's credit to pay to veterans, whether sick or disabled or not, on obligations not due under the terms of the law by which they were created, will find little in future history to make them proud of their actions. Among those who are so ardent in their efforts to pay this debt before its maturity date, to rich and poor, sick and able-bodied alike, will be found many who whooped on the Economy Act for the oppression of the sick and disabled veteran. They were riding a wave of popular sentiment then; they are riding in an opposite direction a wave of popular sentiment now; but after the waves have subsided and the calm follows the storm they will in my judgment have cause for regret that they went to either extreme. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. ASHBROOK].

Mr. ASHBROOK. Mr. Chairman, I have no prepared speech to make and I have no desire to occupy your time except to say that I am for this bonus bill, and that I am for any other pension legislation which may be brought into this House. I am somewhat like my old friend Dick Austin, long since gone to his reward. There are a few old timers here who will remember Dick Austin, of Tennessee, and who possibly will recall hearing him make the statement on the floor of this House that he never voted for a tax bill in his life and never voted against an appropriation bill, and never expected to. I can go that far when pension legislation is involved and say that I have never voted against a piece of legislation in which the soldiers or their dependents were interested, nor do I ever expect to.

I know that every one of my constituents, whether they are in favor of this bonus or not know my record as the soldiers' friend and expect me to vote for the immediate cash payment of the bonus. I am very happy to again have the opportunity to vote for this bill. I will be happy to vote again for it, if I am compelled to do so, over a Presidential veto, but hope and pray our great President will recognize this honest and just debt.

If I have the further opportunity, I wish to say here and now that I will vote preferably for the Patman plan of payment, because I have never been able to understand why it is inflation for the Government to issue non-interest-bearing notes secured by gold and silver in our Treasury vaults and it is not inflation for the Government to issue interest-bearing obligations. Either is debt, and debt is inflation. One costs the taxpayer nothing and the other means more and higher taxes. But if the bankers and bondholders must have their way, I will vote for any means of raising the needed cash to discharge immediately this long overdue debt to the boys who risked their all for democracy. The buck has been passed long enough. Let us be honest and pay the boys without further delay.

Mr. DOUGHTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. UNDERWOOD].

Mr. UNDERWOOD. Mr. Chairman, I favor paying the adjusted-service certificates in cash. I feel that those certificates are a debt which our Government has acknowledged as due and owing to our ex-soldiers for services rendered.

It is not necessary for me to take up the time of the committee, and therefore I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. FOCHT].

Mr. FOCHT. Mr. Chairman, I was very much pleased to hear the gentleman from Ohio [Mr. ASHBROOK] speak on this subject. Mr. ASHBROOK and I met here first in 1907.

Of course we have met frequently but not on the same side of the political division.

I was also greatly impressed with my personal friend—the great philosopher and judge from Texas, Mr. SUMNERS. I just learned this last summer much about the Texas Members. I have been wondering a good many years about them. They seem to have a special sort of energy, courtesy, and kindness. I might say, in all truth, they are all gentlemen and statesmen, hence the impressiveness of the Judge's benevolent speech. I read a history of the Republic of Texas. Who ever heard of the Republic of Texas or anything about it? You may have heard about Col. Sam Houston coming up here to the Senate, but you never heard about the navy they had. It never occurred to you that those Members from Texas are nearly all descendants of old Pennsylvania ancestors. So that is how we account for some of the genius and flash of ability that we find here in the Texas delegation. [Laughter and applause.]

Now, in approaching this bonus question I am compelled to think of what it is all about and how it occurred. I see before me quite a number who are in large measure responsible for the necessity of having a bonus. Like myself, many of you followed the Commander in Chief of the Army and Navy of the United States into the greatest war of all time. I believe that of the then membership of this House, about 400, less than 20 voted against sustaining the President in his declaration of war. We went in. Does anyone wonder why I, or any others who voted for that war, would be for the bonus or for anything else for the soldier?

Without relating any other circumstances or the family ties broken on account of the war, the Spanish-American War or the Civil War, this World War is sufficient for me, gentlemen. I know it will be all-sufficient for those who were here as we approached that war and went into it. We saw not the selective draft, but the rankest kind of conscription. It was conscription to the bone, conscription which stripped the colleges of the young men, and the banks of the clerks, and the homes and farms of the sons and young men who were there to work, and sent them across the ocean to save the world for democracy. I will not take the time to discuss the kind of democracy they have over there nor how they lied to and cheated our President, the Commander in Chief of the Army and Navy of the United States, whom we followed into that war. None the less, those boys having been trained, many of them, in England less than 2 weeks, were sent across to meet the iron lines of the greatest troops ever trained in the world. Those young American boys were put into the trenches, and then at that fateful hour of 5 o'clock in the morning, like the quick, sharp snap of a rifle, they went over the top, and if they died they died with wounds in the front. They made good, even under those circumstances. Now, the question comes to an adjustment of something. Adjustment of something! What is the matter with the country today? I have been here for nearly 18 years, and I look around me for the statesmanship that would solve this problem. This is the richest country in all the world, capable of solving anything if it would only do it, but it does not do it. It is a simple matter of adjustment. The wealth of this country is so great that it cannot be computed. We have half the gold of the world resting in the Treasury of this country. Economists tell me that we have agricultural resources capable of sustaining 3,000,000,000 people instead of 130,000,000. Then someone asks where you are going to get something to eat, and statesmanship staggers when it comes to distributing and peacefully equalizing our vast God-given bounty.

It is because we do not know how to regulate and have not balanced things. And now are we going to make this same mistake with these boys and this bill? I voted for a similar measure 13 years ago. I do not recall just how it was regulated, but I am inclined to think there is something yet undisclosed in this present measure. You know an old legislator somehow or other, like the editor that I am and have a nose for news, gets a nose for things that are going on in a legislative body. I suspect that when you get done with this thing, instead of using the wealth of the Nation as you have it piled up down here you will use it for something else and call upon the Congress to vote for direct taxation or no bonus. Let that sink into your system a little while. I deliver this to you as one who has had experience in this kind of business. I am sorry you have not designated the way in which it is to be paid and thus finish the job today, even to passing the bill instead of taking it up again at some future date and again stirring up this contention and argument. So far as I am concerned, you know where I stand from what I have said; and I want to say for the State of Pennsylvania—I think I can speak as well for this State as anyone here, having longer served this Commonwealth as a member of both the upper and lower houses at Harrisburg, and having been a Member of this House of Representatives a long time, representing eight great counties located in the heart of the mighty State of Pennsylvania—I say to you it is my opinion that anyone who says that Pennsylvania, the home and the pride of Reynolds, Hancock, Meade, and of Gregg, and the rest of the generals and soldiers who stood in defense of the Union against one of the greatest armies and some of the greatest generals the South produced, whoever says that that great State will ever deny the soldier his due does not correctly represent the State. Anyone who represents the State of Pennsylvania may have his own opinion, but, in my judgment, what he may say here contrary to the sentiment I have just uttered does not express the true opinion, the patriotism, and the spirit of the people of Pennsylvania, especially not when he would deny this relief to these soldiers of the great World War. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 9 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, at the very outset I desire to go on record not only as favoring this bill but to state that an excellent piece of work was done in presenting a united front for the principle of the immediate payment of the adjusted-service certificates. The question of method of payment, of course, will come to us at some future time and will be threshed out at that time. Then I shall urge the honest method of payment. To raise the needed funds by placing the British rate of taxes on all incomes of $5,000 or more, as is provided in my bill, H. R. 8365, thereby placing the burden where it belongs.

There is just one feature of this bill to which I would call the attention of the Members, and that is the question of relief, the question of protecting the unemployed veteran. What is to happen to the unemployed veteran if this bill becomes a law? The moment an unemployed veteran receives any benefits under this bill he will immediately be discharged from relief, work relief, W. P. A., or direct relief, because, under the relief regulations, the F. E. R. A. rules, and the W. P. A. rules any person having any means is not given direct relief nor is he given work relief. For instance, any person who has an insurance policy is required to surrender the policy for its cash value, and he is not granted relief until the funds derived from the cash-surrender policy are exhausted. Carrying this further, the W. P. A. and the F. E. R. A. have insisted that veterans who had not borrowed on their adjusted-service compensation certificates had to do so before they would be granted relief, or, if they were on relief and borrowed, they were automatically discharged from the relief rolls or from the W. P. A. until the money received for their certificates had been spent to the satisfaction of relief bureaucrats.

It may be argued, of course, that if you give the unemployed veteran his adjusted-service certificate in cash he is not entitled to relief, but I answer such argument by stating that if you are interested in the veterans, if you are earnestly and sincerely in favor of the immediate cash payment of the adjusted-service certificates, that with the bill in its present shape, what you would be doing in the case of the unemployed veteran would be simply to give him a lump sum relief payment. You would not be giving him any bonus, you would simply be giving him relief in a lump sum; and

you would be, therefore, discriminating against the unemployed veteran. If there is any immediate reason for the immediate payment of the bonus it is because of the large number of veterans on relief or employed on W. P. A. jobs, it is because of the large number of veterans who are in need. If you are going to give these men a certain sum of money and then throw them off relief, their money will be gone before they have actually received it, it will be of absolutely no value to them.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. I yield.

Mr. O'MALLEY. The county regulations in my State go so far as even to make applicants for relief having insurance policies turn in their policies at their cash surrender value.

Mr. MARCANTONIO. I stated that.

Mr. O'MALLEY. How is the Federal Congress to control relief regulations in the municipal subdivisions of the various States?

Mr. MARCANTONIO. In this respect: Every county is today receiving Federal funds under the F. E. R. A., and all of the work relief is under the W. P. A., which is Federal. In order to protect the unemployed veterans, I shall offer at the proper time an amendment to this bill, which I have heretofore publicly announced, in which I intend to provide that no Federal agency shall in any manner or by any means deduct the amount of compensation received by a veteran pursuant to the provisions of this act from any sum payable to him in whole or in part from Federal funds for work relief or other unemployment relief, nor shall any such Federal agency in any manner alter the status of such recipients of compensation pursuant to the provisions of this act.

Mr. O'MALLEY. Will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from Wisconsin.

Mr. O'MALLEY. How is that going to control the relief regulations in those counties, cities, and States that are not getting Federal money or which have spent the Federal money they have heretofore received?

Mr. MARCANTONIO. The Federal agency which is turning over funds to the local agency is controlled by this amendment, if the amendment is adopted and enacted into law. The Federal agency will then turn over these funds pursuant to this amendment. As a matter of fact, today your local rules must be ratified by the F. E. R. A. or the W. P. A. before Federal funds are given to local relief agencies, so that the counties today cannot adopt any particular rules for the distribution of relief, when it is receiving Federal funds, without approval of the F. E. R. A. or the W. P. A. When this amendment becomes a law, the Federal Emergency Relief Administration and the Works Progress Administration will be bound by this law, and they must incorporate this provision as a part of their rules before turning over money to local agencies and the local agencies must comply with this rule, otherwise they cannot qualify for the purpose of receiving Federal funds.

Mr. O'MALLEY. The F. E. R. A. and the W. P. A. funds will be constrained by the gentleman's amendment, but how about the cities, counties, and States that are not going to receive Federal aid?

Mr. MARCANTONIO. A county or city, in order to receive Federal money, must comply with these rules. We cannot control those cities and counties which do not receive Federal money for relief purposes. If we pass this amendment, as a practical matter we will be controlling the vast majority of the counties and the vast majority of the cities, because they are receiving Federal aid, either by virtue of the Works Progress Administration or by the payment of direct allotments for relief purposes.

Mr. MARTIN of Colorado. Will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from Colorado.

Mr. MARTIN of Colorado. I do not believe the gentleman's amendment will reach the unemployables which have already been turned back to the States and local communities. No doubt there are many thousands of veterans who are, for physical reasons, unemployable.

Mr. MARCANTONIO. I will concede that in those cases where Federal funds do not reach these unemployed veterans, my amendment would not apply, but that does not by any means weaken the argument that this amendment should be adopted. We certainly should adopt the amendment insofar as it applies; and, as I have stated before, for all practical purposes it will apply to the vast majority of the unemployed veterans.

Mr. Chairman, I feel that the problem of unemployment relief is the most important question which this Congress has to face. We may not have to face it now, but we will in a month, 2 or 3 months from now, when there will be hunger marchers throughout the United States.

Mr. O'MALLEY. I think this amendment should be adopted. I believe also that the force of public sentiment in the local communities will be such that no relief authority will have nerve enough to take veterans off the relief because they are getting a bonus which they were entitled to a good many years ago.

Mr. MARCANTONIO. I think we should do all we can to protect the unemployed veteran, otherwise in the place of a bonus you are giving him a lemon which has already been through the wringer.

Mr. Chairman, I am going to vote for this bill irrespective of whether my amendment is adopted or not. I am sincerely for the bill and will support it, because I am and have always been 100 percent for the bonus but I intend to protect the unemployed veterans in the United States at the same time. Why not? They are the ones who need the bonus and need it more than the employed veteran. That is the reason I always urged for immediate payment. If you deprive the unemployed veteran of relief, then you are just giving him a lump-sum relief payment. It may be said that public opinion may be aroused, that the taxpayers may be aroused against a payment of this kind.

[Here the gavel fell.]

Mr. TREADWAY. I yield the gentleman 1 additional minute.

Mr. MARCANTONIO. Mr. Chairman, in answer to that contention, may I say that the taxpayer who is opposed to the payment of the bonus will continue to be opposed to the payment of the bonus whether this amendment is in effect or not, while the taxpayer who is in favor of the payment of the bonus will be in favor of the payment of the bonus regardless of whether the amendment is adopted or not. I appeal to all the Members to bear the unemployed veteran in mind, because if he is not protected you are going to hear from him the moment he realizes the discrimination being practiced against him. I also hope that after this bill passes, that we will not stop here. This bill is only an authorization. We must enact a method of payment and an appropriation. The job is only half done with the passage of this bill. I trust that this Congress will finish this job before we adjourn.

Mr. TREADWAY. Mr. Chairman, I yield the balance of my time to the gentleman from Oregon [Mr. MOTT].

Mr. MOTT. Mr. Chairman, as a general rule I favor extended debate on all issues. I particularly favor it on controversial issues. Paradoxical as it may seem, the issue which is now before us, the full and immediate cash payment of the adjusted-service certificates, which only a few years ago was perhaps the most controversial issue that had ever come into the Congress, has now ceased, in effect, to be a controversial issue at all.

And so, since there is now no real controversy in the House over the bill, I believe that the Rules Committee acted wisely when it limited debate upon it to 4 hours, because in that time I am sure all who wish may have an opportunity to express their views upon this legislation.

The progress of the fight for the full cash payment of the adjusted-service certificates, which began as a minority movement, and which has now reached a stage when it is supported by an overwhelming majority, not only of the Congress but of the country, is one of the most remarkable things in all the history of legislation; and I think the

sweeping nature of this transition from minority to majority support is enough in itself to give the lie to those opponents of the bonus who for years have been trying to make the country believe that the veterans and the friends of the veterans in Congress in advancing this legislation have been actuated by selfish or by political motives.

There are no such motives behind this legislation, and the propaganda of its opponents to the contrary has long since been repudiated by nearly everyone who has made an actual study of the issues involved in this legislation. A legislative proposal advanced by a minority group, which this legislation was originally, may make some temporary progress in the Congress; but unless the proposal is sound from an economic angle and unless it is just from a humanitarian angle, it will not in the ordinary course of events become law. A bill first advocated by a minority becomes law only when a majority of the Congress and the country have become persuaded of the merit and the justice and the necessity of it. It then becomes a majority instead of a minority proposal.

This has been the case with the proposal to pay the bonus. By the sheer merit and justice of the proposition it has transformed itself from a minority to a majority movement, until now its enactment into law is demanded by the overwhelming sentiment of the people of the United States, veterans and nonveterans alike. There are a few who sincerely and honestly still believe that this legislation is not justified, and for the opinion of these honest few I have a profound respect, even though I do not agree with them. But the opponents of the bonus for the most part now consist of that selfish and unpatriotic minority who denounce it solely because, on account of their wealth, they know that the burden of its payment will fall largely upon themselves.

The active forces opposed now to the immediate cash payment of the adjusted-service certificates are the same forces which have opposed every consideration that the grateful people of this Nation have ever proposed to extend to those who have fought its battles. They are the same forces which in the distressing and hysterical days of 1933 demanded that the pensions and compensation of our disabled veterans be taken away from them in the name of economy. They not only demanded this but they succeeded actually in accomplishing it through passage of the Economy Act. A rubber-stamp Congress, under the whip of the present administration, did their bidding in this regard. That Congress, I am glad to say, has since repented and has repealed every vestige of the Economy Act.

It has been my privilege as a Member of this body during the past 3 years to cast a vote upon some of the most momentous questions that have ever come before the Congress. I have taken a pardonable pride in some of these votes. Of these, I am proudest of all of the vote which I cast against the economy bill. That was a minority vote and represented a minority sentiment, a sentiment which has since changed to a majority one, because everyone now, regardless of party, has become convinced that the Economy Act was wrong, just as they have become convinced that the payment of the bonus is right.

Let me repeat that most of the remaining opposition to the payment of the bonus is now confined to that small minority of which the members of the Economy League are outstanding examples and that their opposition is based upon utterly selfish motives, just as it was when they advocated the Economy Act. The rest of the people of the United States have long since become convinced that the adjusted-service certificates should be paid in full and paid now.

Under the circumstances, therefore, there is no great need for argument upon this bill, and for that reason I am merely going to take this opportunity to congratulate the three great veterans' organizations of the United States, the American Legion, the Veterans of Foreign Wars, and the Disabled American Veterans, upon their unanimous agreement on the particular bill which is now before us for the purpose of paying the adjusted-service certificates. I congratulate the Ways and Means Committee for reporting it to us so early in the session, and I congratulate the Rules Committee for its promptness in bringing it up for our consideration and disposal.

This, of course, is not the first time that the representatives of the people in Congress have overwhelmingly voted for this legislation. Practically all of us here now have voted for this legislation at least once. I voted for it when it was before us at the last session, as did most of my colleagues. This is, however, the first time that we will have had an opportunity to vote for a bonus bill under circumstances which render our votes effective. Heretofore we have always been obliged to consider the possible result upon the bill of a Presidential veto, and in framing the bill we have always been obliged to frame it with a view to the probability of a successful fight to override the veto. This time there will be no fight. This time we are strong enough to leave the probable action of the President out of our considerations, and I predict that the President's veto, if he does veto it, will be overridden by an almost unanimous vote both of the House and the Senate.

And so I think we are all to be congratulated upon the opportunity which has finally come to us, the opportunity of doing long-deferred justice to the veterans of our country, and the opportunity of effectively carrying out the mandate of the whole people of the country whom we represent here in the national lawmaking body. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. GRAY].

Mr. GRAY of Pennsylvania. Mr. Chairman, during the discussion this afternoon we have heard a lot about the various methods of paying these certificates to the soldiers, and some day I want either the gentleman from New York [Mr. FISH], or some other equally illuminating intellect in this House, to explain to me at least, and I shall be pleased to listen, the difference, insofar as inflation is concerned, between the Government's seal on a bond and the Government's seal on a currency note.

I am not going to take up additional time on this question except to get in the RECORD some correspondence I have had with a constituent of mine involving the question of my position on the payment of the soldiers' bonus and the neutrality legislation. I should like to read this correspondence to the Committee:

KITTANNING, PA., *January 6, 1936.*

Hon. JOSEPH GRAY,
House of Representatives, Washington, D. C.

SIR: Kindly favor me with a frank and concise statement of your position on the question of the soldiers' bonus and neutrality.

If you favor payment of the bonus, may I ask how you plan to finance it? On the question of neutrality, I am interested in your position on every phase of the subject.

The Seventy-fourth Congress will be called upon to act on both these questions. Naturally, we at home are deeply interested in what you will do with them.

Very truly yours,

(Signed) H. C. WIDDOWSON.

Mr. H. C. WIDDOWSON,
660 Woodward Avenue, Kittanning, Pa.

DEAR MR. WIDDOWSON: I have your letter of January 6 requesting a frank statement of my position on the soldiers' bonus and neutrality.

As I had often publicly stated during the campaign of 1934 that I favored the immediate cash payment of the adjusted-service certificates, and in the last session of Congress voted to override the Presidential veto of the Patman bill, I supposed my position on the subject was commonly known.

I still favor the payment of the so-called bonus. To me that payment is the fulfillment of a just obligation due the ex-service men of the World War. It is my preference that this payment be made by the issuance of currency because the Government owns sufficient gold to justify such issue, which will be something in excess of $2,000,000,000.

If that method of payment cannot be enacted into law, it is my intention to support the payment of the certificates by the only other method I know of; that is, by the issuance of Government bonds, which bonds will be interest-bearing, and, most likely, tax-exempt. The interest-bearing, tax-exempt bond issue does not arouse any enthusiasm in me, because the final cost to the Government for the payment of the bonus will be thereby enormously increased, and the issuing by the Government of interest-bearing, tax-exempt bonds for any purpose is meeting with growing opposition in Congress, many Members of which express the opinion that such bond issues should be discontinued entirely. As stated, however, I am for the immediate cash payment of the certificates.

Regarding the pressing present question of neutrality, different views and opinions are being presented from day to day. There does not seem to be any decidedly fixed and satisfactory plan. It is a somewhat new legislative question, and one on which it is very difficult to take a firm stand and, at the same time, be sure that such position is for the best interests of our country, for avoidance of war, and for the peace of the world.

We should not, I think, deviate from a policy of evading all foreign entanglements. It is difficult in the light of history to give full faith and credit to British and European diplomacy, or to believe that certain American financial interests interwoven with international like interests, in case of stress or threatened gain, always act in a way to promote harmony in the world. It appears quite clear to me personally that the way for America to preserve its neutrality in the event of wars in which it is not originally a belligerent is to avoid all entanglements in the diplomatic maneuvering which precedes those wars and which is usually evident as a preliminary to actual hostilities.

Because of fear of embroilment in other nations' wars and because scarcely a move can be made on the international chessboard without affecting the commercial nerve of the far-flung British Empire, I want no part in the League of Nations, no connection with the World Court, no slipping into these beautifully conceived but dangerous institutions by back-door passage, and precious little to do with their various forms of sanctions.

International relations are very complex, sensitive, and far-reaching. If the United States can avoid being drawn into the introductory web of diplomatic chicanery, which fosters, begets, or betokens war, then we are in a fair way to escape such calamities.

As for ourselves, I favor a national defense strong enough by land, by sea, and by air as will cause all other nations and empires, and any combinations thereof, to hesitate and then count ten before starting to work out any of their economic, commercial, or imperialistic designs upon our national integrity.

I have stated to you my position on the questions as concisely and candidly as I know how.

Sincerely yours,

JOSEPH GRAY.

Mr. DOUGHTON. Mr. Chairman, I yield to the gentleman from Indiana [Mr. CROWE].

Mr. CROWE. Mr. Chairman and members of the Committee, I shall support this adjusted-compensation-certificate legislation. Those who do not find a way to pay these certificates because of other Government indebtedness remind me of the man who came to town with his wife, and he asked her before starting home if there was anything she wanted before they started home. She said her tooth was still aching and she would like to have 50 cents to have it pulled. He said that after paying for his tobacco and having the jug filled, he would not have any money left for foolishness. [Laughter.] To refuse to pay these adjusted-service certificates for the reasons usually given are as unfounded as was this man's reason why he could not afford the 50 cents for his wife. At each and every opportunity since coming to Congress I have voted to pay the so-called bonus. I believe it is an honest obligation of our Government, years overdue. Now it should be paid. The defenders of our flag, the defenders of our women and children, the defenders of our Nation are entitled to our support, and for a fair, honest settlement. The leaders of various veterans' organizations are to be congratulated for cooperating and joining as one group. The facts are that what is desired by veterans and their friends is payment of the so-called "bonus."

Mr. DOUGHTON. Mr. Chairman, I yield to the gentleman from Florida [Mr. GREEN].

Mr. GREEN. Mr. Chairman, I am voting for passage of H. R. 9870, and I feel happy indeed that the time apparently has now arrived when the adjusted-service certificates of World War veterans will soon be redeemed by the Government and full cash paid for them. I have voted for the passage of this legislation ever since it has been before the Congress. We were able, as you know, to pass it in the House in 1932, 1933, 1934, and 1935. Each time I voted for it, because ever since I have been a Member of Congress I have believed that this debt due World War veterans should be paid. I cannot understand why there has been serious objection heretofore raised to its payment, because the bulk of the Army was composed of privates, and they received only a dollar or a little more per day for service while they were in the States and also while they were on foreign soil. At the same time they were receiving this meager pay to defend our Nation and defend democracy, people in industry in America were receiving high wages. The employee in the shipyard who manufactured the ship to transport the soldier and to bear naval arms, the man in the ammunition factory who manufactured ammunition to be used by the soldier, the man in the factory who manufactured clothing for him to wear, and in fact all classes of workers who supplied the soldier with the weapons of warfare were paid in some instances as high as twelve to fifteen dollars per day, while the man who held the gun and pulled the trigger drew about a dollar a day. Undoubtedly our Government has been and is now strong enough to add to this small amount another dollar or dollar and a quarter per day for these noble men who defended our country.

Payment of the adjusted-service certificates—bonus—at this time will stimulate the purchasing power and economic life of our entire Nation. It will be paid to soldiers in every county and every village in the United States. They, in turn, will use these funds for the purchase of supplies, for the payment of debts, for payment on homes, and for general commercial purposes. It will have a telling effect on the industrial life of our Nation at this time when retrenchment of Government expenditures in other departments is apparent.

According to tabulation of figures which I have recently obtained, the ex-service men in the State of Florida will obtain $21,921,858.79. Those in my congressional district will obtain $4,854,874.45. By counties in my congressional district they will obtain:

Alachua	$513,103.82
Baker	93,662.17
Bradford	140,426.06
Clay	102,411.73
Columbia	218,559.98
Dixie	95,842.09
Duval	2,321,815.30
Gilchrist	61,769.55
Hamilton	41,157.68
Lafayette	65,114.10
Levy	185,980.54
Madison	233,132.64
Nassau	139,978.13
Suwannee	234,879.57
Taylor	196,133.62
Union	110,907.47
Total	4,854,874.45

I repeat that I am happy indeed to have this opportunity to vote for full cash payment, and I feel that it will be only a short while before this bill will be written into a law and the checks are mailed to our worthy World War veterans. It will give me pleasure to speak further on the subject, but time will not permit. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman and members of the Committee, I have discussed the matter of the immediate payment of the bonus on this floor on more than one occasion. Each and every time I expressed myself as favoring the necessary expenditure to liquidate the Government's obligation to the veteran.

There is nothing new that I shall add to my previous discourse because the same valid arguments expressed on previous occasions hold good today.

I have always been committed to the principle of cash and full payment of the so-called bonus, and I was not concerned so much as to the method of payment as I was and as I am today anxious to do justice by the veterans, most of whom are in need of financial assistance. I am happy to say that the friendly understanding between the Veterans of Foreign Wars, the American Legion, and the Disabled Veterans will be most helpful toward final payment of the bonus. The leaders of these organizations are to be congratulated.

The Vinson-Patman-McCormack bill is on its way.

I shall vote for its passage. Hoping that it will not be necessary, I shall nevertheless be prepared to override a Presidential veto; and when the method of payment is finally proposed and discussed I shall be very happy to vote for the Patman method of payment. I do not believe in the issuance of bonds.

If Members will refer to the CONGRESSIONAL RECORD, they will find that contrary to popular misconception and adverse

propaganda against the Patman plan of payment, the plan is, in fact, not inflationary. Mr. PATMAN does not propose the payment of the bonus through the issuance of fiat or printing-press money. Mr. PATMAN has in mind securing such issue of currency by the Federal Government, either by the issuance of non-interest-bearing bonds which would be put into the hands of the Secretary of the Treasury as security for such currency as might be paid to the veterans, or the substitution of the same amount of money now in circulation and issued by the Federal Reserve banks with a similar amount of bonus money.

Mr. PATMAN, moreover, points out that there is upward of $10,000,000,000 in gold and a fabulous amount of silver in the Treasury, much of it free and unattached by any obligation, which certainly could be used as a guaranty back of any issue used for the payment of the soldiers' bonus.

I have been consistent in both my attitude on the payment of the bonus and the method of such payment. There is not a capitalistic banker nor a so-called financial expert who can convince me as to the charged fallacy of the Patman plan.

I want to pay the bonus to the veterans as a matter of an obligation, as a matter of good business, as a matter of fairness, although I want to pay it free of any overhead.

I resent the payment of any bonus to undeserving bankers or any commissions which might be looked upon as "hush money" to satisfy them in order that they may no longer oppose the payment of the bonus.

I will fight the inclusion of any chiseler element from "horning in" on what belongs to the veterans and will, therefore, vote against any amendment favoring the bankers' method of payment. However, if the veterans' bonus payment be dependent upon at the same time a like amount being paid to the bankers, and the banker influence in this Congress being so strong as to deprive them of what is rightfully due, then I shall be obliged to go so far as to pay a pound of flesh to the bankers and, cost what it may, insist upon the veterans being paid their share in full.

The economic arguments in favor of payment of the soldiers' bonus have been threshed out on this floor too many times to need repetition. Since March of 1933 the country has felt the return of prosperity. The progress has been slow, to be sure, but that secure and consistent gains have been made cannot be denied. If and when the bonus is paid, I predict a further and greater impetus will be given to the return of prosperous times in this country.

I sincerely hope that the House will pass the measure which was submitted by my committee with such a smashing vote as to leave no doubt in the mind of anyone regarding the desire of Congress to pay this obligation. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield to the gentleman from Kentucky [Mr. CREAL].

Mr. CREAL. Mr. Chairman, not having been a Member of the House at the time, I have not had the opportunity to support the bills for the payment of the adjusted certificate; but being in favor of this bill in its entirety, I ask unanimous consent that I may revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

BONUS

Mr. CREAL. Mr. Chairman, a number of gentlemen are Members of this House who were here when the soldier boys went to war.

When the call came to send them, I dare say not one of them said, "Wait a minute; let's see if we have the money to pay them."

They were ushered out as if that question would never arise. The bill has been vetoed by three Presidents, and during that time nothing was done about arranging to pay for it.

They sit idly by while the years roll along and wait until it comes back, and every time they say, "Where and how shall we pay?"

I venture to say should war be thrust suddenly upon us that we would find a way to finance it, and its finances would look like mountains beside this molehill out of which we are trying to make a mountain.

I note that every dilatory motion, amendment, and postponement has come from the Republican side of the House and from Members who represent districts where the few high and mighty rule the roost in their parts. They even propose to pay it from the present unexpended relief program and public-works program, thus to render it most objectionable to the most people when passed.

They want the soldier, when he does receive this small part of his just reward, to be censured by as many people as possible for asking for what is justly due him.

This has to be paid anyway not later than 1945, or 9 years hence, and at the low rate of interest the Government obtains money why not do it now. Some of the boys want it while they are living.

Some of the boys were mere children, scarcely 18, with the baby fat still on their cheeks, and some of the first set of teeth still in use, mere children in mind and body.

We fought a war with England and said taxation without representation is tyranny. But we send mere lads to war who are not voters and have no voice in the selection of men of this body who have power to declare war. Some of these left high schools and colleges and their educational careers were broken up. While gone, those at home had sharp advances in wages. A carpenter got $10 a day, while the boy who went away for a chance to be cannon fodder received a dollar a day. He left home ties—perhaps a wife or fiancée—sometimes the only son of parents to cheer their fireside.

When he paid his Government insurance and necessary incidentals he had left not exceeding 50 cents a day.

It was worth $10 a day to the Government for a man to drive nails and go home to his family at night, but worth only $1 a day for a man to stand at the front in uniform. There is something about it that needs adjusting.

In today's inquiry over in the Senate committee J. P. Morgan, on the witness stand, is made to disclose that he made $30,000,000 as purchasing agent for the Allies before we ever entered the war. As to how much he made after we entered the war would be hard to conjecture. What if it takes every dollar of war profit he made? If it took all such war profits it would be but just.

It has been pointed out here on this floor that the reserve of gold now in the Treasury is far more than enough to pay without any inflation whatever.

In 1945 the same objections made here today would be made then, and postponement and delay and harmful amendments would be offered by Members who represent 10 percent of our population who howl, squeal, and twist like pulling their eye teeth at every proposition made in the interest of the other 90 percent. All their wealth came from the other 90 percent. They never plowed or built or produced anything. They just manipulated and short-changed by extortion the masses on whom they flourished.

The question has to be settled some day, and the sooner the better. Today is a good day.

As a fundamental principle of fairness, I am eternally opposed to any compulsory service of an 18-year-old lad. If voluntary, then that is different; but a large portion of these lads were in that age.

If a man had two sons back in 1918 and one was educated during the war at his father's expense and his twin brother went to the front, the father would certainly make some allowance in his will for the son who failed to get that training which his brother had.

While public servants change, yet it is the same Uncle Sam, and he should now adjust this compensation between those who labored and those who fought in the World War, meager though it is and far from adjustment; in fact, it is a belated duty that every citizen owes. It will help pay doctors' bills, merchants' accounts, and interest on the home. The ex-service man is not the only one who will be benefited by this act. It is far-reaching.

My position is not new. I have openly advocated paying this just debt for 12 years. Today streamer headlines tell

us of requests for huge sums for defense. Let us pay this little bill before we think of another. I am for adequate defense, but not for another war under any circumstances, unless we are actually invaded and being shot at and have to shoot back in self-defense of our homes. But I want the mothers of my district to know that if their bright-eyed, rosy-cheeked lads never die until I vote to send them away from home to be slaughtered by a foreign enemy that they will live to be older than Methuselah.

History of the immediate past shows our playing the big brother is often not appreciated by the beneficiary.

For three administrations following the war not a move was made to collect our debt from the Allies. Then came a time when ruin had struck their financial structure and they were unable to pay. Had that debt been collected, this little account of balance due presented to us would only be pocket change in amount.

Give us the strongest neutrality bill that can be offered; but the duty of man to man and one American citizen to another is to pay this bill and get it out of the way.

We paid Civil War claims and pensions mountain-high, just and unjust, until very recently, and no one representing the States in Congress where these objectors come from today ever protested them.

There is a vast difference between money spent by billions for foreign worthless securities, which our Government put a stop to in this administration, and money appropriated to home people to be spent at home and find its way back into the National Treasury in due course.

Let us meet the bill for service rendered with our ever-grateful thanks to the soldier boys at home for their gallant and faithful service. Not one single objector of the high-hat tribe would go out tomorrow and wear the uniform and do what these lads did for several times the price.

Our resources and credit today are the highest in the world, as evidenced by the bond issues of lowest rates of interest being oversubscribed.

I note with pleasure that destructive amendments intended to kill the bill were voted down by a solid vote of the majority side of this House.

If it were the law of the land in time of war to conscript wealth first and youth second, there would never be another war.

Mr. DOUGHTON. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. COLDEN].

Mr. COLDEN. Mr. Chairman, my convictions in favor of the payment of the adjusted certificates date back to my observations during the World War. I lived in a small city—San Pedro, Calif.—in which there were 15,000 or 20,000 shipbuilders, at the peak, engaged in the construction of ships. The minimum wage in those shipyards was about $5 per day. The average was much greater than that. I knew of many instances where men, by extra time, earned from $15 to $20 per day. They lived on the very best that the country could afford. The veteran who enlisted to serve his country and who was risking his health and his life and limbs received a very small compensation—a mere pittance. He left a profitable business or probably a very remunerative job; he made a sacrifice not only in serving his country and in offering his health and strength but he sacrificed his business. His financial sacrifice was considerable.

On the other hand, the railroads, big industries, and the ship contractors made fat profits and took no chances on the dangers of the firing line. After the war they put in immediate claims for adjusted compensation. They received prompt consideration and were paid billions. In the name of justice, how can any honest citizen, in the face of this payment, defend the delay and the injustice of the deferring of the veterans' adjusted compensation until 1945. The fair action would have been to have paid the veterans the cash and ask those who made big profits to do the waiting.

I think the veterans of the country should be commended in that they are willing to accept such a small amount, such a modest amount, in payment of the services that they rendered at the time of the World War. I think the bill should be supported by every friend of the veterans, and I shall do so and be very happy at the opportunity. I trust we will be able to work out the final payment authorized by this bill. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. DOUGHTON. Mr. Chairman, I realize that at this late hour, after a full discussion of this important measure, nothing that I can say, possibly nothing that anyone could say, would change or affect in any way the vote that will be had on the bill tomorrow. The bill comes before the House without a dissenting vote in the Committee on Ways and Means. So far as I know, no member of that committee is opposed to the legislation. I believe this bill or similar legislation represents the overwhelming sentiment of a majority of the American people. I believe it is a just and a fair settlement, and under all the circumstances, considering the conditions under which the services were rendered, it is fair to the Government.

These veterans went abroad for the first time in the history of the country to fight our battles, upon the continent of Europe, and gave as splendid an account of themselves as soldiers as any in recorded history, while others at home were engaged in profitable business, or were receiving exorbitant salaries and wages. I think the settlement proposed in this bill is no more than fair. It is fair to the Government. It is a liberal settlement to those soldiers who have not borrowed on their certificates, and it is a generous settlement to those who have. Why should we not be liberal and generous to that class of our people who gave their best and offered their all in the service of their country, in the hour of its need and peril?

I am giving this bill my sincere and wholehearted support. I know some gentlemen are conscientiously opposed to this measure and with them I have no quarrel whatever. They have as good a right to their opinion as I have to mine, but inasmuch as the overwhelming sentiment of the people of the country favors the enactment of this legislation and the disposal of this issue, when the vote comes tomorrow I would be glad to see the bill pass by such an overwhelming majority.

I sincerely hope that our great humanitarian President may see his way clear to conscientiously give his support or his sanction to this measure.

I thank you. [Applause.]

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. DOUGHTON] has expired.

All time has expired.

The Clerk read as follows:

Be it enacted, etc., That notwithstanding the provisions of the World War Adjusted Compensation Act, as amended (U. S. C. '34 ed., title 38, ch. 11), the adjusted-service certificates issued under the authority of such act are hereby declared to be immediately payable. Payments on account of such certificates shall be made in the manner hereinafter provided upon application therefor to the Administrator of Veterans' Affairs, under such rules and regulations as he may prescribe, and upon surrender of the certificates and all rights thereunder (with or without the consent of the beneficiaries thereof.) The payment in each case shall be in an amount equal to the face value of the certificate, except that if, at the time of application for payment under this act, the principal with respect to any loan upon any such certificate has not been paid in full by the veteran (whether or not the loan has matured), then, the Administrator shall (1) pay or discharge such unpaid principal in such amount as is necessary to make the certificate available for payment under this act, (2) deduct the same from the amount of the face value of the certificate, and (3) make payment in an amount equal to the difference between the face value of the certificate and the amount so deducted.

Mr. CONNERY. Mr. Chairman, I move to strike out the last word.

I do this at this time because in my previous statement today I said I would support a suggested amendment by the gentleman from Kansas [Mr. HOUSTON], and another by the gentleman from New York [Mr. MARCANTONIO], the first with reference to refunding the interest, and the other with reference to taking care of veterans who might be taken off of relief if this bill passed without any amendment

to that effect. However, in looking back to our agreement, the Patmanites, the Vinsonites, and the McCormackites, I think the agreement was to the effect that we would support the bill brought out by the Ways and Means Committee. I understand the bill was reported 24 to nothing. That is a unanimous report. So I think in keeping with that agreement, I will vote against any amendment which is offered, and I hope the other Members will also do so. [Applause.]

Mr. GRAY of Pennsylvania. Will the gentleman yield for a question?

Mr. CONNERY. I shall be glad to yield to the gentleman from Pennsylvania.

Mr. GRAY of Pennsylvania. The gentleman from Massachusetts is chairman of the Committee on Labor of the House. Several times this afternoon it was stated by Members on the floor of this House that the laborers who were back home and the people who were working at home were all receiving enormous wages. The gentleman is familiar with the subject. I should like to ask him whether it is not true that countless numbers of employees in offices and in stores, bookkeepers and stenographers and others were not getting enormous wages during the war.

Mr. CONNERY. Not only that, but I will say that the workers who were working—railroad workers, and other workers, for instance—were getting wages somewhat approximating what they ought to get, but the gentleman did not mention anything about the profiteers who were making millions and millions which they were not justly entitled to, while the men were fighting in France.

Mr. LEE of Oklahoma. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. LEE of Oklahoma. The gentleman has just stated that he will vote against the amendment offered by the gentleman from New York [Mr. MARCANTONIO]. Does not the gentleman think it would be an injustice to the soldier to make the bonus relief money for him?

Mr. CONNERY. I will say to the gentleman, of course I do; but in order to get any bonus for the veteran we had to get this compromise in order to get a bill before the House and, as between this amendment which will be brought out and a bonus for the veteran, I am going to stay with the bonus.

Mr. LEE of Oklahoma. Does the gentleman think that amendment will kill the bonus?

Mr. CONNERY. At least it is a violation of a gentlemen's agreement. I really was not personally bound to that, but technically it might be construed as a violation of a gentlemen's agreement. However, if the Senate puts it on and this House takes it and the committee takes it, when it comes back, my feelings will not be hurt at all.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. MARCANTONIO. As a matter of fact, the gentleman does not believe this particular situation was in mind when the gentlemen's agreement was entered into, does he?

Mr. CONNERY. Yes. This is the bill that was referred to.

Mr. MARCANTONIO. I mean this question of taking the veterans off relief. I do not believe that question came up in the conference.

Mr. CONNERY. No; it did not; but this is the bill to which they referred. It had been taken out at that time. Mr. VINSON's original bill had it in, to take care of that.

Mr. MARCANTONIO. Not the relief proposition.

Mr. CONNERY. No; no. That was the other thing. That was not considered in the conference.

Mr. MARCANTONIO. Inasmuch as that was not considered at all in the conference, I cannot see how the gentleman is bound by that agreement.

Mr. CONNERY. We would be bound to the extent of standing by this bill as it came out of committee, because 25 or 50 or 60 other amendments might be offered.

Mr. MARCANTONIO. Does the gentleman believe it would hurt the bill?

Mr. CONNERY. Of course not.

Mr. MARCANTONIO. It is rather in the nature of a perfecting amendment.

[Here the gavel fell.]

Mr. CONNERY. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. KVALE. I should like to say that I was one of the parties to that agreement, and I certainly do not feel myself bound to do anything but give my most enthusiastic support to the Marcantonio amendment [applause] which I think is most important.

Mr. CONNERY. I have no quarrel with my friend from Minnesota if he feels that way. I feel differently.

Mr. TREADWAY. Mr. Chairman, I move to strike out the last two words for the purpose of asking a question of the gentleman from North Carolina.

A good many of the Members have left the Hall. Some of them I know have amendments they desire to offer to the bill. I think they left us with the idea in mind that we would not proceed with the general reading under the 5-minute rule this afternoon. I think it would be no more than courteous to our colleagues to rise at this time.

Mr. DOUGHTON. They have had ample warning. We are going on with this bill.

Mr. TREADWAY. I do not want to raise the point of no quorum, but I think we should show this courtesy to our colleagues.

Mr. DOUGHTON. That is the gentleman's privilege. If I only knew what amendments were to be offered tomorrow, the situation would be different.

Mr. TREADWAY. Will the gentleman move to rise at this time?

Mr. DOUGHTON. The gentleman will not.

Mr. TREADWAY. Mr. Chairman, I make the point of order there is not a quorum present.

The CHAIRMAN. The Chair will count. [After counting.] Sixty-eight Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 2]

Adair	Daly	Hamlin	Rayburn
Andresen	Dear	Hancock, N. C.	Reilly
Andrew, Mass.	Dempsey	Hart	Rich
Andrews, N. Y.	DeRouen	Hoeppel	Rogers, Okla.
Arends	Dies	Hull	Ryan
Bacon	Dietrich	Johnson, W. Va.	Sabath
Barden	Dockweiler	Kahn	Sanders, La.
Berlin	Dorsey	Kee	Sanders, Tex.
Binderup	Doutrich	Keller	Sandlin
Bloom	Drewry	Kleberg	Schneider, Wis.
Boehne	Driscoll	Knutson	Smith, Va.
Bolton	Driver	Larrabee	Smith, Wash.
Brennan	Duffey, Ohio	Lehlbach	Spence
Buckbee	Duffy, N. Y.	Lewis, Md.	Stack
Buckler, Minn.	Duncan	Lloyd	Steagall
Buckley, N. Y.	Dunn, Miss.	McGrath	Stewart
Bulwinkle	Eicher	McGroarty	Stubbs
Burch	Ekwall	McLaughlin	Sutphin
Burdick	Englebright	McLeod	Thom
Burnham	Faddis	McMillan	Thomas
Cannon, Mo.	Fitzpatrick	McSwain	Thomason
Cannon, Wis.	Ford, Calif.	Maas	Thurston
Casey	Fulmer	Merritt, Conn.	Tolan
Celler	Gambrill	Montague	Vinson, Ga.
Chandler	Gasque	Montet	Wadsworth
Citron	Gassaway	Nichols	Warren
Claiborne	Gifford	Norton	Wearin
Clark, Idaho	Glidea	O'Day	Welch
Cole, Md.	Gillette	Oliver	Whelchel
Collins	Gingery	Palmisano	White
Colmer	Goodwin	Pearson	Wilson, La.
Corning	Greenwood	Pettengill	Withrow
Crosser, Ohio	Greever	Peyser	Wolfenden
Culkin	Gwynne	Pierce	Woodruff
Cummings	Haines	Quinn	Zimmerman

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BLANTON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill (H. R.

9870) to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes, and finding itself without a quorum, he had directed the roll to be called, when 291 Members answered to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its session.

The Clerk read as follows:

SEC. 2. In the case of each loan heretofore made pursuant to law by the Administrator of Veterans' Affairs and/or by any national bank, or any bank or trust company incorporated under the laws of any State, Territory, possession, or the District of Columbia, upon the security of an adjusted-service certificate, any interest that has been or, in consequence of existing law, would be charged against the face value of such certificate either shall be canceled or not so charged, as the case may be, notwithstanding any provision of law to the contrary. Any interest on any such loan payable to any such bank or trust company shall be paid by the Administrator of Veterans' Affairs.

In the case of any such loan which is unpaid and held by a bank or trust company at the time of filing an application under this act, the bank or trust company holding the note and certificate shall, upon notice from the Administrator of Veterans' Affairs, present them to the Administrator for payment to the bank or trust company in full satisfaction of its claim for the amount of unpaid principal and unpaid interest, except that if the bank or trust company, after such notice, fails to present the certificate and note to the Administrator within 45 days after the mailing of the notice, such interest shall be paid only up to the forty-fifth day after the mailing of such notice.

SEC. 3. (a) An application under this act for payment of a certificate may be made and filed at any time before the maturity of the certificate (1) personally by the veteran, or (2) in case physical or mental incapacity prevents the making or filing of a personal application, then by such representative of the veteran and in such manner as may be by regulations prescribed. An application made by a person other than a representative authorized by such regulations shall be held void.

(b) If the veteran dies after the application is made and before it is filed it may be filed by any person. If the veteran dies after the application is made it shall be valid if the Administrator of Veterans' Affairs finds that it bears the bona-fide signature of the applicant, discloses an intention to claim the benefit of this act on behalf of the veteran, and is filed before the maturity of the certificate, whether or not the veteran is alive at the time it is filed. If the death occurs after the application is filed but before the receipt of the payment under this act, or if the application is filed after the death occurs but before mailing of the check in payment to the beneficiary under section 501 of the World War Adjusted Compensation Act, as amended, payment shall be made to the estate of the veteran irrespective of any beneficiary designation.

(c) Where the records of the Veterans' Administration show that an application, disclosing an intention to claim the benefits of this act, has been filed before the maturity of the certificate, and the application cannot be found, such application shall be presumed, in the absence of affirmative evidence to the contrary, to have been valid when originally filed.

(d) In case application under this act for payment of any certificate is filed before April 6, 1937, payment shall be made by the Administrator of Veterans' Affairs upon approval of the application. In case application for payment under this act is filed on or after April 6, 1937, payment shall be made on the 1st day of May, September, or January, whichever month first follows the date of filing the application, except that if payment on such application is made to the estate of the veteran pursuant to subsection (b), payment shall be made upon approval of the application.

(e) If at the time this act takes effect a veteran entitled to receive an adjusted-service certificate has not made application therefor he shall be entitled, upon application made under section 302 of the World War Adjusted Compensation Act, as amended, to receive, at his option, under such rules and regulations as the Administrator may prescribe, either the certificate under section 501 of such act, as amended, or payment under this act.

SEC. 4. If an application under this act for payment of the certificate of any veteran is not made prior to maturity of the certificate or is not filed prior to April 6, 1937, interest shall accrue on such certificate at the rate of 3 percent per annum. Such interest shall be computed on a principal amount equal to the face value of the certificate less any indebtedness of the veteran on account of the principal of any loan or loans secured by such certificate. Such interest shall begin to accrue on the day after the date of enactment of this act, or the date of issuance of the certificate, whichever is the later date, and shall continue to accrue until January 1, 1945, death of the veteran, or payment of the certificate upon an application therefor under this act, whichever is the earliest date. The accrued interest shall be paid by the Administrator of Veterans' Affairs upon payment of the certificate under this act or the World War Adjusted Compensation Act, as amended.

Mr. ELLENBOGEN. Mr. Chairman, I endeavored to get the attention of the Chair when the Clerk finished reading section 3.

The CHAIRMAN. For what purpose does the gentleman from Pennsylvania rise?

Mr. ELLENBOGEN. Mr. Chairman, I desire to offer an amendment to section 3. I endeavored to get the attention of the Chair to offer the amendment when the Clerk finished reading section 3.

Mr. VINSON of Kentucky. We object to going back, Mr. Chairman. I make the point of order that we have passed section 3.

Mr. COCHRAN. Mr. Chairman, a point of order.

Mr. Chairman, I care not, and I do not know what the gentleman from Pennsylvania had, although I was sitting alongside of him. I saw the gentleman from Pennsylvania on his feet trying to get the attention of the Chair. The gentleman from Pennsylvania is entitled to his day in court no matter what he has to offer.

The CHAIRMAN (Mr. BLANTON). The gentleman from Pennsylvania in rising stated that his purpose was to offer an amendment to section 3. The gentleman from Kentucky makes the point of order that we have passed section 3, and under the rules the Chair thinks the point of order is well taken.

Mr. O'MALLEY. Mr. Chairman, I desire to be heard on the point of order.

The CHAIRMAN. Does the gentleman from Pennsylvania desire to be heard on the point of order?

Mr. ELLENBOGEN. Mr. Chairman, I submitted my request before the Clerk started the reading of section 4. The Chair did not hear me and did not see me. I think the fault does not lie with me. I think the point of order is not well taken.

The CHAIRMAN. The Chair will state that the reason the Chair did not recognize the gentleman from Pennsylvania when he rose during the reading of section 4 was because the Clerk was about halfway through the reading of section 4; and, under the rules, the Chair was not permitted to recognize the gentleman until the Clerk had concluded reading section 4. The Chair recognized the gentleman as soon as the reading of section 4 was completed.

Mr. ELLENBOGEN. I was on my feet asking to be recognized before the Clerk started the reading of section 4.

The CHAIRMAN. The Chair does not so understand the situation. Does the gentleman from Kentucky [Mr. VINSON] insist on his point of order?

Mr. VINSON of Kentucky. Mr. Chairman, I insist on the point of order.

The CHAIRMAN. The Chair sustains the point of order.

Mr. MAY. Mr. Chairman, I move to strike out the last word in section 4.

Mr. Chairman, my only purpose in moving to strike out the last word in the section indicated is to inquire of the Chairman of the Ways and Means Committee whether or not under the provisions of this bill those veterans who do not wish to cash or collect their adjusted-service certificates may be permitted to hold them in their present status and whether or not it is optional with the certificate holders in the matter of collection of these certificates?

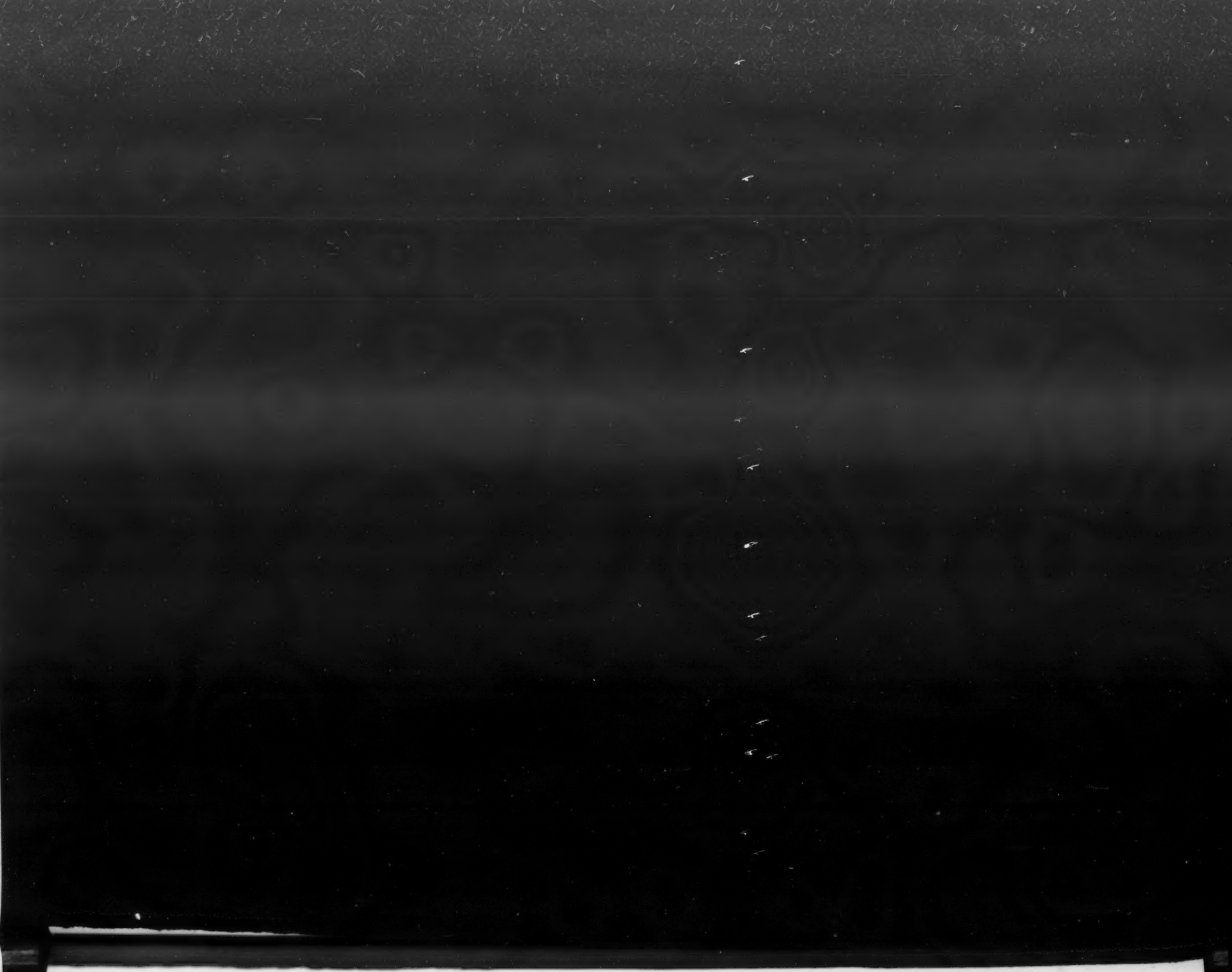
Mr. VINSON of Kentucky. They are entitled to hold them. If they hold them until after April 6, 1937, they will draw interest at the rate of 3 percent per annum from the date of the enactment of the law until January 1, 1945, or until the death of the veteran.

Mr. MAY. What is to become of the question of accrued interest?

Mr. VINSON of Kentucky. It is waived.

Mr. ELLENBOGEN. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, the amendment that I desired to offer was with reference to section 3, line 13, page 4. Under the bill as it is now written the money which may be paid to the estate of a deceased veteran might be subject to State and Federal inheritance taxes. Some of the States have a very low exemption. The amendment I intended to offer simply provided that in the event of such payment being made to the estate of a deceased veteran it shall not be subject to



any State or Federal inheritance tax. I did not desire to offer any argument in support of the amendment.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. ELLENBOGEN. I gladly yield to the distinguished gentleman from Kentucky.

Mr. VINSON of Kentucky. Section 308 of the Adjusted Service Certificate Act takes care of the very matter in which the gentleman is so interested.

Mr. ELLENBOGEN. But this is an amendment to the act, and I did not know whether that section would cover it. It is doubtful.

Mr. VINSON of Kentucky. This is an amendment of the Adjusted Service Certificate Act.

Mr. ELLENBOGEN. What is the language of that section?

Mr. VINSON of Kentucky. The language is as follows:

No sum payable under this act to a veteran or his dependents, or to his estate, or to any beneficiary named under title V, no adjusted-service certificate, and no proceeds of any loan made on such certificate shall be subject to attachment, levy, or seizure under any legal or equitable process, or to National or State taxation, and no deductions on account of any indebtedness of the veteran to the United States shall be made from the adjusted-service credit or from any amounts due under this act.

Mr. ELLENBOGEN. My amendment refers to a payment made to an estate and not to the veteran.

Mr. VINSON of Kentucky. The section I read covers all of the payments.

Mr. ELLENBOGEN. It is doubtful whether that section would take care of it.

The Clerk read as follows:

SEC. 5. The Secretary of the Treasury is authorized and directed to redeem from the United States Government life-insurance fund all adjusted-service certificates held by that fund on account of loans made thereon, and to pay to the United States Government life-insurance fund the amount of the outstanding liens against such certificates, including all interest due or accrued, together with such amounts as may be due under subdivision (m) of section 502 of the World War Adjusted Compensation Act, as amended. The Secretary of the Treasury is authorized and directed to make such payment by issuing, to the United States Government life-insurance fund, bonds of the United States which shall bear interest at the rate of 4½ percent per annum. No such bonds shall mature or be callable until the expiration of a period of at least 10 years from date of issue, except that any such bond shall be redeemed by the Secretary of the Treasury and the principal and accrued interest thereon paid to the United States Government life-insurance fund at any time upon certification by the Administrator of Veterans' Affairs that the amount represented by such bond is required to meet current liabilities. Bonds issued for the purposes of this section shall be issued under the Second Liberty Bond Act, as amended, subject to the provisions of this section.

Mr. MONAGHAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not desire to consume at this late hour the full amount of time that is allotted to me under the rule. I shall merely state at the outset that I have been for the bonus since I came to Congress. I hope that the Patman form of paying this bonus will be the one that will be finally triumphant.

My main purpose in rising is to call the attention of the Members of Congress to the fact that when the bonus was first presented to Congress many years back it was just as much laughed at, scoffed at, and sneered upon as an adequate pension measure is today. I feel confident that since that time the character, the disposition, and the economic philosophy of the Congress has changed. Fortunately or unfortunately the membership of the body has changed; I may say fortunately for the veterans. Today we have an issue before the Nation that will likewise change the membership of this Congress unless the membership realizes the trend toward adequate pensions and changes to that end before it is too late.

Mr. RANDOLPH. Mr. Chairman, I rise in opposition to the pro-forma amendment.

Mr. Chairman, I have no desire to detain the Committee further in its consideration of this measure. I therefore ask unanimous consent to have incorporated as a part of my remarks a letter which I addressed several weeks ago to the State commander of the American Legion in West Virginia and the State commander of the Veterans of Foreign Wars, Mr. Rex. Davis, setting forth my views upon the question of the payment of adjusted-service certificates; also to include the benefits which will accrue to the veterans of West Virginia including the 15 counties in my Congressional District, as well as a very short excerpt from Arthur Brisbane upon the preferential method of payment, in which I am a strong believer.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. RANDOLPH. The letter I refer to is as follows:

DECEMBER 18, 1935.

Hon. WILLIAM G. STATHERS,
State Commander American Legion,
Clarksburg, W. Va.

MY DEAR BILL: At the forthcoming session of the Seventy-Fourth Congress we will again be considering legislation calling for the payment of the adjusted-service certificates to veterans of the World War. I feel that this debt should be paid now, and you and the other members of your splendid organization may be assured that I shall exert every effort in behalf of immediate payment.

I feel that this is a most opportune time for settlement. Payment should be a real stimulant to business, and it is right and proper that this obligation be met now and not later.

Very sincerely yours,

JENNINGS RANDOLPH.

The following is the amount, by counties, of benefits to veterans of the World War within West Virginia:

West Virginia (43,294 certificate holders): Barbour $251,813.31, Berkeley $378,909.54, Boone $332,353.55, Braxton $305,221.93, Brooke $333,394.44, Cabell $1,227,245.15, Calhoun $146,886.59, Clay $177,423.75, Doddridge $141,776.79, Fayette $973,971.90, Gilmer $143,845.04, Grant $114,105.44, Greenbrier $484,998.81, Hampshire $159,999.05, Hancock $385,411.70, Hardy $132,692.69, Harrison $1,002,068.71, Jackson $217,964.24, Kanawah $2,131,342.51, Jefferson $213,314.04, Lewis $294,611.30, Lincoln $258,950.81, Logan $791,262.62, McDowell $1,223,095.13, Marion $901,042.29, Marshall $538,435.46, Mason $281,012.19, Mercer $828,964.32, Mineral $271,495.52, Mingo $517,996.25, Monongalia $677,022, Monroe $161,526.59, Morgan $113,632.31, Nicholas $279,633.35, Ohio $974,336.89, Pendleton $130,583.88, Pleasants $88,475.31, Pocahontas $196,754.49, Preston $392,603.28, Putnam $226,250.77, Raleigh $920,187.30, Randolph $338,612.39, Ritchie $210,799.70, Roane $263,303.61, Summers $276,686.43, Taylor $258,383.06, Tucker $180,789.74, Tyler, $172,827.63, Upshur $242,567, Wayne $421,842.71, Webster $192,171.89, Wetzel $301,911.02, Wirt $85,947.45, Wood $764,050.88, Wyoming, $282,877.67; total $23,345,392.42.

The following comment is from that distinguished journalist, Arthur Brisbane:

You are warned that all plans to balance the National Budget will be upset if it becomes necessary to pay the soldiers' bonus to avoid trouble in the 1936 election.

If the bonus must be paid, taxes must be increased.

Why must they be increased?

If the Government had brains enough to pay the bonus with new money made, it need not tax anything or anybody. But, if it insists on putting out more interest-bearing "fiat bonds", not worth 1 cent a ton more than greenbacks, since both represent only the Government's promise to pay, then, of course, there will be more taxes to pay additional interest on more of the idiotic fiat bonds. Your bonds are mere fiat paper money. Why, in Heaven's name, insist on paying interest?

You would hardly have patience with a microcephalic idiot if he insisted on piling up a load of bond interest when it could as well be avoided. Does anybody think it would hurt this country to print the money that would be needed to pay soldiers their bonus? Let them spend it, and let the country make a profit by it without injecting the pawnbroker interest-bearing complex into the situation.

The issue before us tonight should be settled finally in this session of Congress. It should be taken out of politics now. The money paid to these veterans is a just debt to those men who defended this Republic in a critical period of our history. These men will pay old debts, remodel and repair their homes, and purchase goods which will stimulate business and aid returning prosperity.

The Clerk read as follows:

SEC. 6. Amounts in the adjusted-service certificate fund are hereby authorized to be appropriated and made immediately available to the Administrator of Veterans' Affairs for making payments authorized to be made by this act. The Administrator of Veterans' Affairs shall from time to time advise the Secretary of the Treasury as to the amount of funds necessary to make such payments.

SEC. 7. There is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

Mr. FISH and Mr. WHITTINGTON rose.

Mr. FISH. Mr. Chairman, I was trying to get recognition when the Clerk finished the reading of section 6. I was on my feet at the time.

Mr. WHITTINGTON. Mr. Chairman, I have an amendment to offer to section 7.

The CHAIRMAN. In view of the fact there are only three lines in section 7, and the gentleman from New York was on his feet seeking recognition, the Chair thinks the gentleman from New York should be recognized and, without objection, the Chair recognizes the gentleman from New York to offer an amendment to section 6.

Mr. WHITTINGTON. That will be done without prejudice to my offering an amendment to section 7?

The CHAIRMAN. Yes. The amendment is to section 6.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. FISH: Page 7, line 13, add section 6A, as follows:

"The Secretary of the Treasury is hereby directed to make the exchange stabilization fund of $2,000,000,000 that expires on January 30, 1936, available on that date for payment of the adjusted-service certificates."

Mr. COOPER of Tennessee. Mr. Chairman, I make the point of order against the amendment that it is not germane to this section or to any part of the bill.

The CHAIRMAN. The Chair will hear the gentleman from New York on the point of order.

Mr. FISH. Mr. Chairman, the bill reads, "To provide for the immediate payment of World War adjusted-service certificates", and my amendment offers a method for the payment of these certificates. This is one of the many means that may be proposed for the payment of these certificates, and I should think there would be the greatest amount of latitude by the Chair for any Member to offer a specific way of paying the certificates.

The CHAIRMAN (Mr. BLANTON). The bill is merely an authorization for an appropriation. The Chair thinks that a reading of the amendment offered by the gentleman from New York clearly shows that the amendment is an appropriation, and not proper on this bill, and the Chair, therefore, sustains the point of order.

Mr. WHITTINGTON. Mr. Chairman, I offer an amendment to section 7.

Mr. TREADWAY. Mr. Chairman, section 7, as I understand, has not been read.

Mr. WHITTINGTON. Yes; it has been read.

The CHAIRMAN. The Clerk will again read section 7.

The Clerk read section 7.

Mr. TREADWAY. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment by Mr. TREADWAY: Page 7, line 13, after the word "appropriated", insert "out of any unexpended balances heretofore appropriated or made available for emergency purposes."

Mr. WHITTINGTON. Mr. Chairman, I make the point of order against the amendment that it is not definite enough. It does not specify what law or what appropriation is intended to be covered by the proposed amendment.

Mr. TREADWAY. Mr. Chairman, I should like to be heard on the point of order.

Mr. McCORMACK. Mr. Chairman, I make the further point of order that it is an appropriation.

Mr. WHITTINGTON. Mr. Chairman, if I may be permitted to conclude, as I understand the gentleman's amendment, he proposes to pay this amount or whatever amount is necessary to carry out the provisions of the act from the relief appropriation. I may say that my objection to the gentleman's amendment is to the form rather than the substance. I have sent to the Clerk's desk an amendment proposing to pay it out of the Relief Appropriation Act of 1935, describing it definitely, and I believe the gentleman's amendment is too indefinite.

The CHAIRMAN (Mr. BLANTON). The Chair is ready to rule.

Mr. TREADWAY. Mr. Chairman, I should like to be heard on the point of order.

The CHAIRMAN. The Chair does not think it necessary to hear the gentleman from Massachusetts unless the gentleman seeks to convince the Chair that the Chair would be in error in holding his amendment in order.

While it is restrictive and limits Congress to just one source in making its appropriation, while the bill in no way limits, the amendment is merely an authorization. It will require action on the part of Congress later to appropriate the money, and the Chair, therefore, overrules the point of order.

Mr. TREADWAY. Mr. Chairman, we have reached the point where it is pretty definitely understood that in some way or other this bonus matter will be cleared up. It seems to be quite definitely understood from the debate here today that there will not be extensive opposition to the bill when it comes to a vote tomorrow. Of course, many Members will vote against it, but nevertheless it is expected that it will be finally passed. The point now is, How are you going to meet the bill? We find on reference to the report of the Secretary of the Treasury that there is $6,595,150,742.05 unexpended out of the relief emergency appropriations. We appropriated in one bill $4,800,000,000. We cannot separate that on the sheet provided by the Treasury Department, but the Treasury Department does say that over $6,000,000,000 is unexpended. My amendment is simply to allocate a certain portion of that $6,000,000,000 unexpended balance for the purpose of paying off the bonus bill, which will run from two to three billion dollars. That is the purpose of the amendment which the Chair has held in order, and it is a sensible way for this House to state its view as to the payment of the bonus. It will do away with any possibility of inflation of the currency. It will do away with any addition of $2,000,000,000 to the public debt, which debt has already reached the fabulous sum of thirty and one-half billion dollars.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. COCHRAN. Does the gentleman realize that while that money is unexpended it has been allocated to projects which are now in course of construction and the money will be needed for that purpose?

Mr. TREADWAY. Oh, the gentleman is in error there. There are millions upon millions of dollars that have not been allocated. There is $437,000,000 in one item alone, and plenty to more than make up the needed amount. There is no question about the money being available. Why we should continue to have $6,000,000,000 unused money lying idle, I for one cannot say. It is not good business. It is not common sense. It is profligacy. At least $4,000,000,000 out of the $6,500,000,000 has not been obligated, and where allocated has been allocated for such foolish projects as the Resettlement Administration. This amendment would give us an opportunity to stop a huge waste of public money, as the New Deal administration has continuously demonstrated these expenditures are. Further, it would obviate any new tax to pay the bonus which seems inevitable unless this amendment is adopted.

Mr. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. BOLTON. I wish to call the attention of the gentlemen and of the House to a statement of the Treasury of June 29, 1935, in which it is stated that the total emergency expenditures for the fiscal year 1935, amounted to three-billion-six-hundred-million-and-odd dollars, and the total expenditures for emergency purposes for 1934 amounted to about four billion. We are told that the emergency requests and needs are less this fiscal year than they have been in the past. The statement of January 7, 1936, also shows that up to the 7th of January there has been expended for emergency purposes approximately $1,980,000,000, leaving, if we do not go over the figures of 1935, approximately $1,600,000,000 still

to be provided out of the unexpended balance, six and a half billion of emergency funds which the Treasury statement shows there is today, that would leave us, taking that out, practically $5,000,000,000, from which the two billion for the bonus can be paid and the remainder of the projects carried on.

Mr. TREADWAY. Mr. Chairman, the gentleman from Ohio is a member of the Committee on Appropriations and knows the figures.

Mr. DOUGHTON. Mr. Chairman, I rise in opposition to the amendment. The purpose, and doubtless the effect of this amendment is to break up the entire relief scheme that is now in progress by the administration. This Congress passed relief legislation and the amount that is authorized to be appropriated has been allocated to projects all over the country, to good roads, to school buildings, and various projects, whereby the unemployed of the Nation can be given employment, and, moreover, some of the States have already gone ahead of the local communities and counties and arranged for funds to match a large portion of this fund.

Mr. TREADWAY. Will the gentleman yield?

Mr. DOUGHTON. Yes.

Mr. TREADWAY. Can the gentleman indicate where these unexpended balances are likely to be spent for relief? Why are they not in here? In other words, for what purpose should we add to the indebtedness of the Nation today to pay the soldiers' bonus when the money is available and can be so used?

Mr. DOUGHTON. The gentleman knows it is impossible to give a list of all of the projects that are under way and that have been approved. There is no doubt that the entire purpose of the gentleman's amendment is to break up the relief scheme. That is all it amounts to, and I ask that it be voted down.

Mr. FISH. Mr. Chairman, I move to strike out the last word. The gentleman from Massachusetts [Mr. TREADWAY] claims there is an unexpended balance of $6,000,000,000, and on that basis he introduced his amendment that the bonus certificates should be paid out of the six-billion unexpended and unobligated balance. In the last session of Congress I made a somewhat similar motion to pay the certificates out of the $4,000,000,000 of public-works funds, but if there are $6,000,000,000 unexpended, and I am inclined to think the gentleman is about right, from the figures that have been given me this afternoon, some of it possibly having been allocated or earmarked, then there is certainly more than enough money that has not been either allocated, earmarked, or obligated available now. I have also pointed out that there is a secret stabilization fund of $2,000,000,000 that expires on the 30th of this month unless the President extends it for 1 year in case of emergency.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. FISH. Certainly; yes.

Mr. DOUGHTON. On what authority does the gentleman make the statement that this money has not been allocated?

Mr. FISH. Mr. Chairman, I ask unanimous consent to place in the RECORD the figures showing what has been allocated and what has not been allocated. I have the figures specifically stated right there.

Mr. DOUGHTON. Why does not the gentleman give the committee the benefit of it?

Mr. FISH. I do not have time to read the figures in the balance of my time.

Mr. DOUGHTON. Where are the figures from?

Mr. FISH. The total amount that I have here is $3,374,000,000.

Mr. COX. That has not been allocated?

Mr. FISH. That is correct.

Mr. DOUGHTON. From what is the gentleman reading?

Mr. COCHRAN. Reserving the right to object, Mr. Chairman, I want to know where the gentleman received his information to the effect that only the amount he named has been allocated or earmarked?

Mr. O'BRIEN. Mr. Chairman, I object to the gentleman's request.

Mr. COCHRAN. I reserve the right to object. I think it is valuable that we get this information, because I know the gentleman is wrong.

Mr. FISH. Objection has been made and I cannot put these figures in the RECORD except through extension of my remarks. All I can say is that my secretary, at my direction, got the figures today from the different departments of the Government and presumably they are correct and authentic.

Now there seems to be some dispute as to how much money has been allocated and how much has not. We cannot decide it the way we are proceeding this evening, but I can say for myself and for a great many Republicans to whom I have spoken, that if this bill is passed to pay the veterans' certificates and is vetoed by the President, and he comes back here and asks for $2,000,000,000 in increased taxes, there will be many Republicans who will not vote for one single dollar of increased taxes to pay these adjusted-service certificates, because of the unexpended balances and unobligated moneys, and because there is $2,000,000,000 more in the secret stabilization fund that will be likewise available on January 30, 1936. In accordance with my request to revise and extend my remarks, I append the data compiled by my secretary under my direction, regarding the expenditure of the $4,000,000,000 public-works fund.

RE PUBLIC-WORKS FUND

Out of the $4,000,000,000 public-works fund, made available under the Works Relief Act of April 8, 1935, according to the statement of the Treasury, dated January 7, 1936, the following funds were allocated, and the balance at right shows funds credited or allocated by the President but unexpended:

	Allocated by President, earmarked	Unexpended funds credited to agency
Federal Emergency Relief Administration	$938,530,085	$66,025,251.31
Emergency Conservation Work	527,479,450	173,793,172.56
Boulder Dam	13,000,000	[1] 13,000,000.00
Grants to States	343,672,712	[2] 343,672,712.00
Public highways	500,000,000	465,241,600.25
Rivers and harbors	130,886,169	[3] 130,886,169.00
Rural electrification	9,027,012	8,728,917.23
Works Progress Administration	1,173,105,306	929,228,299.79
Emergency Housing	103,773,050	[4] 103,773,050.00
Resettlement Administration	181,070,000	[5] 181,070,000.00
All others	335,807,463	[6] 335,807,363.00
Unallocated	43,648,753	43,648,753.00
Total	4,300,000,000	2,794,875,288.14
Unaccounted for	580,000,000	580,000,000.00
Total	4,880,000,000	3,374,875,288.14

[1] Boulder Dam unexpended balance $27,433,701.49.
[2] Grants to States, $733,892,196.15.
[3] Rivers and Harbors $176,308,619.50.
[4] Emergency Housing, $110,738,881.27.
[5] Resettlement Administration $196,843,502.40.
[6] Others $613,942,500.41.

Mr. VINSON of Kentucky. Mr. Chairman, I rise in opposition to the pro-forma amendment.

Mr. Chairman, I hold in my hand the daily statement of the United States Treasury dated January 7, 1936. On page 4 of this document there is a heading, "Funds appropriated and allocated for recovery and relief, and expenditures therefrom and unexpended balances as of January 7, 1936."

In the column under "Unexpended" we have "Unallocated funds by the President, $78,000,000" plus; "By Public Works Administration, $13,000,000" plus; or a total of $91,000,000.

Mr. BOLTON. Will the gentleman yield?

Mr. VINSON of Kentucky. Yes; I yield.

Mr. BOLTON. The gentleman knows perfectly well that "unallocated" and "unobligated" are entirely different. We know of many instances where allocated funds have been transferred within the past 6 months.

Mr. VINSON of Kentucky. But I cannot think for a split second that the distinguished gentleman from Ohio [Mr. BOLTON], chairman of the Republican congressional committee, would not recognize an obligation upon a solemn allocation for projects throughout the country. Now, let me

say this: This is one of the amendments to which I directed your attention when I first took the floor this afternoon. This is an amendment that does not enlarge the power of appropriation. It is an amendment limiting the appropriation because all we could look to would be emergency funds. If you will read that amendment carefully, you will find it speaks of appropriating unexpended balances out of appropriations that have been made for emergency purposes. In other words, it is a limitation rather than an enlargement of the power of appropriation.

Mr. COOPER of Tennessee. Will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. COOPER of Tennessee. Is this not simply another way of defeating and preventing the payment of the adjusted-service certificates? [Applause.]

Mr. VINSON of Kentucky. Yes. In other words, there may be unexpended balances in the general fund. If there were, under this amendment you could not use those unexpended balances. I say to my friends in the House that this matter can be taken care of. If unexpended balances are desired to be used when the appropriation is made, let it be a regular appropriation and the right to use unexpended balances, and there will not be a limitation that will destroy the very purposes of this act.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. CHRISTIANSON. If an allocation is such a sacred thing, how does it happen that the administration has withdrawn and changed its own allocations from time to time?

Mr. VINSON of Kentucky. It may be that the gentleman from Minnesota was so persuasive when he appeared before the P. W. A. that he caused them to make an allocation that was unjustified, and upon reflection, after that power of persuasion had been withdrawn, they may have seen the light and changed the allocation.

Mr. CHRISTIANSON. I claim no such power of persuasion, nor have I sought to exercise it; but if the President can change his own allocations, I see no reason why allocations are so sacred that Congress cannot change them.

Let me add that like many other Members who have voted against full cash payment of the bonus in the past, I shall support this measure if the amendment offered by the gentleman from Massachusetts [Mr. TREADWAY] is adopted. I understand that if it fails he will embody it in a motion to recommit, and that on tomorrow we shall have an opportunity to go on record on the question whether the bonus certificates shall be paid out of allocated but unobligated funds already appropriated or whether another burden of $2,000,000,000 shall be placed on the backs of the American people. If the additional two billion is raised by issuing bonds, there will be more interest, and consequently more taxes to pay, and a further drain on the buying power of the people. If raised by issuing greenbacks, there will be an equal or even greater drain upon buying power; for if the history of the consequences of the issuance of $600,000,000 of paper money during the Civil War is repeated, there will be enough inflation to impair seriously the value of the already devalued dollar.

I have always in the past contended that the bonus certificates should be paid on the basis of their accrued value, with adjustment of interest on loans to the rate at which the certificates were computed. If that basis of settlement were adopted, the holders would get every cent the bargain made in 1924 called for. It would be just to the former service men and to the people generally. But I am willing to go further in order to close the books. I am willing to vote to pay at once what will not be due under the terms of the contract until 1945, with 10 years of interest not yet earned, if payment can be made out of funds already appropriated and unspent, which, if not used to settle this obligation, will be frittered away in further "boondoggling", which gives only $1 in relief to the unemployed for $3 collected from the people of the country.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. Debate has been exhausted on this amendment.

The question is on the amendment offered by the gentleman from Massachusetts [Mr. TREADWAY].

The question was taken; and on a division (demanded by Mr. TREADWAY) there were ayes 48 and noes 116.

Mr. TREADWAY. Mr. Chairman, I ask for tellers.

Tellers were ordered; and the Chair appointed Mr. TREADWAY and Mr. DOUGHTON to act as tellers.

The Committee again divided; and the tellers reported there were ayes 43 and noes 118.

So the amendment was rejected.

Mr. WHITTINGTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: Page 7, line 15, strike out the period, insert a colon, and add: "*Provided*, That all unexpended and unallocated balances of the amounts appropriated under the Emergency Relief Appropriation Act of 1935 shall be made immediately available, and shall first be used and expended to carry out the provisions of this act."

Mr. WHITTINGTON. Mr. Chairman, just this word in explanation of the amendment, and I shall not detain the Committee: The amendment proposed by the gentleman from Massachusetts [Mr. TREADWAY], which has just been rejected by the Committee, provided that the amount necessary to carry out the provisions of this act should be made available from relief funds heretofore appropriated.

My objection to that amendment is that if there were not sufficient of those funds unobligated and unappropriated there would result no appropriation or authorization to carry out this bill.

During the consideration of the so-called Patman and Vinson bills in the first session of this Congress I gave notice that if the Vinson bill were finally voted upon by the Committee that I would propose that the amounts necessary to carry out the provisions of that act be made available out of the relief appropriation of $4,800,000,000. The amendment I have just proposed, and which has just been read, provides first of all that the amounts necessary to carry out the provisions of this act shall be paid from the unobligated and unexpended balances appropriated under the $4,800,000,000 public-works bill last year. If this amount is not sufficient, then there would be an authorization for the remainder.

The CHAIRMAN. The question is on the amendment.

The amendment was rejected.

Mr. MARCANTONIO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MARCANTONIO: Page 7, after line 15, add the following new section:

"SEC. —. No Federal agency shall in any manner or by any means deduct the amount of compensation received by any veteran pursuant to the provisions of this act, from any sum payable to him in whole or in part from Federal funds for work relief or other type of unemployment relief, nor shall such agency in any other manner alter the status of such recipient of compensation pursuant to the provisions of this act."

Mr. COOPER of Tennessee. Mr. Chairman, I make the point of order against the amendment that it is not germane to the section.

The CHAIRMAN. Does the gentleman from New York desire to be heard on the point of order?

Mr. MARCANTONIO. Mr. Chairman, the Chair has just ruled that the amendment offered by the gentleman from Massachusetts [Mr. TREADWAY], to pay the bonus from relief appropriations, was in order. My amendment is just the opposite. My amendment prevents payment of these adjusted-service certificates by means of relief funds. Why is my amendment not in order? Furthermore, my amendment defines the purpose, the scope, and the effect of the compensation authorized under this bill. I urge, consequently, that my amendment is germane.

The CHAIRMAN (Mr. BLANTON). The Chair is ready to rule.

The bill before the Committee does not deal with relief agencies or with other agencies of the Government. The

amendment of the gentleman from New York does deal with these agencies. The Chair holds, therefore, that the amendment is not germane to the bill and is out of order.

The Chair sustains the point of order.

The Clerk read as follows:

SEC. 8. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

SEC. 9. This act may be cited as the "Adjusted Compensation Payment Act, 1936."

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. BLANTON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 9870) to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes, pursuant to House Resolution 388, he reported the same back to the House.

The SPEAKER. Under the rule, the previous question is ordered on the bill.

The bill was ordered to be engrossed, read a third time, and was read the third time.

Mr. TREADWAY. Mr. Speaker, I offer a motion to recommit.

The Clerk read as follows:

Mr. TREADWAY moves to recommit the bill H. R. 9870 to the Committee on Ways and Means with instructions to report the same back to the House forthwith with the following amendment:

Page 7, line 13, after the word "appropriated", insert the following: "out of any unexpended balances heretofore appropriated or made available for emergency purposes."

Mr. DOUGHTON. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

OUR UNION—IT MUST BE PRESERVED, NOT FOR THE FEW BUT FOR THE MANY

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD and to include therein a speech I made in Arlington, Va., to the Young Democratic Club last evening.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. McFARLANE. Mr. Speaker, under permission given to extend my remarks I include a speech delivered at the Jackson Day dinner, January 8, 1936, given under the auspices of the Young Democratic Clubs of Arlington County, Arlington, Va., as follows:

Mr. Chairman, ladies, and gentlemen, I appreciate this opportunity of addressing such a large gathering on this important occasion given in honor of the President of the United States and the Democratic Party of Arlington County, Va.

One hundred and twenty-one years ago tonight the Nation celebrated the well-earned victory of the Battle of New Orleans. Thirteen years later General and Mrs. Jackson and their friends were invited to New Orleans to attend the first big celebration given there in their honor. Beginning in 1852 and each year thereafter there has been held throughout the Nation Jackson Day banquets in honor of the great statesman.

Conditions confronting the Nation when General Jackson was first inaugurated President on March 4, 1829, were very similar to those confronting the Nation when this administration came into power. The "money changers" had control of the temple; the manufacturers of the northern States had succeeded in passing protective tariffs for their so-called "infant industries" which had greatly benefited them to the detriment of the South. The Bank of the United States, chartered in 1816, had grown until it commanded a powerful political influence in the Nation. Under the leadership of John Marshall, the Supreme Court had rendered a series of decisions restricting the powers of the States and opened the floodgates for expansion of national functions and activities.

General Jackson was recognized as a champion of the rights of the common people, and at the time of his inauguration little was known as to his position on the important national questions pending. He soon left little doubt as to the course he would pursue. Soon after his inauguration he began to fight the money changers, and this battle he continued throughout his administration. Because of existing recent Supreme Court decisions, then as now, great constitutional questions were involved. These are some of the big questions raised and unsolved then as now:

What is the true character of the Constitution and the Union established under it? Are the States sovereign? Who should determine the limits of State and Federal power? What remedies have a State against unconstitutional measures of the National Government? Who should say when an act is unconstitutional? Some of these questions still remain unanswered.

WHAT NEW DEAL LEGISLATION HAS DONE

The recent decisions of the Supreme Court, and particularly their decision declaring A. A. A. invalid, has made us realize that if the Congress cannot enact legislation which through two and one-half years of trial has proven helpful to the general welfare of the Nation, then what course shall the people pursue if such decisions of the Supreme Court shall stand unchallenged.

Let me compare for you some of the prices received by the farmers at the beginning of this administration as compared to the prices they received December 15, 1935. These facts speak for themselves.

Commodity		5-year average, August 1909 to July 1914	February 1933	Dec. 15, 1935
Cotton, per pound	cents	12.4	5.5	11.4
Corn, per bushel	do	64.2	19.4	53.0
Oats, per bushel	do	39.9	13.3	25.5
Barley, per bushel	do	61.9	17.9	37.5
Wheat, per bushel	do	88.4	32.3	90.1
Hay, per ton	dollars	11.87	5.91	7.20
Hogs, per 100 pounds	do	7.24	2.94	8.72
Beef cattle, per hundredweight	do	5.20	3.31	6.14
Sheep, per 100 pounds	do	4.55	2.16	4.21
Chickens, live, per pound	cents	11.4	9.4	16.0
Eggs, per dozen	do	21.5	11.0	26.7
Butter, per pound	do	25.5	18.4	29.8
Butterfat, per pound	do	26.3	15.8	33.0
Wool, per pound	do	17.8	8.8	23.3
Milk cows, each	dollars	48.00	31.00	51.60
Horses, each	do	142.00	62.00	90.60
Mules, each	do		67.00	105.90

WHAT REPUBLICANISM DOES TO A COUNTRY

The three preceding Republican administrations, because of their enactment of special privileged laws favoring the wealthy against the rights of the common people, while they were enacting such special privileged legislation such as the Fordney-McCumber Tariff Act and the Hawley-Smoot Tariff Act, both of which revised our tariff laws upward and caused us the loss of most of our foreign trade, directly brought about the calamity confronting us at the beginning of this administration of want, misery, poverty, and unemployment. Factories closed, commerce and industry idle, and many millions of people losing their farms and homes and roaming the country unable to find work; thousands of bank failures, losing millions to the depositors, which immediately forced the President to close all banks in order to reorganize on a safe and sound basis.

DEMOCRACY TO THE RESCUE

You will remember that we were immediately called into a special session to try to remedy the results brought about by the wrecking crew of rugged individualism and the "raw deal", who had been in charge of our country for 12 years carrying out such a program. Bank legislation was immediately enacted taking care of that situation, so that the banks could reopen on a safe and sound basis, with the depositor's money amply protected. Next legislation for the benefit of the farm and home owners, suffering from high interest rates and foreclosures, was speedily enacted into law. Remedial legislation for the benefit of labor and working conditions in general was worked out. No administration ever worked harder and had the almost unanimous cooperation of both Houses of the Congress than had this administration during the early days of its session, when it was so well recognized that revolution was just around the corner. No sooner had legislation been worked out for the financial institutions and the manufacturing concerns of the Nation than they began to start their unjust and untrue criticism of this administration, as they did in the days of Jackson's administration—the money lenders, as soon as they were saved, began to rock the boat.

THE PRESIDENT'S MESSAGE

The President in his admirable message to the joint session of Congress on January 3, every word of which I heartily endorse, correctly stated the case thus:

"We have returned the control of the Federal Government to the city of Washington. To be sure, in so doing we have invited battle. We have earned the hatred of entrenched greed. The very nature of the problem that we faced made it necessary to drive some people from power and strictly to regulate others. I made that plain when I took the oath of office in March 1933. I spoke of the practices of the unscrupulous money changers who stood indicted in the court of public opinion. I spoke of the rulers of the exchanges of mankind's goods, who failed through their own stubbornness and their own incompetence. I said that they had admitted their failure and had abdicated. Abdicated? Yes, in 1933; but now, with the passing of danger, they forget their damaging admissions and withdraw their abdication. They offer; they seek—let us put it that way—the restoration of their selfish power."

Further in his speech, in challenging our reactionary critics to state in clear terms their program, if any, the President issued this challenge, which so far has not been accepted:

"In other words, let action be positive and not negative. The way is open in the Congress of the United States for an expression of opinion by yeas and nays. Shall we say that values are restored and that the Congress will, therefore, repeal the laws under which we have been bringing them back? Shall we say that because national income has grown with rising prosperity we shall repeal existing taxes and thereby put off the day of approaching a balanced Budget and of starting to reduce the national debt? Shall we abandon the reasonable support and regulation of banking? Shall we restore the dollar to its former gold content? Shall we say to the farmer, 'The prices for your products are, in part, restored, now go and hoe your own row'? Shall we say to the home owners, 'We have reduced your rates of interest, we have no further concern with how you keep your home or what you pay for your money; that is your affair'? Shall we say to the several millions of unemployed citizens who face the very problem of existence—yes; of getting enough to eat—'We will withdraw from giving you work; we will turn you back to the charity of your communities and to those men of selfish power who tell you that perhaps they will employ you if the Government leaves them strictly alone'? Shall we say to the needy unemployed, 'Your problem is a local one, except that perhaps the Federal Government, as an act of mere generosity, will be willing to pay to your city or to your county a few grudging dollars to help maintain your soup kitchens'? Shall we say to the children who have worked all day in the factory, 'Child labor is a local issue and so are your starvation wages; something to be solved or left unsolved by the jurisdictions of 48 States'? Shall we say to the laborer, 'Your right to organize, your relations with your employer, have nothing to do with the public interest; if your employer will not even meet with you to discuss your problems and his, that is none of our affair'? Shall we say to the unemployed and the aged, 'Social security lies not within the province of the Federal Government; you must seek relief elsewhere'? Shall we say to the men and women who live in conditions of squalor in country and in city, 'The health and the happiness of you and your children are no concern of ours'? Shall we expose our population once more by the repeal of laws to protect them against the loss of their honest investments and against the manipulations of dishonest speculators? Shall we abandon the splendid efforts of the Federal Government to raise the health standards of the Nation and to give youth a decent opportunity through such means as the Civilian Conservation Corps? Members of Congress, let these challenges be met. If this is what these gentlemen want, let them say so to the Congress of the United States. Let them no longer hide their dissent in a cowardly cloak of generality. Let them define the issue. We have been specific in our affirmative action. Let them be specific in their negative attack."

All our reactionary critics—the 4 percent who own 90 percent of the wealth of the Nation—all they have ever had to offer us, in the words of the President: "They offer to lead us back round the same old corner into the same old dreary street."

IT IS RESULTS THAT COUNT

A careful analysis of the constructive program above mentioned worked out by this administration and enacted into law clearly shows that we are well on our road to recovery. You can turn to the market reports of any newspaper and it will show that almost all stocks are hitting new highs and business generally is enjoying the best year it has had in many years, even better than the peak days in 1929; yet many of these same newspapers carry willful and malicious, unfair and untrue editorials criticising the work of this administration. I hold in my hand several different newspapers telling of the great progress that has been made during the past 3 years. Reading from them we find that the farmers' cash income has increased 86 percent; rural retail sales have advanced 95 percent since the spring of 1933. General Motors has just cut a holiday bonus of $5,000,000 for 200,000 employees, and many other corporations have done likewise. The United States exports in November were 22 percent larger than in October and 38 percent larger than in November of last year. In New England business volume was from 10 to 15 percent above last fall. December retail sales ran nearly one-half billion dollars above December 1934 and a billion dollars above December 1933. November building construction was 89 percent better than November of last year and residential construction was up 129 percent over last year. The number of jobs filled by workers rose in the year from 38,700,000 to over 40,000,000; wages and salaries rose correspondingly. Stock dividends increased about $250,000,000, and the value of stocks held by investors rose eleven billions. People with savings deposits possess about a billion dollars more than last year. Yes; truly we are definitely on our way out, unless we may be stopped by the A. A. A. and similar political decisions of the Supreme Court.

I don't know what your reaction is to these two great opinions on A. A. A., the majority and minority opinions. As for me, I heartily concur in the sentiment expressed in the minority opinion where they said: "So may judicial power be abused. * * * The only check upon our own exercise of power is our own sense of self-restraint. For the removal of unwise laws from the statute books appeal lies not to the courts but to the ballot and to the processes of democratic government."

CLAPPER RINGS THE BELL

Regarding the majority political opinion, I heartily agree with the statement of Mr. Raymond Clapper, staff correspondent for the Washington Daily News, on January 7, when he said:

"The Supreme Court gave plain warning in its high-handed scrapping of A. A. A. that other New Deal measures are to be mowed down as soon as it can get around to the grim business. That is, as soon as it can find the technical legal pretexts to support its political opinions.

"This leaves President Roosevelt free to do one of two things. He can resign himself to the Court's verdict as the final word of divine inspiration. He can accept the Court as the governing oligarchy of the country. He can yield to its political philosophy which would confine the Federal Government largely to running the Army, the Navy, and municipal affairs in the District of Columbia.

"Or he can accept the challenge as a political one, which it is, and go to the country to determine whether the people want to be governed by their elected President and their elected Congress or by a lame-duck judicial dictatorship."

Further, in speaking of the high-handed tactics of the Court, Mr. Clapper said:

"There is no use being dainty any longer in discussing the Court. It is in politics up to its neck. It can no longer claim the immunity from political discussion which a purely judicial body properly enjoys. Since it is vetoing acts of Congress right and left, it is no more immune from discussion than the President is immune when he vetoes an act of Congress.

"That this country, which presumably believes in the democratic form of government, will permit itself to be governed by a judicial oligarchy is incredible."

Further commenting upon the unfairness of this decision, Mr. Clapper said:

"They are the men who have said that the Government, after failing in every other attempt to restore the equilibrium of farm prices, shall not continue with the one method which in a trial of 2½ years has greatly alleviated the situation. These six men tell us we can't do it. They get away with it because John Marshall, while engaged in a desperate political battle with Jefferson, did. Nothing in the Constitution says they can."

BACK TO THE CONSTITUTION

We have heard much of late from our reactionary critics regarding recent decisions of the Supreme Court affecting legislation of this administration. It seems to me that we should join with our critics in urging an early return to the Constitution, and this I am glad to do, but from an entirely different angle. I would suggest that the Members of the Supreme Court read that great document and interpret it in the light under which it was written. If and when they do this they will find that our forefathers in the Constitutional Convention held in 1787 four times, or on four different occasions, refused to adopt a resolution that would have given the Supreme Court the right to declare acts of Congress invalid. (See Reports of Federal Convention, by James Madison, pp. 51, 406-407, and 475.) The last statement on this subject in said record, at page 475, written by Madison himself, reads: "It was generally supposed that the jurisdiction given (Supreme Court) was constructively limited to cases of a judicial nature."

Madison and others further argued that the Constitution did not grant the right to the Supreme Court to declare acts of Congress invalid. In regard to this question, James Madison said:

"I beg to know upon what principle it can be contended that any one department draws from the Constitution greater powers than another in marking out the limits of the powers of the several departments. Nothing has yet been offered to invalidate the doctrines that the meaning of the Constitution may as well be ascertained by the legislative as by the judicial authority."

Mr. Jefferson wrote Mrs. Adams on September 11, 1804:

"The opinion which gives to the judges the right to decide what laws are constitutional and what not, not only for themselves in their own sphere of action but for the legislature and Executive also in their spheres, would make the judiciary a despotic branch."

Further Thomas Jefferson wrote to Mr. Johnson on June 12, 1823, discussing this same question. He said:

"There must be an ultimate arbiter somewhere. True, there must; but does that prove it is either the Congress or the Supreme Court? The ultimate arbiter is the people of the Union, assembled by their deputies in convention at the call of Congress or of two-thirds of the States."

Many eminent statesmen in discussing this question have made similar statements. Nowhere in the Constitution is there found expressed power giving the Supreme Court the right to declare acts of Congress invalid. This power was usurped by John Marshall in the early days in the case of *Marberry* v. *Madison*, and this decision followed down to date. Our forefathers carefully weighed the checks and balances and specifically decided against allowing the members of a court appointed for life to have any such arbitrary and unlimited power. They thought it best to leave this power in the hands of the people, who by their ballot have the right to change their representatives each 2 years should they enact laws detrimental to the general welfare. So let's join with our critics and urge that we return to the Constitution and that legislation be enacted that will clearly define their jurisdiction and will require the Supreme Court to follow the Constitution as it is written.

In conclusion, let me urge you to become active in your support of this administration. No one has worked more assiduously

than they to overcome the greatest panic in which we have ever found ourselves. The issue is clear-cut; the record made by this administration speaks for itself. We have made good progress all along the front. For the first time in many years human rights have been considered more important than property rights. We cannot afford to beat a retreat; let us continue to beat a charge; let us have life more abundant.

THOUGHTS ON "CASH AND CARRY" NEUTRALITY

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. SHANLEY. Mr. Speaker, perhaps no single suggestion on neutrality has so caught the fancy of the popular mind as has that of forcing all belligerents to come here for their war needs in their own ships or ships of others, pay for those necessities in cash, and then carry them away. Title to these goods would pass on American soil, and the duty of getting them out would fall on the belligerent buyers. Certainly this seems like a fair proposal, involving no vessels of our own, bringing us the "spot" cash, and, in general, adhering to all the conditions of good business.

What is the reality? In the first place—and this I term the most trenchant argument against it—we might be shifting the naval battles of that hypothetical war right to our own front yard. Let us assume that two countries with parity in naval power and consequent parity in command of the seas are at war. Is it not reasonable to suppose that both of these belligerents would have all types of naval vessels stationed in and around our ports, lying to in expectancy of the rich cargoes that are coming out? Would not our Atlantic and Pacific harbors be under the watchful surveillance of fighting-mad enemies?

As a matter of fact, let us look at the record in the Great War in the realm of international law. Here is a passage from a reputable writer which may give some light concerning the possibilities of protests over loitering cruisers:

Doubtless no legal duty is imposed upon a neutral to prevent the cruisers of a belligerent from patrolling the high seas adjacent and in close proximity to the territorial waters of the former, and that for the purpose of making the neighborhood a station of observation of the movements of enemy ships. While the United States as a neutral in 1916 advanced no claims that British vessels of war "cruising off American ports beyond the 3-mile limit" were exceeding "their strict legal rights under international law", the Department of State expressed the view that such practice was none the less an inevitable source of annoyance and offense, and made request that such vessels be instructed to withdraw from the vicinity of the territorial waters of the United States and to remain at such distances from American harbors and coasts as would avoid "the annoying and inquisitorial methods" which had compelled the Government to make complaint.

We know that the basis for the inviolability of neutral territorial waters is as old as neutrality itself, but unfortunately its actuality has been based upon the military and naval prestige of the neutral herself. Someday historians will show the tenacity which actuated the patriotic insistence of the little state of Holland for due observance by the Allies, especially of her rights in the family of nations. That heroic chapter is one of diplomatic letter writing refined to the *n*th degree, but with a refinement that shows how a foreign office of the smallest of nations, motivated by a militant regard for its rights, can stand on its hind legs and utilize the safeguards of international law. In those dark days, when mighty nations, even more mighty with naval supremacy, were sweeping honest and justifiable complaints aside on the grounds of their primordial right of self-preservation, that little "spitfire" stood out like an oasis of rugged militancy without drawing a sword. One recalls another former day when Holland saved the freedom of the press for the world and made herself the vantage ground from which, in the darkest hour of oppression, the victims of oppressors sought the ear of Europe. It is worth while to recall and digest both instances.

We have seen also that a weak neutral will have instances like those of China when the Japanese on August 11, 1904, entered the neutral port of Chefoo, seized and towed out a partially disarmed enemy torpedo boat. In the World War on March 14, 1915, the British cruisers *Kent* and *Glasgow* saw the German cruiser *Dresden* in the Chilean port of Cumberland Bay and opened fire on her. The *Dresden's* captain realized the vulnerability of his position and blew up his powder magazine to sink his ship. We know, too, that British and German submarines constantly threatened the territorial waters of adjacent neutral countries.

In addition to these reasons will we not end in losing our merchant marine? Certainly, if we allow belligerents to bring their own vessels and they do so, it will not take them long to realize that they, too, may develop their own merchant marine in peacetime. Certainly, too, there is the question of the intricacies of international trade with very few nations able to buy in our markets, however ready and willing. It has been suggested also that this method would not concern our trade at all with other neutrals, and these are the ones who would involve us in just as difficult problems as the belligerents themselves.

If there is one question to be learned from the study of neutrality, it is that there is no short cut to complete perfect neutrality. The path is long and arduous, beset with problems and obstacles whose ambit is the world itself. We may fix our eyes on the heights that beckon, but the road will be at times dreary and heartbreaking. So long as we keep our fervor unquenched, our efforts will not be in vain. In many ways the story of the future is written in the past. In the thought of Socrates, let us employ his exhortation to bring all things to the test of incessant inquiry and not to content ourselves with the verdict of authorities, majorities, or customs; judging of right and wrong, not by the will or sentiments of others, but by the light which God has set in each man's reason and conscience. Authority itself is often wrong, and it has no warrant to impose conviction. The great Greek philosopher emancipated us for thought, but not for action. Life supplies that urge, and this very problem, momentous, stupendous, and in its infancy, is just ahead of us.

WHAT THE PRESIDENT SAID IN HIS MESSAGE

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. BURDICK. Mr. Speaker, being a nonpartisan Representative in Congress, I can freely express my views, both favorable and unfavorable, upon what the President said in his message. Politically, I have no ax to grind, for neither of the great parties represented in Congress, in my opinion, truly represent the mass of the people of this Nation.

The President, as usual, said many good things. He always does; but when it comes to putting into operation what he says, the job is turned over to someone else, and the actual thing is seldom done. His sentiments concerning the necessity of continued relief in the form of work are good—excellent; but when he leaves Harry L. Hopkins to carry out the program the whole plan fails in execution. His plan to extend financial relief through the Federal land banks, the Regional Agricultural Corporation, and other Government finance institutions is a worthy purpose; but when he leaves the management of all of these institutions in the hands of reactionaries, who refuse credit to the worthy, the President's good words are lost in bad deeds.

In his message the President said, among other important things:

Let action [against his policy] be positive and not negative. The way is open in the Congress of the United States for an expression of opinion by yeas and nays.

What a grand Government this would be if, in fact, the Members of the Congress could get a yea-and-nay vote on important legislation. As a matter of fact, the minority of Congress cannot get a yea-and-nay vote on anything—no such vote can be had when the leaders in Congress refuse to permit a vote. Can we, the minority, 208 Members of Congress who signed the petition, get a yea-and-nay vote on the Frazier-Lemke bill? No; we have tried for three sessions of Congress to get a vote, and it cannot be had. The President knows all about this situation. He told a committee from the Frazier-Lemke signers that he was not blocking a vote, and the next day he told another committee, including the Chairman of the Rules Committee and the Speaker of the House, that he did not want the bill to come up for a vote. What is

good for one bill should be good for another. If the President means what he said in his message, we can now get a vote on the Frazier-Lemke bill, because he says the way is open for a yea-and-nay vote. We are going out again to secure the necessary nine signatures to bring up the Frazier-Lemke bill for a vote. Will we get those names? We will, unless it is noised around the Chamber that the President does not want the bill to come up. If the President means what he said in his message, no more Democrats will withdraw their names at the request of the House leaders. The House leaders are all right—they have never taken any position that the President did not want them to take on the Frazier-Lemke bill.

Again the President said in his message:

> We have returned control of the Federal Government to the city of Washington.

What a grand feeling it would be if that were true. I submit that we have not disturbed in the least the control of this Government by the financial interest of the country. Private banking interests still use the Government money and credit for nothing, while the people are compelled to agree to pay interest rates that are impossible to pay. We have not returned the control of the money and credit of this Nation to the people. We are still issuing bonds, paying interest on them, while the financial interests reap the harvest of interest income. We are now paying a billion and a quarter of interest on the public debt which we ought not to pay and would not have to pay if the Government would issue currency instead of bonds. I invite anyone to suggest why the Government's name attached to a bond is good while the Government's name attached to a piece of currency is not. Both are obligations of the Government; while one draws interest and bankrupts the people, the other would let all the citizens and not the few benefit from the use of the Government's money and credit. Every time the people buy a dollar's worth of goods, 33 cents on the dollar is a payment of interest. As long as this program is continued, can anyone—can the President of the United States say that the Government of the United States has been returned to the city of Washington?

Why does the President oppose the Frazier-Lemke bill which will reduce the farmers' interest to a fair amount without costing the people a cent? In view of his stand against this bill, how can he say that he is taking action against the bondholders and the interest grabbers who still control the Government? They must control it, or we could break their strangle hold on the very lives of the American people. When the Goldsborough amendment to the Federal Reserve Banking Act was before Congress it would have, if passed, broken the power of the banking interests to use the Government's money and credit for nothing. But the amendment, through opposition of the administration, was voted down. Have we, then, restored this Government to the people of the United States? No; far from it. To say that we have, sounds well, and I, for one, only wish it were true; but the facts do not warrant any such assertion.

When Huey Long, on the closing day of the last Congress, demanded that the House vote on the amendments of the Senate to the appropriation bill, was the way open for a yea-and-nay vote on the proposition, as the President suggested in his message? No; the way was closed. This House never had an opportunity to vote. That is all Huey Long was fighting for; he was fighting for representative government. He lost his fight, and the people of the United States lost also. In return for what he gave for representative government, he was condemned by the administration leaders, in and out of Congress. In return for the fight he made to preserve representative government, he gave his life. No one could give more. Yet in view of all this, the President of the United States says that the way is open in the Congress of the United States for an expression of opinion by yea-and-nay vote. No; this is not so. It may be all right to tell the people of the country that this is so, but every last Member of this Congress knows it is not so, and never has been, no matter what administration has been in power. The government will never be returned to Washington until these rules of the House, giving the majority the right to gag the minority, have been abrogated and outlawed.

The President further said, speaking of the acts of Congress:

> The Congress has the right and can find the means to protect its own prerogatives.

When this Government was established the debates in the Constitutional Convention show that it was the intent and purpose of that body to set up three coordinate branches of the Government, each acting entirely independently of the other. The Constitution gave the Supreme Court jurisdiction and power to review and consider acts of Congress. It did so in this express language:

> Article III, section 2: The judicial power shall extend to all cases, in law and equity, arising under this Constitution, the laws of the United States, and treaties made, or which shall be made, under their authority.

The Constitution itself having given the Supreme Court jurisdiction over acts of Congress, it is self-evident that Congress cannot by an act confer any greater dignity to the act, under the Constitution, than the subject matter itself warrants. To say that Congress has the right and can find the means to protect its own prerogatives is meaningless, unless the President has in mind passing an act of Congress declaring that the Supreme Court shall never disturb an act of Congress, or unless we take the further chance of abolishing the Supreme Court altogether by an act of Congress. In either case, under the Constitution, the act would be void. There is a way to take this power away from the Supreme Court. That way is open to a yea-and-nay vote of expression. We can amend the Constitution, limiting the power of the Supreme Court, if the people want it done. The power to maintain this Government, to modify it, to destroy it altogether rests with the people.

Can the Supreme Court by its edict abolish Congress? Certainly not. Can the Supreme Court abolish the office of President of the United States? Certainly not. Can the President by Executive order dissolve the Congress? Certainly not. Can the President by Executive order suspend the functions of the Supreme Court? Certainly not. Can the Congress by its own act make its acts immune to review by the Supreme Court? Certainly not. Can Congress abolish the Supreme Court by its own act? Certainly not.

There is only one way in which we can accomplish desirable changes, and that way is to follow the rules laid down by which these changes can be made. Can we change the Constitution, under the terms of the Constitution? Certainly, we have repeatedly done that. Can we do it again? Certainly. Can we limit the power of the Supreme Court under the Constitution? Certainly; but we can only do it by an amendment to the Constitution itself, and to hold out the hope that Congress can limit the power of the Supreme Court is as visionary as it is to say that the Government of these United States has been returned to the city of Washington.

I offer these objections to the President's message not in any partisan spirit to either hinder the progress of the administration or for the purpose of ending it at the next election. I offer them because it is just to enter them. The President must be given credit for some outstanding achievements. His fight against the Power Trust made millions feel that they had a friend in court. The outstanding achievement of the Seventy-fourth Congress, in my opinion, was the act of Congress bringing the Power Trust under direct supervision of Congress and preventing them from gouging the innocent public out of billions in their schemes of high finance. The President's insistance that the hungry be fed, at all costs, was a powerful voice speaking for those in distress; his courage in defining "special privilege" and in calling attention of the people to the aims and purposes of big business was like a fresh breeze on a sultry day.

I have supported him in these achievements, irrespective of party, when many of his Democratic friends in this House deserted him. I have no intention now of refusing to give

him whatever support I possess on questions of great public and humanitarian character.

I do not understand why in some matters he has been a great President and in other matters he has failed as definitely as his predecessor. I do not understand why he will not take the control of Government money and credit away from the private banking interests of the country; I do not understand why he desires to continue the practice of issuing bonds; I do not understand why he refuses to pay the soldiers' bonus in cash by the issuance of currency which will not cost the taxpayers of the country one cent more than it will cost if the bonus were defeated; I do not understand why we must struggle along with a circulation of $17,000,000,000 when for normal need we require thirty billions; I do not understand why he opposes the Frazier-Lemke refinance bill, which will save 2,000,000 farm homes that now cannot be financed through any Government agency; I do not understand why he takes no positive action to remove the interest burden from the backs of the American people; I do not understand why, by implication, he suggests that Congress can by law take away the jurisdiction of the Supreme Court vested by the Constitution, when it is obvious to all that the way is open to do that by constitutional amendment; I do not understand why he was willing to partially restore the value of farm products through the A. A. A. but was not willing to espouse the cause of cost of production, without which all farmers will become bankrupt; I do not understand why he stated in his message that the way was open in the Congress for the expression of opinion by yea-and-nay vote when that has never been permitted in this Congress for the last 50 years.

I may not have been in the Congress long enough to understand the many intricacies of politics, but I do not think I have been here long enough to have lost the power of observation and reasoning. I would therefore ask some Member of this House who knows to unravel this obviously inconsistent attitude of the President of the United States.

ACTS OF CONGRESS HELD UNCONSTITUTIONAL

Mr. SNYDER of Pennsylvania. Mr. Speaker, several days ago I obtained unanimous consent to extend my remarks in the RECORD. I have since then obtained an estimate and I therefore renew the request.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SNYDER of Pennsylvania. Mr. Speaker, much has been said about the constitutionality of the acts of Congress since the days of George Washington's first inauguration. After checking up, it is gratifying to know that out of the 24,000 acts of Congress, more or less, since that time, only 63 or 64 have been declared unconstitutional. At this time it is of much interest to all those in any way interested in the Federal Government's activities to know just what acts were declared unconstitutional and their nature. I therefore take pleasure in giving a list of these acts: It will be noted that some forty of them were put on the statute books when the Republican Party was in the majority in both the House and the Senate and under a Republican President, while some twenty when the Democrats were in the majority in the House and Senate and under a Democratic President.

1. Act of September 24, 1789 (1 Stat. 81, sec. 13, in part).
Provision that "* * * (the Supreme Court) shall have power to issue * * * writs of mandamus, in cases warranted by the principles and usages of law, to any * * * persons holding office, under authority of the United States" held not to authorize issue of mandamus to the Secretary of State requiring him to deliver to plaintiff a commission (duly signed by the President) as justice of the peace in the District of Columbia.
Marbury v. *Madison* (1 Cr. 137 (Feb. 24, 1803)).

2. Act of February 20, 1812 (2 Stat. 677, ch. 22).
Provisions for examination into "validity of claims to land * * * which are derived from confirmations made * * * by the Governors of the Northwest * * * Territory" held not to authorize annulment of title confirmed by Governor St. Clair in 1799, nor to validate a subsequent sale and patent by the United States.
Reichart v. *Felps* (6 Wall. 160 (Mar. 16. 1868)).

3. Act of March 6, 1820 (3 Stat. 548, sec. 8, provise).
The Missouri Compromise, prohibiting slavery within the Louisiana Territory north of 36°30', except Missouri.
Dred Scott v. *Sanford* (19 How. 393 (Mar. 6, 1857)).
NOTE.—The Missouri Compromise was "declared inoperative and void" by act of May 30, 1854, while the Dred Scott case was pending.

4. Act of February 25, 1862 (12 Stat. 345, sec. 1); July 11, 1862 (12 Stat. 532, sec. 1); March 3, 1863 (12 Stat. 711, sec. 3)—all in part only.
"Legal tender clauses", making non-interest-bearing U. S. notes legal tender in payment of "all debts, public and private", so far as applied to debts contracted before passage of the act.
Hepburn v. *Griswold* (8 Wall. 603 (Feb. 7, 1870)); overruled in *Knox* v. *Lee* (*Legal Tender cases*) (12 Wall. 457 (May 1, 1871)).
NOTE.—The specific notes involved in the case were issued under the act of 1862, and the opinion (p. 613) states the question for determination to be "whether the act of February 25, 1862 * * * is constitutional"; but the other clauses cited, being practically identical, would surely be covered by the decision.

5. Act of March 3, 1863 (12 Stat. 757, ch. 81, sec. 5).
"So much of the 5th section * * * as provides for the removal of a judgment in a State court, and in which the cause was tried by a jury to the circuit court of the United States for a retrial on the facts and law, is not in pursuance of the Constitution, and is void."
The Justices v. *Murray* (9 Wall. 274 (Mar. 14, 1870)).

6. Act of March 3, 1863 (12 Stat. 766, c. 92, sec. 5).
Provision for an appeal from the Court of Claims to the Supreme Court; there being at the time a further provision (sec. 14) requiring an estimate by the Secretary of the Treasury before payment of final judgments.
Gordon v. *United States* (2 Wall. 561 (Mar. 10, 1865)).
(Case was dismissed without opinion; grounds were suggested in *United States* v. *Klein*, 18 Wall. 128, 144.)

Act of June 30, 1864 (13 Stat. 281, c. 173, sec 116), as amended, see below act of March 2, 1867 (14 Stat. 477, sec. 13).

Same (13 Stat. 284, c. 173, sec. 122) as amended, see below act of July 13, 1866 (14 Stat. 138).

7. Act of June 30, 1864 (13 Stat. 311, c. 174, sec. 13).
Provision that "any prize cause now pending in any circuit court shall, on the application of all parties in interest * * * be transferred by that court to the Supreme Court. * * *"
The Alicia (7 Wall. 571 (Jan. 25, 1869)).

8. Act of January 24, 1865 (13 Stat. 424, c. 20).
Requirement of a test oath (disavowing actions in hostility to the United States) before admission to appear as attorney in a Federal court by virtue of any previous admission, held invalid as applied, at any rate, to an attorney who had been pardoned by the President for all offenses during the rebellion .
Ex Parte Garland (4 Wall. 333 (Jan. 14, 1867)).

9. Act of July 13, 1866 (14 Stat. 138), amending act of June 30, 1864.
Tax on indebtedness of railroads, "* * * to whatsoever party or person the same may be payable", as applied to indebtedness to a municipal corporation, incurred under authority of the State.
United States v. *Railroad Co.* (17 Wall. 322 (Apr. 3, 1873)).

10. Act of March 2, 1867 (14 Stat. 477, c. 169, sec. 13), amending act of June 30, 1864 (13 Stat. 281, sec. 116).
Tax on income of "* * * every person residing in the United States * * * whether derived from * * * salaries * * * or from any source whatever * * *", as applied to income of State judges.
The Collector v. *Day* (11 Wall. 113 (Apr. 3, 1871)).

11. Same (14 Stat. 484, c. 169, sec. 29).
General prohibition on sale of naphtha, etc., for illuminating purposes, if inflammable at less temperature than 110° F., held invalid "except so far as the section named operates within the United States, but without the limits of any State."
United States v. *Dewitt* (9 Wall. 41 (Feb. 21, 1870)).

Act of March 2, 1867 (14 Stat. 539, c. 176, sec. 44), as embodied in Revised Statutes, see below, R. S. 5132.

12. Act of May 31, 1870 (16 Stat. 140 c. 114, secs. 3, 4).
Provisions penalizing (1) refusal of local election officials to permit voting by persons offering to qualify under State laws applicable to any citizens; and (2) hindering of any person from qualifying or voting, held invalid under fifteenth amendment.
United States v. *Reese et al.* (92 U. S. 214 (Mar. 27, 1876)).

Act of May 31, 1870 (16 Stat. 140 c. 114), as embodied in Revised Statutes, see below, Revised Statutes 1977, 5507.

Act of June 17, 1870 (16 Stat. 154), as embodied in Revised Statutes of the District of Columbia, see below, Revised Statutes of the District of Columbia 1064.

Act of July 8, 1870 (16 Stat. 210), as embodied in Revised Statutes, see below, Revised Statutes 4937–4947.

13. Act of July 12, 1870 (16 Stat. 235 c. 251).
Provision making Presidential pardons inadmissible in evidence in Court of Claims, prohibiting their use by that court in deciding claims or appeals, and requiring dismissal of

appeals by the Supreme Court in cases where proof of loyalty had been made otherwise than as prescribed by law.

United States v. *Klein* (13 Wall. 128 (Jan. 29, 1872)).

Act of April 20, 1871 (17 Stat. 13 c. 22, sec. 2), as embodied in Revised Statutes, see below, Revised Statutes 5519.

14. Act of June 22, 1874 (18 Stat. 187, sec. 5).

Provision authorizing Federal courts to require production of documents in proceedings, other than criminal, under the revenue laws (the allegations expected to be proved thereby to be taken as proved, on failure to produce such documents) held invalid, as applied to a suit for forfeiture under the customs laws.

Boyd v. *United States* (116 U. S. 616 (Feb. 1, 1886)).

15. R. S. 1977 (act of May 31, 1870, 16 Stat. 144).

Provision that "all persons within the jurisdiction of the United States shall have the same right in every State and Territory to make and enforce contracts * * * as is enjoyed by white citizens * * *" held invalid under the thirteenth amendment.

Hodges v. *United States* (203 U. S. 1 (May 28, 1906)).

16. R. S. 4937–4947 (act of July 8, 1870, 16 Stat. 210), and act of August 14, 1876 (19 Stat. 141).

Original trade-mark law, applying to marks "for exclusive use within the United States"; and a penal act designed solely for the protection of rights defined in the earlier measure.

Trade Mark Cases (100 U. S. 82 (Nov. 17, 1879)).

17. R. S. 5132, subdivision 9 (act of Mar. 2, 1867, 14 Stat. 539).

Provision penalizing "any person respecting whom bankruptcy proceedings are commenced * * * who, within 3 months before the commencement of proceedings in bankruptcy, under the false color and pretense of carrying on business and dealing in the ordinary course of trade, obtains on credit from any person any goods or chattels with intent to defraud * * *."

United States v. *Fox* (95 U. S. 670 (Jan. 7, 1878)).

18. R. S. 5507 (act of May 31, 1870, 16 Stat. 141, sec. 4).

Provision penalizing "every person who prevents, hinders, controls, or intimidates another from exercising * * * the right of suffrage, to whom that right is guaranteed by the fifteenth amendment to the Constitution of the United States, by means of bribery * * * held not authorized by the said fifteenth amendment.

James v. *Bowman* (190 U. S. 127 (May 4, 1903)).

19. R. S. 5519 (act of Apr. 20, 1871, 17 Stat. 13, ch. 22, sec. 2).

Section providing punishment in case "two or more persons in any State * * * conspire * * * for the purpose of depriving * * * any person * * * of the equal protection of the laws * * * or for the purpose of preventing or hindering the constituted authorities of any State * * * from giving or securing to all persons within such State * * * the equal protection of the laws * * *", held invalid for punishment of conspiracy within a State.

United States v. *Harris* (106 U. S. 629 (Jan. 22, 1883)).

NOTE.—In *Baldwin* v. *Franks* (120 U. S. 678 (Mar. 7, 1887)), an attempt was made to distinguish the *Harris case*, and apply it to conspiracy against aliens, though within a State, and held, the provision was not separable in such case.

20. Revised Statutes of the District of Columbia, section 1064 (act of June 17, 1870, 16 Stat. 154, ch. 133, sec. 3).

Provision that "prosecutions in the police court (of the District of Columbia) shall be by information under oath, without indictment by grand jury or trial by petit jury", as applied to punishment for conspiracy (*Callan* v. *Wilson* (127 U. S. 540 (May 14, 1888)).

21. Act of March 1, 1875 (18 Stat. 336, secs. 1, 2).

Provision "That all persons within the jurisdiction of the United States shall be entitled to the full and equal enjoyment of the accommodations * * * of inns, public conveyances on land or water, theaters, and other places of public amusement; subject only to the conditions and limitations established by law and applicable alike to citizens of every race and color, regardless of any previous condition of servitude." Section 2 prescribed a penalty for violation.

Held unconstitutional (a) in operation within the States in *Civil Rights cases* (109 U. S. 3 (Oct. 15, 1883)); (b) in operation outside the States, and therefore void in toto; in *Butts* v. *Merchants' & Miners' Transportation Co.* (230 U. S. 126 (June 16, 1913)).

22. Act of March 3, 1875 (18 Stat. 479, ch. 144, sec. 2).

Provision that "if the party (i. e., a person stealing property from the United States) has been convicted, then the judgment against him shall be conclusive evidence in the prosecution against (the) receiver that the property of the United States therein described has been embezzled, stolen, or purloined."

Kirby v. *United States* (174 U. S. 47 (Apr. 11, 1899)).

23. Act of July 12, 1876 (19 Stat. 80, sec. 6, in part).

Provision that "postmasters of the first, second, and third classes * * * may be removed by the President by and with the advice and consent of the Senate."

Myers v. *United States* (272 U. S. 52 (Oct. 25, 1926)).

24. Act of August 14, 1876 (19 Stat. 141, entire act).

Act for protection of trademark rights established by R. S. 4937–4947.

Trade-Mark Cases (100 U. S. 82 (Nov. 17, 1879)).

25. Act of August 11, 1888 (25 Stat. 411).

Clause in a provision for the purchase or condemnation of a certain lock and dam in the Monongahela River, that "* * * in estimating the sum to be paid by the United States, the franchise of said corporation to collect tolls shall not be considered or estimated * * *."

Monongahela Navigation Co. v. *United States* (148 U. S. 312 (Mar. 27, 1893)).

26. Act of May 5, 1892 (27 Stat. 25, ch. 60, sec. 4).

Provision of a Chinese exclusion act, that Chinese persons "convicted and adjudged to be not lawfully entitled to be or remain in the United States shall be imprisoned at hard labor for a period not exceeding 1 year and thereafter removed from the United States * * *." (The conviction and judgment thus referred to was by a justice, judge, or commissioner upon a summary hearing.)

Wong Wing v. *United States* (163 U. S. 228 (May 18, 1896)).

27. Joint resolution of August 4, 1894 (28 Stat. 1018, No. 41).

Provision authorizing the Secretary of the Interior to approve a second lease of certain land by an Indian chief in Minnesota (title to which land was vested in the lessor's ancestor by art. 9 of a treaty with the Chippewa Indians) held not to affect validity of first lease.

Jones v. *Meehan* (175 U. S. 1 (Oct. 30, 1899)).

28. Act of August 27, 1894 (28 Stat. 553–560, sec. 27–37).

Income-tax provisions of the Tariff Act of 1894. "The tax imposed by sections 27 to 37, inclusive * * * so far as it falls on the income of real estate and of personal property, being a direct tax within the meaning of the Constitution, and, therefore, unconstitutional and void because not apportioned according to representation, all those sections, constituting one entire scheme of taxation, are necessarily invalid." (158 U. S. 601, 637.)

Pollock v. *Farmers' Loan & Trust Co.* (157 U. S. 429 (Apr. 8, 1895), and rehearing (158 U. S. 601 (May 20, 1895)).

29. Act of January 30, 1897 (29 Stat. 506).

Prohibition on sale of liquor "* * * to any Indian to whom allotment of land has been made while the title to the same shall be held in trust by the Government * * *."

Matter of Heff (197 U. S. 488 (Apr. 10, 1905)); overruled in *United States* v. *Nice* (241 U. S. 591 (1916)).

30. Act of June 1, 1898 (30 Stat. 428).

Section 10, penalizing "any employer subject to the provisions of this act" who should "threaten any employee with loss of employment * * * because of his membership in * * * a labor corporation, association, or organization."

(The act applied "to any common carrier * * * engaged in the transportation of passengers or property * * * from one State * * * to another State * * *", etc.) *Adair* v. *United States* (208 U. S. 161 (Jan. 27, 1908)).

31. Act of June 13, 1898 (30 Stat. 459).

Stamp tax on foreign bills of lading in War Revenue Act.

Fairbanks v. *United States* (181 U. S. 283 (Apr. 15, 1901)).

32. Same (30 Stat. 460).

Tax on charter parties, as applied to shipments exclusively from ports in United States to foreign ports.

United States v. *Hvoslef* (237 U. S. 1 (Mar. 22, 1915)) (see note to next case).

33. Same (30 Stat. 461).

Tax on policies of marine insurance, as applied to insurance during voyage to foreign ports.

Thames & Mersey Insurance Co. v. *United States* (237 U. S. 19 (Apr. 5, 1915)).

NOTE.—The Revenue Act of 1898 was repealed April 12, 1902, and the Hvoslef and Insurance Co. cases were claims brought under a refunding act of 1912 to recover amounts claimed to have been illegally collected.

34. Act of June 6, 1900 (31 Stat. 350 § 171).

Section of the Alaska Code providing for a six-person jury in trials for misdemeanors.

Rasmussen v. *United States* (197 U. S. 516 (Apr. 10, 1905)).

35. Act of March 3, 1901 (31 Stat. 1341, § 935).

Section of the District of Columbia Code granting the same right of appeal, in criminal cases, to the United States or the District of Columbia as to the defendant, but providing that a verdict was not to be set aside for error found in rulings during trial.

United States v. *Evans* (213 U. S. 297 (Apr. 19, 1909)).

36. Act of June 11, 1906 (34 Stat. 232, ch. 3073).

The act provided that "every common carrier engaged in trade or commerce in the District of Columbia * * * or between the several States * * * shall be liable to any of its employees * * * for all damages which may result from the negligence of any of its officers * * * or by reason of any defect * * * due to its negligence in its cars, engines * * * roadbed", etc.

Held invalid in two cases involving employees engaged in moving trains in interstate commerce—in *Employers' Liability Cases* (207 U. S. 463) (Jan. 6, 1908) (but upheld as to the District of Columbia in *Hyde* v. *Southern Ry. Co.*, 31 App. C. C. 466; and as to Territories, in *El Paso & Northeastern Ry. Co.* v. *Gutierrez*, 215 U. S. 87).

37. Act of June 16, 1906 (34 Stat. 269, sec. 2).

Provision of Oklahoma Enabling Act restricting relocation of the State capital prior to 1913.

Coyle v. *Oklahoma* (221 U. S. 559 (May 29, 1911)). (The case specifically upheld the validity of a State law of 1910 relocating the capital, in defiance of the act of Congress of 1906).

38. Act of February 20, 1907 (34 Stat. 899, sec. 3).

Provision in the Immigration Act of 1907 penalizing "whoever * * * shall keep, maintain, control, support, or harbor in any house or other place, for the purpose of prostitution * * * any alien woman or girl, within 3 years after she shall have entered the United States."

Keller v. *United States* (213 U. S. 138 (Apr. 5, 1909)).

39. Act of March 1, 1907 (34 Stat. 1028).

Provisions authorizing certain Indians "to institute their suits in the Court of Claims to determine the validity of any acts of Congress passed since * * * 1902, insofar as said acts * * * attempt to increase or extend the restrictions upon alienation * * * of allotments of lands of Cherokee citizens * * *", and giving a right of appeal to the Supreme Court.

Muskrat v. *United States; Brown & Gritts* v. *United States* (219 U. S. 346 (Jan. 23, 1911)).

40. Act of May 27, 1908 (35 Stat 313, sec. 4).

Provision making locality taxable "all land [of Indians of the Five Civilized Tribes] from which restrictions have been or shall be removed"—in view of the Atoka Agreement, embodied in the Curtis Act of June 28, 1898, providing tax-exemption for allotted lands while title in original allottee, not exceeding 21 years.

Choate v. *Trapp* (224 U. S. 665 (May 13, 1912)).

41. Act of August 19, 1911 (37 Stat. 28).

A proviso in section 8 of the Federal Corrupt Practices Act fixing a maximum authorized expenditure by a candidate for Senator "in any campaign for his nomination and election" held invalid as applied to a primary election.

Newberry v. *United States* (256 U. S. 232 (May 2, 1921)).

42. Act of June 18, 1912 (37 Stat. 136, sec. 8).

Part of section 8 giving the Juvenile Court of the District of Columbia concurrent jurisdiction of desertion cases (which were, by law, misdemeanors punishable by fine or imprisonment in the workhouse at hard labor for 1 year).

United States v. *Moreland* (258 U. S. 433 (Apr. 17, 1922)).

43. Act of March 4, 1913 (37 Stat. 988, part of par. 64).

Provision of the District of Columbia Public Utility Commission Act authorizing appeal to the United States Supreme Court from decrees of the District of Columbia Court of Appeals modifying valuation decisions of the Utilities Commission.

Keller v. *Potomac Electric Power Co. et al.* (261 U. S. 428 (Apr. 9, 1923)).

44. Act of September 1, 1916 (39 Stat. 675 c. 432, entire).

The original Child Labor Law, providing "that no producer * * * shall ship * * * in interstate commerce * * * any article or commodity the product of any mill * * * in which within 30 days prior to the removal of such product therefrom children under the age of 14 years have been employed or permitted to work more than 8 hours in any day, or more than 6 days in any week * * *."

Hammer v. *Dagenhart* (247 U. S. 251 (June 3, 1918)).

45. Act of September 8, 1916 (39 Stat. 757 sec. 2 (a) in part).

Provision of the income tax law of 1916, that a "stock dividend shall be considered income, to the amount of its cash value."

Eisner v. *Macomber* (252 U. S. 189 (Mar. 8, 1920)).

Same, p. 765, sec. 10 as amended—see below act of October 3, 1917.

Act of August 10, 1917, as amended—see below, act of October 22, 1919.

46. Act of October 3, 1917 (40 Stat. 302, sec. 4, 303, sec. 201 and 333, sec. 1206 (amending 39 Stat. 765, sec. 10); and Act of February 24, 1919 (40 Stat. 1075, sec. 230, and 1088, sec. 301).

Income and excess-profits taxes on income of "every corporation", as applied to income of an oil corporation from leases of land granted by the United States to a State, on admission, for the support of common schools, etc.

Burnet v. *Coronado Oil & Gas Co.* (285 U. S. 393 (Apr. 11, 1932)).

47. Same; 40 Stat. 316, sec. 600 (f).

The tax "upon all tennis rackets, golf clubs, baseball bats, * * * balls of all kinds, including baseballs * * * sold by the manufacturer, producer, or importer * * *" as applied to articles sold by a manufacturer to a commission merchant for exportation.

Spalding & Bros. v. *Edwards* (262 U. S. 66 (Apr. 23, 1923)).

48. Act of October 6, 1917 (40 Stat. 395, c. 97, in part).

The amendment of sections 24 and 256 of the Judicial Code (prescribing the jurisdiction of district courts) "saving * * * to claimants the rights and remedies under the workmen's compensation law of any State."

Knickerbocker Ice Co. v. *Stewart* (253 U. S. 149 (May 17, 1920)).

49. Act of September 19, 1918 (40 Stat. 960, c. 174).

Specifically that part of the minimum-wage law of the District of Columbia which authorized the Wage Board "to ascertain and declare * * * (a) standards of minimum wages for women in any occupation within the District of Columbia, and what wages are inadequate to supply the necessary cost of living to any such women workers to maintain them in good health and to protect their morals * * *."

Adkins et al. v. *Children's Hospital* and *Adkins et al.* v. *Lyons*, 261 U. S. 525 (Apr. 9, 1923).

NOTE.—The minimum wage law applied to minors as well as women, and in section 14 to minors exclusively, but it is generally assumed that the Adkins decision invalidated the act in its entirety.

50. Act of February 24, 1919 (40 Stat. 1065, ch. 18, sec. 213, in part).

That part of section 213 of the Revenue Act of 1918 which provided that "* * * for the purposes of this title * * * the term 'gross income' * * * includes gains, profits, and income derived from salaries, wages, or compensation for personal service (including in the case of * * * judges of the Supreme and inferior courts of the United States * * * the compensation received as such * * *" as applied to a judge in office when the act was passed).

Evans v. *Gore*, 253 U. S. 245 (June 1, 1920).

Miles v. *Graham* (268 U. S. 501, June 1, 1925) held it invalid as applied to a judge taking office subsequent to the date of the act.

Same; page 1075, section 230; see above, act of October 3, 1917 (40 Stat. 302, sec. 4).

51. Same; page 1097, section 402 (c).

That part of the estate tax providing that "gross estate" of a decedent should include value of all property "to the extent of any interest therein of which the decedent has at any time made a transfer, or with respect to which he had at any time created a trust, in contemplation of or intended to take effect in possession or enjoyment at or after his death (whether such transfer or trust is made or created before or after the passage of this act), except in case of a bona-fide sale * * *" as applied to a transfer of property made prior to the act and intended to take effect "in possession or enjoyment" at death of grantor, but not in fact testamentary or designed to evade taxation.

Nichols, Collector, v. *Cooledge et al., Executors* (274 U. S. 531 (May 31, 1927)).

52. Act of February 24, 1919, title XII (40 Stat. 1138, entire title).

The Child Labor Tax Act, providing that "every person * * * operating * * * (b) any * * * factory (etc.) * * * in which children under the age of 14 years have been employed or permitted to work * * * shall pay * * * in addition to all other taxes imposed by law, an excise tax equivalent to 10 percent of the entire net profits received * * * for such year from the sale * * * of the product of such * * * factory * * *."

Bailey v. *Drexel Furniture Co.* (child-labor tax case) (259 U. S. 20 (May 15, 1922)).

53. Act of October 22, 1919 (41 Stat. 298, sec. 2), amending act of August 10, 1917 (40 Stat. 277, sec. 4).

Section 4 of the Lever Act, providing in part "that it is hereby made unlawful for any person willfully * * * to make any unjust or unreasonable rate or charge in handling or dealing in or with any necessaries * * *" and fixing a penalty, held invalid to support an indictment for demanding a sum for certain necessaries which the seller knew "was an unjust and unreasonable rate."

United States v. Cohen Grocery Co. (255 U. S. 81 (Feb 28, 1921)).

54. Same.

That provision of section 4 making it unlawful "to conspire, combine, agree, or arrange with any other person to * * * exact excessive prices for any necessaries" and fixing a penalty, held invalid to support an indictment.

Weeds, Inc. v. *United States* (255 U S. 109 (Feb. 28, 1921)).

55. Act of August 24, 1921 (42 Stat. 187, ch. 86 entire).

(a) Section 4 (and interwoven regulations) providing a "tax of 20 cents a bushel on every bushel involved therein, upon each contract of sale of grain for future delivery, except * * * where such contracts are made by or through a member of a board of trade which has been designated by the Secretary of Agriculture as a 'contract market' * * *."

Hill v. *Wallace* (259 U. S. 44 (May 15 1922)). This decision covered section 4 and other sections so far as applicable, but the Court stated: "There are sections of the act to which under section 11 (the separability clause) the reasons for our conclusion as to section 4 and the interwoven regulations do not apply * * *."

(b) Section 3, providing "That in addition to the taxes now imposed by law there is hereby levied a tax amounting to 20 cents per bushel on each bushel involved therein, whether the actual commodity is intended to be delivered or only nominally referred to, upon each * * * option for a contract either of purchase or sale of grain * * *."

Trusler v. *Crooks* (269 U. S. 475 (Jan. 11, 1926)).

56. Act of November 23, 1921 (42 Stat. 261, sec. 245, part).

Provision of Revenue Act of 1921 defining net income of life-insurance companies as gross income less (1) interest on tax-exempt securities and (2) an amount equal to the excess over this interest on tax exempts of 4 percent of the mean reserves—i. e., abating the deduction (4 percent of mean reserves) allowed from taxable income in general by the amount of interest on tax exempts, and so according no relative advantage to the owners of the tax-exempt securities.

National Life Insurance Co. v. *United States* (277 U. S. 508 (June 4, 1928)).

57. Act of June 10, 1922 (42 Stat. 634).

A second attempt to amend secs. 24 and 256 of the Judicial Code, relating to jurisdiction of district courts, by saving "to claimants for compensation for injuries to or death of persons other than the master or members of the crew of a vessel, their

rights and remedies under the workmen's compensation law of any State * * *."

Industrial Accident Commission of California v. *Rolph et al.*, and *Washington* v. *Dawson & Co.* (264 U. S. 219 (Feb. 25, 1924)).

58. Act of June 2, 1924 (43 Stat. 313), as amended by act of February 26, 1926 (44 Stat. 86, sec. 324).

The gift tax provisions of the Revenue Act of 1924, as applied to bona fide gifts made before passage of the act.

Untermeyer v. *Anderson* (276 U. S. 440 (Apr. 9, 1928)).

59. Revenue Act of June 2, 1924 (43 Stat. 322, sec. 600 in part).

Excise tax on certain articles "sold or leased by the manufacturer", measured by sale price [specifically, "(2) * * * motor cycles. * * * 5 per centum"] as applied to sale of motorcycle to a municipality for police use.

Indian Motocycle Co. v. *United States* (283 U. S. 570 (May 25, 1931)).

60. Act of February 26, 1926 (44 Stat. 70, sec. 302, in part).

Second sentence of section 302 defining, for purposes of the estate tax, the term "made in contemplation of death" as including the value, over $5,000, of property transferred by a decedent, by trust, etc., without full consideration in money or money's worth, "within 2 years prior to his death but after the enactment of this act", although "not admitted or shown to have been made in contemplation of or intended to take effect in possession or enjoyment at or after his death."

Heiner v. *Donnan* (285 U. S. 312 (Mar. 21, 1933)).

61. Act of March 20, 1933 (48 Stat. 11, sec. 17, in part).

Clause in the Economy Act of 1933 providing "* * * all laws granting or pertaining to yearly renewable term insurance are hereby repealed", held invalid to abrogate an outstanding contract of insurance.

Lynch v. *United States* (292 U. S. 571 (June 4, 1934)).

62. Act of June 16, 1933 (48 Stat. 200, sec. 9 (c)).

Clause of the oil regulation section of the National Industrial Recovery Act, authorizing the President "to prohibit the transportation in interstate * * * commerce of petroleum * * * produced or withdrawn from storage in excess of the amount permitted * * * by any State law * * *" and prescribing a penalty for violation of orders issued thereunder.

Panama Refining Co. et al. v. *Ryan et al.* (293 U. S. 388 (Jan. 7, 1935)).

Amazon Petroleum Corporation et al. v. *Ryan et al.* (293 U. S. (Jan. 7, 1935)).

63. Act of June 16, 1933 (48 Stat. 307, sec. 13).

Temporary reduction of 15 percent in retired pay of "judges (whose compensation, prior to retirement or resignation, could not, under the Constitution, have been diminished)", as applied to circuit or district judges retired from active service (but still subject to perform judicial duties) under the act of March 1, 1929 (45 Stat. 1422).

Booth v. *United States* (together with *Amidon* v. *United States*) (291 U. S. 339 (Feb. 5, 1934)).

64. Act of June 27, 1934 (48 Stat. 1283, ch. 868, entire).

The Railroad Retirement Act, establishing a detailed compulsory-retirement system for employees of carriers subject to the Interstate Commerce Act.

Railroad Retirement Board v. *Alton R. R. et al.* (May 6, 1935—No. 566, October Term, 1934).

NOTE.—Aside from the few instances where an entire act, or a complete title, etc., have been expressly held unconstitutional, the question of the exact scope of the decisions is frequently one of considerable difficulty. It is not always a matter simply of striking out; often it is to introduce qualifications or limitations. The indications given in the above list are, therefore, suggestive only. Any such list must be used with the utmost care, bearing in mind the established rule, that a decision against the validity of an act of Congress goes no further than is absolutely required by the case at bar.

Since the above data were compiled the Frazier-Lemke Act of June 28, 1934, was declared unconstitutional on May 27, 1935.

And the Agricultural Adjustment Act of May 12, 1933, was declared unconstitutional on January 6, 1936.

PAYMENT OF THE ADJUSTED-SERVICE CERTIFICATES

Mr. GEARHART. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a letter I received from the Army and Navy Union which pertains to the legislation under consideration.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. GEARHART. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter received by me from the Army and Navy Union:

NATIONAL CORPS ARMY AND NAVY UNION, U. S. A.,
OFFICE OF NATIONAL LEGISLATIVE CHAIRMAN,
Washington, D. C., January 8, 1936.

Hon. B. W. GEARHART, M. C.,
House of Representatives, Washington, D. C.

DEAR MR. GEARHART: The Army and Navy Union of the United States of America, organized in 1886, composed of present and former members of the Army, Navy, and Marine Corps, desires at this time to extend greetings to you.

In this message we wish to convey our position on the subject of the immediate cash payment of the adjusted-service certificates.

While many members of this organization are not eligible for, and will not receive any direct sum of money by the passage of this proposed legislation, nevertheless it is the unanimous opinion of the entire membership that such an expenditure, by the National Congress at this time, will be a tremendous medium in stimulating business throughout the Nation and will relieve great hardships now endured by veterans of the World War.

May we point out further that an additional important factor is the number of working hours that will be created by the increased demand for and sale of necessary commodities, the production of same undoubtedly being increased to meet greater sales?

There is before you, for your consideration, the Vinson-Patman-McCormack bill jointly backed by the American Legion, the Veterans of Foreign Wars, and the Disabled American Veterans of the World War. This measure has been designed to carry out solely the desires of World War veterans.

Therefore this measure has the fullest endorsement of the Army and Navy Union of the United States of America.

We urgently request that you support this measure endorsed by the holders of the adjusted-service certificates as it expresses their wishes on this most controversial subject.

As you are an ex-service man and because of the continued interest you have displayed throughout the years in behalf of all ex-service men, we are asking you to kindly request permission to have this letter placed in the CONGRESSIONAL RECORD at the earliest possible moment.

Respectfully yours,

ROBERT SHRAGE,
National Commander.
By JOHN J. CRIM,
National Legislative Chairman.

LEAVE OF ABENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. CORNING for an indefinite period, on account of illness.

To Mr. DEROUEN for 10 days, on account of important business.

EXTENSION OF REMARKS

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 days in which to extend their remarks on the bill now pending in the House.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. VINSON of Kentucky. Mr. Speaker, I ask unanimous consent to include in the extension of my remarks certain excerpts from reports, letters, and documents.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 85. An act for the relief of Homer H. Adams;

S. 978. An act authorizing the Secretary of War to convey to the University of Oregon certain lands forming a part of the Coos Head River and Harbor Reservation;

S. 1059. An act authorizing adjustment of the claim of Francis B. Kennedy;

S. 1142. An act to reserve certain public-domain lands in Nevada and Oregon as a grazing reserve for Indians of Fort McDermitt, Nev.;

S. 1336. An act to amend paragraph (f) of section 4 of the Communications Act of 1934;

S. 1422. An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of William E. B. Grant;

S. 1690. An act for the relief of R. G. Andis;

S. 2252. An act for the relief of Henry Hilbun;

S. 2257. An act to amend the act entitled "An act to provide additional pay for personnel of the United States Navy assigned to duty on submarines and to diving duty", to include officers assigned to duty at submarine training tanks and diving units, and for other purposes;

S. 2519. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of F. Mansfield & Sons Co., and others;

S. 2616. An act for the relief of the estate of Joseph Y. Underwood;

S. 2673. An act for the relief of certain persons whose cotton was destroyed by fire in the Ouachita Warehouse, Camden, Ark.;

S. 2774. An act for the relief of certain officers on the retired list of the Navy and Marine Corps, who have been commended for their performance of duty in actual combat with the enemy during the World War;

S. 2845. An act to provide for the retirement and retirement annuities of civilian members of the teaching staffs at the United States Naval Academy and the Postgraduate School, United States Naval Academy;

S. 2950. An act granting the consent of Congress to the county of Saline, Mo., to construct, maintain, and operate a toll bridge across the Missouri River at or near Miami, Mo.;

S. 2996. An act for the relief of the Eberhart Steel Products Co., Inc.;

S. 3077. An act for the relief of Contantin Gilia;

S. 3078. An act for the relief of C. R. Whitlock;

S. 3195. An act for the relief of Guiry Bros. Wall Paper & Paint Co.;

S. 3280. An act for the relief of Doris Allen;

S. J. Res. 144. Joint resolution to provide for the payment of compensation and expenses of the Railroad Retirement Board as established and operated pursuant to section 9 of the Railroad Retirement Act of June 27, 1934, and to provide for the winding up of its affairs and the disposition of its property and records, and to make an appropriation for such purposes.

ADJOURNMENT

Mr. DOUGHTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 24 minutes p. m.) the House adjourned until tomorrow, Friday, January 10, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

575. Under clause 2 of rule XXIV a letter from the Secretary of the Treasury transmitting the report of the Surgeon General of the Public Health Service for the fiscal year 1935 (H. Doc. No. 312) was taken from the Speaker's table, referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WELCH: A bill (H. R. 9991) to extend the time for applying for and receiving benefits under the act entitled "An act to provide means by which certain Filipinos can emigrate from the United States", approved July 10, 1935; to the Committee on Immigration and Naturalization.

By Mr. DICKSTEIN: A bill (H. R. 9992) to deport certain aliens who secured preference quota or nonquota visas through fraud by contracting marriage abroad solely to expedite entry to the United States, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. KING: A bill (H. R. 9993) to authorize the erection of a Veterans' Administration home in the Territory of Hawaii, and to authorize the appropriation therefor, and for other purposes; to the Committee on World War Veterans' Legislation.

By Mr. ELLENBOGEN: A bill (H. R. 9994) to allow a period of grace to home owners, and for other purposes; to the Committee on Banking and Currency.

By Mr. HOLLISTER: A bill (H. R. 9995) to grant a renewal of Patent No. 59560 relating to the emblem of the Disabled American Veterans of the World War; to the Committee on Patents.

By Mr. GREEVER: A bill (H. R. 9996) relating to certain applications for stock raising and enlarged homesteads; to the Committee on the Public Lands.

Also, a bill (H. R. 9997) granting a leave of absence to settlers of homestead lands during the year 1936; to the Committee on the Public Lands.

By Mr. DEMPSEY: A bill (H. R. 9998) authorizing construction, operation, and maintenance of Rio Grande canalization project and authorizing appropriation for that purpose; to the Committee on Foreign Affairs.

By Mr. KING: A bill (H. R. 9999) to authorize an exchange of land between the Waianae Co. and the Navy Department; to the Committee on Naval Affairs.

By Mr. O'LEARY: A bill (H. R. 10000) to provide for an 8-hour day for licensed officers on ocean and coastwise vessels, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. PIERCE: A bill (H. R. 10001) to amend an act entitled "An act authorizing certain tribes of Indians to submit claims to the Court of Claims, and for other purposes", approved May 26, 1920; to the Committee on Indian Affairs.

By Mr. CARTER: A bill (H. R. 10002) authorizing the President of the United States to appoint Robert W. Miller a captain of Cavalry, United States Army; to the Committee on Military Affairs.

By Mr. KVALE: A bill (H. R. 10093) to remove discrimination against an Army Chief of Service; to the Committee on Military Affairs.

By Mr. TAYLOR of Colorado: A bill (H. R. 10094) to amend section 1 of the act entitled "An act to stop injury to the public-grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes", approved June 28, 1934 (48 Stat. 1269); to the Committee on the Public Lands.

By Mr. DICKSTEIN: Joint resolution (H. J. Res. 443) to amend Public Resolution No. 31 of the Seventy-fourth Congress, first session, approved June 17, 1935, so as to extend its provisions to cover the National Boy Scout Jamboree now scheduled to be held in 1937; to the Committee on Immigration and Naturalization.

By Mr. GEARHART: Joint resolution (H. J. Res. 444) to amend the joint resolution entitled "Joint resolution authorizing the Federal Trade Commission to make an investigation with respect to agricultural income and the financial and economic conditions of agricultural producers generally", approved August 27, 1935; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COFFEE: A bill (H. R. 10003) granting an increase of pension to Mary B. Beckett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10004) granting an increase of pension to Hattie I. Lusk; to the Committee of Invalid Pensions.

By Mr. COLE of New York: A bill (H. R. 10005) for the relief of Henrique DeFreitas; to the Committee on Claims.

By Mr. CULKIN: A bill (H. R. 10006) granting an increase of pension to Anna M. Curtis; to the Committee on Invalid Pensions.

By Mr. FOCHT: A bill (H. R. 10007) granting an increase of pension to Mary E. Dile; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10008) granting an increase of pension to Katie Kelso; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10009) granting an increase of pension to Mary E. Mearkle; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10010) granting an increase of pension to Margaret E. Laidig; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10011) granting a pension to Lucretia E. Barton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10012) granting a pension to Minnie G. Jones; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10013) granting a pension to Sadie E. Goshorn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10014) granting a pension to Elizabeth S. Houtz; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10015) granting a pension to Sylvia L. Whiteman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10016) granting a pension to Edna B. Hartley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10017) granting a pension to William Cloyd Fisher; to the Committee on Invalid Pensions.

By Mr. GIFFORD: A bill (H. R. 10018) granting a pension to Carrie M. Poole; to the Committee on Invalid Pensions.

By Mr. GRAY of Pennsylvania: A bill (H. R. 10019) granting an increase of pension to Hattie V. Wilson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10020) granting an increase of pension to Mary McCoy; to the Committee on Invalid Pensions.

By Mr. HESS: A bill (H. R. 10021) granting a pension to Emma Burdge; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10022) granting a pension to Ida L. Budd; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10023) granting a pension to Rowena Grice; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10024) granting an increase of pension to Martha J. Crets; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10025) granting an increase of pension to Susan F. Behymer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10026) granting a pension to John Westerkamp; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10027) granting an increase of pension to Maggie Burke; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10028) granting an increase of pension to Sarah A. Burd; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10029) granting an increase of pension to Mary Diker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10030) granting an increase of pension to Safrona Elliott; to the Committee on Invalid Pensions.

By Mr. KELLY: A bill (H. R. 10031) for the relief of Henry H. Eno; to the Committee on Military Affairs.

Also, a bill (H. R. 10032) for the relief of John Randolph McCann; to the Committee on Naval Affairs.

By Mr. KLOEB: A bill (H. R. 10033) granting a pension to Jennie E. Key; to the Committee on Invalid Pensions.

By Mr. KRAMER: A bill (H. R. 10034) granting a pension to Ella Pierce; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10035) granting a pension to Clara E. Bryan; to the Committee on Invalid Pensions.

By Mr. LEWIS of Colorado: A bill (H. R. 10036) for the relief of Sheldon R. Purdy; to the Committee on the Post Office and Post Roads.

By Mr. LORD: A bill (H. R. 10037) granting a pension to Lillie Brinkerhoff; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10038) granting a pension to Hortense Van Horne; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10039) granting a pension to Grace A. Walker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10040) granting a pension to Anna V. Peck; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10041) granting an increase of pension to Emma R. Pettie; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10042) granting an increase of pension to Jennette Knapp; to the Committee on Invalid Pensions.

By Mr. MAAS: A bill (H. R. 10043) for the relief of C. O. Dobra; to the Committee on Claims.

By Mr. MALONEY: A bill (H. R. 10044) for the relief of Lt. Col. Fernand H. Gouaux; to the Committee on Military Affairs.

By Mr. MARSHALL: A bill (H. R. 10045) granting a pension to Marilla Andrews Buchwalter; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10046) granting a pension to Jennie Freeman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10047) granting a pension to Esta May McArthur; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10048) granting a pension to Mary E. Snyder; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10049) granting a pension to Jessie Bell McElroy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10050) granting a pension to Belle Robinson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10051) granting a pension to Nellie Mae South; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10052) granting a pension to Mary Odor; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10053) granting a pension to Rosetta M. Ringer; to the Committee on Invalid Pensions.

By Mr. MEAD: A bill (H. R. 10054) for the relief of Edward R. Daum; to the Committee on Naval Affairs.

By Mr. MERRITT of New York: A bill (H. R. 10055) for the relief of N. C. Nelson; to the Committee on Claims.

By Mr. MOTT: A bill (H. R. 10056) for the relief of the estate of Ralph R. Fraley; to the Committee on Claims.

Also, a bill (H. R. 10057) granting a pension to Rhoda H. Lozier; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10058) granting a pension to Matilda E. A. Hornback; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10059) granting a pension to Marion Van Natta; to the Committee on Invalid Pensions.

By Mr. STUBBS: A bill (H. R. 10060) for the relief of the heirs of C. H. Pyle; to the Committee on Claims.

By Mr. THOMAS: A bill (H. R. 10061) granting an increase of pension to Sarah Terry; to the Committee on Invalid Pensions.

By Mr. THURSTON: A bill (H. R. 10062) granting an increase of pension to Clyde C. Foreman; to the Committee on Pensions.

By Mr. THOMPSON: A bill (H. R. 10063) for the relief of W. H. Morris; to the Committee on Claims.

By Mr. UNDERWOOD: A bill (H. R. 10064) granting a pension to Stella Littlejohn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10065) granting a pension to Edith Pyle; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10066) granting a pension to Emma Blosser; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10067) granting a pension to Mary Emma Bussard; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10068) granting a pension to Amanda Hart; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10069) granting a pension to Norma Roush; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10070) granting a pension to Debbie Klingler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10071) granting an increase of pension to Ellen J. Vince; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10072) granting an increase of pension to Eliza Cook; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10073) granting an increase of pension to Jeanette Wallace; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10074) granting an increase of pension to Mary E. Shelton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10075) granting an increase of pension to Margaret E. Hoops; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10076) granting an increase of pension to Martha McGraw; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10077) granting an increase of pension to Delilah Coffman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10078) granting an increase of pension to Julia A. Hull; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10079) granting an increase of pension to Mary M. Devol; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10080) granting an increase of pension to Nettie Huffman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10081) granting an increase of pension to Martha Buckingham; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10082) granting an increase of pension to Mary E. Baker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10083) granting an increase of pension to Elizabeth Foughty; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10084) granting an increase of pension to Eliza Noble; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10085) granting an increase of pension to Sarah A. Swick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10086) granting an increase of pension to Elizabeth B. Orndurf; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10087) granting an increase of pension to Flora Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10088) granting an increase of pension to Bertie L. Santee; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10089) granting an increase of pension to Emma Turner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10090) granting an increase of pension to Alwilda Ray; to the Committee on Invalid Pensions.

By Mr. WOOD: A bill (H. R. 10091) granting a pension to Sherman King; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10092) for the relief of John W. Taylor; to the Committee on War Claims.

By Mr. SNYDER of Pennsylvania: A bill (H. R. 10095) granting an increase of pension to Margaret C. Mills; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10096) granting an increase of pension to Mary Wilson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10097) granting an increase of pension to Idella Wade; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10098) granting a pension to Agnes E. Kimmell; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1, of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9434. By Mr. KRAMER: Resolution of the Calavo Growers of California, relative to cooperative marketing of agricultural products, etc.; to the Committee on Agriculture.

9435. By Mr. LUNDEEN: Petition of Minnesota Farm Bureau Federation, of St. Paul, Minn., urging the enactment of legislation embodying the principle of parity price; to the Committee on Agriculture.

9436. Also, petition of Local 59, the Minneapolis Federation of Teachers, Minneapolis, Minn., urging that Congress liberalize the employment regulations on Works Progress Administration projects so that every person who has completed high school and every person between the ages of 21 and 25 shall be employed for not less than a total of 6 months at the regular wage, irrespective of whether he or his parents are on relief; to the Committee on Appropriations.

9437. Also, petition of the Women's International League for Peace and Freedom, Minneapolis, Minn., urging the extension of the Neutrality Act; to the Committee on Foreign Affairs.

9438. Also, petition of Minnesota State Federation of Labor, urging certain liberalizations in the Works Progress Administration program for the benefit of youth; to the Committee on Appropriations.

9439. Also, petition of the St. Paul Trades and Labor Assembly, St. Paul, Minn., urging that employment regulations on Works Progress Administration projects be liberalized for the benefit of youth; to the Committee on Appropriations.

9440. By Mr. PIERCE: Petition of Willamette Democratic Society of Oregon, at Portland; to the Committee on Election of President, Vice President, and Representatives in Congress.

9441. By Mr. WOLCOTT: Petitions of Rev. E. L. Hughes and 1,340 other citizens of St. Clair County, Mich., requesting the enactment of the Townsend old-age revolving pension plan; to the Committee on Ways and Means.

9442. By the SPEAKER: Petition of the Woman's Christian Temperance Union of the State of Oregon; to the Committee on the District of Columbia.

9443. By Mr. CARTER: Resolution of the Sixty-eighth Fruit Growers and Farmers Convention of California, urging Congress to do nothing which will weaken the cooperative marketing movement; to the Committee on Agriculture.

9444. Also, resolution of the Sixty-eighth Fruit Growers' and Farmers Convention of the State of California, urging the extension of the stabilization fund of the Secretary of Agriculture to the wine-grape growers of the country; to the Committee on Agriculture.

9445. Also, resolution of the Sixty-eighth Fruit Growers and Farmers Convention of the State of California, endorsing certain legislation to assist the poultry industry; to the Committee on Agriculture.

9446. Also, resolution of the Sixty-eighth Fruit Growers and Farmers Convention of the State of California, urging the passage of the Pettengill bill (H. R. 3263); to the Committee on Interstate and Foreign Commerce.

9447. Also, resolution of the Sixty-eighth Fruit Growers and Farmers Convention of the State of California, protesting against any further decreases in our tariffs which will have the effect of increasing importations of agricultural, livestock, dairy, and poultry products, etc.; to the Committee on Ways and Means.

9448. Also, resolution of the Sixty-eighth Fruit Growers and Farmers Convention of the State of California, opposing importations into this country of all livestock or animals from Argentina or other countries with known infections of foot-and-mouth disease, etc.; to the Committee on Ways and Means.

9449. Also, resolution of the Sixty-eighth Fruit Growers and Farmers Convention of the State of California, urging the passage of no legislation that would restrict direct selling of livestock and approving House bill 8051; to the Committee on Agriculture.

HOUSE OF REPRESENTATIVES

FRIDAY, JANUARY 10, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Look down upon us, Almighty God, with that compassion which belongs to Thee. Forgive us our sins and bestow Thy blessing upon us. Bless Thy truth today, and may its spirit reach the heights of feeling and the depths of affection. Be Thou, dear Lord, in all the retiring places of sorrow, where the human heart weeps alone and where faith looks up and discerns invisible things and where memory is exultant. We pray for the poor, for the overworked, and for those who have no work. We thank Thee for the Heart of Nazareth—how beautiful His sympathy, how gentle His judgments, how wonderful His revulsion from hypocrisy, cruelty, and oppression. O let the knowledge of the Christ extend throughout all our land. Amen.

The Journal of the proceedings of yesterday was read and approved.

ADJOURNMENT OVER

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

Mr. SNELL. Mr. Speaker, reserving the right to object, and I do not intend to object, I should like to have the majority leader tell us what he expects will be the program on Monday and Tuesday of next week.

Mr. BANKHEAD. Monday, as the gentleman knows, is District day, and we understand the District Committee expects to use the entire day on their bills.

Mr. SNELL. It is the program to let that committee have the entire day?

Mr. BANKHEAD. Yes; and on Tuesday we expect to resume consideration of the appropriation bill that we have had up.

Mr. SNELL. And there will be general debate at that time?

Mr. BANKHEAD. Yes.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. LUCAS. Mr. Speaker, I ask unanimous consent to read into the RECORD a telegram received from the officers of the Illinois Veterans' League and to supplement such telegram with a few remarks, all of which will not take over 2 minutes.

The SPEAKER. The gentleman from Illinois asks unanimous consent to proceed for 2 minutes and to read the telegram to which he has referred.

Mr. SNELL. Reserving the right to object, Mr. Speaker, it seems to me the time for debate on this proposition has gone by. I understood the debate had been exhausted. If it is the desire to start debate again this morning, all right; I have no objection; but I want it understood that if somebody else wants to make a statement, he shall be allowed to do so, and I would like to know whether the program is to open up debate now or not.

Mr. TREADWAY. Mr. Speaker, I object to any further debate on the subject of the bonus.

Mr. LUCAS. Mr. Speaker, then I ask unanimous consent to extend my remarks in the RECORD and insert the telegram referred to.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. LUCAS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following telegram received by me today from the officers of the Illinois Veterans' League:

SPRINGFIELD, ILL., *January 10, 1936.*

Hon. SCOTT W. LUCAS,
House Office Building, Washington, D. C.:

More than 75,000 Illinois veterans have already signed our petition asking for payment of adjusted-service certificates in cash with more signers coming in daily. Petitioners are from all parts of the State, many of them your friends from your district. We respectfully urge that you vote and work for the immediate passage of the bill.

ILLINOIS VETERANS' LEAGUE,
JOHN F. NOVAK, Jr., *President.*
L. A. MOORE, *Secretary.*

Mr. Speaker, 75,000 veterans from every section of Illinois cannot be wrong. I sincerely hope that my colleagues in Illinois, regardless of political affiliations, will respect the wishes of the veterans upon this exceedingly important legislation.

The petitions are being sent to Washington, and I propose to present them to the Finance Committee of the Senate at the proper time with the urgent request they be given the consideration they so justly deserve.

ADDRESS BEFORE THE AMERICAN BANKERS' ASSOCIATION CONVENTION

Mr. GOLDSBOROUGH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an address by Governor Eccles, of the Federal Reserve Board, before the American Bankers Association. The Public Printer notifies me that it will require about three and a half pages of the CONGRESSIONAL RECORD to insert this address.

Mr. RICH. Mr. Speaker, reserving the right to object, I should like to have the gentleman tell the Members of the House what it is going to cost to print this speech.

Mr. GOLDSBOROUGH. The Public Printer states it will cost $158.

Mr. RICH. I should like to call the attention of the House to the fact that all this matter going into the RECORD is quite costly to the taxpayers of their districts, and they will be held responsible for a great deal of this expense when election comes next fall.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. GOLDSBOROUGH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address by Hon. Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System, before the American Bankers' Association convention in New Orleans, November 14, 1935:

Mr. Chairman, ladies, and gentlemen, after the remarks of the chairman, I assure you that it is rather embarrassing for me to appear before you. I feel he has given you reason to expect altogether too much.

I did not prepare a written address for this occasion, feeling that I should like to come before you in more or less of an informal way, as a banker talking to bankers, as a businessman talking to businessmen. I should like to talk to you as I would talk to my closest friends and associates.

Most of my life has been spent in the field of banking and business, and until I unexpectedly went to Washington, less than 2 years ago, I had never occupied a public position. I, therefore, can talk to you and approach the questions which I am sure we are all deeply interested in, only as a practical businessman and banker.

I am reminded in meeting with you today of the contrast between the conditions under which we are now meeting and the conditions under which this same meeting was held 3 years ago.

Three years ago, after pursuing what were considered sound financial policies, after attempting through every effort to balance the Budget, after maintaining the gold standard, after avoiding any increase in taxes, we found ourselves confronted with disaster. We found that the national income had diminished in less than 3 years from $81,000,000,000 to less than $40,000,000,000, and we found that tax collections also fell.

We found that we were confronted with an army of unemployed of more than 12,000,000 people. We found the banking system in a state of collapse. We found deposits had declined by more than one-third as a result of credit contraction, bank failures, and hoarding. We found that though every effort was made to balance the Budget some Government bonds had sold as low as 83, and other high-grade securities held by banks were selling at such a price that had they been sold on the existing market there would have been few banks in the United States in which the capital was not either completely wiped out or seriously impaired; that under the auspices, gentlemen, of what is considered orthodox economics, under the conditions that were expected to produce confidence and induce private industry to undertake to put people to work and to result in increased borrowing from the banks and thus in restoration of the necessary volume of deposits, we found that the economic life of the country was in a complete collapse.

Today, in a recent compilation I had made with reference to the value of stocks, I find that as compared with the low prices of 1932 there is an appreciation of more than $20,000,000,000 in the quoted value of stocks listed on the exchange. That has not been brought about by an increase in credit extended by banks because neither brokers' loans nor bank loans on collateral have increased. It has been caused by the fact that those who had money were investing in securities because they were aware of the increase in the earnings and the prospective earnings of the corporations whose securities are listed.

Contrast that picture with the condition of the corporations in 1932, when the income-tax reports made by all corporations to the Treasury of the United States showed a net loss before dividends and before income taxes of more than $3,750,000,000. The quoted value of bonds listed on the exchange, of which there were some in your portfolios that meant bankruptcy and insolvency to you, has increased by more than $7,000,000,000 since early 1933. The bankruptcies, which had reached the astounding proportions at that time of more than 25,000 for the first 9 months of 1932, with total liabilities aggregating more than $750,000,000, today are less than 9,000 for the first 9 months of this year, with liabilities around $170,000,000.

Bank failures for the first 9 months in 1932 exceeded 1,000, and the deposit liabilities for banks failing were nearly $600,000,000. For the first 9 months of this year bank failures numbered 80, with deposit liabilities of approximately $36,000,000. These figures include the banks which were not licensed after the bank holiday and which were forced to liquidate later because it was not possible to reorganize and open them. They comprise most of the amount.

Bank deposits, which, due to credit contraction made on the part of the bankers, had decreased greatly (and I do not blame any banker; I was as busy in the field of private banking as anyone could be in an effort to remain liquid, to be able to meet the demands of the depositors due to lack of confidence in the banking structure) have increased from a low point of $12,000,000,000 to $17,500,000,000, or above the level of 1929. When I say bank deposits I mean the adjusted demand deposits of member banks, which exclude interbank deposits and Government deposits.

The national income, which had fallen to a little less than $40,000,000,000 for the year 1932, rose to nearly $50,000,000,000 for 1934. The figures are not available for the current year, but I believe that at the present rate of business activity the national income in the next 12 months will come close to $60,000,000,000, or about halfway back to the national income of 1929.

The Government receipts, which had fallen from better than $4,000,000,000 in 1929 to around $2,000,000,000 in 1932, as estimated in the last-announced estimates of Federal revenue, will reach for



the fiscal year ending June 30, 1936, a figure of $4,470,000,000, or an increase of approximately $2,400,000,000.

The foreign-trade figures are approximately 40 percent in excess of the foreign-trade figures in 1932.

Industrial production reflected in the Federal Reserve's seasonally adjusted index is now at 89 percent of the 1923–25 average, raising it from a low point of 58 in 1932, a gain of more than 50 percent.

The wholesale-price index of commodities, using 1926 as a basis of 100, had fallen to a low of 60 in February of 1933. It had risen to 81 in September of this year.

In the field of farm products wholesale prices had dropped as low as 41 percent in February 1933. They were up to 80 percent last September.

The farm income, which dropped from $10,500,000,000 in 1929 to something over $4,000,000,000 in 1932, is estimated for this year to be back to nearly $7,000,000,000, a gain in that field of $2,500,000,000.

I could go on and cite many other factors, such as increased building activity, revival in the capital market, increase in employment and pay rolls, but enough has been given to mark the impressive improvement between the condition of 3 years ago and the present time in every field—financial, commercial, industrial, agricultural, and fiscal.

What is the reason for this change? It is not a result of accident; it is not a result of letting nature take its course. For 3 years nature was permitted to take its course in an effort to revive confidence. Little legislation that was disturbing to business was passed. No Banking Act of 1935 was pending to make bankers hesitate to make loans.

But a condition was reached, even as early as the spring of 1932, when Government intervention became unavoidable not because the Government wanted to intervene but because the entire financial and credit structure was in a state of disastrous contraction. The Reconstruction Finance Corporation was organized to support the crumbling structure.

The Government had financed the Grain and Cotton Stabilization Corporations in order to help agriculture.

The Home Loan Bank System was organized in order to help the urban-mortgage situation. But the scale of intervention was entirely inadequate, and the forces of deflation had been so much underestimated that a complete collapse resulted in the following spring.

No one objected to an unbalanced Budget in order to bolster up the banking, the insurance, the railroad, and the credit structure generally.

Is it consistent or possible to think that Government could intervene in the field of private credit through the banking, insurance, and other private structures and at the same time refuse to intervene in order to stop the foreclosure of farm mortgages, which reached an appalling figure, to stop the foreclosure of home mortgages, which reached a figure as high as 35,000 in 1 month?

Is it possible to justify the use of Federal credit, resulting in an unbalanced Budget in the fields referred to, and at the same time permit 12,000,000 men who wanted work to go unemployed?

Business claims the liberty of employing and discharging men when their services cannot be used profitably, and that is its right. But what about the liberty of the men under the conditions that we were confronted with in 1932 and 1933? If a government is justified in incurring an indebtedness of $25,000,000,000 to protect its citizens against the encroachment of a foreign enemy in times of war, is not a government justified in using its credit for the purpose of taking care of those people who found themselves in a position of destitution because of the failure of private industry to give them employment? [Applause.]

The Reconstruction Finance Corporation put a foundation under the banking structure. The Emergency Banking Act, passed at the time of the bank holiday, permitted the Reserve System to loan not only to national and member banks but to State nonmember banks against any sound asset. When that was announced by the President of the United States over the radio, the people of the country who had withdrawn their deposits in the form of currency and who had attempted to transfer it out of the country stopped that practice, which was totally destructive to the entire credit and banking fabric.

When the people were told that the Reserve System could issue Federal Reserve bank notes against mortgages, against collateral loans, and against other good assets held by the banks, without regard to gold backing, without regard to eligible paper backing, without regard to Government bond backing, they brought back into the banks during the next year $2,000,000,000 of currency which they had taken out.

The Reconstruction Finance Corporation has rehabilitated the capital structure of banks to the extent of approximately $1,000,000,000, and it has loaned over $800,000,000 to the receivers of closed banks so as to prevent the forced liquidation of assets and to give to depositors immediately available funds, so as to relieve them and to enable them to put that money into circulation.

The Home Owners' Loan Corporation was established for the purpose of relieving home owners in distress and up to the present time has loaned approximately $3,000,000,000. The work of that institution is nearly completed. The distressed mortgage is a thing of the past. Real-estate values have been stabilized and are advancing. Rents have been on an increase for 2 years and doubling up is lessening. New-home construction is increasing, and the Home Owners' Loan Corporation will be through with the work it has done, with more than a billion dollars of unused authorization to its credit.

It not only served as a debtor relief but also served equally as a creditor relief. The mortgages held by the savings banks, the insurance companies, and the commercial banks, which they were unable and unwilling to carry, were taken over and funded over a longer period at reduced rates by the Home Owners' Loan Corporation.

The Federal Farm Mortgage Corporation was organized, and $2,000,000,000 of bonds were provided fully guaranteed by the Government, these funds to be loaned to Federal land banks in exchange for the bonds of these banks, backed in turn by mortgages, and to be issued as proceeds of mortgage loans by the Land Bank Commissioner.

The Federal land banks are institutions going back about 20 years. In 1932 they were unable to sell their bonds on the market. These same bonds are now selling at a premium, and a substantial amount of them have been refunded into issues bearing lower interest rates. When it was impossible to sell them, the Government agency set up for the purpose took those bonds and issued bonds guaranteed by the Government.

That has stopped the collapse of the farm-mortgage market, until today I hear that there are more farms being sold than are being foreclosed upon. [Applause.]

These three great creditor agencies have largely done their work. No one is more anxious than the Federal Government to have the private credit agencies take over the load.

The Federal Housing Administration Act was passed for the purpose of attempting to induce the private credit agencies of this country to make loans for construction purposes on insured mortgages and for modernization. Not one dollar of Government funds goes into those loans. The Federal Government was attempting to create a mechanism by which to attract private funds into the field of credit and get the Government out.

The Reconstruction Finance Corporation is collecting far more than it is lending. It has loaned about $5,000,000,000 and has collected more than one-half of the total amount of the loans.

In the field of relief, which we so often refer to as "waste", we have the thousands of miles of public roads, we have the excellent work done in our C. C. C. camps, we have repaired and rebuilt schools, water systems, and sewer systems. Truly not all self-liquidating projects. It is possible for the Government to spend money for social purposes, and it should not always judge or gage its expenditure by whether or not it is a self-liquidating project. [Applause.]

The problem of private profit and self-liquidation belongs to the field of private business and not to the Federal Government. [Applause.]

Now, let us see if the results as enumerated are worth the cost of intervention which resulted in an unbalanced Budget. I would like to remind you that we had an unbalanced Budget as early as the fiscal year ending in 1931 and that the deficit for the fiscal year ending June 30, 1933, exceeded $3,000,000,000; that the Government's interest-bearing debt increased from $20,584,000,000 in February 1933 to $28,432,000,000 in September of 1935, an increase of $7,848,000,000.

Deduct the assets, including cash on hand, the gold profit in the stabilization fund, the Government's proprietary interest in organizations such as the R. F. C., and you have a net increase in the Government debt of about $3,000,000,000. But let us take the larger figure for the purpose of comparison. Let us take the amount of the gross deficit.

Should we be alarmed over that situation? Should some of the increases which I have referred to—such as the $20,000,000,000 increase if the quoted value of listed stocks without taking into account an increase of from $15,000,000,000 to $20,000,000,000 in the national income in 1 year—give us any cause for concern about even the amount of the gross deficit? Does it mean that we are putting a great burden upon posterity?

If you will recall, during the 10 years from 1920 to 1930, while the Government debt which had been $26,000,000,000 incurred almost entirely in a period of 2 short years, was decreased by about $10,000,000,000, this country at the same time added $100,000,000,000 or more to its new wealth in the form of increased productive facilities and we purchased $10,000,000,000 of foreign security issues and reduced the Federal income taxes during that period four different times. If we could do it then, why think that we cannot do it again?

I should like to commend to your attention Lord Macaulay's History of England, in which he recounts how the British debt from the period of the contest with Louis XIV rose from £50,000,000 to more than £800,000,000 and how "at every stage in the growth of that debt it has been seriously asserted by wise men that bankruptcy and ruin were at hand. Yet still the debt went on growing; and still bankruptcy and ruin were as remote as ever."

I cannot read all of the statement, but I am going to quote a few high lights from it.

After telling of the repeated outcries against the debt, he told how it kept mounting, yet how England prospered despite the prophets of disaster, and he continues:

"The beggared, the bankrupt society not only proved able to meet all its obligations, but while meeting those obligations grew richer and richer so fast that the growth could almost be discerned by the eye * * *.

"While shallow politicians were repeating that the energies of the people were borne down by the weight of the public burdens,

the first journey was performed by steam on a railway. Soon the island was intersected by railways. A sum exceeding the whole amount of the national debt at the end of the American wars was, in a few years, voluntarily expended by this ruined people in viaducts, tunnels, embankments, bridges, stations, engines. Meanwhile taxation was almost constantly becoming lighter and lighter; yet still the exchequer was full. It may now be affirmed without fear of contradiction that we find it as easy to pay the interest of eight hundred millions as our ancestors found it, a century ago, to pay the interest of eighty millions.

"It can hardly be doubted that there must have been some great fallacy in the notions of those who uttered and of those who believed that long succession of confident predictions, so signally falsified by a long succession of indisputable facts. To point out the fallacy is the office rather of the political economist than of the historian. Here it is sufficient to say that the prophets of evil were under a double delusion. They erroneously imagined that there was an exact analogy between the case of an individual who is in debt to another individual and the case of a society which is in debt to a part of itself (which pays interest to itself); and this analogy led them into endless mistakes about the effect of the system of (Government borrowing and) funding.

"They were under an error not less serious touching on the resources of the country. They made no allowance for the effect produced by the incessant progress of every experimental science, and by the incessant efforts of every man to get on in life. They saw that the debt grew, and they forgot that other things grew as well as the debt (that taxes are high or low in relation to national income)."

At the bottom of the depression we would have been worse off with no taxes at all than we are today with the taxes that we have. [Applause.]

"A long experience justifies us in believing that England may, in the twentieth century, be better able to bear a debt of sixteen hundred millions than she is at the present time to bear her present load. Be this as it may, those who so confidently predicted that she must sink, first under a debt of fifty millions, then under a debt of eighty millions, then under a debt of one hundred and forty millions, then under a debt of two hundred and forty millions, and lastly under a debt of eight hundred millions were beyond all doubt under a twofold mistake. They greatly overrated the pressure of the burden; they greatly underrated the strength by which the burden was to be borne."

That was a century ago when the debt reached £800,000,000. Today that debt is nearly 10 times that figure, and the standards of the people of England, not only the workingman but the businessman, are higher than they were then. They are far better off as a society after carrying the debt than they were at that time.

Have we not yet learned that what we cannot afford is not the burden of carrying the national debt but is an army of idle men and unutilized facilities? For the cost of what we lost in the last few years as a result of permitting deflation to run far on its course before checking the devastation—the loss in national wealth and the national income from idleness of millions of men and innumerable productive facilities would run into more than $150,000,000,000. The entire amount of our present national debt is less than 4 months of the normal national income.

It seems to me that it may be interesting to compare the picture of England with that of the United States so far as debt is concerned.

The debt of the United Kingdom (and that does not mean only the central government; it means all public bodies) was 194 percent of the national income in 1934. In the United States the debt of all public bodies was 74 percent of the national income. The total interest paid by all public bodies on their debt in England amounts to 8 percent of the national income; in the United States a little over 3 percent of the national income.

I do not want to give you men the impression that a budgetary deficit is desirable. I only want to point out to you that it is not the serious thing it has been magnified to be. [Applause.] The serious thing is the loss of $40,000,000,000 in our annual national income, which the capitalistic system, when left to itself without adequate Government intervention, brought about by the year 1932.

We shall not continue to have a budgetary deficit when the conditions that caused the deficit, the reduction in national income, are corrected. As national income increases, Federal income increases; and as Federal income increases, the need for Government spending decreases, because of an increase in activity, employment, prices, etc.

And that is the trend today. From more than $4,000,000,000 in 1929 the Federal income dropped down at the bottom of the depression to $2,000,000,000, and is now back at more than $4,000,000,000.

The deficit, which reached a peak in the fiscal year ending June 1934, was approximately $4,000,000,000, and it is estimated that in 1936 it will be $3,280,000,000.

I should like to sum up what I think all this means to bankers. I feel that you have every reason in the world to have confidence that the system of private industry and the system of private banking has a future, if you will but profit by the lessons of the past; if you will but do your part and step out into the field and extend, not the type of credit that you may prefer to extend, 90 days' or 6 months' credit, but the kind of credit that there is a demand for in your communities. You don't hesitate to buy in the market finance company paper and intermediate credit bank paper at as low as 1 percent. Why don't you short-circuit the funds and lend directly to those in the community that are going outside and paying from 5 to 12 percent for credit from the very institutions which you are financing at 1 percent? [Applause.]

Why don't you, when you are the custodians of $10,000,000,000 of the savings funds of the people, invest those funds in the field where such funds should be invested? They are the same type of funds as the funds that the insurance companies, the mutual savings banks, and the savings-and-loan associations are investing; and if you are going to hold those funds and pay interest on them, you must put those funds in the long-term mortgage market, in the long-term bond market, and you can do it with every security.

You are loaning on a basis of values that is not inflated; and if you want the Government and the Government agencies to get out, then it is up to you to get in. [Applause.]

If you prefer to buy Government bonds and bonds guaranteed by the Government to act as your cushion, then you cannot complain about the Federal Government being a competitor with you in the field. [Applause.]

If the Government had chosen or desired to destroy private banking, it needed to do nothing at all. In 1932 private banking had completely destroyed itself. [Applause.] But the Federal Government believed in private banking, and in private initiative, and in private business, and for that reason it saved the banking system for the bankers to do a better job in the future than many had done in the past. [Applause.]

It seems to me, in summing up the review I have made, that an analysis of the nature, the cost and the timing of Government intervention, and of the recovery factors brings out conclusions which are inescapable. First, in order to keep our productive processes going and expanding, we must maintain a reasonable balance between our productive facilities and consumer buying power. Failing this, money becomes idle, because it cannot find profitable outlet for investment; unemployment develops, because buying power is insufficient to absorb the output of industry.

This results in the commencement of a period of deflation. It causes a contraction of debt, a reduction in spending, and, if the cycle is allowed to continue, this inevitably results, because the cycle is self-accelerating, in general prostration and bankruptcy.

It is as necessary to intervene to correct a situation of this sort as it is to prevent a cycle of inflation.

There will be 1,000 bankers saying that inflation should be avoided, and that public authorities, public officials in the Reserve System and in Government should stop inflation, whereas there is possibly a handful who feel, or at least have felt, that deflation should not be allowed to go its normal and natural course; that the natural law should be interfered with.

I cannot reconcile these two positions. I see no greater evils in inflation than in deflation. In fact, I think of the two, deflation is far more destructive to bankers.

It is necessary to intervene to correct a situation of this sort, just as necessary as it is to prevent a cycle of inflation. Only Government, which is all of us, is capable of acting collectively to offset and neutralize the effect of the downswing, and by its spending and the use of its credit effect the necessary distribution that private capital, left to the individual, has failed to effect. Action taken promptly by Government to stop the process of deflation in its inception will tend to keep up the national income and correct maldistribution and inequitable distribution, and at an infinitesimal cost compared with the cost to society as a whole if deflation is allowed to run its natural and destructive course. For Government to decrease its spending at the outset of a deflationary period, when everyone else is doing likewise, only accelerates the forces of deflation and does not create confidence. In such a situation capital does not flow into productive facilities because they are already excessive in relation to consumer buying power.

How can we say that individuals, corporations, and banks with funds to invest will be inclined to use those funds to put people to work when funds already invested are becoming less profitable daily as buying power decreases and unemployment spreads?

Confidence in the business world is the outgrowth of an opportunity to invest funds profitably. Funds are invested profitably only when there is sufficient buying power to purchase the output of increasing productive facilities.

I have attempted to portray the effects and the evils of deflation. We hear much about the evils of inflation. How is it possible to have inflation when men are idle and plants are idle? There can be speculative excesses when surplus funds bid up stocks or real estate, but general inflation can only come about by increasing the means of payment in the hands of the people who are willing to spend faster than we can increase production. We are a long way from such a period of inflation. [Applause.]

The idle balances of corporations and of individuals, even in 1929, with business going at a maximum, were very largely responsible for the stock-market inflation.

It must be evident from what I have said that we are in no immediate danger of inflation as a result of a budgetary deficit or as long as we have the facilities to produce and the men willing to work. [Applause.]

We have seen from the experience of the past 3 years that it is possible through adequate Government intervention to turn the tide of deflation to what has been termed "reflation." Is it not reasonable to conclude that had intervention come sooner and on a more adequate scale it would have taken far less spending and lending by the Federal Government to arrest and reverse the process of deflation?

The bankers, above all, have been the beneficiaries of the Government's intervention. The Government alone could and did replenish the supply of deposits when individual borrowers were

lacking and when banks had no other profitable outlet for their funds than the investment in Government securities. Banks bought Government securities, not because of compulsion but because they had no other avenue of profitable investment.

The Federal Reserve System has purchased no Government bonds, has given no support to the Government bond market for 2 years, and the present amount of outstanding credit by the Federal Reserve System is less than it was in the spring of 1933. The excess reserves of the banks, which make money cheap, which induce them to purchase securities and make loans at present low interest levels, are a result very largely of gold imports.

Banks bought Government bonds not because of compulsion, but because they had no other avenue for profitable investment. Government bonds, far from being a burden, have been a godsend.

Those who talk about boycotting Government bonds suggest to me a drowning man to whom a life line is thrown out but who objects that it is an interference with his individual right and liberty to drown. [Laughter and applause.]

Speaking as a banker, businessman, and capitalist, I urge you as bankers to contrast the conditions and the prospects under which you meet today with the conditions and the outlook of 3 years ago and to ask yourselves how the transition has been brought about.

I am not prepared to admit that we must always have with us a vast army of unemployed. I am not ready to confess failure in making our individualistic capitalistic society function so as to utilize to the fullest the Nation's resources, of which, by far, the most important is human labor.

I do not believe that we are so wanting in intelligence and courage, or that we are so blind to the lessons of experience as to conclude that we are incapable of managing our affairs more prudently and more efficiently in the future than we have in the past.

I do not see how any thoughtful man can challenge the conclusion that in order to preserve our capitalistic system, our institutions, and traditions we must use such governmental means of economic and monetary management as we now possess in achieving a greater stability in the economic order and in creating conditions under which our man power and productive capacity may be utilized to a maximum in the production and the distribution of wealth.

The Federal Reserve System, with its authority over margin requirements and—under the Banking Act of 1935—its clarified responsibility for reserve requirements, discount rates, and open-market operations, is in a better position than ever before to exert its influence toward the attainment of a greater degree of stability and the avoidance of inflationary and deflationary extremes.

These powers, if exercised harmoniously, in conjunction with those possessed by the Federal Government through the Treasury—and to attempt to exercise the divided powers separately or conflictingly would be fatal—can, I am confident, contribute much to the achievement of a stable, orderly economic progress, free from violent extremes, and conducive to a maximum productivity and distribution. This involves neither a regimented nor a restricted economic order. It calls for Government intervention only to the extent that the exercise of governmental authority affecting monetary and budgetary factors may be a stabilizing and corrective influence in an individualistic, capitalistic system when it, left entirely to itself, generates distortions, lack of balance, and cyclic extremes.

The Government must be the compensatory agency in this economy; it must unbalance its Budget during deflation and create surpluses in periods of great business activity.

In the light of experience and in the interest of the public in general and of private banking in particular, it seems to me to be conclusively demonstrated that business and banking leadership should lend its full sympathy and support to the kind and extent of Government intervention that I have outlined. Only then, it seems to me, can private banking be assured of safe and profitable operation in the future and be freed from the uncertainties due to recurrent evils of booms and depressions. [Applause.]

LEAVE OF ABSENCE

Mr. GOODWIN. Mr. Speaker, I ask unanimous consent for leave of absence for my colleague the gentleman from New York [Mr. THOMAS], who is confined to his bed by illness.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MONAGHAN. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER. The Chair will state to the gentleman from Montana that he will submit his request, but the gentleman understands, of course, the previous question has been ordered on a motion to recommit. The gentleman from Montana asks unanimous consent to proceed for 3 minutes. Is there objection?

Mr. SNELL. Mr. Speaker, I object to any debate at the present time.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

The SPEAKER. The unfinished business is the vote on the motion to recommit submitted by the gentleman from Massachusetts [Mr. TREADWAY].

The question was taken; and on a division (demanded by Mr. TREADWAY) there were—ayes 63, noes 206.

Mr. TREADWAY. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 89, nays 319, not voting 22, as follows:

[Roll No. 3]

YEAS—89

Allen	Crowther	Hope	Reed, N. Y.
Andresen	Culkin	Jenkins, Ohio	Rich
Andrew, Mass.	Darrow	Kahn	Robertson
Andrews, N. Y.	Dirksen	Kinzer	Robsion, Ky.
Arends	Ditter	Knutson	Rogers, Mass.
Bacharach	Dondero	Lambertson	Seger
Bacon	Eaton	Lehlbach	Short
Blackney	Ekwall	Lord	Snell
Bolton	Engel	McLean	Taber
Brewster	Englebright	Main	Tarver
Buckbee	Fish	Mapes	Thurston
Burch	Gifford	Marshall	Tinkham
Burnham	Gilchrist	Martin, Mass.	Tobey
Carlson	Goodwin	Merritt, Conn.	Treadway
Carter	Guyer	Michener	Wadsworth
Castellow	Gwynne	Millard	Whittington
Cavicchia	Halleck	Mott	Wigglesworth
Christianson	Hartley	Perkins	Wilson, Pa.
Church	Hess	Pittenger	Wolcott
Cole, N. Y.	Higgins, Conn.	Plumley	Wolfenden
Collins	Hoffman	Powers	
Cooper, Ohio	Hollister	Ransley	
Crawford	Holmes	Reed, Ill.	

NAYS—319

Amlie	Cummings	Gregory	McLaughlin
Ashbrook	Curley	Griswold	McLeod
Ayers	Daly	Haines	McMillan
Bankhead	Darden	Hamlin	McReynolds
Barden	Dear	Hancock, N. C.	McSwain
Barry	Deen	Harlan	Mahon
Beam	Delaney	Hart	Maloney
Beiter	Dempsey	Harter	Mansfield
Bell	Dickstein	Healey	Marcantonio
Berlin	Dies	Hennings	Martin, Colo.
Biermann	Dietrich	Higgins, Mass.	Mason
Binderup	Dingell	Hildebrandt	Massingale
Bland	Disney	Hill, Ala.	Maverick
Blanton	Dobbins	Hill, Knute	May
Bloom	Dockweiler	Hill, Samuel B.	Mead
Boehne	Dorsey	Hobbs	Meeks
Boileau	Doughton	Hook	Merritt, N. Y.
Boland	Doxey	Houston	Miller
Boykin	Driscoll	Huddleston	Mitchell, Ill.
Boylan	Driver	Hull	Mitchell, Tenn.
Brennan	Duffey, Ohio	Imhoff	Monaghan
Brooks	Duncan	Jacobsen	Montague
Brown, Ga.	Dunn, Miss.	Jenckes, Ind.	Montet
Brown, Mich.	Dunn, Pa.	Johnson, Okla.	Moran
Buchanan	Eagle	Johnson, Tex.	Moritz
Buck	Eckert	Johnson, W. Va.	Murdock
Buckler, Minn.	Edmiston	Jones	Nelson
Buckley, N. Y.	Eicher	Keller	Norton
Bulwinkle	Ellenbogen	Kelly	O'Brien
Burdick	Evans	Kennedy, Md.	O'Connell
Caldwell	Faddis	Kennedy, N. Y.	O'Connor
Cannon, Mo.	Farley	Kenney	O'Day
Cannon, Wis.	Fenerty	Kerr	O'Leary
Carmichael	Ferguson	Kleberg	Oliver
Carpenter	Fernandez	Kloeb	O'Malley
Cartwright	Fiesinger	Kniffin	O'Neal
Cary	Fitzpatrick	Kocialkowski	Owen
Casey	Flannagan	Kopplemann	Palmisano
Celler	Fletcher	Kramer	Parks
Chandler	Focht	Kvale	Parsons
Chapman	Ford, Calif.	Lambeth	Patman
Claiborne	Ford, Miss.	Lamneck	Patterson
Clark, Idaho	Frey	Lanham	Patton
Clark, N. C.	Fuller	Larrabee	Pearson
Cochran	Fulmer	Lea, Calif.	Peterson, Fla.
Coffee	Gambrill	Lee, Okla.	Peterson, Ga.
Colden	Gasque	Lemke	Pettengill
Cole, Md.	Gassaway	Lesinski	Peyser
Colmer	Gavagan	Lewis, Colo.	Pfeifer
Connery	Gehrmann	Lucas	Pierce
Cooley	Gildea	Luckey	Polk
Cooper, Tenn.	Gillette	Ludlow	Quinn
Costello	Gingery	Lundeen	Rabaut
Cox	Goldsborough	McAndrews	Ramsay
Cravens	Granfield	McClellan	Ramspeck
Creal	Gray, Ind.	McCormack	Randolph
Crosby	Gray, Pa.	McFarlane	Rankin
Cross, Tex.	Green	McGehee	Rayburn
Crosser, Ohio	Greenway	McGrath	Reece
Crowe	Greenwood	McGroarty	Reilly
Cullen	Greever	McKeough	Richards

Richardson	Scrugham	Stubbs	Wallgren
Risk	Sears	Sullivan	Warren
Robinson, Utah	Secrest	Sutphin	Wearin
Rogers, N. H.	Shanley	Sweeney	Weaver
Rogers, Okla.	Shannon	Taylor, Colo.	Welch
Romjue	Sirovich	Taylor, S. C.	Werner
Rudd	Sisson	Taylor, Tenn.	West
Russell	Smith, Conn.	Terry	Whelchel
Ryan	Smith, Va.	Thomason	Wilcox
Sabath	Smith, Wash.	Thompson	Williams
Sadowski	Smith, W. Va.	Tolan	Wilson, La.
Sanders, La.	Snyder, Pa.	Tonry	Withrow
Sanders, Tex.	Somers, N. Y.	Turner	Wolverton
Sandlin	South	Turpin	Wood
Sauthoff	Spence	Umstead	Woodrum
Schaefer	Stack	Underwood	Young
Schuetz	Starnes	Utterback	Zimmerman
Schulte	Steagall	Vinson, Ga.	Zioncheck
Scott	Stefan	Vinson, Ky.	

NOT VOTING—22

Adair	Duffy, N. Y.	Maas	Thomas
Citron	Gearhart	Nichols	Walter
Corning	Hancock, N. Y.	Schneider, Wis.	White
DeRouen	Hoeppel	Stewart	Woodruff
Doutrich	Kee	Sumners, Tex.	
Drewry	Lewis, Md.	Thom	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On the vote:

Mr. Woodruff (for) with Mr. Adair (against).
Mr. Maas (for) with Mr. Drewry (against).
Mr. Hancock of New York (for) with Mr. Montet (against).
Mr. Doutrich (for) with Mr. Gearhart (against).

General pairs:

Mr. Duffy of New York with Mr. Stewart.
Mr. Citron with Mr. Thomas.
Mr. Corning with Mr. Kee.
Mr. White with Mr. Schneider of Wisconsin.
Mr. Sumners of Texas with Mr. Walter.
Mr. Nichols with Mr. DeRouen.
Mr. Thom with Mr. Lewis of Maryland.

The result of the vote was announced as above recorded.

The following Members changed their votes from "yea" to "nay": Mr. REECE and Mr. FOCHT.

Mr. RANKIN. Mr. Speaker, the gentleman from Idaho, Mr. WHITE, was delayed on account of an automobile accident and could not get here. If he had been he would have voted "nay" on the motion to recommit, and on the passage of the bill he would vote "yea."

Mr. WOODRUFF. Mr. Speaker, had I not been detained in my office I would have voted "yea" on the motion to recommit.

The SPEAKER. The question is on the passage of the bill.

Mr. DOUGHTON. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 356, nays 59, not voting 16, as follows:

[Roll No. 4]

YEAS—356

Allen	Burdick	Crosby	Eagle
Amlie	Burnham	Cross, Tex.	Eckert
Andresen	Caldwell	Crosser, Ohio	Edmiston
Arends	Cannon, Mo.	Crowe	Eicher
Ashbrook	Cannon, Wis.	Crowther	Ekwall
Ayers	Carlson	Cullen	Ellenbogen
Bacharach	Carmichael	Cummings	Engel
Bankhead	Carpenter	Curley	Englebright
Barden	Carter	Daly	Evans
Barry	Cartwright	Darrow	Faddis
Beam	Cary	Dear	Farley
Beiter	Casey	Deen	Fenerty
Bell	Castellow	Delaney	Ferguson
Berlin	Celler	Dempsey	Fernandes
Binderup	Chandler	Dickstein	Flesinger
Blackney	Chapman	Dies	Fish
Blanton	Church	Dietrich	Fitzpatrick
Bloom	Clark, Idaho	Dingell	Flannagan
Boehne	Clark, N. C.	Dirksen	Fletcher
Boileau	Cochran	Disney	Focht
Boland	Coffee	Ditter	Ford, Miss.
Boykin	Colden	Dockweiler	Frey
Boylan	Cole, Md.	Dondero	Fuller
Brennan	Collins	Dorsey	Fulmer
Brewster	Colmer	Doughton	Gambrill
Brooks	Connery	Doutrich	Gasque
Brown, Ga.	Cooley	Doxey	Gassaway
Brown, Mich.	Cooper, Ohio	Driscoll	Gavagan
Buck	Cooper, Tenn.	Driver	Gearhart
Buckbee	Costello	Duffey, Ohio	Gehrmann
Buckler, Minn.	Cravens	Duncan	Gilchrist
Buckley, N. Y.	Crawford	Dunn, Miss.	Gildea
Bulwinkle	Creal	Dunn, Pa.	Gillette
Gingery	Kramer	O'Connell	Shanley
Goldsborough	Kvale	O'Connor	Shannon
Granfield	Lambertson	O'Leary	Short
Gray, Ind.	Lambeth	O'Malley	Sirovich
Gray, Pa.	Lamneck	Owen	Smith, Conn.
Green	Larrabee	Palmisano	Smith, Wash.
Greenway	Lea, Calif.	Parks	Smith, W. Va.
Greenwood	Lee, Okla.	Parsons	Snyder, Pa.
Greever	Lemke	Patman	Somers, N. Y.
Gregory	Lesinski	Patterson	South
Griswold	Lord	Patton	Spence
Guyer	Lucas	Pearson	Stack
Gwynne	Luckey	Peterson, Fla.	Starnes
Haines	Ludlow	Peterson, Ga.	Steagall
Halleck	Lundeen	Pettengill	Stefan
Hamlin	McAndrews	Pfeifer	Stubbs
Hancock, N. C.	McClellan	Pierce	Sullivan
Harlan	McCormack	Pittenger	Sutphin
Hart	McFarlane	Polk	Sweeney
Harter	McGehee	Powers	Taylor, Colo.
Healey	McGrath	Quinn	Taylor, S. C.
Hennings	McGroarty	Rabault	Taylor, Tenn.
Hess	McKeough	Ramsay	Thomason
Higgins, Mass.	McLaughlin	Ramspeck	Thompson
Hildebrandt	McLeod	Randolph	Thurston
Hill, Ala.	McMillan	Rankin	Tolan
Hill, Knute	McReynolds	Ransley	Tonry
Hill, Samuel B.	McSwain	Rayburn	Turner
Hoffman	Mahon	Reece	Turpin
Holmes	Main	Reed, Ill.	Umstead
Hook	Maloney	Reed, N. Y.	Underwood
Hope	Mansfield	Reilly	Vinson, Ga.
Houston	Marcantonio	Richards	Vinson, Ky.
Hull	Marshall	Richardson	Wallgren
Imhoff	Martin, Colo.	Risk	Walter
Jacobsen	Martin, Mass.	Robinson, Utah	Warren
Jenckes, Ind.	Mason	Robsion, Ky.	Wearin
Jenkins, Ohio	Massingale	Rogers, N. H.	Weaver
Johnson, Okla.	Maverick	Rogers, Okla.	Welch
Johnson, Tex.	May	Romjue	Werner
Johnson, W. Va.	Mead	Rudd	West
Jones	Meeks	Ryan	Whelchel
Kahn	Merritt, N. Y.	Sabath	Wilcox
Keller	Michener	Sadowski	Williams
Kelly	Miller	Sanders, La.	Wilson, La.
Kennedy, Md.	Mitchell, Ill.	Sanders, Tex.	Wilson, Pa.
Kennedy, N. Y.	Mitchell, Tenn.	Sandlin	Withrow
Kenney	Monaghan	Sauthoff	Wolcott
Kerr	Moran	Schaefer	Wolfenden
Kinzer	Moritz	Schuetz	Wolverton
Kleberg	Mott	Schulte	Wood
Kloeb	Murdock	Scott	Woodruff
Kniffin	Nelson	Scrugham	Young
Knutson	Nichols	Sears	Zimmerman
Kocialkowski	Norton	Secrest	Zioncheck
Kopplemann	O'Brien	Seger	The Speaker

NAYS—59

Andrew, Mass.	Dobbins	Mapes	Smith, Va.
Andrews, N. Y.	Eaton	Merritt, Conn.	Snell
Bacon	Ford, Calif.	Millard	Sumners, Tex.
Biermann	Gifford	Montague	Taber
Bland	Goodwin	O'Day	Tarver
Bolton	Hancock, N. Y.	Oliver	Terry
Buchanan	Hartley	O'Neal	Tinkham
Burch	Higgins, Conn.	Perkins	Tobey
Cavicchia	Hobbs	Peyser	Treadway
Christianson	Hollister	Plumley	Utterback
Claiborne	Huddleston	Rich	Wadsworth
Cole, N. Y.	Lanham	Robertson	Whittington
Cox	Lehlbach	Rogers, Mass.	Wigglesworth
Culkin	Lewis, Colo.	Russell	Woodrum
Darden	McLean	Sisson	

NOT VOTING—16

Adair	Drewry	Lewis, Md.	Stewart
Citron	Duffy, N. Y.	Maas	Thom
Corning	Hoeppel	Montet	Thomas
DeRouen	Kee	Schneider, Wis.	White

The SPEAKER. The Clerk will call my name.

The Clerk called the name of Mr. BYRNS, and he answered "yea."

So the bill was passed.

The Clerk announced the following additional pairs:

On this vote:

Mr. Maas (for) with Mr. Drewry (against).
Mr. Montet (for) with Mr. Corning (against).
Mr. Citron (for) with Mr. Duffy of New York (against).

General pairs:

Mr. Thom with Mr. Thomas.
Mr. DeRouen with Mr. Stewart.
Mr. Lewis of Maryland with Mr. Schneider of Wisconsin.

The result of the vote was announced as above recorded.

Mr. PITTENGER. Mr. Speaker, my colleague, Mr. MAAS, is not present, on account of a death in his family. If here, he would have voted "yea."

Mr. CULLEN. Mr. Speaker, my colleague from New York, Mr. DUFFY, is seriously ill at home. He wishes me to an-

nounce to the House that if he had been present he would have voted "no."

Mr. EDMISTON. Mr. Speaker, my colleague, Mr. KEE, of West Virginia, is ill in the Naval Hospital and unable to be here. If here, he would have voted "aye."

Mr. BANKHEAD. Mr. Speaker, on the vote just cast I have a telegram from the gentleman from Louisiana, Mr. MONTET, saying that on account of illness it is impossible for him to be present; that had he been present he would have voted against the motion to recommit and in favor of the bill.

Mr. THOMPSON. Mr. Speaker, my colleague from Illinois, Mr. ADAIR, is unavoidably absent. If he had been present, he would have voted "no" on the motion to recommit and "aye" on the passage.

On motion of Mr. DOUGHTON, a motion to reconsider the vote by which the bill was passed was laid on the table.

EXTENSION OF REMARKS—ADJUSTED-SERVICE CERTIFICATES

Mr. BOLTON. Mr. Speaker, we have before the House the question of full payment of the adjusted-service certificates, or the so-called "bonus" measure. This should, in my judgment, be dependent upon whether it means new or additional tax burdens upon the people of the country. The demand for payment now because of the tremendous expenditures during the past 2½ years under the name of relief is recognized and understood. It can be accomplished without additional appropriation or increase in our anticipated national debt. In other words, if we have the courage to provide definitely for the method of financing this measure now instead of leaving this to the future, we can satisfactorily provide funds without disturbing the present financial condition of the Federal Government.

The latest Treasury report indicates an unexpended balance of over six and one-half billion dollars of funds already appropriated for emergency purposes, including those for agricultural aid, relief, public works, aid to home owners, and miscellaneous so-called recovery activities. Emergency expenditures for all purposes during the past 3 years have not in any one year exceeded $4,000,000,000. The demands for emergency expenditures, we are told, are constantly decreasing.

Almost two billions of emergency expenditures have been made during the first half of the current fiscal year; consequently a payment out of these unexpended emergency funds of approximately $2,000,000,000 for bonus requirements will not, in my judgment, seriously affect the emergency activities of the Government. Allowing another two billions for the remainder of the present fiscal year for emergency purposes and taking the two billions for bonus requirements from the six and one-half billions would still leave two and one-half billions for emergency purposes for the next fiscal year, 1937.

Bear in mind that, according to the best information available, the President contemplates asking for additional billions for emergency purposes during the year 1937. If this is the case, the bonus could be paid from unexpended balances and there would still be available for 1937 several billions of dollars for recovery and relief, or a sum greater than has been spent in any one year up to date.

Payment in this manner I favor, but all attempts to provide definite means of financing the payments were defeated. We are now faced with the proposal of adopting a measure which can only be designated as an authorization for appropriation, even permitting inflation. Congress should at this time provide the method of payment, because if this is not taken from balances available for emergency purposes it must be reflected in the Budget as an added expenditure, which means an increase in the national debt of $2,000,000,000 beyond the estimates submitted.

To this I cannot subscribe, believing it unnecessary to appropriate additional funds for the purpose of paying the bonus. Our aim should be to hold our expenditures within the revenue as nearly as possible and to bring about a balancing of our National Budget just as soon as possible. This is the only policy which will sustain our national credit and prevent adding to tax burdens.

I cannot conscientiously support a proposal which I feel might work a hardship not only on the veterans but on the entire population of the country, and which is unnecessary, inasmuch as funds already available could be utilized without jeopardizing the emergency and relief program.

IMMEDIATE PAYMENT ADJUSTED-SERVICE CERTIFICATES TO WORLD WAR VETERANS

Mr. WOLVERTON. Mr. Speaker and Members of the House, there is every indication that the long and hard fight for immediate payment of adjusted-service certificates to World War veterans is almost won. Today we stand on the threshold of victory. The opposition has almost entirely disappeared. The necessary legislation will be passed by an overwhelming majority.

It is gratifying to me, as one of those who, from the beginning, has recognized the justice of the demand for immediate payment of the adjusted certificates to our ex-service men, to realize that it will become an accomplished fact at this session of Congress.

There are several contributing factors to this very desirable result:

First. There is unity and accord between the several veterans' organizations as to the character of the legislation that should be enacted to accomplish the purpose. The present legislation—H. R. 9500—known as the Vinson-Patman-McCormack bill, represents the combined thought of the American Legion, Veterans of Foreign Wars, Disabled American War Veterans, and the friends of the veterans in Congress who have given the matter their attention during the past several years since it became apparent that right and justice demanded immediate payment of the certificates.

Second. The controversies, debates, speeches, and propaganda, both for and against, in the Halls of Congress, newspapers, magazines, and over the radio, and, particularly in political campaigns wherein candidates for Congress have declared themselves and given their reasons either for or against the proposition, have brought an abundance of information on the subject to the citizenship of our country. The fact that the people of the country have responded favorably to the enactment of this legislation after hearing and learning the real underlying reasons is an indication that the cause is just.

It is needless for me to restate in detail at this time the reasons that have actuated my constant support of legislation of this type, the purpose of which has been to make possible the immediate payment of the adjusted-service certificates. On every occasion that such legislation has been before the House for consideration my vote has been cast in favor of its adoption. Today is the fourth time. The reasons that have prompted my favorable consideration in the past have time and again been fully set forth. Today the issue is so plain, the result of the vote to be taken so sure of being favorable, that it is unnecessary for me, or anyone else whose record has been so constantly favorable to the legislation, to set forth again the reasons that have justified my course in the past and which will continue to justify my continued support of this and all other legislation to give complete justice to our World War veterans in this important matter.

ADJUSTED-SERVICE CERTIFICATES

Mr. THOMPSON. Mr. Speaker, in supporting the bill (H. R. 9870) providing for the immediate payment of World War adjusted-service certificates and for the cancelation of any unpaid interest that may have accrued on loans secured by such certificates, I feel that I am properly representing my constituency in western Illinois. Those who served in the World War have patiently waited for the money rightfully due them, and I believe that if the Congress does make full payment at this time, much will be gained economically in that the benefits of such payments will reach into every precinct, township, hamlet, and city of the United States. Certainly no one can say that the American soldier was overpaid when most of them served for a dollar a day and their keep, while many of their friends and relatives were working in the shipyards, munitions factories, and the like at exceptionally high wages and salaries.

As a member of the Ways and Means Committee, I supported so-called "bonus" legislation in the last session, and also in the House, being firmly convinced that this issue should be settled once and for all, and at a time when all of us desire increased purchasing power of the people. If this bill becomes a law—which I sincerely believe it will at a very early date—over $141,000,000 will be available to veterans in the great State of Illinois, and the sum of $3,691,583.16 in the Fourteenth Congressional District of Illinois, which I have the honor to represent in this body. My district is a combination of agriculture and industry, with the one strictly dependent upon the other, for the factories in my communities almost solely produce tools and machinery that are sold to the farmers. Thus, until the advent of the present administration, our factories did not afford much employment because of the depressed condition and lack of purchasing power by farmers throughout the Nation. I know that this sum, distributed as follows throughout the six counties of my district, will mean much not only to the holders of the certificates but to the businessmen with whom they trade:

Hancock County	$489,826.80
Henderson County	162,744.12
McDonough County	506,679.66
Mercer County	308,524.14
Rock Island County	1,820,651.14
Warren County	403,162.30
Total	3,691,588.16

It will enable many of the veterans and their families to purchase the necessities of life, which they have denied themselves for many years.

I believe one of the outstanding features of this legislation is the privilege accorded to veterans who do not desire to obtain immediate payment, in that these certificates automatically become interest bearing at the rate of 3 percent per annum if application for payment is not filed prior to April 6, 1937, which, incidentally, is the twentieth anniversary of the United States' entry into the World War. I do not recall this feature in any previous bonus legislation, and know that such will lighten the burden on the Federal Treasury, at the same time benefiting those who do not find it necessary or desirable that they obtain full payment on their certificates immediately following the enactment of this measure.

THE BONUS BILL

Mr. WOODRUM. Mr. Speaker, there are some very compelling reasons which favor the working out of some plan whereby needy unemployed veterans might be given an opportunity to realize on their adjusted-service certificates. Personally I have known of many distressing cases, cases where veterans have already borrowed to the limit on their certificates, are now unable to secure employment, and though, eligible, have not applied for relief. They are therefore not eligible for relief jobs. It seems a bit ironical that an unemployed veteran in need should have in his pocket the obligation of his Government and lack the necessities of life for himself and family. Legislation which would make it possible for this veteran to realize on his certificate could, in my judgment, be passed through the Congress practically unanimously, and would undoubtedly receive the approval of the President. I would welcome an opportunity to vote for such legislation.

The present bill is far different from legislation such as I have herein suggested. I can point out very briefly a few obstacles that, to my mind, make it impossible to support the legislation:

First, the bill authorizes the payment of the certificates, which will require something over $2,000,000,000 and, although we have a deficit in the Federal Treasury and a mounting national debt, undertakes to make no provision for raising the necessary revenue. It has been suggested that the sponsors of this bill have in mind currency inflation as the method. On the floor of the House yesterday one of the leaders in the movement to pass this bill stated that as soon as this bill became a law an effort would be made, through the medium of a Democratic caucus, to commit the House of Representatives to the Patman plan to raise the revenue, which is direct currency inflation, and contrary to the President's policies, and would, in my judgment, entirely destroy the great strides made toward economic recovery.

Second. The bill provides that those veterans who hold certificates and who do not wish to cash them shall be given a Government 3-percent bond. This is intended, of course, to discourage the cashing of the certificates. The records show that over 400,000 veterans hold certificates aggregating approximately one-half billion dollars on which they have never exercised their right to obtain loans. Of course, it is a fair assumption that these veterans are not in need, and yet in face of present economic conditions we are giving these veterans who are not in need an additional consideration which amounts to approximately a 27-percent increase in the face value of their bonus certificates. This, to my mind, is entirely unwarranted and cannot be defended.

Third. This bill provides that those veterans who have borrowed on their certificates and who have not paid the interest on their loans shall be excused from the payment of the same, whereas it does not contain a provision reimbursing those veterans who have secured loans and who have paid their interest. Again there is an inconsistency and a discrimination which cannot be justified.

It is generally thought that after the passage of this bill in the House fundamental changes may be made which will remove many of these objections and which will permit the passage of legislation ultimately that will afford relief to those unemployed veterans who are in need. I cannot vote for this bill, though I devoutly hope that some logical and feasible plan may be worked out along the lines that I have herein suggested.

WORLD WAR VETERANS SHOULD GET THEIR ADJUSTED PAY IN CASH

Mr. SCHNEIDER of Wisconsin. Mr. Speaker, since I first served in the House during the Sixty-eighth Congress I have always supported legislation to adjust the wartime pay of the World War veterans. My position has not been changed. This bill should be enacted into law and the certificates paid in cash. I am pleased that the three great veterans' organizations—the Veterans of Foreign Wars, the American Legion, and the Disabled American Veterans—have united in support of the bill now before Congress. With such united support by the veterans' organizations and those of us in Congress who have been making the fight for immediate cash payment to the veterans, prospects for a victory this time are greatly improved.

It has always been my view that use of the word "bonus" in connection with adjustment of the veterans' pay is a misrepresentation. Congress has long since recognized that the issuance of the adjusted-service certificates is not something extra, as is inferred by the term "bonus." On the contrary, it is a recognition of the justice of revising the salary schedule under which our soldiers served for $1 and $1.10 a day.

The first bills to adjust the pay of service men were introduced in 1919, immediately after the war. In 1922, payment of this obligation to the veterans was first approved by Congress, but was vetoed by the late President Harding. Two years later, in 1924, the issuance of the adjusted-service certificates was voted by Congress despite the veto of the late President Coolidge. This legislation postponed any payment to veterans until 1945. Those of us in Congress who felt that the soldiers should be paid in cash were not satisfied with this law, but it was the best we could get passed at that time.

Delay until 1945 constituted shabby treatment of those who had sacrified the most and risked their lives to defend the country. The unfairness becomes more apparent when it is recalled that when this "tombstone bonus" legislation was passed, those who had allowed their property to be used in war service had been paid in cash.

By 1924 practically all of the financial adjustments to war profiteers and others growing out of war services had been made. Seven thousand World War "cost plus" contractors had received billions of dollars, the railroad owners had been paid from one to two billion dollars, our foreign debtors had received debt-contract revisions benefiting them financially to the extent of $10,000,000,000. Under the friendly

administration of their associate and colleague Secretary Andrew Mellon, the big income-tax payers received rebates of approximately $3,000,000,000 on income derived from war profits.

With such sums being ladled out lavishly by our Government to those who only allowed use of their property, with scant risk, those of us who were interested in securing some degree of justice for the veterans renewed the fight for immediate cash payment of the obligation to the veterans who had risked their lives.

In 1931 we succeeded in getting legislation passed allowing veterans to borrow about half of the face value of their adjusted-service certificates, although again it was necessary to pass the bill over the veto of President Hoover. Later we succeeded in reducing the interest rates on these loans of their own money to the veterans.

Since authorization of the loans on certificates held by the service men, sentiment for immediate cash payment of this war debt, like the payments made to those whose property was used for war purposes, has grown each year. In 1932, the House passed a cash-payment bill, but it was defeated in the Senate. In 1935, immediate cash payment of the so-called "bonus" was authorized by the House by an overwhelming majority. The Senate concurred, but the bill was vetoed by President Roosevelt. The House voted to override the veto, but a scant few votes were lacking in the Senate to pass the bill over the veto.

Millions of veterans who have waited patiently for over 17 years for an adjustment of their pay are today in need of the funds, payment of which is authorized by this bill, Mr. Speaker. The outpouring of this money into our economic system will help bring recovery. In the State of Wisconsin alone there are 88,036 veterans who hold the certificates, the total amount due being $47,177,680.61. In the Eighth Congressional District, which I represent, the veterans hold certificates in the amounts designated in the table below:

Brown County	$1,127,917.95
Door County	291,930.20
Florence County	60,499.01
Forest County	178,510.61
Kewaunee County	257,490.08
Manitowoc County	942,069.75
Marinette County	538,357.68
Oconto County	423,653.62
Outagamie County	1,008,156.24

ADJUSTED-SERVICE CERTIFICATES

Mr. MAPES. Mr. Speaker, the bill before us does not propose to pay the cash surrender value of the adjusted-service certificates only, but it provides for the payment now of more than will be due on them in 1945, inasmuch as it cancels the interest in default on loans already made, and proposes to pay interest on those certificates not cashed before April 1937.

The adjusted-service certificates are, in effect, 20-year endowment insurance policies, dated January 1, 1925, and maturing January 1, 1945. As stated by President Roosevelt in a letter to a veteran in December 1934:

> The amount which is printed upon the face of every adjusted-service certificate is not the amount of the basic or original bonus voted by Congress, but is an amount plus 25 percent added for deferred payment which, with interest at 4 percent compounded annually over a 20-year period, will produce the face or maturity value. This would seem to dispose of the question as to whether the obligation is immediately due.

The situation for all practical purposes is the same now as it was when President Roosevelt made that statement.

There is no method of payment provided for in the bill. The inflationists have been promised an opportunity later to try to put their method into effect. I am opposed to inflation.

The Government is already worse off than nothing by over $30,000,000,000. The recent decision of the Supreme Court in the A. A. A. case will add approximately a billion dollars to the deficit and the conference of mayors is asking for an additional appropriation for the Works Progress Administration of $2,340,000,000 to take care of the unemployed, who must be provided for in some way. That would add that much more to the deficit and no one can tell how much will be necessary to meet unforeseen emergencies which may arise.

There is a limit to the Government's credit. No one knows what that limit is, but every time it is increased from one to two billion dollars the limit is nearer at hand. It must admittedly be increased to keep the Government running and to take care of unavoidable obligations for some time to come. I am opposed to increasing the Government debt except in cases of absolute necessity. I shall vote for the motion providing that the certificates be paid out of the unexpended balances of appropriations heretofore made for emergency purposes, but if that fails, holding the views I do, I shall vote against the bill.

This is as much the veteran's country as anyone's. Our primary duty is to save the country for him as well as for the rest of America.

As far as the veterans on relief are concerned, the payment of their adjusted-service certificates now will simply be giving them a gold brick. As soon as they get their money they will be taken off relief until it is gone. It will mean the loss to them of the equity in their certificates and to their beneficiaries the loss of the insurance benefits now provided in the certificates.

REPRESENTATIVE WILLIAM B. OLIVER

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOBBS. Mr. Speaker, I have asked this privilege to call the attention of the House to the return to his post of duty one of our most beloved, able, and distinguished Members, who has been absent from the House, lo, these many days, by reason of sickness which, thank God, has left no mark upon him save the silvering of his raven locks. He comes back in full strength and vigor to assume his duties among us, and I am sure that it is with glad hearts the Members of the House will welcome back that outstanding son of Alabama, Hon. WILLIAM B. OLIVER. [Applause.]

DISTRIBUTION OF PUBLIC DOCUMENTS

Mr. LAMBETH. Mr. Speaker, I ask unanimous consent that the bill S. 3440, to amend certain acts relating to public printing and binding and the distribution of public documents, and acts amendatory thereof, be recommitted to the Committee on Printing.

The SPEAKER. Is there objection?

There was no objection.

GEORGE N. PEEK'S STATEMENT

Mr. COFFEE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, including therein a letter written by Mr. George N. Peek to the leaders of the farm conference in Washington this week. It sheds some light upon the solution of our present farm difficulties in view of the Supreme Court decision.

The SPEAKER. The gentleman from Nebraska asks unanimous consent to extend his remarks and to include therein a letter from George N. Peek. Is there objection?

There was no objection.

Mr. COFFEE. Mr. Speaker, under the leave to extend my remarks in the RECORD, I insert, by request, a letter written by Mr. George N. Peek to the conference of farm leaders to be held in Washington this week. Mr. Peek was formerly Administrator of the A. A. A. and later adviser to the President on foreign trade.

While I do not concur in all of his statement I feel that his suggestions as to the solution of the farm problem are worthy of serious consideration.

His letter follows:

To the conference of farm leaders meeting in Washington January 10 and 11:

The decision of the Supreme Court regarding the Agricultural Adjustment Act has reopened for consideration the whole fundamental problem of agriculture. I have noticed a disposition in the press to assume that the decision renders the Federal Govern-

ment impotent to assist agriculture, and that an amendment to the Constitution will be necessary if the Government is to deal adequately with the problem.

This I do not believe. To me that is a confession of despair. I see the Supreme Court decision as a guide post, not a barrier.

As I read the decision it does not prohibit the levying of excise taxes upon the processing of agricultural or other products, and it does not prohibit an appropriation under the general-welfare clause for the benefit of agriculture. What is prohibited is the absolute regulation, control, or regimentation of agriculture and other purely intrastate operations. The processing tax in the present case appears to fail simply because it is used as a means to such regulation, control, or regimentation. The court adopts the Hamiltonian interpretation of the general-welfare clause leaving Congress a very wide discretion respecting its application. The only limitation is that the reserved powers of the States may not be invaded.

It would seem that the way is open for a constructive program. We who have been through this whole farm fight can and should consider the decision as pointing the way to the development of a program of real and permanent value to agriculture, based upon the spirit of our American traditions and our Constitution. The proposal of a change in the Constitution offers no means for meeting the immediate situation. Furthermore, I question whether the long-term solution to the farm problem will be found down the precarious path of hasty constitutional amendment. It will be time to consider the possibility of a constitutional amendment when we have explored the avenues now open to us under our Constitution as it stands.

I have long been convinced that our national prosperity and political security are dependent primarily on farm prosperity; that the basis of farm prosperity is the achievement of a fair exchange value between domestic farm and industrial prices; that the most effective means of accomplishing this are:

(1) To preserve the American market; and

(2) To remove price-depressing farm surpluses.

The events of the past 3 years have served to strengthen these convictions.

The Agricultural Adjustment Act authorized a number of methods for meeting the problem of surpluses, including restriction of acreage and expansion of markets, domestic and foreign. However, the only method that the administration utilized to any extent was the dubious one of restricting and regimenting production. This particular method now has been declared unconstitutional by the Supreme Court. There are other methods still available to us, notably those of recovering our home and foreign markets for agricultural products.

I voiced these thoughts in my radio talk of December 21, 1935, when I said that through reduction of agricultural tariffs under the so-called reciprocal trade-agreements program agriculture over wide areas is being asked to take the rap. I further pointed out that the trouble lies not in the fact so frequently stated that our foreign markets for agriculture are gone, but in the fact that those in the administration charged with the responsibility of disposing of our surpluses have refused to trade realistically in foreign markets and have prevented others from doing it when substantial trades were offered. I had in mind particularly the Departments of State and Agriculture. I made this clear in a public hearing before the Senate Committee on Agriculture and Forestry last February. Since that time the list of refusals and failures I then cited has grown. This is a matter which, in my opinion, calls for full and searching congressional inquiry.

To meet the immediate situation there are things that can and should be done, and done now:

1. Congress should appropriate funds to make good the contracts signed and executed in good faith under the Agricultural Adjustment Act.

2. The farmers should be given the full benefit of the domestic market. The importation of competitive agricultural products should be stopped. The attempt should be abandoned to effect a general reduction of the tariff through the medium of the so-called reciprocal trade agreements program and the unconditional most-favored-nation policy.

I do not feel that general tariff reduction is an appropriate policy at a time when 10,000,000 or more are out of work and when we are trying to restore domestic economic balance.

3. We should adopt, instead, a common-sense trading policy designed to dispose of our surpluses by trade in foreign markets, negotiating country by country on a selective basis both as to exports and imports; 30 percent of the customs revenues already have been earmarked for this purpose under section 32 of the Agricultural Adjustment Act amendments; it should be utilized to the fullest extent. Such a course would afford the basis for the development and expansion of our foreign trade in the general national interest.

4. To carry out such a policy we should set up an effective foreign-trade board, such as is contemplated in the Lewis bill (S. 3464), and get rid of the control of our foreign-trade policies by doctrinaires, amateurs, and careerists acting free of congressional restraint.

As regards the long pull toward a permanent farm program, it is my belief that the general principles underlying the fight for the McNary-Haugen legislation are deserving of careful consideration. Changes of detail may be needed to meet the requirements of the altered world situation, but the fundamental idea of helping the farmer under our American protective system to dispose of his surpluses in an orderly manner analogous to that available to industry is thoroughly sound.

In addition, we should seek and develop new uses for agricultural products in industry and commerce. We should encourage by all proper means the production in the United States of agricultural commodities which hitherto we have had to import, and, in cooperation with the States, we should endeavor in every practicable way to conserve and develop our soil and land resources.

These are questions which I hope your conference will consider before committing itself to a line of action. We are still free to act effectively for agriculture. I believe that if we act wisely, real agricultural recovery lies ahead.

GEORGE N. PEEK.

JANUARY 9, 1936.

GOLD IN THE TREASURY

Mr. SOMERS of New York. Mr. Speaker, at the direction of the Committee on Coinage, Weights, and Measures, I present a privileged resolution and report, House Resolution 384, and move to lay the same on the table.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House Resolution 384

Resolved, That the Secretary of the Treasury be, and he is hereby, directed to transmit to the House of Representatives the following information:

1. The amount of gold purchased by the Treasury Department under the authority of section 8 of the Gold Reserve Act of 1934.
2. The price at which such gold has been purchased.
3. The amount of gold now stored in the Treasury Department.
4. The amount of any expenditures since March 4, 1933, for providing storage facilities for the gold supply of the United States, and the location of such storage facilities.
5. The amount, if any, which has been allocated for the erection of additional storage facilities, and the designated location of such additional storage facilities.
6. The extent to which the price of gold in foreign countries has increased since the Treasury Department began its present gold-purchase program.
7. The ratio of the gold reserve of the United States to that of the rest of the world.
8. The result of the administration of section 8 of the Gold Reserve Act of 1934.

Mr. SOMERS of New York. Mr. Speaker, I move to lay the resolution on the table.

The SPEAKER. The question is on the motion of the gentleman from New York.

The motion was agreed to.

A motion to reconsider the vote by which the motion was agreed to was laid on the table.

UNCONSTITUTIONAL LAWS

Mr. EKWALL. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include an editorial from the Portland News-Telegram.

The SPEAKER. Is there objection?

There was no objection.

Mr. EKWALL. Mr. Speaker, I ask unanimous consent to have inserted in the RECORD an editorial from the Portland (Oreg.) News-Telegram, under date of January 3, 1936, entitled "Unconstitutional Laws." This editorial was written by Mr. Tom E. Shea, editor of the Portland (Oreg.) News-Telegram, and comes at an appropriate time, inasmuch as the Supreme Court of the United States has subsequently held invalid the Agricultural Adjustment Act. I believe that this editorial is one which should be studied and seriously considered by every Member of the House of Representatives, as it contains an admonition which should be heeded by every Member, regardless of political affiliation.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Portland (Oreg.) News-Telegram]

UNCONSTITUTIONAL LAWS

Now that the second half of the Seventy-fourth Congress is under way, we'd like to play the part of the grandstand quarterback and suggest that the lawmaking squads adopt a new system of maneuver in the form of a New Year resolution, namely, that they discard their ground-losing spread of passing unconstitutional laws.

Perhaps one of the greatest economic abuses of recent years has been the time, energy, and money wasted on preparation and enforcement of unconstitutional laws, as well as time and money wasted in preparation of those affected by such laws.

First, there was the N. R. A. Now the Bankhead, Guffey, and Wagner laws are clearly on the way to the scrap heap.

Perhaps the most unforgivable angle is that Congressmen admitted voting for laws they knew were unconstitutional in order to please constituents. That is wrong, any way you look at it.

A Congressman has a right to favor amendments to the Constitution. He has a right to explain in voting against a bill that he is for its principles and opposed to it on grounds of constitutionality. But it is hard to see how he has a right to willfully act against the Constitution.

The record of Congress is particularly blackened by unanimous Supreme Court decisions, as with the N. R. A., concurred in by judges of all shades of political belief.

It is plain that the Supreme Court is definitely on record as supporting a broad interpretation of the Constitution to the effect that prices, production, and labor relations are matters for State rather than Federal jurisdiction.

It clearly follows that those who believe that the Federal Government should have more power have one plain course before them, amendment of the Constitution—the course followed in securing repeal of prohibition.

Meanwhile, there certainly should be a moratorium on the passage of unconstitutional laws. Otherwise, it is not improbable that the public would be aroused to the point of putting through a constitutional amendment providing for judicial review of laws before they can be enforced.

THE TOWNSEND PLAN

Mr. RAMSAY. Mr. Speaker, I ask unanimous consent to extend my own remarks on the Townsend plan.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RAMSAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter written by me on the 18th day of December 1935 to Mr. Earnest F. Millan, 225 Jefferson Street, Fairmont, W. Va.:

MY DEAR SIR: Since the Townsend plan has aroused so much interest in the public mind, I believe that you and the public generally are entitled to know exactly where I stand on this question.

Of course, you already know that I am in favor of social security, having voted for the bill which passed at the last session of Congress. While this bill does not provide absolute security, it is a step in the right direction; and until the 10,000,000 men out of employment are given the opportunity to secure employment, the present law, to my mind, is as far as Congress can or dare go along this line, if we are to have any regard for the maintenance of our national credit and our ability to pay.

The Townsend plan would provide a pension of $200 per month for each and every person past 60 years of age. There are nearly 11,000,000 persons in the United States who have reached this age, so that full payment under this plan would reach the staggering total of $26,400,000,000 per annum.

To raise this great sum Dr. Townsend proposes a 2-percent sales tax on all sales in the United States.

The good doctor bases his revenue hopes upon the bank turnovers of 1934, which totaled $356,880,000,000 (Federal Reserve figures); and if you follow the doctor's figures and add 10 percent for other turn-overs not reported, his 2-percent tax on these figures would only have raised for his fund eight billion six hundred million instead of his required amount, twenty-six billion four hundred million. To raise his twenty-six billion four hundred million for his pension fund would require a per-capita tax of $220 upon each person in the United States.

Last year our miners, millworkers, and others earned only an average of $700 each. How such workers could stand a tax of $220 for each member of their family has not been explained by the doctor or his supporters. Of course, such a tax—like all other taxes—must come from the earnings of the people.

Last year the total earnings of every person, corporation, and business in the United States amounted to the gross sum of $50,000,000,000. The Townsend plan would take half of this and pay it to 10 percent of our people, which would necessarily require the remaining 90 percent of our people to get along as best they could on the other half.

There has been much talk recently about our national debt, which, in round numbers, is less than $30,000,000,000. If we really want to try out the doctor's theory of taxation, let's burden ourselves with it for 1 year and give it a try-out; raise $26,000,000,000, pay off the national debt, and start again at scratch. Then we will be in a much better position financially and otherwise to determine whether the people are really desirous of trying out the doctor's theories.

Of course, you know how sales taxes are pyramided and additional charges added. Such taxes are too often used as an excuse for added costs above the tax.

Let's take, for instance, meat and examine what such a tax would mean in increased prices on this material food product. When the drover purchases his cattle from the farmer, 2 percent will be added. When the drover sells his cattle to the packing house, another 2 percent will be added. When the packing house fills the order of the butcher or dealer, another 2 percent will have to be added; and when the dealer or butcher sells to the consumer, another 2 percent must be added. And so it goes all along the line—pyramid after pyramid—until the prices of all products will rise until your dollar couldn't purchase a ham sandwich.

I haven't time to call your attention to the fact that business, in its effort to avoid such a burden of taxation, will use and devise every means to escape the repeated payments of such tax, and will necessarily eliminate the middleman entirely, which will have the effect of only adding probably a million more people to our already large list of unemployed.

Upon this question I stand with the liberal Franklin D. Roosevelt, who recognizes the necessity for old-age pensions; who desires to build up an old-age pension system along rational and practical lines. The administration's social-security program, so far, has provided only a meager beginning, but it is the only proper answer to this question. It recognizes the need for old-age pensions and seeks to satisfy that need in proportion to the Nation's ability to do so. By ganging up on the New Deal in order to destroy this great measure of the present administration, the tories sow the wind, and, if Dr. Townsend should be able to force his theories through Congress, would reap the whirlwind; and if he should be successful, let it be put down on the record that the gangers-up made it possible.

Yours very truly,

ROBERT L. RAMSAY.

EXPLANATION OF VOTE

Mr. SHANLEY. Mr. Speaker, my colleague the gentleman from Connecticut, Mr. CITRON, is ill in Moscow. He wishes to be recorded as in favor of the bonus. I ask unanimous consent to insert a telegram from him at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The telegram referred to is as follows:

S. S. "PRESIDENT ROOSEVELT", *January 10, 1936.*

Congressman KOPPLEMANN,
House of Representatives:

Announce me for bonus, as always. Better, but still under doctor's care.

WILLIAM CITRON.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. LEWIS of Maryland, for 2 days, on account of illness.

To Mr. FERNANDEZ, for 20 days, on account of important official business.

THE LATE HON. WESLEY LLOYD

Mr. SAMUEL B. HILL. Mr. Speaker, it is my duty to announce to the House the sad intelligence of the death of Hon. WESLEY LLOYD, a Representative in Congress from the Sixth District of Washington. His death occurred about 6 o'clock this morning at his home in the city of Washington, and was entirely unexpected, as no notice of any previous illness had come to me or to other Members of the House.

In his death the State of Washington has lost one of its most useful citizens. In the short time in which he served in the House he had established himself as an able statesman, conscientious, patriotic, and always diligent in the discharge of his duties. We in that State feel keenly the loss of this good citizen. Personally, I feel deeply the loss of a most true and loyal friend.

On a future occasion I shall ask the privilege of addressing the House on the useful life and noble character of my beloved friend and our departed colleague.

Mr. Speaker, I present a resolution, which I send to the Speaker's desk and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 390

Resolved, That the House has heard with profound sorrow of the death of Hon. WESLEY LLOYD, a Representative from the State of Washington.

Resolved, That a committee of four Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

The SPEAKER appointed as members of the committee to attend the funeral of the late Honorable WESLEY LLOYD the following Members of the House of Representatives: Mr. WALLGREN, Mr. SMITH of Washington, Mr. ZIONCHECK, and Mr. EKWALL.

ADJOURNMENT

The Clerk continued the reading of the resolution as follows:

Resolved, That, as a further mark of respect, this House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 22 minutes p. m.) the House, in accordance with its order previously entered, adjourned until Monday, January 13, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

576. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Treasury Department for the fiscal year 1936; to the Committee on Appropriations and ordered to be printed.

577. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the Department of Justice for the fiscal year 1936, and draft of a proposed provision pertaining to existing appropriations, for the penal and correctional institutions; to the Committee on Appropriations and ordered to be printed.

578. A letter from Hamilton & Hamilton, transmitting the annual report of the Georgetown Barge, Dock, Elevator & Railway Co. for the year ended December 31, 1935; to the Committee on the District of Columbia.

579. A letter from the Administrative Assistant to the Attorney General, transmitting a report showing the names of persons employed under the appropriation for the support of United States prisoners, the annual rate of compensation paid to each, together with a description of their duties, which should have accompanied the Attorney General's letter of January 3, 1936; to the Committee on Expenditures in the Executive Departments.

580. A letter from the Comptroller General of the United States, transmitting a report pursuant to section 12 of the act of July 31, 1894 (28 Stat. 209), as amended by section 4 of the act of May 28, 1896 (29 id. 179), and to section 304 of the Budget and Accounting Act of 1921 (42 id. 25); to the Committee on Expenditures in the Executive Departments.

ADVERSE REPORT

Under clause 2 of rule XIII:

Mr. SOMERS of New York: Committee on Coinage, Weights, and Measures. House Resolution 384. Resolution directing the Secretary of the Treasury to furnish the House of Representatives with certain information relating to the gold reserve of the United States (Rept. No. 1912). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BEITER: A bill (H. R. 10099) granting a renewal of Patent No. 1322666, relating to a vehicle body; to the Committee on Patents.

By Mr. BOYLAN: A bill (H. R. 10100) to amend section 5 of Public Law No. 264, Seventy-third Congress, approved May 29, 1934, relative to the appointment of Naval Academy graduates as ensigns in the Navy; to the Committee on Naval Affairs.

By Mr. GILLETTE: A bill (H. R. 10101) to amend the Federal Farm Loan Act and the Farm Credit Act of 1935, and for other purposes; to the Committee on Agriculture.

By Mr. QUINN: A bill (H. R. 10102) to increase the number of Justices of the Supreme Court of the United States; to the Committee on the Judiciary.

By Mr. WILSON of Louisiana: A bill (H. R. 10103) to amend the act entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes", approved May 15, 1928, as amended; to the Committee on Flood Control.

By Mr. ROBINSON of Utah: A bill (H. R. 10104) to aid in providing the people of the United States with adequate facilities for park, parkway, and recreational-area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof; to the Committee on the Public Lands.

By Mr. DISNEY: A bill (H. R. 10105) establishing the National Academy of Public Affairs; to the Committee on Education.

By Mr. STUBBS: A bill (H. R. 10106) to designate the sequoia tree (Sequoia gigantea) as the national tree of the United States; to the Committee on the Public Lands.

By Mr. DIRKSEN: Joint resolution (H. J. Res. 445) to remove clouds on title to property and cancel liens and encumbrances on account of taxes levied under the Agricultural Adjustment Act; to the Committee on Agriculture.

By Mr. FERGUSON: Joint resolution (H. J. Res. 446) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. HEALEY: Joint resolution (H. J. Res. 447) authorizing the President of the United States of America to proclaim October 11, 1936, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREW of Massachusetts: A bill (H. R. 10107) granting a pension to Annie Beals; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10108) granting a pension to Jennie M. Spaulding; to the Committee on Invalid Pensions.

By Mr. BLACKNEY: A bill (H. R. 10109) granting an increase of pension to Isabelle Call; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10110) granting a pension to Florence Christie; to the Committee on Invalid Pensions.

By Mr. DUFFEY of Ohio: A bill (H. R. 10111) granting an increase of pension to Margaret A. Morse; to the Committee on Invalid Pensions.

By Mr. FULMER: A bill (H. R. 10112) granting a pension to Charlie R. Saylor; to the Committee on Pensions.

By Mr. GREEVER: A bill (H. R. 10113) granting a pension to Ellsworth Chase; to the Committee on Pensions.

By Mr. GRISWOLD: A bill (H. R. 10114) granting an increase of pension to Nathan Ain; to the Committee on Pensions.

By Mr. GWYNNE: A bill (H. R. 10115) granting a pension to May Tuffree; to the Committee on Invalid Pensions.

By Mr. HUDDLESTON: A bill (H. R. 10116) granting a pension to James Henry Johnson; to the Committee on Pensions.

By Mr. RICH: A bill (H. R. 10117) granting an increase of pension to Mary A. Minihan; to the Committee on Invalid Pensions.

By Mr. SIROVICH: A bill (H. R. 10118) for the relief of Virley L. Thompson; to the Committee on Merchant Marine and Fisheries.

By Mr. TERRY: A bill (H. R. 10119) granting a pension to Rosetta McKay Adams; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10120) granting an increase of pension to Kenneth Morford; to the Committee on Pensions.

By Mr. WOODRUFF: A bill (H. R. 10121) granting a pension to William Gage; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9450. By Mr. ANDREW of Massachusetts: Petition of Mary A. Mullin and other residents of Salem, Mass., favoring immediate passage of Patman bonus bill, the Nye-Sweeney bills, and also the neutrality bill, provided no power be allowed

the President in control of same; to the Committee on Ways and Means.

9451. By Mr. BACON: Petition of John H. Hazelton, Esq., of New York, with reference to the proposed so-called child-labor amendment to the Constitution; to the Committee on the Judiciary.

9452. By Mr. CULKIN: Petition of 41 residents of Copenhagen, Lewis County, N. Y., favoring House bill 8739, a bill restoring to the District of Columbia its prohibition law; to the Committee on the District of Columbia.

9453. By Mr. DRISCOLL: Petition of employees of the Owens-Illinois Glass Co., of Clarion, Pa., urging adequate tariff protection of the glass industry from Japanese competition; to the Committee on Ways and Means.

9454. By Mr. GOODWIN: Petition of Italian Dress and Waist Makers Union, Local 89, I. L. G. W. U., New York City, affiliated with American Federation of Labor, concerning favorable action on the Walsh bill (S. 3055); to the Committee on Labor.

9455. Also, petition of the Grand Lodge of the State of New York, Order of Sons of Italy in America, New York City, concerning the neutrality law; to the Committee on Foreign Affairs.

9456. By Mr. JOHNSON of Texas: Petition of L. D. Williams, superintendent of Hearne public schools, Hearne, Tex., favoring Senate bill 2883; to the Committee on Agriculture.

9457. Also, petition of Homer D. Wade, executive secretary, Texas Cooperative Council, Dallas, Tex., favoring House bill 5587, introduced by Mr. KLEBERG; to the Committee on Agriculture.

9458. Also, petition of Mr. Hardeway, principal and vocational agriculture teacher; Juanita McBroom, home-economics instructor; and A. G. Roberson, trade instructor, all of Kerens, Tex., favoring Senate bill 2883; to the Committee on Agriculture.

9459. By Mr. MILLARD (by request): Resolution of the Westchester County (N. Y.) Federation of Italian-American Civic Associations, Inc., protesting against any cooperation by the Government of the United States with the imposition of sanctions and embargoes against the Kingdom of Italy; to the Committee on Foreign Affairs.

9460. By Mr. PFEIFER: Petition of Admiral Yates Stirling, Sr., Federal Post, No. 110, favoring the bonus bill; to the Committee on Ways and Means.

9461. By the SPEAKER: Petition of the city of Rockland, Maine; to the Committee on Ways and Means.

9462. Also, petition of the municipal government of San Joaquin, P. I.; to the Committee on Insular Affairs.

9463. Also, petition of the city of Milwaukee, Wis.; to the Committee on Banking and Currency.

SENATE

MONDAY, JANUARY 13, 1936

The Senate met at 12 o'clock meridian.

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Almighty God, our Heavenly Father, who art ever more ready to hear than we to pray and art wont to give us more than either we desire or deserve, pour upon us the abundance of Thy mercy and forgive us all our sin.

Help us to realize in private and in public work that virtue alone, in the face of indecision, is firm and changeless and will bear us o'er life's surges gallantly.

Subdue in every nation all unhallowed thirst for conquest and vainglorious emprise; break down in every one of us the idols of our pride and shatter our self-love, that all mankind may dwell secure in peace and fellowship.

Thee only let us worship; Thee only let us serve, for His sake who sought not His own will but Thine alone. Amen.

LOUIS MURPHY, a Senator from the State of Iowa, appeared in his seat today.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of Thursday, January 9, 1936, when, on request of Mr. ROBINSON, and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

WORLD WAR ADJUSTED-SERVICE CERTIFICATES

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Senate, which was read and ordered to lie on the table, as follows:

UNITED STATES SENATE,
Washington, January 13, 1936.

To the PRESIDENT OF THE SENATE:

I beg to report that, under authority of the order of the Senate of the 9th instant, the bill (H. R. 9870) to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes, was received by me from the House of Representatives on January 11, 1936, and referred to the Committee on Finance.

Respectfully yours,

EDWIN A. HALSEY,
Secretary of the Senate.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, communicated to the Senate the intelligence of the death of Hon. WESLEY LLOYD, late a Representative from the State of Washington, and transmitted the resolutions of the House thereon.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 85. An act for the relief of Homer H. Adams;

S. 978. An act authorizing the Secretary of War to convey to the University of Oregon certain lands forming a part of the Coos Head River and Harbor Reservation;

S. 1059. An act authorizing adjustment of the claim of Francis B. Kennedy;

S. 1142. An act to reserve certain public-domain lands in Nevada and Oregon as a grazing reserve for Indians of Fort McDermitt, Nev.;

S. 1336. An act to amend paragraph (f) of section 4 of the Communications Act of 1934;

S. 1422. An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of William E. B. Grant;

S. 1690. An act for the relief of R. G. Andis;

S. 2252. An act for the relief of Henry Hilbun;

S. 2257. An act to amend the act entitled "An act to provide additional pay for personnel of the United States Navy assigned to duty on submarines and to diving duty", to include officers assigned to duty at submarine training tanks and diving units, and for other purposes;

S. 2519. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of F. Mansfield & Sons Co., and others;

S. 2616. An act for the relief of the estate of Joseph Y. Underwood;

S. 2673. An act for the relief of certain persons whose cotton was destroyed by fire in the Ouachita Warehouse, Camden, Ark.;

S. 2774. An act for the relief of certain officers on the retired list of the Navy and Marine Corps, who have been commended for their performance of duty in actual combat with the enemy during the World War;

S. 2845. An act to provide for the retirement and retirement annuities of civilian members of the teaching staffs at the United States Naval Academy and the Postgraduate School, United States Naval Academy;

S. 2950. An act granting the consent of Congress to the county of Saline, Mo., to construct, maintain, and operate

a toll bridge across the Missouri River at or near Miami, Mo.;

S. 2996. An act for the relief of the Eberhart Steel Products Co., Inc.;

S. 3077. An act for the relief of Constantin Gilia;

S. 3078. An act for the relief of C. R. Whitlock;

S. 3195. An act for the relief of Guiry Bros. Wall Paper & Paint Co.;

S. 3280. An act for the relief of Doris Allen; and

S. J. Res. 144. Joint resolution to provide for the payment of compensation and expenses of the Railroad Retirement Board as established and operated pursuant to section 9 of the Railroad Retirement Act of June 27, 1934, and to provide for the winding up of its affairs and the disposition of its property and records, and to make an appropriation for such purposes.

SIXTEENTH ANNIVERSARY OF THE EIGHTEENTH AMENDMENT

Mr. SHEPPARD. Mr. President, I desire to give notice that on Thursday, January 16, I shall address the Senate, with its permission, on the subject of the sixteenth anniversary of the eighteenth amendment.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Holt	Overton
Ashurst	Connally	Johnson	Pittman
Austin	Coolidge	Keyes	Pope
Bachman	Copeland	King	Radcliffe
Bailey	Costigan	La Follette	Robinson
Bankhead	Couzens	Lewis	Russell
Barbour	Davis	Logan	Schwellenbach
Barkley	Dickinson	Lonergan	Sheppard
Benson	Donahey	McAdoo	Shipstead
Bilbo	Duffy	McGill	Smith
Black	Fletcher	McKellar	Steiwer
Borah	Frazier	McNary	Thomas, Okla.
Brown	George	Maloney	Thomas, Utah
Bulkley	Gerry	Minton	Townsend
Bulow	Gibson	Moore	Trammell
Burke	Glass	Murphy	Truman
Byrd	Gore	Murray	Vandenberg
Byrnes	Guffey	Neely	Van Nuys
Capper	Hale	Norbeck	Wagner
Caraway	Harrison	Norris	Walsh
Carey	Hatch	Nye	White
Chavez	Hayden	O'Mahoney	

Mr. SCHWELLENBACH. I announce that my colleague the senior Senator from Washington [Mr. BONE] is necessarily detained from the Senate on duty with the committee appointed by the Vice President to accompany to the State of Washington the body of the late Representative Wesley Lloyd, of that State.

Mr. LEWIS. I announce that my colleague, the junior Senator from Illinois [Mr. DIETERICH], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Montana [Mr. WHEELER], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Maryland [Mr. TYDINGS] are necessarily detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Rhode Island [Mr. METCALF], the senior Senator from Delaware [Mr. HASTINGS], and the junior Senator from Delaware [Mr. TOWNSEND] are necessarily absent.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

COL. CHARLES A. LINDBERGH

Mr. ASHURST. Mr. President, on Monday last, during the course of remarks made by me with reference to Col. Charles A. Lindbergh, I attempted to quote from memory an editorial which had been published in a New York newspaper on the occasion of Colonel Lindbergh's celebrated solo flight across the Atlantic. I inadvertently ascribed the editorial to the New York Tribune. I am in receipt of a letter from Mr. Frank M. O'Brien, editor of the New York Sun, enclosing a correct copy of the editorial article. I ask that Mr. O'Brien's letter, together with the editorial, may be printed in the RECORD.

There being no objection, the letter and editorial were ordered to be printed in the RECORD, as follows:

THE SUN,
New York, January 11, 1936.

The Honorable HENRY ASHURST,
Senate Office Building, Washington, D. C.

DEAR SENATOR: Having noted your remarks in the RECORD of January 6, I am sending herewith a proof of the editorial article Lindbergh Flies Alone, which was written by Harold M. Anderson, of the staff of the Sun, and which was published while Colonel Lindbergh was still in flight.

Very truly yours,

FRANK M. O'BRIEN, *Editor.*

[From the New York Sun of May 21, 1927]

LINDBERGH FLIES ALONE

Alone?

Is he alone at whose right side rides courage, with skill within the cockpit and faith upon the left? Does solitude surround the brave when adventure leads the way and ambition reads the dials? Is there no company with him for whom the air is cleft by daring and the darkness is made light by emprise?

True, the fragile bodies of his fellows do not weigh down his plane; true, the fretful minds of weaker men are lacking from his crowded cabin; but as his airship keeps her course he holds communion with those rarer spirits that inspire to intrepidity and by their sustaining potency give strength to arm, resource to mind, content to soul.

Alone? With what other companions would that man fly to whom the choice were given?

THE LATE SENATOR HUEY P. LONG

The VICE PRESIDENT laid before the Senate a radiogram from the President of the Senate of Paraguay expressing condolences on the death of Hon. Huey P. Long, late a Senator from the State of Louisiana, which was ordered to lie on the table.

CLAIM OF WILLIAM L. JENKINS, ESQ.

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Relations, as follows:

To the Congress of the United States:

I enclose herewith a report which the Secretary of State has addressed to me in regard to a claim of William L. Jenkins, Esq., formerly consul of the United States at Trebizond, Turkey, for the sum of $481.50 appropriated for his relief in Public Act No. 519, approved July 3, 1930, and used by the General Accounting Office as a set-off against an amount of $2,000 due from him for his failure to properly account for the proceeds of a draft in that sum drawn by him on December 8, 1916.

Legislation authorizing and directing the Comptroller General of the United States to credit Mr. Jenkins' accounts with the sum of $2,000 is contained in Private Act No. 30 of May 8, 1935. No provision was made in this act for refund of the sum of $481.50 used as a set-off, but in view of the fact that the Congress enacted legislation providing for reimbursement of the amount of his loss, namely, $481.50, and for crediting his accounts with the sum of $2,000, it was evidently intended that he be fully compensated. It is, therefore, recommended that legislation be enacted providing payment in the amount of $481.50 for the relief of the claimant.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 13, 1936.*

[Enclosures: Report of Secretary of State and enclosures.]

LAWS AND RESOLUTIONS OF LEGISLATURE OF PUERTO RICO

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying documents, referred to the Committee on Territories and Insular Affairs, as follows:

To the Congress of the United States:

As required by section 23 of the act of Congress approved March 2, 1917, entitled "An act to provide a civil government for Puerto Rico, and for other purposes", I transmit herewith certified copies of laws and resolutions enacted by the

Thirteenth Legislature of Puerto Rico during its third regular session, February 11 to April 14, 1935, and its second special session, June 25 to July 8, 1935.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 13, 1936.*

REPORT OF THE PANAMA RAILROAD CO.

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Interoceanic Canals, as follows:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, the Eighty-sixth Annual Report of the Board of Directors of the Panama Railroad Co. for the fiscal year ended June 30, 1935.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 13, 1936.*

REPORT OF THE GOVERNOR OF THE PANAMA CANAL

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Interoceanic Canals, as follows:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, the annual report of the Governor of the Panama Canal for the fiscal year ended June 30, 1935.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 13, 1936.*

REPORT OF RAILROAD INVESTIGATION COMMISSION

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Interstate Commerce, as follows:

To the Congress of the United States:

I transmit herewith for the information of the Congress the report of the Railroad Investigation Commission.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 13, 1936.*

REPORT OF ALLEY DWELLING AUTHORITY FOR THE DISTRICT OF COLUMBIA

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read and referred to the Committee on the District of Columbia, as follows:

To the Congress of the United States:

In compliance with the requirements of the act of Congress of June 12, 1934, I transmit herewith the First Annual report of the Alley Dwelling Authority for the District of Columbia.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 13, 1936.*

[NOTE.—Report accompanied similar message to the House of Representatives.]

ERECTION OF MEMORIALS AND ENTOMBMENT OF BODIES IN ARLINGTON MEMORIAL AMPHITHEATER

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Military Affairs, as follows:

To the Congress of the United States:

In compliance with the requirements of the act of Congress of March 4, 1921, I transmit herewith the annual report of the Commission on the Erection of Memorials and Entombment of Bodies in the Arlington Memorial Amphitheater for the fiscal year ended June 30, 1935.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 13, 1936.*

REPORT OF THE CIVIL SERVICE COMMISSION

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read and referred to the Committee on Civil Service, as follows:

To the Congress of the United States:

As required by the act of Congress to regulate and improve the civil service of the United States approved January 16, 1883, I transmit herewith the Fifty-second Annual Report of the Civil Service Commission for the fiscal year ended June 30, 1935.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 13, 1936.*

[NOTE.—Report accompanied similar message to the House of Representatives.]

REIMBURSEMENT OF LOSSES SUSTAINED BY CERTAIN FOREIGN SERVICE OFFICERS

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Relations, as follows:

To the Congress of the United States:

I enclose herewith a report which the Secretary of State has addressed to me in regard to claims of certain officers of the Foreign Service of the United States for reimbursement of losses sustained by them by reason of war and other causes, during or incident to their services in foreign countries.

I recommend that an appropriation in the amount suggested by the Secretary of State be authorized in order to relieve these officers of the Government of the burden these losses have occasioned.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 13, 1936.*

[Enclosures: Report of the Secretary of State with enclosures.]

REPORT ON AIR-MAIL CONTRACTS

The VICE PRESIDENT laid before the Senate a letter from the chairman of the Interstate Commerce Commission reporting, pursuant to law, relative to expenditures and purported expenditures of the holders of certain air-mail contracts, for goods, lands, commodities, and services, in order to determine whether or not such expenditures were fair and just, etc., which was referred to the Committee on Post Offices and Post Roads.

TRAVEL REPORT, UNITED STATES BOTANIC GARDENS

The VICE PRESIDENT laid before the Senate a letter from the Architect of the Capitol, Acting Director, United States Botanic Gardens, reporting on travel performed by employees of the Botanic Gardens from Washington, D. C., to other points and return, during the fiscal year 1935, which was referred to the Committee on the Library.

REPORT OF THE CHESAPEAKE & POTOMAC TELEPHONE CO.

The VICE PRESIDENT laid before the Senate a letter from the president of the Chesapeake & Potomac Telephone Co. transmitting, pursuant to law, the annual report of the company for the year 1935, the results for the month of December being only estimated, which, with the accompanying report, was referred to the Committee on the District of Columbia.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a petition of sundry citizens of the State of California, praying for the enactment of a strict neutrality law, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a resolution adopted at a mass meeting sponsored by the Italo-American Union, Schenectady, N. Y., protesting against the neutrality policy of the administration, which was referred to the Committee on Foreign Relations.

He also laid before the Senate the petition of the Old-age Pension Group of Moose Temple, Seattle, Wash., praying for making appropriations to carry out the provisions of the Social Security Act retroactive to July 1, 1935, which was referred to the Committee on Finance.

He also laid before the Senate resolutions adopted by the Board of Chosen Freeholders of Camden County, N. J., by a meeting held in the State capitol at Harrisburg, Pa., of

war veterans of the Nineteenth Congressional District of Pennsylvania, and by a meeting of Veterans of Foreign Wars assembled at Mount Pleasant, Pa., praying for the enactment of legislation providing for the immediate cash payment of adjusted-service certificates of World War veterans, which were referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the Good Government Congress, Inc., of Jackson County, Oreg., favoring an amendment of the Constitution to the end that Congress may have the power to override decisions of the Supreme Court of the United States by a two-thirds vote of both the Senate and House of Representatives, which was referred to the Committee on the Judiciary.

Mr. CAPPER presented a petition numerously signed by sundry citizens, being veterans, of Parsons and Pittsburg, Kans., praying for the enactment of legislation providing for the immediate cash payment of adjusted-service certificates of World War veterans, which was referred to the Committee on Finance.

THE DAIRY INDUSTRY

Mr. GIBSON. I ask unanimous consent to have inserted in the CONGRESSIONAL RECORD and appropriately referred a resolution of protest by a Grange organization against the Canadian treaty as it affects the dairy industry of the country.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

Whereas our Government in the past has attempted to help agriculture by raising the price of agricultural products; and

Whereas we believe that the prices of agricultural products are not yet equal with industry and we believe that the treaty recently enacted between the United States and Canada will have the opposite effect upon the dairy industry of the United States and in particular upon the agricultural income of the Northeastern States: Therefore be it

Resolved, That we, the members of Franklin County Pomona Grange now in session, do hereby protest against this action taken by our President and request its repeal; also be it

Resolved, That we send by telegraph a copy of these resolutions to our State master now attending the National Grange in California, a copy be forwarded to A. H. Packard, president of our State Farm Bureau, also a copy forwarded to our Members in Congress.

FRANKLIN COUNTY POMONA GRANGE,
Franklin County, Vt.
By RALPH K. WILSON,
Secretary, Richford, Vt.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McKELLAR:

A bill (S. 3597) construing the act approved August 14, 1935, entitled "An act to fix the hours of duty of postal employees, and for other purposes"; to the Committee on Post Offices and Post Roads.

By Mr. CAPPER:

A bill (S. 3598) granting an increase of pension to Sarah J. Pitts; to the Committee on Pensions.

A bill (S. 3599) to authorize the Commissioners of the District of Columbia to reappoint Harry G. Bauer in the police department of said District (with accompanying papers); to the Committee on the District of Columbia.

By Mr. DUFFY:

A bill (S. 3600) for the relief of S. C. Eastvold; to the Committee on Claims.

By Mr. McGILL:

A bill (S. 3601) to remove the charge of desertion from the record of Robert E. Heapes; to the Committee on Military Affairs.

A bill (S. 3602) for the relief of Martin Miller (with accompanying papers); to the Committee on Naval Affairs.

By Mr. VANDENBERG:

A bill (S. 3603) to authorize a Delegate to the House of Representatives from the District of Columbia; to the Committee on the District of Columbia.

By Mr. GUFFEY:

A bill (S. 3604) for the relief of Mary Robinson; to the Committee on Claims.

By Mr. HAYDEN:

A bill (S. 3605) for the relief of Ezra Curtis;

A bill (S. 3606) for the relief of M. K. Fisher;

A bill (S. 3607) for the relief of T. H. Wagner; and

A bill (S. 3608) for the relief of L. G. Vinson; to the Committee on Claims.

By Mr. McNARY:

A bill (S. 3609) for the relief of Multnomah County, Oreg.; to the Committee on Claims.

A bill (S. 3610) to amend certain laws relating to employees of the Lighthouse Service; to the Committee on Commerce.

By Mr. SHEPPARD:

A bill (S. 3611) to amend the National Defense Act of June 3, 1916, as amended; to the Committee on Military Affairs.

By Mr. SMITH:

A bill (S. 3612) to provide for loans to farmers for crop production and harvesting during the year 1936, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. HALE:

A bill (S. 3613) granting a pension to Jessamine L. Benson;

A bill (S. 3614) granting a pension to Elsie Blanchard;

A bill (S. 3615) granting a pension to Mary L. Bryant;

A bill (S. 3616) granting a pension to Nellie Fredericks;

A bill (S. 3617) granting a pension to Ila May Grindell;

A bill (S. 3618) granting a pension to Angie L. Moulton;

A bill (S. 3619) granting a pension to Alice H. Palmer;

A bill (S. 3620) granting a pension to Angeline M. Rolfe;

A bill (S. 3621) granting a pension to Warren A. Small;

A bill (S. 3622) granting an increase of pension to Elizabeth Burrell;

A bill (S. 3623) granting an increase of pension to Mary Coles;

A bill (S. 3624) granting an increase of pension to Susie D. Hanscome;

A bill (S. 3625) granting an increase of pension to Frances V. Morrill; and

A bill (S. 3626) granting an increase of pension to Martha L. Trefethen; to the Committee on Pensions.

By Mr. SCHWELLENBACH:

A bill (S. 3627) for the relief of Francis Gerrity; and

A bill (S. 3628) for the relief of Herman Wulff; to the Committee on Military Affairs.

By Mr. MINTON:

A bill (S. 3629) to extend the times for commencing and completing the construction of a bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky.; to the Committee on Commerce.

A bill (S. 3630) granting a pension to Fannie R. Sperzel;

A bill (S. 3631) granting a pension to Mary E. Troutman;

A bill (S. 3632) granting a pension to Lizzie Sarver;

A bill (S. 3633) granting a pension to Ellen Mullis Baker;

A bill (S. 3634) granting an increase of pension to Lucy S. Kemp;

A bill (S. 3635) granting a pension to Amanda Bastian;

A bill (S. 3636) granting a pension to Blanche Walker;

A bill (S. 3637) granting a pension to Willard Hyser;

A bill (S. 3638) granting a pension to Christena Aikin;

A bill (S. 3639) granting a pension to Edward Morgan;

A bill (S. 3640) granting a pension to Dora Jane Mayberry;

A bill (S. 3641) granting a pension to Fannie Stewart (with accompanying papers);

A bill (S. 3642) granting a pension to Mary Hersey (with accompanying papers);

A bill (S. 3643) granting a pension to Gertrude M. Burton (with accompanying papers); and

A bill (S. 3644) granting an increase of pension to Susan H. McDonald (with accompanying papers); to the Committee on Pensions.

By Mr. SHEPPARD:

A bill (S. 3645) for the relief of Dampskib Aktieselshap Roskva (with accompanying papers); to the Committee on Claims.

A bill (S. 3646) to repeal an act of March 3, 1933, entitled "An act to provide for the transfer of powder and other explosive materials from deteriorated and unserviceable ammunition under the control of the War Department to the Department of Agriculture for use in land clearing, drainage, road building, and other agricultural purposes"; and

A bill (S. 3647) to repeal certain provisions of the act of February 25, 1929, entitled "An act to authorize appropriations for construction at military posts, and for other purposes", and the act of July 3, 1930, entitled "An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1930, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1930, and June 30, 1931, and for other purposes"; to the Committee on Military Affairs.

By Mr. NEELY:

A bill (S. 3648) granting a pension to Earl J. Bennett;

A bill (S. 3649) granting a pension to Clara V. Crossland;

A bill (S. 3650) granting a pension to Sarah A. Martin; and

A bill (S. 3651) granting a pension to Margaret A. Srout; to the Committee on Pensions.

By Mr. HARRISON:

A bill (S. 3652) for the relief of George E. Wilson; to the Committee on Claims.

By Mr. POPE:

A bill (S. 3654) to revise the revenue act provisions relating to taxes on furs; to the Committee on Finance.

By Mr. MINTON and Mr. VAN NUYS:

A joint resolution (S. J. Res. 187) authorizing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. HARRISON. Mr. President, I introduce a bill which I ask may be referred to the Committee on Finance.

The bill represents the composite views of many who have been working on the bonus question. The Senator from South Carolina [Mr. BYRNES], the Senator from Missouri [Mr. CLARK], and the Senator from Oregon [Mr. STEIWER] join me in the introduction of the bill. It has the approval of the leader on the Democratic side.

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent that the bill just introduced by the Senator from Mississippi and other Senators be printed in the RECORD.

There being no objection, the bill (S. 3653) to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes, was read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

A bill to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes

Be it enacted, etc., That notwithstanding the provisions of the World War Adjusted Compensation Act, as amended (U. S. C., 1934 edition, title 38, ch. 11), the adjusted-service certificates issued under the authority of such act are hereby declared to be immediately payable. Payments on account of such certificates shall be made in the manner hereinafter provided upon application therefor to the Administrator of Veterans' Affairs, under such rules and regulations as he may prescribe, and upon surrender of the certificates and all rights thereunder (with or without the consent of the beneficiaries thereof). The payment in each case shall be in an amount equal to the face value of the certificate, except that if, at the time of application for payment under this act, the principal and unpaid interest accrued prior to October 1, 1931, with respect to any loan upon any such certificate has not been paid in full by the veteran (whether or not the loan has matured), then the Administrator shall (1) pay or discharge such unpaid principal and interest as is necessary to make the certificate available for payment under this act; (2) deduct such unpaid principal and so much of such unpaid interest as accrued prior to October 1, 1931, from the amount of the face value of the certificate; and (3) certify to the Secretary of the Treasury as payable an amount equal to the difference between the face value of the certificate and the amount so deducted.

SEC. 2. In the case of each loan heretofore made pursuant to law by the Administrator of Veterans' Affairs and/or by any national bank or any bank or trust company incorporated under the laws of any State, Territory, possession, or the District of Columbia, upon the security of an adjusted-service certificate any interest unpaid accrued subsequent to September 30, 1931, that has been or, in consequence of existing law would be charged against the face value of such certificate, shall be canceled insofar as the veteran is concerned, notwithstanding any provision of law to the contrary. Any interest on any such loan payable to any such bank or trust company shall be paid by the Administrator of Veterans' Affairs.

In the case of any such loan which is unpaid and held by a bank or trust company at the time of filing an application under this act, the bank or trust company holding the note and certificate shall, upon notice from the Administrator of Veterans' Affairs, present them to the Administrator for payment to the bank or trust company, in full satisfaction of its claim for the amount of unpaid principal and unpaid interest, except that if the bank or trust company, after such notice, fails to present the certificate and note to the Administrator within 15 days after the mailing of the notice, such interest shall be paid only up to the fifteenth day after the mailing of such notice.

SEC. 3. (a) An application under this act for payment of a certificate may be made and filed at any time before the maturity of the certificate (1) personally by the veteran, or (2) in case physical or mental incapacity prevents the making or filing of a personal application, then by such representative of the veteran and in such manner as may be by regulations prescribed. An application made by a person other than a representative authorized by such regulations shall be held void.

(b) If the veteran dies after the application is made and before it is filed it may be filed by any person. If the veteran dies after the application is made it shall be valid if the Administrator of Veterans' Affairs finds that it bears the bona-fide signature of the applicant, discloses an intention to claim the benefits of this act, and is filed before payment is made to the beneficiary. If the death occurs after the application is filed but before the receipt of the payment under this act, or if the application is filed after the death occurs but before mailing of the check in payment to the beneficiary under section 501 of the World War Adjusted Compensation Act, as amended, payment under this act shall be made to the estate of the veteran irrespective of any beneficiary designation. If the veteran dies without making a valid application under this act no payment under this act shall be made. If the veteran dies on or after the passage of this act without having filed an application under section 1, in making any settlement there shall be deducted on account of any loan made on an adjusted-service certificate only interest accruing prior to October 1, 1931.

(c) Where the records of the Veterans' Administration show that an application, disclosing an intention to claim the benefits of this act, has been filed and the application cannot be found, such application shall be presumed, in the absence of affirmative evidence to the contrary, to have been valid when originally filed.

(d) If at the time this act takes effect a veteran entitled to receive an adjusted-service certificate has not made application therefor he shall be entitled, upon application made under section 302 of the World War Adjusted Compensation Act, as amended, to receive, at his option, under such rules and regulations as the Administrator may prescribed, either the certificate under section 501 of such act, as amended, or payment under this act.

SEC. 4. The amount certified pursuant to section 1 of this act shall be paid to the veteran or his estate on or after June 15, 1936, by the Secretary of the Treasury by the issuance of bonds of the United States, registered in the name of the veteran only, in denominations of $50 or multiples thereof having a total face value up the highest multiple of $50 in the amount certified as due the veteran, and the difference between the amount certified as due the veteran and the face amount of the bonds so issued shall be paid to the veteran or his estate by the Secretary of the Treasury out of the fund created by section 505 of the World War Adjusted Compensation Act, as amended. The bonds shall be dated June 15, 1936, and shall mature on June 15, 1945, but shall be redeemable at the option of the veteran or his estate at any time, at such places, including post offices, as the Secretary of the Treasury may designate. Such bonds shall be issued under the authority and subject to the provisions of the Second Liberty Bond Act, as amended, and shall not be transferable, assignable, subject to attachment, levy, or seizure under any legal or equitable process and shall be payable only to the veteran or in case of death or incompetence of the veteran, to the representative of his estate. Interest on each bond issued hereunder shall accrue at the rate of 3 percent per annum from June 15, 1936, to date of maturity or payment of the principal of the bond, whichever is earlier, and will be paid with such principal: *Provided, however*, That no interest will be paid on any bond redeemed prior to

June 15, 1937. The provisions of this section shall be carried out subject to regulations of the Secretary of the Treasury to be issued from time to time to effectuate the purposes of this act.

SEC. 5. The Secretary of the Treasury is authorized and directed to redeem from the United States Government life-insurance fund all adjusted-service certificates held by that fund on account of loans made thereon, and to pay to the United States Government life-insurance fund the amount of the outstanding liens against such certificates, including all interest due or accrued, together with such amounts as may be due under subdivision (m) of section 502 of the World War Adjusted Compensation Act, as amended. The Secretary of the Treasury is authorized and directed to make such payment by issuing, to the United States Government life insurance fund, bonds of the United States which shall bear interest at the rate of 4½ percent per annum. No such bonds shall mature or be callable until the expiration of a period of at least 10 years from date of issue, except that any such bond shall be redeemed by the Secretary of the Treasury and the principal and accrued interest thereon paid to the United States Government life-insurance fund at any time upon certification by the Administrator of Veterans' Affairs that the amount represented by such bond is required to meet current liabilities. Bonds issued for the purposes of this section shall be issued under the Second Liberty Bond Act, as amended, subject to the provisions of this section.

SEC. 6. The adjusted-service certificate fund is hereby made available for payments authorized by this act.

SEC. 7. Notwithstanding the provisions of Public Law No. 262, Seventy-fourth Congress, approved August 12, 1935, no deductions on account of any indebtedness of the veteran to the United States, except on account of any lien against the adjusted-service certificate authorized by law, shall be made from the adjusted-service credit or from any amounts due under the World War Adjusted Compensation Act, as amended, or this act.

SEC. 8. There is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

SEC. 9. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

SEC. 10. This act may be cited as the Adjusted Compensation Payment Act, 1936.

Mr. HARRISON. Mr. President, in line with the suggestion of the Senator from Oklahoma, I ask unanimous consent to insert at this point in the RECORD a statement which I am giving to the press at this time.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT ISSUED BY SENATOR PAT HARRISON, CHAIRMAN OF THE FINANCE COMMITTEE, RELATIVE TO THE BONUS

WASHINGTON, D. C., *January 13, 1936.*

The bill introduced today represents the labor of many of us who have been striving to reconcile the differences and obtain legislation that would be fair to the ex-service man, and at the same time safeguard the interest of the Government. Particularly active with me have been Senators BYRNES, of South Carolina, CLARK, of Missouri, STEIWER, of Oregon, and ROBINSON, of Arkansas.

The bill is not essentially different in the benefits granted from the one which has just passed the House, but will, it is believed, provide a more practicable method for making settlement.

This proposal provides for the payment of the face value of all adjusted-service certificates less loans which have been made on them with no interest charges after September 30, 1931. We have adopted this date for stopping interest charges because it is the one which was in the bill which passed both Houses of the Congress last year. It does not cancel to the veteran any interest paid or contracted to be paid by the veteran prior to October 1, 1931.

In addition to the difference between the cancelation of the interest feature in this bill and the House bill, it is proposed that instead of checks being given to veterans in payment of their adjusted-service certificates, as the House bill provides, that the veterans receive bonds the value of which will increase from year to year by the accumulation of interest at the rate of 3 percent per annum and will run for 10 years. These bonds, however, will not be of the ordinary type, but the veterans will be given the special privilege of cashing them in at some designated place in their local community at any time and without any red tape at their face value plus any accumulations of interest. The bonds are to be registered in the name of the veteran and are nonnegotiable. The bill provides safeguards insuring to the veteran that he can secure payment in full at any time he desires to cash his bond. Thus the veterans, after they receive these bonds, have the option of retaining them and by so doing providing a nest egg and a protection for their families and themselves, or, if they desire the cash, they have only to present them for redemption and the cash will be immediately paid to them. In offering such a settlement to this controversial problem of long standing we feel that we have provided a method whereby the interests of the veterans who have desired to hold their certificates for the benefit of their families will be fully protected and the opportunity given to those who desire cash to get what they want.

It is our thought that a great number of veterans will hold the bonds, rather than cash them in, as the investment provided is an especially attractive one. Bonds of the United States paying a 3-percent interest rate are selling at an appreciable premium, and were these bonds negotiable they would unquestionably sell considerably above par, but we have purposely made them nonnegotiable so that only the veterans to whom they are issued may enjoy the extraordinary privileges granted and in order that no third parties may reap any gains or benefits because of the adoption of the bond method of making settlement.

The bill differs from the House bill in that it provides that no deduction shall be made on account of any indebtedness of the veteran to the United States except on account of a lien against the adjusted-compensation certificate.

At the same time, to the extent that the bonds are held by the veterans, it will, in my opinion, make unnecessary any additional public financing by the Treasury. It is the belief that under this method of payment it will be unnecessary to provide at this session for any additional taxes.

ESTIMATES AS OF JUNE 15, 1936

Maturity value of outstanding certificates	$3,456,000,000
Add interest to be forgiven	263,000,000
Total	3,719,000,000
Value adjusted-service-certificate fund	1,482,000,000
Additional amount required	2,237,000,000
Amount due veterans in bonds	1,836,213,950
Amount due veterans in cash	87,786,050
Amount due U. S. Government life-insurance fund	507,000,000
Amount due banks	60,000,000
Total	2,491,000,000

JAMES MURPHY MORGAN—AMENDMENT

Mr. HAYDEN submitted an amendment intended to be proposed by him to the bill (H. R. 7253) for the relief of James Murphy Morgan, which was referred to the Committee on Claims and ordered to be printed.

AMENDMENT TO RIVER AND HARBOR BILL

Mr. McNARY submitted an amendment intended to be proposed by him to the bill (H. R. 8455) authorizing the construction of certain public works on rivers and harbors for flood-control and other purposes, which was referred to the Committee on Commerce and ordered to be printed.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES—AMENDMENT

Mr. SCHWELLENBACH submitted an amendment intended to be proposed by him to the bill (H. R. 9870) to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

ADDRESS TO THE DEMOCRATIC NATIONAL COMMITTEE BY THE POSTMASTER GENERAL

Mr. McKELLAR. Mr. President, on January 9 the Honorable James A. Farley, Postmaster General, at a meeting of the Democratic National Committee in the Willard Hotel, Washington, D. C., delivered a most eloquent and interesting address, and I ask unanimous consent to have it inserted in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

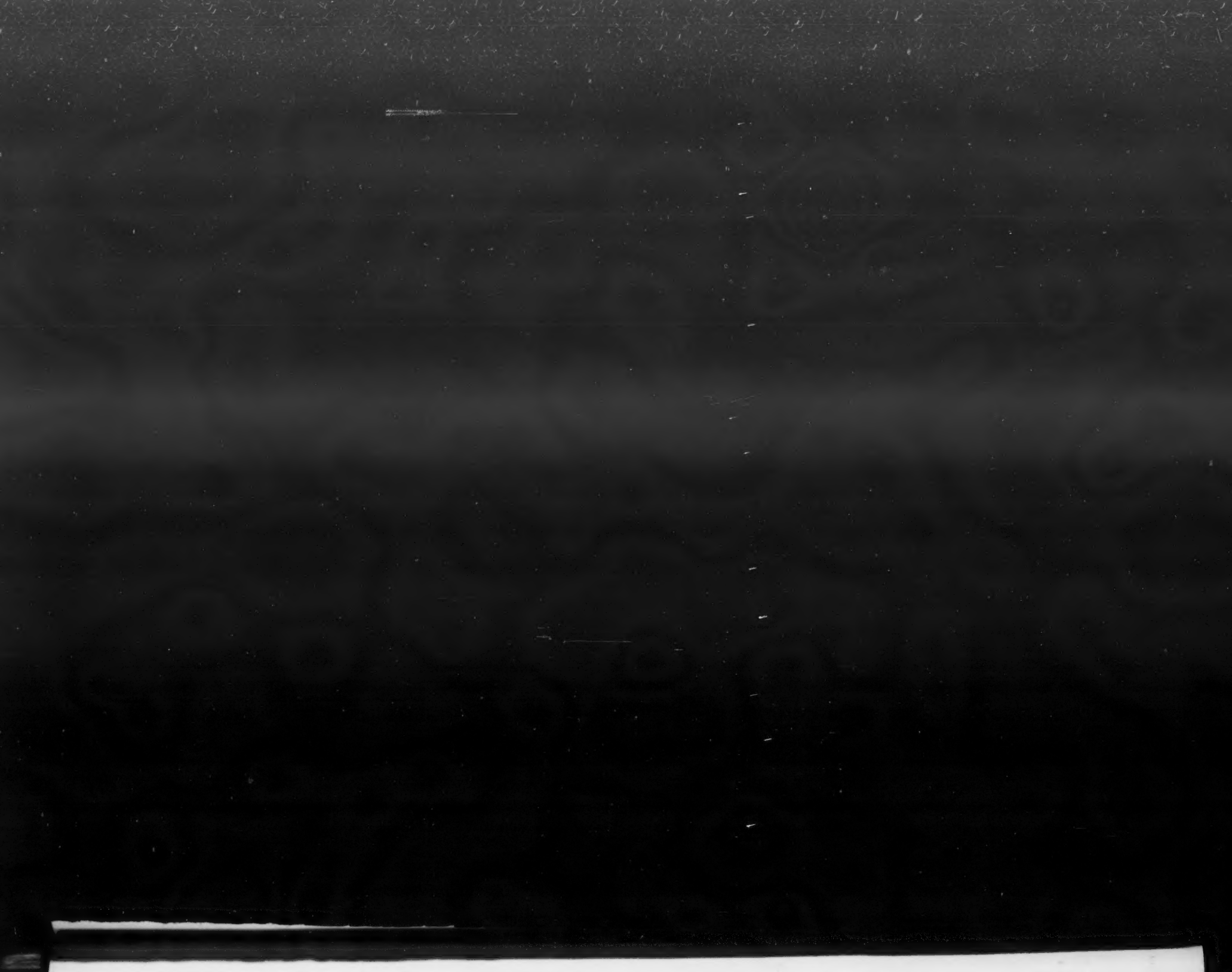
The Democratic National Committee is here today to select the city in which our convention is to be held and to make preparations for a campaign that in some respects will be different from any Presidential campaign in our political history.

Theoretically, the combat waged every 4 years centers around two conflicting policies of government, with the candidates of the two parties each representing one side of the controversy.

The campaign of 1936 will not be this. It will be a campaign of defamation on the side of our adversaries, a simple effort to break down the faith of the people in a President under whose leadership the Democratic administration has lifted our Nation out of the depths of despair to the broad way of hope and set it on the high road to renewed prosperity. He has accomplished this through certain legislative measures, startling only in the circumstances that they departed from the policy of drifting, which had led us into all our troubles; policies novel only because they were conceived and executed in the service of our whole people and not for the benefit of the greedy, selfish interests which dominated the Government from the time that Woodrow Wilson left the White House to the day Franklin D. Roosevelt took the wheel.

Let me tell you now that our opponents will make this the bitterest and certainly the dirtiest political struggle that any of us here can remember.

I have not the slightest doubt of its outcome, but I feel it my duty to warn you that you will have to combat misrepresentations,



outright lies, and every form of foul whisperings you can imagine. Moreover, you must realize that the assault of the Roosevelt administration will be financed with the largest slush fund on record, contributed for the most part by those who have neither public conscience nor private scruple. They are men who are interested only in getting back the inordinate privileges which have enabled them to exploit the people in the past and who will hit below the belt, or do anything else that they think may give them hope of regaining their pirate ascendency. In the ranks of our foes you will find not only the financial gangsters whose extortions were so largely responsible for bringing on the Hoover panic but others, who for one reason or another hate Franklin D. Roosevelt, or who are accessories of the exploiters.

Our adversaries are trying to represent the party conflict as a battle between the business interests of the country and a mythical group bent on substituting a socialistic, communistic system for the economic processes that have made this Nation the greatest, wealthiest commonwealth in the world. It is a ridiculous perversion of the facts. A great proportion of our commercial and industrial leaders are with the President as sincerely as they were when they rallied to his support in 1932. Why shouldn't they be? What business is there in all our vast country that has not been helped by the present administration?

There were 10,000 bank failures in the years preceding the advent of Roosevelt to the White House, each carrying down with it a multitude of individuals involving in the wreck thousands of commercial enterprises, great and small.

How many bank failures have there been since the President took charge and rebuilt the whole banking structure? In the 3 years preceding this administration there were innumerable business collapses. In the 3-year period of the Roosevelt regime there were not half so many.

What accounts for the difference? Does the present solid foundation of business, as contrasted with the hideous insecurity of the previous period, come as the result of cosmic rays or black magic? Has there been any epoch-making change in world conditions to account for our recovery? No. The only difference is that we have had at the head of our Government a President wise enough to see what had to be done and courageous enough to do it. It is that program, and that alone, that saved America.

Our adversaries characteristically are using every agency at their command to give the impression of division in the Democratic ranks. A little while ago they were gravely announcing that a third-party move was impending. You know what that amounts to. Whenever some irresponsible adventurer thinks he sees an opportunity to launch a political racket, which means whenever he scents the possibility of getting financial backing, our Republican friends announce the advent of a Democratic revolt. Political changes do not come about that way. Forty years ago the same element that has now taken over the Republican high command tried it. They instituted a third ticket, and I doubt if half of you—and you are adepts in politics—can even recall the candidates of that enterprise. They spend a lot of money, as the Du Pont-financed Liberty League is doing now, without any effect on the result of the election.

I only recall this illuminating incident of history to bring home to you what sort of a campaign this is going to be—what sort of tactics you will be obliged to meet.

Nobody knows who will be the Republican nominee. Least of all the Republicans. They dare not nominate Herbert Hoover, the most eminent proponent of the do-nothing policy that brought on the great economic calamity, for they know that when the people in 1932 cast the Hoover administration overboard they registered more than a political decision. The people then pronounced a verdict, not only against the then President but against the whole reactionary group. They cannot nominate Senator BORAH because that veteran of 30 years of political battling must be poison to the crowd whose league is championing the crusade against all that is being done to keep the country safe from the depredations of its sponsors. Inevitably they will be driven to some colorless individual, unknown until paid propaganda builds up a fabulous picture and presents it to the people as someone worthy to direct the destinies of the United States.

There can be but one honest issue in this campaign, and that is whether President Roosevelt has done well or ill by his country.

The answer to that great question stares at you today from the pages of every newspaper in the land—not from the editorial pages, which mostly echo the desires of the big-business group; not from the propaganda pages, which misrepresent and libel the existing administration. The reflection I speak of is found in those commonplace pages which present the direct reports of the Nation's business.

The balance sheets of industry, commerce, and agriculture tell the story. The market quotations on commodities and securities cannot be faked or distorted. These figures will tell you that the national wealth has increased $22,000,000,000 over their market values on the day our President took office.

We have traveled upward a great way since March 4, 1933.

Our adversaries cannot deny the facts. They cannot escape the logic of the black entries that have wiped out the red entries of the Hoover period. Being unable to deny the recurrence of prosperity, they are forced to the alternative of declaring that it was not because of, but in spite of, the Roosevelt policies that confidence has succeeded despair; that our Government bonds are selling above instead of below par; that people are buying again and are able to pay for what they buy. This happy outcome was because of Roosevelt. It was in spite of the furious clamors of those who have tried to hinder him at every step, ever since the increase of business has rescued them from their panic fears.

Roosevelt has done nothing that he did not promise to do when they came to him begging for action—any action—that would save them from the consequences of their own conscienceless greed. He told them in the beginning what his program was, and they were almost hysterical in their satisfaction that someone had come to the head of the Government with a plan, for they had no plan, and they saw in the President the people had chosen their one hope of escaping absolute chaos. But as soon as they felt the ground under their feet again, as soon as they felt strong enough to stand alone, they began their effort to destroy the man who had saved them.

Aesop told the story a couple of thousand years ago—you know the one about the farmer who found a frozen snake in the barnyard and brought it in and warmed it back to life, and the snake bit the farmer's children.

Suppose today—instead of immediately after his inauguration—President Roosevelt found it necessary to close all the banks. What would be the reaction of the great financial concerns, utility corporations, and the others who form the backbone of the opposition? They had nothing but applause and gratitude for his action then. You heard no talk then about regimenting the farmers, shackling industry, flouting the Constitution, and all the rest of the stuff that is being ground out in the effort to discredit the administration.

They have talked about the President not keeping his pledges. What has he failed to do that he agreed to do when he announced himself 100 percent for the Chicago platform? First of all he promised that nobody should starve in this country. That was his first and greatest declaration, and one that transcended every other. He has kept that promise, and his reward is to be accused of extravagance, to have his administration pictured as one run by hare-witted idealists who are shoveling out the people's money with no desire but to get rid of it.

When the people asked for bread and a chance to work, he could not deny them with the arguments now advanced by the critics of the New Deal. Franklin D. Roosevelt, may it be said to his everlasting credit, will never plead the statute of limitations against a hungry man.

He promised a stable currency. The American dollar is preeminent today as a money unit. The credit of our Nation is so high that every country in Europe is sending over millions of dollars every week to buy American goods and invest in American securities, and our 3-percent national bonds are worth in the open market more than were worth the high-interest bonds of 3 years ago. And what is the President's reward for having brought about this state of national solvency? Why, they call him inflationist and speak of his taking us off the gold standard as if that were something evil, revolutionary, inexcusable. Yet England, to which his critics refer as an example of all that is wise and just in recovery, preceded us off the gold standard by 2 years.

He subscribed to the platform pledge for the repeal of the eighteenth amendment, which his predecessor even during the '32 campaign had not the courage either to espouse or oppose. That policy not only rid us of the horrible effects of bootlegging, with its murderous gang wars and its almost Nation-wide corruption, but it reestablished industries, the revenues of which had been going to outlaws and the taxes on which were the bribes to city and State and even to national officials.

The Republican National Committee and its acknowledged, or unacknowledged, allies are bent only on the destruction of the Democratic Party and democratic principles. If anybody believed them, it would appear that the Roosevelt administration was accomplishing nothing, that its public works were limited to raking leaves or mowing grass or weeds from streets of cities and performing other trivialities of little worth and no permanent advantage. They never mention the vast number of public buildings that have been and are being erected; of the great dams that are harnessing our rivers; of the thousands of leagues of good roads being laid, the bridges being built, and the innumerable other projects that add to the assets of this country, and that will be of use not only in our day but for generations yet to come. Our enemies even list among the items of the deficit they so loudly bewail and so extravagantly advertise the money advanced to individuals, firms, corporations, farmers, and home owners.

Every one of these loans—for they are only loans—is secured by valid assets. This money will all come back, and meanwhile the interest is being constantly added to the Government's resources. The various loan agencies of the Government are prosperous concerns. Their income today is larger than what they are putting out. Every one of them shows a favorable balance sheet.

The Government is in business; yes. And it is in profitable business. And it will remain in business only for as long as private enterprise fails to take it up. The Government would rather have the banks make the loans than make them itself. It is more eager to get out of business than the American Lobby League is anxious to have it get out of business. And it is getting out of business far more rapidly than the average person thinks.

This has not been a spendthrift administration. It has safeguarded its expenditures to such an extent that it is probable that there has been too much instead of too little red tape in the extending of relief. If you analyze the tenable charges

against the Government distribution of aid to the destitute, they come down to the circumstance that some unworthy person got a few free groceries which he could have paid for, or that here and there men have not earned the meager pay permitted on relief projects—a pay left meager with the deliberate purpose of insuring that the Government should not compete with private enterprise and that no man should remain on the Government pay roll who could make a living by his own efforts. Undoubtedly in the expenditure of billions there has been some leakage, for it was deemed better that a few unworthy ones might get the doles rather than a helpless multitude should go hungry.

I have noted among the utterances of some who were desperately seeking for some method of assailing the administration a statement that the increase in the sales of commodities was due to the money disbursed by the Government. There is at least a basis of truth for this statement. A large part of the purpose of the disbursements was to prime the pump of business so as to get the wheels to moving again. And it has been wholly successful. The money that went for direct relief has been turned over a hundred times; in the purchase of food and clothing, in the payment of the wages of those who manufactured these things, in the capital that went into investment, and into the deposits of bank customers. These, thanks to the New Deal, are able to place their funds with the banks with perfect security that they are not going to be cheated out of them through the dishonesty or incompetence of those who a few years ago used these funds as their own in speculation, and when their speculations went wrong left their depositors to hold the bag.

The Government's Budget is out of balance. It was out of balance 2 years before the term of President Roosevelt began. By the time he came to the White House it was almost as much out of balance as it is now, with the difference that then nothing was being done to wipe out a deficit, while today every move is in that direction. The Government's income is steadily increasing. There is no justification for the fear of towering tax with which the constant effort is being made to scare the people.

This country has had huge deficits before now, and they have been cut down in the ordinary, orderly processes of government as prosperity returned and the Government's income increased. The same procedure and the same result may be looked for now.

As I said before, we are carrying our debt for less than it cost us prior to the advent of Roosevelt to the White House.

I have sketched hastily for you the actual situation and the situation as it is described by the professional and unprofessional purveyors of mendacity who, in their speeches and through the newspapers, are trying to convince this country that its Government is betraying them and that it is bound for the rocks unless another Hoover or a synthetic representative of the same type is put at the head of our Government.

The enemy has access to many newspapers which carry only the antiadministration side. Some of them do this because they are fundamentally Republican newspapers; some because they are owned or controlled by people or corporations of such wealth and magnitude that the effort to impose taxes in accordance with ability to pay is going to cost them something. The result is the same in either case. Many plaster their pages with any absurdity that a Republican spokesman, paid or unpaid, candidate or otherwise, is willing to father.

We Democrats have nothing at all to fear if we do our job and work earnestly, but it would be foolhardy to feel that we can lay down on that job and let the other fellows campaign uncontradicted and unhindered.

We have got not only to keep our own lines intact but it is our duty to see that those Republicans who in 1932 and 1934 put national welfare ahead of partisan spirit, remain true to their new allegiance. We owe these people a debt of gratitude. It was easy for any Democrat to vote for Franklin Roosevelt. It was not so easy for men and women reared in the Republican faith. I have acknowledged the greatness of the service of these before, and I am glad to admit the obligation now and here.

There is still another and, in some respects, an even more important group to which we must appeal. I refer to that great mass of good citizens with slight or no political affiliations.

These are the independents, who vote for whichever candidate they believe to be best for the country, for the policies that they believe will promote the public welfare. We had them all in 1932. I believe we have them all now, for men and women of this class look at and for results and are not likely to be influenced by such interested propaganda as is being poured forth to check the progress of the New Deal. Let me urge on everyone here to hold them close to us. We will always retain our own membership; we will gather to us many of the opposite political faith. But we need the independent voter. He is the individual who really decides elections.

We have had a great administration. We have nothing to apologize for; much less to be ashamed of. Our President and our Congress have saved the country. We have come through the hectic period of depression and reconstruction without great social disturbance, without violence, and with the great principles of the Democratic Party kept intact.

It is up to all of us to keep these great facts before the people, and so I call on you not only to perfect Democratic organizations everywhere but to keep a vigilant eye on the enemy, to nail every lie as fast as it is uttered, to point out the selfish purpose behind every hypocritical attack. That must be our work from now until next November. We must not be content with victory, but must work for a victory so overwhelming as to make it plain forever that democracy is the faith of our people and that loyalty to a great President cannot be broken down even by the flood of money that will be poured out to overwhelm us in the next 10 months.

Just remember as we go into the fight that Franklin D. Roosevelt is the hope of every man who suffers and the foe of every man who does wrong.

NAVAL STORES AND THE AGRICULTURAL PROGRAM

Mr. FLETCHER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter addressed to me by Mr. C. F. Speh, secretary of the Control Committee of the Marketing Agreement for Gum Turpentine and Gum Rosin Processors, of Jacksonville, Fla. It has to do with the recent decision of the Supreme Court on the Agricultural Adjustment Administration Act as affecting the turpentine and naval-stores industry.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONTROL COMMITTEE OF THE MARKETING AGREEMENT
FOR GUM TURPENTINE AND GUM ROSIN PROCESSORS,
Jacksonville, Fla., January 9, 1936.

Hon. DUNCAN U. FLETCHER,
United States Senate, Washington, D. C.

DEAR SENATOR FLETCHER: The recent decision of the United States Supreme Court regarding the Agricultural Adjustment Administration has, of course, affected the turpentine industry. I am sure that even the relatively few who have opposed the program will admit that under the conditions facing the industry in 1933 that a restricted production was extremely helpful. This is equally true of the crop adjustment in 1935. Prices improved, whereby the producer was enabled to pay living wages to the hundreds of thousands working in the industry, the producer was able to greatly reduce his debt to the factor, and the timber owner to pay back taxes.

I am confident that other farm products have also benefited, and to such an extent that, even though a crop-adjustment program be considered as a temporary measure, it must be admitted that we are still far from having completed the task of bringing to the farmer the same purchasing power that the manufacturer receives for his goods. Therefore we believe that efforts will be made to pass the necessary legislation to continue farm relief in some form.

The purpose of this letter is to ask that you safeguard the interest of this important southern industry by seeing that naval stores, either as a commodity or as an industry, continue to receive benefits of any agricultural program.

Thanking you for everything you have done for the industry in the past, I remain,

Respectfully,

C. F. SPEH, *Secretary.*

JACKSON DAY ADDRESS BY MR. JUSTICE BUFORD

Mr. FLETCHER. Mr. President, I ask unanimous consent to have printed in the RECORD an excellent address delivered by Mr. Justice Buford at Madison, Fla., on Jackson Day, January 8, 1936.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman and fellow citizens, we are gathered upon this occasion to celebrate the anniversary which should be cordially celebrated not only by those Americans who are affiliated with the Democratic Party but by all red-blooded, loyal Americans throughout the Nation.

We call this day Jackson Day because to the courage and genius embodied in that great soldier is due credit for the victory which came to American arms on the 8th of January 1815, 121 years ago.

Andrew Jackson was born in the backwoods country near the line between North Carolina and South Carolina. Whether he was born in the one State or the other is not definitely known. Each State claims his nativity. His birth occurred on the 8th day of March 1767, a short time after his father had died of injuries received in handling heavy logs. His parents had come to America the poorest of poor immigrants, hoping to carve out a fortune for themselves in the new land, but the husband and father was cut off in the prime of young manhood, and their hopes were blighted. Jackson's boyhood was that of the average boy in the country where he lived. He soon developed the vices rather than the virtues of the young men of that generation. Before he reached the age of 15 his mother died of yellow fever, which she contracted while nursing soldiers of the Revolution. Then Jackson became his own master. He was a reckless, carefree sort of fellow. Before he reached the age of 16 he had converted what little property his father had acquired into cash and spent it all in riotous living. He had become recognized as what we would call one of the fastest young men of his day. He appeared to find his chief pleasure in horse racing, cock fighting, drinking, and gambling; and yet with it all, by reason of his great courage, his high regard for justice, and his adherence to truth, he acquired and retained the respect and confidence of many of the most substantial people of his acquaintance.

While Jackson was no student, and never became one, he managed to get himself admitted to the bar and licensed to practice law in North Carolina before he was 21 years of age. About the time he reached his majority a great empire in the West which then bore the name of Franklin was being opened up. In 1788

the North Carolina Assembly created three counties included in those settlements along the Cumberland and established therein a superior court district. One John McNairy, who had studied law in the same office of Spruce Macay, where Jackson had studied, was appointed judge of that district. He happened to be one of Andrew Jackson's friends. At the time McNairy was appointed judge he was visiting friends in the Carolinas, and when he returned to the land of the Cumberland, which was then becoming known as the Tennessee region, there went with him a number of his old friends and acquaintances, among whom was Andrew Jackson. In 1789 Jackson was appointed solicitor in Judge McNairy's jurisdiction. In this position he was forceful and effective. The duties of his office required the exercise of physical courage and moral strength. Jackson was passionately devoted to justice. He was diligent and conscientious. It appears that he knew little about grammar and less about punctuation, but what he lacked in book knowledge was compensated for by other qualities possessed by him and which were so much needed in that position. By his fearlessness and fairness he won the confidence of the public, which he never lost. Time will not permit us to dwell on the many interesting events of his youthful career. In 1790 that area between the Ohio River and the north line of Alabama and Mississippi became the Southwestern Territory, and in 1791 the north half became the State of Kentucky. In 1793 the remainder of the territory set up a legislature, and 3 years later delegates met at Knoxville and prepared a frame of government looking toward admission to statehood. Jackson was a member of that convention, and it is a tradition that he proposed the name of Tennessee, which was an Indian name, meaning the Great Crooked River.

When Tennessee was admitted into the Union, Jackson was chosen its Representative in the lower branch of Congress. His career there was brief and uneventful. He served only about a year, when he was appointed to fill the unexpired term of William Blount in the Senate. In 1798 he resigned that post, but while in Philadelphia, then the Capital, he made the acquaintance of such men as John Adams, Jefferson, Randolph, Gallatin, Burr, and Edward Livingston. As a legislator, he was a misfit. The records show that he made only two speeches as a Member of the House and none at all in the Senate, though he did make quite a reputation for possessing a high temper. On his return to Tennessee he was appointed judge of the nisi prius court, which compares with our circuit courts, and, though the salary was only $600 per year, he retained that position for 6 years. In this position again his ignorance of law was compensated for by his common sense, impartiality, and courage.

In 1812 the Congress of the United States declared war against Great Britain. This was entirely to Jackson's liking; he had been impatient for it for years. There was but one thing which he seemed to wish more than to participate in a war with Great Britain and that was to invade the territories of Florida, drive out all foes, and extend the jurisdiction of the United States into the waters of the Gulf, and he insisted upon being allowed to undertake that job.

In December of 1814 a large fleet of British vessels appeared in the Gulf, just off New Orleans, with the purpose of taking the city of New Orleans, then the most important city of all the South, and using that as a base to recover possession of the United States and return its Government to the Crown of Great Britain. Jackson's defense of New Orleans is one of the thrilling stories of all times. He was not only required to meet and fight a foe superior in numbers of men trained and seasoned in warfare under generals of wide experience, armed with modern implements of war, but he was also confronted with all sorts of opposition, even within the city which he proposed to defend, and in the Legislature of Louisiana, which was then in session.

Many of the people of Louisiana resented their severence from France. They had not become reconciled to their position as a part of the United States. They were more than willing to surrender to the British with the hope that they would then be returned to the French or made an independent province. So Jackson had to fight the enemy within as well as the enemy without. He fought both with supreme courage; and when the final battle was won, though Jackson was not a religious man, he firmly believed that his success was due to the intervention of divine Providence and he publicly proclaimed that to be true. There is no reason for us to assume that Jackson's judgment in that regard was not well-founded. If the British had pushed the advantages which they obtained in the battle fought on December 28, 1814, undoubtedly they would have taken the city of New Orleans and with it they might have taken Jackson, but they faltered and delayed and lost. This delay gave Jackson opportunity to establish fortifications and breastworks, to bring his men into better position and to prepare for that which he now realized must be a stand for the life of the Nation. He did prepare and was ready to meet every onslaught made by the British until the night of January 7, 1815. During the days between the last of December and January 7 new troops, new officers, and new equipment had been brought from the British fleet, landed on American soil, and made ready for the charge with which they proposed to end the fight for possession of New Orleans. They intended to advance under cover of darkness and a heavy fog to a position, where when daylight came they would have the Americans under a withering fire, but it appeared that everything which could go wrong with the plans of a general went wrong with the British that night. Only one division of the whole British Army there appeared to be in position at the appointed time. All others were delayed by one cause or another until daylight came, the fog lifted, and they were in view of the enemy but still out of gun range, and found themselves facing an adversary fully prepared to meet their charge.

Despite these adverse happenings, however, the British determined to carry out their plans. For a short while it appeared that Providence was with the British; the fog settled down, so that neither line could be seen by the other. The British advanced, but when their columns were within 300 yards of the American trenches the fog lifted; the British were within range of the American guns and were mowed down like wheat before a reaper. Again and again they rallied and charged, to be met and mowed down by the steady fire of the Americans behind their cotton and mud breastworks. The American losses were seven killed and six wounded, while the British lost most of their officers and men.

In those days news traveled slowly. The record shows that the terms of peace had been agreed on and the war theoretically closed before the Battle of New Orleans began. Neither Jackson nor the British knew of this. Each was fighting to win a war which did not exist. After the battle of January 8, Jackson continued martial law in New Orleans under the theory that a state of war still existed, and he stood prepared to receive the British should they recoup their forces and return.

Jackson ordered the arrest of a citizen for violating martial law. A Federal judge issued a writ of habeas corpus, and thereupon Jackson ordered the arrest of the Federal judge and detained him in prison. Probably the greatest example of Jackson's spirit of compliance with constituted authority was when he was officially notified that the state of war no longer existed, and had ceased to exist before the battle, realizing that he was without authority to hold either the first offender or the Federal judge for violating the martial law, he discharged them. Thereupon the judge ordered Jackson before him to answer to a rule for contempt of court. Jackson divested himself of his uniform, humbly appeared before the judge in civilian clothing, and without protest paid a fine of $1,000 to purge himself of contempt of court. Thirty years later the Congress of the United States authorized the repayment of this fine to Jackson with interest since its payment by him.

Late in January 1815 Jackson returned to Tennessee. He still had in mind, however, the invasion of Florida and he did not let that rest, until early in 1818 he was authorized to proceed against the Creek and Seminole Indians.

As all of you know, Jackson finally with his army invaded Florida without any record authority from Washington. The history of his movements indicates that he was rather fearful that he would be stopped by orders from Washington before he could finish what he set out to do. Whether he really had the consent of authorities at Washington to pursue the course which he did pursue in Florida or not is a question which will never be definitely answered. It is certain that he wrote a letter proposing to do about what he did, and in that letter he stated that any sort of intimation from the President or Secretary of War that such course would be approved would be considered by him as a warrant to proceed. Jackson claimed to have received a letter so framed as to intimate that he should proceed.

There were but two forts of any consequence in Florida at that time, one being at St. Marks and the other at Pensacola. Jackson took St. Marks first. There he found an old Scottish trader by the name of Arbuthnot, who appeared to be in sympathy with the Indians, and who was engaged in trading to the Indians arms and ammunition, as well as other goods which they might require. Arbuthnot was arrested on a charge of furnishing ammunition to the enemy and of conspiring with the enemy against the United States. From St. Marks Jackson proceeded with some force of men to the Suwannee River near the present location of Old Town. There he captured a trading vessel with all its supplies and also captured Robert Ambrister. Ambrister was charged with leading Indians in warfare against the United States.

Perhaps the most potential trial ever held in the State of Florida was the trial of Ambrister and Arbuthnot at St. Marks. They were both British subjects. By Jackson's orders Arbuthnot, who was a civilian and more than 70 years of age, was hanged; while Ambrister, being a soldier, was shot. Jackson did not allow even the trial or the execution to delay his plans to move on to Pensacola. A few days after the execution of Arbuthnot and Ambrister Pensacola was in the hands of Jackson and his troops.

Jackson left the Territory of Florida under the command of subordinate officers as civil and military Governor and hurried elsewhere.

The Spaniards demanded the return of the Florida Territory. The request was complied with. The Spaniards also demanded the summary punishment of Jackson, which request would probably also have been granted had it not been for the defense of Jackson by John Adams, who stood against all others high in authority in the Capital and defended Jackson to the last. Jackson's popularity with the people made it a dangerous business for any man who sought popular favor to attempt to punish Andrew Jackson.

In 1821 Jackson was appointed Governor of Florida. He did not want the post and got rid of it as soon as possible. In fact, he only took it to organize a government in Florida. He took over the government in Florida on July 17, and in November 1821 he was again back at the Hermitage, having resigned the office of Governor of Florida, and for the first time in 32 years was free of the responsibility of either civil or military office. May I interpolate here that two of the members of President Jackson's Cabinet became Governors of Florida. They were Branch and Eaton.

When Jackson returned from Florida he was 54 years of age and was broken in health by exposure, wounds, and disease. He received all his wounds in personal combat. He thought he was

settling down for life to enjoy only the few days which might be left to him in quiet and peace with his wife, his son, and an adopted son, but his days of quietude were not to last. He was soon to be called as a candidate for the Presidency of the United States. He was nominated by a convention in Harrisburg, Pa., in March 1824. The result of the election, however, was Adams' election. Jackson was again put forward as a candidate in 1828 and was elected in that year President of the United States. The campaign of 1828 was a bitter one. The opposition not only persecuted Jackson, but it also defiled the name of his wife and probably hastened her death, which occurred at the very hour when the people of Nashville and all Tennessee had gathered to partake of a farewell banquet in honor of the President-elect.

The difference between the democracy of Jefferson and the democracy of Jackson was that Jackson was not only an advocate of decentralized government and State rights, of which Jefferson had been the great leader, but he was amongst the first to advocate and strongly contend for the right of the voice of all the people in the Government. He not only stood for State rights but he stood for the rights of individuals as against the special interests. A writer has stated succinctly that Jackson's conception of the fundamental principles of our democracy was:

"Sovereignty, under our form of government, resides in the people of the United States. The exercise of the powers of sovereignty is entrusted by the people partly to the National Government and partly to the State governments. This division of functions is made in the Federal Constitution. If differences arise, as they must, as to the precise nature of the division, the decision rests, not with the State legislatures, as Hayne had said, but with the Federal courts, which were established in part for that very purpose. No State has a right to 'nullify' a Federal law; if one State has this right, all must have it; and the result can only be conflicts that would plunge the Government into chaos and the people ultimately into war. If the Constitution is not what the people want, they can amend it; but as long as it stands, the Constitution and all lawful government under it must be obeyed."

By many it was thought that State legislatures had the power to annul the application of acts of Congress within the dissatisfied State. In South Carolina there was much support of this idea. Frederick Austin Ogg, in his The Reign of Andrew Jackson, in speaking of Jackson's attitude toward nullification acts, says:

"And to a South Carolina Congressman who was setting off on a trip home he said, 'Tell them (the nullifiers) from me that they can talk and write resolutions and print threats to their hearts' content. But if one drop of blood be shed there in defiance of the laws of the United States I will hang the first man of them I can get my hands on to the first tree I can find.'

"When Hayne heard of this threat he expressed in Benton's hearing a doubt as to whether the President would really hang anybody. 'I tell you, Hayne,' the Missourian replied, 'when Jackson begins to talk about hanging they can begin to look for the ropes.'"

In this fight for the rights of the people, he made the abolishing of the Bank of the United States his chief objective. His thought was that to allow the money power of the Nation to be controlled by anything except the Nation itself was undemocratic and would defeat free government. No more determined fight was ever waged between conflicting interests than that waged between Jackson and the proponents of the Bank of the United States. The bank had a limited charter. Its period of existence under its charter granted by Congress was about to expire, and Jackson determined that the charter should not be renewed. He won the fight but not without making many enemies and bringing down much condemnation on his own head.

To Jackson may be attributed the inauguration and continuation of the governmental policies requiring the election of many officers by direct vote of the people, amongst the more important of which is that following this principle of Jackson's democracy we have in Florida and many other States today the election of justice of the supreme court by direct voting of the people.

There are many parallels which may be drawn between the conditions which existed at the beginning of and during the Jackson administration as President of the United States and the conditions which have prevailed in this country during the past few years.

The Bank of the United States opened its doors at Philadelphia in 1817 with branches from Portsmouth to New Orleans. In 1828, when Jackson was elected President, there was bitter feeling throughout the country against the bank and its branches. The bank was to the people of that day the personification of big business. The people, as a mass, appeared to believe that it had the power, intent, and purpose to crush all individuals who had not its favor; that by participation in politics it could and would control the destinies not only of the States but also of individual citizens; that it could and would weaken the power of the States and strengthen and centralize the power of the National Government; that it could and would build up or pull down political parties or men as and when its interests would be thereby served without regard to what the result might be to the masses of population of the Nation.

Jackson thought the best way to destroy such an influence was to withhold its authority for existence. Therefore he opposed the granting by Congress of a renewal of the bank's charter. During his first term as President the Congress, after a bitter fight, passed an act extending the charter. Jackson vetoed the act. The veto became the paramount issue in the campaign of 1832. The issue made was whether the people should rule or should submit to being shackled and ruled by a monopolistic money power controlled by some Americans and many foreigners residing in other lands. It was a hard and bitter fight; but when the presidential electors met, Jackson had 219 electoral votes and his opponent, Henry Clay, had 49.

Orators and statesmen of that day pictured the money power in politics as a hideous octopus reaching out to crush and destroy the sovereign will of the masses and to control and grow fat on the earnings and misfortunes of the people. Jackson was the master painter of the picture.

On the other hand, Webster, Clay, Calhoun, and other strong men fought to perpetuate the bank and to retain its power unabated, with warnings that the bank held the lifeblood of the Nation and that to destroy the bank would throttle the life of the Nation. In the end the bank, with its power, went out of existence, and when Jackson left the Executive chair the Nation was out of debt and in control of its own money-issuing machinery. But the fight to control this country through the control of the power of money and wealth has never ceased. The charges and countercharges punctuating the campaign of 1832 could be heard throughout the land with but little variation in 1932, and we shall hear them again in 1936. Then the Democratic leader who fought for what he conceived to be the rights of the masses of American people was Andrew Jackson. Today the Democratic leader who fights in the foreground for many of those ideals for which Jackson stood is Franklin D. Roosevelt.

It appears to me that here, in the beginning of 1936, our country fast approaches a crisis, and the most serious one it has faced since that one which culminated in 1861. To me it appears certain that one result will be a change in our Constitution. Do not let us be persuaded to believe that when we have found the provisions of the Constitution inadequate to allow Congress to enact legislation designed to effectuate a parity between those who earn by the sweat of the brow, who till the fields and wield the spade, the pick, the hammer, the saw, and other tools, and those who earn by the power of the dollar there will be no insistent demand by a majority of the people of these United States for a change in those provisions.

Within a short while I think the question will be not, Shall our Constitution be amended? but How shall our Constitution be amended? Shall it be by broadening and extending the powers of Congress over subject matters to be dealt with and leave standing the safeguards which now obtain, or shall it be by withdrawing the power of the judiciary to determine and adjudicate the validity of, or invalidity of, legislative acts, leaving it to the legislative branch of the Government to legislate as it sees fit and to be its own judge of the extent of its power? God forbid that the latter course be chosen.

There is no sacrilege in proposing to amend the Constitution. Its framers intended that it should be amended, and it has been amended 21 times already. But its amendment should be with caution and careful consideration.

I have been unable to think of a single right guaranteed by the Constitution to the people in mass, or to a citizen, which has not been sought to be divested or abridged by legislative enactment which would have resulted in the destruction of that right had it not been for the timely intervention of the judiciary when properly invoked. The judiciary has not the power, and has never assumed the power, to veto legislative enactments. The province of the judiciary is to take the legislative act which may be attacked and measure it by the yardstick of the Constitution. If the legislative act was not adopted in the manner provided by the Constitution, then it never became a law; or if it was adopted by the manner provided by the Constitution but contains provisions that violate the organic law, then it is an act against and in derogation of the supreme law adopted by the sovereignty, the people of the Commonwealth, and must fall.

In the last analysis it is not the judicial branch of the Government which determines what may or may not be provided in a legislative act, but the people expressing themselves through the supreme law, the Constitution, have predetermined some of the things which the legislative branch of the Government may not do and the manner in which it may and must do certain things. The judiciary only points out the inconsistency, if any exists, between the supreme law and the attempted subordinate law and thereupon adjudicates the validity or invalidity of the legislative act.

If the power of the judiciary is broken down by legislative enactment, by constitutional amendment, by general disregard of its judgments, or by its own unsound and unwarranted judgments and decrees, revolution will follow as surely as night follows the day.

Extend the power of Congress within wise limitations if such be necessary for the public good, but forever retain the power to confine its actions within the limitations which at the time are prescribed by the Constitution, and democracy will survive, otherwise it will perish.

THE FARM PROGRAM

Mr. BLACK. Mr. President, I ask unanimous consent to have printed in the RECORD a speech delivered at Chicago, Ill., on December 9, 1935, by Edward A. O'Neal, president of the American Farm Bureau Federation, before the seventeenth annual convention of the federation, December 9, 1935, on the subject of "The farm problem."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

This is a supreme moment for America. I predict its spirit will be written into the pages of history. To the millions of our citi-

zens in all walks of life, who are with us today in soul and flesh, we bring a practical ideal and philosophy for mankind. The challenge of this meeting, for America, is unity and cooperation. Its echo is world-wide.

The President of the United States has just engraved this challenge upon our hearts and minds. We embrace it eagerly, not in the spirit of battle but in the spirit of the two greatest leavening forces of earth, unity and cooperation. These are the levers that are lifting America into the dawn of a new day. They are the hope of a world under which the volcanoes of destruction again are rumbling and seething.

We meet today to safeguard a new civilization. Its emblem is economic justice, not alone for agriculture but for all mankind. In this great crusade agriculture joyfully takes the responsibility of leadership. For agriculture is peace loving and cooperative. Its very philosophy, its mode of life, its conception of service, are all symbolic of peaceful pursuit, peaceful occupation, and peaceful attainment.

This is an epochal meeting. It is an hour of drama. Here is gathered the united army of agricultural leadership. Seated on this platform are the men and women who are shaping the destinies not only of rural America but of the Nation and of the world. For no man lives unto himself. Nor does any group, class, or nation.

These leaders are consecrating their lives to a conception of a new civilization. They preach unity, cooperation, social justice, economic freedom. They pattern their teaching after the greatest teacher of them all. Like His teaching, their work is always for the good of others. It touches the very roots of life. It symbolizes service in every sense of the word. It extends far beyond the material mind of man. It reaches into his soul.

A NEW CIVILIZATION

Truly, this is a supreme moment. This Nation faces a crisis. What we do now affects the welfare of generations to come. In our decisions are involved the life, liberty, and pursuit of happiness for the people of this Nation and of the world. From time immemorial conditions have arisen in every nation affecting the lives and destinies of its people. American history points vividly to such crises. The Declaration of Independence gave us political freedom. The Constitution gave us religious freedom.

Today America faces a decision on which the economic freedom of the great masses of its people is predicated. No more momentous crisis has been faced by America since the founding of our country 159 years ago. Our economic life is at stake. Our future hangs in the balance. We have been approaching this crisis for a long time. Some have been blind to it. Others have laughed it away with a shrug of the shoulder.

The crisis of today cannot be met with the slurs of ridicule. It cannot be met with meaningless and empty phrases and slogans. It cannot be cast aside as something inconsequential. It is not a fleeting and temporary hysteria. It is not the aftermath of a passing emergency. This crisis is deep-rooted. It extends into the very bowels of our Nation. It runs as deep as life itself. It involves the life, liberty, and the pursuit of happiness for all of the people of this Nation. This crisis must be met by the same patriotism as founded this Nation.

THREE CROSSROADS

America stands today at the crossroads of three paths. One path leads into the realm of an incomparable civilization. The other two paths will plunge mankind into the dark ages of conflict and destruction. Which road shall we take? What shall be our decision? What shall guide us in making that decision? Let us survey all three paths. Let us see for ourselves where they end.

All modes of life are governed by man-made systems. Under the rules and regulations made for us, call them what you will, we live and work. These regulations may be laws, the result of habit. Or they may be habits, the result of laws. It matters not. Whatever their origin, they are man-made. They are not the work of a supreme being. If they were, we would have no cause for meeting today. So long as we are governed by man-made conditions we can shape them to our will.

The economic system which has given the world the emoluments of a twentieth century is centuries old. It is synonymous with greatest progress. Its dominant ideal is invested in the sacred and inherent desire of human beings to have, to own, to possess, and to serve. Nothing should be done to eliminate this desire. But much must be done to compel this system to serve all mankind equitably if it is to survive. Human beings are more precious than systems. They are the ones who must be served. We must stop thinking in terms of man-made values. We must think in terms of souls and bodies. We must save souls and bodies from exploitation.

AGRICULTURE'S WARNING

Inherently, agriculture is dedicated to the economic system we call capitalism so long as that system provides opportunity for economic equality. Agriculture stands for ownership and possession by individuals. Land is the primary tool of all production. Agriculture does not subscribe to any economic system which takes from it the individual ownership of that which it prizes and values most highly—property rights. But agriculture believes with all of its strength and spirit that if the economic system upon which this Nation was founded has become warped and outmoded it must be modified and reshaped. So long as this system is man-made, agriculture says it can be modified and reshaped. Agriculture insists that capitalism shall be rebuilt once more around the ideal of economic equality and economic justice.

At the crossroads of these three paths organized agriculture posts three signs. It asks the Nation to read and commit them to memory. One signpost bears this inscription: "Agriculture is capitalism's greatest safeguard and protection against those forces on the left which would destroy capitalism merely for the sake of substituting ideals that are contrary to human nature. Beware of taking this road." The second signpost bears this inscription: "Agriculture is capitalism's greatest bulwark of defense and security against those forces on the right which would destroy capitalism by making it the master instead of the servant of the people. Beware of taking this road."

These two paths are as wide apart as the poles. Yet they lead into the same economic jungle. One enters the realm of chaos from the left. The other enters it from the right. Between these two paths is a third. This is the economic road on which agriculture has traveled from the day this country was founded. The signpost on this road bears this inscription in the immortal words of Thomas Jefferson: "I trust the good sense of our country will see that its greatest prosperity depends on a due balance between agriculture, manufacture, and commerce." This is the road for America to follow.

TRUE ECONOMIC DEMOCRACY

This agricultural path was surveyed and built by our forefathers. Agriculture then was the dominant industry. Finance and commerce were its handmaids, not its masters. This is the path which modern agriculture insists must be kept open so the Nation can travel upon it to permanent economic stability and prosperity for all groups and classes. Years of neglect have made this road almost impassable. But it can be rebuilt. It must be rebuilt. The weeds underfoot must be cut down. The overhanging branches must be pruned back. The chuckholes must be filled in. The parasitical toll bridges across this road must be completely eliminated. Too much toll already has been collected.

Jefferson's immortal words epitomize the philosophy of organized agriculture. Through its platform the American Farm Bureau Federation seeks to rededicate the ideals of the founders of this Nation. It seeks the perpetuation of the economic system under which the Nation may attain its highest degree of spiritual and material values. By recourse to legislative action under the privileges and opportunities of the Constitution it seeks the restoration of the true economic democracy of our forefathers. That is the democracy of George Washington. It is the democracy of Thomas Jefferson. Abraham Lincoln dedicated his life to its cause. Theodore Roosevelt championed it. Woodrow Wilson idealized it. By breathing life into it Franklin Roosevelt has endowed it with practical reality.

SANCTITY OF FARM HOME

What is this program? What is its ideal? What is its focal point? The answers to these questions converge into one picture—the saving of farm homes. The maintenance of a true economic democracy is centered in the sanctity of the farm homes of the Nation. That was the ideal and conception of our forefathers. The mad rush of a mechanized civilization substituted greed for service; acquisition for cooperation; competition for devotion. It unleashed the dogs of industrial war. It set in motion the forces of self-destruction. Man became a mere pawn on the chessboard of corporate greed. He wandered off into no man's land of prejudice, greed, hatred, fear. He forgot the Kingdom of Heaven. What price civilization!

Individuality was destroyed. Economic freedom vanished. Economic opportunity was meshed into the time-clock punching, regimented whirl of the industrial Juggernaut. Economic equality and social justice were brushed aside in the mad rush, in the mad struggle for ruthless, competitive gain. Like an armored tank, this industrial machine rode roughshod over humanity, conquering human souls, destroying human bodies.

When the depression finally came upon us this frenzied philosophy, in the armor of a gigantic machine, had destroyed our courage, had conquered our morale, had blinded our sight, had almost destroyed our vision. In the midst of plenty it had scattered starvation. In the midst of abundance it had created want. In the midst of joy it had caused sorrow and grief. It produced untold privation, suffering, humiliation. It rocked modern society with the sullen fury of an earthquake. It was caught in its own path of destruction. It closed the doors of factories. It turned naked millions into the streets. It filled box cars with the youth of the Nation. It caused crime to increase. Only Mother Earth and her unfathomable resources escaped the destructive fury of the depression. Mother Earth, who sustains all!

ECONOMIC EQUALITY

Shall this philosophy, which has even failed its masters, be permitted to mold again the lives and destinies of peoples and nations? Or shall we supplant it with a new conception of the purpose of man on earth? In the true spirit of cooperation, American agriculture asks for economic equality and social justice as the new American pattern of life, not only for herself but for all groups and classes. Because of her contributions to mankind and civilization, American agriculture has the right to leadership in this crisis. The pages of history reveal that agriculture earned that right long ago by always playing a patriotically sacrificial part in meeting economic crises.

During the World War the responsibility placed upon American agriculture to produce food to win the war was not a mere gesture. It was a genuine responsibility, upon which the salvation of world democracy depended. Fundamentally opposed to war, agriculture responded with all of her resources. If the philosophy of agricul-

ture, expressed in terms of economic equality and social justice, were the philosophy of other economic groups, there might not have been a World War. The chaotic condition of peoples and nations during the years that followed might have been averted.

The years lapsed. Then came the period of economic readjustment. Again American agriculture displayed her patriotism. She decreased her production because it was in the interest of public welfare to eliminate the huge unsalable surpluses of food and fiber which depressed American farm life to starvation levels. In both instances what agriculture did was not motivated by selfish desire, but by a sense of altruism, in which her own interests would be enhanced, not first but last.

There could be no national prosperity so long as economic inequality prevailed for one-third of the total population. Agriculture has produced and will continue to produce food and fiber to sustain life, but she demands a fair return for her services. The proof of agriculture's recent economic contributions is all around you. You cannot escape it. You see it everywhere. In the metropolitan centers, in the open country, in the industrial districts, on the farms, on the country road, on the highway, in the stores, in the banks.

NATION'S DEBT TO AGRICULTURE

Agriculture broke the back of the depression. Attribute the causes for the beginning of economic recovery where you will. It matters not. It was agriculture that stimulated return of purchasing power. It was agriculture that caused the economic spiral to uncoil its springs. To agriculture the Nation again is indebted. Consumers, industrialists, merchants, labor, farmers—all economic groups began to share in recovery when agriculture began to buy. Disagree if you will as to what caused agriculture to start buying. That does not matter. But you cannot put aside the indisputable fact that economic prosperity and economic stability spring from the soil.

The man on the land creates the basic new wealth of this Nation. Depressions may wipe out cities. They may raze to the ground the industrial works of man. They may starve out humanity. They may strip man of his worldly possessions. But they cannot touch the soil. They cannot dam up that fountain from which all wealth springs eternal.

American organized agriculture, under the leadership of the American Farm Bureau Federation, marches down the road to which the hand of Jefferson points. It asks all America to follow. Through its platform the American Farm Bureau Federation seeks to rededicate the ideals of the founders of this Nation. Aloft, so all men can see, the army of the green and gold carries the banner of economic equality into the legislative halls of the Nation. With the aid of a courageous Congress and the help of a President of the United States whose humanitarian interests are unparalleled in the annals of our country, the platform of the American Farm Bureau Federation is written into law. Not all of it, but most of it.

MAN-MADE POLICIES

The man-made policies of the past give way to the man-made policies of the present. The seed of agricultural parity begins to come out of the ground. Parasitical weeds surround it. They seek to crowd out the new plant. They suck away its nourishment. They try to stifle it and keep the sun from it. But the new plant grows. The American Farm Bureau Federation fertilizes it. The army of the green and gold cuts down the weeds. It digs them out of the earth. The new plant flourishes. Other weeds come up. Those cut down grow up again. The more obnoxious and useless weeds are the tougher they are. But the agricultural army does not lose hope. It has faith in the seed it has planted. The faith of farmers is like the Rock of Gibraltar. Nothing can shake it. Not even winds, dust, storms, or floods. The army of green and gold plies its hoes. It cultivates the land once more. The plant of agricultural parity matures. And suddenly it blooms its century-old flower. There is rejoicing throughout the land.

If agriculture was dominated by greed, if its hands were not clean and free of avarice, if it were not actuated by service to the rest of mankind, it would not have the courage to lead in the cause for economic equality. But agriculture knows its cause is a just one. For agriculture has served mankind from the beginning of history. Until the end of history agriculture will continue to serve mankind. It was Theodore Roosevelt who said: "Men and women on the farm stand for what is fundamentally best and most needed in our American lives." Who would fail to subscribe to that statement?

Modern economic society is made up of three large groups. Between these three groups—agriculture, labor, and industry—is divided the national income of the country. The proportion in which that national income is divided by groups determines the degree of welfare enjoyed by the country as a whole. When that proportion is unbalanced, distress occurs. The greater the lack of balance in the distribution of national income the larger the economic distress. Most peculiarly, economic distress comes not only to those whose income is too small but to those whose income is too large. The result is a depression.

NEED FOR BALANCE

The only antidote for depressions is economic equality and social justice. Under the man-made policies of the past these fundamentals were swept away. Industry was permitted to flourish. Agriculture was allowed to decay. Industry and finance were exalted. Agriculture was scorned. Empire upon empire arose in industry and finance. Welding these industrial and financial empires were a series of capitalistic rivets consisting of mergers, interlocking directorates, and interlocking directors. A bewildering hierarchy of holding companies was created. They pyramided on each other, like the leaning Tower of Pisa. The roof was a superimposed financial controlling structure. In this tower was hidden the wealth, resources, business, and power of the Nation. The key to this tower was held by a handful of persons.

This tower was the home of an economic oligarchy controlling more than 80 percent of the total business of the country. In it lived the barons of finance and industry. They issued orders to helpless millions. From its turrets 36 barons, each with an annual income of more than $5,000,000 dollars, looked down upon 36,000,000 vassals, each trying to support an average family of five on an annual income of less than $1,200. Farther and farther reached out the barons to sweep more and more wealth into their tower.

The tower began to sway. The vassals summoned all their strength and resources. They put their broad backs against the tower and tried in vain to hold it up. Sweat poured down their faces. Their arms and legs ached. Their hearts and minds were numb. The tower is falling, they cried. The tower is falling. Run for your lives. We can hold it up no longer. It fell. Down it came, this tower of industry and finance, this stronghold of twentieth century barons. And the crash reverberated around the earth.

MAN MUST WORK

Out of the aftermath of this crash was resurrected an ancient truism. Its philosophy is simple. Its premise is as fundamental as life itself. It was carved into eternity by the Creator of all. It is this: Human beings are not machines. They cannot be mechanized like pig iron or lumber. Human beings were put on this earth by the Supreme Being to work and to create. Any man-made economic system which denies humanity the opportunity of work and creation does not enter into the realm of civilization.

For 17 long years the American Farm Bureau Federation had warned the country that the tower would fall. But its warnings fell on deaf ears. Patiently, meticulously, the Farm Bureau had explained its program of economic salvation to the political and industrial powers of the country. Its explanations fell on deaf ears. Not until 1933, with the advent of the present administration, did the first ray of light break through the agricultural gloom. More has been accomplished for American agriculture during the past 3 years, because an administration has built its national policies on the program of organized agriculture, than during any other comparable period.

Since 1919 the American Farm Bureau Federation has fought the battles of agriculture. It has welded the farmers of the Nation into a constructive, militant organization. It has dedicated itself to the principle of economic equality. It has molded public opinion. It has pled for unity and cooperation. Step by step it has initiated programs to improve every phase of American farm life.

FARM BUREAU'S SERVICE

It has demonstrated the paramount importance of the educational service to the farmers of the Nation by the land-grant agricultural colleges. It is responsible for the broad expansion of county-agent and home-demonstration work and for its place in the replanning of our national economy. The federation has given national impetus to the great place of cooperative endeavor in farm life and farm living. It has visualized what could be done with cooperative enterprises when properly projected and directed. It has taught the value of coordinating and correlating all cooperative services of a commercial character within the protecting shelter of the parent organization, the State farm bureau.

It had brought home to American agriculture the great need for unity in organization, unity in purpose, unity in action, as illustrated graphically in the creation of the National Agricultural Conference. It has demonstrated time and again the irreparable harm that comes from sectionalism and division. It has shown the need for a unified agriculture, an agriculture with a national viewpoint, standing as one man for the greatest good for the greatest number. All this and more your federation had accomplished in the face of terrific opposition, ridicule, abuse, misrepresentation, and even persecution. But it succeeded. Today your federation is credited with the initiation and development of the program which has brought new vision, a new outlook, a new hope, a new spirit, a new confidence, and a new optimism not only to agriculture but to the entire Nation. The agricultural policy established by your federation now is the dominant policy of the Nation.

UNITY AND COOPERATION

Throughout the entire program upon which the American Farm Bureau Federation is built, and much of which it has translated into realities, runs this theme of economic equality, unity, and cooperation. It permeates the whole philosophy of the Agricultural Adjustment Act. It is the underlying theory of the whole philosophy of rural credit. It underlies the conception of the commodity or "honest dollar." It is the background for the beginnings in reciprocal trade treaties and tariffs. It underlies every equitable solution of the problem of taxation. The entire Public Works program is conceived in the spirit of economic equality and social justice. It is the foundation for the relationship between consumer equities and farm parities, which must be brought closer and closer until the distance between them is reduced to a minimum. It governs the relationship between exports and imports. It is the common meeting ground for processing taxes and protective tariffs. It was the basis for the equalization fee and export debenture measures, forerunners of the Agricultural Adjustment Act.

It is the governing motive back of our great program of conservation of all our natural resources. It is the primary motive behind our great program to bring city and country closer through adequate systems of country roads. It is the impelling motive on

which our national rural electrification program is based, through which a more attractive and satisfactory farm life will be created. This theme of equality permeates every effort by your federation to shorten the distance between producers and consumers of farm products, to the mutual advantage of both groups in reducing living costs. This is one of the equivalents in equality in distribution of income.

The contrast between the national policies of yesterday and today is as wide as the difference between day and night. Some of our leaders do not realize the changing times. The farm people do. Overnight, as it were, we have launched the greatest volunteer cooperative movement in modern history. Its genesis is a planned agriculture, a rebuilding of civilization. In it are involved our farms, our streams, our forests, our natural resources. It is a conservation program of a magnitude beyond the dreams of the past. It will earn us the tribute of future generations.

Organized agriculture has saved the day for the Nation. For its reward it asks no special privileges. But it insists that its policies shall be substituted permanently now for the policies which created the depression. Agriculture insists that the Nation's future policies shall no longer jeopardize the rights of citizens. The American Farm Bureau Federation, speaking for agriculture, demands the continuation of all mechanisms which will guarantee economic equality and social justice.

WHAT AGRICULTURE DEMANDS

To restore the purchasing power of the masses we demand the elimination of monopolies. We demand the abandonment of tariff subsidies for especially favored groups. We demand that subsidizing of various industrial and financial groups shall cease. We demand that the power given to the Nation's bankers to contract or expand the volume of money and credit and to lower or raise the value of money shall be rescinded. We demand the elimination of the colossal power of pyramided monopoly to regiment mankind. We demand the regulation of all corporations in the public interest. We ask industry, for its own good, as well as in the interest of public welfare, to accelerate its output at lower price levels so as to absorb unemployment. We demand the installation of a permanent program of social security to remove forever the hazards of life beyond the control of the individual.

If such policies bring us a finer and greater civilization; if their execution saves capitalism; if their adoption brings happiness, contentment, and satisfaction to humanity, the American Farm Bureau Federation is proud of having initiated them. No single project can complete the picture. No one group, acting alone, can attain the goal of the abundant life for all. Unity of action by agriculture, industry, labor, and finance is needed to complete the picture of a new day. Agriculture points the way. It challenges labor and industry to come with it. A program of selfish group imperialism can only lead to destruction. A program of cooperative group action will lead to national enhancement.

MOST GLORIOUS TASK

What a glorious task it is to rebuild and remake a Nation. What greater work can be conceived? Many can destroy. Few can build. In this task, to which you and I have dedicated ourselves, we are far above partisan levels, far above political levels. Political partisanship has no place in our ideals. No political party, no political program, no political candidate can turn thumbs down on our program, on your program, of economic equality and social justice.

The new philosophy of the future has more to do with human souls than with cattle and hogs. It deals more with human rights and human welfare than with crops, mortgages, and interest. It concerns itself more with human beings than with barns, milkhouses, farm machinery, bank buildings, factories, and the wheels of industry. Once upon a time the entire destiniy of American output in industry and agriculture was wrapped up in a spirit of competitive rugged individualism. One farmer's advantages were built upon his neighbor's disadvantages. The ability of a worker to get a job was measured by the number of men who were not successful. One farmer's happiness was built upon the distress of other farmers. Where one business man succeeded hundreds failed.

That day is gone, never to return. In its place has come a different philosophy, a different conception of life and living. Rugged individualism on an empty stomach or an unclothed back is a thing of the past. The rugged individualism which strangled agriculture, industry, and labor is gone forever. In its place has come a new type of cooperation, a cooperation based on economic equality or parity between economic groups. In the building of this cooperation organized agriculture has shown the way. Methods and machinery change from time to time. Principles go on forever. The principle of cooperation will never die.

IN HIS FOOTSTEPS

With those who do not join us in this new conception of a better life, we must be patient and tolerant, but as firm as tempered steel and as unyielding as the sands of time. There are still many who do not believe in our program, but their number is becoming less each day. Some do not believe because they do not wish to believe. Some are opposed for selfish reasons. Some are against us because they do not understand. But we are teachers. It is our job to explain kindly, to teach persuasively, to convert knowingly. Those are the methods of the greatest Teacher of them all.

God give us all strength to complete the great task we have started. We still have much to do before our program is securely built into the new home in which civilization is to live. Rome was not built in a day. The fallacies of years cannot be overthrown in the twinkling of an eye. But the goal to be achieved is so inspiring; the end to be attained is so worth while; the purpose to be accomplished is so significant that no man, no woman, can refrain from contributing to this task.

OUR HANDS ARE CLEAN

To this great work the green and gold army of the American Farm Bureau Federation is dedicated. Its weapons are not those of soldiers but those of educators and organizers. Its tactics are not those of destruction but of conservation. Its weapons are ballots not bullets. Its emblem is the plowshare and the pruning hook, not the sword and the spear. Its ideals are those of service, not of conquest. Its ranks are filled with men and women who fight for righteous causes, not for selfish ones. Its motto is the Golden Rule, not the black flag of piracy. Its molding influence will live long after the grasping purposes of military conquerors have been forgotten. The hands and conscience of the army of the American Farm Bureau Federation are clean. Its cause is right and just. In the words of our Master, "I am come that they might have life, and that they might have it more abundantly." To this cause and into its brotherhood and affiliated sisterhood the American Farm Bureau Federation invites every American farm family.

ADDRESS BY SECRETARY OF WAR DERN AT INAUGURATION OF PHILIPPINE GOVERNMENT

Mr. SHEPPARD. Mr. President, I present for publication in the RECORD the address delivered by Hon. George H. Dern, Secretary of War, on the occasion of the inauguration of the new Philippine government, at Manila, P. I., November 15, 1935.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Citizens of the Philippines, I have the distinguished honor to come to you as the representative of the President of the United States to participate in the ceremonies of this momentous occasion. We are about to establish and put into operation the government of the Commonwealth of the Philippines, as ordained by the Congress of the United States. This event is another landmark in your steady progress toward the fulfillment of your aspirations to be a completely independent sovereign nation—ultimately to be realized through the practical, cooperative efforts of two peoples imbued with the same ideals of liberty and self-government.

President Roosevelt asked me to say that his heart is with you on this historic day. A radiogram just received from him asks me to give you the following message:

"Please convey to President Quezon and the Filipino people on the occasion of the birth of the Commonwealth of the Philippines my sincere congratulations on this great forward step in the establishment of popular self-government, and express to them my confidence in their ability to carry out successfully the final steps in the accomplishment of their complete independence.

"FRANKLIN D. ROOSEVELT."

Thirty-seven years ago, through the fortunes of war, the Philippine Islands came under the flag of the United States. It was no premeditated aggression, and there was no thought of territorial aggrandizement.

Even before American occupation the Filipino people had started their struggle for freedom, with which Americans instinctively sympathized. What, then, was to be the attitude of the United States toward a dependency which it had so accidentally acquired? A policy of colonial expansion and exploitation was a departure from our national ideals, and therefore did not commend itself to the American people.

Our decision was soon made. Less than 2 years after American occupation, President McKinley's letter of instructions to the first Philippine Commission laid down these basic principles:

"In all the forms of government and administrative provisions which they are authorized to prescribe, the Commission should bear in mind that the government which they are establishing is designed, not for our satisfaction or for the expression of our theoretical views but for the happiness, peace, and prosperity of the people of the Philippine Islands * * *."

Later he declared:

"It is our purpose to establish in the Philippines a government suitable to the wants and conditions of the inhabitants and to prepare them for self-government and to give them self-government when they are ready for it, and as rapidly as they are ready for it."

That promise was made in good faith. In order that it might be creditably carried out it implied a period of training and preparation. Greedy exploitation was repugnant to our minds. We declared that the good of the dependency—not our own good—must be the first consideration—a new idea, perhaps, in colonial administration. We harked back to the spirit of 1776, and we conceded that the Filipinos had the same rights as we claimed when we were colonists of Great Britain. The question is sometimes asked: "Why does the United States give up so valuable a territorial possession as the Philippine Islands?" The answer is that the value of the islands to the United States does not enter into the calculation. We have proceeded in accordance

with the American conception of the fundamental right of peoples to govern themselves.

Having declared this unprecedented colonial policy, there arose the practical question of how and when it should be carried out. Through no fault of their own, the people of the Philippines had not been trained in the difficult art of self-government, and had never been given an opportunity to demonstrate their capacity to rule themselves. We had no means of knowing whether they had been disciplined, as Anglo-Saxons had been disciplined for centuries, to abide by the expressed will of the majority, however obnoxious that will might be to the minority. Stable popular government is impossible without majority rule.

Moreover, it was difficult for us to comprehend how popular government could be successful without popular education, which we Americans regard as the keystone of the arch of democracy. And so one of the first things we did was to send school teachers over here in large numbers, to establish a progressive educational system. And today universal education is the Philippine ideal as it is the American ideal.

Popular government was begun promptly and developed steadily. The election of municipal and provincial officials was the first step, soon to be followed by an elective lower house of the legislature and somewhat later by a completely elective legislature. And now we are taking the last step.

I need not trace the history of independence legislation. The Tydings-McDuffie Act, passed in 1934 and accepted by the Philippine Legislature, is the result of an earnest effort on the part of the Congress to meet the aims and aspirations of the Filipino people, so far as was consistent with harmonizing the various interests affected thereby. Its enactment is an expression of confidence by the Congress of the United States in the capacity of the Filipino people to carry out successfully the next and final steps in the program for the establishment of an independent Filipino nation.

The prescribed transition period of 10 years before complete independence becomes an accomplished fact seemed advisable and prudent in order to launch the Philippine Republic under the most favorable auspices. It provides adequate safeguards for the interests of both the American and the Filipino people. The problems that must be worked out in this period are vital and must be given the most careful and thorough consideration.

President Roosevelt, in his message to the Congress on March 2, 1934, said:

"* * * May I emphasize that while we desire to grant complete independence at the earliest proper moment, to effect this result without allowing sufficient time for necessary political and economic adjustments would be a definite injustice to the people of the Philippine Islands themselves little short of a denial of independence itself * * *."

The Independence Act is a broad grant to the Filipino people of local government. The enlarged powers granted under this act reside essentially in the people. The Commonwealth government is being organized in accordance with the provisions of your own Constitution, which goes into effect today, and which was formulated and drafted by delegates of your own selection. It is an enlightened, democratic document, and does great credit to the Filipino people. It contains a bill of rights expressing what the American people believe to be the basic principles of free government. Perhaps the greatest heritage that the United States has bequeathed to you is the bill of rights included in both the first and second organic acts of the Congress and carried over into your constitution.

You are about to witness the inauguration of the chief executive whom you have elected by popular vote; and all the agencies of local government will soon be functioning under the provisions of your constitution. Your president and vice president, the members of your supreme court, and the other island officials heretofore appointed by the President of the United States, will take office under the provisions of your own constitution and the laws of your own national assembly. Thus your local affairs pass to your own control, and you have the full responsibility of citizens of the Philippines, upon whose shoulders rests the mantle of government.

I may be pardoned an expression of pride and pleasure in the privilege of witnessing an event resulting from the cooperative efforts of two peoples situated on opposite sides of the globe, but laboring together to establish ultimately a new member of the family of independent nations. There is something unique and inspiring in the spectacle of two peoples voluntarily agreeing to dissolve the bands which unite them, and to go their separate ways; and yet that is the event to which we now eagerly look forward as the final consummation of the program for Philippine independence.

It is a source of satisfaction to the American people to know that the fiscal affairs of your Government are at this time, perhaps, at the best level in its history. Your finances are in excellent condition. Income for the past year exceeded expenditures. There is but a small public debt. Your governmental structure is supported by a prosperous and increasing commerce and by a thriving industry, backed by agricultural, mineral, and forest resources adequate for the maintenance of a high standard of living for all the people.

During my present visit I have been astonished by the fertility of your soil, the diversity and abundance of your crops, the wealth of your mines, the vastness of your forests, the excellence of your harbors, and, greater than all of these, the industry and virtue of your people. With such resources and with good government you should succeed.

With the present change in your government the office of Governor General is abolished. This exalted office has been filled by a long line of distinguished Americans, beginning with that illustrious statesman, William H. Taft, and ending with the able, efficient, and warm-hearted man who has served you during the past 2½ years, the Honorable Frank Murphy. In the discharge of his duties Governor General Murphy has made a record of which his fellow citizens at home are justly proud, and I know that you people of the Philippines honor and love him. I have no doubt that it is a great satisfaction to you that he now becomes the first United States High Commissioner to the Philippines and as such he will be the representative of American sovereignty and authority in your country.

While the American record in the Philippines is not ended, it is drawing to a close. As Secretary Root on one occasion said, "The country which exercises control over a colony is always itself on trial in the public opinion of mankind." We hope, of course, that the world will say of us that our work here has been well done. But especially we hope that you, the people of these islands, may continue to look with grateful appreciation upon the day that set this beautiful land under the sovereignty of the United States and to feel that our sojourn here has been a benediction to you. And I hope, too, that the people of the United States may forever feel a just pride and satisfaction in the monument thus built in your hearts. We shall continue to be united by the bands of comradeship and mutual good will.

I trust that the people of the United States will not forget to be grateful to the men and women who have reflected credit upon their native land by giving their talents, their energies, and their years to the service of their country and yours in this far-away territory.

I should be most unfair, people of the Philippines, if I did not point out that the main credit for the rapid evolution of your popular government is due to yourselves. You have been tried and not found wanting. You have had a passion for independence for many years, and with each new opportunity you have, in the most convincing manner, demonstrated your capacity to perform the varied and intricate tasks of government. In legislation you have shown vision, wisdom, fairness, and restraint, with a statesmanlike grasp of your problems. In administration the Governor General gives unstinted praise to his Filipino associates for their ability and integrity. In drafting your constitution you have shown a profound understanding of the fundamental principles of democracy, and you have produced a document remarkable for its impartial provisions in behalf of all the people. In the judiciary I wish to pay tribute to those distinguished Filipino jurists who, in cooperation with their American colleagues, have made your supreme court an everlasting credit to both the American and the Filipino people.

As Americans, therefore, we do not boast of what we have done here. Rather, we are gratified at having been given the rare privilege of cooperating with you in establishing a new democratic member of the family of nations in the western Pacific.

Mr. President, as generally affecting the affairs of the Filipino people, I feel that you have an exceptional opportunity to carry out the next steps of this vital program. The responsibility for the happiness and well-being of this people is entrusted to the new government under your leadership. President Roosevelt has faith in your devotion to democratic principles and in your ability and that of your colleagues to carry the program through in a manner well calculated to serve the interests of your people. I most cordially wish you every success in the administration of your high office.

And so, citizens of the Philippines, I congratulate you with all my heart upon the consummation of your desires. May your self-rule always be characterized by that enlightened justice which alone can make you a great nation. And may you always have reason to feel that the United States is interested in your welfare and is your true friend.

HISTORY AND DUTIES OF COMPTROLLER GENERAL'S OFFICE

Mr. LOGAN. Mr. President, the night of January 8, 1936, Col. O. R. McGuire, counsel for the Comptroller General of the United States, delivered an address before the Palaver Club, Washington, D. C., on the history and duties of that office. I ask unanimous consent to have the address printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE COMPTROLLER GENERAL OF THE UNITED STATES

The office of comptroller in governments is veiled in antiquity. It is said that in jurisprudence and the science of government, as in theology, all roads lead to ancient Rome. Polybius, the historian, writing some 100 years before the beginning of the Christian era, stated that the Roman Senate had first of all control of the public treasury and the power to regulate both the receipts and disbursements of public funds—a power which is generally exercised today by the legislative branches of all popular governments. Of course, the Roman Senate in those early days of world-wide domination could no more perform the vast amount of detailed work attending the receipts and disbursements of public funds than could the Congress of the United States today, when the functions of government in a great country have so largely increased, and so there existed in the Roman scheme of government an officer cor-

responding somewhat to the comptrollers in modern governmental systems.

In an address of October 9, 1935, before the Inquirendo Club, which is published in the November 1935 number of the Federal Bar Association Journal, I called attention to the long and bitter struggle between the Stuart Kings of England, on the one hand, and the House of Commons, on the other, with respect to the control over appropriated moneys. In substance, the Stuart Kings took the position that the function of the Parliament was to appropriate money for the use of their government, and that it was the responsibility of the King and his ministers to apply the money to any purpose they saw fit, regardless of the purposes stated in the appropriation acts. And for a long time the Kings of England were successful in their struggles with Parliament. Finally the House of Commons concluded that the ever-mounting burden of public debt, the waste, extravagance, and even fraud in the expenditure of public money were such that the King and his ministers could no longer be trusted to use the public money for the purposes stated in the appropriation acts without some check to see that they complied with the law, and in the so-called Subsidy Act of 1624 it was provided that the money therein appropriated should be in the custody of treasurers appointed by the Parliament, that the money should be expended by a council of war likewise so appointed, and that the accounts showing the expenditures should be examined and settled by a committee of the House of Commons or by its representatives appointed for that purpose.

In the proposed articles of government drawn up December 16, 1653, for the Cromwellian Commonwealth government, it was expressly provided that the yearly revenue should be paid into the public treasury and should be issued out for the uses as stated in the laws enacted by the legislative branch of the government. Out of the struggles of this period grew the accounting-control system of England, and it is not without interest to note that the Bill of Rights of 1689 specifically provided that it should be illegal for the Crown to expend public money in any other manner than authorized by Parliament.

Contemporaneously Englishmen were flocking to the shores of virgin America, driving the savage Indians to the hinterlands, establishing villages in America, and setting up forms of government to regulate their common affairs. In the Mayflower Compact of 1620, the Pilgrim Fathers agreed among themselves to render obedience to all just and equal laws enacted from time to time by them for the common good, with the result that during the course of more than 100 years we find that at the beginning of the Revolutionary War the Thirteen Colonies had severally established systems modeled closely on the English system of control in the legislative bodies over the safekeeping and expenditure of the public moneys.

These constitutional and statutory provisions adopted by the several Colonies have been collected by me in an article published in the January 1926 number of the Illinois Law Review. I cannot undertake to do more at this time than to state, generally, that it was settled in colonial America that no taxes could be levied or public moneys expended except pursuant to statute originating, in most instances, in the lower house of the respective legislative assemblies. Also, that these lower houses either had an auditor responsible to them to examine and audit the accounts of receipts and expenditure collected or made, as the case might be, by executive officers, or the work was performed by select committees appointed by the respective lower houses of the colonial governments.

With this background of history, it is easy to understand that the Congress, under the Articles of Confederation, found that patriotism is a cloak often worn by rascals and that the conclusion was reached to husband the meager resources of the Confederated Government by the establishment of an accounting system to examine and settle the accounts of the various disbursing officers of that government to see that the public money was expended in accordance with the ordinances, as the statutes of the Congress were then termed. This accounting system under the Articles of Confederation took final form in an ordinance of September 26, 1778, for the rearrangement of the Treasury, wherein it was provided that there should be a Comptroller, an Auditor, a Treasurer, and two Chambers of Accounts appointed by the Congress for a term of 1 year each.

The act of September 2, 1789 (1 Stat. 65), establishing the Treasury Department under the Constitution, provided—over the protest of James Madison, who was then a Member of Congress from Virginia—that the accounting officers of the United States should be bureau officials of the Treasury Department; that they should consist of a Comptroller, an Auditor, and a Treasurer, appointed from time to time by the President by and with the advice and consent of the Senate; that the Auditor should receive and examine all accounts subject to review as a matter of course by the Comptroller; and that the Treasurer should not honor warrants against appropriated funds unless the warrants be countersigned by the Comptroller.

This accounting system functioned from 1789 to March 3, 1817, when it was amended by a statute of that date (3 Stat. 366) to provide for four auditors and for two comptrollers. Subsequently, by a statute of July 2, 1836 (3 Stat. 80), there was added a fifth auditor and later a sixth auditor. The act of March 3, 1817, required the work of review of the settlements made by the auditors to be performed by the comptrollers, the said work being divided more or less arbitrarily between them. By an act of March 3, 1849 (9 Stat. 395), there was created a third comptroller, designated as Commissioner of Customs.

This system existed from March 3, 1817, to July 31, 1894, but such a slow-footed accounting system was wholly inadequate to the growth of the country and was investigated by the so-called Dockery Commission, with the result that there emerged the act of July 31, 1894 (28 Stat. 208), as a rider on an appropriation act, reorganizing the accounting system. The Customs Service had been reorganized by an act of 1890 and the third comptroller, known as Commissioner of Customs, was made an administrative official in the Customs Service and so remains today. The offices of the First and Second Comptroller of the Treasury were abolished, and also the reviews by the comptrollers as a matter of course of the settlements made by the six auditors. There was established in lieu of the offices of First and Second Comptrollers the office of Comptroller, reverting in this respect to the system as established in the Ordinance of 1778, and the original Treasury Act of September 2, 1789, with this difference: that the Comptroller did not revise the settlements of the six auditors except upon request of the claimant, a disbursing officer, whose accounts were involved, or the head of the department or independent establishment concerned.

The Comptroller retained the jurisdiction and responsibility vested in the Comptrollers throughout our history to countersign warrants debiting appropriations and crediting the accounts of disbursing officers on the books of the Treasurer and for any other withdrawals of public moneys from the appropriations. The requisitions of the heads of departments and establishments for warrants were routed through the office of the appropriate auditor, there being one for each of the principal departments of the Government, and one for the State Department and for the miscellaneous esablishments, boards, and commissions. The auditor made a report to the Comptroller as to the state of the disbursing account, and if it was in fair shape the Comptroller countersigned the warrant after it had been signed by the Secretary of the Treasury, placing funds to the credit of the particular disbursing officer and against which he was, and is, required to render his accounts at stated intervals, generally once a month.

In addition to the duties theretofore imposed by law on the Comptrollers of the Treasury, there was expressly provided in the act of July 31, 1894, that the Comptrollers, on the request of the head of department concerned or any disbursing officer should render a decision—termed "advance decisions"—as to whether any proposed expenditure was authorized by an existing appropriation. This decision, when rendered, was required to be followed in the audit and settlement of accounts containing the expenditure, and the procedure was in recognition of the practice which had developed over the course of years for the heads of departments and their subordinates responsible for the expenditure of public moneys to inquire in advance of expenditure whether the appropriation act authorized such an expenditure to be made; that is, whether the Comptroller would cause the appropriate auditor to credit the expenditure in the accounts of the disbursing officer.

The reorganization in 1894 of the accounting system did not go far enough. President Taft's Commission of Economy and Emciency wrestled with the problem and finally recommended that the accounting system be made independent of all the spending agencies of the Government, including the Treasury Department, which had become one of the greatest of such spending agencies during the course of years, and very largely because that Department long has been famous for the economy, efficiency, and integrity with which it discharges any duty imposed upon it including the construction of public buildings, running a fleet of Coast Guard vessels, public health service, etc. This report also recommended that the offices of the six auditors and Comptroller be combined into one office, so as to bring about a greater degree of uniformity in the settlement and adjustment of claims and accounts. After a period of years the recommendation with modifications was approved in the Budget and Accounting Act of June 10, 1921 (42 Stat. 23, 27).

I have pointed out in my articles in the January 1935 number of the Georgetown Law Journal and in the November 1935 number of the Federal Bar Association Journal that under the Constitution the Congress has unlimited control over the appropriation of public money for any purpose of general welfare which may commend itself to the elected representatives of the people. It is for the Congress, upon the recommendation of the President or his administrative officers, or otherwise, to state in the permanent law or in the appropriation acts the purposes for which such appropriations may be used by the administrative and executive officials of the United States and the procedure which they shall follow in obligating these funds; as, for instance, the utmost publicity in advertising and contracting on behalf of the United States—a procedure which I outlined in an article in the Georgetown Law Journal of 1930. These purposes may be as broad as the Congress may see fit or may be as strictly defined and hedged about as may commend themselves to that august body. Whether the appropriation be broad or restricted, and whether such appropriations are exempted from or made under the general provisions of permanent law applicable to the obligation and expenditure of such funds, it is, in my judgment, the responsibility of the Comptroller General of the United States to see that the spending agencies observe the mandates of the law, whatever those mandates may be.

By this I mean to say that the Comptroller General of the United States is not an executive or administrative official of the United States. It is no part of the function of the Comptroller General to decide for executive and administrative officials whether they shall have one employee or a dozen, one automobile or many automobiles, or otherwise, in their uses of the appropriations made by the Congress, so long as these officials stay within the ambit of the congressional grant of appropriations and make

the expenditures in accordance with the law. The question of policy; that is, the uses and the amount of public money which shall be appropriated for the many thousands of items of expenditure in the Federal Budget is a matter for the legislative branch of the Federal Government; and, as I have stated, the Congress may make this grant as restricted or unlimited as it may deem necessary or desirable.

However, since 1921 the Congress has authorized and directed the Comptroller General to submit to it either general or special reports from time to time as to any contracts entered into contrary to law and reports and recommendations as to needed statutes to secure greater efficiency or economy in the expenditure of public funds, and he is thus empowered to bring to the attention of the Congress any loopholes which may need plugging against waste, extravagance, or fraud in the expenditure of the public money. That is to say, if in daily and hourly contact with the enormous and far-flung expenditures of appropriated moneys, the Comptroller General may see that by an amendment of existing law or by the requirement of a different procedure in the obligating and expenditure of the money there may be obtained a greater measure of economy and efficiency, it is not only his privilege but it is his mandatory duty to bring the matter officially to the attention of the Congress or to the appropriate committee thereof with suggested legislation to effect the needed reform. Furthermore, the heads of the various administrative departments and establishments of the Government are almost without exception extremely jealous of the economy and efficiency with which there is conducted by subordinates the work of their particular departments and establishments. If some subordinate in Washington or in the four corners of the earth should fail to carry out the mandates of the Congress, it is generally sufficient to lay the matter before the head of the department or chief of establishment with the suggestion that there be corrected the erroneous or illegal procedure. In most instances such suggestions are promptly and vigorously adopted by the responsible administrative officials and made the rule for the future guidance of their subordinates.

The smooth and orderly operation of such procedure requires, of course, a great deal of tact and firmness with a sound knowledge of where accounting and control jurisdiction ends and administrative duties begin. The zone between them is a twilight one, and it is not to be overlooked, of course, that in theory—and, happily, largely in practice, especially in the older agencies of the Government with their trained personnel—the administrative officials are experts in their line, and it is a rare instance where they deliberately defy the will of the Congress as expressed in the law. In most instances where they do so the head of the department or establishment concerned will soon bring them to task if the matter is brought to his attention. My official experience leads me to the conclusion that the spending agencies are generally anxious to observe the requirements of the law in the expenditure of public moneys, but they sometimes have great administrative difficulty in finding out what are the requirements of the law and even more frequently in assembling the facts and presenting their problems so as to permit an accurate determination whether the particular proposed expenditure is within the terms of the appropriation sought to be charged and in accordance with the law. It would be a good thing if in this connection the principal fiscal officers of the departments and establishments could serve an apprenticeship of a few weeks each year as subordinates of the Comptroller General so that they could learn the work and be in a better position to advise their administrative superiors as to the routine procedure to be followed.

This is supposed to be a government of law. Of course, in a great administrative organization such as that of the United States Government, we sometimes run across administrative officials, generally subordinates, who think they know better than the Congress and the President what is best for the country, and that the appropriations should be expended in the discretion of such subordinates rather than in accordance with the restrictions and limitations and for the purposes stated in the statutes, or, for that matter, in regulations promulgated by the President and heads of departments for the guidance of their administrative subordinates. It is the primary function of the Comptroller General to see that such men and women are not successful in carrying out their will rather than the will stated by the legislative branch of the Government after long investigations, extended hearings, careful writing of the law, and with the composite knowledge of past practices which may have resulted in waste, extravagance, or, even worse, in the expenditure of public money, which is the aim of all right-thinking people to prevent at all hazards.

Aside from the examination of contracts and the auditing of accounts of disbursing officers, the office of the Comptroller General makes what are known as direct settlement of claims for and against the Government. These claims may arise for deficiencies in pay and allowances of persons working for the Government; they may arise under contracts where doubtful questions of law and fact are involved; or they may arise under special relief statutes. In all of such cases the function of the Comptroller General is to determine, first, whether the claim is one authorized to be paid from the appropriation, and, second, whether the claim is one in accordance with the general principles of law or specific statutes applicable thereto, or both. The settlement of such claims not only requires a thorough knowledge of the financial laws of the United States, prior decisions of the accounting officers, and applicable opinions of the courts, but a high order of judicial ability with an approach to the problem in particular cases absolutely devoid of prejudice. As I have above indicated, the Comptroller General, whoever he may be, is not, under our scheme of government, concerned with questions of policy in the making of appropriations, and it matters not whether he is in agreement with the purposes of particular appropriations or opposed to them; it is his duty to carry out the mandates of the Congress as expressed in the law. If administrative officials and claimants do not agree with the law as enacted by the Congress, they should take their complaints to the Congress, where they may be considered with a view to changing the law if that body should conclude that it is desirable to do so. After all, the legislative power of this Government—the Congress and the President—make the laws and may change them within, of course, the Constitution as it may exist from time to time. The Comptroller General may not amend either the Constitution or the law by interpreting them other than as they are written at the time he is required to interpret them in the discharge of his most responsible duty to the cause of "government of the people, by the people, and for the people."

SUPREME COURT A. A. A. DECISION—EDITORIALS BY VICTOR MURDOCK

Mr. McGILL. Mr. President, I ask unanimous consent to have printed in the RECORD two quite interesting and instructive editorials written by an outstanding and distinguished editor of the State of Kansas, the Honorable Victor Murdock, who formerly was a Member of Congress, and who was also at one time a member of the Federal Trade Commission, and who is now editor in chief of the Wichita Daily Eagle, published at Wichita, Kans., in which the recent decision of the Supreme Court of the United States holding the Agricultural Adjustment Act unconstitutional is discussed. One of these editorials appeared in the Wichita Eagle on January 7, 1936, and is entitled "After A. A. A. What?" The other appeared in that publication on January 8, 1936, and is entitled "The Critical Contest."

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Wichita (Kans.) Eagle, Jan. 7, 1936]

AFTER A. A. A. WHAT?

With yesterday's sweeping denial of the constitutionality of A. A. A. by a majority of the United States Supreme Court, the question of a substitute for A. A. A. becomes paramount, not only from a political angle but, what is more important, from the economic angle. The Court's negative included a reassertion of a State's sovereign right against Federal legislative invasion, denied the validity of the segregated processing tax, and barred the voluntary contract in its use as a measure of production control.

This cleans the slate for the presentation of an alternative plan which will come within the limitations now judicially defined anew.

That there is such alternative plan is a conviction which all serious-minded citizens will entertain in connection with their knowledge that agriculture, which is basic, fundamental, and paramount in the permanent well-being of this country, must be restored to an economic equity in this Republic. That equity was long left to chance and that plan did not work. It is an equity which must be effectuated. It is not going to happen just of itself.

Immediately the most common proposal for an alternative to A. A. A.—a change in the Constitution—will be to the fore. The chances are against successful resort to this method. There are political factors which make any modification of State sovereignty difficult and, if not impossible, then highly improbable. In any event it is slow.

Can a substitute for A. A. A., not merely for political purposes but for permanent economic restoration of agriculture, be found without slow constitutional change?

It has not been identified to date. But that does not mean it cannot be found and the most likely field for finding it now appears to be in the control within constitutional limits of export surpluses, with compensation to producers in remunerative prices domestically prevailing, and with increased compensation for production, and encouragement in the raising of those agricultural crops which this Nation now imports. The Nation has found tariff duties within the Constitution. It can find these other aids constitutional.

But wherever the country now turns to put agriculture economically back into the picture and whatever the substitute for A. A. A. is finally to be, the Nation has put its hand to the plow, and it cannot, either with justice or profit, turn back.

[From the Wichita (Kans.) Eagle, Jan. 8, 1936]

THE CRITICAL CONTEST

In the A. A. A. decision crisis, there is now one issue. It is fundamental, and not since this Republic was constitutionally created has any issue been more far-reaching. It involves the power of the Supreme Court over the prerogative of Congress to appropriate money. Can Congress now pay money to the farmers under A. A. A. contracts?

The Supreme Court A. A. A. decision says Congress cannot. Congress is now determined to do it. It will have not only the

sympathy but probably the outright support of the President if Congress continues in that determination.

In this contest two recent highly important expressions should be known and kept in mind. The first expression was made by the President last Friday night. It is this: "The carrying out of the laws of the land as enacted by the Congress requires protection until final adjudication by the highest tribunal of the land. The Congress has the right and can find the means to protect its own prerogatives." The second expression was made by Justice Stone, in his dissenting opinion on A. A. A. It is this: "The present act (A. A. A.) is held invalid, not for any want of power in Congress to lay such a tax to defray public expenditures, but because the use to which its proceeds are put is disapproved. The removal of unwise laws from the statute book appeal lies not to the courts but to the ballot and to the processes of democratic government."

Has the prerogative of appropriation in Congress any actual protection against the power of the Supreme Court? Has the Supreme Court the right to stay the hand of Congress in distributing public funds because it does not approve the distribution?

The issue is here clear-cut. It will be made even more so by the determination of Congress to appropriate money to pay the farmers under existing contracts.

The matter is of more moment than the money involved—of vastly more moment. It goes to the fundamentals of this form of government. And as Congress, which has surrendered so many of its prerogatives, is likely to fight for this one, and the Supreme Court is not likely to recede, the contest can be epoch-making.

THE NATIONAL GRANGE LEGISLATIVE PROGRAM

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address on the National Grange Legislative Program, delivered December 21, 1935, at Washington, D. C., by Fred Brenckman, Washington representative of the National Grange.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

At the Sixty-ninth Annual Convention of the National Grange, held at Sacramento, Calif., last month, a clean-cut and constructive program for American agriculture was adopted. Thirty-five States were represented by voting delegates, and, as usual, there was a large attendance. The oldest of our general farm organizations, the Grange, is composed of farm men and women from all parts of the country. From its inception it has been nonpartisan and has devoted its energies to fostering the interests of rural life and promoting the cause of good government. During the short space allotted to me I shall endeavor to briefly summarize for you the attitude of the Grange regarding some of the more important questions of national concern that were acted upon at our convention.

We are in accord with the views expressed by Mr. George N. Peek, the first speaker on our program today, with reference to the tariff and reciprocity. One of the chief planks in the tariff platform of the Grange is that so long as the protective system prevails, we demand the American market for the American farmer in the case of all commodities which can be advantageously produced in any part of our country. We already have a domestic surplus of practically every agricultural commodity on which tariff concessions have been made to Canada. Foreign imports cannot fail to add to these surpluses and depress the domestic price level of these commodities.

OUR MOST-FAVORED-NATION POLICY

One of the most unfortunate features of the whole situation is that while we receive some concessions from one country—Canada, as Mr. Peek has already pointed out—under the most-favored-nation clause, which in years gone by was written into trade treaties into which we entered with all the leading nations of the world, we must give these nations the same concessions we gave Canada, although they make no concessions to us. Unless these treaties, containing the most-favored-nation clause, can be abrogated or rescinded, the Grange demands the repeal of the Reciprocal Tariff Act of 1934, under which the Canadian pact was made.

The Grange is well aware that agriculture has long suffered under the inequalities of our tariff system. These inequalities operate to bring about a high-price level for protected industrial commodities and a lower price level for agricultural commodities. Seventy-five years ago Abraham Lincoln said that this country could not continue to exist half free and half slave. We are just as firmly convinced that this Nation cannot endure in an economic sense with two price levels, one a high price level for industrial commodities and the other a low price level for agricultural commodities.

In an effort to correct this disparity, Congress 2½ years ago enacted the Agricultural Adjustment Act. The declared purpose of this legislation is to give the farmer price parity with industry on the pre-war basis of 1909–14. The Grange heartily endorses the idea that the farmer should have price parity, which everyone must agree is but a matter of simple justice. If the Supreme Court should find the legislation which has been enacted in this connection unconstitutional, then it will be necessary to take other steps for agricultural equality that cannot be attacked on constitutional grounds.

So long as the Agricultural Adjustment Act remains in force, the Grange advocates:

1. A larger measure of farmer control and less bureaucratic methods of administration.

2. Further cooperation among farmers themselves, both in production and distribution.

3. Greater consideration should be given to the family-sized farm, rather than to encourage agricultural production on a purely commercial basis.

4. Greater privileges and opportunity should be given the tenant farmer.

5. The consumer's interest must be given larger consideration, to the end that consumption may increase rather than decrease.

It is well understood that the program developed under the Agricultural Adjustment Act was designed to meet a pressing emergency. The formulation of a permanent plan, based on sound economics and attuned to the fundamental traditions of Americanism, is a task with which we are still confronted.

CONTROL OF MONOPOLY

Our convention went on record as being strongly in favor of the more stringent control of monopoly. It is self-evident that the blessings of political liberty cannot be fully enjoyed under a system which permits monopolies and monopolistic practices to rob the people of the fruits of their toil, reducing them to a state of economic vassalage.

To all practical intents and purposes, the Sherman antitrust law has been suspended during recent years. Under the N. R. A., fortunately invalidated by the Supreme Court, we actually created several hundred trusts and monopolies and commissioned them to prey upon the people.

We look with particular disfavor upon the attempts which are being made to fasten a transportation monopoly upon the people of the country. The motor carriers' bill, passed at the last session, was the first step in this direction. It is our purpose to fight the water carriers' bill, which is still pending.

We demand that the Sherman antitrust law be enforced, and that it be clarified and strengthened so as to enable us to cope with present-day conditions.

We approve of the program of the administration for the prevention of soil erosion. The most precious inheritance we have received from the distant past is the fertile soil. Students of the subject tell us that for every pound of plant food that is used in the production of crops, 20 pounds are being washed down into the sea, or blown away by the winds, as in the case of the great dust storms that devastated large areas of the Middle West during the past few years.

MEASURES FOR SOCIAL SECURITY

In keeping with its traditions for constructive reform the Grange reaffirmed its stand in favor of workable measures for social security and old-age pensions on a contributory basis. The Grange does not look with favor upon any plan that would discourage thrift and personal effort during the productive years of life. In his message to Congress on this subject last winter, President Roosevelt wisely said:

"It is overwhelmingly important to avoid any danger of permanently discrediting a sound and necessary policy of Federal legislation for economic security by attempting to apply it on too ambitious a scale before actual experience has provided guidance for the permanently safe direction of such efforts. The place of such a fundamental in our future civilization is too precious to be jeopardized now by extravagant action."

It cannot be too strongly emphasized that there can be no such thing as personal or individual security that is not based upon national security. Any plan that would wreck the United States Government would certainly reduce us all to bankruptcy individually.

GRANGE ATTITUDE TOWARD CONSTITUTION

While the Grange does not look upon the Constitution of the United States as sacred, in the sense that it should not be changed in its minor details, and after mature consideration, we are firmly convinced that the checks and balances contained in the Constitution as between the legislative, executive, and judicial departments of the Government must be preserved. During the past 150 years the American people, under our present Constitution, have had a greater measure of liberty and prosperity than has ever before been enjoyed by any nation.

This explains why the convention of the National Grange expressed its abiding faith in the excellence and fundamental soundness of the basic law of the land. There are those who advocate that the Constitution should be amended in such a manner as to greatly expand the powers of the Federal Government in certain directions.

Recognizing the fact, however, that this could not be done without restricting in a corresponding degree the rights of States and of individuals, the Grange does not look with favor upon this proposal.

There are those also who would advocate that the Supreme Court should be deprived of the power to declare an act of Congress unconstitutional. To raise this point would make it appear that the Court had abused its powers in this connection. How far this is from the truth may be gathered from the statement that from the foundation of the Government down to the present time, Congress enacted approximately 24,000 public laws. Of this number only 59 have been declared unconstitutional by the Court.

CONGRESS AND THE SUPREME COURT

If ours is to remain a government of laws and not of men, the right of the Supreme Court to set aside acts of Congress that clearly violate the provisions of the Constitution must be preserved. Otherwise, to what agency could we turn to prevent a temporary majority from making a "scrap of paper" of the Constitution and destroying the liberties of the people? Again, it is not fair for Congress to enact legislation which common sense tells us is unconstitutional, and then have anyone attempt to place the blame upon the Supreme Court when it performs its sworn duty in passing upon such mongrel measures.

"But", someone may say, "what check is there on the Supreme Court? Is our Government to be ruled by a judicial oligarchy?"

The answer to this question is that the very first article of the Constitution makes provision for the impeachment of those who violate the trust reposed in them, and justices of the Supreme Court are not immune under this clause.

It is almost needless to say that the National Grange would vigorously oppose any attempt to deprive our highest judicial tribunal of a right which it has so sparingly and prudently exercised.

DEDICATION OF WILLIAM JOEL STONE MEMORIAL—ADDRESS BY SENATOR CLARK

Mr. TRUMAN. Mr. President, I ask unanimous consent to have inserted in the RECORD the address of my colleague [Mr. CLARK] at the dedication of the memorial to Hon. William Joel Stone, former Senator from Missouri, at Nevada, Mo., October 11, 1935.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The State of Missouri today somewhat tardily honors itself by honoring the memory of one of its greatest statesmen, one of its best beloved leaders, one of its best and bravest citizens, William Joel Stone, who served this Commonwealth with distinction and great ability as Representative in Congress and as Governor, and who as a Senator of the United States gallantly wrote his name among the immortals as a great American patriot by his efforts to keep this country out of war.

To my mind it is singularly appropriate that this memorial dedicated by his grateful fellow citizens to a great Missourian should be erected in Nevada. Here he came as a struggling young attorney. Here he first established himself. Here his shining talents and great force of character first won general public recognition. Here he was honored by his first public office, that of prosecuting attorney of Vernon County. Here he first evidenced those great gifts for organization and political leadership which to this day make him unique in Missouri history. From here by the favor of the citizens of this congressional district he went forth to take his place upon the stage of national affairs, which he occupied with ever-increasing importance from that day to the day of his death. From this town he later went forth to become the chief magistrate of the imperial State of Missouri. Here he was borne by his own desire and that of his family when loaded with age and honors he came back from Washington to sleep the long sleep in the soil of the adopted State which loved him so much and which he had served so honorably and so faithfully.

Senator Stone was one of that outstanding line of Missourians who were born in Kentucky. The influence of the "dark and bloody ground", as the Indians called Kentucky, upon the social and political life of Missouri from the days when Daniel Boone, dispossessed of his property in Kentucky, came to Missouri to establish a new home is an epic in itself. In our own time it was a circumstance worthy of note that Gov. David R. Francis, who preceded Senator Stone in the governorship, Senator Stone himself, and my father, his long-time friend and associate, were all born in adjoining counties in the same congressional district in Kentucky within a year or two of each other. I once heard Governor Francis, in presiding over a meeting at the Jefferson Memorial in St. Louis at which Senator Stone and my father were the principal speakers refer to that fact in his introductory remarks. When my father came to speak he said that it was entirely true that he and Senator Stone and Governor Francis had all been born in the same congressional district in Kentucky. And he added that he had no doubt whatever that in the years that the three of them had been occupying important positions in the public service in this State there had been many who had fervently wished that they had all three remained in the same congressional district in Kentucky.

Born in Madison County, Ky., Senator Stone came to Missouri as a youth and was a student and graduate of the University of Missouri. He early developed the capacity for making enduring friendships and the talent for leadership in public affairs which were to distinguish him so much in his later life.

After leaving the University of Missouri, for some unaccountable reason, he spent a year or two in Indiana, and then, with that common sense which so much became him, he returned to Missouri, which was to be the field of his great activities, and located at Nevada, in Vernon County.

I shall not take time on this occasion to recount his early struggles to establish a foothold here although, as one who loved him very deeply and very sincerely and who has indulged the hope that someday I might have the opportunity of writing a biography of him which would do justice to his memory, I have collected many reminiscences of those early trials. But there are men in this audience today who knew Senator Stone before I was born who know that story better than I possibly can.

In 1884, at the age of 36, he was sent to Congress from this district and entered upon that brilliant career of leadership which only terminated when he was brought back to be interred in the soil of his beloved State here in Nevada.

We look upon this splendid statue here today, an excellent likeness, graven by a skillful hand; but there are many present, old men who knew him in his youth, younger men like myself who were privileged to be his friends and followers in his later days, who know that the handiwork of no sculptor, however cunning, could fully express the Stone we knew. Like that other great son of Kentucky, Henry Clay, the vivacity of his expression, the infusion of his personality, the play of his emotions, which contributed so tremendously to his power in the court, on the stump or in the Senate, were things which could not be graven in marble or bronze. One had to see him in action to understand his power, but once seen the impression was never to be forgotten.

We who knew him and loved him will always remember his appearance and deportment more clearly than it can ever be expressed in words or in effigy, no matter how splendid. A man of kingly bearing, tall and spare as the thoroughbred horses of his native State but broad and strong for a long race; a person commanding and graceful; a face which gave play to his emotions; his eyes dark and lustrous, which were the reflection of his brave soul. He had that God-given quality of making men his friends and binding their souls to his with hooks stronger than those of steel. He was a leader of men.

He was one of the greatest Governors of Missouri. Perhaps no greater tribute could possibly be paid to his administration of that great office than to remark upon the fact that he was the only Governor of Missouri since the Civil War ever to be elected to any other office after the conclusion of his term as Governor. He retired from the governorship as the undisputed leader of his party's organization in the State. No one has ever questioned Senator Stone's preeminent talents as a political organizer and leader. My father, who had had some experience in such matters and was an acute observer, wrote him down in his own book of recollections as the greatest political general Missouri ever saw.

Today I wish to speak of him as the statesman he was rather than to emphasize those qualities of political management in which he was so adept. And yet, since politics, as we use the term is after all but the instrumentality of statesmanship, I think it not improper in paying tribute to his memory to briefly mention those attributes which contributed so largely to the political history of Missouri and of the United States.

Senator Stone possessed in the highest degree the qualifications for political leadership—the far-seeing sagacity, the penetrating judgment of men, the power to attract friends and bind them to him, the infinite patience necessary to harmonize differences between those who professing allegiance to the same principles and the same party might have allowed personal differences to jeopardize the common cause, the industry necessary for the performance of the multitudinous tasks of detail which go with the maintenance of a political organization or a successful organization of any sort.

From the time of his service in the House of Representatives in the late eighties he was recognized throughout the Nation as one of the greatest of the counselors and chieftains of his party. Twice he managed campaigns of fellow Missourians for the Presidency of the United States. Twice he stood in the forefront of the battle and gave unsparingly of his great talents and his great personal influence in the struggle to bring to Missouri the highest office in the world. Twice he saw his friend with the nomination of his party for that great office almost within his grasp and then saw it snatched away by the perfidy and treason of one man—the same in both instances. As the son of one of those men, I know that I say what my father would wish me to say—what he would say himself if he could be here to say it—when I voice the very deep appreciation and affection and gratitude which he felt and his wife and children will always feel to Senator Stone for the generous, invaluable, and unceasing support which he rendered in that great campaign. The friendship between them was never broken, and for years in prosperity or in adversity, through evil or through good report, they stood side by side for what they believed to be right.

Senator Stone was elected to the Senate of the United States in 1902 and immediately took front rank in that body. His wide experience as a Member of Congress, as Governor of Missouri, and as Democratic national committeeman, his vast acquaintanceship, his proven reputation for sagacity and leadership relieved him of the necessity of passing through that period of apprenticeship usually required of new Senators. And during the years of his service as a member of the minority in the Senate his stature and influence constantly increased. He could have been the titular as well as the actual leader of his party in the Senate had he so desired, but for reasons of his own declined the honor.

I shall not undertake today to describe in detail the record of his brilliant senatorial career. It is written in the legislative history of the country. As an effective legislator he has had few equals in the Congress.

And then came days to try men's souls, days when to cling to the dictates of sanity and patriotism, to resist the hysteria and the propaganda which was hurrying this Nation into the shambles of war was to incur ostracism and abuse and cries of treason from

those who sought to profit by plunging this country into war echoed by the deluded many who mistook hysteria for patriotism and propaganda for reason.

By a long course of unconscionable conduct on the part of some of the leading nations of the world, set off by the act of a fanatic, the world was plunged into the bloody chaos of the greatest conflict in history.

We know now that from the outbreak of the war in Europe insidious and persistent efforts were made on the part of both groups of belligerents to involve us in the struggle. Both were guilty of violating the neutral rights which we asserted. In this country propaganda on both sides ran riot. International bankers engaged in floating loans in this country for one group of belligerents exerted all the vast resources of their powerful financial connections to bring this country to the support of their clients' interests. Munition makers able to sell their wares only to the same group by reason of its control of the seas spent millions for propaganda to stir our people to the same purpose. Men seemed to lose their reason in the common madness of the hour. An American Ambassador, than whom better men have been hung for treason, actively aided the government to which he was accredited in the violation of the rights being asserted by our Government to the free navigation of the seas. An unofficial ambassador, holding no office whatever under our Constitution, roamed around Europe promising to commit our Nation to war in certain contingencies. But in all that time a little group of men high in positions of responsibility stood boldly forth in opposition to the policy of embarking this country in the war. At the head of this group stood that great Missourian, William J. Stone.

I would on no account wish to appear to do or say anything unseemly on this solemn occasion, and it may seem to some that even the mention of those controversial questions may fall within that category. But I have waited for nearly 20 years for an opportunity to do such justice as I am able to the memory of a great man for the course he then pursued. To my mind any discussion of his public career would be inadequate which did not pay tribute to his manly and patriotic course in that great crisis of our Nation's fate and of his own career. In my view, it was then that he reached the heights of statesmanship.

As chairman of the great Senate Committee on Foreign Relations, as one of the chief constitutional advisers of the President, as the most powerful single legislative influence on matters involving our international relations, Senator Stone from the beginning resolutely set his face against the course of permitting this Nation to be dragged into war to protect the profits of a few individuals. His course from first to last was thoroughly consistent. He clearly saw that the course being pursued of allowing our citizens as a mass to put their financial eggs in the nest of one set of combatants must inevitably lead us into the war if the war lasted long enough to drag us in. He supported this view with all the eloquence and force of which he was master. In one historic conference, at which my father and the leaders of the House and Senate were also present, he bitterly protested a course which he thought was likely to involve us in a war about which we had no concern.

I think I violate no confidence after all these years when I say on the highest authority that he received assurances on which he believed that he could absolutely rely that his fears were groundless and that there were no commitments on the part of our Government which could lead us into war. He participated actively and potently in the historic campaign of 1916 waged on the issue: "He kept us out of war." Six months later we were engaged with all our energies in the "war to end war" and to "make the world safe for democracy." What hollow mockery those slogans seem today!

In the winter of 1917, during the short session of the then-existing Congress, President Wilson suddenly sent to Congress a demand for the authorization of a so-called policy of armed-ship neutrality, which, in effect, meant that we were to permit the arming of our merchant vessels and actually to go to war without declaring war.

It was then that Senator Stone rose to his greatest heights. He fulfilled in the highest degree the best traditions of that long line of Missouri statesmen from the time of Benton down who in times of stress have adhered to their own convictions of their own responsibilities under their own oaths of office, refusing either to be seduced by the smiles of official favor or to be intimidated by the threats of mobs. He was adamant in his opposition to a course which he wisely considered could only lead us into war. He temporarily gave up his great position as chairman of the Foreign Relations Committee to bare his breast to the storm and stand as the leader of the "little group of willful men", as President Wilson denominated them, against the involvement of this country in war. The measure was defeated by the expiration of the Congress on the day of President Wilson's second inaugural.

Then a storm broke upon the head of that devoted few the like of which has seldom been seen in our history. Abuse of the scurviest sort was heaped upon them. Their motives were impugned, and those who were nearest and dearest to them were not spared the pangs of imputations of the lowest purposes for their high official acts. I know from intimate contact with Senator Stone and from daily conversations with him how deeply he felt the wounds which he realized were being inflicted upon his family and intimate friends by the storm of abuse which was whirling about his head. But he had done and was doing what he thought was right and what he believed to be his duty under his oath of office, and in him was no variation or shadow of turning.

It has always seemed to me the great paradox of the war madness which gripped us in 1917 that no considerable public comment was ever aroused by the public confession of President Wilson that he had been wrong on the armed-ship policy and that Stone, La Follette, Norris, and their associates had been right. With the failure of that measure in the Congress, the President obtained from the Attorney General a ruling to the effect that he did not need the sanction of legislation to put it into effect—and he proceeded to put it into effect without any act of Congress. Less than a month later he made a dramatic appearance to ask for a declaration of war. He tacitly admitted that the policy for which he had fought and for opposing which Senator Stone had been so viciously attacked had led to a ghastly condition, vastly more intolerable than war—which was precisely what the hard-beset little group which had opposed the measure had predicted. But in the general hysteria this admission was overlooked.

May I be pardoned for narrating a personal incident which has recurred to my mind thousands of times since the war. During the interval when the storm was at its height after the defeat of the armed-ships bill and before the declaration of war, I was in Senator Stone's office, as I was nearly every day during a period of several years. The question of this battle came up. I still cherish in my memory his expressions about it. I never loved or respected him so much as on that occasion—the last time in this life that I was privileged to have a long conversation with him. He made it perfectly plain to me that he was not insensible to the pain which the storm of abuse to which he was then being subjected would cause his family and friends, but that he had done what he believed to be right and had no apology to offer to any living human being for the course he had pursued. And then, walking across the room, he looked out the window and said: "Bennett, we are going to have a war. I am going to vote against it, but I am not foolish enough to think I can stop it. And it will be the worst thing that ever happened to this country. It is not the lives it will cost—although God knows that it is enough to break a man's heart to think of the flower of our youth being killed and maimed and blinded. Some of you won't come back, and some of you who do will wish they had not. And it is not the money it will cost, although your great-grandchildren, if you get back and have any, will not see the payment of that debt. The worst of it is that after we win the war—and we will win it because we are too big and powerful a nation not to win the struggle in the exhaustion of all the adversaries—after we win the war we will never have the same sort of country again we have always had." Across the years it seems to me that the voice of Senator Stone comes to me as though it were yesterday, the voice of prophecy which has been fulfilled.

Well, we had our war. We had our war with all the fanfare of trumpets, with all the blood and agony and misery and suffering. We had our war which left a debt which our great-grandchildren will not be able to pass off. The whole world has been passing through the fiery furnace of the aftermath of war. Brutal dictatorships are in the ascendant in nearly every land as a result of the war to make the world safe for democracy. Our own terrific economic depression is as completely a part of the war as the shells which were fired on the western front.

And across the years I still see the figure of that man looking out to the light, willing to sacrifice his own political life in a protest against these things coming into being.

He died as patriotically and as bravely for his country as any soldier who died in battle. We should cherish his memory.

Governor Park, on behalf of the Stone Memorial Commission, I present the monument of its honored citizen. I close as I began by saying that the State honors itself more than Senator Stone. His real memorial is in the hearts of the people for his great public services. For whether or not monuments of bronze and marble endure, William Joel Stone marches with the immortals.

TAXATION OF ESTATES

Mr. THOMAS of Utah. Mr. President, I ask that an editorial containing a letter written by Mr. Robert P. Scripps to Mr. G. B. Parker, and published in the Washington Daily News of January 10, 1936, be printed in the RECORD. The views of Mr. Scripps so nearly coincide with my own that I am greatly impressed by his argument. I was one of the conspicuous minority that voted against the high taxes on estates. This amazed many of my constituents, who, correctly, had never identified me with the big interests. My reasoning then was logical, and it is today. Estates seldom have a high percentage of cash in hand, and, unfortunately, that is all the Government is willing to take, thus forcing liquidation. It is not economical to break up going concerns in an attempt to collect an unwise tax. I hold no brief for scions of rich families and am willing to tax them on their inheritances; but I am unwilling to close a shop, stop the wheels of an industrial plant, or place a building on the auction block so that the devisee may raise money to pay his tax. There are, indeed, countries in which it is, in my opinion, absolutely necessary actually to break up great estates because so many of those estates have ceased to be used for productive purposes. In the United States, owing to the

extent of our land, estates in and of themselves have not become antisocial in their nature, and there is no real reason for their being broken up or liquidated; in fact, the reverse is true; it is better that they continue as going concerns in order to prevent a tendency toward economic stagnation. Mr. Scripps has offered the solution, and we may recover the tax without penalizing pay rolls and production.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News of Jan. 10, 1936]

A TAX-CREDIT PLAN

With a half billion dollars already looming up in the Federal tax picture, as a result of the A. A. A. decision, further tax legislation at the present session of Congress seems likely. Should the bonus pass, another vast sum must be raised. Therefore, despite the reluctance of Congress to deal with taxation in a campaign year, the problem begins to appear inescapable.

In this connection, as well as in connection with the job of raising the maximum amount of money under tax laws already existent, we believe the following letter from Robert P. Scripps, to be pertinent; that it states a problem which, could it be solved, would result automatically in a much improved state of health in the Federal Treasury. The letter:

Mr. G. B. PARKER,
Editor in Chief, the Scripps-Howard Newspapers,
Washington, D. C.

DEAR MR. PARKER: The thesis of this letter is that, regardless of how we come out of the depression, or who is elected this year, Government debts and probable future and continuing responsibilities are such that continued high Federal taxes are inevitable, and that at this time profitable discussion must be, not of how much we pay, but of how we pay it, and what with.

The chief point I wish to make is that conceivably most of the drag on business, industry, and finance that the contemplation of high taxes produces would be eliminated should the Government itself provide a guaranteed credit medium, on a long-term basis, for the payment of a large part of the Federal tax bill.

As an experienced payer of income, estate, and inheritance taxes, as well as controlling stockholder of these newspapers, perhaps it is about time that I go on record as still believing in the principles of visible, graduated, and ability-to-pay taxation which these levies represent. As you know, I have been executor and trustee for two large estates, the beneficiary of these estates, and the receiver of income calling for upper-bracket income-tax payments.

Without underwriting all or any present Federal Government expenditures, I am not objecting here to any of them. This country has faced—perhaps is still facing—an economic emergency. It is at least doubtful if any administration could have done a better or more economical job under the circumstances than has the present one.

Still, I do know that there would not be any business at all in this country did we not maintain a strong and active Government, able to meet just such relief and reconstruction emergency as that referred to, and that I would rather pay as large a part as possible of my share of maintaining it through these out-in-the-open personal income and estate taxes than through any other form of taxes that I know of—especially concealed ones like sales taxes, tariffs, corporation taxes, and special ones like taxes on tobacco, liquor, gasoline, etc.

The purpose of taxation ought to be to produce necessary revenues without hindering, crippling, or killing off business—the goose that lays the egg. This is something that our present laws do not exactly do.

After the death of E. W. Scripps in 1926 there was a good market for bonds, so that the financing of the obligations of his estate presented no great difficulty. However, as was proved in 1930, that was largely a matter of chance, and chance has no place in sound business or financing.

The fact is that profits, as the Treasury Department counts them, are frequently "paper", although tax claims against them are "cash on demand."

Estates consist of stocks, bonds, real estate, livestock, notes, or other items which fluctuate widely with the market, often regardless of intrinsic values. Tax claims against these are also "cash on demand", sometimes when cash is hardest to get.

One result is that credit is disturbed. Mergers, liquidations, changes of control and management take place. A great element of uncertainty is introduced into the conduct of businesses, both large and small.

Effectiveness and continuity of management of the going businesses in the control of which they function really represent a principal asset of most large, and therefore heavily taxable estates, and any tax-forced management change strikes directly at this asset. But beyond this, in every such case, there will be policy and employment changes affecting perhaps hundreds of thousands of workers and their families, so making this question a social as well as a merely fiscal or economic one.

To guard against this chaos, especially with respect to estate and inheritance taxes, many business leaders carry excessive cash or liquid reserves, instead of employing this capital in the development of their businesses and the employment of workers. These men are forced to create large personal fortunes, which they do not need, by the very tax laws which some feel should be the instruments for the wider distribution of wealth.

Other men, when tax liabilities loom suddenly, go to their commercial or investment bankers for funds—which may or may not be readily available. The bankers assume a sort of tax-farming function; sometimes they also assume an unwarranted control over enterprises built up without their aid.

As witnessed during recent depression years, some estates, normally sound, are forced into bankruptcy by the sudden imposition of tax liabilities, so that there is nothing left for the Government to collect on.

With respect to income taxes, it is not unusual for normally profitable transactions to be delayed, or abandoned altogether, because of the taxes involved. In the latter case, of course, the Government gets nothing.

What I want to stress is that in all of these cases it is not generally the amount of the tax itself that is discouraging, that holds up action, and that harasses responsible management, but the difficulty of financing payment in cash, or of absorbing into an otherwise reasonable balance sheet a new large Government "cash on demand" obligation.

What I would like to see thoroughly explored in our editorial columns, and indeed in Congress and the administration, is the possibility of our Government doing its own banking, extending its own credit to solvent income- and estate-tax payers. This could be accomplished through acceptance by the Government of long-term notes or other paper, payable in annual installments in the 15- to 25-year period that sellers and buyers of bonds are used to, at interest rates approximating those on industrial bonds.

If such taxpayers are really solvent, or if profits really exist, the Government could not over a long period lose anything, while Government income would be stabilized.

As stated above, the direct benefit would be that a large part of the uncertainty and financial "fear" element would be taken out of our national business operation.

Also, having faith in the essential patriotism of the majority of American business, industrial, and financial leaders, I believe that there would certainly be less apprehension of or opposition to reasonable Government expenditures—even emergency expenditures—simply because they seem large at the moment.

Sincerely,

ROBERT P. SCRIPPS.

WORK OF BUREAU OF MINES

Mr. DAVIS. Mr. President, Pennsylvania is the foremost mining State in the Union, producing annually in normal years nearly a billion dollars' worth of minerals, and the United States leads all the nations of the world in wealth of mineral resources. Because of this fact, and because from early youth I have had a part in the uses and development of these resources, I have a real interest in the welfare of the great mineral industries, and especially in the health and safety of the million or more men who work in and around the mines.

At the last session of Congress I addressed you regarding the mining industry, and again today I wish to invite your attention to the pressing needs of that important industry and of those who serve it. In my previous address I appealed to you in behalf of the Bureau of Mines, one of the most efficient organizations in the Federal Government, and one which has been given relatively small appropriations for its work, so vital to the well-being of the Nation. I am glad to say that later on the Congress gave the Bureau of Mines some much-deserved support, although, in my opinion, much more was needed.

Mr. President, it is strange that so few of us realize the magnitude of the mineral industries; that we have such a faint idea of the vital importance of the hundred or more commercial minerals produced in the United States. Without the unceasing supply of tremendous amounts of these minerals, our great Nation would languish and dwindle to a puny, poverty-stricken state. Light, heat, and power would no longer be at our command. Transportation in all its forms would slacken and stop. Means of communication, such as the telephone, telegraph, and radio, would no longer function. The wheels of industry would cease to whir; our luxuries, comforts, and very necessities would vanish; our civilization perish and decay.

Minerals are not only produced in every State but they are produced in 2,024 of the 3,071 counties of the United States, and in the remaining 1,047 counties the manufacturing industry depends widely upon the mineral supply. The population of the counties in which mining is the principal industry totaled more than 40,000,000 in 1930.

While about 1,700,000 men find employment in the mining industries, at least 25,000,000 people are directly or indirectly dependent upon the extraction and processing of mineral

products for their livelihood. In my State of Pennsylvania alone we have an army of some 400,000 miners.

Products of the mines and oil wells form about three-fourths of the tonnage and more than half of the revenue freight carried by the Nation's railroads. When you add the tremendous additional tonnage created from the outputs of smelters, refineries, lime, cement, and brick works, you begin to realize something of how much our vast transportation network depends upon minerals. An interesting thing right here is that in Pennsylvania the number of miles of track laid underground in the mines is greater than the mileage of railway tracks spread over the surface of the State.

Of the entire wealth of the United States, conservatively valued in 1932 at more than $163,000,000,000, between 60 and 70 percent had its origin in the mineral industries. Our average annual production of all minerals for 10 years before the depression was five and one-third billion dollars, and when these minerals are processed or fabricated into what every man, woman, and child in the United States must have, the value is multiplied several times.

Mr. President, here are just a few figures that literally take one's breath. Since the beginning of the nineteenth century our country has produced more than 1,000,000,000 ounces of gold, about 12,000,000,000 ounces of silver, 40,000,000,000 pounds of zinc, 100,000,000,000 pounds of copper, 136,000,000,000 pounds of lead. In the past 25 years, while the annual value of farm production increased 17 percent, the annual value of mineral production increased 77 percent. Truly, we live in the age of mineral utilization. And in the face of this situation, in which the Nation depends so absolutely on the production of the mines, the oil wells, and the quarries, we appropriate less funds for the work of the Bureau of Mines than we do for the study of insects and about the same as for narcotics or fish.

At a time when thousands of our citizens are being slain by speeding motor cars and other thousands are slaughtered as the result of various kinds of industrial accidents, the lifesaving activities of the Bureau of Mines offers a refreshing, a stimulating, an inspiring contrast. Mr. President, every year in the United States the hideous monster that we call "accident" disables nearly 10,000,000 people. If all this pain and anguish were concentrated in my own State of Pennsylvania, it would mean that every citizen in this, the second State in the Union, would be laid low. The Nation's annual accident toll concentrated in Pittsburgh would cripple for life half the people in that splendid metropolis or it would kill every person in the bustling city of Allentown.

Before the Bureau of Mines came into existence in 1910 all good Americans were horrified at the frequently occurring explosion disasters in our mines, and especially in our coal mines. An explosion occurred in the State of West Virginia in December 1907 which wiped out 361 lives at one quick stroke. Another explosion occurred in Pennsylvania 13 days later destroying 239 lives. In December 1909 the tragic mine fire at Cherry, Ill., killed 259 men. In fact, the main reason for the establishment of the Bureau of Mines was the public demand that the Federal Government do something to eliminate, or at least to reduce, these terrible disasters.

That the Bureau has done its work well in response to this demand is shown by the fact that in the 5-year period before the Bureau of Mines was established by Congress (1907 to 1911, inclusive) there were 82 major mine disasters with 2,662 fatalities in the production of about 2,355,000,000 tons of coal, while in the past 5 years (1930–34, inclusive) there were but 27 such disasters, fatalities being but 455, in the production of about 2,137,000,000 tons of coal. Thus the fatality rate per million tons of coal produced dropped more than 80 percent. In 1933 there was but 1 major coal-mine explosion disaster and it cost 7 lives; there was only 1 in 1934 with 17 deaths; and in 1935 there were only 2 with a total of 22 deaths.

Explosion disasters, lurid as they are, never have been responsible for more than 20 percent of our coal-mine fatalities, and, even without reference to the good work done in the prevention of explosion disasters, the Bureau of Mines has aided materially in attaining the approximately 50-per-cent reduction in fatal and nonfatal accidents in recent years. In the 5-year period, 1907–11, there were 13,806 fatal accidents in our coal mines, or an average of 2,761 annually, while during the past 5 years the total was 6,955, or 1,391 per year, a reduction of nearly 50 percent. The fatality rate per million tons of coal mined has been reduced by 45 percent. So it is evident that since the Bureau of Mines came into existence wonderful progress has been made in reducing accidents in our coal mines.

Mr. President, I shall take but a few minutes to mention certain methods developed by the Bureau in its highly successful campaign to make the miner's job a safer one. In many bituminous-coal mines there frequently occur accumulations of dangerous gases which, if ignited by sparks or flame, may cause an explosion that may spread to all parts of the mine and take a terrible toll of death and destruction. To lessen the danger of such disasters, the Bureau has developed a system of testing electric locomotives, coal-cutting machines, and other electrical equipment, and of approving as "explosion proof" only such types of machines as have passed these rigid safety tests. The "permissible" explosive, which produces only a short flame, has largely replaced the dangerous longer-flame black blasting powder. "Closed" electric lamps—or safety lamps in which the flame is surrounded by a fine wire gauze—are being used in increasing numbers.

Falls of mine roof cause half the accidental deaths in coal mines, picking the miners off singly or in groups of two or three, something like the sniper does in battle. Methods for lessening the danger from this cause have been devised by the Bureau.

Near Pittsburgh the Bureau of Mines owns an experimental mine, one of the most remarkable mines in the world, operated for the sole purpose of obtaining scientific facts to be used in making safer the lot of the coal miner. In this mine the Bureau has shown that accumulation of fine coal dust in mines may easily cause a terrible explosion; and it has shown further that a proper distribution of rock dust in the mine may prevent or limit such explosions. Just a few years ago an explosion that occurred in a large Illinois coal mine was limited by the use of rock dust to a small section, which undoubtedly saved the lives of some 1,200 miners then at work.

The Bureau of Mines, since its creation, has worked steadily at the training of the miner in first-aid methods, which may help him to save the life or limb of his fellow miner when accident befalls. The Bureau also trains the miner in mine rescue methods, showing him just how to explore a mine wrecked by fire or explosion with the least danger to himself and with the greatest assurance of rendering effective aid to his buddies trapped by the disaster. More than 900,000 miners have been trained effectively in first-aid and mine rescue methods and hundreds of lives have been saved as a direct result of this training. Soon there will be a legion of a million miners trained, not in the arts of war, but in the ways of mercy—men who are bent not on sending their fellow men to the hospital or the grave, but on helping them back to their wives and children in the little house on the hill. In peak years the Bureau trained more than 100,000 miners annually, but reductions in its funds have decreased the number trained annually to one-half.

Mr. President, in my former address I told you that in 1930 the Bureau had 11 mine rescue cars scattered through the various mining regions of the United States and Alaska, and reminded you that because of lack of funds only 2 of the 11 cars were in operation. I plead for an allotment of funds to restore to activity at least some of these cars. Later on the Senate agreed to give $27,000 to the Bureau for this work for the fiscal year 1935–36, but the item was stricken out in conference. In my opinion, this action was a mistake, as the mining industry needs these cars and needs them badly. Surely the United States can afford to spend $27,000 on an activity designed wholly for the protection of the lives and limbs of the men who work in our mines. My own State, which now has one of these cars doing wonderful work in the anthracite region, would like much to have at least two

or three more engaged in spreading health and safety information in the bituminous mining regions, where upward of 100,000 men are engaged in the dangerous work of producing coal for the benefit of you and me and of the people who are our constituents.

The Bureau's safety recommendations are being adopted by an increasing number of mine operators, and as a result many coal mines, metal mines, and quarries are producing large tonnages of material and are working for long periods of time without fatal accidents and even without accidents causing any lost time.

It has been estimated that, if the fatality rates noted during the years immediately preceding the Bureau's establishment had continued to prevail since that time, the number of lives lost during the last 24 years as the result of coal-mine disasters would have been at least 24,300 greater than the record shows. This reveals an annual saving of about 1,000 lives. Reduction in the number of fatal accidents is credited with the annual saving of an additional 1,000 lives, while an annual average of 50,000 nonfatal accidents in coal mines alone have been very largely prevented by the Bureau's vigilance and teachings. Unfortunately, even now more than 1,000 coal miners are being killed annually, so that the struggle for safety cannot be allowed to slacken.

With the accident rate from all causes mounting ever upward, the miner, working underground and exposed to many forms of danger, is safer than ever before; and I am confident that if the safety field workers of the Bureau of Mines, the men who actually put over safety ideas to our miners in their homes and at their working places, were sufficiently increased, the accidents at the mines could be reduced another 50 percent or more within a very few years.

Certainly, Mr. President, in view of these facts, it is no time to be niggardly with the Bureau of Mines. Certainly none of us would care to be in the slightest degree responsible for the occurrence of even one coal-mine disaster. Let us then give serious thought to these matters when the time comes to consider the appropriation of the comparatively small increase in funds which is required to restore the Bureau's safety activities to the basis on which it was formerly able to do such effective work for the cause of humanity. The additional funds given for the Bureau's safety work last year helped some, but it left the Federal Government with a woefully inadequate force to forward the health and safety of the legions who daily risk their lives in producing the minerals without which we could not live.

Splendidly rewarded as have been its efforts in saving the lives and safeguarding the health of the miners, it is not alone in this humanitarian field that the Bureau of Mines has accomplished great good. The products of agriculture are harvested and consumed, and the next season's planting will usually produce another crop of practically the same value. This, however, is not the case with minerals. Our coal, our iron, our oil and gas, once taken from the earth, cannot be renewed. The mineral resources of this country have required long ages for their accumulation, and of these resources we have but the one supply. In its fundamental research on the conservation of these irreplaceable mineral resources the work of the Bureau of Mines has been of the utmost value to the Nation.

In past years, notably before the establishment of the Bureau, wastes of our bounteous stores of mineral wealth, greater than the mineral resources of any other nation, were literally shocking. At one time probably a third of the coal was left in the mine in such condition that it could not be recovered in the future. Millions of dollars' worth of that valuable fuel, natural gas, were turned loose into the atmosphere. There were wastes in the mining of the essential metals, gold, silver, copper, lead, and zinc, and further wastes in the treatment of these ores. The tailings from gold mines, the slags from copper smelters, and the dumps from mines and manufactories were often literal monuments of waste.

This unpleasant picture of mineral waste has, however, been wonderfully brightened. The Bureau of Mines would be the last to claim all of the credit for the stimulation of research which has created millions upon millions of new wealth from the mineral discards of the past. But the Bureau has been a focal point around which the forces of scientific study and research have rallied. Men working patiently with test tube and retort in the laboratories of our universities and our great industrial enterprises have cooperated with the Bureau, have exchanged information with the Bureau's scientific workers, and the net result has been of almost inconceivable value to the Nation.

In the case of metal mining, this work includes studies of processes of ore treatment, with a view to reducing costs and increasing the percentage of mineral which may be recovered. It is only through such new knowledge that many of our important metal-mining districts have been able to continue operations in these recent years of low prices. In the Mississippi Valley lead and zinc mines the development of certain processes, actively fostered by the Bureau, has resulted in the recovery of millions of dollars worth of metals which formerly were not recovered. Many mines which otherwise would have been too low grade to work have, through these improved processes, been enabled to continue operations. Large piles of tailing from previous milling operations have been re-treated, and values recovered which otherwise would have been lost. Thousands of men have thus been given employment.

In the Rocky Mountain States the development of the process of selective flotation has made possible the mining of millions of tons of complex ores containing lead, zinc, copper, iron, and so forth, in which the minerals are so closely interlocked that it had not been possible to separate them into commercial products by previously known methods. The life of some of the important western mining districts, in which a shortage of commercial ore was becoming apparent, has thus been indefinitely prolonged.

Mr. President, the United States has long led the world in the production of oil and natural gas. The newspaper reader, scanning accounts of the opening of prolific new oil and gas fields, may fancy that the supply of these precious fuels will last forever. But these vast stores from Nature's storehouse, which required millions of years for their accumulation, can be dissipated in a few years if proper conservation measures are not employed. In past years wastes running into millions of dollars annually have occurred. Present wastes of natural gas have been estimated at a million dollars daily. Rich oil fields have been flooded by encroaching water, and huge reserves almost impossible to recover have been trapped underground.

The Bureau of Mines has resumed with greater vigor its studies relating to the prevention of wastes in the production of petroleum and natural gas.

The Bureau of Mines has made studies of numerous technical problems in fields and plants that are of vital importance to oil operators and refiners with the aim to eliminate waste, promote economic methods of controlling production, and determine more efficient ways of manufacturing and utilizing petroleum and natural gas. The operator has been shown how to win his battle against encroaching underground waters. Methods have been developed to prevent heavy evaporation losses from oil tanks and costly leaks from pipe lines. Wastes in refining processes have been stopped. All of these measures are reflected in direct benefits to the driver of the little family "flivver" and to the householder who heats his home with oil fuel or natural gas.

The value of our annual production of nonmetallic minerals—asbestos, asphalt, cement, clay, feldspar, gypsum, lime, mica, phosphate rock, salt, sulphur, talc, and so on—reaches huge figures. These nonmetallic minerals are of great importance. They insulate and safeguard energy, line our furnaces, form our crucibles, encase our spark plugs, form the bulk of industrial and commercial structures, and surface our roads and streets. They now create more new wealth each year than the metals and only slightly less than coal or petroleum.

In this field the Bureau of Mines has rendered great assistance in the development of native materials, which in many cases have displaced minerals imported from foreign countries. A notable example is the development of an



American potash industry. Until recently the American farmer depended on foreign monopolies for the potash needed to replenish the soil. As a result of a potash exploration program, conducted in New Mexico and Texas by the Bureau of Mines and the Geological Survey, huge reserves of potash-bearing salts were discovered and American potash is now being extensively mined and used.

Before the establishment of the Bureau of Mines little was known of the characteristics of the many different kinds of coal mined in more than 30 States. Guesswork, rather than sound scientific principle, figured largely in fuel-burning practice. Boilers were wasteful and coals specially adapted for certain uses were being used for entirely different purposes. Studies conducted by the Bureau of Mines fuel engineers have changed all this sort of thing. Thousands upon thousands of coals have been analyzed; they have been burned under boilers, coked, and briquetted; they have been tested for their gas-producing qualities. The Bureau has been a pioneer in the study of fuel combustion and the transmission of heat, and it has contributed greatly to a clearer knowledge of the combustion of coal and the designing of boiler furnaces. It is now possible to select the particular coal best adapted for any particular purpose, and this information has been of immeasurable benefit to the fuel consumer all the way from "dad" fretting with the little household furnace to the highly paid combustion engineer designing the great boiler plant generating thousands of horsepower.

Mr. President, business cannot function efficiently unless it keeps its books and knows the facts about its own doings. The Bureau collects and disseminates statistical data and studies the economics of production, distribution, conservation, and storage of the numerous essential minerals. Results of these studies are used widely by the mineral industries to keep in touch with market trends and to solve business problems.

The Bureau of Mines endeavors to bring the mineral buyer and seller together by distributing lists of possible buyers and sellers of merchantable minerals. It gives publicity to possible new uses for minerals and calls attention to inadequately utilized sources of minerals and to discoveries of any sort that promise to afford opportunity for larger or more profitable use of the Nation's natural resources.

Because of the seriousness of the national economic situation this phase of the Bureau's work has been reorganized and enlarged; it is now able to supply exhaustive figures and economic analyses, and it hopes to build up constructive suggestions that will help the several mineral industries in making their plans. It is realized that the rate of mineral output must be adjusted to the world's ability to consume, and the Bureau is building up a service that will give a world-wide picture of production and consumption capacity. A specialist has been stationed in Europe as a first step in studying what the mineral producers of the United States will have to expect from foreign competitors.

The Bureau of Mines, seriously crippled in the past by reduced appropriations, has been able in the present fiscal year, as the result of better recognition by Congress of its needs, to resume to some extent certain useful studies that had been suspended because of lack of funds. It has resumed studies designed to increase the safety of explosives used in mining. It is working on methods of making motor fuel from coal and lignite, looking forward to the time when, after the exhaustion of petroleum reserves, an oil-from-coal industry will be a national necessity. It is studying low-temperature coking of coal in the effort to find a solution for the smokeless-fuel problem and to find uses for byproduct oils and tars. It is conducting further studies to determine the characteristics of the different coals, whether they are suitable for making gas or coke, and what chemicals can be derived from them.

Vast hydroelectric power developments at Boulder Dam, Muscle Shoals, and other Federal projects emphasize the need for possible outlets for surplus power. The Bureau is studying the possibilities for employing this power in utilizing mineral deposits.

The Bureau of Mines has again taken up studies relating to the health of miners, dust diseases, effects of gases, high humidity, and temperatures.

Mr. President, with the limited time available it has been possible to tell in only the most general way something of the magnitude of the Nation's mineral industries, of the enormous wealth drawn from the mines, of the millions of people who owe their livelihood to mineral products, and of that branch of the Federal Government which serves the mineral industries. I hope that I may have been able to present a few facts worthy of serious thought when the time comes to consider appropriations for the United States Bureau of Mines.

WAR DEBTS, DISARMAMENT, CURRENCY STABILIZATION, AND WORLD TRADE

The VICE PRESIDENT. Resolutions coming over from a previous day are in order.

The Chief Clerk proceeded to read the resolution (S. Res. 141) submitted by Mr. TYDINGS on May 21, 1935, favoring conferences with foreign governments on war debts and certain other international matters.

Mr. ROBINSON. Let the resolution go over.

The VICE PRESIDENT. The resolution will be passed over.

INDUSTRY AND BUSINESS COMMITTEE FOR N. R. A.

The Chief Clerk proceeded to read the resolution (S. Res. 142) submitted by Mr. NYE on May 21, 1935, making inquiry as to whether members of the industry and business committee for N. R. A. extension are, or have been, officials or employees of the National Recovery Administration or of code authorities.

Mr. NYE. Mr. President, as the author of this resolution I ask for its indefinite postponement.

The VICE PRESIDENT. Without objection, the resolution will be indefinitely postponed.

APPOINTMENT AND CONFIRMATION OF CERTAIN FEDERAL EMPLOYEES

The Chief Clerk proceeded to read the resolution (S. Res. 152) submitted by Mr. GORE on June 15, 1935, calling on the Comptroller General for information concerning appointees or employees of the Government receiving compensation at the rate of $4,000 per annum or more.

Mr. ROBINSON. Mr. President, I think this resolution should also go over, and I so request.

The VICE PRESIDENT. Without objection, the resolution will go over.

CONSTITUTIONALITY OF BITUMINOUS-COAL CONSERVATION BILL

The Chief Clerk proceeded to read the resolution (S. Res. 167) calling upon the Attorney General for an opinion with respect to the constitutionality of H. R. 8479, the Bituminous Coal Conservation Act of 1935, submitted by Mr. BYRD on July 9, 1935.

Mr. ROBINSON. Mr. President, since this resolution was introduced the bill to which it relates has been disposed of. It is not the practice of the Senate or of the other branch of Congress to ask opinions of the Attorney General concerning legislation that is pending. I ask that the resolution be referred to the Committee on the Judiciary.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

ESTABLISHMENT OF AIR CORPS TECHNICAL SCHOOL

The VICE PRESIDENT. The calendar is in order.

Mr. ROBINSON. Mr. President, a special order has been set for today, Senate bill 3398, a bill to establish the Air Corps Technical School and to acquire certain land in the State of Colorado for use as a site for said Air Corps Technical School and as an aerial gunnery and bombing range for the Army Air Corps.

I am informed by the senior Senator from Illinois [Mr. LEWIS] that the junior Senator from Illinois [Mr. DIETERICH] is ill and unable to be in attendance on the Senate today. It is satisfactory to the senior Senator from Colorado [Mr. COSTIGAN] and the junior Senator from Colorado [Mr. ADAMS]—and, indeed, I make this suggestion at their

request—that I ask unanimous consent that the special order go over to the next legislative day, and I submit the request.

The VICE PRESIDENT. Is there objection?

Mr. LEWIS. Mr. President, I feel that it is only fair to say that, in addition to the courtesy suggested by the able leader on this side, I have made the statement that nothing was to be done today regarding the special order, and that whatever was done, it should be construed as not at all interfering with the status of the measure within the special order. I join in the request that the matter may go over until my colleague can reach the Senate.

Mr. COSTIGAN. Mr. President, it should perhaps be stated to the Senate that last August, shortly before the close of the session, the bill mentioned by the able Senator from Arkansas [Mr. ROBINSON] was made a special order of the Senate for the third day of the present session. By unanimous consent its consideration has been twice continued for the convenience and by request of the Senators from Illinois. We have no objection to their present new request for further continuance under the conditions specified. I wish merely to indicate our readiness to do what is proper at this time to facilitate the prompt consideration of the measure; also the wish of the Senators who are sponsors for the bill to proceed to a vote. It is my understanding that the effect of today's unanimous-consent request, if approved, will be to bring the bill before the Senate at the earliest practicable moment in accordance with the intent of the special order when originally made by unanimous consent.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and it is so ordered.

CONSIDERATION OF THE CALENDAR ON THURSDAY

Mr. ROBINSON. Mr. President, I desire to submit a request for unanimous consent, and I ask the attention of the Senator from Oregon [Mr. MCNARY].

I ask unanimous consent that the call of the calendar under the present order be dispensed with, and that on Thursday morning next, after the conclusion of the morning business, the Senate proceed to the call of unobjected bills on the calendar.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

Mr. GORE. Mr. President, I move that the Senate proceed to the immediate consideration of the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

Mr. ROBINSON. Mr. President, the Senator from New York [Mr. COPELAND] has indicated his interest in this bill; and with a view to obtaining his presence, I shall suggest the absence of a quorum pending the motion of the Senator from Oklahoma.

The VICE PRESIDENT. The Chair would like to state the rule as he understands it, although he is not quite certain about it. If the motion of the Senator from Oklahoma should prevail, it would displace the order just made by the Senate with reference to the bill in which the Senators from Colorado and Illinois are interested.

Mr. ROBINSON. No; it would not.

Mr. MCNARY. That is a special order and will take its place following the unfinished business.

The VICE PRESIDENT. Certainly it would take its place following the bill just referred to, but this bill would have to be disposed of.

Mr. ROBINSON. But the special order has been postponed until another day, and the Senator from Oklahoma has been seeking to get consideration of his bill for several weeks. During the last session he attempted to bring it forward, and there was difficulty in finding opportunity. My thought is that we should proceed to the consideration of the bill; that the opportunity should be afforded the Senator from Oklahoma to have the bill taken up. The special order has been postponed, and there is now nothing before the Senate.

Mr. MCNARY. Mr. President, of course I do not desire to impede the progress of this session of the Congress. The bill in question has come up very unexpectedly. No notice has been given of the pending motion. I desire to ask the Senator from Oklahoma if the consideration of the bill would lead to any controversy? Is there any particular opposition to the bill? Is it controversial in character?

Mr. GORE. I think it will lead to some controversy. The bill relates to the Panama Canal tolls, and there is some controversy in connection with its passage. The passage of the bill will be resisted by some of the shipping concerns of the country, and I think one or two Senators desire to be heard. Of course, every opportunity will be afforded Senators to present their views on the subject.

Mr. MCNARY. That being the case, the Senator from Oklahoma would not hope to dispose of the bill today?

Mr. GORE. I should not think so; no, sir.

Mr. MCNARY. Is it the desire of the Senator to proceed to the consideration of the bill today?

Mr. GORE. Yes. The Senators who are opposed to the bill are familiar with its terms and its objects.

Mr. ROBINSON. Mr. President, I have no objection to the motion being put; but I shall then suggest the absence of a quorum in order that Senators who are interested in the bill may have an opportunity to be present.

Mr. MCNARY. Mr. President, I have not quite concluded.

Mr. ROBINSON. I beg the Senator's pardon.

Mr. MCNARY. I am advised that there are two or three Members on the Republican side of the Chamber who are opposed to the legislation, or at least will offer some amendments to the bill. Those Members are not present. They may appear on the quorum call. However, I should oppose final disposition of the matter today, because we have had no notice that it was to be taken up.

Mr. GORE. Mr. President, I think there would be no possibility of final passage of the bill today.

Mr. MCNARY. I think it would be eminently fair if we should proceed for a certain length of time in the discussion of the bill and then adjourn until another day.

Mr. ROBINSON. Mr. President, I suggest to the Senator from Oregon that the Senator from Oklahoma indicated that in his opinion the bill cannot be completed today. My suggestion is that when the Senate shall have proceeded with the matter, and the true situation respecting it shall have developed, we can then make an arrangement about it.

Mr. MCNARY. Very well. That is fair.

Mr. ROBINSON. There is no disposition on the part of the Senator from Oklahoma to press for immediate action on the bill. His desire is to secure consideration of the bill, and a reasonably prompt determination of it.

Mr. MCNARY. I am satisfied with that fair attitude on the part of the Senator from Oklahoma. I only suggested that we not proceed with impetuosity, but let the final consideration of the bill be had when there are some Members present who are now absent, Members who probably would be here had they had notice that the motion now pending would be made.

Personally I have no objection to the bill being made the unfinished business under the motion, but I do desire to have a clear understanding that the Senate will not proceed to a final conclusion of the bill today, and that we may have opportunity at a future time further to consider it.

Mr. COPELAND. Mr. President, I was absent from the Chamber temporarily when this question arose. May I ask what the pending motion is?

The VICE PRESIDENT. The Senator from Oklahoma [Mr. GORE] has moved that the Senate proceed to the consideration of Senate bill 2288, to provide for the measurement of vessels using the Panama Canal, and for other purposes.

Mr. COPELAND. Mr. President, if I may be permitted a word, let me say that the bill is not new. It has been presented several times to the Senate during the years I have been here. I served on a subcommittee of the Committee on Commerce which considered the bill some years ago, and the Committee on Commerce decided against the measure.

It is my conviction that the bill is not in the public interest. I have said so on every occasion when the measure has been discussed, and I now repeat the statement.

When the bill was presented to the Senate it was referred to the Committee on Interoceanic Canals—a committee which, as I understand, has to do with the material, construction, and repairs of the Canal and other matters relating to the Canal itself. This particular bill relates to tolls, the tax upon vessels which are sent through the Canal. It is a matter which has to do with shipping. For that reason, when the question of reference arose, I made a vigorous protest that the bill ought not to have been referred to the Committee on Interoceanic Canals. It was then agreed that there should be a joint hearing between the Commerce Committee and the Committee on Interoceanic Canals. Without any reference to the sentiment of the Commerce Committee, the bill was reported to the calendar. I think I am right in saying that the bill, having been studied by the Committee on Commerce and its defects pointed out, ought not to become a law.

Now the question arises as to whether or not, under these circumstances, the bill should be considered at this time. I still believe it is a measure which should receive the attention of the Commerce Committee before it is brought formally before the Senate. I hesitate to say these things because of my love and respect for the chairman of the Committee on Interoceanic Canals; but I feel that it is a waste of the time of the Senate to discuss the matter, because, in my view, it is not in the public interest that the bill should be passed.

For a long time there has been a conviction on the part of the Governor of the Canal Zone, or somebody in authority there, that a new system of measurement ought to be applied. It would result in a material increase in the cost of operating American ships. There are abundant arguments against the bill. I understand that in the Committee on Interoceanic Canals itself there was a minority report on the bill. Now the question is whether or not it is right, at this particular period of the session of Congress, to take time to consider this measure. Personally, I think it ought not to be considered now. Certainly it ought not to be considered until the Commerce Committee shall have had an opportunity to consider the subject on its merits and to make a report on the bill.

The VICE PRESIDENT. The question is on the motion of the Senator from Oklahoma [Mr. GORE].

Mr. McNARY. Mr. President, I desire a more thorough understanding with the Senator from Oklahoma that he will not proceed with the bill to final conclusion today. Then I should not object to making it the unfinished business.

Mr. GORE. Mr. President, I think there would be no possibility of completing the consideration of the bill today. As indicated by the Senator from New York [Mr. COPELAND], he has been for many years unfavorable to the proposed legislation. There are two Senators that I know of on the other side of the Chamber—the Senator from Maine [Mr. WHITE] and the Senator from New Jersey [Mr. BARBOUR]—who share the views of the Senator from New York. However, this proposed legislation has been pending in one or the other branches of Congress for more than 20 years. Beginning, I believe, with President Wilson, it has been recommended by every President since his administration. It has been recommended by every Secretary of War since the completion of the Canal and the ruling which created the anomalous and chaotic condition which the proposed legislation is designed to correct. It has been favored, I believe, by every Governor of the Canal Zone since the ruling of the Attorney General which precipitated this confused situation.

I hold in my hand a letter from the President, addressed to me within the last few days, requesting that this measure be taken up and enacted into law. This bill relates to a dual system of measuring vessels which transit the Canal.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. ROBINSON. I think the more orderly procedure is first to take up the bill, and then to discuss it. I understand the Senator from Oregon has merely requested assurance that the bill shall not be sent to a final vote today.

Mr. McNARY. Yes.

Mr. ROBINSON. The Senator from Oklahoma says he does not anticipate that it shall be voted on today.

Mr. GORE. There are Senators who desire to be heard and will be afforded every opportunity to be heard.

Mr. McNARY. Mr. President, that is not a direct answer. It is possible that speeches directed to the measure will not be concluded today; but I desire definite assurance that final action shall not be taken today. If the Senator so desires, it is easy for him to give me that assurance. I am willing to go forward with the consideration of the bill, but I do not want it to be concluded today.

Mr. ROBINSON. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of the bill, and that final disposition of the bill be not taken on this day.

The VICE PRESIDENT. Is there objection?

Mr. COPELAND. Mr. President, I did not hear the latter part of the request.

The VICE PRESIDENT. The Senator from Arkansas asks unanimous consent that the Senate proceed to the consideration of the bill, but that the Senate not conclude its deliberations on the bill today. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes, which was read, as follows:

Be it enacted, etc., That section 412 of title 2 of the Canal Zone Code, approved June 19, 1934, is hereby amended to read as follows:

"Tolls on merchant vessels, Army and Navy transports, colliers, hospital ships, supply ships, and yachts shall be based on net vessel-tons of 100 cubic feet each of actual earning capacity, determined in accordance with the 'Rules for the measurement of vessels for the Panama Canal' prescribed by proclamation of the President, November 21, 1913, and as may be amended from time to time by order of the President, and shall not exceed $1 per net vessel-ton so determined, nor be less than 60 cents per net vessel-ton so determined, on laden vessels, and on vessels in ballast without passengers or cargo shall be less than the rate of tolls for vessels with passengers or cargo: *Provided*, That tolls shall not be levied on a deck load, which is defined, for the purposes of this act, as cargo situated in a space which is at all times exposed to the weather and the sea and which space is not included in the net tonnage determined under the said 'Rules for the measurement of vessels for the Panama Canal', except on tonnage of such deck loads which is in excess of 20 percent of the net tonnage of a vessel so determined.

"Tolls on other floating craft shall be levied on displacement tonnage at rates to be prescribed by the President. In addition to the tolls based on measurement or displacement tonnage, tolls may be levied on passengers at rates prescribed by the President but not to exceed $1.50 for each passenger. The levy of tolls is subject to the provisions of article XIX of the convention between the United States of America and the Republic of Panama, entered into November 18, 1903, and of article I of the treaty between the United States of America and the Republic of Colombia, proclaimed March 30, 1922."

SEC. 2. The President is authorized to appoint a special committee of three members, to serve for not more than 6 months, for the purpose of making a study and investigation of the rules for the measurement of vessels using the Panama Canal and the tolls that should be charged therefor and holding hearings thereon at which interested parties shall have full opportunity to present their views. Such committee shall report to the President upon said matters prior to January 1, 1936, and shall make such advisory recommendations of changes and modifications of the Rules for the Measurement of Vessels for the Panama Canal as they find necessary or desirable to provide a practical, just, and equitable system of measuring such vessels and levying such tolls. Members of such committee shall be paid compensation at the rate of $825 per month, except that a member who is an officer or employee of the United States shall receive no compensation in addition to his compensation as such officer or employee. Such committee is authorized to appoint such employees as may be necessary for the execution of its functions under this act.

SEC. 3. This act shall take effect on the date of its enactment, except that section 1 shall take effect on September 1, 1936.

Mr. GORE. Mr. President, as I was saying a moment ago, there are two systems for the measurement of vessels transiting a canal; we have two such systems of rules in the United States. One is known as the United States registry rules; the other is known as the Panama Canal rules of measurement. The latter system was developed soon after the Panama Canal was completed. The rules were drafted and formulated by Dr. Emory R. Johnson, an expert on this subject, who devoted several years to a

thorough investigation of different systems of measuring vessels transiting canals. A voluminous report was submitted on the subject. The President formulated the Panama Canal rules of measurement based on the Johnson report. They went into effect.

In addition to that, we have what is known as the United States registry rules of measurement. Those rules have a long history. They evolved out of this circumstance: As a matter of comity, each commercial nation, for purposes of harbor dues and port charges, accepts the measurement of tonnage of vessels of other nations as determined by their own registry. When a registered American vessel enters the port of Liverpool the measurement of its tonnage, as fixed by our rules, is accepted as final by the port authorities in Liverpool. When an English vessel enters the port of New York the English rules of measurement and tonnage are accepted, as a matter of comity, by the port authorities in New York.

The result of that system has been that each country has endeavored by its rules of measurement to reduce the registered tonnage of its vessels in order to lessen the port charges and harbor dues when the vessels enter foreign ports. That has been the main objective and consideration which from time to time has resulted in the reduction of the tonnage of vessels registered in various countries. For instance, within the last few years the Commissioner of Navigation has made changes in the United States rules of measurement which enable American vessels to pay reduced charges when they enter foreign ports. That system of rules or that consideration designed to reduce port charges in foreign ports did not control in formulating the rules of measurement for the Panama Canal. The Panama Canal system of measurement is based on the cargo-carrying capacity of the ships; the Panama Canal rules are based on the earning capacity of the ships transiting the Canal; which is a proper standard when tolls are to be imposed on vessels passing through the Canal.

I can cite one instance which is not typical. It is extreme, but yet it points the result. An English ship, known as the *Empress of Britain*, when it transits the Suez Canal pays tolls of approximately $29,443 per transit. When that vessel transits the Panama Canal it pays $18,941.25 toll charges. One reason for that great disparity is the fact that, under United States registry rules, a deck which provides passenger facilities is exempt. This ship, one of the stateliest that sail the seas, has one recreation deck. It had a cloakroom on that deck for the accommodation of passengers. The owners of the ship converted that cloakroom into a so-called cabin, put a bed or a couch in that room, and by that simple device lifted that entire deck out of the Panama Canal rules, because it brought that deck under the United States registry rules.

As I indicated a moment ago, this confusion—this dual system—resulted from a decision of the Attorney General of the United States some 20 years ago, holding that the act of Congress was based on the Emory Johnson report, which I have already mentioned. Congress passed a law authorizing the President to promulgate a system of rules of measurement and toll charges for the Panama Canal, but the act of Congress used the words "net registered tons"; and the Attorney General held, as a result of that language, that in case of conflict the United States registry rules controlled. As a result, a number of devices may be employed, which I shall instance before this debate shall have been concluded. Let me illustrate now: When an opening is placed in the weather deck of a vessel and is then covered the deck below is lifted out of the requirement to pay tolls. That is due to United States rules of registry. Fourteen Japanese vessels constructed last year, and transiting the Canal for the first time last year, by this simple device have reduced the toll charges which they are required to pay some 30 percent. Thus, the tolls which are imposed and charged are made subject largely to the arbitrary will—and I will say, not offensively, the selfish interests—of the owners of vessels by simply making a hole or a tonnage opening in the weather deck not less than 4 by 18 feet, I believe. The deck below is relieved of the requirement to pay tolls. The old Japanese vessels, some 22 in number, had not been constructed with a view to taking advantage of that loophole in the regulations, but recently 2 of their 22 vessels by a slight change in their structure have been able to reduce their toll charges.

Details will illustrate this point. The vessels had coal bunkers. They used to be coal-burning vessels; they are not now—they burn oil. They carry oil in two containers in the bottom of the vessel, and by the simple device of cutting a door between the old coal bunkers and the engine room they lifted out of the payment of tolls the entire space formerly occupied by the coal bunkers. The vessels do not use the coal bunkers. Cutting the door is of no substantial service; it is of no service at all, but simply by that device, permissible under the United States rules of registry, the vessels escape the payment of the tolls which they ought to pay on the bunkerage space. I shall submit more detailed figures before the debate is over, instancing other cases where vessel owners, merely by making a hole or tonnage opening in the deck, have reduced their toll charges.

The 14 new Japanese vessels measure, under United States registry rules, 204,000 tons, while under the Panama rules of measurement they measure 297,000 tons; but, owing to this dual system, they pay tolls on the 204,000 tons, instead of paying, as they should pay, on 297,000 tons. Their tonnage under United States registry rules is only 70 percent of their Panama Canal tonnage, as ascertained by the Panama Canal rules. So they enjoy a subsidy of approximately 33 percent simply by cutting holes or tonnage openings in the weather deck, and covering them, and thus they regulate the tolls which the American Government levies on ships transiting the Panama Canal, instead of the Government of the United States determining what the charges shall be.

The pending bill will do away with that dual system; one standard will be established, and each and every vessel will be required to pay on its earning capacity, no more and no less. Some ships may be subjected to increased charges by the change, because they have, I might say, abused the privilege at their hands, though "abused" is hardly the proper word, because the dual system of measurement permitted them to do that thing. They have simply availed themselves of the confusion or the conflict between the two sets of measurement rules, and they were within the law, but they pass through the Canal without paying on their earning capacity, without paying the charges which are really due.

There is no purpose in this proposed legislation to increase the aggregate revenues of the Canal. The annual budget of the Canal is about $26,000,000. The operating expenses are about $10,000,000 a year; the service charge on the debt and the return on the capitalized value of the Canal is somewhat over $15,000,000 a year. There is no purpose to increase the aggregate receipts or to cast any burden of that sort on the shipping interests of this or any other country; but the design is to equalize the charges, to put all vessels on the same basis, to apply the same standard to all, requiring each and every one to pay on its earning capacity or its cargo-carrying capacity, and not refer to the discretion of a shipowner the charges which he shall pay and which shall be collected on a vessel availing itself of the privilege of passing through this canal.

Mr. DUFFY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). Does the Senator from Oklahoma yield to the Senator from Wisconsin?

Mr. GORE. I yield.

Mr. DUFFY. If I understand the situation correctly, after the holes or tonnage openings are cut in the decks, as the Senator has described, and then are covered up, the ship companies use the lower deck for cargo-carrying purposes in exactly the same way they did before the tonnage opening was cut in the deck, and by this device are exempted under the present situation from paying tolls on the deck which is thus utilized.

Mr. GORE. That is the point. It is a mere fiction. I have referred to Japanese ships, but I have nothing invidious

to say against Japanese ships or any other vessels. Our own vessels, by cutting a tonnage opening in the decks and by covering that opening—battening down the openings, I believe they call it—use the space below that deck exactly as they used it before. They make this opening watertight. They protect the freight. They use this space for exactly the same purpose, and yet it is exempted from the payment of tolls merely because of cutting this gash in the deck and providing in the space below what are called scupper pipes to let the theoretical water escape, the constructive floods which never pass through the opening above, never reach the deck below, and never interfere with the freight-carrying capacity or any other portion of the ship. Under the United States registry rules of measurement that tonnage opening in the deck exempts the space below, but under the Panama Canal rules that hole in the deck would not reduce the charges which this Government would collect from vessels passing through that great highway.

Mr. President, I wish to print in the RECORD at this point the letter to which I have referred, addressed to me by the President.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, January 6, 1936.

Hon. THOMAS P. GORE,
Chairman Committee on Interoceanic Canals,
United States Senate, Washington, D. C.

DEAR SENATOR GORE: The enactment of bill S. 2288 providing for the measurement of vessels using the Panama Canal, which was favorably reported by your committee on May 15, 1935, is essential to the proper management of the Canal.

The existing unsatisfactory, unfair, dual system of measurement whereby tolls charges are based on one tonnage, and the limiting factor on another different and smaller tonnage subject to manipulation, should be abolished. Control over the amount of tolls charged should be regained, and the apparently endless reduction in tolls paid should be stopped. The enactment of the bill will result in the reestablishment of the system originally intended which through certain technicalities, has become ineffective.

There has already been too much delay in the enactment of this remedial legislation attempts to secure which have been made for a good many years by those charged with the administration of the Canal.

The House has passed a similar bill on four different occasions, and I now urge that you make an earnest endeavor to secure its passage by the Senate at an early date.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

Mr. GORE. I desire also to have printed in the RECORD at this point a letter which I received this morning from Governor Schley, of the Panama Canal Zone. The Governor wrote the letter at my instance. It is a clear and succinct statement of the disadvantages of the present toll system and the advantages which would result from the enactment of the pending legislation. I hope Senators will read the letters as they appear in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE PANAMA CANAL,
Washington, January 11, 1936.

Hon. THOMAS P. GORE,
Chairman, Committee on Interoceanic Canals,
United States Senate, Washington, D. C.

MY DEAR SENATOR GORE: I consider that the prompt enactment of remedial legislation contained in section 1 of the bill, S. 2288, "To provide for the measurement of vessels using the Panama Canal, and for other purposes", is essential for the proper management of the Panama Canal. The enactment of this law will correct the only feature of the Canal's operation which is not based on merit, equity, and efficiency.

The purpose of this legislation as set forth in the voluminous hearings held by your committee and by the House committee on similar legislation is to effect a readjustment not prompted by protests but to accomplish certain well-defined results beneficial not only to shipping interests but to the United States, the objects being: First, to reestablish in the present law the system originally intended by the Congress, which through certain technicalities has become ineffective—a system patterned after that in general use for ship canals which had operated successfully over a period of many years and which is designed to avoid the inequalities that this legislation aims to wipe out; second, to abolish the unsatisfactory, unfair, dual system of measurement whereby tolls charges are based on one tonnage and the limiting factor on another different and smaller tonnage subject to manipulation; third, to stop further and apparently endless reduction in tolls paid.

The present system, having no justification in equity among the several types of ships, should be considered as a form of subsidy to certain types at the expense of other types. Each measurement concession granted to our own merchant marine is enjoyed equally by all foreign vessels using the Panama Canal, thus gaining for them greater reduction in tonnage as a basis for tolls than may be obtained by them under the measurement rules of their own countries. At the Panama Canal every class of vessel which fails to pay its proper share of the tolls includes foreign-flag vessels. Those foreign-flag passenger and general cargo vessels now have the advantage of this indirect subsidy even when they are in competition with American-flag vessels in the unprotected foreign trade.

Since the aggregate tolls, based on the 1934 statistics, would be less under the proposed plan at the 90-cent rate than was actually collected in that year, it is obvious that any increase to any single company is an increase incident to the change to a fair system, and the extent of such increase is the measure by which that single company is now enjoying special privilege over fellow shipowners. While the 1935 figures do not present quite as favorable a picture as the 1934 statistics, this is due to the fact that more vessels took advantage of the opportunity to reduce their paying tonnage by making structural alterations, as was predicted. Especially did the Japanese vessels take every advantage of the regulations on new construction, and they are now reconditioning their old vessels, as is hereinafter stated.

In your report, No. 624, on the bill you refer to American vessels which had made structural changes for the purpose of reducing their tolls charges, and state that the enactment of the proposed legislation "would, in the main, require them to make no larger payments than they had been making prior to such structural alterations, and would effect only the withdrawal from them of a special advantage of which they had availed themselves by making such alterations."

A detailed recheck of the figures submitted in the testimony of representatives of some of the steamship companies at the hearings fully bears out the statement made by you. Some of the figures submitted by representatives of steamship companies were very much exaggerated. In the case of one general passenger and cargo line, where it was testified that the annual increase in tolls would be $400,000, the actual figures show an increase of $263,000, and even this increase would be further reduced under the proposed revision of the Panama Canal rules, so that this company would then pay approximately $50,000 less than before making structural alterations. In the case of a line that testified to an increase of between $290,000 to $300,000 through the adoption of this legislation, the actual figures show an increase of less than $64,000 at the 90-cent rate, or $94,000 less than this line paid prior to the making of structural alterations.

The figures relating to a number of large passenger vessels clearly show that the contemplated reduction in space included in net tonnage due to its use for public rooms or for crews serving passengers will so reduce the amount of tolls being charged such vessels under the revised Panama Canal rules that, at a 90-cent-per-ton rate, the amount paid by such vessels will in nearly every case be less than the amount paid prior to the time structural alterations were made for the purpose of reducing tolls that might be charge under the limitation based on United States rules.

[Detailed figures upon which this is based are given in attached statement.]

The question involved in this legislation is not one of choosing one of two systems. The Panama Canal rules are definitely established as the basis of toll charges. Vessels are measured and certificates issued by the Department of Commerce in all American ports and by foreign measurement officials in ports throughout the world. Every vessel transiting the Canal is given a Panama Canal certificate setting forth its tonnage, and this is retained on board along with other ship's documents. It is not a second Federal system of measurement of vessels. It is a system for vessels which use the Panama Canal, American and foreign, and has no effect on American ships which do not use the Canal. It is not a duplication of effort; and the defeat of this bill will not remove the necessity for Panama Canal measurement, but the passage of the bill will make the measurement of foreign vessels under United State registry rules unnecessary. Under the present system the United States registry rules are used only as a limiting factor, a purpose for which they are entirely unsuited not only in theory but as judged by 20 years' experience and the conditions existing today. United States registry rules may be entirely suitable for the purposes for which they are devised, namely, to determine port charges and harbor dues in ports throughout the world in competition with foreign vessels whose measured tonnage has also been reduced to a minimum by their governments to meet such competition. Each system has its proper functions and neither one should be allowed to interfere with the other. The limiting factor should be on the price per ton Panama Canal measurement, as provided in bill S. 2288; then any warranted reduction in tolls can be accomplished by reduction in the price per ton rather than in fictitious reduction in the tonnage of the vessel.

While revenue to be expected from the transit of vessels through the Panama Canal may not be comparable with a private enterprise such as the Suez Canal, that revenue is determined by the rate per ton. The Suez Canal measurement system is considered sound by disinterested specialists. The Panama Canal system of measurement followed closely along Suez lines and, in the light of experience, is considered an improvement on that system. The Panama Canal rules are not obsolete nor in need of modification,

but can be revised to bring them up to date in view of the development of ship design and of the experience gained over a period of 20 years. These rules were so designed as not to retard the natural development of ship construction or to penalize provisions for the safety and comfort of passengers and crew. Such changes as are contemplated, whether or not section 2 of the bill is adopted, will not be numerous. The features with which they deal are practically all known. They will in each instance favor the ship, and were rather fully explained by Panama Canal representatives at the hearings.

The following in regard to Japanese vessels is quoted from my annual report for the fiscal year 1935:

"In the hearings on the Senate bill last year it was pointed out that Japan had not taken full advantage of the rules regarding exemption of cargo spaces on freight ships, but that they were beginning to do so. During 1934 the 84 Japanese vessels making 258 transits showed a United States net tonnage of 1,133,535 tons and a Panama Canal net of 1,413,305, the United States net forming 80.2 percent of the Panama Canal net. In 1935 there were 14 newly constructed Japanese vessels which arrived for the first time. These made 47 transits during the year. For the 47 transits the United States net tonnage of these newly constructed vessels, which had taken advantage of the exemption of cargo spaces allowed under the United States rules, amounted to 204,976 tons, while the Panama Canal tonnage was 294,349 tons, the United States tonnage thus amounting to only 70.1 percent of the Panama Canal net tonnage. As there were still some of the older Japanese vessels transiting the Canal, for the total traffic for the year the United States net was 75.8 percent of the Panama Canal net, or a reduction of 5.5 percent in tons and toll charges from last year's (1934) figures. This will undoubtedly be lowered considerably more during 1936 as the older vessels are replaced or reconditioned to take advantage of the rules. This accounts, in part at least, for the substantial drop in the percentage for all vessels in 1935."

The passage of this bill will not increase the aggregate of the toll collections; it will eliminate inequalities in charges between different vessels; it will stop the making of structural changes in vessels which in many cases reduce the safety of the vessels at sea; it will make unnecessary the measurement of vessels transiting the Canal, except under one set of rules especially adapted to the purpose, such rules being an improvement upon though similar to those applicable to the Suez Canal; it will eliminate an expensive indirect subsidy which up to now has accrued to foreign vessels in much greater proportion than to United States vessels; it will stop the apparently endless reduction in tolls paid by a vessel; and it will so fix Panama Canal income that a change therein will be effected, as it should be, by a change in the rate per ton ordered by the President within the limits prescribed by Congress rather than by arbitrary changes in the measurement of vessels.

It is my considered opinion that the best interests of the United States require the enactment of this legislation. The Secretary of War in his last annual report urgently recommended its enactment, and the President recently stated that its enactment had already been too long delayed.

Very sincerely yours, J. L. SCHLEY, *Governor.*

STATEMENT IN REGARD TO PARTICULAR SHIPS—ACCOMPANYING LETTER FROM THE GOVERNOR OF THE PANAMA CANAL TO SENATOR GORE, CHAIRMAN OF SENATE COMMITTEE ON INTEROCEANIC CANALS, DATED JANUARY 11, 1936

The steamship *Virginia* paid $15,086 in tolls prior to reconditioning. Her Panama Canal net tonnage is now 18,170, and with contemplated reduction by an estimated allowance of 1,135 tons for public rooms and an additional allowance of 825 tons for space not now allowed for that part of her crew serving passengers, her Panama Canal net would be reduced to 16,210 tons, which at 90 cents a ton equals $14,589, or $497 less per transit than tolls paid prior to reconditioning. Figures for the steamship *Pennsylvania* are approximately the same, while the steamship *California* would pay approximately $800 less per transit. These three vessels are operated by the International Mercantile Marine Co. (Panama-Pacific Line).

The steamship *President Wilson*, of the Dollar Line, paid $10,433 prior to reconditioning. After allowing 410 tons for public rooms and 280 tons for the crew, this vessel would pay tolls on 9,511 Panama Canal net tons at 90 cents per ton, a total of $8,560, or $1,873 less than prior to reconditioning.

The Grace Line steamship *Santa Rosa* paid $7,267 prior to reconditioning. After allowing 500 tons for public rooms and 337 tons for the crew, this vessel would pay on 8,830 Panama Canal net tons, at 90 cents per ton, a total of $7,542, which is $274 more than before reconditioning.

The figures given above are conservative, and in some cases the savings to ships might be even more.

Mr. VANDENBERG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Michigan?

Mr. GORE. I am glad to yield.

Mr. VANDENBERG. In what fashion does the Senator propose to change section 2?

Mr. GORE. I intend to move to strike out section 2. Section 2 provides that the President shall appoint a special committee of three members to make a study of the rules for the measurement of vessels using the Panama Canal and the tolls that should be charged therefor. It has been some 20 years since the former study was made. I thought it would be in the interest of enlightened legislation and administration that new rules should be formulated in the light of a study and research made at this time, in the light of recent improvements in vessel construction. Section 2 seems to have drawn the fire of the opposition to the measure, and in order to accommodate them and obviate their objection to that section, I shall move to strike it out.

Mr. McNARY. Mr. President, has the Senator from Oklahoma concluded his remarks?

Mr. GORE. Yes; for the time being.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum being suggested, the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Holt	Overton
Ashurst	Connally	Johnson	Pittman
Austin	Coolidge	Keyes	Pope
Bachman	Copeland	King	Radcliffe
Bailey	Costigan	La Follette	Robinson
Bankhead	Couzens	Lewis	Russell
Barbour	Davis	Logan	Schwellenbach
Barkley	Dickinson	Lonergan	Sheppard
Benson	Donahey	McAdoo	Shipstead
Bilbo	Duffy	McGill	Smith
Black	Fletcher	McKellar	Steiwer
Borah	Frazier	McNary	Thomas, Okla.
Brown	George	Maloney	Thomas, Utah
Bulkley	Gerry	Minton	Townsend
Bulow	Gibson	Moore	Trammell
Burke	Glass	Murphy	Truman
Byrd	Gore	Murray	Vandenberg
Byrnes	Guffey	Neely	Van Nuys
Capper	Hale	Norbeck	Wagner
Caraway	Harrison	Norris	Walsh
Carey	Hatch	Nye	White
Chavez	Hayden	O'Mahoney	

Mr. LEWIS. I wish to announce the absence, because of temporary illness, of my colleague the junior Senator from Illinois [Mr. DIETERICH].

The PRESIDING OFFICER. Eighty-seven Senators having answered to their names, a quorum is present.

Mr. ROBINSON. Mr. President, I inquire if the Senator from Maine [Mr. WHITE] is ready to proceed?

Mr. McNARY. The Senator from Maine is not ready today.

EXECUTIVE SESSION

Mr. ROBINSON. Mr. President, unless some Senator desires to proceed with the discussion of the bill under consideration, I desire to move an executive session. I hear nothing to the contrary; so I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. SHEPPARD in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations (and withdrawing two nominations), which were referred to the appropriate committees.

(For nominations this day received and nominations withdrawn see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nomination of Maj. Gen. Malin Craig, United States Army (vice Gen. Douglas MacArthur, Chief of Staff, relieved on October 1, 1935), to be general, while holding office as Chief of Staff of the Army, with rank from October 2, 1935, under the provisions of law; and also the nominations of several other general officers of the Army.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters, which were ordered to be placed on the Executive Calendar.

The PRESIDING OFFICER. The nominations will be placed on the Executive Calendar. If there be no further reports of committees, the calendar is in order.

TREATIES

The Chief Clerk announced Executive E (73d Cong., 2d sess.), the International Convention of the Copyright Union as revised and signed at Rome on June 2, 1928, as first in order on the calendar.

Mr. PITTMAN. I ask that the treaty go over.

The PRESIDING OFFICER. Without objection, the treaty will be passed over.

THE JUDICIARY

The Chief Clerk read the nomination of Joseph B. Keenan, of Ohio, to be Assistant to the Attorney General.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Brien McMahon, of Connecticut, to be Assistant Attorney General.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DIPLOMATIC AND FOREIGN SERVICE

The Chief Clerk proceeded to announce sundry nominations in the Diplomatic and Foreign Service.

Mr. PITTMAN. Mr. President, these nominations are all in the nature of promotions. They have been unanimously approved by the Foreign Relations Committee and by the Senators from whose States the appointees come. Therefore I ask unanimous consent that the nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

POSTMASTERS

The Chief Clerk read the nomination of Wade H. Brown to be postmaster at Jane Lew, W. Va.

The PRESIDING OFFICER. This nomination is adversely reported. The question is, Will the Senate advise and consent to the nomination? [Putting the question.] The noes have it, and the nomination is rejected.

Mr. ROBINSON. I ask that the remaining nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the remaining nominations of postmasters are confirmed en bloc.

ORDER FOR ADJOURNMENT TO THURSDAY

The Senate resumed legislative session.

Mr. ROBINSON. I ask unanimous consent that when the Senate completes its labor today it adjourn until 12 o'clock noon on next Thursday.

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBINSON. I also ask unanimous consent that the committees of the Senate may have leave to report during the adjournment of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEATH OF REPRESENTATIVE WESLEY LLOYD, OF WASHINGTON

Mr. SCHWELLENBACH. Mr. President, it is my sad duty to announce to the Senate the death of Hon. WESLEY LLOYD, of Tacoma, Wash., late a Representative from the State of Washington. I ask the Chair to lay before the Senate the resolutions from the House of Representatives.

The PRESIDING OFFICER. The Chair lays before the Senate resolutions from the House of Representatives, which will be read.

The Chief Clerk read the resolution (H. Res. 390), as follows:

IN THE HOUSE OF REPRESENTATIVES, UNITED STATES,
January 10, 1936.

Resolved, That the House has heard with profound sorrow of the death of Hon. WESLEY LLOYD, a Representative from the State of Washington.

Resolved, That a committee of four Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That, as a further mark of respect, this House do now adjourn.

Mr. SCHWELLENBACH. I send to the desk resolutions for which I ask immediate consideration.

The PRESIDING OFFICER. The resolutions will be read.

The resolutions (S. Res. 218) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. WESLEY LLOYD, late a Representative from the State of Washington.

Resolved, That a committee of two Senators be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatitves to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

The PRESIDING OFFICER. The Chair appoints, as the committee on the part of the Senate, the Senator from Washington [Mr. BONE] and the Senator from Nebraska [Mr. BURKE].

Mr. SCHWELLENBACH. Mr. President, as a further mark of respect to the memory of the late Representative LLOYD, I move that the Senate do now adjourn.

The motion was unanimously agreed to; and (at 1 o'clock and 26 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until Thursday, January 16, 1936, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 13, 1936

UNITED STATES ATTORNEY

Charles F. Uhl, of Pennsylvania, to be United States attorney, western district of Pennsylvania. (Mr. Uhl is now serving under an appointment by court.)

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

Maj. Paxton Sterrett Campbell, Infantry, with rank from November 1, 1934.

Capt. Thomas Edmund Mahoney, Infantry, with rank from October 5, 1929.

TO CORPS OF ENGINEERS

Second Lt. William Loveland Rogers, Infantry, December 20, 1935, with rank from June 12, 1934.

TO CAVALRY

Second Lt. John Baird Shinberger, Infantry, with rank from June 13, 1933.

PROMOTIONS IN THE REGULAR ARMY

TO BE COLONELS

Lt. Col. James Macdonald Lockett, Infantry, from January 1, 1936.

Lt. Col. Jesse Cyrus Drain, Infantry, from January 1, 1936.

Lt. Col. Charles Henry Rice, Infantry, from January 1, 1936.

TO BE LIEUTENANT COLONELS

Maj. John Kennard, Cavalry, from January 1, 1936.

Maj. John Bellinger Thompson, Cavalry, from January 1, 1936.

Maj. Hamner Huston, Signal Corps, from January 1, 1936.

Maj. Jens Anderson Doe, Infantry, from January 1, 1936.

TO BE MAJORS

Capt. Horace Benjamin Smith, Infantry, from January 1, 1936.

Capt. Barlow Winston, Quartermaster Corps, from January 1, 1936.

Capt. Maurice Rose, Cavalry, from January 1, 1936.

Capt. Chester Morse Willingham, Infantry, from January 1, 1936.

Capt. Gene Russell Mauger, Cavalry, from January 1, 1936.

Capt. Joseph Jerome Fraser, Infantry, from January 1, 1936.

Capt. Frank L. Burns, Infantry, from January 1, 1936.

APPOINTMENTS AND PROMOTIONS IN THE NAVY

Capt. George J. Meyers to be a rear admiral in the Navy from the 1st day of December 1935.

The following-named captains to be rear admirals in the Navy from the 1st day of January 1936:

Edward J. Marquart
Gilbert J. Rowcliff

Commander Richard B. Coffman to be a captain in the Navy from the 30th day of June 1935.

The following-named commanders to be captains in the Navy from the 1st day of July 1935:

Richmond K. Turner
Alexander M. Charlton (an additional number in grade)

The following-named commanders to be captains in the Navy from the 1st day of September 1935:

Henry F. D. Davis (an additional number in grade)
Oscar Smith
Herbert A. Jones

Commander Henry T. Markland to be a captain in the Navy from the 1st day of December 1935.

Commander Abel T. Bidwell to be a captain in the Navy from the 1st day of January 1936.

The following-named lieutenant commanders to be commanders in the Navy from the 30th day of June 1935:

Robert A. Dyer, 3d	Robert P. Luker
Paul W. Fletcher	Oliver O. Kessing
James E. Boak	John H. Brown, Jr.
Francis K. O'Brien	Ralph G. Pennoyer
Karl R. Shears	Arthur C. Davis
Robert C. Starkey	Arthur D. Struble

Lt. Comdr. Louis R. Moore to be a commander in the Navy from the 1st day of July 1935.

Lt. Comdr. Edward E. Hazlett, Jr., to be a commander in the Navy from the 1st day of August 1935.

Lt. Comdr. Scott Umsted to be a commander in the Navy from the 9th day of August 1935.

Lt. Comdr. Powell M. Rhea to be a commander in the Navy from the 1st day of September 1935.

The following-named lieutenant commanders to be commanders in the Navy from the 1st day of October 1935:

Hubert E. Paddock
Theodore E. Chandler

Lt. Comdr. William S. Popham to be a commander in the Navy from the 1st day of December 1935.

Lt. William H. Galbraith to be a lieutenant commander in the Navy from the 1st day of August 1934.

Lt. Robert Bolton, Jr., to be a lieutenant commander in the Navy from the 1st day of June 1935.

The following-named lieutenants to be lieutenant commanders in the Navy from the 30th day of June 1935:

Herbert G. Hopwood	Charles B. McVay, 3d
Frederick W. McMahon	Paul R. Heineman
Carroll L. Tyler	Drayton Harrison
Harold C. Fitz	Maurice E. Curts
Samuel H. Arthur, an additional number in grade.	Jennings B. Dow
	Charles F. Grisham
Paul W. Steinhagen	William L. Peterson
Maurice E. Hatch	Harry F. Carlson
Forrest M. O'Leary	James E. Dyer

The following-named lieutenants to be lieutenant commanders in the Navy from the 1st day of July 1935:

Steven W. Callaway	Mead S. Pearson
William M. McDade	Clarence F. Swanson
James J. McGlynn	James B. Donnelly
Russell C. Bartman	Robert Holmes Smith
Clarence V. Lee	Thomas B. Brittain

The following-named lieutenants to be lieutenant commanders in the Navy from the 1st day of August 1935:

John E. Whelchel	Oscar A. Weller
Winfield S. Cunningham	Roy W. M. Graham

The following-named lieutenants to be lieutenant commanders in the Navy from the 1st day of September 1935:

William G. Tomlinson	Martin J. Gillan, Jr.
Maurice E. Browder	Edmond P. Speight

Lt. Charles D. Edmunds to be a lieutenant commander in the Navy from the 1st day of October 1935.

The following-named lieutenants to be lieutenant commanders in the Navy from the 4th day of October 1935:

Willard M. Downes
Elmer S. Stoker
Neill D. Brantly

Lt. (Jr. Gr.) Willis A. Lent to be a lieutenant in the Navy from the 1st day of July 1934.

Lt. (Jr. Gr.) Thomas C. Thomas to be a lieutenant in the Navy from the 1st day of September 1934.

Lt. (Jr. Gr.) Franklin W. Slaven to be a lieutenant in the Navy from the 1st day of October 1934.

Lt. (Jr. Gr.) Terrence R. Cowie to be a lieutenant in the Navy from the 12th day of December 1934.

Lt. (Jr. Gr.) James M. Miller to be a lieutenant in the Navy from the 27th day of December 1934.

Lt. (Jr. Gr.) George E. Fee to be a lieutenant in the Navy from the 1st day of April 1935.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of May 1935:

Douglas E. Smith
Francis R. Stolz
Charles A. Bond

Lt. (Jr. Gr.) Richard W. Reither to be a lieutenant in the Navy from the 1st day of June 1935.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 30th day of June 1935:

Jesse C. Sowell	Howard T. Orville
Herbert P. Rice	Oliver F. Naquin
Edward L. Schleif	James D. Taylor, 3d
William O. Gallery	William L. Benson
Thomas Burrowes	Waldeman N. Christensen
Donald C. Varian	Hunter Wood, Jr.
Carleton C. Hoffner	Roland B. Vanasse
Lee F. Sugnet	William R. Headden
Charles S. Weeks	Barton E. Bacon, Jr.
Kenneth C. Hurd	Watson T. Singer
William L. Wright	Paul C. Crosley
Warren W. Johnson	Edward L. Beck
Rex S. Caldwell	George A. Leahey, Jr.
William L. Turney	Raymond R. Lyons
James H. Carrington	William A. New
Malcolm D. Sylvester	William H. Truesdell
Albert E. Jarrell	Richard Davis, Jr.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of July 1935:

William H. Standley, Jr.	Walter S. Mayer, Jr.
Frank P. Tibbitts	Julian B. Jordan
Fremont B. Eggers	Warren P. Mowatt
John S. Chitwood	James O. Banks, Jr.
Fred R. Stickney	Carter A. Printup
Harold H. Pickens	George F. O'Keefe
Reuben T. Thornton, Jr.	

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of August 1935:

Herman E. Schieke	Aubrey B. Leggett
Cecil L. Blackwell	Bennett W. Wright
Theodore Wolcott	Samuel D. Simpson
Carroll D. Reynolds	William G. Beecher, Jr.

Lt. (Jr. Gr.) Walter B. Davidson to be a lieutenant in the Navy from the 9th day of August 1935.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of September 1935:

Tillett S. Daniel	Reginald C. Johnson
Joseph M. Carson	Austin C. Behan

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 5th day of September 1935:

Harold F. Dearth
William S. Howard, Jr.
Hamilton L. Stone

Lt. (Jr. Gr.) John B. Brown to be a lieutenant in the Navy from the 6th day of September 1935.

Lt. (Jr. Gr.) Joseph H. Nevins, Jr., to be a lieutenant in the Navy from the 12th day of September 1935.

Lt. (Jr. Gr.) Thomas C. Parker to be a lieutenant in the Navy from the 17th day of September 1935.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of October 1935:

Harry B. Heneberger
Max H. Bailey
Clarence E. Gregerson

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 2d day of June 1935:

Edwin W. Hurst	Edmond G. Konrad
Charles M. Keyes	Martin M. Koivisto
Chauncey S. Willard	George L. Hutchinson
William E. Townsend	John A. Moore
Gordon W. Underwood	John J. McCormick
Anthony H. Dropp	Fred Connaway
Paul H. Harrington	James A. Flenniken
Richard V. Gregory	George S. James, Jr.
Alfred L. Cope	Everett L. Phares
Charles J. Odend'hal, Jr.	Joseph F. Witherow, Jr.
William T. Zink, Jr.	John D. Lamade
Richard H. Blair	David H. McDonald
William A. Thorn	Louis W. Mang
William Outerson	William J. Catlett, Jr.
John D. Andrew	Robert E. Goodgame, Jr.
William E. Kenna	Lloyd H. McAlpine
George P. Rogers	William J. Widhelm
Frank D. Latta	Clifford A. Johnson
Charles S. Hutchings	John O. Speer
Daniel C. Goodman	Lloyd W. Parrish
Lawrence W. Smythe	Jack A. Binns
Charles K. Mallory, Jr.	John D. Shea
Francis E. Nuessle	Charles E. Perkins
George M. Ottinger	Harry E. Townsend
Frederick Wolsieffer	Charles H. Everett, Jr.
John P. Lunger	Philip D. Quirk
Brooks J. Harral	

Lt. (Jr. Gr.) Samuel A. McCornock to be a lieutenant (junior grade) in the Navy, from the 2d day of June 1935, to correct error in spelling of name as previously nominated and confirmed.

Midshipman John F. Mooney, Jr., to be an ensign in the Navy, revocable for 2 years, from the 6th day of June 1935.

The following-named former midshipmen of the Naval Academy class of 1933 to be ensigns in the Navy, revocable for 2 years, from the 29th day of August 1935, in accordance with the act of Congress approved August 29, 1935:

Henry H. Strozier	Russell Kefauver
Kerfoot B. Smith	James L. Jordan
Francis R. Drake	Charles H. Keyser
Seth S. Searcy, Jr.	Philip K. Sherman, Jr.
William B. Porter	William C. P. Bellinger, Jr.
Clarence M. White, Jr.	Carl G. Drescher
Ned J. Wentz	Glenn L. Dunagan

Medical Director John M. Brister to be a medical director in the Navy, with the rank of rear admiral, from the 16th day of October 1930.

The following-named medical inspectors to be medical directors in the Navy, with the rank of captain, from the 1st day of July 1935:

Clyde B. Camerer
Joseph J. A. McMullin

The following-named surgeons to be medical inspectors in the Navy, with the rank of commander, from the 30th day of June 1935:

Brython P. Davis	Guy B. McArthur
Percy W. Dreifus	John G. Powell
Albin L. Lindall	Raymond B. Storch
William T. Lineberry	Otto W. Grisier
Benjamin F. Norwood	George D. Thompson
Eben E. Smith	Claude R. Riney
Edwin D. McMorries	Robert E. S. Kelley
Walter J. Pennell	Lewis G. Jordan

The following-named dental surgeons to be dental surgeons in the Navy, with the rank of commander, from the 30th day of June 1935:

Clark E. Morrow
Harold A. Daniels

Asst. Dental Surg. (Temporary) Wilbur N. Van Zile to be an assistant dental surgeon in the Navy, with the rank of lieutenant (junior grade), from the 1st day of June 1935.

The following-named citizens to be assistant dental surgeons in the Navy, with the rank of lieutenant (junior grade), from the 3d day of September 1935:

Stanley W. Smith, a citizen of Illinois.
Alfred F. White, a citizen of Massachusetts.
Joseph W. Campbell, a citizen of Pennsylvania.
James L. Townsend, a citizen of Virginia.
James J. Dempsey, a citizen of Pennsylvania.
Joseph L. Parker, a citizen of Virginia.

Pay Inspector Duette W. Rose to be a pay director in the Navy, with the rank of captain, from the 1st day of July 1935.

The following-named lieutenants to be passed assistant paymasters in the Navy, with the rank of lieutenant, to rank from the dates stated opposite their names:

John K. Lynch, June 3, 1927.
George W. Bauernschmidt, June 10, 1928.
Austin S. Keeth, February 18, 1929.
Walter E. Gist, July 26, 1929.
Malcolm W. Pemberton, May 10, 1930.
Ralph J. Arnold, April 1, 1931.
John J. Jecklin, October 1, 1931.
Julian J. Levasseur, December 1, 1931.
Joseph E. Wolowsky, September 1, 1932.
James B. Ricketts, May 21, 1933.
Francis M. Hook, July 1, 1933.
James J. Cunningham, June 30, 1934.

Lt. James R. Hanna to be a passed assistant paymaster in the Navy, with the rank of lieutenant, from the 24th day of July 1935.

The following-named lieutenants (junior grade) to be assistant paymasters in the Navy, with the rank of lieutenant (junior grade), to rank from the dates stated opposite their names:

Charles J. Naumilket, February 25, 1928.
Yates Stirling, 3d, June 3, 1929.
William A. Gerth, June 3, 1929.
Walter E. Fratzke, June 3, 1929.
John C. Bernet, June 2, 1930.
William L. Knickerbocker, June 2, 1930.
Byron C. Gwinn, June 2, 1930.
Donald S. Gordon, June 7, 1931.
Walter N. Gray, June 7, 1931.
Allan McL. Gray, June 6, 1932.
Milton C. Dickinson, June 6, 1932.
Albert P. Kohlhas, Jr., June 5, 1933.
Jack Agnew, June 5, 1933.
Lee DeV. Boyle, June 5, 1933.
Hiram W. Spence, June 5, 1933.
Carlos M. Charneco, June 5, 1933.
Albert Konigsberg, June 5, 1933.
Hugh C. Haynsworth, Jr., June 5, 1933.
George W. Foott, Jr., June 5, 1933.
Jesse S. McAfee, June 4, 1934.
Charles R. Almgren, June 4, 1934.
Carl A. Lizberg, June 4, 1934.
John F. Castree, June 4, 1934.
Bryant A. Chandler, June 4, 1934.
John W. Crumpacker, June 4, 1934.
John F. Just, June 4, 1934.
Robert M. Bowstrom, June 4, 1934.
Sidney A. Ernst, June 2, 1935.
Hugh L. Hendrick, Jr., June 2, 1935.
George C. Hunter, June 2, 1935.
Thomas J. Montgomery, June 2, 1935.
Ralph M. Humes, June 2, 1935.
John C. DeWitt, Jr., June 2, 1935.
Lawrence Smith, June 2, 1935.
Carl F. Faires, Jr., June 2, 1935.

The following-named lieutenants (junior grade) to be assistant paymasters in the Navy, with the rank of lieutenant (junior grade), from the 2d day of June 1935:

J. Harry Hayes

Frederick O. Vaughan

Chaplain Thomas F. Regan to be a chaplain in the Navy, with the rank of commander, from the 30th day of June 1935.

Naval Constructor Alva B. Court to be a naval constructor in the Navy, with the rank of captain, from the 1st day of July 1929.

Naval Constructor Lew M. Atkins to be a naval constructor in the Navy, with the rank of captain, from the 7th day of January 1930.

Naval Constructor Philip G. Lauman to be a naval constructor in the Navy, with the rank of captain, from the 1st day of December 1931.

Naval Constructor Ralph T. Hanson to be a naval constructor in the Navy, with the rank of captain, from the 1st day of January 1932.

The following-named electricians to be chief electricians in the Navy, to rank with but after ensign, from the 1st day of October 1934:

William J. McPhee

Elwood L. Knaus

Radio Electrician Clifton Evans, Jr., to be a chief radio electrician in the Navy, to rank with but after ensign, from the 1st day of October 1935.

The following-named machinists to be chief machinists in the Navy, to rank with but after ensign, from the 1st day of October 1935:

Daniel Osburg

Edward H. Brady

Clarence L. Price

Carpenter Joseph T. Zumsteg to be a chief carpenter in the Navy, to rank with but after ensign, from the 1st day of October 1934.

The following-named pay clerks to be chief pay clerks in the Navy, to rank with but after ensign, from the 5th day of September 1935:

Ollie Z. Whitt

Inman F. Elliott

The following-named lieutenant commanders to be lieutenant commanders in the Navy from the dates stated opposite their names to correct the date of rank as previously nominated and confirmed:

Thomas J. Bay, June 1, 1934.
Albert McI. Wright, June 29, 1934.
William B. Goggins, June 30, 1934.
Earl LeR. Sackett, June 30, 1934.
Felix L. Johnson, July 1, 1934.
Marcy M. Dupre, Jr., July 1, 1934.
Marion E. Crist, August 1, 1934.
Benton W. Decker, September 1, 1934.
Warner W. Angerer, September 1, 1934.
Edward E. Pare, September 1, 1934.
Richard S. Morse, September 8, 1934.
Robert D. Threshie, October 1, 1934.
John Perry, October 1, 1934.
Felix L. Baker, November 1, 1934.
Oberlin C. Laird, December 12, 1934.
Thomas S. Combs, December 12, 1934.
Leo B. Schulten, January 1, 1935.
Lewis Corman, January 1, 1935.
Hugh E. Haven, January 27, 1935.
Robert E. Melling, February 1, 1935.
Robert E. Robinson, Jr., April 1, 1935.

Delmer S. Fahrney, an additional number in grade, May 1, 1935.

John B. Longstaff, May 31, 1935.

The following-named lieutenants to be lieutenants in the Navy from the dates stated opposite their names to correct the date of rank as previously nominated and confirmed:

Elijah W. Irish, March 1, 1934.
Burton L. Doggett, March 6, 1934.
Harrell W. Hall, March 10, 1934.
Joseph W. Adams, Jr., April 1, 1934.
Hugh J. Martin, May 1, 1934.
Harold B. Edgar, May 10, 1934.
Neville L. McDowell, May 17, 1934.
Edward F. Gallagher, June 1, 1934.
Joseph M. Worthington, June 29, 1934.
Edward N. Parker, June 30, 1934.
Stanley P. Moseley, July 1, 1934.
Edward K. Walker, July 5, 1934.
Robert E. Cronin, August 1, 1934.
Cecil B. Gill, September 1, 1934.
Eugene E. Paro, September 8, 1934.
Bruce D. Kelley, October 1, 1934.
Franklin D. Karns, Jr., October 13, 1934.
Morton C. Mumma, Jr., October 27, 1934.
Anthony L. Rorschach, November 1, 1934.
Chester C. Smith, November 7, 1934.
George C. Wright, November 10, 1934.
David M. Tyree, November 11, 1934.
Jackson S. Champlin, December 1, 1934.
Clarence C. Ray, December 12, 1934.
Clarence E. Haugen, December 28, 1934.
Wilfred B. Goulett, January 1, 1935.
Lewis S. Parks, January 14, 1935.
Harman A. Bell, Jr., January 27, 1935.
Harold C. Pound, February 1, 1935.
Roger B. Nickerson, February 19, 1935.
Merle Van Metre, March 1, 1935.
Cameron Briggs, May 1, 1935.
William L. Messmer, May 22, 1935.
Clement R. Criddle, May 31, 1935.
William J. O'Brien, June 1, 1935.
Frederick N. Kivette, June 6, 1935.

The following-named naval constructors to be commanders in the Navy, for aeronautical engineering duty only, from the dates stated opposite their names, in accordance with the act of Congress approved June 5, 1935:

Walter W. Webster, September 18, 1922.
Garland Fulton, October 19, 1922.
Samuel J. Zeigler, Jr., June 30, 1925.
Ernest M. Pace, Jr., June 30, 1925.
Donald Royce, June 30, 1934.
William Nelson, June 30, 1935.
Frederick W. Pennoyer, Jr., June 30, 1935.

The following-named naval constructors to be lieutenant commanders in the Navy, for aeronautical engineering duty only, from the dates stated opposite their names, in accordance with the act of Congress approved June 5, 1935:

Henry R. Oster, September 23, 1926.
Lawrence B. Richardson, September 23, 1926.
James R. Allen, August 27, 1927.
Charles A. Nicholson, 2d, August 27, 1927.
Ralph S. Barnaby, June 30, 1931.
Raymond D. MacCart, July 1, 1931.
Walter S. Diehl, July 1, 1931.
Lucien M. Grant, June 30, 1932.
George V. Whittle, September 1, 1933.
Roland G. Mayer, September 1, 1933.
Cornelius V. S. Knox, March 1, 1934.
Karl Schmidt, May 1, 1934.
Lloyd Harrison, June 1, 1934.
Lisle J. Maxson, June 1, 1934.
Calvin M. Bolster, June 1, 1934.

The following-named naval constructors to be lieutenants in the Navy, for aeronautical engineering duty only, from the dates stated opposite their name, in accordance with the act of Congress approved June 5, 1935.

Carlyle L. Helber, June 3, 1928.
Nicholas A. Draim, June 3, 1928.
Alden R. Sanborn, June 3, 1928.
John B. Pearson, Jr., June 5, 1930.
Robert S. Hatcher, June 20, 1932.
Edward W. Clexton, June 20, 1932.

Assistant Paymaster Earnest G. Campbell to be an ensign in the Navy from the 1st day of June 1933, in accordance with the provisions of an act of Congress approved July 22, 1935.

POSTMASTERS

ALABAMA

Walton P. LeMay to be postmaster at Joe Wheeler Dam, Ala. Office became Presidential January 1, 1936.

Rawley F. Hall to be postmaster at Prichard, Ala., in place of Z. L. Persons, resigned.

William A Coleman to be postmaster at Samson, Ala., in place of E. P. Johnson. Incumbent's commission expired February 4, 1935.

ALASKA

May Kennedy to be postmaster at Palmer, Alaska. Office became Presidential January 1, 1936.

ARIZONA

Nott E. Guild to be postmaster at Florence, Ariz., in place of M. A. McGee. Incumbent's commission expired February 14, 1935.

CALIFORNIA

Clarence A. Acton to be postmaster at Inglewood, Calif., in place of C. A. Acton. Incumbent's commission expired January 9, 1936.

Frank J. Bole to be postmaster at Monrovia, Calif., in place of H. L. Kellogg. Incumbent's commission expired December 16, 1933.

COLORADO

Mae L. Sharpe to be postmaster at Gilman, Colo. Office became Presidential July 1, 1935.

Ira O. Martin to be postmaster at Keenesburg, Colo., in place of E. M. Beggs, removed.

CONNECTICUT

Nelson E. Welch to be postmaster at Somers, Conn., in place of N. E. Welch. Incumbent's commission expired January 9, 1936.

FLORIDA

Schubert S. Welling to be postmaster at Babson Park, Fla., in place of C. T. Daves, resigned.

Ora S. Goforth to be postmaster at Caryville, Fla. Office became Presidential July 1, 1935.

Albert S. Herlong, Jr., to be postmaster at Leesburg, Fla., in place of L. A. Morris. Incumbent's commission expired February 14, 1935.

GEORGIA

Sara A. Sandifer to be postmaster at Locust Grove, Ga. Office became Presidential July 1, 1935.

William A. Pattillo to be postmaster at Macon, Ga., in place of F. B. Stephens, deceased.

Jesse W. Slade to be postmaster at Zebulon, Ga., in place of Robert Barron. Incumbent's commission expired February 25, 1935.

IDAHO

Edward J. Doyle to be postmaster at Bonners Ferry, Idaho, in place of J. W. Reid. Incumbent's commission expired February 14, 1935.

ILLINOIS

Rupert R. Barkley to be postmaster at Casey, Ill., in place of C. H. Collins. Incumbent's commission expired January 7, 1936.

Elsie Irene Minier to be postmaster at Sheldon, Ill., in place of J. W. Maddin. Incumbent's commission expired January 22, 1935.

INDIANA

Harry L. Korner to be postmaster at Star City, Ind., in place of N. H. Brown, removed.

IOWA

Wilford S. Smiley to be postmaster at Grinnell, Iowa, in place of A. M. Burton, retired.

Noah T. Nixon to be postmaster at Lorimor, Iowa, in place of J. O. Weitgenant, failed to qualify.

Philip J. Carolan to be postmaster at Ridgeway, Iowa, in place of Matilda Johnson. Incumbent's commission expired December 18, 1933.

Herbert B. Heyer to be postmaster at Sumner, Iowa, in place of P. F. Wilharm. Incumbent's commission expired February 14, 1935.

KENTUCKY

Maude Heltsley to be postmaster at Drakesboro, Ky., in place of Hazel O'Neill. Incumbent's commission expired December 20, 1934.

MAINE

Herbert L. Osgood to be postmaster at Mattawamkeag, Maine. Office became Presidential July 1, 1934.

MICHIGAN

Frederick H. Smith, Jr., to be postmaster at Arcadia, Mich. Office became Presidential July 1, 1935.

Esse S. Martin to be postmaster at Honor, Mich. Office became Presidential July 1, 1935.

MINNESOTA

Alfred Erickson to be postmaster at Bronson, Minn., in place of R. R. Swanson. Incumbent's commission expired February 25, 1935.

Oscar A. Olson to be postmaster at Keewatin, Minn., in place of C. E. Sarff. Incumbent's commission expired February 20, 1935.

Charles Mechura to be postmaster at Lonsdale, Minn., in place of J. J. Barta. Incumbent's commission expired February 25, 1935.

Alvi Hanord Auenson to be postmaster at Ulen, Minn., in place of O. E. Reiersgord. Incumbent's commission expired February 20, 1935.

MISSISSIPPI

Georgia A. Humes to be postmaster at Crosby, Miss. Office became Presidential July 1, 1935.

MISSOURI

Garnett B. Sturgis to be postmaster at Eureka, Mo., in place of Clarence Wehrle. Incumbent's commission expired January 22, 1935.

George W. Daniels to be postmaster at Novinger, Mo., in place of C. R. Truitt. Incumbent's commission expired February 20, 1935.

NEW HAMPSHIRE

Wilfred J. M. Tremblay to be postmaster at Lebanon, N. H., in place of F. J. Bryant, retired.

NEW JERSEY

Francis W. Lyman to be postmaster at Lincoln Park, N. J., in place of H. F. Reder, removed.

Anthony V. Gross to be postmaster at Passaic, N. J., in place of J. H. Osborn. Incumbent's commission expired January 28, 1935.

George Nock to be postmaster at Pompton Plains, N. J., in place of F. G. Brochu, removed.

NEW YORK

Dorris E. Boss to be postmaster at Dalton, N. Y. Office became Presidential July 1, 1935.

Henry Karchmer to be postmaster at Kiamesha, N. Y., in place of A. D. Bailey. Incumbent's commission expired January 8, 1934.

Ward Kilpatrick to be postmaster at Windsor, N. Y., in place of B. W. Russell. Incumbent's commission expired February 5, 1935.

NORTH DAKOTA

Hugh H. Parsons to be postmaster at Fessenden, N. Dak., in place of H. H. Parsons. Incumbent's commission expired January 7, 1936.

OHIO

Howard M. Stanley to be postmaster at Albany, Ohio, in place of T. D. Ziggafoos. Incumbent's commission expired January 7, 1936.

Charles U. Read to be postmaster at Upper Sandusky, Ohio, in place of K. H. Hale, transferred.

Julius A. Stark to be postmaster at Wooster, Ohio, in place of F. C. Redick, deceased.

OKLAHOMA

James R. Hankla to be postmaster at Geary, Okla., in place of A. L. Stahlheber. Incumbent's commission expired April 28, 1934.

Tip J. Hammons to be postmaster at Hammon, Okla., in place of C. H. Hager, resigned.

James M. Crabtree to be postmaster at Weatherford, Okla., in place of A. H. Bergthold, resigned.

PENNSYLVANIA

Jennie Moran to be postmaster at Braddock, Pa., in place of A. J. Argall, removed.

Edward C. Bishop to be postmaster at Cresson, Pa., in place of J. F. Parrish. Incumbent's commission expired December 18, 1932.

Lawrence J. Welsh to be postmaster at Jeddo, Pa., in place of J. K. Ellis. Incumbent's commission expired May 29, 1934.

Alfred E. Cavalcante to be postmaster at McClellandtown, Pa. Office became Presidential July 1, 1935.

James Uhler Fetherolf to be postmaster at Nazareth, Pa., in place of W. E. Henry, transferred.

RHODE ISLAND

Edgar J. Peloquin to be postmaster at Manville, R. I., in place of Jonothan Bateman. Incumbent's commission expired December 18, 1934.

SOUTH CAROLINA

Robert A. Deason to be postmaster at Barnwell, S. C., in place of W. M. Harris. Incumbent's commission expired January 22, 1931.

TENNESSEE

Claude G. Taylor to be postmaster at Mountain Home, Tenn. Office became Presidential January 1, 1936.

Herman C. Mantooth to be postmaster at Newport, Tenn., in place of R. T. Campbell, resigned.

TEXAS

Wiley Fox to be postmaster at Dumas, Tex., in place of Wiley Fox. Incumbent's commission expired January 8, 1936.

Frank Benton Crush to be postmaster at Garland, Tex., in place of C. D. Crossman. Incumbent's commission expired February 4, 1935.

Hattie M. Culpepper to be postmaster at Palmer, Tex., in place of H. M. Culpepper. Incumbent's commission expired January 8, 1936.

Walter Kurz to be postmaster at Somerset, Tex. Office became Presidential July 1, 1935.

VERMONT

James J. Ransehousen to be postmaster at Bridgewater, Vt., in place of W. B. Needham. Incumbent's commission expired February 25, 1935.

Agnes M. Bullard to be postmaster at Marshfield, Vt., in place of A. T. Davis. Incumbent's commission expired February 4, 1935.

WASHINGTON

Joseph L. Milner to be postmaster at Almira, Wash., in place of J. L. Milner. Incumbent's commission expired January 8, 1936.

Almon D. Hannan to be postmaster at Bothell, Wash., in place of E. F. Gregory, removed.

Clara R. Monk to be postmaster at Granite Falls, Wash., in place of C. R. Bockmier. Incumbent's commission expired February 6, 1935.

Bert B. Schmitz to be postmaster at Waterville, Wash., in place of M. W. Miller. Incumbent's commission expired February 25, 1935.

WEST VIRGINIA

Joseph L. Dorsett to be postmaster at Minden, W. Va. Office became Presidential July 1, 1935.

WYOMING

William G. Haas to be postmaster at Cheyenne, Wyo., in place of W. G. Haas. Incumbent's commission expires April 12, 1936.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 13, 1936

ASSISTANT TO THE ATTORNEY GENERAL

Joseph B. Keenan to be Assistant to the Attorney General.

ASSISTANT ATTORNEY GENERAL

Brien McMahon to be Assistant Attorney General.

PROMOTIONS IN THE DIPLOMATIC AND FOREIGN SERVICE

TO BE CONSULS GENERAL

Ralph C. Busser
Walter A. Leonard

TO BE SECRETARIES IN THE DIPLOMATIC SERVICE

William L. Peck
Julian L. Pinkerton
Frederic C. Fornes, Jr.
Archibald E. Gray

TO BE FOREIGN SERVICE OFFICERS OF CLASS 1

Thomas D. Bowman
Coert du Bois
Arthur C. Frost
J. Klahr Huddle
Frank P. Lockhart
Jay Pierrepont Moffat
R. Henry Norweb
Robert M. Scotten
James B. Stewart
Edwin C. Wilson

TO BE FOREIGN SERVICE OFFICERS OF CLASS 2

Walter A. Adams
Joseph W. Ballantine
Pierre de L. Boal
Charles R. Cameron
H. Merle Cochran
Monnett B. Davis
Erle R. Dickover
Eugene H. Dooman
Prentiss B. Gilbert
Joseph E. Jacobs
Herschel V. Johnson
Paul Knabenshue
Frank C. Lee
Leland B. Morris
Lowell C. Pinkerton
Edward L. Reed
John Farr Simmons
S. Pinkney Tuck
George Wadsworth

TO BE FOREIGN SERVICE OFFICERS OF CLASS 3

Maynard B. Barnes
William C. Burdett
Raymond E. Cox
Nathaniel P. Davis
John G. Erhardt
Carol H. Foster
Charles Bridgham Hosmer
Paul R. Josselyn
Joseph F. McGurk
Robert D. Murphy
Myrl S. Myers
H. Earle Russell
Clarence J. Spiker
Harold H. Tittmann, Jr.
Avra M. Warren
Orme Wilson

TO BE FOREIGN SERVICE OFFICERS OF CLASS 4

Willard L. Beaulac
J. Webb Benton
William P. Blocker
Richard F. Boyce
Howard Bucknell, Jr.
Richard P. Butrick
Cecil M. P. Cross
Hugh S. Fullerton
Edward M. Groth
Robert W. Heingartner
George D. Hopper
James Hugh Keeley, Jr.
Robert B. Macatee
Karl deG. MacVitty
H. Freeman Matthews
George R. Merrell, Jr.
Hugh Millard
Orsen N. Nielsen
Walter H. Schoellkopf
Rudolf E. Schoenfeld
Harold Shantz
George P. Shaw
Samuel Sokobin
Francis R. Stewart
Harold S. Tewell
Howard K. Travers

TO BE FOREIGN SERVICE OFFICERS OF CLASS 5

Hiram A. Boucher
Herbert S. Bursley
J. Rives Childs
Edward S. Crocker, 2d
Curtis T. Everett
Harold D. Finley
Samuel J. Fletcher
Walter A. Foote
Waldemar J. Gallman
Raymond H. Geist
Stuart E. Grummon
Stanley Hawks
Loy W. Henderson
C. Porter Kuykendall
James E. McKenna
Alfred T. Nester
Sydney B. Redecker
Laurence E. Salisbury
Lester L. Schnare
Edwin F. Stanton
Leo D. Sturgeon
Fletcher Warren
Samuel H. Wiley
Rollin R. Winslow

TO BE FOREIGN SERVICE OFFICERS OF CLASS 6

Clayson W. Aldridge
George Atcheson, Jr.
Russell M. Brooks
John H. Bruins
Joseph F. Burt
C. Paul Fletcher
Herndon W. Goforth
Eugene M. Hinkle
David McK. Key
Marcel E. Malige

Austin R. Preston
Edwin Schoenrich
William A. Smale
Sheridan Talbott
Frederik van den Arend
John Carter Vincent

TO BE FOREIGN SERVICE OFFICERS OF CLASS 7

Franklin B. Atwood
Roy W. Baker
William A. Bickers
Ellis A. Bonnet
Robert L. Buell
John M. Cabot
J. Holbrook Chapman
Augustus S. Chase
Cabot Coville
Alexander P. Cruger
Walton C. Ferris
Fayette J. Flexer
Knowlton V. Hicks
Frederick W. Hinke
Julius C. Holmes
Carlton Hurst
John B. Ketcham
Rufus H. Lane, Jr.
John H. Lord
John McArdle
John H. Morgan
James E. Parks
William L. Peck
Joseph P. Ragland
William T. Turner

TO BE FOREIGN SERVICE OFFICERS OF CLASS 8; AND CONSULS

Garrett G. Ackerson, Jr.
Stuart Allen
John M. Allison
Burton Y. Berry
Charles E. Bohlen
James C. H. Bonbright
David H. Buffum
Gordon L. Burke
Edmund J. Dorsz
Andrew W. Edson
Dorsey Gassaway Fisher
Frederic C. Fornes, Jr.
Willard Galbraith
James W. Gantenbein
George M. Graves
Archibald E. Gray
Bernard Gufler
Claude H. Hall, Jr.
Monroe B. Hall
Thomas A. Hickok
Charles A. Hutchinson
Robert Janz
Robert P. Joyce
Stephen E. C. Kendrick
Hervé J. L'Heureux
John H. Madonne
Thomas J. Maleady
Ralph Miller
Sheldon T. Mills
Harold B. Minor
Gerald A. Mokma
James B. Pilcher
James W. Riddleberger
Alan N. Steyne
Edward G. Trueblood
Edward T. Wailes
Walter N. Walmsley, Jr.

TO BE FOREIGN SERVICE OFFICERS, UNCLASSIFIED, VICE CONSULS OF CAREER, AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

Hector C. Adam, Jr.
E. Tomlin Bailey
Russell W. Benton
Roswell C. Beverstock
M. Williams Blake
William F. Busser
Richard W. Byrd
David K. Caldwell
Glion Curtis, Jr.
Harry M. Donaldson
Perry Ellis
John K. Emmerson
James Espy
Andrew B. Foster
Owen W. Gaines
Richard D. Gatewood
Albert R. Goodman
Norris S. Haselton
Beppo R. Johansen
U. Alexis Johnson
Douglas MacArthur, 2d
Elbert G. Mathews
Robert B. Memminger
Charles S. Millet
Bolard More
John Ordway
Marselis C. Parsons, Jr.
Edward E. Rice
W. Garland Richardson
George F. Scherer
Max W. Schmidt
John S. Service
William P. Snow
Carl W. Strom
E. Paul Tenney
S. Roger Tyler, Jr.
Louis Woodruff Wallner, Jr.
T. Eliot Weil
Duncan M. White
Ivan B. White
William E. Yuni

POSTMASTERS

ARKANSAS

Philip G. Gates, Crossett.
Leola Garner, Plainview.
William F. Bryant, Quitman.

ILLINOIS

Dorothy A. O'Donnell, Grafton.
John T. O'Brien, Harvard.
Edwin C. F. Braun, Lebanon.
Eugene Hoerrmann, Manhattan.
Etta Lutz, Mendota.
Angus D. Irey, Monmouth.
Alice May Pulley, Pittsburg.
Clarence J. Hanen, St. Anne.
Michael Sparks, St. Francisville.
John R. Slater, Savanna.
John W. Norris, Washington.
Daniel H. Desmond, Woodstock.

KANSAS

William Merrifield, Agra.
Ferdinand Scharping, Hillsboro.
Edward Tacha, Jennings.
Anna H. Smith, Morland.
Rollie David, Russell Springs.
Harry F. Sloan, Selden.

MICHIGAN

Elburn H. Shelp, Bancroft.
John H. Sauvola, Chassell.
Bernice J. LaPointe, Erie.
Grover W. Allen, Grass Lake.
Kathleen L. Bouchey, Hillman.
Louis J. Vanderburg, Holland.
James N. Mulvenna, Hudson.
Joseph A. Picard, Jackson.
Guy D. Thompson, Lapeer.
Ernest B. Kelly, Mason.
Matt F. Bilek, Menominee.
Martha Swaney, Morenci.
Robert D. Tripp, Petoskey.
Stanley A. Horning, Portland.
Alonzo A. Strong, Reed City.
Arthur E. O'Neill, Saline.
Joseph B. Comiskey, South Lyon.
Clark M. Pomeroy, Sterling.
Hilda Webber, Trenary.
William Stahl, Van Dyke.
Jesse L. Whitney, Washington.
Francis E. Benjamin, Whitehall.
Robert H. Peacock, Yale.

NEBRASKA

Sterling F. Amick, Weeping Water.

NEW YORK

Daniel S. Foster, Saranac Lake.

OKLAHOMA

Eddie A. Blackmon, Crescent.

WASHINGTON

George E. Starr, Seattle.

WITHDRAWALS

Executive nominations withdrawn from the Senate January 13, 1936

STATE ADMINISTRATOR IN THE WORKS PROGRESS ADMINISTRATION

C. B. Treadway, of Florida, to be State administrator in the Works Progress Administration for the State of Florida.

POSTMASTER

NORTH DAKOTA

Fred C. Maier to be postmaster at Zeeland, in the State of North Dakota.

REJECTION

Executive nomination rejected by the Senate January 13, 1936

POSTMASTER

WEST VIRGINIA

Wade H. Brown to be postmaster at Jane Lew, in the State of West Virginia.

HOUSE OF REPRESENTATIVES

MONDAY, JANUARY 13, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou who art the Father of our souls, supremely wise and good, dispenser of all our needs, let Thy blessing descend upon us in all its fullness. Quicken the good spirit in us and help us to fulfill the common duties of life patiently, promptly, efficiently, and without ostentation. We bless Thee for every movement that tends to bring men together into one great brotherhood. O let this broad, generous spirit possess all peoples of all races and creeds and join them in one great family. Thus shall be fulfilled that prayer which falls daily from countless lips: "Thy kingdom come, Thy will be done on earth as it is in heaven." Heavenly Father, lead us forth to enact this prayer in our attitude toward all nations. Through Christ our Savior. Amen.

The Journal of the proceedings of Friday, January 10, 1936, was read and approved.

MESSAGE FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries.

THE FUNDAMENTAL ISSUE

Mr. WADSWORTH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech I made by radio over the N. B. C. system last Friday night.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WADSWORTH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech, which I delivered over the radio last Friday night:

Events have been occurring with great rapidity here in Washington since the Congress convened on January 3—only a week ago. Some of them have been of dramatic interest. I think it fair to say that the season was opened by a political rally which was held in the Hall of the House of Representatives at the Capitol at 9 o'clock in the evening of the 3d. The historic room had been turned over to the electricians and engineers of the broadcasting companies, who set up, strategically, a large number of microphones, connected them up with insulated cables, strung the cables along the floor, up the wall, and out of a window, from which aperture they finally hooked up with the publicity powerhouse used for occasions of this sort. Along the rail of the gallery were mounted and trained upon the Speaker's platform a battery of cameras, looking for all the world like machine guns peeping over a parapet. The vast floor was crowded with officeholders, three-fourths of them partisans of the party in power and the remainder members of the despised opposition. I should qualify this description by saying that among the officeholders none of the judiciary was present. Members of the Supreme Court do not attend political rallies, and, besides, we realize now that they were very, very busy upon other matters at that time. The gentleman who presided over the meeting and frequently led in the applause was Mr. John Garner, who, in the event of disturbance, could rely upon the assistance of Mr. JOSEPH BYRNES, who sat at his left.

The speaker of the evening was the candidate at the head of the ticket, Mr. Franklin Roosevelt. His appearance upon the platform was the signal for a prolonged burst of handclapping, lusty cheers, and triumphant whoops from the great throng of his supporters. That the stage setting might be more effective, a group of powerful electric lights, swung in a bracket from the ceiling, cast its rays upon his countenance just as he reached his place. It was very effective and drew forth an additional demonstration, which reminded me of Madison Square Garden at its best. Most of the speech was political and of the campaign variety. The speaker extolled his achievements without limit and excoriated his opponents without mercy, to the evident delight of a very large majority of his listeners, who expressed their approval frequently in the conventional manner. True, one or two of his statements were greeted with satirical applause or derisive laughter from the little group in opposition, but I suppose one should not be surprised at this under the circumstances. They were getting pretty rough treatment. In any event, their demonstration lent color to the scene. Apparently colorful publicity is an essential ingredient in public discussions these days, and what more advantageous place can be found for it than in the Hall of the House of Representatives? The speech lasted from 45 to 50 minutes, including the interruptions. The program of the administration, generally known as the New Deal, was described as being a "fairly rounded whole." There was nothing more to be done about it. It was complete.

Some of us remembered that N. I. R. A., which the speaker once described as the most important and far-reaching legislation ever enacted by the American Congress, and, of course, an extraordinarily important part of the so-called New Deal, had fallen by the wayside. Mr. Roosevelt forgot that. He also forgot, conveniently, that whatever recovery has taken place in the industries of the country has taken place since the N. I. R. A. was declared unconstitutional by a unanimous Supreme Court. With happy confidence he challenged the opposition to repeal any of his measures. Probably he did not suspect that the Supreme Court at that very moment was giving consideration to some of them, and that within 3 days the whole Triple A structure would tumble to the bottom of the fairly well rounded "hole"—invalid under our Constitution. The speech contained no analysis of the condition of the country, no detailed description of the workings of recently enacted measures, and no recommendations whatsoever for additional legislative enactments. At its conclusion the usual demonstration took place, the candidate retired, and the meeting adjourned. Thus did the President fulfill that duty laid upon him by the Constitution of giving to the Congress information of the state of the Union. All in all it was an extraordinary performance. Witnessed from the gallery it presented a spectacle never to be forgotten—the first of its kind in the history of the Government. Also, it was one which, I hope, will never be repeated. Some of us may be old-fashioned, but, be that as it may, we adhere to the belief that when the President of the United States seeks to perform his duties under the Constitution and to give information to Congress, a coordinate and independent branch of our Government, he should actually give information and should give it in an atmosphere notable for serious attention to public problems, for restraint in utterance, and for dignity.

The second important event was the transmission of the Budget message to the Congress. It was read in the House of Representatives shortly after noon of Monday, January 6. In it the President laid down the financial program of the administration as far as it applies to the regular departments of the Government. His estimate of receipts and expenditures in these same regular departments led him to conclude and announce that the so-called regular Budget would be balanced at the end of the next fiscal year. The expenditures for the regular departments are to be larger than they were last year and very considerably larger than they were the year before. In fact, it now becomes perfectly clear that instead of reducing the regular expenditure of the Federal Government by 25 percent, the appropriations as recommended by the President are much larger than when he took office. And we now know that we have a far more expensive Government, and to support it we will have to tax the people more heavily than ever before in time of peace. The promised reduction has been forgotten. But, more serious than this, the President in his Budget message says he is not able to estimate the funds which the Government must expend in the next fiscal year for relief. Everyone knows that relief expenditures will be pretty heavy at best. Whatever they may come to—$1,000,000,000 or $2,000,000,000—they must be added to the regular expenditures. This means that we shall have a deficit for the fiscal year 1937 in whatever sum is spent for relief. No one knows today what the deficit will amount to. It presents a grim prospect, for we cannot go on piling up deficits and debts indefinitely. Sooner or later a collapse will come. What a pity it is that the appropriations made for the support of the regular activities of Government have not been reduced by that promised 25 percent. Had that been done, we could have come mighty near balancing the whole Budget by the end of 1937, despite relief expenditures. As it is, no one knows when it will be balanced. And every thoughtful person knows that the longer it is deferred the greater the danger of inflation. I pause to remind you that the word "thrift" never appears in the Roosevelt vocabulary.

At the very moment that the Budget message was being read by the Clerk of the House of Representatives, Mr. Justice Roberts, sitting with his eight colleagues, was reading the opinion of the Supreme Court on the so-called Triple A case. There were no microphones, no cameras, no spotlights, no demonstrations, no interruptions. Every person present realized that the Constitution of the United States was being construed and interpreted in one of its most vital features; that the members of the Court, far removed from political turmoil and passion, had listened to all the arguments relating to the power of the Federal Government as outlined in the Constitution, that they had weighed every word uttered or written which bore upon the question, and that, finally, one of their number was expounding, on behalf of a 2-to-1 majority, the kind of government we are living under. The Court held that in passing and attempting to enforce the Agricultural Adjustment Act the Congress had exceeded the powers delegated to it in the Constitution; the Court reminded the Congress and the country that the authors of the Constitution, after delegating certain specific powers to the Congress, set forth in black and white, had added a provision to the effect that all those powers not delegated to the Congress nor forbidden to the States are reserved to the States and to the people—this last in the tenth amendment. Among the powers delegated there cannot be found any power to regulate farm production. In fact, no such thing was ever dreamed of until very recently. True, the power to levy taxes is conferred upon the Congress, but the Court held that this power to tax cannot be

used by the Congress as a device for the exercise of other powers which are reserved to the States and to the people, such as the power to regulate the operation of a farm.

In a series of striking illustrations the Court demonstrates that if the power to tax can be used as a device for the seizing of power to regulate a farm, then it could be used in the seizing of power to regulate anything and everything—the very daily lives of the people. Manifestly such a construction would result eventually in taking away from the States all of the powers reserved to them in the Constitution, and, finally, in the utter destruction of the Federal Union of States and the right of local self-government—the very thing which the Constitution was intended to prevent. This decision, coupled with the famous N. I. R. A. decision of June 1935, completes the demolition of most of the New Deal program. The authors and defenders of the Constitution down through the generations have realized that the love of liberty is inherent in the soul of man and that its possession is the most precious of all possessions. Knowing this, they decided at the very beginning, and they have maintained it until this day, that the centralization of power, the concentration of it in the hands of an imperial government, would inevitably result in substituting despotism for liberty. History oft repeated has demonstrated this. Therefore, they said, we will set up a National Government and give it certain powers—powers sufficient to enable it to preside over the destinies of the Nation as a whole—but we will forbid it to seize any other powers until we, the people in the several States, give our consent through the adoption of an appropriate amendment to the fundamental law. But one ideal inspires this philosophy. It is the ideal of liberty which men have pursued for thousands of years and which has never flourished anywhere upon the face of the earth so gloriously as it has flourished right here in the United States.

If liberty is to be lost to us and to our children, then it must be lost as the result of our own deliberate determination to surrender it. No one will deny that there are many well-intentioned people who believe that we have reached a stage in our development at which it is necessary that the individual should be subject to the regulation of a central government as he attempts to earn his living from day to day. Controlled by the President and a group of his advisors who believe with him, the Congress has passed a series of acts within the last 3 years with this objective in view. At the beginning the program was started under the plea of an emergency, but as it developed from month to month it soon became apparent that the President intended that it should be permanent. With a rollicking, boyish recklessness he has led his Congress along this road at a terrific pace, passing measure after measure, regardless of doubts as to their validity, regardless of the warnings of thoughtful men who were convinced, in ever-increasing numbers, that the whole thing flew straight in the face of those limitations which the Constitution imposes upon congressional power in the interest of liberty. Heedless of warnings they hastened to spread their system. They set up a huge bureaucracy numbering thousands and thousands clothed with power to delve into the affairs of the people, and finally, the power to punish men with fines and imprisonment if they dared attempt to earn their living in a way not prescribed by the central government.

The amazing thing is that Mr. Roosevelt and his followers call themselves liberals. They do these things in the name of the more abundant life. Can life be abundant, in the best sense of the word, to a farmer who is threatened with a jail sentence for raising and selling potatoes in excess of the quantity prescribed for him by the Government at Washington? Is that man a liberal who insists that his neighbor shall be fined and sent to jail for selling his product or his services at a price differing from the figure fixed by the bureaucracy? If this is the more abundant life, and if these people are liberals, then a great many of us have misconstrued the meaning of those words. Some may say that we should not be excited about all these things any more, for the Supreme Court has pointed out the utter nullity of these two remarkable measures, N. I. R. A. and Triple A. Let me suggest in all seriousness that the people who are imbued with the philosophy of the New Deal are not content with these rebuffs. They are wondering tonight how they can retrieve their program. There is but one way, as I see it, by which they can proceed if, indeed, they are to proceed in orderly fashion, and that is by proposing a new amendment to the Constitution specifically granting to the Congress the power to regulate all industry, all agriculture, and all local business transactions, and by persuading two-thirds of the Members of each House of Congress to submit such an amendment to the people in the several States, and finally by persuading the people in three-fourths of the States to ratify it. That is the orderly and logical method of procedure under our form of government. Will Mr. Roosevelt try it? If he does not, then he admits that the jig is up. If he does, he will be acting consistently with all his exhortations of the last 3 years, and, moreover, he will have placed the fundamental issue squarely before the people. In such an event I have no doubt whatsoever of the result. The people of America, by an enormous majority, will demonstrate that, like their ancestors, they prefer to be masters of their government rather than its subjects.

CALENDAR WEDNESDAY

Mr. BANKHEAD. Mr. Speaker, we are very anxious to proceed with as much dispatch as possible on the appropriation bill. For this reason I ask unanimous consent at this time that business in order on Calendar Wednesday of this week may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that proceedings on the motion to discharge the Committee on Ways and Means from further consideration of the bill (H. R. 1) to provide for the immediate payment to veterans of the face value of their adjusted-service certificates and for controlled expansion of the currency be postponed for 2 weeks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. FISH. Mr. Speaker, I object.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ADJUSTED-SERVICE CERTIFICATES

Mr. PATMAN. Mr. Speaker, I hope the gentleman from New York with withdraw his objection. The Vinson-Patman-McCormack bill to pay adjusted-service certificates passed the House several days ago. This is another bill, H. R. 1, to pay the adjusted-service certificates. Two hundred and eighteen Members of the House signed a motion to discharge the Committee on Ways and Means from further consideration of this bill. We could force consideration of it today. We feel that by postponing it 2 weeks there will be no necessity for any action to be taken on it, because we believe that in the meantime the matter will be adjusted; but in the event something should happen to prevent its adjustment we have this bill here to protect all our rights. We have two ways of handling this situation: One by unanimous consent, the other by getting a majority to vote to discharge the committee and not make a motion for present consideration which will result in the bill being referred to the calendar and our rights will be preserved in that way.

I have talked to many Members of the House about it, and all of them have agreed that this is the proper procedure. Under the circumstances, I wish the gentleman would not object but would be willing for the matter to go over 2 weeks.

Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. Certainly.

Mr. FISH. Mr. Speaker, I objected because this petition has been hanging over the head of the House for a long time. I am opposed to it. I should like to get it out of the way. Furthermore, we have just passed a bill to pay the adjusted-service certificates, and it is now in the hands of the Senate. I do not like the idea of having a motion for payment of the veterans through inflation outstanding as a threat to the Members of the House as to what they should do or what some group wants to do in the way of payment of the adjusted-service certificates through starting the printing presses. Being opposed to inflation, or any printing-press method of payment, I shall have to object.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BLANTON. I want to say to the gentleman from New York that his is a futile objection, because, under the rules and under his rights, the gentleman from Texas nevertheless can call up this privileged motion. And after he passes it he can secure recognition by the Chair, and then he can move a postponement for 2 weeks and carry the motion, because he has enough votes to carry it; so why put the gentleman from Texas to all this trouble? Why not let him do by unanimous consent in half a minute something which would otherwise take probably an hour?

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. RICH. I may say to my friend the gentleman from Texas that if a man is opposed to inflation he ought to do

everything within his power to keep inflation from being started, whether it takes 2 or 3 hours or 2 or 3 minutes.

Mr. PATMAN. I may state to the gentleman, Mr. Speaker, that if this request is not agreed to, I expect to call up the motion and ask to discharge the committee from further consideration of the bill.

[Here the gavel fell.]

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to proceed for 2 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. When this motion is voted on, I expect then to make a motion to postpone it for 2 weeks; and I believe the gentleman will agree with me that the motion will carry or I will not make a motion for consideration and permit the bill to be referred to the calendar. In view of these facts, I think he should withdraw his objection and permit the request to be granted. I am certainly not going to refuse to do everything in my power to keep the bill alive for emergency purposes. The bill will not be called up unless the Vinson-Patman-McCormack bill fails to be enacted. The gentleman from New York attempted to get an amendment attached to the Vinson-Patman-McCormack bill that would have destroyed, one that would prevent the veterans from getting their money. Evidently it is not through any particular desire on his part that the debt be paid that prompts his objection.

Mr. FISH. Mr. Speaker, I want to be courteous to the gentleman from Texas, but I am opposed to inflation. If the Democratic majority wants to take the responsibility of backing inflation or the issuance of greenbacks, that is their responsibility; but anything I can do to stop inflation I propose to do. The veterans have already been crucified on the cross of inflation and currency expansion long enough, and it is time to put an end to such tactics and pass the bonus bill providing for immediate payment of the adjusted-service certificates to the World War veterans as a relief measure without jeopardizing its passage by further attempts to attach inflationary and printing-press methods of payment.

Mr. Speaker, in order to head off or prevent the efforts of the currency expansionists to use the bonus as a vehicle for inflation and perhaps delay or defeat the bonus bill, I am compelled to object.

Mr. PATMAN. Mr. Speaker, I move to discharge the Committee on Ways and Means from the further consideration of the bill (H. R. 1) to provide for the immediate payment to veterans of the face value of their adjusted-service certificates and for controlled expansion of the currency.

Mr. FISH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. FISH. Is this motion debatable? Do not the rules provide 20 minutes' debate?

The SPEAKER. In the matter of debate on a motion to discharge a committee from the consideration of a bill, the rule provides:

> After 20 minutes' debate, one-half in favor of the proposition and one-half in opposition thereto, the House shall proceed to vote on the motion to discharge.

The Clerk read the title of the bill.

The SPEAKER. The gentleman from Texas [Mr. PATMAN] moves that the Committee on Ways and Means be discharged from further consideration of the bill.

Mr. PATMAN. Mr. Speaker, is it in order to move the previous question?

The SPEAKER. Not at this time, under the rule. The rule provides for 20 minutes' debate. The Chair will recognize the gentleman from North Carolina [Mr. DOUGHTON] and the gentleman from Texas [Mr. PATMAN] to control the time.

Mr. SNELL. Mr. Speaker, the Chair will recognize someone in opposition for 10 minutes?

The SPEAKER. That is what the Chair just stated, and that is what the rule provides.

Mr. SNELL. Mr. Speaker, the gentleman from New York [Mr. FISH] would like to be recognized in opposition to the motion.

The SPEAKER. The chairman of the committee before which the bill is pending is entitled to be recognized in opposition, if he desires.

Mr. SNELL. I think the Chair is right about that.

The SPEAKER. The question is on the motion of the gentleman from Texas to discharge the Committee on Ways and Means from further consideration of the bill (H. R. 1) to provide for the immediate payment to veterans of the face value of their adjusted-service certificates and for controlled expansion of the currency.

The question was taken: and on a division (demanded by Mr. PATMAN and Mr. DUNN of Pennsylvania) there were—ayes 47, noes 27.

Mr. FISH. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. Evidently there is not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify the absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 228, nays 100, answered "present" 1, not voting 101, as follows:

[Roll No. 5]

YEAS—228

Ashbrook	Eckert	Larrabee	Rabaut
Ayers	Edmiston	Lee, Okla.	Ramspeck
Bankhead	Eicher	Lemke	Randolph
Barden	Ellenbogen	Lesinski	Rankin
Barry	Evans	Lucas	Rayburn
Beam	Faddis	Luckey	Reece
Beiter	Ferguson	Lundeen	Richards
Berlin	Fitzpatrick	McAndrews	Robinson, Utah
Biermann	Fletcher	McClellan	Robsion, Ky.
Binderup	Ford, Miss.	McCormack	Rogers, N. H.
Blanton	Fuller	McFarlane	Rogers, Okla.
Bloom	Fulmer	McGehee	Romjue
Boileau	Gasque	McGrath	Rudd
Boland	Gavagan	McKeough	Ryan
Boykin	Gehrmann	McLaughlin	Sadowski
Boylan	Gilchrist	McSwain	Sanders, Tex.
Brown, Ga.	Gildea	Mahon	Sauthoff
Burdick	Gillette	Mansfield	Schaefer
Caldwell	Gingery	Marcantonio	Schneider, Wis.
Cannon, Mo.	Granfield	Martin, Colo.	Schuetz
Carmichael	Gray, Ind.	Mason	Schulte
Carpenter	Gray, Pa.	Massingale	Scott
Cartwright	Green	Maverick	Scrugham
Casey	Greenwood	Mead	Sears
Castellow	Gregory	Meeks	Secrest
Chandler	Griswold	Merritt, N. Y.	Shanley
Chapman	Haines	Miller	Smith, W. Va.
Cochran	Hamlin	Mitchell, Ill.	Snyder, Pa.
Coffee	Hart	Mitchell, Tenn.	South
Colden	Healey	Monaghan	Spence
Cole, Md.	Higgins, Mass.	Moran	Starnes
Colmer	Hildebrandt	Moritz	Steagall
Connery	Hill, Ala.	Nelson	Stefan
Cooper, Tenn.	Hill, Samuel B.	Nichols	Sullivan
Costello	Hobbs	Norton	Sutphin
Cox	Hook	O'Brien	Sweeney
Cravens	Houston	O'Connell	Taylor, Colo.
Crosby	Hull	O'Connor	Taylor, S. C.
Cross, Tex.	Imhoff	O'Day	Taylor, Tenn.
Crosser, Ohio	Jacobsen	O'Leary	Thomason
Crowe	Jenckes, Ind.	O'Malley	Tonry
Cullen	Johnson, Okla.	O'Neal	Turner
Cummings	Johnson, Tex.	Owen	Umstead
Curley	Johnson, W. Va.	Palmisano	Underwood
Daly	Jones	Parks	Utterback
Deen	Kelly	Parsons	Vinson, Ga.
Delaney	Kennedy, Md.	Patman	Vinson, Ky.
Dempsey	Kenney	Patterson	Walter
Dietrich	Kerr	Patton	Warren
Disney	Kleberg	Pearson	Wearin
Dockweiler	Kloeb	Peterson, Fla.	Weaver
Dondero	Kniffin	Peterson, Ga.	Wheichel
Doxey	Kocialkowski	Pfeifer	Wilcox
Driscoll	Kramer	Pierce	Williams
Driver	Kvale	Pittenger	Withrow
Dunn, Pa.	Lambertson	Polk	Wood
Eagle	Lamneck	Quinn	Zimmerman

NAYS—100

Allen	Burch	Dirksen	Greever
Andresen	Burnham	Doughton	Guyer
Andrew, Mass.	Carlson	Eaton	Gwynne
Arends	Carter	Engel	Halleck
Bacon	Christianson	Fiesinger	Hancock, N. Y.
Blackney	Church	Fish	Harlan
Boehne	Cole, N. Y.	Focht	Hess
Bolton	Crawford	Ford, Calif.	Higgins, Conn.
Buck	Crowther	Gearhart	Hoffman
Buckbee	Culkin	Gifford	Hollister
Bulwinkle	Darrow	Goodwin	Holmes



Hope	Main	Reed, N. Y.	Tinkham
Huddleston	Mapes	Reilly	Tobey
Kahn	Marshall	Rich	Treadway
Kinzer	Martin, Mass.	Robertson	Turpin
Knutson	Merritt, Conn.	Rogers, Mass.	Wadsworth
Lambeth	Millard	Russell	Welch
Lanham	Montague	Short	West
Lehlbach	Mott	Sisson	Whittington
Lewis, Colo.	Pettengill	Smith, Conn.	Wigglesworth
Lewis, Md.	Peyser	Smith, Va.	Wilson, Pa.
Lord	Plumley	Snell	Wolcott
Ludlow	Powers	Taber	Woodruff
McLean	Ransley	Tarver	Woodrum
McReynolds	Reed, Ill.	Terry	Young

ANSWERED "PRESENT"—1

Shannon

NOT VOTING—101

Adair	Darden	Hancock, N. C.	Sabath
Amlie	Dear	Harter	Sanders, La.
Andrews, N. Y.	DeRouen	Hartley	Sandlin
Bacharach	Dickstein	Hennings	Seger
Bell	Dies	Hill, Knute	Sirovich
Bland	Dingell	Hoeppel	Smith, Wash.
Brennan	Ditter	Jenkins, Ohio	Somers, N. Y.
Brewster	Dobbins	Kee	Stack
Brooks	Dorsey	Keller	Stewart
Brown, Mich.	Doutrich	Kennedy, N. Y.	Stubbs
Buchanan	Drewry	Kopplemann	Sumners, Tex.
Buckler, Minn.	Duffey, Ohio	Lea, Calif.	Thom
Buckley, N. Y.	Duffy, N. Y.	McGroarty	Thomas
Cannon, Wis.	Duncan	McLeod	Thompson
Cary	Dunn, Miss.	McMillan	Thurston
Cavicchia	Ekwall	Maas	Tolan
Celler	Englebright	Maloney	Wallgren
Citron	Farley	May	Werner
Claiborne	Fenerty	Michener	White
Clark, Idaho	Fernandez	Montet	Wilson, La.
Clark, N. C.	Flannagan	Murdock	Wolfenden
Collins	Frey	Oliver	Wolverton
Cooley	Gambrill	Perkins	Zioncheck
Cooper, Ohio	Gassaway	Ramsay	
Corning	Goldsborough	Richardson	
Creal	Greenway	Risk	

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Thompson (for) with Mr. Corning (against).
Mr. Goldsborough (for) with Mr. Andrews of New York (against).
Mr. Celler (for) with Mr. Darden (against).
Mr. Somers of New York (for) with Mr. Dobbins (against).
Mr. Dear (for) with Mr. Bland (against).
Mr. Wolverton (for) with Mr. Drewry (against).
Mr. Montet (for) with Mr. Cavicchia (against).
Mr. Dickstein (for) with Mr. Cooper of Ohio (against).
Mr. Sandlin (for) with Mr. Duffy of New York (against).
Mr. Maloney (for) with Mr. Ditter (against).
Mr. Harter (for) with Mr. Claiborne (against).
Mr. Kennedy of New York (for) with Mr. Oliver (against).
Mr. Sanders of Louisiana (for) with Mr. Jenkins of Ohio (against).
Mr. Dies (for) with Mr. Hartley (against).
Mr. Sirovich (for) with Mr. Michener (against).
Mr. Buckley of New York (for) with Mr. Perkins (against).
Mr. Fernandez (for) with Mr. Wolfenden (against).

General pairs:

Mr. Lea of California with Mr. Stewart.
Mr. Sumners of Texas with Mr. Wolverton.
Mr. May with Mr. Risk.
Mr. Cooley with Mr. Thurston.
Mr. McMillan with Mr. Fenerty.
Mr. Buchanan with Mr. Bacharach.
Mr. Cary with Mr. Thomas.
Mr. DeRouen with Mr. Seger.
Mr. Flannagan with Mr. Amlie.
Mr. Clark of North Carolina with Mr. Maas.
Mr. Kee with Mr. Ekwall.
Mr. Hancock of North Carolina with Mr. Brewster.
Mr. Gambrill with Mr. Collins.
Mr. Richardson with Mr. Doutrich.
Mr. Thom with Mr. Englebright.
Mr. Dorsey with Mr. Buckler of Minnesota.
Mr. Clark of Idaho with Mr. Ramsay.
Mr. Adair with Mr. Gassaway.
Mrs. Greenway with Mr. Bell.
Mr. Knute Hill with Mr. Brennan.
Mr. Keller with Mr. Smith of Washington.
Mr. Citron with Mr. Brooks.
Mr. Brown of Michigan with Mr. Creal.
Mr. Stack with Mr. Werner.
Mr. Murdock with Mr. Frey.
Mr. Zioncheck with Mr. White.
Mr. Farley with Mr. Duncan.
Mr. McGroarty with Mr. Wallgren.
Mr. Dunn of Mississippi with Mr. Kopplemann.
Mr. Stubbs with Mr. Dingell.
Mr. Cannon of Wisconsin with Mr. Tolan.
Mr. Sabath with Mr. McLeod.

Mr. GREEVER changed his vote from "yea" to "nay."

Mr. REECE changed his vote from "yea" to "nay."

Mr. COSTELLO. Mr. Speaker, my colleague the gentleman from California, Mr. TOLAN, is unavoidably absent on account of sickness. Were he present he would vote "yea."

Mr. CHAPMAN. Mr. Speaker, I have been asked by my colleague the gentleman from Kentucky, Mr. CREAL, to announce that he was unavoidably absent during the roll call on the motion to discharge the Committee on Ways and Means from the consideration of the bill H. R. 1, the Patman bonus bill, and that if he had been present he would have voted "yea."

The result of the vote was announced as above recorded.

The doors were opened.

Mr. FISH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. FISH. Under the rule, when a commitee is discharged from the consideration of a bill, does not the bill automatically come up for consideration in the House?

The SPEAKER. It does not, except on motion of a Member who signed the discharge petition.

The bill will be referred to the Committee of the Whole House on the state of the Union and ordered to be printed.

MESSAGES FROM THE PRESIDENT OF THE UNITED STATES—CIVIL GOVERNMENT FOR PUERTO RICO

The SPEAKER laid before the House the following message from the President of the United States, which was read and, with the accompanying papers, referred to the Committee on Insular Affairs:

To the Congress of the United States:

As required by section 23 of the act of Congress approved March 2, 1917, entitled "An act to provide a civil government for Puerto Rico, and for other purposes", I transmit herewith certified copies of laws and resolutions enacted by the Thirteenth Legislature of Puerto Rico during its third regular session, February 11 to April 14, 1935, and its second special session, June 25 to July 8, 1935.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 13, 1936.*

FIFTY-SECOND ANNUAL REPORT OF THE CIVIL SERVICE COMMISSION

The SPEAKER laid before the House the following further message from the President of the United States, which was read, and, with accompanying papers, referred to the Committee on Civil Service:

To the Congress of the United States:

As required by the act of Congress to regulate and improve the civil service of the United States approved January 16, 1883, I transmit herewith the Fifty-second Annual Report of the Civil Service Commission for the fiscal year ended June 30, 1935.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 13, 1936.*

EIGHTY-SIXTH ANNUAL REPORT OF THE BOARD OF DIRECTORS OF THE PANAMA CANAL RAILROAD CO.

The SPEAKER laid before the House the following further message from the President of the United States, which was read, and, with accompanying papers, referred to the Committee on Merchant Marine and Fisheries:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, the Eighty-sixth Annual Report of the Board of Directors of the Panama Railroad Co. for the fiscal year ended June 30, 1935.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 13, 1936.*

ANNUAL REPORT OF THE GOVERNOR OF THE PANAMA CANAL

The SPEAKER laid before the House the following further message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Merchant Marine and Fisheries:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, the annual report of the Governor of the Panama Canal for the fiscal year ended June 30, 1935.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 13, 1936.*

REPORT OF RAILROAD INVESTIGATION COMMISSION

The SPEAKER laid before the House the following further message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, the report of the Railroad Investigation Commission.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 13, 1936.*

CLAIM OF WILLIAM L. JENKINS, FORMERLY CONSUL OF THE UNITED STATES AT TREBIZOND, TURKEY

The SPEAKER laid before the House the following further message from the President of the United States, which was read, and, with accompanying papers, referred to the Committee on Claims:

To the Congress of the United States:

I enclose herewith a report which the Secretary of State has addressed to me in regard to a claim of William L. Jenkins, Esq., formerly consul of the United States at Trebizond, Turkey, for the sum of $481.50 appropriated for his relief in Public Act No. 519, approved July 3, 1930, and used by the General Accounting Office as a set-off against an amount of $2,000 due from him for his failure to properly account for the proceeds of a draft in that sum drawn by him on December 8, 1916.

Legislation authorizing and directing the Comptroller General of the United States to credit Mr. Jenkins' accounts with the sum of $2,000 is contained in Private Act No. 30, of May 8, 1935. No provision was made in this act for refund of the sum of $481.50 used as a set-off, but in view of the fact that the Congress enacted legislation providing for reimbursement of the amount of his loss, namely, $481.50, and for crediting his accounts with the sum of $2,000, it was evidently intended that he be fully compensated. It is, therefore, recommended that legislation be enacted providing payment in the amount of $481.50 for the relief of the claimant.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 13, 1936.*

[Enclosures: Report of Secretary of State and enclosures.]

CERTAIN OFFICERS OF THE FOREIGN SERVICE OF THE UNITED STATES

The SPEAKER laid before the House the following further message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Affairs.

To the Congress of the United States:

I enclose herewith a report which the Secretary of State has addressed to me in regard to claims of certain officers of the Foreign Service of the United States for reimbursement of losses sustained by them by reason of war and other causes, during or incident to their services in foreign countries.

I recommend that an appropriation in the amount suggested by the Secretary of State be authorized in order to relieve these officers of the Government of the burden these losses have occasioned.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 13, 1936.*

[Enclosures: Report of the Secretary of State, with enclosures.]

COMMISSION ON THE ERECTION OF MEMORIALS AND ENTOMBMENT OF BODIES IN THE ARLINGTON MEMORIAL AMPHITHEATER

The SPEAKER laid before the House the following further message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Public Buildings and Grounds:

To the Congress of the United States:

In compliance with the requirements of the act of Congress of March 4, 1921, I transmit herewith the Annual Report of the Commission on the Erection of Memorials and Entombment of Bodies in the Arlington Memorial Amphitheater for the fiscal year ended June 30, 1935.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 13, 1936.*

FIRST ANNUAL REPORT OF THE ALLEY DWELLING AUTHORITY FOR THE DISTRICT OF COLUMBIA

The SPEAKER laid before the House the following further message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on the District of Columbia.

To the Congress of the United States:

In compliance with the requirements of the act of Congress of June 12, 1934, I transmit herewith the First Annual report of the Alley Dwelling Authority for the District of Columbia.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 13, 1936.*

RELIEF OF CONFEDERATED BANDS OF UTE INDIANS

Mr. ROGERS of Oklahoma. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 381) for the relief of the Confederated Bands of Ute Indians located in Utah, Colorado, and New Mexico, with a House amendment, insist on the House amendment, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. ROGERS of Oklahoma, MURDOCK, and BURDICK.

REV. JAMES R. COX, OF PITTSBURGH

Mr. MORITZ. Mr. Speaker, I ask unanimous consent to have a message, in the form of a communication, read by the Clerk.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to have a communication read from the Clerk's desk. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, what is the communication the gentleman wants read?

The SPEAKER. The gentleman from Pennsylvania can explain it.

Mr. MORITZ. Mr. Speaker, this is a message from a great humanitarian, Father James R. Cox, of Pittsburgh, who is now in the galleries. He has written his sentiments giving a message to the House of Representatives with respect to his attitude toward old-age pensions.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. MARTIN of Massachusetts. Mr. Speaker, I object.

DR. RONALD A. COX

Mrs. NORTON. Mr. Speaker, I call up the bill (S. 2939) to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Ronald A. Cox and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding any limitation relating to the time within which an application for a license must be filed, the Commission of Licensure to Practice the Healing Art in the District of Columbia is authorized and directed to issue a license to practice the healing art in the District of Columbia to Dr. Ronald A. Cox, Washington, D. C., in accordance with the

provisions of the first paragraph of section 24 of the Healing Arts Practice Act, District of Columbia, 1928.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. ARTHUR B. WALKER

Mrs. NORTON. Mr. Speaker, I call up the bill (H. R. 8437) to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Arthur B. Walker, and I ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

Mr. WADSWORTH. Mr. Speaker, reserving the right to object, I think this is the second bill of this sort which has been presented to the House this morning at the request of the gentlewoman from New Jersey. I know nothing of the merits of the measure, but I think it rather due the House that the gentlewoman from New Jersey explain why it is that special legislation is needed to permit these persons to practice medicine in the District of Columbia.

Mrs. NORTON. Mr. Speaker, may I say to the gentleman from New York that this bill merely provides for the issuance of a license to Dr. Arthur B. Walker, and the reason for it is that the time limit within which to submit applications was fixed by law, and, due to illness, he failed to take advantage of the opportunity. Special acts of Congress have been necessary in every case of this kind, and similar bills have been enacted for those doctors whose applications have received the approval of the District Commissioners.

Mr. DIRKSEN. Mr. Speaker, will the gentlewoman from New Jersey yield?

Mrs. NORTON. I yield.

Mr. DIRKSEN. I may say to my friend the gentleman from New York [Mr. WADSWORTH] and the rest of the membership of the House that when we acted on the licensure bill with respect to the practice of the healing art in the District of Columbia, there were a number of registered doctors who had been practicing here for a great many years who were away and on account of their absence were automatically precluded from the benefits of the act. We have three identical bills on the calendar today involving men who are being reinstated because they were out of the District at that time.

Mr. BLANTON. If the gentleman will permit, it so happens that this particular "healing art" doctor was sick.

Mr. DIRKSEN. That is true. The others, I believe, were away; but in any event, there were very good reasons why they could not qualify.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding any limitation relating to the time within which an application for a license must be filed, the Commission on Licensure to Practice the Healing Art in the District of Columbia is authorized and directed to issue a license to practice the healing art in the District of Columbia to Dr. Arthur B. Walker, Lincoln, Nebr., in accordance with the provisions of the first paragraph of section 24 of the Healing Arts Practice Act, District of Columbia, 1928.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. PAK CHUE CHAN

Mrs. NORTON. Mr. Speaker, I call up the bill (S. 2013) to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Pak Chue Chan, and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding any limitation relating to the time within which an application for a license must be filed, the Commission on Licensure to Practice the Healing Art in the District of Columbia is authorized and directed to issue a license to practice the healing art in the District of Columbia to Dr. Pak Chue Chan, of Washington, D. C., in accordance with the provisions of the first paragraph of section 24 of the Healing Arts Practice Act, District of Columbia, 1928.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed a bill of the following title in which the concurrence of the House is requested:

S. 3097. An act relating to interest and usury affecting parties under the jurisdiction of courts of the United States functioning in countries where the United States exercises extraterritorial jurisdiction.

The message also announced that the Senate had passed the following resolution:

Senate Resolution 218

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. WESLEY LLOYD, late a Representative from the State of Washington.

Resolved, That a committee of two Senators be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased Representative the Senate do now adjourn.

TO AUTHORIZE THE OPENING OF GRAVES IN THE DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, I call up the bill (S. 1016) to empower the health officer of the District of Columbia to authorize the opening of graves and the disinterment and reinterment of dead bodies in cases where death has been caused by certain contagious diseases. I ask that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the lady from New Jersey that the bill be considered in the House as in Committee of the Whole?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 93 of title 5 of the Code of Law for the District of Columbia is hereby amended by adding thereto the following proviso: *"Provided*, That the health officer of the District of Columbia may, in his discretion, authorize the opening, under sanitary precautions, of any such grave, and the disinterment and reinterment in the same grave or other suitable burial ground, of the dead body of any person who has died of any of the contagious diseases enumerated above."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE TEACHERS' SALARY ACT

Mrs. NORTON. Mr. Speaker, I call up the bill (H. R. 8577) to amend the Teachers' Salary Act of the District of Columbia approved June 4, 1924, as amended, in relation to raising the trade or vocational schools to the level of junior high schools, and for other purposes.

The Clerk read the title of the bill.

Mr. BLANTON. Will the lady from New Jersey yield?

Mrs. NORTON. I yield.

Mr. BLANTON. How far reaching is this bill—how many teachers does it cover?

Mrs. NORTON. I have a report from Superintendent Ballou, which I think will answer the question. It is estimated that it will cost about $7,500 a year.

Mr. BLANTON. How many teachers does it cover?

Mrs. NORTON. I think about 50.

Mr. BLANTON. Not over 50?

Mrs. NORTON. I do not think so.

Mr. BLANTON. And it will cost only about $7,500 a year?

Mrs. NORTON. That is about the estimate.

Mr. O'MALLEY. Will the lady from New Jersey yield?

Mrs. NORTON. I yield to the gentleman from Wisconsin.

Mr. O'MALLEY. Are these teachers employed in the day schools?

Mrs. NORTON. Yes; and this simply means raising them in the trade or vocational schools to the level of junior high schools.

Mr. O'MALLEY. Are any of them teachers in the night schools?

Mrs. NORTON. The bill covers all trade or vocational school teachers.

Mr. O'MALLEY. Are any of these teachers in the day schools drawing two salaries?

Mrs. NORTON. Not at all.

Mr. O'MALLEY. There are teachers in the day schools that teach at night and draw another salary. I hope that they will employ teachers on a little different basis, so that it can be spread around and the teachers will not be drawing the salaries for teaching in the daytime and an extra salary for teaching at night.

Mrs. NORTON. Mr. Speaker, I ask unanimous consent that this bill be considered in the House as in Committee of the Whole.

Mr. BLANTON. I have no objection to that, but the lady has promised to give me some time.

The SPEAKER. How much time?

Mr. BLANTON. She has an hour, and she has agreed to give me 20 minutes.

The SPEAKER. The lady from New Jersey asks unanimous consent that this bill be considered in the House as in Committee of the Whole. Is there objection?

There was no objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That it is the purpose of this act to raise the trade or vocational schools from the present elementary school level to the rank of junior high schools as to salary schedule; and to provide other necessary legislation relating thereto.

SEC. 2. That on and after July 1, 1936, the salaries of teachers and principals of the trade or vocational schools shall be as follows:

CLASS 1—TEACHERS

Group A. A basic salary of $1,400 per year, with an annual increase in salary of $100 for 8 years, or until a maximum salary of $2,200 per year is reached.

Group B. A basic salary of $2,300 per year, with an annual increase in salary of $100 for 3 years, or until a maximum salary of $2,600 per year is reached.

CLASS 2—TEACHERS

Group A. A basic salary of $1,600 per year, with an annual increase in salary of $100 for 8 years, or until a maximum salary of $2,400 per year is reached.

Group B. A basic salary of $2,500 per year, with an annual increase in salary of $100 for 3 years, or until a maximum salary of $2,800 per year is reached.

Group C. A basic salary of $1,800 per year, with an annual increase in salary of $100 for 10 years, or until a maximum salary of $2,800 per year is reached.

Group D. A basic salary of $2,900 per year, with an annual increase in salary of $100 for 3 years, or until a maximum salary of $3,200 per year is reached.

CLASS 3—PRINCIPALS

A basic salary of $3,500 per year, with an annual increase in salary of $100 for 5 years, or until a maximum salary of $4,000 per year is reached.

SEC. 3. That the Board of Education is hereby authorized, empowered, and directed to classify and assign the teachers and principals in the service in trade or vocational schools on July 1, 1936, to the salary classes and positions in the foregoing salary schedule for said trade or vocational schools, in accordance with such rules as the Board of Education may prescribe.

SEC. 4. That the Board of Education is authorized and empowered to establish occupational schools on the elementary school level for pupils not prepared to pursue vocational courses in the trade or vocational schools; and also to carry on trade or vocational courses on the senior high school level or in senior high schools.

SEC. 5. The appointments, assignments, and transfers of teachers and principals authorized in this act shall be made in accordance with the act approved June 20, 1906, as amended. (Public, No. 254.)

SEC. 6. This act shall take effect on July 1, 1936.

Mrs. NORTON. Mr. Speaker, I yield 20 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, my remarks will be upon another subject than District legislation, except that I shall make reference to one bill on the District calendar.

There is a bill coming up this afternoon which, in my judgment, would hamper and interfere with the lawyers in every district in every State in the United States in exercising their rights before the courts of Washington. Unless they represented some matter from their particular locality they would have to come here and first obtain a license to practice in Washington, or employ some Washington lawyer, at whatever fee he might want to charge, before their client could be heard in the courts of Washington.

That bill is an improper bill. The procedure here, with reference to such matters, is already well defined, and the bill should be defeated.

GOVERNOR HOFFMAN INTERMEDDLING WITH JUSTICE

The subject I rose to discuss is another matter. It so happens that in the legal jurisprudence of the country men charged with crime, high crime, are not tried in the newspapers. They are not tried in statehouses, they are not tried in Governors' offices. They are tried only in courthouses, where there is a judge who administers the law, who is controlled in his administration of the law by rules of procedure and established principles of law, where witnesses are sworn, where no hearsay testimony is introduced, where no rumor is allowed, and where no it-is-reported-so-and-so is admitted in evidence. The witnesses are permitted to testify only to legal evidence under the rules of law.

I was astounded Saturday evening when I picked up the Washington Times and saw in great big headlines printed in black-faced type an inch long the following statement:

Hoffman will order arrest of Dr. Condon.

Then in the next edition of that paper, in great big headlines covering the whole top of the page, which are large enough for one to read across this Chamber, there was the following:

Hoffman will order arrest of Dr. Condon.

Thank God, in the United States there is not a Governor who sits in any Governor's office in any State who has any authority to order the arrest of anybody. The Bill of Rights protects the citizens of the United States and provides that they shall be secure in their property and in their person against unlawful seizure except by due process of law.

Talk about Hoffman ordering somebody's arrest! He has no power or authority whatsoever to order the arrest of Dr. Condon, and he will not be arrested, and this paper, which has eminent counsel, surely knew that fact. And when Governor Hoffman continues to meddle in this case and permits headlines like that to go into the press against a citizen of the United States he knows he has no such power, and he ought to have corrected it if he did not authorize it; and if he authorized it, he ought to be impeached. The people are getting tired of yellow journalism in this country playing up arch criminals in a way that would seek to get for them the sympathy of respectable, decent people.

This morning's newspaper asserted that Governor Hoffman said he "was going to see to it that Bruno Hauptmann was not railroaded into the electric chair." Railroaded! When approximately a year has passed since he committed that dastardly, cowardly crime, and he has been convicted by a court and jury of one of the worst crimes known to the annals of criminology, when he caused this whole Nation to be grief-stricken, when for weeks he wrung the heartstrings of every father and mother in the whole of Christendom by the heinous crime which he committed, and he has remained unpunished for nearly a year. Talk about railroading him, when now, after this long delay, due process of law is to be exercised and he is about to get the just punishment that he should have gotten months ago. I do not blame Shakespeare for deprecating against the delay of courts, against the law's delay. The same law's delay that disgusted Shakespeare in his time has disgusted every decent citizen in the United States. If Bruno Hauptmann had 100 lives and could be electrocuted 100 times he would not be adequately punished for the atrocious crime he committed.

The yellow journalism of this country, in order to commercialize this crime and sell their papers, has been playing up Hauptmann, his picture, the pictures of his wife and little child, for months and months to create sympathy in his behalf. But they never refer to the suffering of Colonel Lind-

bergh, or of his wife, or of their families, or of the fathers and mothers all over the country who grieved with them.

I was thinking about England, and about British justice. Why is it that they do not have kidnaping in Great Britain? It is because the Government does not tolerate it. No yellow journal in Great Britain could play up the murderer and kidnaper of a little child in the way that Hauptmann has been paraded before the people of the United States for the last 10 months. The people of Great Britain would not stand for it. Hauptmann would have been convicted and would have been punished months ago over there. Hence they do not have kidnaping in Great Britain. We have more murders committed in one little section of the United States in 1 year than are committed in 5 years in the whole of the Kingdom of Great Britain.

What has Dr. Condon done that would justify such headlines as that "Hoffman will order arrest of Dr. Condon"? What crime has Dr. Condon committed? None! Who is Hoffman that he has such power? Thank God, under the law of this country no such power exists in any Governor to arrest any man unless he has committed an act of lawlessness in the presence of an official who has power to arrest or unless he is charged with crime. What crime has Dr. Condon been charged with? He has been here for months. He did what he could to help the pride of America, Colonel Lindbergh, find his child. He did what he could to help ferret out that crime. He did what he could to apprehend the perpetrator of that vile deed. And now he is insulted by a Governor who has been working overtime trying to find some flimsy excuse to save a despised murderer from just punishment.

Does not Governor Hoffman know that for $100—for twenty $5 bills—the underworld gangdom that is now turning heaven and earth upside down trying to save Hauptmann could find 20 crooks who would willingly swear to anything suggested to them? Is Governor Hoffman to believe every unreasonable story that is told to him? Does he want the people of the United States to have a contempt for the courts? Does he want the people to have disrespect for law and order? Does he want all decent people to hate him? If he keeps on, he will not have the respect of any decent man or woman in the United States.

After Bruno Hauptmann has been duly tried and duly convicted in accord with the law of the land, and all higher courts have refused to grant him any clemency, and the Board of Pardons of New Jersey by practically a unanimous vote has refused to set aside the death sentence, what right has Governor Hoffman to interfere?

Is Governor Hoffman, without law or any authority, going to constitute himself a trial court and at nighttime commune with the prisoner and reach a decision based wholly upon hearsay and rumor?

What right has Governor Hoffman to criticize Dr. Condon? He is condemned simply because he wants to take a rest. The papers do not tell you that for weeks he has been deluged with every kind of threat that could come to a decent citizen from the gangdom of the world—threats of violence to himself and family; the same kind of threats of violence that were sent to Colonel Lindbergh and his family.

When Colonel Lindbergh saw fit to place his wife and little child beyond such threats, when they told Hauptmann about it, the papers have the indecency to print that Hauptmann said, "What is the matter with Colonel Lindbergh? Is he scared? Is he afraid to stay here?" The idea of Hauptmann talking about a decent citizen like Colonel Lindbergh in such language! Lindbergh, the man who braved the perils of the high seas and crossed the ocean alone in demonstrating science; a man who is the pride of America! Colonel Lindbergh has more courage and bravery in his little fingernail than Hauptmann ever had during his entire lifetime. Every time he hears he is going to die, the papers say Hauptmann cries about it.

Mr. McFARLANE. Will the gentleman yield for a question?

Mr. BLANTON. Later I will if I have time.

That you may see just how far this yellow journalism goes in playing up gangdom and trying to create sympathy for murderers who have been duly convicted in court, I want every colleague here, if he has not already done so, to get page 3 of the Washington Times for Friday, January 10, 1936, and read these several long columns about the execution of four murderers in New York the other night; playing on the sympathies of the people to make the people believe that those four murderers were not properly executed; to create sympathy for them. That kind of journalism does more to foster and create mob sentiment in the United States than everything else combined.

Hoffman continually talks about some new evidence being discovered. From whom and by whom? "It is reported so-and-so." All the hearsay evidence that he has put before the country so far would have been thrown out of court if it had been offered at the time of the trial of Hauptmann. The court permits only legal evidence. It does not permit manufactured, hearsay, anonymous evidence. They could not have introduced any of it if it had been offered at his trial in a court of justice. The court would have ruled it out. That is the reason why we have trials in courthouses. When the State brings on a witness and puts him on the stand to testify against a defendant, the defendant's lawyers have the right to cross-examine him; they have the right to impeach him if they can. They have the right to bring in witnesses to show he is not telling the truth. They have the right to wind him up, if they can, in every way known to able lawyers. So it is with the defendant. If he brings in a "cock-and-bull" story that does not conform to the facts, that is beyond the pale of reason, the lawyers for the State have a right to impeach him, as they did Hauptmann, and to show by rebuttal testimony that he is not telling the truth. This murderer of this little Lindbergh baby was convicted by a proper court in the State of New Jersey.

I want to take my hat off to the judge who tried him. I want to take my hat off to every member of that brave, honest jury in New Jersey who sat there like honest men and women through all those weeks of trial and had the courage and fortitude to see that the law was enforced. I want to take my hat off to that distinguished and brave attorney general of New Jersey, General Wilentz, who has done his duty by the law-abiding and law-enforcing public of the United States. He is the one who told Dr. Condon he could go on this trip. Dr. Condon was a free agent. He went to General Wilentz and said, "I am thinking about taking a little trip for a rest. Is it all right for me to go?" The attorney general of the State of New Jersey told him he might go. After that, because he left, Hoffman insults him, and these yellow journals, as soon as they found out he had gone, reported that one of the Hauptmanns said, "I don't like these people who run away. I don't like these people who get scared and run away", throwing discredit upon an honorable man because he happened to be involved as a witness against a murderer.

It is time the American people awakened and stopped this yellow journalism. It is time the American people have the courage to say to the newspapers of the country, "We do not want to read such stuff as that. We want you to stop it and stand for law enforcement. We want you to stand for decent government that makes society worth while and makes it worth while for honest men and women to live in this country." If the people do not awaken and stop it we will soon find others like Colonel Lindbergh who have to leave their own native soil and cross the water to a land that will furnish them safety and security from such harassment and such jeopardy. The time has come when the people of the United States ought to stop all these delays in criminal trials, when they ought to see that we have expedition. It ought to be the prime purpose that as soon as a man is apprehended he should be given immediate trial, and when he is convicted he should be promptly punished.

After the highest court in New Jersey has passed on his appeal and has said, "We find no error in this trial; the evidence is sufficient to warrant a verdict of guilty; the evidence

is sufficient to warrant the judgment of the court that this man shall die"; after they have exhausted their means in the courts of New Jersey, and then the Supreme Court of the United States says, "There is nothing in this record that would warrant this Court interfering with justice being done against this man in New Jersey"; after all the courts have handled that case, it remains for this Governor of New Jersey, Hoffman, to say, "I am bigger than the courts. I am bigger than the law of New Jersey. I am bigger than the Supreme Court of New Jersey. I am bigger than the Supreme Court of the United States, and I am going to see that Hauptmann is kept from the electric chair." And, with great assurance, Hauptmann says, "I will not die in the electric chair." How does he know it?

The SPEAKER pro tempore. The time of the gentleman from Texas [Mr. BLANTON] has expired.

Mr. DIRKSEN. Mr. Speaker, will the gentlewoman from New Jersey yield me 5 minutes?

Mrs. NORTON. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois.

Mr. DIRKSEN. Mr. Speaker, the distinguished gentleman from Texas alluded to a bill, District Calendar today, S. 395, dealing with the qualifications of practitioners of law in the District of Columbia.

Lawyers resident in Washington, D. C., are entitled to some protection; for instance, they are entitled to protection against real-estate men who are engaged in a kind of indirect practice of the law. We should afford them some protection in the matter of conveyancing; but in affording protection to the practitioners of law in the way provided in the bill to be called up for consideration today I am apprehensive that the present bill is so drawn that Members of Congress who might find it necessary to appeal for their constituents in the courts of the District of Columbia could very readily be precluded from so practicing. I might cite, for instance, a case of the kind where a constituent comes to Washington and has an automobile accident and is at once served with process. Being a stranger here, he appeals, naturally, to his Member of Congress to do what he can. If the Congressman is an attorney, he might very readily appear in court. Otherwise it becomes necessary for the constituent to hire a local attorney to defend or prosecute, as the case might be.

While I do not want to be put in the position of imperilling a bill that seeks to protect practitioners of law in the District of Columbia, I do not want to be put in a position of causing criticism of Congressmen for seeking undue exception under the bill; yet, in view of the fact that literally thousands of constituents of Congressmen come to this city during the course of the sessions of the Congress and have no opportunity to look out for themselves in court, it is my view that this bill ought to be amended so as to accord this right.

Substantially, this is a good bill. I think the lawyers of the District of Columbia are entitled to this protection. An amendment, perhaps of the language on page 1 and page 2 of this bill, will put the bill in such shape that, I believe, it will be acceptable to the lawyers of this city. As it now stands it has the endorsement of the District Bar Association, of the Barristers' Club, of the Women's Bar Association, and a great many other legal fraternities here. They are rightfully entitled to it; and I believe at this time we can amend the bill so as to make it acceptable to all parties concerned.

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. O'MALLEY. What is the real need for this bill? Are District lawyers losing cases to lawyers who are not residents of the District of Columbia?

Mr. DIRKSEN. No; I do not believe that is the case. There are those drawing wills and engaging in conveyancing and other like matters who are encroaching upon the domain of the lawyers.

Mr. O'MALLEY. The gentleman means trust companies and banks?

Mr. DIRKSEN. Anybody, whether it be an individual, a corporation, a partnership entity, anyone who is practicing law without any particular right or qualification. They should be denied this right. We send men to school to study law for 5, 6, or 7 years before we let them practice. They are entitled to some protection.

Mr. O'MALLEY. If the gentleman's contention is correct, anybody who is doing anything that might include in it a legal phrase ought to be denied this right.

Mr. DIRKSEN. I may say to the gentleman from Wisconsin that we hedge about the practice of pharmacy, the practice of medicine, and the practice of optometry with certain restrictions. I believe the legal fraternity is entitled to similar protection, except that it must not go too far.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. BLANTON. If the gentleman will strike out the two lines I called his attention to, that would remedy one defect in the bill.

Mr. DIRKSEN. I have submitted to the gentlewoman from New Jersey the suggestion that we ought to consider this in committee so we will have an opportunity to offer this amendment to the bill.

Mr. BLANTON. Then the gentleman will offer an amendment to strike out those two lines?

Mr. DIRKSEN. I am perfectly willing to do the very best I can.

Mr. TAYLOR of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. TAYLOR of South Carolina. Does the gentleman take the position that if two parties want to effect a conveyance of land that they must have a lawyer do it for them?

Mr. DIRKSEN. Not necessarily.

Mr. TAYLOR of South Carolina. That is what the gentleman is arguing; that is what the bill will do.

Mr. DIRKSEN. I am not arguing anything of the kind; but we all know there are those, not lawyers, who set themselves up as professional conveyancers and do legal work incident thereto.

[Here the gavel fell.]

Mrs. NORTON. Mr. Speaker, I yield 5 additional minutes to the gentleman from Illinois.

Mr. DIRKSEN. Mr. Speaker, there is a provision in this bill reading:

Provided, That all conveyancing prepared or noted by such title insurance companies, etc., shall be under the direction of a member of the bar of the Supreme Court.

All it seeks to do is to include the necessary able legal counsel wherever conveyancing and title insurance are engaged in by companies and corporations. I think it is eminently fair and proper.

Mr. TAYLOR of South Carolina. It seems to me if a deed is presented to the registrar's office down here, and it is properly executed, probated, and so forth, that should be the limit of their investigation. If the parties in interest want to run the hazard of some layman drawing it, that is their risk, and the law has nothing to do with that matter.

Mr. DIRKSEN. It is not necessarily their risk, because if everyone who knows nothing about it is permitted to engage in that business there will ultimately be a lot of titles so beclouded that it will fill the courts with litigation; therefore I believe a public interest does attach in matters of this kind. The work should be performed by someone who is competent in the matter of conveyancing and the law of conveyances.

Mr. Speaker, I am not a lawyer, and, of course, the benefits of the bill will not and do not inure to me, but I believe that lawyers who may be Members of Congress are entitled to prepare and submit cases for their constituents whenever it becomes necessary. I also believe at the same time the District lawyers should be entitled to protection as against those who may seek to practice law and are not entitled to do so.

Mr. TAYLOR of South Carolina. If I understand the gentleman's position correctly, as long as a lawyer is a Mem-

ber of Congress he is competent to appear before the courts here, but whenever he ceases being a Member he is not then competent.

Mr. DIRKSEN. The gentleman begs the question. I made no such statement.

Mr. GRAY of Pennsylvania. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Pennsylvania.

Mr. GRAY of Pennsylvania. The gentleman made some reference to the medical profession and other professions having proper protection. Does the gentleman have in mind that the medical profession is protected in the public interest, and that the legal profession should also be protected in the public interest rather than from the standpoint of the individual lawyer?

Mr. DIRKSEN. This is not protecting the lawyer alone. It protects the public rather than the practitioner. It results in rendering a competent service to the public. When they pay good money for professional services they are entitled to get good services.

Mr. GILCHRIST. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Iowa.

Mr. GILCHRIST. Will the gentleman please state the amendment which he has in mind?

Mr. DIRKSEN. On page 2, beginning with line 9, I suggest that we strike out all the rest of the language in lines 9 and 10 and the first two words in line 11. You will note that the section as it now reads provides as follows:

> A member of the bar of the highest court of any State, not recorded as disbarred from membership rolls of the bar of the Supreme Court of the District of Columbia, shall be entitled to represent parties or interests in the courts of the District of Columbia in causes which arise from time to time affecting parties and subject matters without the District of Columbia.

Take for instance a misdemeanor that may come up here, involving a taxicab injuring one of your constituents. You would not be entitled to represent one of your constituents in a court in the District of Columbia.

Mr. GILCHRIST. I am glad to have the gentleman's observation.

Mrs. NORTON. Mr. Speaker, may I call the attention of the Members of the House to the fact that we are not considering this bill at the present time. We shall go into the Committee of the Whole House on the state of the Union to consider this bill, at which time there will be ample opportunity for the offering of amendments and discussion thereon.

Mr. DIRKSEN. Mr. Speaker, I brought this matter up because it was alluded to by the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, request may be made by the gentlewoman from New Jersey [Mrs. NORTON] that the bill under debate be considered in the Committee of the Whole, and then we can have proper time to discuss it.

Mr. DIRKSEN. We are not considering this bill at the present time. We are still dealing with the teachers' bill. May I say that I see no objection to that bill and it ought to be passed forthwith?

Mr. Speaker, I yield back the balance of my time.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

QUALIFICATIONS OF PRACTITIONERS OF LAW IN THE DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, I call up the bill (S. 395) relative to the qualifications of practitioners of law in the District of Columbia, and move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill; pending that motion, I ask unanimous consent that debate be confined to the bill, be limited to 1 hour, one half to be controlled by the gentleman from Illinois [Mr. DIRKSEN] and the other half by myself.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 395, with Mr. WILCOX in the chair.

The Clerk read the title of the bill.

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mrs. NORTON. Mr. Chairman, I yield 10 minutes to the gentleman from Maryland [Mr. PALMISANO].

Mr. PALMISANO. Mr. Chairman, there seems to be some unnecessary alarm by some of the lawyers here with respect to this bill. This bill does nothing else than what is done in the various States of the Union. It is intended to prevent anyone who has not a degree from a law school or who has not been practicing law in the courts from writing deeds or wills.

There have been many instances where such persons have written deeds where a man and wife, for instance, wanted to hold their property by the entirety, so that at the death of one the property would go to the survivor, and upon the death of one of these parties an entirely different result followed. Let me give you the illustration of a will, written by an amateur, which happened to come to my attention. A man left his property to his wife for life, and upon her death to her two boys for life, and upon the death of the two boys to their issue, if there were any such issue. Unfortunately the two boys died and there was no residuary clause in the will, and when the poor lady wanted to borrow $300 in order to pave her sidewalk, although she had thousands of dollars' worth of property, she was unable to borrow $300, because the only interest she had was the interest of a life tenant, and as she was about 65 years of age, no one would take the risk. We want to prevent amateurs from drawing up wills of this kind.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. PALMISANO. Yes.

Mr. O'MALLEY. A number of wills drawn up by some of the most expert lawyers in the country have been contested time and time again in the courts, have they not?

Mr. PALMISANO. That is true, but there is no reason why any will should not have a residuary clause for an emergency, so that in such event the property would go to someone else.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. PALMISANO. I yield.

Mr. HOFFMAN. Is it not true that the more of these amateurs there are practicing law the more business there is for the lawyers?

Mr. PALMISANO. Yes; but why charge it to the public? If you are going to take the position with respect to members of the bar that they are all a bunch of crooks, that is one way to look at it, but I do not look upon it in that way.

Mr. HOFFMAN. Are they not so regarded commonly?

Mr. PALMISANO. Yes; and I believe we ought to eliminate such inference by eliminating amateurs who know nothing at all about writing a deed or writing a will.

Mr. HOFFMAN. Does the gentleman think we can get that idea out to the people by an enactment of Congress? If we can, I am for it.

Mr. PALMISANO. No; that is up to the members of the bar, and the members of the bar here in the District are trying to eliminate such practices by the enactment of this bill.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. PALMISANO. I yield.

Mr. CULKIN. I understand, then, that the full scope of this bill is simply to require that no one shall draw a deed or draw a will who is not a member of the bar?

Mr. PALMISANO. That is right.

Mr. CULKIN. Is that the full scope of it?

Mr. PALMISANO. Or any legal instrument.

Mr. CULKIN. Is the gentleman a lawyer, may I ask?

Mr. PALMISANO. Yes; and in order to protect the attorneys I have offered an amendment providing that no deed may be written by a corporation without the O. K. of a member of the bar.

Mr. CULKIN. I am for that, but there seems to be a suggestion in this bill or some misunderstanding to the effect that this bill limits the practice of law in the District before the departments to members of the bar of the District of Columbia.

Mr. PALMISANO. No; I am not for that.

Mr. CULKIN. Is not that in this bill?

Mr. PALMISANO. No; of course, there is some question——

Mr. CULKIN. There is a lot of verbiage here that must mean something.

Mr. PALMISANO. Of course, there is some question here about the second provision, and my colleague on the District of Columbia Committee, the gentleman from Illinois [Mr. DIRKSEN] has spoken about that. So far as I am concerned, I do not want to see any member of the bar who has been admitted to practice in the highest court of his State prevented from coming into the District and representing his clients.

Mr. CULKIN. It would be an unfortunate situation if the business of the District, which is largely Federal in its nature, should be limited to the local practitioners. That would be unfortunate and improper, I assume.

Mr. PALMISANO. In Maryland we acknowledge all members of the bar who are admitted in their respective States.

Mr. CULKIN. May I say to the gentleman I think that situation should be carefully guarded.

Mr. PALMISANO. There is an amendment to be offered to correct that situation.

Mr. CULKIN. It is really a matter of expert draftsmanship and consideration.

Mr. PALMISANO. That will be corrected.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. PALMISANO. I yield.

Mr FITZPATRICK. Does not the State of Maryland permit deeds to be filed that are not drawn up by a lawyer?

Mr. PALMISANO. I cannot say that the State of Maryland requires a certificate that the deed has been drawn up by a lawyer.

Mr. FITZPATRICK. Is it not a fact that some of the real-estate brokers are more competent to draw up a deed than many of the lawyers?

Mr. PALMISANO. No.

Mr. FITZPATRICK. Absolutely so.

Mr. PALMISANO. No.

Mr. FITZPATRICK. Tell me any State in the Union that will not permit an ordinary citizen to draw up a deed or have one drawn up by a broker and file it.

Mr. PALMISANO. You have a right to draw up your own deed if you want to, but you have no right to draw a deed and charge a fee as an attorney.

Mr. FITZPATRICK. A broker is often required to make a deed, and you are going to prohibit a broker from drawing up a deed which he has a right to do if he is a broker.

Mr. PALMISANO. The broker's business is not to draw up deeds.

Mr. BLANTON. Will the gentleman yield to me.

Mr. PALMISANO. I yield to the gentleman from Texas.

Mr. BLANTON. It has been held in the District that a deed which recites that I, John Doe, in consideration of the sum of $10, do grant, sell, and convey to Richard Roe, lot 1, square 75, in the District of Columbia, is a good and sufficient deed, and conveys the property whether the property is worth $10 or $100,000. If a deed is as simple as that, why should you make a man who wants to convey a $25 lot go to a lawyer and pay him $50 to draw up a deed, if he charged that?

Mr. PALMISANO. Well, that may be true, but suppose a man wants a joint deed to the man and wife with survivorship, the ordinary layman would not understand it. If he wanted a deed in common with his partner, the layman would not understand it. If he wanted a deed going to a joint tenancy, the layman would not understand it. There are three different tenancies that the ordinary layman would not understand.

Mr. BLANTON. If the matter was complicated, a sensible man would go to a lawyer; but here are hundreds of little deeds which any notary public or justice of the peace can draw just as well as a lawyer.

Mr. PALMISANO. These laymen follow forms but not the substance. They obtain forms and include in those forms things that they know nothing about, and that is what we want to prevent.

Mr. KELLER. Do not they have these forms all printed?

Mr. PALMISANO. Yes, certain forms; and John Smith will draw up a deed for a joint tenant where it ought to be a tenant in common.

Mr. KELLER. If John Smith wants to take that chance, why not?

Mrs. NORTON. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. O'MALLEY].

Mr. O'MALLEY. Mr. Chairman, this bill is particularly interesting to me at this time because of an experience in Wisconsin where the bar association attempted to pass what they called an integrated bar bill. That happened to be a bill which had for its purpose legislation providing that no one might be admitted to the bar without approval of a State or local bar association.

Apparently they wanted everyone to be under the control of the bar association. That was so ridiculous that it brings to mind a similar anomaly of a labor union wanting a law passed that nobody could practice his trade unless he belonged to that particular labor union. I do not think any reasonable mind would agree to that sort of legislation.

The real reason for this bill is that in the last 2 or 3 years a great deal of legal business has come to the District of Columbia, and the local, home-talent boys have not been getting what they think ought to be their share of such business, so they put the "heat" on. They want every bit of law business that possibly wanders into the District of Columbia to be given solely to District of Columbia lawyers.

They managed to pass this bill through the Senate without any reasonable discussion, with practically no hearings, and now it is over here in the House in the first days of this Congress. This is an important bill. It should not be acted upon quickly; it should be studied. I can see no reason why anybody in this District should not be entitled to do those little things which the ordinary layman can do without hiring a District lawyer, and that is what this bill seeks to prevent.

Mr. KELLER. It means more than that.

Mr. O'MALLEY. What is there about a simple deed, a simple transfer of property, that you have to hire a lawyer for; and if you have to do that, why do you have to hire a District lawyer? Simply because the District lawyers want to get all that business. A lot of business is done here that is not really District business, but it is done in the District. Many people who come here have their own attorneys back home. If this bill is passed, I believe they could not use the services of an attorney back home unless that attorney got into correspondence with a District lawyer and at least divided his fee. The gentleman from Maryland [Mr. PALMISANO] said, in answer to a query of the gentleman from New York [Mr. CULKIN], that the purpose of the bill is to put everything that has any legal phraseology in it into the hands of an attorney who is permitted to practice in the District of Columbia.

The District of Columbia belongs to the people of the United States; and anyone who has an attorney in any other State ought to be entitled to do anything in the District of Columbia that he can do at home; and anybody who is a citizen of the United States ought to be entitled to do in this District exactly what he can do at home, because this is not a State; this is the property of all of the citizens of the country; and when you pass a bill like this to set up a special way of doing law business in the District of Columbia you pass a bill that is against every citizen who is not resident in this District.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. O'MALLEY. Yes.

Mr. BLANTON. One of the worst among the many bad features of the bill is that it wipes out all of the regulatory provisions in our various departments, such, for instance, as the Patent Office, which now passes upon all attorneys allowed to practice before it. It lets the bars down. You notice that it sets aside the regulations and provides that where there is a law firm of several members and one of them is licensed to practice before the Patent Office this bill, if you pass it, would let the rest of that firm practice there, regardless of the regulations of the Patent Office. And so with the other departments of government. This bill ought to be defeated. It is a bad bill.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mrs. NORTON. Mr. Chairman, I yield 2 minutes more to the gentleman from Wisconsin.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. O'MALLEY. Yes.

Mr. DIRKSEN. First of all, those safeguards with respect to governmental departments, such as the Patent Office, are set up within the bill. Secondly, I would say to the gentleman that surely he would not espouse a bill that seeks to let down the bars entirely so that anybody, whether informed on jurisprudence or not, could go into the courts of the District of Columbia. Certainly we cannot treat the District of Columbia like a mere stepchild because back in the States we have regulations and restrictions that have been set about the practice of law for the protection not of the lawyer but for the protection of the public.

Mr. O'MALLEY. I agree with the gentleman, and I have always believed that the attorneys need less protection than the public does against them.

Mr. DIRKSEN. That is a matter of metaphysics, into which I do not care to be drawn.

Mr. O'MALLEY. We can draw deeds in my State without hiring a lawyer to do it, and if a citizen of my State comes here and wants to purchase property or convey property, why should he be compelled, as this bill will compel him, to hire a lawyer? He has to do something under this bill that he would not have to do at home. He would even have to hire a lawyer to draw up a release, if he had a lawsuit down here and he wanted to be released.

Mr. DIRKSEN. But the gentleman must remember that every individual in this country has a constitutional right to practice in a court of law in his own behalf in a matter affecting his interest without any lawyer.

Mr. O'MALLEY. And if the gentleman will permit me to conclude, there is another thing in the bill that is very cloudy, and that is the matter of appearing before the departments. It is said that this bill does not seek to control that, but the wording of the bill is so ambiguous that it is my opinion that if the bill becomes a law the people will be excluded from going before the departments.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. DIRKSEN. Mr. Chairman, I yield the gentleman 2 additional minutes in order to say to him that it is not necessary to be a practicing attorney in a court of law to appear before the patent court. Any citizen can be a patent attorney. On his letterhead he can carry his name and underneath that the words "patent attorney," but it does not make him an attorney of record in a court of law. Yet if he is permitted to use that indiscriminately, he might fool many people into the belief that he is a practicing attorney in the courts of law.

Mr. O'MALLEY. If the gentleman will permit me, there has been a bill before our Committee on Patents for about 3 years which would forbid anybody holding himself out as a patent attorney who is not admitted to practice in the Patent Office.

Mr. DIRKSEN. So the gentleman admits that is the case today.

Mr. NICHOLS. Will the gentleman point out the portion of the bill which requires a man to be a lawyer in order to prepare a deed or a release or such matters as he referred to?

Mr. O'MALLEY. I will read section 218 (c):

> Every letter, writing, circular, postal card, * * * or thing of any kind, containing any matter forbidden by section 218 (b) is hereby declared to be nonmailable.

If a legal document was drawn up in the District of Columbia by an attorney who was not admitted in the District, it is my opinion that the above phraseology would bar that document from being mailed in the District.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. DIRKSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, it is information I am after. On page 2, beginning at line 5, the bill reads:

> A member of the bar of the highest court of any State * * * shall be entitled to represent parties or interests in the courts of the District of Columbia * * * in causes which arise from time to time affecting parties and subject matter without the District of Columbia.

Does that mean that when an attorney of any State in the Union appears in the District court he can only appear to represent his clients in actions which arise without the District of Columbia?

Mr. DIRKSEN. The language in the bill means exactly that.

Mr. HOFFMAN. All right. That is all I wanted to know.

Mr. NICHOLS. But the gentleman intends to offer an amendment striking that out of the bill, as I understand it.

Mrs. NORTON. Mr. Chairman, I have no further requests for time. The Clerk may read the bill.

The Clerk read as follows:

Be it enacted, etc., That the act entitled "An act to establish a Code of Law for the District of Columbia", approved March 3, 1901, as amended, be, and the same hereby is, further amended by inserting after section 218 thereof the following:

"SEC. 218a. No person who is not a member of the bar of the Supreme Court of the District of Columbia shall engage in the practice of law, or any branch thereof, in the District of Columbia; nor shall any partnership, corporation, association, or firm engage in the practice of law, or any branch thereof, in the District of Columbia, except associations, partnerships, and firms all of the members of which are members of the bar of the Supreme Court of the District of Columbia.

"A member of the bar of the highest court of any State, not recorded as disbarred upon the membership rolls of the bar of the Supreme Court of the District of Columbia, shall be entitled to represent parties or interests in the courts of the District of Columbia in causes which arise from time to time affecting parties and subject matter without the District of Columbia. No court of the District of Columbia shall enforce against any such member of the bar of the highest court of any State any rule promulgated by such court which would require that there be joined of record associate counsel having an office in the District of Columbia or providing for the exclusion of such member of the bar from practice in such causes if the party represented shall file, at the time counsel enters his appearance, with the clerk having jurisdiction consent that service upon said clerk shall be service upon said party and his counsel.

"SEC. 218b. No corporation or association shall, nor shall any person or partnership forbidden by section 218a to practice law in the District of Columbia, use therein in any way except as hereinafter expressly allowed the expressions 'attorney at law', 'counselor at law', 'lawyer', 'attorney', 'counselor', 'law office', or any of them, or the plural of any of them, or any other title, word, or phrase as descriptive of the user or of the office, business, or practice of the user which indicates that the user thereof is engaged or is entitled to engage in the practice of law in said District of Columbia.

"SEC. 218c. Every letter, writing, circular, postal card, picture, print, engraving, photograph, newspaper, pamphlet, book, or other publication, matter, or thing of any kind, containing any matter forbidden by section 218b is hereby declared to be nonmailable, and the mailing or attempted mailing of the same to be a misdemeanor and subject to the penalties hereinafter provided.

"SEC. 218d. Nothing contained in section 218a, 218b, or 218c shall prevent persons or partnerships who are now or shall hereafter be admitted to practice before the Supreme Court of the United States, the Court of Appeals of the District of Columbia, the Court of Customs and Patent Appeals, or the Court of Claims, from practicing before the same, or prevent them from using the words forbidden to be used by section 218b when such words are used (1) in connection with other words stating the court or courts before which they are then so admitted to practice, or (2) in their practice before said courts or any of them; nor shall anything in the said sections contained (a) prevent persons or partnerships who are now or shall hereafter be authorized or permitted by any department, commission, bureau, agency, or other authority of the United States or of the District of Columbia to practice before the same from doing so, or (b) apply to the use by them

of words forbidden by section 218b when such words are used (1) in connection with other words stating the department, commission, bureau, agency, authority, or one or more or all of them before which they are so authorized or permitted to practice, or (2) in their practice before the same, nor shall anything in said section contained prevent any person, partnership, or firm, now or hereafter registered by the United States Patent Office, to practice before it, and not a member of the bar of the Supreme Court of the District of Columbia, from performing any and all of the services incident to patent, trade-mark, copyright, and unfair competition practice before and out of the Patent Office and out of court; nor prevent any member of the bar of the Supreme Court of the District of Columbia, who is also a member of or an associate of a firm or partnership which is registered to practice before the United States Patent Office, but all the members of which are not members of the bar of the Supreme Court of the District of Columbia, from practicing law to the full extent of his authority as a member of said bar, or prevent any person from acting as attorney for the United States Government while actually engaged by it so to do, nor shall anything in the said sections referred to be construed so as to prevent any title insurance company while authorized to carry on its business in the District of Columbia from examining, abstracting, reporting upon, certifying, guaranteeing or insuring titles to real estates, settling sales, conveyances, and exchanges thereof, or doing conveyancing work in connection therewith.

"SEC. 218e. No corporation, association, person, or partnership shall do on behalf of another anything which that other is forbidden to do by section 218b or 218c.

"SEC. 218f. Every person, corporation, and association, who or which shall violate any provision of section 218a, 218b, or 218c shall be guilty of a misdemeanor and on conviction thereof shall be punished by fine not exceeding $5,000 or by imprisonment not exceeding 1 year, or by both said punishments, in the discretion of the court, and the Supreme Court of the District of Columbia and the police court of the District of Columbia shall have concurrent jurisdiction of all prosecutions under this section."

During the reading of the section the following occurred:

Mr. HULL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HULL: On page 1, line 8, after the word "Columbia", insert "or a member of the bar of the highest court of any State."

Mr. BLANTON. Mr. Chairman, I make the point of order that no amendments are in order until the Clerk finishes reading the section, which ends on line 2, page 6. The Clerk has not finished reading the section. Amendments would come after the section has been read.

The CHAIRMAN (Mr. WILCOX in the chair). The point of order is well taken. The Clerk will continue the reading of the section.

The Clerk concluded reading the first section of the bill.

Mr. PALMISANO. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment: On page 5, line 8, after the word "therewith", insert a colon and the following: "*Provided*, That all conveyancing prepared or noted by such title insurance companies shall be under the direction of a member of the bar of the Supreme Court of the District of Columbia, and each certification of, or opinion relating to, title to real estate, made by any such title insurance company, shall be over the signature of its attorney or title officer, who shall be a member of the bar of the Supreme Court of the District of Columbia."

Mr. NICHOLS. Mr. Chairman, I should like to ask who is the author of this committee amendment.

The CHAIRMAN. Does the gentleman from Maryland desire to be heard on the committee amendment?

Mr. NICHOLS. I should like to have the committee amendment explained by the gentleman from Maryland.

Mr. PALMISANO. This amendment affects corporations only. It has nothing to do with individuals. It refers to title companies which set themselves up to guarantee titles without an attorney. The only question here is with reference to a corporation, whether it is a trust company or whoever it may be, and provides that they shall have attorneys who shall certify that they have passed on the title. It does not affect any individual. It does not affect a man who comes in here and draws up his own deed.

Mr. NICHOLS. Would this amendment prevent a licensed abstractor from certifying to a title to a piece of property?

Mr. PALMISANO. This affects corporations only.

Mr. NICHOLS. Well, a licensed abstractor would be a corporation. They are generally corporations.

Mr. PALMISANO. Anyone who can pass title under the law can pass title here, but a corporation which sets itself up, without a lawyer, and certifies to a title, ought to have someone certify to it.

Mr. COLE of Maryland. Will the gentleman yield?

Mr. PALMISANO. I yield.

Mr. COLE of Maryland. The amendment offered by the gentleman is that all conveyancing prepared or noted by such title insurance companies. I do not find any reference to title insurance companies in the preceding language. I am wondering what part of the bill the amendment refers to.

Mr. PALMISANO. In the District of Columbia all titles are passed upon by title companies or title insurance companies.

Mr. COLE of Maryland. There is nothing in this bill about such companies.

Mr. PALMISANO. We specify title companies in the bill.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. PALMISANO. I yield.

Mr. WHITE. It seems very clear to me from the language of this bill that each certification or opinion relating to the title to real estate made by any such title insurance company must have the signature of its attorney; that this language would prohibit an abstractor from certifying title. If not, I should like to know why it would not.

Mr. PALMISANO. That language has reference to a corporation. It has reference to the title insurance companies. It does not refer to individuals. It does not prevent any man from drawing up his own title or making his own abstract.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. PALMISANO. I yield.

Mr. O'MALLEY. Is it cheaper to get a title from a title insurance company or to employ a lawyer for the purpose? What is the average fee charged by a lawyer for drawing up an abstract of title?

Mr. PALMISANO. I do not know what his fee is in the District of Columbia.

Mr. O'MALLEY. The title company in addition insures the title.

Mr. PALMISANO. My experience has been that they will not pay a cent if the title turns out to be faulty. I had a case recently, a case taken to the Maryland Court of Appeals, where the title company tried to evade paying anything every time they possibly could. One of the title companies in the city of Baltimore is in the hands of receivers today.

Mr. O'MALLEY. The gentleman will admit, however, that if a title company insures a title it protects the purchaser to that extent, whereas if he goes to the ordinary lawyer the title is not insured.

Mr. PALMISANO. I say that a respectable lawyer will pay on a defective title quicker than a title company will. This has been my experience searching titles for 25 years.

Mr. O'MALLEY. Does the gentleman mean to state that if a title prepared by a lawyer is defective, recovery can be had from the lawyer such as can be had from a company that insures a title?

Mr. PALMISANO. Yes; that has been my personal experience.

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in some of the States there are title insurance companies that issue certificates of title and really insure against loss. A title issued by such a company is worth something. There are no such companies in Washington. If you take up by correspondence the matter of a certificate of title issued by one of the Washington title companies, they will tell you they do not insure the title against defects or loss. They will charge you about $50 for their certificate of title, regarding an ordinary residence. They tell you the condition of the title, but they do not guarantee it against defects. This is something I contended for while I was a member of the District Committee many years ago.

I think there ought to be a law passed here so far as title companies in the District of Columbia are concerned, to require their certificates of title to guarantee against defects

in the title. Then their certificates would be worth something. There are no such guaranty certificates now in Washington; and if a buyer suffers loss, the title company does not make the loss good.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. KELLER. Why should we not amend the basic law rather than try to do it this way?

Mr. BLANTON. We should not pass this bill. In view of the fact this bill affects every lawyer in the United States, and it affects every citizen of the United States who might have business in Washington, this bill should have gone to the Committee on the Judiciary.

Mr. KELLER. Certainly it should have.

Mr. BLANTON. Talk about inhibiting the practice before the courts here except by local lawyers who are members of the bar of the District of Columbia, I remember the case of a poor woman who came here from California, who brought with her two trunks that contained her personal estate she had inherited from her family. The trunks belonged to her. Some crooked relatives here got hold of those trunks and went so far as to try to put her in St. Elizabeths insane asylum to deprive her of her estate and her own property. She had no money to employ a lawyer. She was not from my State, but she appealed to me, and I felt so sorry for her that I went to court, and before Judge Hitz and a jury of the District of Columbia I represented her and tried her case. The opposing lawyer against her was Neil Burkinshaw, who has just been employed by Bruno Hauptmann. The jury found for her and she got back her property. I received, of course, no fee, but merely saw that she got justice.

Cases like that come up here all the time. Your constituents come here from the States. They may have their rights involved here either criminally or civilly. If you pass this bill as it stands you would not have a right to appear before the court to see that your constituent got justice. You would not even have the right to file an application for a writ of habeas corpus to get them out of jail, if they were wrongly incarcerated there. It is a right you ought to have for your constituents. And your home lawyers from your States have the right to appear before the courts here.

I was hopeful that our good friend the gentlewoman from New Jersey would withdraw this bill, because it should not be passed. I opposed and stopped it in the last session of Congress.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. MAY. As a matter of fact, this bill creates a monopoly in the lawyers of the District of Columbia.

Mr. BLANTON. Surely it does.

Mr. MAY. And it affects the lawyers outside the District.

Mr. BLANTON. Certainly it does. Talk about conveyancing, there are lots of releases to be drawn continually, as there are lots of trusts on property here. When they are paid off, releases must be prepared. Almost anyone can draw a valid release. Most any notary public can draw an ordinary release in matters of that kind. This bill would require you, in connection with such legal matters, to get a lawyer. Suppose he saw fit to charge you $50 for doing something for which he ought to charge you $5. You would have to pay it. You could not get the service without the payment of his fee. Suppose he wanted to charge you $100 for a little $5 release? You would have to pay it, because that would be the law. You could not get the service without going to a Washington lawyer.

Let us take the matter of a radio concern in your district, and we all have lots of them. Practically every radio controversy, whether it involves a 50-watt station or a 100,000-watt station, gets into the courts here before it is over. By this bill the lawyers in your State might be prevented from having the right to come here to represent a little radio station in your district. They might have to pay a big fee to a Washington attorney here.

[Here the gavel fell.]

Mr. McFARLANE. Mr. Chairman, I offer a preferential motion, which I send to the desk.

The Clerk read as follows:

Mr. McFARLANE moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. McFARLANE. Mr. Chairman, I think this matter has been rather fully discussed. Instead of having the title which this bill has, "Relative to the qualifications of practitioners of law in the District of Columbia", I think it ought to be entitled "An act to give the lawyers of the District of Columbia a monopoly of the legal business."

As my colleague, the gentleman from Texas [Mr. BLANTON], has well stated, this is a bill which is of too much importance to be considered in this short time. It affects not only the people of the District of Columbia but all of our constituents. It affects everyone in our respective districts. We are being called upon daily by our constituents to pass upon matters in which the various departments of the Government are involved. We would be violating the law if this bill is passed. Technically speaking, if we pass upon a request of a constituent, and we have no license, under this bill we would be violating the law.

Mr. Chairman, this is a bill which gives the District of Columbia lawyers a monopoly on the legal business and puts us on the spot in connection with every piece of business that we handle in connection with the various departments. This bill would require each one of us to take out a license, at considerable expense to ourselves, before we could gratuitously represent any constituent here in the District of Columbia. I think more consideration ought to be given to the question than has been given here. I think the bill should be defeated now and proper legislation should be brought before the Judiciary Committee and the House so that further consideration may be given this important matter.

Our constituents come here to see us about certain matters. Maybe we would have a constituent violating some traffic ordinance here. We could not go down to court to represent the constituent under the provisions of the bill. We would be violating the law. The license which you as lawyers receive in your respective districts and States is worth nothing if this legislation is enacted into law. We would be tying our own hands to properly represent our constituents. We do not want to do that. This legislation is too far-reaching.

Mr. Chairman, I do not think that we ought to permit our hands to be tied and our constituents shaken down and high-jacked in such a manner as would be permissible under the provisions of this legislation. Therefore, may I say if the motion which I have just offered is agreed to, it will result in taking care of this legislation at this time, as it should be taken care of. The gentleman's amendment he has to offer, with all due respect to him, will not correct the situation. The bill in its entirety is entirely too broad in its provisions. The amendments he suggests will not remedy the defects of the bill.

Why not defeat this legislation before it goes any further? It is too far-reaching. It covers too much ground. We should not sit idly by and permit our hands to be tied so that we cannot properly represent our constituents before the various departments of the Government. We should not tie our hands so that constituents who come here to see us on important business may not be represented by us if and when occasion arises. This legislation goes entirely too far. We should strike out the enacting clause and work out a proposition which will give the District lawyers the protection to which they are entitled and at the same time not tie our hands in such a manner as we would be doing if we pass this bill. [Applause.]

[Here the gavel fell.]

Mr. PALMISANO. Mr. Chairman, I rise in opposition to the motion.

Mr. Chairman, I am surprised that the gentleman from Texas should take the position that he does with reference to this bill. He has made the statement that perhaps the residents of Texas who come here cannot be properly represented because they would have to get a member of the

District bar. This bill does not limit representation to the members of the bar of the District of Columbia. Any lawyer from anywhere in the United States would be able to come here and represent anyone and everyone who may appeal to them for assistance.

Mr. Chairman, I would be the last one to ask the Congress to pass a bill which would prevent an outside lawyer from coming here and representing in the courts here whoever he sees fit to represent. My district is on the border line. There are as many people from my district come here as from any other State in the Union, and I as a member of the bar of the State of Maryland do not want to be barred from practicing here. If I do not want to be barred, I do not want to see any other member of the bar from elsewhere prevented from practicing.

I have an amendment here which will strike out on page 2 the words "without the District of Columbia" so that in connection with any matter arising here the litigant may be represented by a member of the bar here or elsewhere in the United States. All of this talk about monopoly is wrong.

Mr. Chairman, there was a reference made to title companies. I can show that recently a title company did not pay $1,400 until the case was taken to the Court of Appeals. The provision that has been inserted in this bill will result in the title companies standing by what they do. The matter heretofore referred to has been in the Maryland Court of Appeals for over 2 years. Not only that, but after filing an appeal bond they refused to pay on the bond. Mr. Chairman, those are the things that bring about legislation of this kind. They represent clients, insurance companies, and others, and then refuse to pay the bill when the time comes.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. PALMISANO. I yield.

Mr. HOFFMAN. I understood the gentleman to say that any member of the bar of any State, under this bill, could practice here. Where is that language?

Mr. PALMISANO. On page 2, and if you will permit us, we propose to amend that language.

Mr. HOFFMAN. How can the gentleman say that in view of the language on page 3, following line 17, with respect to the Supreme Court of the United States and the Federal courts?

Mr. PALMISANO. We have two amendments on page 2, one of them striking out "without the District of Columbia", and then after line 15 we propose to strike out the balance of the paragraph.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. PALMISANO. I yield.

Mr. O'MALLEY. Is it not a fact that this bill passed the Senate without any debate upon a unanimous-consent day and was not considered by that body except in committee?

Mr. PALMISANO. I have no knowledge of how it passed the Senate, but I believe the Senate acted after due deliberation.

Mr. O'MALLEY. I get that information from the RECORD.

Mr. PALMISANO. I do not know.

Mr. O'MALLEY. I am quoting from the RECORD of the proceedings on that bill.

Mr. PALMISANO. I am not here to say that the Senate blindly passes a bill without any consideration.

Mr. O'MALLEY. The proceedings of that body show that to be the fact.

[Here the gavel fell.]

The CHAIRMAN. The question is on the motion offered by the gentleman from Texas.

The question was taken, and the motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WILCOX, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (S. 395) relative to the qualifications of practitioners of law in the District of Columbia, had directed him to report the same back to the House with the recommendation that the enacting clause be stricken out.

The SPEAKER. The question is on agreeing to the recommendation of the Committee to strike out the enacting clause.

The recommendation of the Committee was agreed to.

On motion of Mr. BLANTON, a motion to reconsider the vote by which the enacting clause was stricken out was laid on the table.

SECOND AND THIRD CONVICTIONS IN THE DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, I call up the bill (H. R. 8820) to amend section 907 of the Code of Law for the District of Columbia, approved March 3, 1901, as amended, up to and including June 7, 1924.

The SPEAKER. This bill is on the House Calendar.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 907 of the act entitled "An act to establish a Code of Law for the District of Columbia", approved March 3, 1901, as amended, up to and including June 7, 1924, is amended by striking out said section and substituting the following in lieu thereof:

"SEC. 907. Second and third convictions: That whenever any person having been convicted of any felony shall thereafter be convicted of any felony committed after such first conviction, the punishment shall be by imprisonment in the penitentiary for the full term provided by law for such crime at the time of such last conviction therefor; that whenever any such person, having been so convicted the second time as above provided, shall be again convicted of any felony, committed after said second conviction, the punishment shall be imprisonment in the penitentiary for a period of not less than 15 years: *Provided*, That such former conviction or convictions and judgment or judgments shall be set forth in apt words in the indictment. On any trial for any of said felonies, a duly authenticated copy of the record of the former conviction and judgment of any court of record, for any felony against the party indicted, shall be prima-facie evidence of such former conviction and may be used in evidence against such party."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIBERY

Mrs. NORTON. Mr. Speaker, I call up the bill (H. R. 8821) to define the crime of bribery and to provide for its punishment.

The SPEAKER. This bill is on the House Calendar.

The Clerk read the bill, as follows:

Be it enacted, etc., That whosoever corruptly, directly or indirectly, gives any money, or other bribe, present, reward, promise, contract, obligation, or security for the payment of any money, present, reward, or thing of value to any ministerial, administrative, executive, or judicial officer of the District of Columbia, or any employee or other person acting in any capacity for the District of Columbia, or any agency thereof, either before or after he is qualified, with intent to influence his action on any matter which is then pending, or may by law come or be brought before him in his official capacity, or to cause him to execute any of the powers in him vested, or to perform any duties of him required, with partiality or favor, or otherwise than is required by law, or in consideration that such officer being authorized in the line of his duty to contract for any advertising or for the furnishing of any labor or material, shall, directly or indirectly, arrange to receive or shall receive, or shall withhold from the parties so contracted with, any portion of the contract price, whether that price be fixed by law or by agreement, or in consideration that such officer has nominated or appointed any person to any office or exercised any power in him vested, or performed any duty of him required, with partiality or favor, or otherwise contrary to law; and whosoever, being such an officer, shall receive any such money, bribe, present, or reward, promise, contract, obligation, or security, with intent or for the purpose or consideration aforesaid, shall be deemed guilty of bribery and upon conviction thereof shall be punished by imprisonment for a term not less than 6 months nor more than 5 years.

Whosoever corrupts or attempts, directly or indirectly, to corrupt any special master, auditor, juror, arbitrator, umpire, or referee, by giving, offering, or promising any gift or gratuity whatever, with intent to bias the opinion, or influence the decision of such officer, in relation to any matter pending in the court, or before an inquest, or for the decision of which such arbitrator, umpire, or referee has been chosen or appointed, and every official who receives, or offers or agrees to receive, a bribe in any of the cases above mentioned shall be guilty of bribery and upon conviction thereof shall be punished as hereinbefore provided.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EMPLOYMENT OF MINORS IN THE DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, I call up the bill (H. R. 7505) to amend an act of Congress entitled "An act to regulate the employment of minors within the District of Columbia", approved May 29, 1928, and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

Mr. HARLAN. Mr. Speaker, reserving the right to object, there are a number of Members interested in the defeat of this bill. It is a matter that has been before the House for the last 6 years, and I should like to know what arrangement we can make as to time for the consideration of the bill.

Mr. DIRKSEN. Why are not the Members here if they are interested?

Mr. HARLAN. Most of them are here. This is a bill to repeal the protection afforded by the child-labor laws of the District of Columbia with respect to children working in the theater. Under this reservation I should like to know what provision we can make as to time.

The SPEAKER. If consent is granted, the bill will be taken up under the 5-minute rule without general debate unless the House should order otherwise.

Mr. HARLAN. That means there is to be no general debate?

The SPEAKER. The House could provide for general debate if it wished to do so.

Mr. HARLAN. This bill is on the Union Calendar.

The SPEAKER. That is true, and the gentlewoman from New Jersey is asking unanimous consent that it be considered in the House as in Committee of the Whole. The question now is, Is there objection to the request of the gentlewoman from New Jersey?

Mr. HARLAN. I object to the request, Mr. Speaker, unless there is attached to the request that 1 hour of general debate shall be provided.

Mrs. NORTON. Mr. Speaker, I ask unanimous consent that there may be 1 hour of general debate, 30 minutes allotted to the gentleman from Ohio [Mr. HARLAN] and 30 minutes to the chairman of the committee.

The SPEAKER. The gentlewoman from New Jersey asks unanimous consent that the bill be considered in the House as in Committee of the Whole and that there be 1 hour of general debate, to be equally divided between herself and the gentleman from Ohio [Mr. HARLAN]. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act of Congress entitled "An act to regulate the employment of minors within the District of Columbia", approved May 29, 1928, be, and the same is hereby, amended by adding after section 7 a new section to read as follows:

"SEC. 7a. Notwithstanding the provisions of this act, the Board of Education of the District of Columbia, or a duly authorized agent thereof, is authorized to issue a work permit to any female person under 18 years of age and to any male person under 16 years of age, said permit authorizing and permitting the appearance of such person on the stage of a duly licensed theater within the District of Columbia, in any professional traveling theatrical production not considered offensive to public decency: *Provided,* That such person shall not appear on said stage after the hour of 11 o'clock in the evening of any day, nor more than 4 hours in one day, nor more than 28 hours in one week. Application for such permit shall be made by the parent or guardian of such minor to the Board of Education of the District of Columbia, or a duly authorized agent thereof, at least 21 days in advance of the scheduled theatrical performance, and with such application there shall be furnished a copy of the manuscript of the play, and the Board of Education shall advise the applicant of the granting or refusal of such permit within 10 days thereafter. The board or its agent may issue a permit when satisfied that the minor is receiving adequate educational instructions and that the health and morals of the minor are properly safeguarded."

SEC. 2. Nothing in this act shall be construed as amending, altering, or repealing the provisions of section 7 of the act of May 29, 1928.

Mrs. NORTON. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. HARLAN].

Mr. HARLAN. Mr. Speaker, I should like to reserve our time until the proponents of the bill have presented their views.

Mrs. NORTON. Mr. Speaker and Members of the House, this is a bill which I think has been very much misunderstood. It is a measure submitted in the interest of theater patrons who prefer the better class of modern dramatic productions and parents of children who desire to adopt a successful stage career with actual stage experience in company with actors. There does not seem to be any reason why the District of Columbia should not permit children to participate in theatrical productions under necessary and proper supervision.

I want to say that before I came to Congress I had for many years been a volunteer in child welfare, and I would not bring a bill before the House if I thought for one moment that that bill was going to do the least bit of harm to any child in the District of Columbia.

I do not see why this bill, with its proper safeguards, should not pass.

I direct the attention of Members to the report submitted in the bill, and you will note that no less a person than our own beloved Chaplain, James Shera Montgomery, endorses the bill. If you will read his endorsement, and the endorsements of the Board of Trade, the Merchants and Manufacturers' Association, the Bar Association, and many other associations in this District, it would not seem possible that anyone could object to the bill.

The question has been brought up about letting down the bars with regard to child labor. This bill is practically a copy of the New York law, and many of the States have a minimum age as included in this bill.

To prove this bill amply safeguards the interests of the child, I will read you a portion of the report.

In brief it provides that boys under 16 and girls under 18 years of age may appear on the local stage. It limits them to not more than 4 hours daily or 24 hours weekly. Applications for permits for such appearance must be made to the Board of Education 21 days in advance and the copy of the manuscript of the play in which the minor is to appear must be submitted with the application. That absolutely safeguards the child. The Board of Education has the final right to say whether or not this play will be harmful to the child and the Board may issue such permit when satisfied, and only when satisfied, that the minor is receiving adequate educational instruction and that health and morals are properly safeguarded.

I do not think we could write a better bill. Certainly we know that a great many of the actors and actresses of this day started their profession as children, and we know they have been a great credit to the stage. Why should the children of the District of Columbia be discriminated against? The people of the District of Columbia have been deprived of a great many splendid productions because of existing law. For instance, one of the plays we all regretted not being able to see and enjoy was Green Pastures. We have taken this matter up with doctors, and they have submitted that it is perfectly legitimate and proper for children, safeguarded as this bill safeguards children, to be permitted to appear on the stage.

I cannot see anything in this bill that would in any way hurt the children of the District, and I sincerely hope that the Members will vote in favor of the bill.

Mr. WOOD. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. Yes.

Mr. WOOD. The gentlewoman mentions the Musicians' Protective Association as being in favor of the bill.

Mrs. NORTON. Yes; and we have other endorsements.

Mr. WOOD. And who are they?

Mrs. NORTON. There is the Musicians' Protective Union, and the Sign, Scene, and Pictorial Painters Local Union; also the president of the District Bar Association, the Central Labor Union, and many others. They are all in favor of the bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. Yes.

Mr. MARTIN of Massachusetts. As I understand it the present law is very restrictive.

Mrs. NORTON. That is true.

Mr. MARTIN of Massachusetts. No boy under 16 or girl under 18 can work on the stage of a theater.

Mrs. NORTON. That is correct. I reserve the remainder of my time.

Mr. HARLAN. Mr. Speaker, this is a bill which has been pending before this House for the last 6 years—ever since the Seventy-second Congress—and almost every term it has been voted out favorably by the committee, but it never appeared on the floor. The bill is very important, not only to the District of Columbia but to the United States. There are just about 11 States out of the 48 States in the United States that have little or no child-protection laws, and, with all due respect to them, they are not the progressive States so far as child protection is concerned.

Mrs. NORTON. Mr. Speaker, will the gentleman yield?

Mr. HARLAN. Yes.

Mrs. NORTON. Does the gentleman not consider that New York is a protective State so far as children are concerned?

Mr. HARLAN. New York is the theatrical center, and it applies to New York citizens living in New York City. I do not say anything against the State of New York, but I do not want to be put off the train of thought right here. That is purely a side issue.

The report on this bill is very interesting and elucidating. Usually we criticize these reports, but this time I think we have a very good report. The report on the bill recommends it, first, because the theater patrons want the bill; second, because the theater owners want the bill; and third, because the parents of these children want the bill. The report is very careful not to state anything about whether the children are going to be benefited by the bill or not. I do not have the slightest wish to impugn the motives of the chairman of this committee in bringing out this bill, but there are some provisions in it to which I shall direct attention which I believe have not received her mature consideration.

Mr. DIRKSEN. Mr. Speaker, I suggest the absence of a quorum.

The SPEAKER. The gentleman from Illinois makes the point of order that there is no quorum present. Evidently there is no quorum present.

Mrs. NORTON. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 6]

Adair	Cummings	Hancock, N. C.	Sabath
Amlie	Darden	Hartley	Sanders, La.
Andrews, N. Y.	Dear	Hennings	Sandlin
Bacharach	DeRouen	Hoeppel	Seger
Bell	Dickstein	Jenkins, Ohio	Shanley
Biermann	Ditter	Kee	Sirovich
Brennan	Dorsey	Kennedy, N. Y.	Smith, Va.
Brooks	Doutrich	Knutson	Smith, Wash.
Brown, Mich.	Duffy, N. Y.	Lea, Calif.	Somers, N. Y.
Buchanan	Dunn, Miss.	Lehlbach	Stewart
Buckler, Minn.	Eaton	McGroarty	Stubbs
Buckley, N. Y.	Ekwall	McMillan	Thom
Burch	Englebright	Maas	Thomas
Cannon, Wis.	Farley	Maloney	Thompson
Cary	Fenerty	Michener	Tinkham
Cavicchia	Fernandez	Montet	Tolan
Celler	Flannagan	Murdock	Treadway
Citron	Frey	Oliver	Wadsworth
Clark, Idaho	Gambrill	Patton	Wallgren
Clark, N. C.	Gasque	Perkins	Whelchel
Collins	Gassaway	Pierce	Wilson, La.
Cooley	Gifford	Quinn	Withrow
Cooper, Ohio	Green	Reece	Wolfenden
Corning	Greenway	Reilly	Wolverton
Creal	Haines	Richardson	Zimmerman
Crowther	Hamlin	Robinson, Utah	Zioncheck

The SPEAKER pro tempore (Mr. LUCAS in the chair). Three hundred and twenty-six Members have answered to their names. A quorum is present.

Mrs. NORTON. Mr. Speaker, I move that further proceedings under the call be dispensed with.

The motion was agreed to.

The SPEAKER pro tempore. The gentleman from Ohio [Mr. HARLAN] may resume.

Mr. HARLAN. Mr. Speaker, inasmuch as very few Members during the interim have shown that they understood just what is before the committee this afternoon, I shall briefly review the matter under discussion.

Under present conditions in the District of Columbia, boys under 14 and girls under 16 are not permitted to work after 7 o'clock in the evening, or something to that effect. Girls under 18 are not permitted to work after 10 o'clock at night. There are eight States that have a higher standard than this. There are approximately eight other States that I will not take time to name that have the same standard—Pennsylvania, Ohio, Massachusetts, and others. Now, if this bill is passed, all age restriction is going to be taken away from children working in the theaters in these traveling troups that go around the country. The District of Columbia will be at the lowest plane of all the States in the Union if this bill is passed. The bill here provides that no child shall work on the stage more than 4 hours in any one day, and he shall not work more than 28 hours in any one week. In other words, the provision is that a child cannot work more than 7 days in any one week.

The committee recommends the passage of this bill for three reasons. First, it says the theater owners want the bill; second, it says the theater patrons want the bill; and, third, it says that the parents want the bill. There it stops. It says very little about childhood being benefited by this bill. Oh, yes; the lady from New Jersey [Mrs. NORTON] talks about the protection that is thrown around childhood. I do not want to impugn the motives or the background of the lady from New Jersey in this matter at all. She is just as much interested in childhood as anybody else, but the people who are back of this bill are not, and in my opinion they have imposed upon this committee.

Now, let us look at the protection they put around children. They cannot work more than 4 hours in 1 day on the stage. That means 240 minutes, which in a vaudeville performance would mean 10 turns of 24 minutes each. Two hundred and forty minutes a day. There is no leading lady, with a matinee and evening performance, who is actually on the stage any longer than that. That means 10 hours a day, at least, or more, waiting around the theater for this child to come on. Four hours a day on the stage. Ten turns of 24 minutes each. It would break any child.

Mr. McFARLANE. Will the gentleman yield for a question?

Mr. HARLAN. Not now. I cannot. I will yield as soon as I get through.

Now, they are going to have the police watch after this. What police force could go to all these little vaudeville houses to see that the children who perform there only work 4 hours in any one day? If that is any protection, we would have to have a policeman in every theater with a stop watch to check the number of minutes that the child was on the stage.

Five years ago, at the request of the District Committee, a commission was appointed to investigate child welfare in the District of Columbia. That commission made a report, and the one thing that was needed in this District, according to that report, was more police officers to look after the existing labor laws. If we do not have enough police officers to protect the laws as they are now, how are we going to proceed when we put in an absurd, unenforceable proceeding such as this?

Oh, the lady from New Jersey says they are going to have inspection of the plays by a representative of the Board of Education. In other words, the lady sets up another censorship on those plays. Now, what is that inspection? Twenty days before a play comes here a copy of the play is to be sent to the Board of Education. They are to look over that and 10 days later report whether the play is suitable or not. Green Pastures, which the lady states as the play she wanted here, was accepted in New York and all over this country as a fine, moral play. In London it was thrown out

as highly immoral and irreligious. All of this means that the representative of the Board of Education——

Mrs. NORTON. Will the gentleman yield there?

Mr. HARLAN. Yes; I yield.

Mrs. NORTON. Did the gentleman see Green Pastures?

Mr. HARLAN. I did.

Mrs. NORTON. What was the gentleman's opinion of it?

Mr. HARLAN. Very good. I saw it here, where children did not participate. They had dwarfs and other adults dressed as children that made a very good impression in the District of Columbia. I was very glad I saw it, but I was very glad I did not see children playing in the District of Columbia.

Mrs. NORTON. Will the gentleman yield further?

Mr. HARLAN. I yield.

Mrs. NORTON. I presume the gentleman was looking at that play with more or less prejudiced eyes. I saw it in New York, where children took part, and it was a beautiful performance, and I thought it did a great deal for children on the stage.

Mr. HARLAN. I am glad the lady saw it.

Now, this bill has been before every Congress since the Seventy-second Congress. When it was introduced 5 years ago the lady who represents the Board of Education and who will have this job of censoring these plays and looking after the children, testified before the Senate committee.

In answer to a question by Senator COPELAND:

Senator COPELAND. Then I take it you are not enthusiastic about it?

Miss Bentley replied:

No, sir; I am absolutely opposed to any effort to lower the standard of the District of Columbia child-labor laws.

From that same hearing I read also a portion of the statement by Miss Rhoda Milliken, lieutenant in charge of the women's bureau, police department of the District of Columbia. This question was asked her:

Senator COPELAND. I take it you are opposed to this measure?
Miss MILLIKEN. I think it would be very unfortunate, and I love the theater very dearly.

There is no human way of giving proper censorship to script for the reason that all kinds of dances can be put in and the child can be called upon to do a lot of acting. The general atmosphere of the play, entirely aside from the lines, can be highly immoral. No one can tell from the script what kind of play it is going to be.

The next thing to be considered is that this person from the District of Columbia is supposed to pass upon whether this child is being injured in any way by being on the stage, whether the education and physical condition of the child is being looked after. Here is a child in California coming to Washington. The Board of Education in Washington has 10 days to find out whether that child in California, with no fees, remember—oh, no, no; for this application and license no fees are to be charged! How can this representative in the District of Columbia find out whether a child's physical condition and educational requirements are being looked after?

Mrs. NORTON. Mr. Speaker, will the gentleman yield?

Mr. HARLAN. Yes.

Mrs. NORTON. The gentleman mentioned 10 days. The time really is 21 days.

Mr. HARLAN. But the report has to be made within 10 days after the application. So there are only 10 days within which the representative of the District can function. The application is made 20 days before the performance, but the report has to be made 10 days after the application is filed. No provision is made for a medical examination of this child; no provision is made for any person trained in education to examine the child. There are no fees required—oh, no; no fees. Why, it would cost at least $50 per child to conduct this examination. No standard is set up. In other words, all these provisions that are supposed to be thrown in here to protect these children are just a lot of bunk. These theater promoters do not care any more for the welfare of these children than a hen does for toothbrushes. They are all thrown in to make the bill look good and as though it were really meant to protect childhood.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. HARLAN. I yield.

Mr. RICH. If what the gentleman says is correct, does not the gentleman think the passage of this bill would lower standards of labor in this country? We ought to prohibit child labor.

Mr. HARLAN. The gentleman is correct.

All the evidence we have on the question of children on the stage is that children working in theaters are injured in some way or other. A short time ago at the White House there was a conference of the welfare workers of the country. They unanimously stated that work on the stage was injurious to children. I have not time now to read the report, but I will include it in my remarks.

Then again every commission in the United States that has investigated this question has reported that work on the stage was injurious to children. I will read you the findings of some of them. The Children's Aid Society of Buffalo examined 76 children over a period of 7 years, and makes this report:

While this group of stage children applying to our society for permits are mentally normal, we found evidence of nervous strain to which these children are subject. This is the most serious condition we have to contend with in modern times relative to stage children.

At Cincinnati, Ohio, a survey was made. Questionnaires were sent not only to Ohio but throughout the country, and the findings were that 80 percent of the children were from 1 to 6 years retarded in school and study, for children traveling cannot possibly keep up with their school work as does a child attending a regular school.

There is not a bit of evidence any place showing that theater work does not injure children. It is certainly true that insufficient surveys have been made of the effect of a theatrical life on childhood. The report of the recent White House conference, nevertheless, says:

Employment on the stage involves night work, travel, prolonged rehearsals, nervous strain associated with appearing before the public—all combining to make it work which would seem to be particularly unsuited to immature minds and bodies.

There seems to be no reason why the standards for the employment of children in theatrical productions of all kinds should not be as high in regard to minimum age, education, and the necessity of procuring employment certificates as for other occupations.

There are a few cases of exceptional children, geniuses, where a special tutor and a doctor actually go along with the child. Such children do not suffer so much injury, but still they suffer some.

The great majority of children who will be exploited if this bill goes into effect, with nobody to protect them, no inspection, no money provided for inspection, no means of inspection if there were money, will be injured as every report says they have been.

There is no need for this. Oh, it is said, you give the children an opportunity to bud forth in their genius. In 1895, Mr. Speaker, a survey was made in New York of all the children on the stage in that city. There were 320 of them, I believe, at that time. In 1910, 15 years later, an editor of Who's Who in the Theater revealed that of these 320 children, only 1 had reached any prominence and only 5 were still on the stage. These "budding geniuses", Mr. Speaker, are children. They are just like bear cubs in the zoo. Young life is always interesting; it has a drawing power; adults like to see it; but that is all there is to it; and all over this country now children's theaters are being developed where children can play. Some of the better-known theaters are:

Boston: Emerson Children's Theater.
New York: King-Coit School, Neighborhood Playhouse, Children's Theater of the Greenwich House Theater Association.
Peekskill: Children's Playhouse.
Columbus: Children's Playhouse.
Chicago: Junior League Children's Theater.
(Fifteen other junior leagues have some form of children's theater.)
Chicago: Hull House.
Tulsa: Children's Theater.

Columbia, S. C.: Town Theater Scalawags.
Los Angeles: Children's Theater Guild.
Duluth: Children's Department of the Little Theater and Junior League.
Denver: Junior League Players.
Minneapolis: Junior Repertory Theater.
Bloomington: Wesleyan Children's Theater.

Fifty years ago lawyers learned their profession by running around with a country lawyer; doctors did the same thing, young doctors followed some older doctor and learned the business. Fifty years ago men of the stage learned their profession that way. But today a far better system of education is springing up in all the professions, and this includes the theater as well. Of the prominent actors now on the stage practically none of them started out under 16 years of age, and most of them were 20.

I will give you a list of those: Of 271 well-known modern actors and actresses, 202 began their stage careers after 14 years of age, 170 after 16 years of age, 9 after 18 years of age, 3 after 19, 6 after 20, and 16 after 21. Of those in the last class, we find such names as John Barrymore, Blanche Bates, Mrs. Leslie Carter, Henry B. Irving, James Hackett Lillie Langtry, Richard Mansfield, Robert Mantell.

These individuals managed to achieve preeminence in their professions after having lived a normal childhood and after receiving a proper basic education.

The actors and actresses of this country are not developed by traveling around the country when they are children and being deprived of their proper nourishment, jerked out of bed at all hours of the day and night, and fed at all times, and otherwise deprived of childhood plays and the normal things that they should do as children. That is not the way to make actors and actresses, but you do make money that way, and that is what is back of this measure.

When this bill was up for consideration in the Seventy-second Congress there was an advertisement which appeared in the Washington papers placed by a musical comedy company which was coming to Washington, reading as follows:

Guaranteed that 25 of the girls appearing in this show are under 16 years of age.

That is what they want to do with a bill of this kind. It is the managers and promoters who want to exploit young girls and the childhood of this country, because they know people will go to the theater to see children perform. They know that men like to look at very young girls. Of course, the advertisement was a lie, but the fact that the advertisement appeared in the Washington papers shows what they have in mind by this kind of a bill.

A statement has been made here that labor is back of this bill. The sign painters' union did endorse the bill a few years ago, as well as the theater musicians, but the teachers' union very vehemently opposed the bill, and through them I communicated with Mr. William Green, president of the American Federation of Labor. Let me read what he said on this subject:

The American Federation of Labor has not given its approval to this proposed legislation, and, in my opinion, we will not extend to it official approval. We are concerned in the principles of child-labor legislation and the establishment of standards for the protection of children. I will be glad to give this matter to which you call my attention careful personal consideration. The traditional policy of the American Federation of Labor toward child-labor legislation will be maintained.

Mr. DIRKSEN. Will the gentleman yield?

Mr. HARLAN. I yield to the gentleman from Illinois.

Mr. DIRKSEN. Does the gentleman maintain for a moment that Mr. Green in the correspondence which the gentleman just read disapproved of the bill? He just does not place the stamp of affirmative approval on it until further consideration may be given to the matter, but he does not disapprove.

Mr. HARLAN. I quoted what he said. The sign painters' union or the scenery painters' union advocated this measure. Mr. Green certainly expresses his personal disapproval of it.

Mr. DIRKSEN. But the disapproval is not contained in the correspondence which the gentleman has just presented to the House.

Mr. RICH. How could Mr. Green or anyone else opposed to child labor support a measure of this sort?

Mr. HARLAN. They could not.

Mr. RICH. How could they approve a bill which permits child labor in the District of Columbia when they do not want child labor used in the State of Pennsylvania and the other four States to which the gentleman referred?

Mr. HARLAN. There is no more reason for lowering the bars against child labor here and making the District of Columbia the lowest point in our civilization in this regard than allowing children to work in the cranberry marshes of New Jersey or in the coal mines of Ohio. All of the things which allow children to grow and develop are taken away from them by this bill, and it does not make any difference whether it involves the sweatshops or the fields or wherever you work them. Childhood is childhood, and they ought to be given a chance to develop as children.

Mr. WOOD. Will the gentleman yield?

Mr. HARLAN. I yield to the gentleman from Missouri.

Mr. WOOD. It is a fact that the history of the American Federation of Labor during the past 25 or 30 years has been one unalterably opposed to child labor?

Mr. HARLAN. The gentleman is correct.

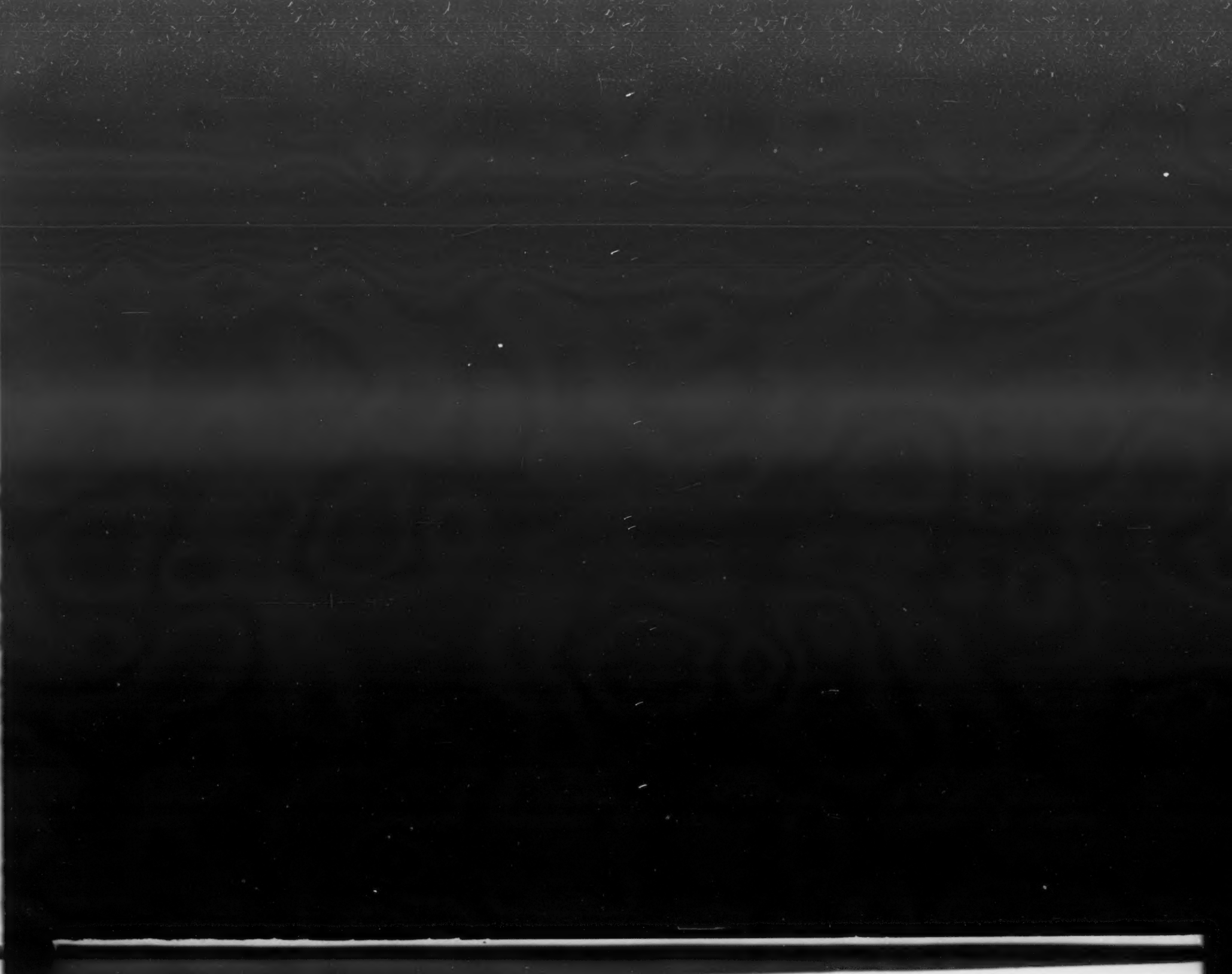
Mr. WOOD. It, therefore, goes without saying that President Green simply reiterated the policy of the American Federation of Labor so far as concerns child labor. The American Federation of Labor and various philanthropic organizations in the States that have passed similar laws have bitterly opposed the legislation, but it has been enacted over their bitter protests.

Mr. HARLAN. The gentleman is correct. That is the situation, and that is why there is all this material about an examination and similar bunk in this bill. After this bill is enacted into law, then there will be an agitation in your State and in my State to pass measures of this kind in all cases where children have been licensed by the Board of Education in the District of Columbia to appear on the stage. The people in your State and in my State will think, of course, that there has been a real examination, and the children thus licensed shall be authorized to appear in every State that is involved.

Mr. Speaker, this is simply a wedge to break down the protection of children and also a wedge to be used to pry under the child-labor laws in other lines of work.

The gentlewoman from New Jersey referred to two pastors who have kindly endorsed this bill. I do not know whether in the theological seminaries they teach child-protection and welfare or not, and I do not know how many pastors have been consulted, with reference to this matter, in order to determine how many others may be against the bill. I do know, however, that every organization in this country with which I have come in contact, and I have been in contact with these organizations for 25 years, is against such laws as this bill would enact into law. Taking the District of Columbia here, may I read the names of some of the organizations which have passed resolution of very bitter disapproval against this measure:

The American Humane Association.
The American Society for the Prevention of Cruelty to Children.
Voteless District League of Women Voters.
Women's Council of the Federation of Churches.
Child Welfare Committee of the Council of Social Agencies.
Monday Evening Club.
Protective Social Measures Committee, Social Hygiene Society.
District of Columbia Parent-Teachers Association.
Washington Branch of American Association of University Women.
District of Columbia Federation of Women's Clubs.
Washington Chapter, National Council of Jewish Women.
Washington Chapter of Hadassah.
Sisterhood of Adas Israel.
United Hebrew Relief Society.
National League of Women Voters.
National Child Labor Committee.
National Consumers League.
American Federation of Teachers.
Women's Trade Union League of America.
Vocational Guidance and Child Labor Committee of the White House Conference on Child Health and Protection.
Federation of Citizens Associations.



American Federation of Teachers.
Social Hygiene Society.
Juvenile Protective Association.
Board of Education.
Children's Committee of the Council of Social Agencies.

And so on down the line. Name the welfare organization and I will tell you it is against this bill. The only groups backing this bill are those directly or indirectly anticipating a profit from its enactment or under political pressure from some such organization. Just analyze the list which has been read and will be read. This does not apply to individual endorsements. There is nobody outside of the three groups named in this report; first, the theater owners; second, the theater patrons; and, third, the exploiting parents of some of these children who want to make money out of their own children. [Applause.]

Mr. Speaker, I reserve the remainder of my time.

EMPLOYMENT OF MINORS

Mrs. NORTON. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, with all due deference to my distinguished friend from Ohio, I think he dealt with so many generalities that the bill pending before the House today is more obscure now than it was when we started its consideration about an hour ago, and for the purpose of simply clarifying the issue in your mind, I ask your patient indulgence for about 5 minutes.

In May of 1928 Congress put legislation on the books which so limited the hours within which children could be employed in the District of Columbia that no professional presentation that comes to one of the stages of the city here can come within this limitation, and as a result it operates so restrictively upon some of the finer dramatic productions that they cannot come to the city of Washington.

To remedy this situation we have introduced this bill, called a bill for the employment of minors, and here is what it provides: It provides that when application has been made to the Board of Education 21 days before, and permission has been granted, then they can employ juveniles upon the stage not to exceed 4 hours in any 1 day for not to exceed, of course, 7 days in the week, making a maximum total of 28 hours in the week.

Now, the only purpose of this measure is to relent the restriction that obtains at the present time and to let some of the finer dramatic productions come to Washington. You cannot play Rebecca of Sunnybrook Farm at the present time if it has any juvenile parts, because you cannot put the juveniles on the stage and keep them there under existing law, and I submit to you, after the dramatic discourse of my friend from Ohio, if we do not relent and if we apply to the stage and to the country generally the philosophy of the theater that the gentleman from Ohio has in mind, all the playwrights everywhere can stop right now trying to put juveniles in any dramatic production.

You cannot play the Return of Peter Grimm on the stage here. You cannot play Daddy Longlegs on the stage. You could not play Shirley Temple in Washington today, and I doubt whether some of these delightful and intriguing children who have beguiled the hearts of the adults and the children from the silver screen in every village, hamlet, and city in the country could have been produced. Children have an essential place in the drama no less than have adults.

The residents here want some of these benefits to come to the city of Washington, and this can be done only if we relax some of the restrictions that obtain at the present time.

The churches of the country today are doing what? They are united in a grand crusade against obscenity in the theater. The Catholic and the Protestant and the Jewish faiths are all united in this crusade from one coast to the other, and I submit that the best way to run obscenity out of the theater is to bring in some of these sweet productions that intrigue the minds of people, that appeal to young and to old alike. Yet they cannot have them in Washington today because the labor law is against it, and all that this bill seeks to do is to so ease this restriction, under proper regulations that these better productions can come here for the edification of the folks living in Washington.

I do not yield to the gentleman from Ohio or anybody else in my solicitude for children. I wish to see restrictions retained that are meant to safeguard children against improper inroads and to preserve intact the gains that have been made in the great fight for child welfare and against exploitation of child labor. I do not wish any of these restrictions broken down. But this is not exploitation; it is but permitting the legitimate use of child talent.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield for a question?

Mr. DIRKSEN. Not now.

The gentleman from Ohio read a lot of endorsements of people who are opposed to the legislation. Let me read you a few who are in favor of it. For instance, the proposed amendment is endorsed by the Commissioners of the District of Columbia, the Chamber of Commerce, the law committee of the Washington Board of Trade, the Merchants and Manufacturers Association, the Northeast Washington Citizens' Association, the Petworth Citizens' Association, the Musicians' Protective Union, and by the Central Labor Union of the city of Washington. They have just as much interest in protecting the children of this city as myself or my friend from Ohio or anybody else, and they have endorsed this legislation, if you please.

It seems to me, therefore, that it requires nothing more to clarify the standpoint of local labor at least than to say that the Central Labor Union of the city of Washington has endorsed it.

Mr. HARLAN. Mr. Speaker, will the gentleman yield for a question there?

Mr. DIRKSEN. I yield.

Mr. HARLAN. With the exception of the Central Labor Union, every one that has endorsed this bill has been a group that will profit by the increased business that will accrue to the theaters growing out of the proposed legislation.

Mr. DIRKSEN. What more do you need than the Central Labor body that represents all the different elements of organized labor in Washington?

Mr. HARLAN. Has the teachers' union endorsed this bill?

Mr. DIRKSEN. I do not necessarily follow the teachers in a matter that pertains to the theater. You will agree that the theater is a great cultural force in this country; and you take the stand, of course, that playwrights will have to change technique and keep juveniles out of their scripts and thereby fail to place a realistic interpretation of life; and you thereby throw a wet blanket upon the legitimate theater as a great cultural force in our country.

Of course, I am not going to follow such a judgment, and I believe this bill ought to be passed by the House today, if you please; and, finally, let me submit that the kindly and benign gentleman who prayed for our salvation and for the destiny of this body this morning has given you his unequivocal endorsement of this bill, the Reverend James Shera Montgomery. Still another to endorse the bill is Rabbi Abram Simon, who says:

I am thoroughly in sympathy with any amendment of the restriction that shall give to childhood an opportunity for cultivation of the dramatic art, provided this can be done without any injury whatsoever to our children. I would trust the judgment of our Board of Education absolutely.

Then, finally, the statement of the Reverend Francis J. Hurney, a man of the cloth, who did a great deal to encourage amateur dramatics in the District of Columbia. He states that if the present law had been in force when he was teaching the dramatic and thespian art to lots of children, some of whom have found their way onto the professional stage—if the law of 1928 had obtained when he was doing his great work he could not have sent any of them out into the world to engage in work on the stage and could not have carried on a lot of his amateur theatricals here.

In conclusion, let me say we ought to exercise common sense and take this silly restrictive law off the statute books right now. [Applause.]

Mrs. NORTON. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker, as long as this bill is up, I should like to ask if anybody on the majority side is doing anything to further a child-labor-law amendment.

Mrs. O'DAY. I am.

Mr. FISH. What progress are you making?

Mrs. O'DAY. We still have 12 States to ratify the amendment. In the meantime we are opposed to letting down the bars.

Mr. FISH. What States are those?

Mrs. O'DAY. I can tell the gentleman in a minute. I have them here.

Mr. FISH. The lady can put them in the RECORD. Let me say this in regard to the pending amendment: The President on many occasions has pointed out to the public that when the N. R. A. was declared unconstitutional it wiped out the child-labor law, and the inference was that there were no State labor laws; whereas most States have child-labor laws and have had long before the N. R. A.

Mr. McFARLANE. What position does your candidate take on the question?

Mr. FISH. We are for child-labor laws. I am pointing out that there are only a few States which have no child-labor laws, and that those are mainly Democratic States of the South. The next time the President speaks on that matter, I hope he will make that plain to the public.

Mr. McFARLANE. If the gentleman will come down South, we will educate him to the fact that there are child-labor laws in the South.

Mrs. NORTON. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, I was much interested in the statement made by the gentleman from Ohio [Mr. HARLAN] in reference to the fact that there were four States that had stringent child-labor laws, among them Pennsylvania; that Pennsylvania's laws were more stringent than those of the District of Columbia. I want to say to the Members of Congress that if you are going to make laws prohibiting child labor, why reduce the standard in the District of Columbia? If anyone, especially a manufacturer, should come into the State of Pennsylvania and propose to reduce the age limit in the child-labor laws of Pennsylvania, they would rise up in holy horror. I say that we are for child-labor laws in Pennsylvania and opposed to this bill. [Applause.]

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. RICH. Yes.

Mr. McFARLANE. Will the gentleman tell us his views on the child-labor question?

Mr. RICH. Always we have supported the child-labor laws, and we are opposed to have children labor in our manufacturing plants and in the whole Nation. That is what I stand for.

Mrs. NORTON. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. WOOD].

Mr. HARLAN. Mr. Speaker, I yield the gentleman from Missouri 2 minutes.

Mr. WOOD. Mr. Speaker, I did not intend to say anything on this bill, but so much has been said about the position of the different organizations of the District that I feel called upon to say a few words. The real force and effect of this bill has not been touched upon. Everyone who has spoken in favor of the bill has said that it would allow one to work children under 18 and 16 years of age not more than 4 hours a day, or not more than 28 hours a week, but they did not say that there were any safeguards surrounding this piece of legislation which would prohibit a theatrical manager or owner placing a boy or girl on at 1 minute after 12 o'clock noon and working that boy or girl until 11 o'clock that night. There may be four or five or six performances, and the only time it would be considered the child is working would be when the child is actually performing on the stage. So that it would be possible to work the child 10 or 11 hours a day. Then take the road shows that are coming into Washington and into other large cities in the United States. They lack a great deal of being conducive to good morals for the children or adults. I refer to these burlesque shows and the musical comedies. I should like to know how the Board of Education of the city of Washington could in any way investigate just exactly what has been done before the road shows come to Washington with respect to protecting the morals of the child or taking care of its education. There is no way it can find out. As has been well said, there are no fees allowed for any examination or research by the Board of Education.

The natural consequence will be that the Board of Education will not be particular as to whether these children coming here in these road shows are treated properly or not. It is generally understood that all philanthropic societies like the League of Women Voters and the Federation of Women's Clubs and nearly all these State and National women's societies, as well as the American Federation of Labor and numerous other organizations, have been fighting against the scourge of child labor for 25 or 30 years, and in those States where they have taken off the ban, like my own State of Missouri and elsewhere, that ban has not been taken off because labor or the philanthropic societies agree to it, but it was taken off over our bitter protest. I think it would be dangerous at this time to lift the ban and tamper in any way with the child-labor laws of the District of Columbia or of any State in the Union. I hope this bill will not pass.

Never has there been a more tragic picture than the condition of the theatrical fraternity in the last 12 or 15 years, since the advent of the moving picture and the advent of the sound picture, when thousands and thousands of arists have virtually starved, thousands having been compelled to walk the streets and join the bread line because modern invention has put them out of employment; and I should like to know where this great opportunity of employment will be for these children that travel with these road shows that they say are getting theatrical education in the arts.

Mrs. NORTON. Mr. Speaker, I think we have lost sight of the principle involved in this bill. We have gone very far in classing it a labor bill. This is not a labor bill in any sense. It is simply a bill to give the District of Columbia permission to allow children to perform on the stage. So much has been said regarding the health of children. Does it not seem reasonable to believe that no producer would want or allow a child to act who was not in good physical condition? The child would not be of any use to him. I have been told by the theater managers here in Washington that the bill would probably not involve more than about 2 dozen children in a whole year. It merely permits them to appear in plays where children are necessary, and certainly nobody would question that Shirley Temple has been of real value by her exceptional performances. If they had a law in California such as exists in the District of Columbia, we would all be deprived of the pleasure of that child's acting. Maude Adams is another who started her career on the stage at a very young age. As I said in my original statement today, no Member of this House would go further to protect children than I. I would not lend myself to a measure of this kind if I thought it would do any child the least bit of harm. As I stated previously, I have devoted a great many years of my life to child-welfare work. Do you think it likely that I would come before this House and ask you to pass a bill that could in any possible way be detrimental to children? I assure you we are not letting down the bars on child labor. If and when the child-labor amendment comes before this House nobody will work for it more earnestly than I. There is a great difference between child-labor problems and merely permitting children to act on the stage under the safeguards provided in this bill. This is not a child-labor problem in any sense. Permit me to repeat what this bill provides for: The application for a permit must be submitted to the Board of Education 21 days in advance and a

copy of the manuscript of the play in which the minor is to appear must accompany the application. Does anybody believe that the Board of Education would approve any manuscript involving a child character that it did not think was perfectly fit?

Mr. HARLAN. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. No; I refuse to yield now.

The Board may issue such permit when it determines that the child is receiving adequate educational instructions and that the health and morals of the minor are properly safeguarded.

Then, again, the amendment is endorsed by the Commissioners of the District of Columbia, by the Chamber of Commerce, by the law committee of the Washington Board of Trade, by the Merchants and Manufacturers Association, the Northeast Washington Citizens Association, the Petworth Citizens Association, the Musicians Protective Union, the president of the District Bar Association, Central Labor Union, and many others.

I am positive that none of these people and organizations would lend themselves to doing anything that would harm the children of the District. So I sincerely hope you will not confuse the issue involved in this bill.

There has been a great deal of discussion that does not in any sense apply to the bill. It merely provides the District of Columbia with the same rules and regulations that many of you in your own States are now enjoying with regard to children in theatrical productions.

I move the previous question on the bill, Mr. Speaker.

Mr. HARLAN. Mr. Speaker, I still have 2 minutes remaining under my agreement.

The SPEAKER. The gentleman is correct. The gentleman has 2 minutes remaining.

Mr. HARLAN. Mr. Speaker, I yield 2 minutes to the lady from New York [Mrs. O'DAY].

Mrs. O'DAY. Mr. Speaker, I dislike to speak against a bill that has the endorsement of my colleague from New Jersey [Mrs. NORTON], but I feel that she, together with the reverend gentlemen and various other outstanding citizens who are for this amendment, has not taken into consideration the children not in the District of Columbia. Of course, those in the city of Washington will be safeguarded, but how can the Board of Education of the District of Columbia know what safeguards are around those same children when they leave Washington and go on to the next 1-night stand? Undoubtedly this amendment, if it passes, will weaken tremendously the chances of an early passage of a Federal amendment against child labor. Every organization that I know of, every welfare organization is against this amendment. When practically the same amendment was introduced in 1932 it was opposed by 19 organizations in the city of Washington, 4 of them national organizations.

A commission for the unification of laws throughout the United States has cited theatrical employment as being a hazardous occupation and has fixed a minimum age of 16.

It is a very difficult thing for me to rise in opposition to this bill because it has the endorsement of one of the finest, most outstanding women of this country, MARY NORTON. We know she has a heart so big, so warm, that it goes out in love to every child with whom she comes in contact. It was her love for children and her invaluable services in behalf of the underprivileged children of her own State that drew her into the field of politics, and in that field she has won the affection and admiration of all who have followed her career.

She and I have talked this bill over. She points out to me that it has the endorsement of our own Chaplain and of other clergymen of the city; that the children would be safeguarded by the provision that a copy of the manuscript of a play must be furnished to the Board of Education 21 days before the proposed appearance of the child and must meet with the Board's approval.

That it is unfair for the citizens of Washington to be deprived of seeing plays that are given in other States and cities whose laws regulating the employment of children in theatrical productions are less stringent than those of Washington.

As to this last—it has been possible under the present law to produce successfully in Washington plays calling for children in the cast.

As Thousands Cheer; The Good Earth; Ah, Wilderness; and others, including Green Pastures; and from the theatergoers' point of view these plays were highly successful.

As to safeguards surrounding the children, we know that every effort would be made by Washington's Board of Education to protect them from anything harmful to their morals and health. Nevertheless, when in 1932 an attempt was made to amend the present law by the introduction of a practically similar bill, it was opposed by most of the welfare organizations of the District. I have here a list of 19—4 of them national organizations, including the Child Labor Committee of the White House Conference on Child Health and Protection.

The uniform child labor law adopted by the Conference of Commissioners on Uniform State Laws in 1930 lists employment in theaters among hazardous occupations and fixes 16 as a minimum for such work.

The wording of this amendment throws open to children of any age employment in vaudeville, variety shows, and revues. Some of these are clean and very beautiful, but the best of them would involve travel, stays in hotels and boarding houses that would deprive a child of the normal life and uninterrupted schooling to which he is entitled.

As to the worst of them, I have seen some where children were employed, and it was heart-breaking to contemplate what the future held for them.

Washington is our national seat of Government; it sets an example for the rest of the country. Congress is its legislative body, and the passage of this amendment would go far toward breaking down the laws pertaining to child labor that have been so painstakingly built up by most of our States. When N. R. A. was launched its bitterest opponents conceded that it had two good points—the abolition of child labor and sweatshops.

Yesterday's papers carried a statement of William Green that there—

> Has been a wholesale resumption of child labor since the Supreme Court's N. R. A. decision. As soon as the power of this act was nullified industry again made overtures to children. Children responded because their parents were without jobs or because the family income was so low that every additional pittance provided more of the necessities of life.

The Child Labor Committee makes a similar report. That committee, the Federation of Labor, and countless other organizations are working in behalf of Federal amendment for the regulation of child labor. Twenty-four States have ratified it; 12 more are needed.

When the measure first came up before the States for ratification a terrific campaign of opposition was launched by the National Association of Manufacturers, according to its own admission.

A campaign against it still wages.

Will the Capital City of Washington support that campaign by throwing the weight of its great influence against those who are striving to protect America's children from exploitation and the evils of child labor?

If this amendment is adopted, it will retard to an untold degree the progress that we have made toward the protection and welfare of our country's children.

[Here the gavel fell.]

Mr. CURLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CURLEY. Mr. Speaker, there are some new Members in this body and I am one of them. I desire to ask a question of the chairman of this particular committee in order to get a little information about the particular bill now before the House for consideration.

The SPEAKER. The Chair will state that the bill is about to be read under the 5-minute rule, and the gentleman will have opportunity when the first section is read.

Mr. CURLEY. I simply wished to inquire from the chairman of the committee whether or not she would yield for two questions so that we might be able to get this information.

The SPEAKER. The Clerk will read the bill.

The Clerk read as follows:

Be it enacted, etc., That the act of Congress entitled "An act to regulate the employment of minors within the District of Columbia", approved May 29, 1928, be, and the same is hereby, amended by adding after section 7 a new section to read as follows:

"SEC. 7a. Notwithstanding the provisions of this act, the Board of Education of the District of Columbia, or a duly authorized agent thereof, is authorized to issue a work permit to any female person under 18 years of age and to any male person under 16 years of age, said permit authorizing and permitting the appearance of such person on the stage of a duly licensed theater within the District of Columbia, in any professional traveling theatrical production not considered offensive to public decency: *Provided*, That such person shall not appear on said stage after the hour of 11 o'clock in the evening of any day, nor more than 4 hours in 1 day, nor more than 28 hours in 1 week. Application for such permit shall be made by the parent or guardian of such minor to the Board of Education of the District of Columbia, or a duly authorized agent thereof, at least 21 days in advance of the scheduled theatrical performance, and with such application there shall be furnished a copy of the manuscript of the play, and the Board of Education shall advise the applicant of the granting or refusal of such permit within 10 days thereafter. The Board or its agent may issue a permit when satisfied that the minor is receiving adequate educational instructions and that the health and morals of the minor are properly safeguarded."

With the following committee amendments:

On page 2, line 4, after the word "person", insert "in a musical recital or concert, or."

Page 2, line 14, after the word "schedule", strike out the word "theatrical."

Page 2, line 16, after the word "of", insert "the program of the recital or concert or of."

The SPEAKER. Does the gentleman from New York desire recognition?

Mr. CURLEY. Mr. Speaker, I think the gentleman from Ohio [Mr. HARLAN] has explained the point I had in mind. I simply desired to know whether the children mentioned by the chairman of the committee in her remarks were children who had had special training in their work, and whether those were the only ones included in connection with the child-welfare legislation. That is all I wanted to ask.

The SPEAKER. The question is on the committee amendments.

The committee amendments were agreed to.

Mr. GRAY of Pennsylvania. Mr. Speaker, I move to strike out the last word. I ask unanimous consent to proceed out of order for 5 minutes.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to proceed for 5 minutes out of order. Is there objection?

Mr. DIRKSEN. Reserving the right to object, on what subject?

Mr. GRAY of Pennsylvania. Not on this subject.

Mr. DIRKSEN. May we not finish this bill first?

Mrs. NORTON. I shall be glad to yield the gentleman time later, Mr. Speaker.

Mr. DIRKSEN. Mr. Speaker, I am constrained to object until we have finished action on this bill. I object, Mr. Speaker.

The Clerk read as follows:

SEC. 2. Nothing in this act shall be construed as amending, altering, or repealing the provisions of section 7 of the act of May 29, 1928.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. HARLAN) there were ayes 27 and noes 76.

Mrs. NORTON. Mr. Speaker, I object to the vote and make the point of order that there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] Evidently there is not a quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 70, nays 227, not voting 133, as follows:

[Roll No. 7]

YEAS—70

Bankhead	Crosby	Huddleston	Pettengill
Beam	Crowe	Jenckes, Ind.	Peyser
Beiter	Daly	Johnson, Tex.	Polk
Blanton	Deen	Kelly	Rayburn
Bloom	Delaney	Kennedy, Md.	Reed, Ill.
Boland	Dirksen	Kenney	Rudd
Cannon, Mo.	Doughton	Lewis, Colo.	Ryan
Carmichael	Doxey	McAndrews	Schuetz
Carpenter	Driscoll	McCormack	Shannon
Carter	Eckert	McGehee	Steagall
Casey	Evans	McKeough	Sweeney
Chapman	Fiesinger	Montague	Tarver
Claiborne	Gillette	Nichols	Taylor, S. C.
Cochran	Goldsborough	Norton	Turner
Cole, Md.	Hamlin	O'Neal	Whittington
Cole, N. Y.	Hart	Palmisano	Woodrum
Colmer	Holmes	Parks	
Cox	Houston	Patman	

NAYS—227

Allen	Fulmer	Lord	Robsion, Ky.
Andresen	Gearhart	Lucas	Rogers, Mass.
Andrew, Mass.	Gehrmann	Luckey	Rogers, N. H.
Arends	Gilchrist	Ludlow	Rogers, Okla.
Ashbrook	Gildea	Lundeen	Romjue
Ayers	Gingery	McClellan	Russell
Barry	Goodwin	McFarlane	Sadowski
Biermann	Gray, Ind.	McLaughlin	Sanders, Tex.
Blackney	Gray, Pa.	McLeod	Sauthoff
Bland	Green	McReynolds	Schaefer
Boileau	Greenwood	Mahon	Schneider, Wis.
Boykin	Greever	Main	Schulte
Brewster	Gregory	Mapes	Scott
Brown, Ga.	Griswold	Marcantonio	Scrugham
Buckbee	Guyer	Marshall	Sears
Bulwinkle	Gwynne	Martin, Colo.	Secrest
Burch	Haines	Martin, Mass.	Shanley
Burdick	Halleck	Mason	Short
Burnham	Hancock, N. Y.	Massingale	Smith, Conn.
Caldwell	Harlan	Maverick	Smith, W. Va.
Carlson	Harter	May	Snell
Castellow	Healey	Mead	Snyder, Pa.
Christianson	Hess	Meeks	South
Church	Higgins, Conn.	Merritt, Conn.	Spence
Coffee	Higgins, Mass.	Millard	Stack
Colden	Hildebrandt	Mitchell, Ill.	Starnes
Cooper, Tenn.	Hill, Ala.	Mitchell, Tenn.	Stefan
Cravens	Hill, Knute	Monaghan	Sumners, Tex.
Crawford	Hobbs	Moran	Sutphin
Cross, Tex.	Hoffman	Moritz	Taber
Crosser, Ohio	Hollister	Mott	Taylor, Tenn.
Crowther	Hook	Nelson	Terry
Cummings	Hope	O'Brien	Thomason
Curley	Hull	O'Connell	Thurston
Darrow	Imhoff	O'Day	Tinkham
Dies	Johnson, Okla.	O'Leary	Tobey
Dingell	Johnson, W. Va.	Owen	Turpin
Disney	Jones	Parsons	Umstead
Dobbins	Kahn	Patterson	Underwood
Dondero	Keller	Patton	Utterback
Drewry	Kinzer	Pearson	Vinson, Ga.
Duffey, Ohio	Kleberg	Peterson, Fla.	Vinson, Ky.
Duncan	Kloeb	Peterson, Ga.	Walter
Dunn, Pa.	Kniffin	Pittenger	Wearin
Eagle	Knutson	Plumley	Welch
Edmiston	Kocialkowski	Rabaut	Werner
Eicher	Kopplemann	Ramsay	Whelchel
Ellenbogen	Kvale	Ramspeck	Wigglesworth
Engel	Lambertson	Randolph	Wilcox
Faddis	Lambeth	Rankin	Williams
Ferguson	Lamneck	Ransley	Withrow
Fish	Lanham	Reece	Wolcott
Fitzpatrick	Larrabee	Reed, N. Y.	Wood
Fletcher	Lee, Okla.	Reilly	Woodruff
Focht	Lemke	Rich	Young
Ford, Calif.	Lesinski	Richards	Zimmerman
Ford, Miss.	Lewis, Md.	Richardson	

NOT VOTING—133

Adair	Buck	Corning	Duffy, N. Y.
Amlie	Buckler, Minn.	Costello	Dunn, Miss.
Andrews, N. Y.	Buckley, N. Y.	Creal	Eaton
Bacharach	Cannon, Wis.	Culkin	Ekwall
Bacon	Cartwright	Cullen	Englebright
Barden	Cary	Darden	Farley
Bell	Cavicchia	Dear	Fenerty
Berlin	Celler	Dempsey	Fernandez
Binderup	Chandler	DeRouen	Flannagan
Boehne	Citron	Dickstein	Frey
Bolton	Clark, Idaho	Dietrich	Fuller
Boylan	Clark, N. C.	Ditter	Gambrill
Brennan	Collins	Dockweiler	Gasque
Brooks	Connery	Dorsey	Gassaway
Brown, Mich.	Cooley	Doutrich	Gavagan
Buchanan	Cooper, Ohio	Driver	Gifford

Granfield	McMillan	Risk	Thompson
Greenway	McSwain	Robertson	Tolan
Hancock, N. C.	Maas	Robinson, Utah	Tonry
Hartley	Maloney	Sabath	Treadway
Hennings	Mansfield	Sanders, La.	Wadsworth
Hill, Samuel B.	Merritt, N. Y.	Sandlin	Wallgren
Hoeppel	Michener	Seger	Warren
Jacobsen	Miller	Sirovich	Weaver
Jenkins, Ohio	Montet	Sisson	West
Kee	Murdock	Smith, Va.	White
Kennedy, N. Y.	O'Connor	Smith, Wash.	Wilson, La.
Kerr	Oliver	Somers, N. Y.	Wilson, Pa.
Kramer	O'Malley	Stewart	Wolfenden
Lea, Calif.	Perkins	Stubbs	Wolverton
Lehlbach	Pfeifer	Sullivan	Zioncheck
McGrath	Pierce	Taylor, Colo.	
McGroarty	Powers	Thom	
McLean	Quinn	Thomas	

So the bill was rejected.

The Clerk announced the following pairs:

General pairs:

Mr. Cullen with Mr. Michener.
Mr. Lea of California with Mr. Seger.
Mr. Connery with Mr. Treadway.
Mr. Boylan with Mr. Wolfenden.
Mr. Granfield with Mr. Culkin.
Mr. McSwain with Mr. Bacon.
Mr. Flannagan with Mr. Cavicchia.
Mr. Miller with Mr. Ekwall.
Mr. Warren with Mr. Jenkins of Ohio.
Mr. Mansfield with Mr. Powers.
Mr. Oliver with Mr. Wilson of Pennsylvania.
Mr. O'Connor with Mr. Andrews of New York.
Mr. Fuller with Mr. Fenerty.
Mr. Boehne with Mr. Risk.
Mr. Buchanan with Mr. Gifford.
Mr. Hancock of North Carolina with Mr. Wolverton.
Mr. Gavagan with Mr. Stewart.
Mr. Samuel B. Hill with Mr. Hartley.
Mr. Cooley with Mr. Bacharach.
Mr. Robertson with Mr. Ditter.
Mr. Sandlin with Mr. Thomas.
Mr. Taylor of Colorado with Mr. Wadsworth.
Mr. Sullivan with Mr. Perkins.
Mr. Wilson of Louisiana with Mr. Bolton.
Mr. Kerr with Mr. Doutrich.
Mr. Beiter with Mr. Maas.
Mr. Gasque with Mr. McLean.
Mr. Jacobsen with Mr. Cooper of Ohio.
Mr. Sabath with Mr. Eaton.
Mr. Kennedy of New York with Mr. Lehlbach.
Mr. Cartwright with Mr. Amlie.
Mr. Kramer with Mr. Englebright.
Mr. Sanders of Louisiana with Mr. Buckler of Minnesota.
Mr. Smith of Virginia with Mr. Collins.
Mr. Tolan with Mr. Murdock.
Mr. McMillan with Mr. Frey.
Mr. Thom with Mr. Darden.
Mr. Robinson of Utah with Mr. Kee.
Mr. Gambrill with Mr. Adair.
Mr. Pfeifer with Mr. Gassaway.
Mr. Quinn with Mr. Barden.
Mr. Bell with Mr. O'Malley.
Mr. Tonry with Mr. Pierce.
Mr. Montet with Mr. Thompson.
Mr. Fernandez with Mr. West.
Mr. Duffy of New York with Mr. Maloney.
Mr. Merritt of New York with Mr. White.
Mrs. Greenway with Mr. Biermann.
Mr. Celler with Mr. Hennings.
Mr. Dear with Mr. Sirovich.
Mr. Smith of Washington with Mr. Cannon of Missouri.
Mr. Corning with Mr. Wallgren.
Mr. Brennan with Mr. Chandler.
Mr. McGrath with Mr. Brooks.
Mr. Dorsey with Mr. McGroarty.
Mr. Clark of North Carolina with Mr. Farley.
Mr. Dietrich with Mr. Creal.
Mr. Dunn of Mississippi with Mr. Buck.
Mr. Zioncheck with Mr. Weaver.
Mr. Driver with Mr. Dempsey.
Mr. Costello with Mr. Buckley of New York.
Mr. Cary with Mr. Dickstein.
Mr. Citron with Mr. Cannon of Wisconsin.
Mr. Clark of Idaho with Mr. DeRouen.
Mr. Sisson with Mr. Dockweiler.
Mr. Somers of New York with Mr. Stubbs.

Mr. JONES, Mr. IMHOFF, Mr. DISNEY, Mr. GREEN, and Mr. SCHULTE changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

PERMISSION TO ADDRESS THE HOUSE

Mr. GRAY of Pennsylvania. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GRAY of Pennsylvania. Mr. Speaker, I wish to address myself briefly and mainly to the Republican representation in the House. I do not know that what I shall say will be a delight to their ears, but I hope it will penetrate their souls, because it comes from a very responsible source.

The other day, when the announcement was made in this House that the Supreme Court had ruled out the A. A. A., the announcement was met with joy, exaltation, and handclapping on the part of the Republican membership. I have a brief letter from a friend of mine, a Republican official in the county of Cambria, a judge of the common-pleas court of that county, a lifelong Republican, a man who has at different times held important office by election on the Republican ticket, expressing his views in regard to that decision. He wrote me the following letter:

EBENSBURG, PA., *January 8, 1936.*

HON. JOSEPH GRAY,
Washington, D. C.

DEAR JOSEPH: New Year's greetings to yourself and family.

You certainly are in the midst of exciting times down there, and inter nos, had I been a member of the Supreme Court I think I should have been found with the minority Justices. I am having a good many quiet laughs over the frenzied effort to drag the dear old Constitution out into the open as a desperate attempt to head off the constructive work sought to be brought about by the present administration.

Of course, there have been mistakes made due in large part to the innate weakness of human instrumentality, but in my opinion the effort in general on the part of Congress and the President to extricate us from the present national bog is praiseworthy and deserves all the support that it is possible to give it. I fear the old biblical adage that it is the letter of the law that killeth, but the spirit that maketh alive is finding illustration in the decisions of the Supreme Court. This may be heresy on the part of a Republican; but if it be heresy, make the most of it.

I am, with great regard,
Yours very sincerely,

CHARLES C. GREER.

I wish you gentlemen on the Republican side please to bear in mind that here is a very eminent citizen, a distinguished judge of the State of Pennsylvania, an able lawyer, a very fine character, a noble man, broad-minded, open-minded, who is showing his reaction which I hope will have some beneficial effect on those who applauded so joyously the decision of the Supreme Court but who are going to find their joy turned to sadness.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. GRAY of Pennsylvania. I yield.

Mr. RICH. Will the gentleman tell us whether the writer of this letter is a police court judge or a common-pleas judge, and what is his name?

Mr. GRAY of Pennsylvania. I gave that information. He is a judge of the court of common pleas in Cambria County and has been for some years. His name is Charles C. Greer, and he is a resident of Johnstown. Is there anything else?

Mr. YOUNG. Mr. Speaker, will the gentleman yield?

Mr. GRAY of Pennsylvania. I yield.

Mr. YOUNG. Do I understand from the gentleman that this distinguished jurist from his State is a member of the Grand Old Party, of which the gentleman and I are not members?

Mr. GRAY of Pennsylvania. Decidedly so, and he always has been.

Mr. HOFFMAN and Mr. FISH rose.

Mr. GRAY of Pennsylvania. Mr. Speaker, I yield first to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Can the gentleman tell us what the former candidate for the Presidency, Al Smith, thinks of that decision, or the attitude toward it of ex-Governor Ritchie or Newton D. Baker or John W. Davis?

Mr. GRAY of Pennsylvania. No; I have no information as to that, and I do not care. Every man is entitled to his views, however eminent and however reactionary. I have given those of a lifelong, strong-hearted Republican judge, whose patriotism is greater than his partisanship.

Mr. McFARLANE. It seems that this judge had a lucid interval.

Mr. GRAY of Pennsylvania. Lucid intervals are a habit with my esteemed friend, Judge Greer.

[Here the gavel fell.]

Mr. LEE of Oklahoma. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. LEE of Oklahoma. Mr. Speaker, the most important problem that confronts America today is the crisis resulting from the nullification of the farm program.

The farmer is the cornerstone of whatever measure of prosperity we have attained. Remove the cornerstone and the superstructure that is built thereon will fall.

It is possible that the farm prices will remain at the present level for a time. It is even possible that they will advance some due to the immediate removal of the processing tax, but ultimately production will increase and prices will fall, carrying down with them the farmer. When the farmer goes down the merchant goes down. When the merchant goes down the manufacturer goes down. When the manufacturer goes down the wage earners start hitchhiking, and we are right back where we started, at the bottom of the depression.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. LEE of Oklahoma. I decline to yield.

Mr. Speaker, for 150 years the farmers have been selling on a world market and buying on a protected market. This disadvantage has been partly offset by the newness of our country and by the continual increase in population, and yet for 150 years, under this unsound economic system, we have had periodic depressions. We have solved these depressions by opening up new frontiers and draining off the disinherited. But when this last depression came there were no new frontiers. We had settled up to the west coast and met ourselves coming back.

The gradual disadvantage under which the farmer has labored once more overtook him. The disparity between the price of raw materials and manufactured articles gradually increased. What the farmer bought cost more; what he sold brought less. He increased his output in order to make up for its diminished value. But he fell a victim of his own labor. The more he produced the less it would buy. Finally he reached the point where his whole crop would not sell for enough cash to pay his taxes. He stopped buying; he had to.

When the farmer stopped buying the merchant stopped selling. When the merchant stopped selling, the factory wheels stopped turning. When the factory wheels stopped turning, the wage earners started hitchhiking, and the depression was on.

When the Government undertook to restore prosperity it began at the source of the trouble; it began by restoring the lost buying power of the farmer, the logical place to begin recovery. The economists can spin all of the fine theories they wish about the depression, but you cannot have good times unless you get money into the hands of the farmers. Mr. Hoover tried to bring about recovery by setting up the R. F. C. and loaning money to the banks and railroads and factories, but you cannot make a nation prosperous by pouring money in at the top. You have got to get the grease where the screak is. It was not loans that the factories needed; it was customers.

But Mr. Roosevelt undertook to bring about prosperity by getting buying power in the hands of the farmers, because they constitute one of the largest groups of the consuming public.

For 150 years we have been operating under the unsound economic policy of allowing the law of supply and demand to operate naturally so far as agriculture was concerned, but artificially controlling it so far as industry was concerned.

Therefore the Government was confronted with the proposition of either removing the tariff walls and allowing the law of supply and demand to operate naturally, on manufacturer as well as farmer, or else give the farmer a tariff that would artificially stimulate his prices. The latter was decided upon.

It was then that the A. A. A. was set up. Government checks began going out to the country. Money, the lifeblood of prosperity, began flowing out to the forks of the creek. Cash began reaching the "grass roots." Farm prices doubled. Then they tripled; then they quadrupled. And finally they increased five times; thereby increasing five times the purchasing power of the millions of people engaged in agriculture. This money began finding its way to town, to the clothing stores, to the shoe stores, to the harness shops, to the hardware stores, to the lumber yards; and in turn it flowed on back to the factories, and the factory wheels started humming and the laborers started back to work.

From that date carloadings have increased each month. The general graph of business has been steadily upward. The Nation's income has increased over $5,000,000,000, and there is at present every indication of a return to substantial, healthy prosperity.

Then comes the decision of the Supreme Court nullifying the farm program, which is the foundation of this recovery; thereby bringing about a national crisis. The farm leaders from over the Nation realize this, and have met here in Washington, and with a unanimity never before attained, have recommended that Congress pass legislation that will effectively take the place of the A. A. A. program.

Their recommendation follows somewhat the domestic-allotment plan and emphasizes soil conservation.

I believe, with the unanimous cooperation of the farm leaders, a program along these lines can be worked out that will maintain fair prices for farm commodities, and at the same time meet the requirements of constitutionality.

Three years ago the Government was blazing a new trail, but now we have the advantage of 3 years of experience, giving us much useful information.

From this vantage point of experience, it is my hope that we can write a better and a more permanent farm program than we had before, and thus place agriculture on a parity with industry, where farm and factory will share alike in the new prosperity that such a program will guarantee to America.

AMENDMENT OF HAWAIIAN ORGANIC ACT

Mr. GREEN. Mr. Speaker, I ask unanimous consent that the bill (H. R. 8284) to amend the Hawaiian organic act may be recommitted to the Committee on the Territories.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

THE LATE HONORABLE WESLEY LLOYD

Mr. FADDIS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. FADDIS. Mr. Speaker, with sadness in my heart because of his passing, but with gladness in my heart because of our friendship and acquaintance, I rise along with the many others, to pay tribute to the memory of our friend and colleague, WESLEY LLOYD. When I became a Member of the Seventy-third Congress he was one of my first acquaintances, and we became friends. I will miss him and, indeed, we all will miss him. We have lost a valued friend and an able colleague. His family has lost an affectionate husband and father. His State has lost a representative of rare ability and unquestionable industry. His Nation has lost a patriot statesman.

His vision was not limited to the Pacific Ocean on the west and the mountains to the east, but his conception of his country took in the entire Nation, from Lakes to Gulf, from ocean to ocean. He knew not the problems of one class alone, but understood the composite mind of the American people. He passed away, as I know he would have willed it, in the service of his Nation, State, and fellowman. His passing has left a sadness which will not soon disappear, a vacancy which will be difficult to fill, and has left us with a realization of the broader and higher purposes of life, because of the example he set us.

He had, among his other fine qualities, a rare sense of humor, a gentle courtesy, and a sympathetic understanding

of his fellowman. Tolerance was the keynote of his character. He was from the other end of our country but his office was near to mine. I will miss his visits to my office, at the end of a busy day, and the conversations we so often had. I am sure my associations with him were beneficial, as they gave me a more complete understanding of the Nation as a whole.

Washington Irving has said:

> There is a remembrance of the dead to which we turn from the charm of the living. These we would not exchange for the song of pleasure or the bursts of revelry.

Such, I am sure, is our remembrance of WESLEY LLOYD.

PERMISSION TO ADDRESS THE HOUSE

Mr. MONAGHAN. Mr. Speaker, I ask unanimous consent that tomorrow after the reading of the Journal and disposition of matters on the Speaker's desk I may be permitted to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

Mr. SNELL. Mr. Speaker, reserving the right to object, as I understand it, we will have general debate tomorrow on a pending appropriations bill, which will allow ample opportunity for anyone to make a speech if he so desires. I think that is the proper way to proceed tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

Mr. SNELL. Mr. Speaker, I object.

THE CONSTITUTION AS A LIVING, GROWING ORGANISM

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address delivered by me in Knoxville, Tenn., on January 8.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McSWAIN. Mr. Speaker, I am offering, under leave to extend my remarks, the address delivered by me before the John Randolph Neal College of Law, at Knoxville, Tenn., on January 8, 1936. I feel that the subject matter of this address and the current discussion concerning the Constitution and the power of the Supreme Court to declare acts of Congress unconstitutional justify me in explaining that I received the invitation to deliver this address early in December 1935 with the expectation that it would be delivered some time about the middle of December 1935. Consequently, the address was prepared before that time, and was not changed in any respect after the Supreme Court of the United States rendered its decision in the Hoosac Mills case on January 4, 1936, holding the Agricultural Administration Act to be unconstitutional, because beyond the power of Congress to legislate as to matters reserved, under the Federal Constitution, to the States.

While it is distressing to many of our fellow citizens that this act has been held to be unconstitutional, yet out of all of this agitation much good should result. It should, and I believe will, lead the masses of our people to give serious and earnest thought to the fundamental questions lying beneath our system of government. We have been too much inclined to take our good government as a matter of course. We need to think of what would have been our fate except for our great constitutional system. More soberly and seriously must we think what will in the future be our fate if we throw overboard this great framework of government, or if we should so modify it as to eliminate that wise counterbalancing of checks and restraints of one department against another department, so as to insure cool deliberation before final action, and thus to prevent impetuous and overhasty legislation that might result in hardships and injustice to some of our people. Governments and constitutions are not set up for the protection of the majority. The majority in power at a given time can take care of itself. Governments and constitutions are set up to protect minorities and individuals. This is necessary because the minority party of today may become the majority party of tomorrow. If each succeeding majority party were at liberty to take vengeance and reprisals upon the minority, as has happened in other countries, and as is now happening in some countries, then American constitutional liberty would be dead. Constitutions are set up so that when a given party is in power it must legislate not for its own members alone, and not for any groups of citizens, but must legislate for all citizens by general laws so that those in the minority party get the benefit of any wise legislation enacted by the majority party, and both majority and minority must suffer alike from unwise legislation so enacted.

Consequently, Mr. Speaker, I am hereby submitting for printing in the RECORD the said address delivered on January 8, 1936, but prepared before December 15, 1935.

THE FLESH AND BLOOD OF THE FEDERAL CONSTITUTION

Mr. President, gentlemen of the faculty, and law students, when I was a boy the famous encomium by William E. Gladstone that the Federal Constitution is "the most wonderful document ever struck off at a given time by the brain and purpose of man" was frequently quoted. This high praise inspired me with a desire to read and know the Constitution. But when I began to read and to try to understand it, I found it dry as dust and dark as midnight. Gladstone had all of the history and knowledge of government as a background to fill in the flesh and blood of this bare governmental skeleton. I as a boy lacked the necessary knowledge, and consequently could not then understand that great instrument of government. To me then it was mere words.

Even to the first President the Constitution was a mere framework, around which soon began to grow the flesh of legislative action and executive and administrative precedent; but it would have grown lopsided and unbalanced except for the regulatory blood stream of judicial action. Later, after many years, the whole Federal body learned to respond to the nerve impulses of public opinion. Now, for more than 100 years, the analogy to the functions of the highest form of organic life, the human body, has been striking.

The growth of this Federal constitutional body has been slow and its development gradual. If one will read that amazing volume entitled "A View of the Federal Constitution", by William Rawle, written in 1825, and used for some years as a textbook in the United States Military Academy at West Point, one will realize how limited then was the vision of the true scope of Federal jurisdiction. Even Thomas Jefferson, accepted by many competent to judge as the greatest political philosopher of all times, interpreted Federal functions in the light of the then rural conditions of the population. About the year 1830 Justice Joseph Story began to write and publish his several commentaries upon the Federal Constitution, and he advanced certain liberal and elastic constructions of the Constitution, which many of his day cordially condemned, but which have since been justified by the progress of events. John C. Calhoun and other writers of his school argued with unanswerable logic for a strict and literal interpretation of the great instrument of confederation. But the logic of evens outruns and crushes the logic of thoughts and words. Though many of that time thought Webster's poetic sentences and speeches were purely fanciful, yet today both Story and Webster would be back numbers, as actual conditions have far outrun their extremist views.

Then followed the Civil War, with its vast expansion of Federal power, and this in turn was followed by the fourteenth amendment, which virtually gave the United States Supreme Court the right of review of every decision by the highest court of any State on questions of "due process of law" and the "equal protection of the law." With the results of easy victory over the ancient monarchy of Spain in 1898, the United States arose to the first rank among the great powers of the world. Being now a great world power, no longer a loose confederation of remote and detached communities, largely devoted to agriculture, it was necessary that our National Government exercise all the powers ordinarily incident to great sovereign States. And so we stand today.

But as the Nation advanced in power and prestige and authority, the several States receded by the same ratio in relative power and importance. Originally the words "States' rights" were an expression for a very real and vigorous sentiment for the exercise by the States of all the sovereign power inherent in any people, except that part of the sovereign power expressly conferred by the Constitution upon the Federal Government. Back of this strict constitutional division of governmental power was a certain philosophy. To the popular mind, the expression "States' rights" still represents the Anglo-Saxon inherited attachment for local self-government. This local autonomy is still believed by some to be the best agency for promoting individual freedom and personal liberty. But it was an especially pleasing idea for a rural population living under an agrarian economy. With the coming of the machine age, with quick transportation and instantaneous communication, and with an overwhelming preponderance of the people engaged in manufacturing and in commerce, mere sentiment about local self-government was overwhelmed by the desire and demand for financial and economic well-being.

AS FEDERAL POWER INCREASES, STATE POWER DECREASES

To increase the rate at which State power receded and Federal power increased, the failure by many, if not all, of the States to recognize that rights and duties are correlative was another cause of decline. In order to preserve their rights, the States must per-

form their duties. They not only permit but actually invite the Federal Government to enter into their several domains and to perform functions which the States themselves could perform. Thus they have deliberately contributed to their own decline.

Consequently but few independent functions are now performed by the States, and it requires no prophet to foretell that if the present tendency continues, the States will before long be mere geographical subdivisions, preserving the name and shadow but no longer possessing the substance of "sovereign States." We must confess at this time the momentum seems well-nigh irresistible. If the tendency continues, then the next generation will find that what we once prized and boasted as an "indissoluble Union of indestructible States" will be the "indivisible consolidation of defunct States."

THE LIMIT OF INTERPRETATIVE AMENDMENT

Due to the very general language of the Federal Constitution the courts have hitherto been able to sustain nearly all of the legislation that became necessary in order to meet the economic conditions of the country. But the signs of the times now indicate that we are approaching the limit of "judicial stretching." The courts of today seek consistency with the courts of yesterday. The gravity of "stare decisis" has always properly exercised a powerful pull over judicial minds. Otherwise courts and legislatures would be completely at sea without chart and compass. If the language cannot be further stretched, and if the people shall demand a further extension of Federal power, what is the answer? Will it be stagnation or progress? We cannot stand still. We must and will advance. This great issue the country must soon squarely face. Any sapping and mining methods should cease. Proposed enlargement of Federal power should be brought out into the open, considered thoughtfully by all the people, and acted upon in the manner prescribed by the Constitution. I am on record as saying in the last session of the Congress "I will not trifle with my oath to support and defend the Constitution." Neither will I "pass the buck" of responsibility to the courts. If I have any convictions based upon 40 years of the study of the Constitution, I should follow them while voting upon legislation. Judges are under no higher obligation to defend the Constitution than are Members of Congress. If we do not respect our own oath, will the judges respect theirs?

AMENDMENTS MAY CHANGE BUT NOT DESTROY

But do not get the impression that I regard the Constitution as a rigid and unchangeable chart of Government. I would not be understood as opposing any and all amendments to the Constitution. I have often said, and I sincerely believe, that the most American, the most democratic, the most republican, part of our Constitution is its provision for its own amendment. By amendments we can completely change our present constitutional system. The wisdom or unwisdom of each amendment must be weighed upon its own merits as it is proposed. Personally I see now but little need for change, but I agree that the requisite majority is acting within its constitutional right by forcing any change at any time. Whatever changes may be brought about, it will still be the American Constitution. It will still be the supreme will of the sovereign people. Even though I may differ in opinion as to the propriety, necessity, or wisdom of any change made, yet to the supreme power of the people I gladly bow.

THE SOLE SOURCE OF CONSTITUTIONAL GOVERNMENT

While our Constitution is a living, growing organism, it must constantly draw its life from popular support. That somewhat faded parchment encased in marble, brass, and gold at the National Shrine in the Library of Congress, cannot execute or enforce itself. It has had power and vigor only because the people have believed it to be the charter of their rights and the shield of their liberties. Even the great decisions of the Supreme Court have no inherent force for self-execution. Fortunately the people sensibly have acquiesced in those great decisions interpreting the Constitution, and they became to that extent virtual additions to the Constitution itself. The Constitution is what the Supreme Court declares it to be. But so great has been the ability of the members of that Court, so fair and free from partisan or sectional bias their judgment, that our people have almost universally accepted Supreme Court decisions without murmur.

Calvin Coolidge wisely wrote on December 12, 1924: "The Constitution is not self-perpetuating. If it is to survive, it will be because it has public support." We ask for popular confidence in the Constitution and in all its agencies for its execution—the Congress, the President, and the Supreme Court. We do not expect this confidence to rest upon any blind and unreasoning worship of an ancient document. We ask for an open-eyed, intelligent understanding of what that great covenant has meant to our country, and the whole world, of what it means to us today, and of what it will mean to our children and to our children's children.

Edmund Burke truly likened existing social institutions to a continuing sacred compact between the dead, the living, and the unborn. How applicable is that simile to our Federal Constitution. The founding fathers employed not only their own experience, knowledge, and wisdom, but adopted and appropriated all that was best and suitable in the experience of all former generations within recorded history. Who would foolishly suggest that we now throw overboard all this treasure of accumulated wisdom and leave our children to stumble and stagger in darkness along some untried road? It is not ancestor worship, but common sense, to benefit by the experience of our forefathers. Our debt to our ancestors can be discharged only by transmitting to posterity the social, economic, and governmental institutions of our day not only unimpaired but somewhat improved by our own efforts. Thus and thus only is "freedom broadened slowly down from precedent to precedent." We, "the heirs of all the ages", must bequeath the whole estate with accretions to our issue in perpetuity.

TALK OF AMENDMENT IS NOT TREASON

To talk of amending the Constitution by no means implies irreverence for that great instrument, nor for its great framers. It is true they themselves doubted the adoption and the permanency of their proposal. Fortunately, as often happens in human affairs, "they builded better than they knew." Amendment is the very life principle of the Constitution. It was itself an amendment to, in the form of a substitution for, the Articles of Confederacy. The Declaration of Independence had said, among other things, that "when any government becomes destructive of these ends (life, liberty, and the pursuit of happiness) it is the right, it is the duty, of the people to alter or to abolish it, and to institute in its stead a new government."

Edmond Randolph, of Virginia, author of the Virginia Plan, said: "Provision ought to be made for the amendment of the Articles of Union." Charles Pinckney, of South Carolina, credited by many as being the originator of the peculiar idea of dual sovereignty over the same people at the same time, had a provision for amendment in his plan.

George Mason, of Virginia, author of the first Bill of Rights, said: "Amendments will be necessary, and it will be better to provide for them in an easy, regular, and constitutional way than to trust to chance and violence." In this sentiment Edmond Randolph concurred.

James Madison, commonly called the Father of the Constitution, in the Federalist, No. 41, said: "It is in vain to oppose constitutional barriers to the impulse of self-preservation", and again James Madison, in the Federalist, No. 43, said: "Useful alterations will be suggested by experience that could not be foreseen."

George Washingtin in his Farewell Address of September 17, 1796, said: "The basis of our political system is the right of the people to make and to alter their Constitution which at any time exists; until changed by an explicit and authentic act of the whole people it is sacredly obligatory upon all." Again Washington in speaking of the benefits of the new system of government which he was commending with fatherly solicitude to his fellow citizens and their posterity, called attention to the fact that the Constitution contains "within itself a provision for its own amendment."

Thomas Jefferson in a letter written September 7, 1803, said: "Our peculiar security is in the possession of a written Constitution. Let us not make it a blank paper by construction."

WHAT SOME ORIGINAL AND RESPONSIBLE THINKERS HAVE SAID

Andrew Johnson in his first annual message to Congress, December 4, 1865, used this strong language: "The parting advice of the Father of his Country, while yet President, to the people of the United States was that the free Constitution which was the work of their hands, might be sacredly maintained; and of the inaugural words of President Jefferson held up 'the preservation of the General Government in its whole constitutional vigor as the sheet anchor of our peace at home and safety abroad.'"

Grover Cleveland, in his inaugural address, March 4, 1885, reminds us that the Constitution is a mutual covenant between those who govern and the citizens who support and defend the Government, as follows: "But he who takes the oath today to preserve, protect, and defend the Constitution of the United States only assumes the solemn obligation which every patriotic citizen—on the farm, in the workship, in the busy marts of trade, and everywhere—should share with him."

Theodore Roosevelt, in his address at St. Louis on October 2, 1907, warns us that the Constitution must be a living and therefore changing organism. This striking language is typical of the vision of its author: "The Constitution is now and must remain what it always has been; but it can only be interpreted as the interests of the whole people demand if interpreted as a living organism designed to meet the conditions of life and not of death."

Woodrow Wilson, in his book on constitutional government, showing the necessity that the Constitution must grow as the people grow, said: "If it were not so, the written document would become too stiff a garment for the living."

Franklin D. Roosevelt, in his inaugural address of March 4, 1933, pays his tribute to your organic law: "* * * Our Constitution is so simple and practical that it is possible always to meet extraordinary needs by changes in emphasis and arrangement without loss of essential form. That is why our constitutional system has proved itself the most superbly enduring political mechanism the modern world has produced. It has met every stress of vast territory, of foreign war, of bitter internal strife, of world relations."

DO NOT AMEND BY CHISELING, MINING, AND SAPPING

I must dissent most respectfully from some statements in the article by James Truslow Adams entitled "The Crisis and the Constitution", in January 1936 Scribner's, as follows: "The Constitution can be changed in many ways other than that of formal amendments. * * * As a matter of fact, the Constitution has been constantly altered by many methods. * * * However legal-minded and conservative they are, they can find a way round the Constitution when they are sufficiently united on an important issue in a national crisis." I take issue with this philosophical historian, Mr. Adams, for the reason that it seems unwise to advise "side-stepping" the Constitution by any means whatsoever. Whatever apparent changes may come about as the result of legislation,

or Executive action, or judicial decision, are implicit in the Constitution itself. It is merely a case of where the vines and leaves and fruit have grown naturally from what Woodrow Wilson called "the vigorous taproot." When the Constitution is to be amended, it ought to be brought openly and consciously before the people, and let them grant or refuse the additional power. Such method will keep the people constantly alert to their civic duties. It will constantly compel them to study and understand the fundamental principles of our Government. To study and to decide constitutional questions will raise the people above the superficialities and hypocricies of partisan politics. Each time such proposed amendment is taken to the people it will constitute in fact a solemn referendum and a stirring appeal to their civic consciousness.

Therefore, let the people understand that they themselves are responsible for their Government. Let them give or deny all governmental power. Away with the impatience of constitutional restraint and away with the suggestion that because the Constitution is slow of amendment it may be disregarded or violated in the haste of emergencies, whether actual or imaginary, whether in peace or in war. If the method of amendment is too slow and difficult, then let the people consider amending that particular part of the Constitution so as to render it more rapidly responsive to the popular will. But let us make sure that this so-called popular will is based upon knowledge, after full and fair consideration, and is not prompted by prejudice and partisan feeling.

SUPREME COURT UNDER FIRE

Much agitation and too much feeling are manifested toward the Supreme Court for doing its conscientious duty in declaring certain acts of Congress unconstitutional. It is charged that this power has been gradually and unjustifiably usurped by the Supreme Court; that since the Constitution did not expressly say that the Supreme Court might declare acts of Congress unconstitutional, no such power was intended, and therefore that the conduct of the Supreme Court in presuming to say that certain attempted laws are void because unconstitutional is arrogant and rapacious. A little calm consideration will show that this raving against the Supreme Court is not justifiable. When cases come before the Court in which it is charged that there is a conflict between the Constitution and the statute, and if it manifestly appears that both cannot stand because inconsistent, then the Supreme Court must decide which is paramount, and, therefore, which is binding upon the Court, the Constitution, or the statute.

Surely no sane person will doubt for a minute that in case of such conflict the Constitution must prevail. But it is urged that in cases of such doubt or uncertainty that the Court divides, either 5 to 4 or 6 to 3, it indicates such uncertainty as to repel the thought the statute is in conflict with the Constitution. But we must remember that it is only cases of doubt, only borderline cases, only twilight-zone cases, that come before the Supreme Court. In the first place, Congress also is bound to support and defend the Constitution and to bear full faith and allegiance to same; and, consequently, the Congress would itself seldom, if ever, enact a statute clearly and obviously in conflict with the Constitution. Where some of the Congress are in doubt, but by a bare majority pass a law, then any citizen adversely affected by that law surely can claim that perhaps Congress misunderstood the Constitution. The only place to make that contention is in the courts, and it will finally reach the Supreme Court. Since Congress has not fixed any definite majority of the Supreme Court Justices necessary to hold an act unconstitutional, then surely the Supreme Court acts by the same majority that acted in Congress. The minority in Congress thought the act unconstitutional. When the case comes before the Supreme Court the minority view in Congress may become the majority view of the Supreme Court.

All lawsuits must be finally decided by somebody. Even athletic contests, sports, and games require umpires. In a baseball game, where the ball reaches the home plate when the forced runner is halfway between bases, no one questions that he is out, and in such case no umpire is necessary. All players on both sides readily acquiesce in the obvious result. But where the runner is sliding to the home plate just as the ball reaches the hands of the catcher, and where movements are so quick that it is difficult for the other players to do their duty, and yet decide the question of out or safe, then the function of the umpire begins, and his decision, right or wrong, must stand. He must be assumed to be honest, conscientious, and competent. It is the same way with the courts. They umpire all cases, and nobody questions the rightness of their decisions except in a few border-line cases.

Let us take another illustration. Suppose the Congress should pass a statute in contravention of the first amendment to the Constitution, which provides that Congress shall pass no law respecting the establishment of religion or preventing the free exercise thereof, or abridging the freedom of speech, or of the press, or the right of the people to assemble, and to petition the Government for a redress of grievances. Suppose such act of Congress violated every one of these inhibitions by penalizing criminally and subjecting to fine and imprisonment any person professing a certain religious faith and casting into prison those who might speak and write in criticism of this statute, and punishing with heavy penalties all those who might assemble and protest against such law and sign a petition to the Government asking for its repeal. This is not a very farfetched supposition.

Remember that the Congress in the last days of the eighteenth century passed the alien and sedition laws. Now, suppose a citizen is arrested, tried, and convicted of violating this statute—penalizing religious worship. What is the person to do? Suppose the trial court holds the act to be constitutional. The trial judge says he thinks the Congress did right in passing such a statute. Must the citizen submit to punishment in such case? Surely all will agree that such citizen should appeal his case finally to the Supreme Court of the United States. Suppose there is a difference of opinion even in the Supreme Court. Suppose that four of the judges think that Congress had the power to pass the statute. Suppose that four of the judges were not to be controlled by their conscientious doubts on the question of constitutionality. Suppose that such four of the judges were appointees of the majority party in power, which passed the statute in question. Suppose four of the judges thought, as some people are now saying, that the Supreme Court ought not to declare any act of Congress unconstitutional. But suppose the other five judges say that the act in question does manifestly and clearly conflict with the first amendment. In such a case, should not the five judges so declare, and so hold, and should not their opinion be the judgment of the Court itself? True, the Court has no power to enforce its decrees. True, the Court could not compel the United States marshal to release the prisoner. True, the President, in command of the Army, could hold the prisoner even as against the marshal. But would such conduct be American?

Have not all citizens, including the President, and the United States marshal, and the State Governors, agreed to play this game of Americanism, this game of democracy, as good sports, in a fair spirit, and to abide by the decision of the umpire? We have always heretofore done so, and that marks our civilization as a people. If we wish to fix a definite majority of the Justices to constitute the opinion of the Court on a constitutional question, let the Congress do so, but not rail at the Court. If we think that the Court ought not to possess the power to declare an act of Congress unconstitutional, let us adopt a constitutional amendment to that effect, thus declaring by our act that the Constitution of the United States is nothing but a "scrap of paper", or rubber band, nothing but a compilation of pious platitudes, and that the acts of Congress are in all cases paramount to the Constitution. When we do this, let us do it with our eyes open. Let us then know that the Congress can by law fix the term of the President for 8 years, or 25 years, and no court can stay such law. Let us remember then that the Congress can by law deprive any citizen of the writ of habeas corpus and let him rot in jail. Let us realize that the Congress can then pass a law permitting citizens to be tried without indictment, without a jury, and to suffer cruel and unusual punishment. Let us understand that then Congress can pass laws taking the property of some citizen for public use without paying for it. Let us not be surprised if then the Congress should delegate all of its legislative power to the Executive, and by reason of orders, decrees, and edicts, citizens may be thrown into jail and left to languish, and finally die without having a trial. Let us not forget that then America could be converted into a condition as bad, if not worse, than the worst days of Bolshevik tyranny following the Russian revolution. With our eyes open, if we walk into this condition, then we ought to suffer the inevitable consequences, and see our Christian civilization collapse and crumble to ruin. Only by suffering can the stiff-necked be taught wisdom.

GOVERNMENT MUST REFLECT NEEDS AND WISHES OF THE PEOPLE

That any government in these modern times must ultimately respond to the demands of people is testified to by Elihu Root, speaking in 1906, as follows:

"The governmental control which they (the people) deem just and necessary they will have. It may be that such control would better be exercised in particular instances by the governments of the States, but the people will have the control they need either from the States or from the National Government; and if the States fail to furnish it in due measure, sooner or later constructions of the Constitution will be found to vest the power where it will be exercised—in the National Government. The true and only way to preserve State authority is to be found in the awakened conscience of the States, their broadened views and higher standard of responsibility to the general public; in effective legislation by the States in conformity to the general moral sense of the country; and in the vigorous exercise for the general public good of that State authority which is to be preserved."

But until the great change is made to conform to the solemn will of the people, I feel we should heed the warning of John Fiske, who wrote in The Critical Period of American History, published nearly 50 years ago, as follows:

"If the day should ever arrive," which God forbid, "when the people of the different parts of our country shall allow their local affairs to be administered by prefects sent from Washington, and when the self-government of the States shall have been so far lost as that of the Departments of France, or even so far as that of the counties of England—on that day the progressive political career of the American people will have come to an end, and the hopes that have been built upon it for the future happiness and prosperity of mankind will be wrecked forever."

But above the bony structure of the human body, above flesh and blood, even above nerve and nerve centers, is the spirit of man. Nations have something analogous to the individual spirit. It must be the composite of all the spiritual forces of a people. It is difficult to define in words this spirit of a nation. Of course, it is many-sided and multiform. But I think Julian Hawthorne expressed it well, writing in the introduction to his History of the United States in 1898 as follows:

"In these volumes I have taken the view that the American Nation is the embodiment and vehicle of a divine purpose to

emancipate and enlighten the human race. Man is entering upon a new career of spiritual freedom; he is to enjoy a hitherto unprecedented condition of political, social, and moral liberty, as distinguished from license, which in truth is slavery. The stage for this grand evolution was fixed in the Western Continent, and the pioneers who went thither were inspired with the desire to escape from the thralldom of the past and to nourish their souls with that pure and exquisite freedom which can afford to ignore the ease of the body and all temporal luxuries for the sake of that elixir of immortality. This, according to my thinking, is the innermost core of the American idea; if you go deep enough into surface manifestations, you will find it. It is what differentiates Americans from all other peoples; it is what makes Americans out of emigrants; it is what draws the masses of Europe hither and makes their rulers fear and hate us. It may often and uniformly happen that any given individual is unconscious of the spirit that moves within him, for it is the way of that spirit to subordinate its manifestations to its ends, knowing the frailty of humanity. But it is there, and its gradual and cumulative results are seen in the retrospect, and it may perhaps be divined as to the outline of some of its future developments.

Some sort of recognition of the American idea and of the American destiny affords the only proper ground for American patriotism. We talk of the size of our country, of its wealth and prosperity, of its physical power, of its enlightenment; but if these things be all that we have to be proud of, we have little. They are in truth but outward signs of a far more precious possession within. We are the pioneers of the new day or we are nothing worth talking about. We are at the threshold of our career. Our record thus far is full of faults and presents not a few deformities, due to our human frailties and limitations, but our general direction has been onward and upward.

The poet epitomizes the whole idea in a few words:

"America hath a mission all her own, to preach and practice before the world, the dignity and divinity of man, the glorious claims of human brotherhood, and the soul's allegiance to none but God."

THE CITADEL AND SUMMERALL

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of The Citadel and Summerall Military College in the State of South Carolina.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McSWAIN. Mr. Speaker, I venture to call to the attention of my colleagues and the whole country the splendid service being rendered to the cause of education and of national defense by The Citadel, a strictly military college, at Charleston, S. C., under the leadership of Gen. Charles P. Summerall.

The people of the United States, and especially the people of South Carolina, are fortunate in that one of our great schools is headed by a man of the character and accomplishments of Gen. Charles Pelot Summerall. The institution to which I refer is the Military College of South Carolina, popularly known for about one hundred years as The Citadel. Located at Charleston, S. C., this venerable institution has been a powerful influence in the formation of the characters of many of our leading citizens. When General Summerall retired from the Army with the rank of full general, the board of visitors of The Citadel immediately thought of asking him to head their great institution of learning. I was happy to be one of those who urged upon General Summerall the acceptance of this wonderful opportunity to continue his life of useful service to the Nation. It seemed to many of us a most fitting thing that General Summerall should crown a life of public service and of military glory by devoting his talents and his rich and varied experience to the cause of education. In so doing, he would be following the example of such great soldiers as Robert E. Lee, Stephen D. Lee, John A. Lejeune, William R. Smith, and many others who turned from a career of arms to the cause of instructing, inspiring, and guiding young men.

Happily, General Summerall was not slow to see the finger of duty pointing at him to continue to serve his country. Happily for us all, that finger seemed to point directly to The Citadel at Charleston, S. C. Since his life and his fame had heretofore belonged to the whole Nation, so it came about that his service as president of The Citadel has been not merely local and not confined to the citizenry of South Carolina, but the appeal has been extended into many other States. The consequence is that a majority of the students who entered the freshman class at The Citadel in September 1935 came from other States and from outside the borders of South Carolina. This is a tribute not only to the high quality of instruction and training always heretofore given at The Citadel, but it is also a tribute to the respect and confidence that the people everywhere, who know General Summerall, have in him. They know that his life as an Army officer has been exceptional; they know that so exemplary and high in morals has been his conduct and course of living that young men may be committed to his general supervision and care with full confidence, that no word from his lip would ever set them an unworthy example. I think I am correct in saying that General Summerall has never used tobacco in any form, has never used alcoholic beverages in any form, has never indulged in profanity; that no obscene or foul language ever escapes his lips, and that his daily work and conduct in life generally are as upright morally as is his military carriage and bearing, straight and upright physically.

Therefore, mothers and fathers from every part of the country may commit their sons to the care and training of The Citadel with full confidence that their time will be properly spent in preparation for life's duties and that they will not be wasting precious money and still more precious time and opportunity in idleness or in riotous conduct. The daily discipline at The Citadel is rightly and properly rigid and strictly military. We of South Carolina are proud to say that "The Citadel is the West Point of the South." The cadets at The Citadel are always under strict military discipline. They are kept busy at their studies, their recitations, their drills, and at military instruction except during the hours of necessary rest and sleep. Fathers and mothers with their sons at The Citadel may know and do know where their boys are every hour of the day and every hour of the night. That is a source of great satisfaction to mothers and fathers. They know that their sons are receiving proper instruction and guidance and that they have no opportunity to indulge in wild parties, in boisterous misconduct, or in practices harmful to their health or destructive of their moral character.

Some people, who are theorists and inclined to be pacifists, may express opposition to military training; but fathers and mothers who have sons of college age want to know where their boys are, not only in the daytime but especially at night.

Recently I was in a college town and had to catch a 3 o'clock train. Long before I was called by the night clerk at the hotel I had been awakened by loud talking, running, heavy walking, shouting, and screaming in other rooms of the hotel. When I made inquiry, I was told that the disturbance was caused by intoxicated young men from the college. Needless to say, it was not a school where military training and discipline prevailed. I thought of the contrast. It is a very strange idea that some people have that military training for a boy of college age will make a militarist out of him. The very opposite is apt to be the truth. While it will not make a pacifist out of him, and will inspire him with genuine patriotism, it will enable him to appraise and to judge the proper limits of militarism and prepare him as a citizen soldier to help defend his country, without surrendering the right and duty of defense to the professional soldiers, from whom the dangers of militarism might come. Of course, the small force of professional soldiers in America can never be a menace or a source of danger from militarism. Since we have no military caste or clique, and since the officer ranks are constantly recruited from civilian sources, many of them from humble homes, it is impossible to build up in America a military faction that would ever be dangerous to the public liberties.

Due to the fact that our Regular Army officers, certainly most of them, come from nonmilitary homes, and that many of them—in fact, more than one-half of them—have come either directly from civilian life or from the ranks of the Army, the Army as a whole is kept constantly in touch with the thoughts and feelings of the civilian population. Personally, I trust that this may ever continue to be the state of affairs. That is why I have so strongly urged that never shall more than one-half of the officers in the Army be

graduates of the Military Academy at West Point. While the overwhelming majority of the cadets come from civilian homes, yet the indoctrination which they generally receive at such an impressionable age is apt to take them out of touch with civilian affairs and to give them the purely and exclusively military and Army point of view. This is no reflection upon either the institution or its graduates. In the eyes of many, it is a desirable condition, but I think it is the well-agreed opinion in the Army now, even among graduates of the United States Military Academy, that it would be unwise for the Army to have on the average more than one-half of its officers graduates of the Military Academy. With the other half, coming more directly from civilian life, coming into the Army at a more mature age, having been educated at their own expense, who are in close touch with the sacrifices that fathers and mothers make to give an education, this other half of the officers of the Army help to keep the Army in closer and more direct touch and sympathy with the civilian population.

I hold it will be greatly to the advantage of the Army as a fighting force—and therefore to the advantage of the country—that there should be these two about equally balanced officer groups in the Army. It will bring about a natural, proper, and beneficial rivalry between these two groups. Friendships will be formed between officers coming from the different groups. A proper pride will stimulate the individuals in the different groups to seek to excel, not only for his own sake but for the sake of the group. This pride of group may thus be turned to the advantage of the Army as a whole. It will prevent stagnation and contentment in the individuals; it will compel officers to stand upon their individual merits, and not to count upon class cooperation and class influence. Whatever promotes the progress of the individual officer, whatever stimulates him to work harder, whatever inspires him to nobler conduct and purer life, will contribute to the uplifting and strengthening of the Army as a whole. Thus, the investment of the Nation in the cause of national defense will bear better dividends, thus, the cause of national defense itself is promoted, and thus the life of the Nation will be strengthened and preserved.

It is a most remarkable tribute to General Summerall that Lt. Gen. Robert Lee Bullard, in his volume published in 1925, entitled "Personalities and Reminiscences of the War", devotes one whole chapter to General Summerall. The chapter is headed simply "Summerall." All of us know that General Bullard commanded the Second Army of the American Expeditionary Force. General Bullard impressed himself upon the nearly one-half million soldiers who comprised the Second Army as an intrepid soldier and leader, but, above all, as a gentleman of the highest and most humane impulses. Since his retirement General Bullard has been devoting his time and strength to the promotion of the cause of national defense along advanced and progressive lines.

General Bullard has not been content to look backward, but basing his thinking and deductions upon past experience, and using modern weapons and devices, especially the military airplane, as a minor premise, General Bullard has drawn conclusions as to the nature of future warfare, and has warned our people that we must constantly keep abreast in all the latest appliances for the mechanization of the Army, and especially to the use to its maximum capacity of that very late and all-important air power. It is not extravagant to say that General Bullard has rendered his country invaluable service since his retirement. It is within the bounds of fair judgment to say that his service since retirement may equal in importance his service before retirement. While his genius and magnetic personality contributed greatly to the winning of the World War, yet his vision, his freedom from the slavery of tradition, his self-adjustment to modern methods and to modern weapons, and his courage to cry aloud from the housetop to his brother officers and to his countrymen that they must look in the future to a new and partially strange kind of warfare, will largely contribute to our success in any future war in which we may become unfortunately involved.

I therefore quote some brief passages from that chapter on "Summerall":

At the end of the World War, though he had himself always been an artilleryman, he was worshipped by infantrymen, by all infantrymen who served closely enough to know him.

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To my delight, I got Summerall. When he came, I found that in the years that I had not seen him, since the days of the Philippines, he had in no way changed. His zeal in the service, his sense of duty, left nothing to be desired. His industry knew no fatigue. He was all the time visiting and inspecting his command, and always inspiring, always most exacting as to fulfillment of duty by officers and men, uncompromising and unforgetting, yet always accepted by officers and men. They soon both feared and loved him. He possessed the quality of giving the severest reprimand in the quietest words. With the reprimand went no mercy, yet it roused no rebellion. The recipients seemed to feel its justice and accepted it. With such a faculty of reproof he secured correction.

Along with these military qualities he carried the highest qualities of manhood, loyalty, and honor. He seemed incapable of thinking or doing a dishonorable, disloyal, or crooked thing. For such conduct he had the highest contempt, which he did not hesitate to express. All men associated with him thus soon came to know him, and respect followed as surely as acquaintance. In all these things his force carried conviction and acceptance.

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His sense of justice was as great as his sense of loyalty, honor, and duty. He let no man who merited it go unrecognized or unrewarded. No trouble was too great for him to try to secure such recognition or reward. He would talk or write until it was done. It is needless to say that here is found his popularity with the simple soldier. He never coddled, he sometimes even treated the soldiers with a calm, uncompromising harshness, but the soldier that did something under Summerall was never forgotten. As a consequence of these qualities he was a man who was able to secure almost fanatical support and confidence from his inferiors. What he said should be done was done. Those who did it not from love or confidence did it from fear.

The combination of these qualities could but produce a wonderful career. They secured the confidence of everybody, high and low. Summerall in every way was a high type of the personal leader. His officers and soldiers got ready for him: they wanted to please and feared to displease him; and his career is an illustration of the truth that a man of conviction carries success and greatness in him. He entered the World War as a lieutenant colonel of artillery. He came out of it a major general commanding a corps, with the prospect, had the war lasted long enough to form a third or fourth army, of becoming a lieutenant general commanding an army.

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Of this soldier never had I a shadow of a doubt from the day that I came to know him, nor had those devoted and skillful artillerists, the French, from the day they saw him and his guns on the line beside them. At Soissons, as a major general, he fought his division with the fierceness of a fanatic. In this battle his division fought twice as long and remained in line of battle facing the enemy two and a half times as long as any other division, American or French, there taking part. In the Meuse-Argonne, I was told, he was equally fierce and driving, and in his eagerness on the last day made the "break" of allowing, if not ordering, one of the divisions of his corps to cross the line of advance of one or more French divisions in order to press first into Sedan. I think the French forgave him, for they have continued to load his men with citations and decorations, and have granted especial favors to the American officer, Gen. Frank Parker, commanding that division.

NEUTRALITY

Mr. UMSTEAD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an able address delivered on January 9 under the auspices of the National Council for the Prevention of War by the distinguished gentleman from North Carolina [Mr. LAMBETH], in the course of debate on the President's message dealing with foreign affairs and with particular reference to pending neutrality legislation.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. UMSTEAD. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following radio address of J. WALTER LAMBETH, station WOL, Washington, D. C., January 9, 1936, under the auspices of the National Council for Prevention of War:

When the World War ended, Premier Clemenceau, fondly called by his people the "Tiger of France", warned his countrymen, "It is far more difficult to make peace than to make war." Paraphrasing this statement, one might add, "It is far easier to get into war than to keep the peace." The truth of this is proven by chaotic world conditions since the close of the world conflict. Not even

our sincere and able war President, Woodrow Wilson, was able to bring about a peace satisfactory to the world, although his efforts for peace were so great that he literally gave his life to the cause.

Last Friday night President Roosevelt, in his message to Congress, clearly defined our objectives as concerns neutrality when he said: "As a consistent part of a clear policy, the United States is following a twofold neutrality toward any and all nations which engage in wars not of immediate concern to the Americas. First, we decline to encourage the prosecution of war by permitting belligerents to obtain arms, ammunition, or implements of war from the United States; second, we seek to discourage the use by belligerent nations of any and all American products calculated to facilitate the prosecution of a war in quantities over and above our normal exports to them in time of peace."

The relations between nations are of such a delicate and complicated nature that no sure formula has yet been given for the prevention of war or for the making of a good peace. Once a policy of neutrality is established, it is hard to revise legislation dealing with this subject. Foreign policies cannot be changed swiftly in the manner of domestic policies. In any discussion of neutrality this point must be borne in mind. It is idle to say that we can enact neutrality legislation which will guarantee peace to this Nation. Our best efforts may be applauded today and regretted 2 years from now. Let us not be lulled to sleep by the false belief that of a certainty we will never enter another war. It is to be devoutly hoped that we go to war no more, but it does not lie within the ingenuity of man to make peace certain by legislation. For centuries China withdrew herself behind a wall and tried to forget the rest of the world. For centuries invaders have crossed the wall and cruelly reminded the Chinese that no nation can live unto itself alone. The oceans are our wall, but modern invention is destroying its effectiveness. Like it or not, we are a member of the family of nations and of the world we must be a part.

Therefore, bearing in mind that we may be dragged into a war regardless of policy, let us examine the methods of endeavoring to keep the peace. In the first place, it is evident that the best way to avoid war is to help prevent war. Because this is true, this country should always leave itself open to cooperate when other nations sincerely strive for peace. When the other nations work for peace, let us be sympathetic and lend a helping hand when we may do so without endangering our own peace. Complete isolation is not only unwise, it shows cowardice and eventually may result in commercial suicide without accomplishing its objective.

The sentiment in this country is stronger for peace than it has ever been. Aside from natural love of peace by Americans—due to the heavy burden of taxation and debt resulting from the last war as well as legislation already enacted by the House and soon to be enacted by the Senate to take the profits out of war—the militaristic group is far less potent than before the World War. The broken bodies of veterans of the last war in hospitals scattered throughout the land will not permit us to forget the horrors of war.

While it will not be wise for the United States to attempt complete isolation, it is wise to adopt legislation which will lay down a neutrality policy. In forming such a policy we should bear in mind that the President has certain great powers under the Constitution beyond the present neutrality resolution. He can sever diplomatic relations with any foreign power. He can write provocative notes. As Commander in Chief he can send troops without a declaration of war, without the authority of Congress. He can send battleships where he will. These powers are fundamental and it is idle to oppose leaving some discretion with the President when under the Constitution he already has powers sufficient to carry us into war. Someone must be trusted and the President and Secretary of State are worthy of confidence. The President must not be hamstrung nor the State Department be put in a strait jacket in the conduct of our foreign affairs.

Because of the fact that it is essential that the President be given some discretion in the matter of foreign affairs, I think the McReynolds neutrality bill preferable to the mandatory and inflexible bill of Senator NYE. The philosophy of the two bills is largely similar, but the difference is wide enough to label the one wise and the other unwise. I believe that the McReynolds bill represents the irreducible minimum in granting discretionary powers to the administration. The issue is nonpartisan and is cutting across party lines.

The McReynolds bill, at the beginning of section 3 (a), reads: "Upon the outbreak or during the progress of any war between, or among, two or more foreign states, the President shall proclaim such fact and it shall thereafter be unlawful to export arms, ammunition, or implements of war."

The Nye bill, at the beginning of section 2 (a), reads: "Upon the outbreak of war between, or among, two or more foreign states, or if any such war is in progress on the date of enactment of this act, the President shall proclaim such fact and it shall thereafter be unlawful to export arms, ammunition, or implements of war."

It will be noted that the essential difference between the two bills lies in the clause in the McReynolds bill, "or during the progress of any war." I believe that if this type of wording is to be retained, it is essential that the McReynolds clause shall remain in the bill. Under the modern method of making war, where a nation strikes first, it seldom, if ever, declares war—because of the Kellogg Pact. It is impossible to define by legislation when a war has broken out. It must be left to the discretion of someone, as of the President, to determine whether a foreign difficulty represents merely an exhibition of temper such as a local skirmish on the border or is, in fact, the outbreak of war. In the existing state of affairs, no fixed definition of the outbreak of war can be used in legislation to bring an embargo automatically into effect. The legislation must provide discretion and leave it to the judgment of an individual as to when and if war has broken out.

For example, it might have been reasonably easy to determine that war had broken out between Italy and Ethiopia, though Italy calls it a colonial enterprise. There would have been far more difficulty in determining when and if war had broken out between China and Japan in Manchuria and around Shanghai, and when and if war had broken out between Bolivia and Paraguay, and even whether we had gone to war with Mexico, at Tampico, in 1917. In many cases, but not in all cases, there must be a waiting period between what appears to be an outbreak of hostilities and the determination as to whether they constitute a state of war or whether it is a mere flare-up which might die down and be forgotten in a week or two. In considering neutrality legislation geography must be remembered.

In section 3 (c) the McReynolds bill provides: "The President shall, from time to time, by proclamation, extend such embargo upon the exports of arms, ammunitions, and implements of war to other countries as and when they become involved in such war."

Section 2 (b) of the Nye bill reads: "The President shall, from time to time, by proclamation, extend such embargo upon the exports of arms, ammunition, and implements of war to other states as and when they become engaged as belligerents in such war."

In the case of the McReynolds bill the provision is as to when other foreign countries "become involved" in a war and in the Nye bill provision as to when they "become engaged" as "belligerents" in the war. This section should be very carefully examined and debated in order to determine beyond question that we do not go further than we intend and adopt legislation which would affect our interests very seriously. Article 16 of the League Covenant provides, in part, that if any member of the League resorts to war in disregard of its covenants "it shall ipso facto be deemed to have committed an act of war against all other members of the League." The League has decided that Italy has disregarded its covenants in this fashion. Theoretically, if not actually, the League nations may now be at war with Italy and Italy with them. Insofar as our proposed legislation is concerned, they would seem to have become "involved" in the Italio-Ethiopian conflict. Theoretically, at least, they are nonaggressive belligerents. The question arises as to whether, under these circumstances, if either of these proposed bills become law with this wording, we would be forced to apply our Italio-Ethiopian embargoes to Britain and France.

Section 4 (a) of the McReynolds bill provides for the restriction of shipments of articles other than arms, ammunition, and implements of war to not more than normal quantities. It leaves it to the President to determine the proper period to use as an "average of shipments." The Nye bill, in section 3 (a), sets the period as the 5 years preceding the outbreak of the war in question. I believe that the President should be given discretion to determine the proper period to use. Circumstances alter cases, not only as to commodities, but as to countries. This has been amply proven in setting up agricultural base periods in this country.

The second difference between the two bills in this section is that in the Nye bill it provides that the President should quota exports of these articles only in case the failure to do so "would endanger the maintenance of peace between the United States and foreign states, or jeopardize the neutrality of the United States."

The McReynolds bill further provides that the President should set up these quotas if it would serve to promote the security and preserve the neutrality of the United States or to protect the lives and commerce of nationals of the United States or that to refrain from placing such restrictions would contribute to a prolongation or expansion of the war.

Here we have the most fundamental, if not the most important, difference between the two bills. The McReynolds bill would seek to prevent this country, by reason of shipments abroad, from contributing to the prolongation or expansion of the war. The Nye bill takes no account of this factor.

Another basic difference is that in section 6 the McReynolds bill provides: "Any embargo, prohibition, or restriction that may be imposed by or under the provisions of sections 2, 3, or 4 of this act shall apply equally to all belligerents, unless the Congress, with the approval of the President, shall declare otherwise."

There is no such provision in the Nye bill, and this section is of vital importance. Under this section, if our friendly neighbors, as, for example, Canada and Mexico, were attacked by some non-American country, such as an Asiatic power, Congress and the President, acting jointly, could allow shipment of war materials to them.

I am convinced that we must give some discretion to the President, if we are not actually to increase the danger of becoming involved in war, if we are not to risk the loss of a large part of foreign trade to no possible advantage, if we are not to incur the enmity of all foreign nations, and if we are not to find, at some later date, that our neutrality proposals have become a boomerang and will return to smite us when we are in desperate need of some foreign raw materials.

Further, I cannot subscribe to the doctrine of the complete isolationists. To do so would mean that in the event of foreign war we might have no foreign trade at all. Worse than that, we, a great Nation, would be looked upon abroad as a nation of "Caspar Milquetoasts", the spineless character in the comic strips.

In the few moments left at my disposal I wish to quote from a statement made by that thoughtful statesman who has so ably steered our foreign relations in recent troubled times. I refer to Secretary of State Cordell Hull. That statement to which I refer was issued November 6, 1935, and may well be used as a guide for neutrality legislation:

"Our policy as a member of the community of nations should be twofold—first, to avoid being brought into a war, and, second, to promote as far as possible the interests of international peace and good will. A virile policy tempered with prudent caution is necessary if we are to retain the respect of other nations and at the same time hold our position of influence for peace and international stability in the family of nations."

NEUTRALITY

Mr. TOBEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address which I made last week.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. TOBEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by me over the radio on January 9:

The address delivered by the President to Congress on Friday night has evoked various opinions.

While to me a large part of the message embodied appeals to class prejudice and tended to increase class feeling rather than being a message to Congress on the state of the Union, yet I commend the first part of the message, in which he stresses the Nation's desire for peace and endorses a neutrality program to contribute thereto.

It is a satisfaction that the Executive apparently has modified the views on neutrality which he held last August. Then, when a committee of nine Congressmen, of whom I was privileged to be one, waited upon him in the interests of neutrality, it was his contention that the Congress should not make the bill mandatory and deny power to the Executive to designate the aggressor nation in any conflict.

The Congress will shortly act upon a neutrality program, and the force behind this program is a Nation-wide sentiment for peace, stronger and more articulate than ever before.

It is no reflection on the President that we demand a mandatory neutrality law with no permissive or discretionary power to be vested in him.

I believe the Congress is going to implement the Nation's purpose to keep out of foreign war by enacting into law a neutrality program which will embody every possible aid toward the accomplishment of such purpose.

Holding in mind in all this discussion the great objective "peace", the neutrality program, which we hope to enact into law, will cost us something, but we should be willing and glad to pay the price. The price is the foregoing of opportunities for commercial and financial profit that have heretofore accrued from trade and commerce with belligerents.

I believe in a thoroughgoing, complete, and as effective a neutrality program as can be drawn, applying to all belligerents.

To the often-cited objection that embargoes applied to all belligerents will affect them differently, that on one hand some may be helped while others may be handicapped, that is probably true, but I believe it cannot be avoided.

That is not what we seek to do, however. Our whole aim is to keep the United States out of any war, to have no dealings with belligerents as such, and, abhorring war, to have no fellowship with the unfruitful works of darkness.

Our neutrality program must include provisions to bar loans to belligerents, and what is equally important, to prohibit the granting of commercial credits.

The present law should be continued as far as it applies to travel by American citizens, denying them protection if they travel on ships of belligerents, and prohibiting the entrance into American ports of submarines or armed merchant vessels.

Last August, when those of us who were interested in neutrality were working earnestly to enact a law, traveling to New York one night, I met one of the leading industrialists of the country. In commenting on the neutrality law he called it a fool bill, and said, "Don't you realize that if business interests cannot sell to those warring nations that Soviet Russia and other nations will get the business?" And my answer was, "Yes; I realize that; but that is the trouble with many men of your type. Your opinion is motivated by dollars, dividends, and profits. Our desire for neutrality is motivated by a passion for peace, and in the interests of the youth and the homes of America."

I realize full well that the application of a neutrality program, extending embargoes to include all commercial transactions with belligerents, will hurt our industries and result in great pressure being exerted to modify the program. But when the issue is between the temporary loss of business and profits on the one hand and the participation of the United States in a foreign war, calling for great sacrifice of human life and vast economic and financial losses, which always follow in the aftermath of war, there can be no question where lies the path of wisdom.

Recall, please, the epoch of 1917–19—that period of our participation in the World War; many great fortunes were made in this country by individuals and by corporations. Labor was in demand. There were jobs for all. Wages were high and profits were great. That was an artificial prosperity created by war. But over and against this pleasing situation, on the other side of the ledger, must be placed the results which accrued in the aftermath of that war, culminating in the depression of 1929 and 1930, when the fortunes which were made were largely dissipated, when hundreds of thousands of American boys were hospitalized and justly applied for compensation to the Government, when labor was walking the streets with 10,000,000 unemployed throughout the country, and the national debt greatly increased.

Under our neutrality program the business interests of the Nation may have to restrict and forego great potential profits, but such injuries are not to be compared with the injuries that are always the concomitant of war, human suffering, maimed and crippled bodies, broken families, and grief-stricken homes.

Given a neutrality law, which in the event of war is applied sincerely and effectively, yet it may well be that notwithstanding this, we shall be drawn into the conflict; but should such an unhappy result occur, we will have the satisfaction of knowing that we have made a courageous, honorable attempt to keep out of the mess.

Reverting again to the address of the President last Friday night, I cannot refrain from pointing out that while he called for peace and recommended neutrality legislation, his faith in such agencies does not seem well grounded, for in his Budget message he has called for a tremendous increase in appropriations for Army and Navy. His Budget calls for defense appropriations of 938 millions, in great contrast to 534 millions in 1935, an increase of over 400 millions. The annual cost of maintaining these two branches of service will this year then be nearly a billion dollars.

It may well be that an honest, far-reaching neutrality program may be more effective in net beneficial results to the country than reliance exclusively on machines and munitions, the only use of which is to participate in armed conflict.

Of old, one said, "Follow after the things that make for peace." The injunction is laid upon us, and thoughtful men and women throughout the Nation may rejoice that never before has our Nation been so articulate for peace as today.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BROOKS (at the request of Mr. BOLAND), for 2 days, on account of important business.

To Mr. MALONEY, for 2 weeks, on account of official business.

To Mr. WOLVERTON, on account of illness.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1432. An act to amend section 5 of the act of March 2, 1919, generally known as the War Minerals Relief Statutes; to the Committee on Mines and Mining.

ADJOURNMENT

Mrs. NORTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 46 minutes p. m.) the House adjourned until tomorrow, Tuesday, January 14, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

581. A letter from the Secretary of War, transmitting the draft of a bill to amend that provision of the act approved March 3, 1879 (20 Stat. L., p. 412), relating to issue of arms and ammunition for the protection of public money and property; to the Committee on Military Affairs.

582. A letter from the Acting Director, United States Botanic Garden, transmitting a report on travel performed by employees of the United States Botanic Garden from Washington, D. C., to other points and return, during the fiscal year 1935; to the Committee on the Library.

583. A letter from the president of the Chesapeake & Potomac Telephone Co., transmitting a report of the Chesapeake & Potomac Telephone Co. for the year 1935; to the Committee on the District of Columbia.

584. A letter from the Secretary of Commerce, transmitting a summary of reports with a brief statement of the action of the Department in respect to accidents sustained or caused by barges while in tow through the open sea during the fiscal year 1935; to the Committee on Merchant Marine and Fisheries.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 595) for the relief of Elmer Getrue; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 886) for the relief of Hattie Stout Hood; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 924) for the relief of Bernard Kinmeth; Committee on Claims discharged, and referred to the Committee on Military Affairs.

A bill (H. R. 1256) for the relief of the heirs of James Kirk; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 1347) for the relief of Henry Steffen; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 2258) for the relief of Peter F. Ramm; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 2633) for the relief of Francis M. Dent; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 2642) for the relief of Edward Ray Sloan; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 3198) for the relief of George Church; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 4068) for the relief of R. F. Lane; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 5086) for the relief of Leila McKay; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 5968) authorizing the Western Bands of the Shoshone Tribe of Indians, as defined herein, to sue in the Court of Claims; Committee on Claims discharged, and referred to the Committee on Indian Affairs.

A bill (H. R. 8645) for the relief of St. Vincent's Catholic Church, of Berkeley Springs, W. Va.; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 8756) to restore Joseph Theodore Kingsley to the emergency officers' retirement list; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 8775) for the relief of Ralph B. Sessoms; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 9222) for the relief of William W. Harville; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 6215) granting a pension to Mary A. Nichols; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CRAVENS: A bill (H. R. 10122) to amend an act entitled "An act to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, blind persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment compensation laws; to establish a Social Security Board; to raise revenue; and for other purposes", approved August 14, 1935; to the Committee on Ways and Means.

By Mr. HUDDLESTON: A bill (H. R. 10123) providing for a survey of Valley Creek, in Jefferson County, Ala., with the view to making same navigable; to the Committee on Rivers and Harbors.

By Mr. KENNEDY of New York: A bill (H. R. 10124) to prevent the adulteration, misbranding, and false advertising of food, drugs, devices, and cosmetics in interstate, foreign, and other commerce subject to the jurisdiction of the United States, for the purposes of safeguarding the public health, preventing deceit upon the purchasing public, and for other purposes; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 10125) to repeal the Potato Act of 1935, and for other purposes; to the Committee on Agriculture.

By Mr. VINSON of Georgia: A bill (H. R. 10126) to amend section 10 of the act entitled "An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes", approved May 29, 1934 (48 Stat. 811); to the Committee on Naval Affairs.

By Mr. WHELCHEL: A bill (H. R. 10127) to amend the Judicial Code to create a new district in the State of Georgia, known as the northeastern district, and for other purposes; to the Committee on the Judiciary.

By Mr. MARTIN of Colorado: A bill (H. R. 10128) to define the scope of courts in the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. MOTT: A bill (H. R. 10129) authorizing an appropriation for the development of a naval air base at Tongue Point, Oreg.; to the Committee on Naval Affairs.

By Mr. TAYLOR of Tennessee: A bill (H. R. 10130) to reimburse veterans of the Spanish-American War and others; to the Committee on Pensions.

By Mr. WOODRUFF: A bill (H. R. 10131) to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities, to provide for the issuance of export debentures, to secure to farmers a price for their commodities at least equal to the cost of production, and for other purposes; to the Committee on Agriculture.

By Mr. THOMASON: A bill (H. R. 10132) to provide for an additional appropriation for the Public Health Service in order to establish public-health protection along the international boundary between the United States of America and the Republic of Mexico; to the Committee on Interstate and Foreign Commerce.

By Mr. McLEOD: A bill (H. R. 10133) to reduce the interest-rate charges by the Reconstruction Finance Corporation on loans to closed banks and trust companies; to the Committee on Banking and Currency.

By Mr. OWEN: A bill (H. R. 10134) to amend section 603 of the Revenue Act of 1932; to the Committee on Ways and Means.

By Mr. McSWAIN: A bill (H. R. 10179) to authorize appropriations for construction at military posts on the island of Oahu, Territory of Hawaii, and for other purposes; to the Committee on Military Affairs.

Also, a bill (H. R. 10180) to repeal an act of March 3, 1933, entitled "An act to provide for the transfer of powder and other explosive materials from deteriorated and unserviceable ammunition under the control of the War Department to the Department of Agriculture for use in land clearing, drainage, road building, and other agricultural purposes"; to the Committee on Military Affairs.

Also (by request): A bill (H. R. 10181) to repeal certain provisions of the act of February 25, 1929, entitled "An act to authorize appropriations for construction at military posts, and for other purposes", and the act of July 3, 1930, entitled "An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1930, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1930, and June 30, 1931, and for other purposes"; to the Committee on Military Affairs.

Also, a bill (H. R. 10182) to authorize the Secretary of War to acquire the timber rights on the Gigling Military Reservation (now designated as Camp Ord), in California; to the Committee on Military Affairs.

Also, a bill (H. R. 10183) to promote the efficiency of the Judge Advocate General's Department of the Army; to the Committee on Military Affairs.

By Mr. VINSON of Georgia: A bill (H. R. 10135) to authorize the construction of a model basin establishment, and for other purposes; to the Committee on Naval Affairs.

By Mr. KENNEDY of New York: Resolution (H. Res. 391) asking an inquiry with reference to the facilities for divine worship available for American citizens resident in or visiting in the Republic of Mexico; to the Committee on Foreign Affairs.

By Mr. FULMER: Joint resolution (H. J. Res. 448) to remove clouds on title to property, and cancel liens and encumbrances on account of taxes levied under the Bankhead Act; to the Committee on Agriculture.

By Mr. MARCANTONIO: Joint resolution (H. J. Res. 449) to authorize the Secretary of Labor to appoint a board of inquiry to ascertain the facts relating to health conditions of workers employed in the construction and maintenance of public utilities; to the Committee on Labor.

By Mr. MOTT: Joint resolution (H. J. Res. 450) authorizing the erection of a memorial building to commemorate the winning of the Oregon country for the United States; to the Committee on Public Buildings and Grounds.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 10136) granting a pension to Lena Leota Evans; to the Committee on Invalid Pensions.

By Mr. BOEHNE: A bill (H. R. 10137) granting an increase of pension to Dora Alice Lee; to the Committee on Invalid Pensions.

By Mr. BROWN of Georgia: A bill (H. R. 10138) for the relief of H. T. Campbell and E. O. O'Neal; to the Committee on Claims.

By Mr. CHAPMAN: A bill (H. R. 10139) granting an increase of pension to Isaac C. Livingston; to the Committee on Pensions.

By Mr. CRAVENS: A bill (H. R. 10140) granting a pension to Julia Pitts; to the Committee on Pensions.

By Mr. CROWE: A bill (H. R. 10141) granting a pension to Ernest P. Garlach; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10142) granting a pension to Sarah E. Jackson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10143) granting a pension to Cora S. Day; to the Committee on Invalid Pensions.

By Mr. DALY: A bill (H. R. 10144) for the relief of Gerhart W. Markel; to the Committee on Military Affairs.

By Mr. DIETRICH: A bill (H. R. 10145) granting an increase of pension to Mary Saxton; to the Committee on Invalid Pensions.

By Mr. DRISCOLL: A bill (H. R. 10146) to correct the military record of Eva E. Love; to the Committee on Military Affairs.

By Mr. FLETCHER: A bill (H. R. 10147) granting a pension to Ella B. Kinnamon; to the Committee on Invalid Pensions.

By Mr. FULMER: A bill (H. R. 10148) granting a pension to Mamie Loon Irby; to the Committee on Pensions.

By Mr. KNUTSON: A bill (H. R. 10149) granting an increase of pension to Paulinus G. Huhn; to the Committee on Pensions.

By Mr. McANDREWS: A bill (H. R. 10150) for the relief of the firm of Schmidt, Garden & Martin, architects of Chicago, Ill.; to the Committee on Claims.

By Mr. MAPES: A bill (H. R. 10151) granting a pension to Mary G. Sherwood; to the Committee on Invalid Pensions.

By Mr. NELSON: A bill (H. R. 10152) granting a pension to Margaret Scofield; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10153) granting a pension to Amanda Napier; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10154) granting a pension to Belle Hockensmith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10155) granting a pension to Lillian LaMotte; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10156) granting a pension to Ethel Kapp; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10157) granting a pension to Mattie Mayo; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10158) granting an increase of pension to Dora Reynolds; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10159) granting an increase of pension to Mamie F. Presley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10160) granting an increase of pension to Mary E. Van Treese; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10161) granting an increase of pension to Mary F. Hudgens; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10162) granting an increase of pension to Martha E. Humphreys; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10163) granting an increase of pension to Sarah I. Tomlin; to the Committee on Invalid Pensions.

By Mr. ROMJUE: A bill (H. R. 10164) granting a pension to Martin Homer Doolin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10165) to correct the military record of John Gregory, deceased; to the Committee on Military Affairs.

Also, a bill (H. R. 10166) granting a pension to Verner Gloshen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10167) granting a pension to Leah Kesterson; to the Committee on Invalid Pensions.

By Mr. SANDERS of Texas: A bill (H. R. 10168) for the relief of Arch A. Gary; to the Committee on Claims.

By Mr. THOMASON: A bill (H. R. 10169) for the relief of L. M. Crawford; to the Committee on Claims.

By Mr. THURSTON: A bill (H. R. 10170) for the relief of C. E. Landtiser; to the Committee on Claims.

By Mr. WOODRUM: A bill (H. R. 10171) for the relief of Elisha M. Levan; to the Committee on Military Affairs.

By Mr. BOILEAU: A bill (H. R. 10172) granting a pension to Wilhelmina Skilling; to the Committee on Invalid Pensions.

By Mrs. GREENWAY: A bill (H. R. 10173) for the relief of M. K. Fisher; to the Committee on Claims.

Also, a bill (H. R. 10174) for the relief of Ezra Curtis; to the Committee on Claims.

By Mr. TABER: A bill (H. R. 10175) granting an increase of pension to Alice Chapman; to the Committee on Invalid Pensions.

By Mr. WITHROW: A bill (H. R. 10176) for the relief of Harold S. Morris; to the Committee on Military Affairs.

By Mr. THOM: A bill (H. R. 10177) granting a pension to Della R. Birney; to the Committee on Invalid Pensions.

By Mr. WERNER: A bill (H. R. 10178) granting an increase of pension to Louis P. Mousseau; to the Committee on Pensions.

By Mr. HIGGINS of Connecticut: A bill (H. R. 10184) for the relief of the State of Connecticut; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9464. By Mr. ANDREW of Massachusetts: Letters from Matteo Frontero and other residents of Gloucester and Danvers, Mass., protesting against American association with League of Nations sanction activities, and cooperation with schemes of the British Government as regards sanctions and embargoes; to the Committee on Foreign Affairs.

9465. Also, petition of the Italian War Veterans of Massachusetts, protesting against any effort which is attempted in the Congress of the United States, tending to have the United States collaborate with the League of Nations and thus embroil America into another European conflict; to the Committee on Foreign Affairs.

9466. Also, petition of Peter A. Giuggio and other residents of Salem, Mass., protesting against American associa-

tion with the League of Nations sanction activities and cooperation with schemes of the British Government as regards sanctions and embargoes; to the Committee on Foreign Affairs.

9467. Also, petition of Roland Damiani and other residents of Beverly, Mass., protesting against American association with League of Nations sanction activities and cooperation with schemes of the British Government as regards sanctions and embargoes; to the Committee on Foreign Affairs.

9468. By Mr. AYERS: Petition of Charles W. Yackey and 53 other citizens of Circle and Weldon, Mont.; to the Committee on the Post Office and Post Roads.

9469. Also, petition of John Miller and 12 other citizens of Ingomar, Mont.; to the Committee on the Post Office and Post Roads.

9470. Also, petition of John LaBree and 40 other residents of Ismay and Mackenzie, Mont.; to the Committee on the Post Office and Post Roads.

9471. Also, petition of R. B. McWilliams and 13 other citizens of Hillside and Cohagen, Mont.; to the Committee on the Post Office and Post Roads.

9472. Also, petition of Enoch Bilden and 36 other citizens of Lavina and Sahara, Mont.; to the Committee on the Post Office and Post Roads.

9473. By Mr. BURDICK: Petition relating to star route contracts and increasing the compensation thereof; to the Committee on the Post Office and Post Roads.

9474. By Mr. COFFEE: Petition of 576 patrons of star routes at Ellsworth, Anselmo, Ainsworth, Sargent, Crawford, Dunning, Whitney, and Gothenburg, Nebr., urging legislation to increase the compensation of star mail-route carriers to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9475. By Mr. CROWTHER: Petition of Italo-American Union, of Schenectady, N. Y.; to the Committee on Foreign Affairs.

9476. Also, petition of citizens of Schenectady, N. Y., requesting passage of House bill 8739; to the Committee on the District of Columbia.

9477. Also, petition of citizens of Scotia, N. Y., requesting favorable action on House bill 8739; to the Committee on the District of Columbia.

9478. By Mr. DONDERO: Petition of the Detroit sales committee of the Michigan Milk Producers Association, strongly opposing certain provisions of the trade agreement made between the Government of the United States and the Government of the Dominion of Canada which will work a serious hardship to the agricultural interest of the United States, and particularly the dairy farmers; to the Committee on Agriculture.

9479. Also, petition of citizens of Leonard and Oxford, Mich., urging the enactment of legislation extending all existing star-route contracts, and increasing the compensation thereon, to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9480. By Mr. GOODWIN: Petition of Isabella Council, No. 873, Knights of Columbus, Brooklyn, N. Y., urging support of policy, theory, and ideal that 50 percent of all radio frequencies or wavelengths be allotted to education, religious, agricultural, labor, and similar non-profit-making and human-welfare associations; to the Committee on Interstate and Foreign Commerce.

9481. By Mr. HIGGINS of Connecticut: Memorial of the Italian-American Citizen Club of Groton, Conn., protesting against the United States cooperating in any way with sanctions of the League of Nations against foreign countries now at war; to the Committee on Foreign Affairs.

9482. Also, petition of 138 citizens and patrons of star-route no. 6114 from Mansfield Center to Willimantic, Conn., favoring the indefinite extension of all star-route contracts, and an increase of the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9483. By Mr. CULLEN: Petition of Isabella Council, No. 873, Knights of Columbus, Brooklyn, N. Y., requesting that 50 percent of all radio frequencies or wavelengths be allotted to educational, religious, agricultural, labor, and similar non-profit-making and human-welfare associations; to the Committee on Interstate and Foreign Commerce.

9484. By Mr. KENNEDY of New York: Petition of Isabella Council, No. 873, Knights of Columbus, concerning radio allotment of time; to the Committee on Interstate and Foreign Commerce.

9485. By Mr. McCORMACK: Memorial of General Court of Massachusetts, memorializing Congress in favor of the immediate cash payment of the adjusted-service certificates of the veterans of the World War; to the Committee on Ways and Means.

9486. By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts, advocating immediate cash payment of the adjusted-service certificates of veterans of the World War; to the Committee on Ways and Means.

9487. By Mr. PFEIFER: Petition of the Joint Council Knitgoods Workers' Union, Brooklyn, N. Y., concerning the Walsh bill (S. 3055); to the Committee on Labor.

9488. By Mr. RICH: Petition of citizens of Williamsport, Lock Haven, and Hughesville, Pa., proposing amendments to Senate bill 5; to the Committee on Interstate and Foreign Commerce.

9489. By Mr. RUDD: Petition of the Joint Council Knitgoods Workers' Union, Brooklyn, N. Y., concerning the Walsh bill (S. 3055); to the Committee on Labor.

9490. Also, petition of the Brotherhood of Painters, Decorators, and Paperhangers of America, Local Union No. 1035, Jamaica, N. Y., concerning the Walsh bill (S. 3055); to the Committee on Labor.

9491. By Mr. WOODRUFF: Petition containing 129 names from Tenth Michigan District, favoring adoption of legislation extending the time of all existing star-route mail contracts and increasing the compensation thereon to an equal basis with that paid for other forms of mail transportation to the Committee on the Post Office and Post Roads.

9492. By Mr. TABER: Petition of Mrs. Earl F. Smith and others in support of House bill 8739; to the Committee on the District of Columbia.

HOUSE OF REPRESENTATIVES

TUESDAY, JANUARY 14, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We bless Thee, our Father, that there is in this great wondrous, yet blind, world a presiding Deity named Love. We thank Thee that He will carry us through the night and the flood to the shore of untroubled hearts. Wherever there is nobility, patience, sweetness, and goodness; wherever there is heroism among men, and whatever there is of good report, we praise Thee that these virtues are of Thee, the eternal and universal Father. Be Thou a providence unto all in our country who are wrestling against cold and hunger and want. Open the hearts of all men that they may remember the brotherhood that is between man and man. In the name of Jesus we pray. Amen.

The Journal of the proceedings of yesterday was read.

CONSTRUCTION OF A 300-TON AIRSHIP FOR MILITARY SERVICE

Mr. O'CONNELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. O'CONNELL. Mr. Speaker, the CONGRESSIONAL RECORD of July 2, 1935, printed a brief concerning the construction and operation of two large American commercial airships in trans-Atlantic service, as provided in bill H. R. 2744, which was introduced by my former colleague, the Honorable Fran-



cis B. Condon, now a justice of the Supreme Court of Rhode Island.

At that time Members of both the House and Senate had indicated a sufficient interest in this bill to, in my judgment, have secured its approval had it been brought to the floor for action.

The publication of the brief in the CONGRESSIONAL RECORD attracted wide attention. The fact that American airship failures have been with airships constructed upon foreign design has served to emphasize the fact that our American structural and aerodynamic engineers, who are recognized as highest world authorities, have not been given a chance to design and construct large American airships. Is it possible that Members of Congress lack faith in American inventive and engineering ability?

The strength, safety, and durability of an airship depends chiefly upon the structural frame employed. The German design is based on the arch-bridge type frame, and the frame to be employed in the construction of the American-designed airships, contemplated in bill H. R. 2744, is of the suspension-bridge type frame.

It requires no expert knowledge to decide between these two types of engineering design where the greatest strength in proportion to weight is required. The suspension bridge must be the preferred structural type for airships and is so approved by America's foremost structural engineers.

The commercial airship is already demonstrated to be the safest and most practical means for economical long-distance overseas transportation, at greater speed than is possible to achieve with the surface vessel. Its flight of many thousands of miles without refueling establishes it also to be relatively as speedy as heavier-than-air craft which must delay for weather conditions and have convenient landing ports en route. The airship has the further advantage of large pay load and of lower transportation cost; it has also a 100-percent safety record and schedule performance in strictly commercial service.

With these facts, which are well established, why should we delay? We now have the opportunity of starting a new great American industry which would give immediate and future employment in many other industries that supply the materials required for airship construction; we need to increase our foreign commerce, and here we have a future major form of transportation with which we can reach the world markets, with direct service through the air, even to the interior cities of the Orient.

There is another valuable feature of these airships, as explained in the brief published in the CONGRESSIONAL RECORD, which prompts me to introduce a bill in Congress for the construction and test of a large commercial airship that may be capable of transporting and servicing a squadron of 20 military airplanes at 20,000-foot altitude, thus supplying a much-desired protection of our country from attack by enemy airplanes in event of war.

We build airplane carriers to serve with our Navy, and these cost about $30,000,000 for one vessel capable of transporting and servicing 70 airplanes. With a like sum, I am informed, 7 great airships may be constructed to transport and service 140 airplanes, not at sea level but high up in the sky where they would be most needed, if they are ever required for military defense of our seacoast or interior cities.

I urge that Congress may take up the immediate consideration of the bill H. R. 2744 and the new bill which I now introduce, for in every commercial airship we may build we may have a very valuable military weapon for the defense of our Nation, and we should no longer delay in providing for their construction.

Congress is now considering means to avoid being drawn into future conflicts, and for this reason is making provision for enlarging our military, naval, and heavier-than-air forces. The great airship, when properly designed and equipped with airplanes and guns for defense, may eventually develop to be of major military value, and we should not allow the result of our failures with foreign-designed airships to influence our judgment of what might be accomplished by American engineers. We should give our American engineers an opportunity to demonstrate what they can do, not only for military defense but also for commercial overseas service.

A bill authorizing construction of a 300-ton airship for military service subject to the acceptance by the United States Government

Be it enacted, etc., That for the purpose of demonstrating the military value of the large commercial airships for transporting and servicing military airplanes as a means for protecting our Nation from attack by heavier-than-air craft the Secretary of the Treasury of the United States is hereby authorized and directed to provide the sum of $6,000,000 as a loan to the Respess Aeronautical Engineering Corporation for the purpose of constructing an airship employing the American design suspension-bridge type frame, to be completed within a period of 2 years and to have the following specifications: The airship shall be capable of lifting 300 tons when its gas bags are 85 percent filled with helium gas; to have a maximum speed of not less than 120 miles per hour; to be equipped with and be able to transport and service 20 military airplanes that may be designed for exclusively airplane airship service; to be equipped with long-range rapid-fire guns to cover every angle of approach to the airship; to be able to operate at 20,000 feet altitude with full equipment and supplies with a crew of 100 men; and to be able to carry fuel for a range of 6,000 miles service at cruising speed with full military equipment and supplies. When the airship is completed and ready for testing a board shall be appointed by the Secretary of the Navy and the Secretary of War to direct and supervise such tests, and should the airship tests, in the opinion of the board, fulfill the requirements of this act, the Secretary of the Treasury shall accept delivery of the airship and its equipment from the Respess Aeronautical Corporation as full payment for the loan. In event the airship is not accepted by the board, then the Respess Aeronautical Engineering Corporation shall convert the airship for commercial service, and may pay the loan over a period of 10 years in equal annual payments: *Provided, however*, That constant full insurance shall be carried by the Respess Aeronautical Engineering Corporation to cover replacement in event of fire, damage, or loss of the airship from any cause whatsoever. Further, the Secretary of the Navy is authorized and directed to provide the use of the dock at Sunnydale, Calif., or at Lakehurst, N. J., for the construction and testing the airship and for conversion to commercial use if required. It is hereby authorized to be appropriated the sum of $6,000,000 to carry out the purpose of this act, and in the event the airship is not accepted by the United States Government, any repayments on account of the loan hereunder granted shall be deposited in the Treasury of the United States and be credited to miscellaneous receipts.

A TRIBUTE TO MAJ. FRANK NORTH AND CAPT. LUTHER H. NORTH, FAMOUS NEBRASKA INDIAN FIGHTERS AND TRAIL BLAZERS

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. STEFAN. Mr. Speaker, I take the floor at this time to pay my tribute to the memory of Maj. Frank North and Capt. Luther H. North, American soldiers, Pawnee Scouts, and blazers of trails upon which the present generation rides in luxurious automobiles and streamlined railroad cars. Trails which have a story of human sacrifice, American heroism, romance, adventure, and valuable history. Trails which today have become great tourist highways. Trails which reveal the struggles of our early pioneers and soldiers.

Major North and Captain North were among our last surviving western characters, and in my humble effort to keep alive American traditions and history of our early American scouts and pioneers I have introduced a bill in this House of Representatives, H. R. 8079, authorizing the erection of memorial statues of these famous scouts. To better acquaint Members of the House with the history of these two famous men, and to urge passage of my bill, I give the following brief history of these two famous Americans.

MAJ. FRANK NORTH

Maj. Frank North died March 14, 1885, at Columbus, Nebr. He was born in Richland County, Ohio, March 10, 1840. Nebraska was his home from 1855. Columbus remained his residence from the time his family settled there in 1858 until his passing. His most active years were spent upon the western plains, including 2 or 3 years he was in partnership with William F. Cody on a cattle ranch at the head of the Dismal River in the sand hills. His last resting place is in the Columbus Cemetery in the shadow of evergreen trees and near the resting place of other members of the North family.

Major North and his Pawnee Scouts were the most important element in the defense of the western frontier from 1865 until the close of the plains Indian war by the surrender of Chief Crazy Horse at Fort Robinson in May 1877. It was the genius of Major North which effectively organized, first a company and then a battalion, of Pawnee warriors in United States service against their hereditary enemies, the hostile Sioux and Cheyenne.

The contribution of Major North to the defense of the American frontier may without exaggeration be regarded as the most important contribution of any one individual to the ending of the border wars, the completion of the Union Pacific Railroad, the white settlement of the region between the Missouri River and the Rocky Mountains, and the development of that country into a region of farm homes and ranches, flourishing cities, and one of the great irrigation centers of the United States.

Frank North became clerk and interpreter at the Pawnee Indian Agency at Genoa, Nebr., in 1861. He mastered the Pawnee language, becoming, in the opinion of those best qualified to judge, the most competent white man in his knowledge of the language and the customs of the tribe. This training with the confidence which he inspired among the Pawnee equipped him for his great opportunity in life—leadership at the head of the Pawnee warriors and a long series of victories over the hostile tribes which hastened the establishment of peace upon the border.

The career of Major North, condensed into few words, includes his command of the Pawnee company and battalion, effective scouting against the hostiles during the years which followed the organization of a company in 1865; chasing the hostiles from the construction forces of the Union Pacific Railroad; defeat of the Cheyennes under Chief Turkey Leg; defeat of the Arapahoes under Chief Black Bear in northern Wyoming; the defeat of the Cheyenne under Chief Tall Bull July 12, 1869, and the killing of Tall Bull in battle by Major North himself. This defeat of Tall Bull's band ended the first section of the plains war. The Nebraska Legislature passed a vote of thanks especially mentioning Major North and the Pawnee Scouts and their services.

In the second part of the plains war Major North with his Pawnee Scouts made an all night march from their camp on the Running Water surprising Chief Red Cloud's camp at Chadron Creek, capturing the entire camp without firing a shot, disarming the Sioux and marching them in to Fort Robinson.

The final achievement of Major North and his Pawnee Scouts was locating the hostile Cheyenne camp under Dull Knife in a remote hidden valley of the Big Horn Mountains. After a night march Major North led his Pawnee scouts through a narrow defile, surprising the Cheyenne camp, utterly destroying their winter homes and provisions. These bravest of the hostile Indians were thus compelled to surrender at Fort Robinson, where they enlisted in the United States service. The ultimate result of this remarkable achievement was the surrender of Chief Crazy Horse in May 1877, the flight of Chief Sitting Bull and his hostile bands to Canada, and the end of the Sioux-Cheyenne Indian wars.

At the close of the Indian wars Major North engaged with W. F. Cody—Buffalo Bill—in cattle ranching on the Dismal River in the sandhills. His career as a ranchman is characteristic of his career as a leader of scouts. In 1882 the people of Platte County elected Major North for the Nebraska Legislature where he served one term.

Major North was the outstanding Nebraskan of the frontier period and his achievements deserve commemoration in the most enduring form. Joined with him in these distinguished services on the American frontier was his brother, Capt. Luther H. North. The record of these two are united in the annals of heroic leaders in the great West.

CAPT. LUTHER H. NORTH

Capt. Luther H. North, born in Richland County, Ohio, March 6, 1836; came to Nebraska with his parents, Mr. and Mrs. Thomas J. North, in 1855; United States mail carrier in 1859; soldier in Company K, Second Nebraska Cavalry, in 1862–63 under Col. Robert W. Furnas; took part in Sioux Indian campaign and in battle at White Stone Hill in Dakota; drove freighting wagons from Omaha to Fort McPherson in 1864 through hostile Indian country.

When his brother, Maj. Frank North, raised the battalion of Pawnee Scouts in 1867, Luther became captain of Company D. He had an active part in the frontier wars against the hostile Sioux and Cheyenne Indians until the final surrender of Chief Crazy Horse at Fort Robinson in May 1877. He was a scout with Gen. George A. Custer in the first military exploration of the Black Hills in 1874, and with his own eyes saw the first gold dust washed from the waters in the Black Hills.

Among the noted achievements of the Pawnee Scouts in which Capt. Luther H. North participated are the defeat of the Cheyennes under Tall Bull at Summit Springs, near the Nebraska-Colorado line, on July 12, 1869; the night march of 60 miles from the Niobrara River to Chadron Creek and the surprise capture of Red Cloud and Red Leaf's camps on the morning of October 24, 1876; the night march and surprise capture of hostile Cheyennes under Dull Knife on Crazy Woman's Fork in Wyoming November 26, 1876, resulting in the destruction of the camp, followed by the surrender of the hostile Sioux in 1877 at Fort Robinson.

For 13 years Maj. Frank North and Capt. Luther H. North, with the cooperation of the Pawnee Scouts trained under them, were the chief defense of the Nebraska frontier against the hostile plains Indians. The Pawnee Scouts made possible the construction of the Union Pacific Railroad in the time allotted. They opened up for pioneer cattlemen the western half of Nebraska, since no settlement was possible until the hostile Indians were forced to surrender. The Pawnee Scouts had the almost unbelievable record during the 13 years of border warfare and scores of hand-to-hand conflicts with the hostile Sioux and Cheyenne Indians of losing only one of their entire force.

On March 2, 1870, the Nebraska Legislature by a formal resolution voted its thanks to General Carr, of the Fifth Cavalry, and to Maj. Frank North and the Pawnee Scouts, in which Captain North was serving, for distinguished service in protecting the Nebraska frontier settlers and driving the hostile Indians from the country.

During the 57 years since he retired from the campaigns of the Pawnee Scouts, Captain North has been an exemplary citizen of Columbus; modest; loyal to his family and friends; the firm friend of Indian tribes; honored and sought for his friendship by historians and frontiermen; honored with the Distinguished Service Medal of the Lincoln Kiwanis Club in 1930; honored by the people of western Nebraska in his last tour of the old battlefield and camps in June 1933; honored by his fellow citizens upon his eighty-eighth birthday celebration, March 6, 1934; mustered out of life April 18, 1935; the last survivor of the Grand Army of the Republic at Columbus. His life was full of service to his State and his country; his example one of inspiration in war and in peace.

The Nebraska Legislature, fiftieth session, records this tribute to the memory of the last of the Great Plains fighting scouts. The history of his achievements and that of his brother, with whom he was joined in so many campaigns, will form one of the most thrilling chapters of Nebraska history throughout the years. (The foregoing history of these famous Nebraskans was gathered by A. E. Sheldon, of the Nebraska Historical Association.)

Columbus, the home of these famous men and the location proposed for the erection of these monuments, is one of Nebraska's most beautiful cities. The Pawnee Park, the park which would be an ideal location for these monuments, is one of the show places of Nebraska, covering more than 100 acres, beautifully landscaped. The grounds were acquired in 1920 and have been beautified by planting of more than 1,800 trees and shrubs.

FOREIGN AFFAIRS COMMITTEE

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs of the House may be given permission to sit this week during sessions of the House.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, did the gentleman say "this week"?

Mr. McREYNOLDS. That is what I said.

Mr. MARTIN of Massachusetts. Would not the gentleman confine his request to this afternoon?

Mr. McREYNOLDS. I make the request because we might have another rush tomorrow. The gentleman from Massachusetts will be advised, and I shall counsel with him about any other hearings. I am simply making this request to aid us in conducting our hearings.

Mr. MARTIN of Massachusetts. We have been working every morning during the past week, and I would not object to the request for this afternoon, but I would be constrained to object to anything further.

Mr. McREYNOLDS. Then I will confine the request to this afternoon.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that the Committee on Foreign Affairs may sit this afternoon during sessions of the House. Is there objection?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MONAGHAN. Mr. Speaker, I ask unanimous consent that I may be granted sufficient time to read an article on the Supreme Court's ruling with respect to the A. A. A. which appeared in the Daily News of Tuesday, January 7, 1936.

Mr. SNELL. Mr. Speaker, reserving the right to object, from previous consultations I have had with the majority leader, it has been my understanding we are going to go into general debate at once and that would be the appropriate time for any Member to address the House, and for that reason I object.

INDEPENDENT OFFICES APPROPRIATION BILL, 1937

Mr. WOODRUM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 9863) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1937, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the bill shall continue throughout the day, the time to be equally divided between the gentleman from Massachusetts [Mr. WIGGLESWORTH] and myself.

Mr. WIGGLESWORTH. Mr. Speaker, reserving the right to object, I am not sure just what the request involves; but on this side we have requests for time which would carry us a little further than throughout the day. It has been my understanding that we were to have general debate for 2 days this week, and I hope, therefore, it may be possible to let the general debate run through tomorrow, perhaps.

Mr. WOODRUM. Mr. Speaker, in that connection, may I make this statement? We have already had general debate for a portion of an afternoon on this bill. If debate runs through today, it was my hope that we could finish general debate today with the exception of my speech and the speech of the gentleman from Massachusetts on the bill. This will take a couple of hours tomorrow. If we can begin the reading of the bill by the middle of the afternoon tomorrow, we ought to pass it Thursday; and this will give us an opportunity to take up the deficiency bill Friday, which it is necessary to pass this week. If we can get cooperation, we can pass that bill Friday and then adjourn over Saturday.

Mr. SNELL. Mr. Speaker, will the gentleman yield for a question?

Mr. WOODRUM. I yield to the gentleman.

Mr. SNELL. It has been generally understood that if we did not make requests to speak out of order there would be ample time given in general debate. There are several people over here—I am not one of them—who desire to make speeches at this time on the state of the Union. I am perfectly frank in stating that. I believe we ought to be allowed a little more than 1 day of general debate. The other afternoon when we had general debate, as the gentleman knows, nobody was ready, and we did not get very far. I think we ought to let the debate run along today and not make any definite arrangement for closing the debate.

Mr. WOODRUM. My request did not involve any definite arrangement for closing general debate, but I may state to the gentleman that we feel it is necessary to pass a deficiency bill this week. Next Monday is Consent Calendar day and the following day is Private Calendar day, and if we do not get the deficiency bill passed this week, it will be Wednesday of next week before we can take it up, and it will be the latter part of the week before we can pass it.

Mr. SNELL. Of course, I do not know what the urgency is with respect to the deficiency bill.

Mr. WOODRUM. I may say to the gentleman that there will be another appropriation following my bill, and an opportunity will be given then for general debate.

Mr. SNELL. That is true, but there are certain speeches that gentlemen want to make at the beginning of the session, as the gentleman well knows.

Mr. WOODRUM. We will have 4 or 5 hours today, and you can do a lot of talking in that time.

Mr. SNELL. I appreciate that, but there are a number of people who want to talk on this bill.

Mr. WOODRUM. I think if the gentleman will cooperate and not make them too long, a lot of people can make speeches in this time.

Mr. SNELL. So far as I am individually concerned, I will cooperate, but I cannot agree to cutting off debate at this time unless you vote it on us.

Mr. WOODRUM. I may say that there is no disposition on this side to stop Members from talking.

Mr. SNELL. That is exactly what I understood, and that is why I have asked the gentleman to let general debate run along today.

Mr. WOODRUM. My request did not close debate, but merely provided for general debate today. However, I was telling the gentleman what I hoped might be done, that we might pass this bill Thursday. If there is not much controversy over the bill, we can perhaps read the bill in 2 or 3 hours.

Mr. SNELL. I do not know, but I presume that is true. If the gentleman simply makes the request that general debate run along today, there will be no objection.

Mr. WOODRUM. That is the only request I have made.

Mr. SNELL. And I hope the gentleman will be generous tomorrow also.

Mr. WOODRUM. The gentleman will always try to be accommodating.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. BOLAND in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill of which the Clerk will read the title.

The Clerk read as follows:

H. R. 9863

A bill making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1937, and for other purposes.

Mr. MORAN. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. GRAY].

THE FARM CRISIS UNDER THE SUPREME COURT DECISION

Mr. GRAY of Indiana. Mr. Chairman, we are face to face with a crisis and an emergency to be met under the Supreme Court decision invalidating title I of the Farm Relief or Recovery Act. The farmers have reduced their crops under contracts to be reimbursed from the collection of the processing taxes, and unless they are paid as agreed they will suffer great and irreparable loss of earnings and income, and the proceeds from their farm, and for which they are in no wise at fault or responsible.

Regardless of what may be our views of principles and policies of farm relief, the Government must keep faith with the farmers, and this money should be provided and made available to them promptly, without hesitation or delay, to meet their obligations and from which to live.

HOW THE MONEY TO BE PROVIDED

The problem of financing for these payments raises a question of means and methods, and the first is always a bond issue, and a bankers' loan is already imminent providing for long and deferred maturity and calling for interest to be paid, which in time always equals the money borrowed.

The amount required to meet these payments, due and coming due after the allotment contracts in all, will require a half billion dollars, and increasing the debt by like amount with interest provided to accrue, the obligation will be doubled and the public debt increased to a billion.

But happily for Congress, the taxpayer, and the farmers other means and sources are immediately available at hand under and from which to provide the money without an interest-bearing bond issue to double the obligations of government. And these are already authorized and provided within other and remaining valid parts of the Farm Recovery Act itself.

A BILL TO AUTHORIZE THE PAYMENT

To meet the crisis and emergency brought by the Supreme Court decision, I am filing a bill today to authorize the payment to farmers of the full amounts due and coming due under their benefit contracts, and providing as follows:

A bill to provide for certain benefit payments to farmers who have made crop-adjustment agreements with the Secretary of Agriculture or have reduced production in contemplation of such agreement

Be it enacted, etc., That there is hereby authorized and appropriated the sum of $500,000,000, or so much thereof as may be required, for the purpose—

That said sum shall be available to the Secretary of Agriculture for the purpose of making benefit payments which may now be or which may become hereafter due and payable on crop-adjustment agreements entered into with the Agricultural Adjustment Administration.

That such funds will also be available for the payment of such benefits to farmers who have applied to such Administration for such contract prior to January 6, 1936, and who have in good faith made reductions in acreage and otherwise complied with the rules and regulations promulgated by the Secretary of Agriculture looking to such crop program, regardless of whether such contract had actually been signed and delivered to such Administration.

A RESOLUTION TO PROVIDE THE MONEY

And to make the money appropriated and necessary and required for such payment promptly available for use, I am filing the following resolution calling upon the President to exercise the powers conferred under title III of the Farm Relief Act, which will obviate a bond issue and the payment of interest:

Concurrent resolution to require the exercise of certain delegated powers

Whereas Congress on the 12th day of May 1933 enacted certain provisions of legislation to relieve the national economic emergency by increasing agricultural purchasing power and by other means and methods particularly enumerated; and

Whereas such legislation enactments, under title I of said act, provided for certain crop-reduction operations and for the levy and collection of certain taxes necessary and incident to the administration thereof; and

Whereas, by further provisions of said act and under and by virtue of title 3 thereof, certain currency operations were provided for, authorized under clause 5, section 8, article 1, of the Constitution, whereby, likewise, to restore farm values and prices with certain discretionary powers conferred upon the President of the United States; and

Whereas following such enactment the provisions under title 1 thereof were duly entered upon for administration while leaving the currency provisions of title 3 thereof withheld from administration; and

Whereas the Supreme Court of the United States has decreed the provisions of said title 1 to be in contravention of the Constitution and leaving the provisions of title 3 thereof in full force and valid as law; and

Whereas there has been no exercise of the powers conferred upon the President under said title 3, and the same remains awaiting administration and enforcement: Therefore be it

Resolved by the House of Representatives (the Senate concurring), That in pursuance of and in obedience to the purpose and intention of Congress in conferring upon the President of the United States certain powers under and by virtue of section 43 of an act of Congress entitled "An act to increase agricultural purchasing power, and for other purposes", approved May 12, 1933, the same being power primarily vested in Congress under article 1, section 8, clause 5, of the Constitution, the President of the United States be, and is hereby, directed to proceed in the immediate exercise of such conferred powers, to cause the remonetization of silver, or the revaluation of gold, or the restoration of the volume and supply of money by resort to the instrumentalities of the Federal Reserve System, if the powers thereof can be invoked in the exercise of positive governmental force and without the delay and uncertainty of obtaining the "assent" of the Federal Reserve Board and banks, or by causing to be issued United States non-interest-bearing currency notes, or by the concurrent exercise of all of said powers conferred, all as provided for in said act, and accordingly as one or the other of such currency means and agencies can be invoked or resorted to under such delegation of powers, to restore agricultural values and prices, and accomplish the object and purpose of such provisions of said act most promptly, speedily, and without delay.

THE RELIEF ACT IN THREE PARTS

The Farm Relief or Recovery Act was provided or enacted in three parts for separate administration and enforcement—the first part of the act in title I to restore farm earnings and income by reducing farm crop reduction; another part, as title II, of the act to refinance farm debts and mortgages. And still another part is title III, for separate and independent administration, was included as a part of the law whereby to replenish the depleted money supply and raise prices on normal farm production without restriction or limitation of farm crops.

Only one part of the Relief Act, title I, the part providing for crop reduction and the assessments of processing taxes, has been declared invalid by the Supreme Court, and this, the part and title only which was borrowed from and recommended by the Federal Farm Board and disapproved by the people speaking in the 1932 election, 3 years before the fatal Supreme Court blow.

Other parts of the Farm Relief Act, including the currency provisions under title III, not only remain in full force unimpaired under the decision of the Supreme Court but stand upon the statute books awaiting immediate administration and enforcement by the exercise of power by the President.

NO NEW LEGISLATION REQUIRED

Title III of the Farm Relief Act is not dead but only sleeping, only reposing in a comatose dormant state, awaiting the call of Gabriel's trumpet to awake its powers and provisions for farm recovery and relief, like the souls of men to break slumber in the great resurrection morn. Title III remains under the Constitution a valid, enforceable, continuing law. Title III remains upon the statute books in full force and effect for administration not only to pay the amounts due the farmers now but to restore agricultural purchasing power, for reform, and to remedy the cause of the panic, and to safeguard against future depressions.

No new legislation is necessary or required to provide full payment now due the farmers. The law is already on the statute books. Title III of the Farm Relief Act only awaits the exercise of power by the President, and the money can be authorized today and made available to the farmers tomorrow. And if the President, under title III, will act to issue United States currency notes as fully authorized and empowered to act, no interest obligation will be incurred. The public debt will be increased only one-half billion, and instead a billion of bankers' interest will be saved to the taxpayers of the country.

FARM RELIEF HAS NOT FAILED

Title III has not failed under the Constitution. In the crucial test before the courts its powers have been upheld and sustained by repeated Supreme Court decisions under clause 5, section 8, article I, of the Constitution as valid and enforceable enactments of law. And title III has not failed of the purpose for which the law was intended and enacted. Title III has not failed to restore farm prices. Title III has not failed to restore farm earnings. Title III has not failed to restore the buying and consuming power of the agricultural population. Title III has not failed to restore the tax-paying power nor the interest, debt, or mortgage-paying power of farm crops and stock for which it was provided.

Title III of the Farm Relief Act has never been allowed to operate. Its powers have never been invoked. Its provi-

sions have never been permitted to function. Its powers have been withheld from administration while manipulating bankers and financiers have juggled and manipulated the people's money. The virtues of title III of the Farm Relief Act and its powers and provisions under which to reverse the secret currency operations which brought on this crisis and which it has held upon the country have been left wasting in the desert air of a closed book and a lapse of time.

FORMER EFFORTS FOR ENFORCEMENT

On May 12, 1933, this farm-relief bill became a law, including title III, providing for such currency operations under separate and independent administration, with powers to be exercised by the President. On May 7, 1933, 5 days in advance and on anticipation of such enactment, I filed a statement with the President reciting the menacing conditions of agriculture and the imperative need or necessity of the prompt exercise of the powers vested in him under the provisions of the act.

Following the passage of the law and after waiting less than 30 days, and on the 6th day of June 1933, I filed Concurrent Resolution 22 with the Clerk of the House of Representatives, calling upon Congress, then in session, to require the exercise of the powers conferred on the President by title III.

TITLE III NEVER ENFORCED

While title I of the Farm Relief Act, providing for farm and crop stock reduction and for the imposition of a processing tax, was entered upon in record-breaking time and since continued with unremitting zeal, the day was not yet opportune for the administration of the currency provisions of title III, and the enforcement was witheld and left suspended.

Title II, to refinance farm loans, with vast sums of money from lenders, has likewise been promptly administered until a great swollen stream of interest is flowing to coffers of the secret investors. But title III still remains in status quo, with private bankers still issuing money, controlling its volume and taking the interest toll.

But title III of the Farm Relief Act, to unlock and enter the door of the sacred portals and secret rendezvous of the international bankers and manipulating financiers, of the misers, shylocks, and money changers, has been passed over in whispering silence, its provisions considered in bated breath lest the magic spell of confidence be broken with the private, manipulating bankers usurping the powers of Congress to issue and control money.

BEGINNING AGAIN WHERE I LEFT OFF

But since filing Concurrent Resolution 22 in 1933 I have maintained an abiding faith in the virtues of these currency provisions, not only to relieve immediate farm distress but to remedy the cause of the panic and safeguard a repetition of the disaster.

In filing this resolution here today I am beginning again where I left off in 1933. First, now to provide the emergency money to pay farmers for reducing their crops and ultimately and finally for resort to replenish the normal volume of money and restore agricultural purchasing power.

The CONGRESSIONAL RECORD of June 6, 1933, on which date Concurrent Resolution No. 22 was filed, shows that I addressed the House appealing for the passage of the resolution, but my words and appeal fell upon dull and irresponsive ears, and time went on while title III remained without enforcement, a dead letter upon the statute books.

HIGHER PRICES FOR A FULL CROP

On the theory of trying out all plans offered, I have supported the A. A. A. program of restoring prices by farm-crop reduction while waiting patiently for currency relief to give farmers higher prices on a full crop for complete, adequate, and permanent relief.

Such adequate farm relief requires not only a restored price for a part crop but a restored price for a full crop upon which all taxes were based and upon which all farm debts and mortgages were contracted for payment and only upon which farmers can pay and live.

And all this can now be brought about promptly, speedily, and without delay by reversing the secret money operations, taking over one-half the currency out of circulation, first stealthily in 1920 and again in 1929, causing a fall of all values, prices, and wages, and bringing on this panic, or depression.

This measure for remedy and farm relief is not only fully, completely, and particularly within the conceded powers of Congress, under article 1, section 8, clause 5, of the Federal Constitution, authorizing Congress to regulate the supply of money, but the law is already enacted as a part of the agricultural recovery measure and has remained since May 12, 1933, upon the statute books awaiting enforcement, and could be carried into effect tomorrow to maintain farm prices even higher than the part now declared unconstitutional.

ALL PRICES MUST RISE TOGETHER

This would restore and bring up on an even level all values, all prices, and all wages, so that those who pay more would have more to pay with, restoring and maintaining the buying and consuming power at all times equal with production, and bringing back prosperity with all the blessings of plenty and great abundance.

In fact, the most direct and positive provisions of the farm relief or recovery act remain on the statute books unimpaired, admitted, conceded, and unchallenged, as a valid and constitutional measure, with only the international bankers and money changers to hold it back and postpone its enforcement.

WHY ENFORCE ONE PART AND NOT ANOTHER

Why should this part of the farm-relief law be ignored and left unadministered when all parts were passed by Congress with the understanding, assurance, and pledge that all would be given equal force and effect and administered concurrently together as one complete relief measure?

It would be unbelievable, unthinkable, a reflection upon the good faith of Congress in the enactment of legislation to say these parts of the farm-relief provisions, now remaining valid for enforcement, solemnly considered and approved by the vote of Congress and the signature of the President, without any good faith, purpose, and intentions to be entered upon, enforced, and carried out to accomplish the purpose for which enacted. And if so solemnly considered and approved, what reason can be given or apology offered for such disregard and failure of enactment?

A proper vindication and exoneration of Congress and a good-faith policy of administration, now that the trial and experimental parts have been declared invalid and unenforceable, requires that these currency provisions solemnly considered, approved, and signed should be entered upon without delay and administered to a logical conclusion.

GOOD AND BAD MONEY

This money with the obligation of the Government behind it, with all the wealth and property behind it, with three-fourths of the gold behind it to redeem and make it good, is at first only base money, "flat money", "printing-press money", inflationary and dangerous money. Until the Government turns over the money to the private manipulating bankers, charging them less than one-third of 1 percent for the bankers to loan back to the Government the same identical money, the same identical bills and paper at 3-percent and 4-percent interest. And then suddenly by a mysterious transition of the character and intrinsic value of wealth, this money is changed from bad to good money and declared under the high-sounding claim of "currency reform", "sound money", and an "honest dollar."

INTEREST ON FICTITIOUS MONEY

Under this jugglery and claim the bankers of the country are collecting and the people are paying billions for the use of their own money. But they are not only collecting interest on all the peoples' money and on every dollar in existence, by a fiction and form of banking they are collecting interest from the people upon billions of money which has no existence. There is only some five billions of money in existence, use, and circulation all told, yet by this strategic

fiction and form under which bankers create fictitious money, by loaning $10 for every $1 in the bank, they are collecting interest from the people not on mere five billions of dollars but upon multiplied billions of dollars of fictitious currency.

A COLOSSAL AND GIGANTIC FRAUD

Taking advantage of religious beliefs and the mysteries of life and existence and assuming the role of the supernatural, many great and flagrant frauds and deceptions have been perpetrated and afflicted upon the confiding and unsuspecting people of the world, whereby to take from them their earnings and income, their substance and property. But the money illusion, the complex intricacies of currency and its operations in serving as a medium of exchange, as a measure of value, and as a form of evidence of wealth and of representing property and the products of labor, for the long lapse of time perpetrated, for the number of people misled and deluded, for the amount of property and wealth taken from or withheld from the people, the illusions and deceptions of money is the most colossal and gigantic fraud of all the ages and time recorded in the annals of history of the relations of men.

IF THESE POWERS WERE EXERCISED

If the powers and provisions of title III of the Farm Recovery or Relief Act were now entered upon, first to provide the emergency money to pay for crop reduction and then followed in good faith administration to replenish the depleted money supply, to restore earnings, and income and the buying and consuming power, the effect upon the country would be like magic. The doors of factory, mill, and workshop would swing open, stand ajar, the wheels of industry would start, the whir of machinery in motion, the din of saw and hammer would sing the song of real prosperity amid the glad hosannas and rejoicings of 120,000,000 people. [Applause.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 30 minutes to the gentleman from New Jersey [Mr. EATON].

Mr. EATON. Mr. Chairman, I propose to offer for the consideration of the House a few comments suggested by President Roosevelt's speech on the state of the New Deal which he delivered before a joint session of Congress on the evening of January 3.

Let me say at once that in doing this I shall try not to disturb the pure spirit of Mr. Farley, who is universally recognized as probably the whitest political lily ever nurtured in the Tammany tradition since Boss Tweed went to jail. I agree with Mr. Farley in his abhorrence of political dirt, in his distaste for being hit below the belt, and especially in his grief over even the imaginary existence of that vast and tainted "slush fund" with which "entrenched greed" and certain small but wicked "minorities of autocrats" still at large outside the New Deal are plotting to further enslave the people during the Presidential campaign.

Although in this discussion I may have to disagree with certain portions of the President's address, I trust that neither he nor his devoted followers among my honored colleagues will class my humble suggestions with that "haughty and sterile intellectualism", that "musty reaction", that "hollow and outworn traditionalism" which in his Mayflower Hotel speech he told the cross section from the "common people"—assembled there at $50 a plate—had plagued his great forerunner and exemplar Andrew Jackson just as they are plaguing Andrew Jackson's admitted reincarnation in the person of Mr. Roosevelt today.

The speech of January 3 was framed in two sections. Section 1 appeared in the guise of a discourse on neutrality—a subject of surpassing interest and importance at the present time. But the real meat in this half of the coconut consists of an unneutral and irritating attack upon political autocracy as it is now functioning with or without the consent of the people in various European countries.

The second half of the speech, using the first half as an argumentative springboard, consisted in an attack upon unnamed and nebulous private "autocracy" supposed to be functioning here and now in our own country, not only for the purpose of "enslaving the people" but, worse still, for the more malign and dangerous purpose of defeating the New Deal in the coming Presidential election.

Even the most prejudiced partisan must have marked a curious inconsistency between the two main divisions of the speech. In the first and what may be described as the foreign half, the President registered strong disapproval of our European "good neighbors" fighting among themselves, and especially for fighting at the instigation of autocrats.

In what we may call the domestic half of his speech, the President urged the waging of "unceasing warfare" between classes here at home among our own people. Unbroken peace abroad. Unceasing war at home is one of the most weird and devastating doctrines yet proclaimed by the New Deal.

A few months ago one of the President's most prominent New Deal spokesmen and advisers, Professor Tugwell, of blessed memory, made a speech on the Pacific coast. In that speech Mr. Tugwell, in true Russian fashion, exhorted American farmers and workers to join forces, to keep their indignation hot, and to wage unrelenting warfare against that dangerous and despicable group of American citizens who, inspired by "entrenched greed", still persist in their nefarious plotting by creating and developing industries and jobs and pay envelopes for the "enslavement of the people."

This practically identical encouragement of class warfare among our people by the President of the United States and by one of his high official advisers has an ominous sound, if it is an indication of what we may expect in the coming campaign.

Apart from its inconsistencies, the most striking feature of the President's speech was its omissions. What he did not say was of far greater interest, pitch, and moment than what he did say.

For instance, he did not name those dangerous American "autocrats" whom he accuses of seeking to enslave our people. Just as in his Atlanta speech he neglected to name the bankers who had advised him that our country could safely stand a public debt of from fifty-five to seventy billions of dollars.

How are even the most impractical, devoted, and heroic of New Dealers going to "wage unceasing warfare" against these dangerous autocrats now working their nefarious plots against regimentation, wild and wasteful spending, and other characteristic forms of New Deal liberty here at home if the President, who assuredly must know, will not tell them who these enemies are?

This is omission no. 1.

Omission no. 2 is even more puzzling. Why in an address, which he assured us was on "the state of the Union", did he neglect to deal with at least a few of the more pressing problems confronting our people today?

Why, for instance, did he not explain and defend the accumulation of some twelve billions of a deficit, actual and estimated, during the 4 fiscal years of his administration? Why did he not deal with the fact that his administration will have spent in 4 years close to thirty billions of money which somebody, somehow, sometime will have to pay? Why did he not explain why his administration in 4 years will have spent at least six billions more than the twenty-four billions which our Federal Government spent for all purposes, including four wars, from 1789 to 1913, a period of 124 years? Why did he not explain, defend, and justify the fact that at the end of his administration the public debt, including $4,530,000,000 of contingent liabilities, will reach the astronomical total of at least $35,000,000,000?

To be sure, the President did tell us that in spite of the economic and administrative chaos in which the New Deal is now enmeshed, we are "approaching a balanced Budget", and under present circumstances—which, of course, means the impending Presidential campaign—no new taxes are necessary or advisable.

This mythical approach to a balanced Budget, when the Government is actually spending $2 for every dollar of revenue it takes in, even borrowing money to pay interest on money already borrowed, may be more easily understood by the use of a simple illustration or two. You mathematicians

are familiar with the formula known as the theory of limits. This interesting theory deals with the attempt to pass from one fixed point to another fixed point by halving the distance each time a move is made. The discouraging lesson taught by this experiment is that no matter how often you move only halfway in the right direction, you never can arrive at your desired destination.

For those of us who, like myself, may not be mathematicians, a simple and more concrete illustration will serve. A lad in school was set a sum in arithmetic by his teacher: "A cat fell into a well. She crawled out 1 foot every day and fell back 2 feet every night. How long would it take her to get out?" Johnny figured for a while. He covered his own slate and one borrowed from his seat mate. The teacher, watching his efforts, asked, "How are you getting on?" Johnny answered, "Teacher, please don't bother me; just give me one more clean slate and another half hour and I'll land that cat in hell."

Why did not the President, in what may be his last message to Congress on the state of the Union, explain just how far and for what reason he had scrapped the Democratic platform of 1932, upon which he was elected and the provisions of which he had solemnly pledged himself to enforce?

Why did he not at least attempt to explain, justify, and defend the fact that much of the New Deal legislation which he had forced through a cowed and complaisant Congress has been or will be declared unconstitutional?

True, he did assert that the New Deal had "established a new relation between Government and the people", but he failed to point out that the "new" aspect of this relationship consisted of un-American regimentation of the citizen by an arrogant bureaucracy much after the fashion of that European autocracy which he so properly condemned.

He did assert that in 34 months his administration had built up "new instruments of public power", which in his hands are "wholesome and proper", but which in any other hands, especially Republican, would mean "enslavement of the people." But he neglected to mention that most of these new instruments of public power were unconstitutional and that as soon as the N. R. A., which he held to be the cornerstone of the New Deal, was killed by the Supreme Court, fear diminished, confidence increased, and business began to improve.

The President did make the proud boast that the New Deal had "returned the control of the Federal Government to the city of Washington." But he failed to show us just how this new control functions.

Let us take one example:

In 1933 Mr. Wallace started in the Department of Agriculture with an organization of 26,132 employees. Up to the day that the Supreme Court laid the A. A. A. to rest beside the late lamented N. R. A., he had jumped this number to 66,969 full-time employees. The Civil Service Committee figures the average salary of these full-time Government employees at $150.50 per month. This means that the New Deal pays out of the taxpayers' money to this one group of full-time employees an annual salary of $120,824,916. In addition to this army of full-time employees, Mr. Wallace had organized a field force on part time of 115,366, drawing, according to the August report of the Civil Service Commission, an average of $38.32 per person a month. This makes a total in one department alone of 182,335, or 40,000 more than the standing Army of the United States.

While the Members of this House, elected as Democrats on a Democratic platform, were wildly applauding the President's presentation of the un-Democratic doctrines of the New Deal, I wondered just what it was that made them seem so eager to register at least the appearance of enthusiastic agreement with his views. Was it because they had ceased to be Democrats and had become New Dealers, along with the President and his un-Democratic advisers, the Frankfurters, the Cohens, the Corcorans, and the Tugwells? Or was it because of a recrudescence of that principle laid down long ages ago by a great prophet of Israel as the reason for the defection, degradation, and defeat of his people, "The ox knoweth his owner, and the ass his master's crib"? [Laughter and applause.]

In his address, delivered in the city of Atlanta a few weeks ago, the President made the statement that on the 4th day of March 1933 the mechanics of civilization had broken down. Did he mean by that sweeping statement that the engines and trains of our railroads were standing idle and empty, that all airplanes were grounded, all steamships tied up at the wharves, all automobiles standing still, not even enough of them running to kill our regular quota of a hundred citizens a day? Did he mean that the schools, churches, hospitals, and stores were closed and empty—that births and deaths were postponed, leaving the doctors, nurses, and undertakers unemployed? Did he mean that all telephones had quit ringing and all telegraph instruments had ceased to click? Did he mean that the buds on the Georgia peach trees were refusing to open? Whatever he had in mind, he most certainly meant to convey the impression that the day of his inauguration marked a new era in our national history. I am in accord with this belief of the President. Like all the world, we were in desperate straits. In the midst of our universal distress appeared the new Messiah, elected by a great nonpartisan vote of the people, holding in one hand the golden key of courage, confidence, and hope by which he proposed to unlock the doorway to better days, and in the other that sound and sane platform of the Democratic Party adopted in 1932 as the guide to which he had sworn absolute allegiance and obedience in undertaking his great task.

No President ever faced a more challenging situation. No President ever took office backed by such unanimous support of the citizens and public opinion.

During the first months of his administration his policies were in accord with that platform upon which he was elected and were supported by public opinion practically without regard to political affiliation, both in and out of Congress.

But something happened, so mysterious in its origin, so devastating in its results, that no one has yet been able to give it a name or to find for it a satisfactory explanation. The tried and trusted leaders of the Democratic Party were pushed aside and fell into oblivion. In their place there appeared beside the President groups of volunteer advisers hitherto unrecognized and unknown. These constituted the "brain trust", and out of the "brain trust" was born the departure of the administration from adherence to the American principles of the Democratic platform and entrance into the alien hodgepodge now known as the New Deal.

In order to understand the amazement, distress, and resentment caused among all types of citizens and in all sections of the country by the President's address of January 3, we must go back to those fateful days in the spring of 1933. There had swept over the civilized world a wave of unrest and reaction against existing economic and social conditions. Consciously or unconsciously the masses of men everywhere recognized that science had at last placed in the hands of men dominion over the forces and resources of nature, making it possible to produce more than enough of all the economic necessities of life to supply every normal need. Facing this fact, the world was disturbed by the fact that these needs were not being supplied. In other words, only one central problem confronted civilization then, and confronts it now; that is the problem of poverty, which means the unequal or unjust distribution of wealth; and this one central problem found then, and finds now, its chief expression in the tragedy of unemployment.

We might as well face the fact—for it is a fact—that this Nation and no nation can live long half unemployed and half employed. Unless we can successfully solve the problem of unemployment, civilization will surely crumble into ruin at the very hour of its greatest economic achievements.

There are only two possible solutions proposed in the modern world for this problem: One, in various degrees and of various names, is the European system, based upon the com-

mon principle of collectivism. The Russian answer to this problem is communism. The German answer is Hitlerism. The Italian answer is fascism. But in every one of these cases the masses of men have been forced to surrender their last vestige of political and social and economic liberty in exchange for a temporary, incomplete, and illusory economic security.

The second philosophy confronting the world-wide problem of unemployment is the American system and I hold that the American answer to this problem must not be the answer of Russia, Germany, Italy, or of any other civilization. It must be an American answer expressing the ideals, principles, and methods by which America for 150 years has been lifting the masses of men to a level of opportunity, comfort, and freedom never attained by any civilization since time began.

More than 2 years ago I made the assertion that the next great line-up in this country would be between American-minded people and alien-minded people. The problem of unemployment which confronts every home and every individual in our Nation today far transcends any party or section or interest. It is the one central problem of the whole people. It will not be solved by the Democrats, by the Republicans, by the New Dealers, nor by any alien-minded group no matter how vociferous they may become. It will be solved by the whole American people acting together in accordance with the Constitution which expressed the fundamental principles of our national life or it will not be solved at all.

This is why I consider the radical change in the program and policy of Mr. Roosevelt at the beginning of his administration, and again set forth in his speech of January 3, to be the major personal and political tragedy of our history. If he had then announced his invincible adherence to American principles as expressed in our Constitution, American standards as expressed in our economic life, and American ideals as expressed in our concept of liberty, he could have called to his side, and been assured of the cooperation of, the leaders in education, religion, business, finance, industry, labor, and agriculture. Under the stress of that hour all of these groups were in the mood to face the problem of unemployment as one common to them all, and I have faith enough in the intelligence and character of all these sections of our people to believe that under the leadership of the new President they would have found a common foundation and practical formula upon which and by which to rebuild a social and economic structure capable of finally removing the curse of unemployment and consequent poverty from our beloved country.

Instead of this great historic accomplishment, which would have placed America for generations in the lead of all societies of the world, what have we as revealed in the President's address on January 3?

We have revealed the subordination of the great central challenging problem of unemployment in the President's program to the perpetuation of a group of experimental, temporary, unworkable, and, in many cases, unconstitutional laws, dealing with secondary aspects of the real problem, but in no case offering a permanent solution or going to the root of the matter.

We have in this address no hint that the President realizes the fatal significance of the fact that, after 34 months of prodigal spending, after the creation in these months of a vast army of bureaucrats working for the most part at cross purposes in hopeless confusion, after the beginnings of a normal economic recovery by the action of regenerative forces resident in our economic structure itself and acting in spite of political meddling and muddling, after all this we still have some 10,000,000 of unemployed, and we have achieved no new understanding of the problem of unemployment, nor have we reached any common unity of policy or action among our citizens looking toward a final solution of the problem by American methods and on American principles.

It is these fundamental omissions in the President's speech which explain the unfavorable reaction among all classes and in all sections of the country to what was intended to be—expected to be—ought to have been and was not, a clarion call to the whole people to go forward to the final solution of their central problem under the leadership and inspiration of their Government, but not at the price of an ignominious surrender of their liberties and rights. [Applause.]

Mr. MORAN. Mr. Chairman, I yield 30 minutes to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Chairman, when the distinguished and very colorful gentleman from New Jersey [Mr. EATON], just across the New York Harbor from me, started to talk, I had little intention of attempting, in my very feeble way, to answer him, but some of the comments he made prompted me to attempt to make a few remarks. It is not easy to do, however. First, the gentleman read from a prepared speech, to which was given the usual thought which he always gives to any appearance on the floor of this House. Furthermore, he spoke in the same manner in which he used to orate in my district when at times I sat at his feet, open-mouthed, inhaling the wisdom which he exuded. He did not wear a red cravat then as is his accustomed adornment now. Rather did he wear the somber garb of a cleric there on the East Side of New York, recognized as one of the most distinguished clergymen in the whole city of New York. It was at the Madison Avenue Baptist Church, between Twenty-ninth and Thirtieth Streets, I first knew him before he graduated to preside over the Rockefeller churches in Cleveland and way stations. On a Sunday night when it was raining, and all of the Catholic churches were closed, I often would go with a friend of mine to hear one of those great orations for which the Most Reverend Dr. EATON was so famous.

Mr. EATON. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. No; I do not want to yield.

Mr. EATON. Oh, could you not yield just once, John?

Mr. O'CONNOR. Oh, yes; if you put it that way I cannot resist.

Mr. EATON. Ever since I have been in Congress and have watched with pride and joy the rapid rise of my friend who is now attempting to beat me up, I have been grieved to realize how small was the result of my ecclesiastical efforts in his behalf. [Laughter.]

Mr. O'CONNOR. Oh, yes; that is a subject we have often discussed in our friendly chats, but the gentleman having left that high calling and having become a great industrialist and a statesman, I did not feel obligated to present myself to him as a repentant sinner. [Laughter.]

The gentleman must have been harking back to those old days when I first knew him, when he returned to the tomb to talk about Tammany and "Boss" Tweed and even jail. How often have the citizens of the empire city listened to such denunciations. Those expressions were familiar from the pulpit in those days when the distinguished gentleman's leonine head, now beautifully platinumed, bore a hirsute adornment of raven black.

At the outset I want to correct a misstatement which the gentleman unintentionally uttered and which has been constantly repeated in the newspapers. It refers to my friend the distinguished Postmaster General, Mr. James A. Farley. The gentleman referred to him as a Tammany man, trained in Tammany, and brought up in Tammany. Both geographically and actually that is not the fact. I do not say that in any apologetic sense, because the building which is known as Tammany Hall is in my district, and our organization might well welcome Mr. Farley to our midst. Mr. Farley is, in fact, a Democrat from up-State New York who moved a few years ago into the Borough of Manhattan, in which borough the building Tammany Hall is located, and in which building the Democratic county committee—and the only Democratic organization in New York County—meets. Mr. Farley happened to move into New York County a few years ago after he had risen to the high position he now holds in Democratic politics. Incidentally, he resides and votes in the only usually regular Republican district in all New York City. Whether Mr. Farley is a member of the Tammany organization I do not know, but I do know he holds no prominence in that particular organization.

We have heard a lot about the recent Jackson Day dinner. I was at that dinner, which cost $50 a plate. Why, it was not worth the $5 that went for the dinner. [Laughter.] The remaining $45 went to pay off the party's indebtedness to the Raskobs and other American Liberty Leaguers. I was for that. The distinguished manager of candidates, Mr. FISH, on the floor that day spoke about the imported viands and the delicious vintages which would be served at the dinner. I regret to say that I saw none of them whatsoever. It was one of the driest, most uninteresting dinners I ever attended—except for the main speech. [Applause and laughter.]

I thought when the distinguished spokesman for the Republican Party, Mr. EATON, took the floor he was going to sound the keynote speech of this session for the campaign of next November; that he was going to review what has happened between the close of the last session and the opening of this in an attempt to put us on the defensive. Well, let me say, Mr. Chairman, if what the distinguished gentleman from New Jersey has said is the only attack—the only poison gas—that can be shot at us, why, we Democrats could right now go on vacation until next November and be back here reelected on January 3. [Applause.]

The gentleman complained about the President's message. He said he was one of the "mourners" on that night—scoffers others have called them. I remind him of Evangeline; maybe it will turn out that "those who came to scoff" may yet "remain to pray." He said, "omission no. 1", that the President did not name the interests which were seeking to destroy democracy in this country and were seeking a return of autocratic rule. Of course, the President did not have to name them. Everybody knew who they were. The next morning every newspaper in America carried the names of every one of these interests. [Applause.]

Mr. McCORMACK. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. McCORMACK. The head of the Manufacturers Association had previously put the Manufacturers Association into the field of politics, and the head of the utilities had previous to that stated they were going to gang up; so they named themselves. [Applause.]

Mr. O'CONNOR. "Omission no. 2"—strange as it may seem, only two omissions were enumerated by the distinguished gentleman—he talked about the President failing to guarantee he would balance the Budget. You know, when I hear about this balancing the Budget from the minority side, I wonder why they do not tell us just how they are going to do it, because they had a great chance to do it and never came near it. Someone suggested that they might resort to that extremity of giving up the elephant as their symbol and adopting the trained seal, which can balance most anything—even a budget, possibly. [Laughter.]

I have read the sundry speeches of our ex-President, Mr. Hoover—my President for 4 now forgettable years—which he made by radio and other devices before we convened here this session.

He attacked this administration for its Federal centralization—shades of Hamilton—and 60 years of Republican rule.

He lamented the growth of bureaucracy. Can anyone forget those days from 1929 to 1933, when bureaus multiplied so fast we lost track of them?

He criticized us for repudiating Government obligations. This from the statesman who did so much to drive us into the depression by forgiving to many nations, especially his "dear old England", the war debts due us.

Mr. Hoover spoke of the world-wide depression—a constant alibi of the opponents of administration—which he said turned the corner—you remember that old "corner"—in June or July 1932. If it did turn the corner, we in Congress were not aware of it. I have often wondered at the audacity of the ex-President talking about balancing the Budget, criticizing this administration for not balancing the Budget, when he and his administration in the last 2 years before we took office piled up a deficit of $5,000,000,000. [Applause.] That deficit of $5,000,000,000 that he piled up is equal almost exactly to every dollar, every cent, we have actually spent on relief up to this good hour.

Mr. McCORMACK. Will the gentleman yield further?

Mr. O'CONNOR. I yield.

Mr. McCORMACK. As a matter of fact, in the last 3 years of his administration the deficit was a little over six billion, and we passed a tax bill raising $1,641,000,000, which, if that bill had not been passed, would have been nearly $8,000,000,000.

Mr. O'CONNOR. I thank the gentleman.

Mr. EATON. Will the gentleman yield for a brief sentence?

Mr. O'CONNOR. Yes; I yield.

Mr. EATON. As far as I am concerned, I will accept the chastisement and the gentleman can quit. [Laughter and applause.]

Mr. O'CONNOR. "Chastisement" was the gentleman's profession for years. I always turn the other cheek.

Mr. GIFFORD. Will the gentleman yield for an observation there?

Mr. O'CONNOR. No. I must decline to yield further. I cannot possibly match my wits with the gentleman from Cape Cod.

Mr. GIFFORD. I do not think you can when we speak about recoverable assets.

Mr. O'CONNOR. Well, I have a few remarks to make if the gentleman will permit me to go on. He may recover thereafter.

I was amused at that cat-in-the-well story of the prelate from New Jersey. You know it is so easy to forget. I lived through those 4 terrible years from 1929 to 1933. If the cat was down in the well he sure was slipping back 2 feet then for every foot he moved up, and there was no attempt by Mr. Hoover or by the Republican Party, then in power, to help the old feline get out. [Applause and laughter.]

Oh, the Republicans continue to boast of "their" Reconstruction Finance Corporation. Of course, that agency was not what it is today. The Hoover administration was very particular to see to it that the only institutions to which money should be loaned by the Government were the railroads, the insurance companies, the banks, and the mortgage companies. As far as I am concerned the gentleman from New Jersey may go to his people in Jersey next November at the election and just put to them this simple question: "How would you like to go back to March 1933?" [Applause.] I should like to ask his audiences this question: "Do you remember those days, Mr. Businessman, when you could not get any money out of the bank; when you could not cash a check; when business had fallen 60 percent; when after the failure of ten or eleven thousand banks during the last 4 years America had sunk to the lowest economic depths not only in the history of this Nation but of any nation at any time in the world?" If the mechanics of civilization had not broken down they were so near the breaking point that only a major operation or a complete overhauling could save them. [Applause.] And lo and behold, in spite of this, Mr. Hoover continues to say "their was no bank panic before 1933."

Oh, the gentleman from New Jersey used that old alibi about world-wide depression. He is truly a disciple of Mr. Hoover. He said we were in it like all the world. Why, there was no comparison in all the world with the economic abyss into which we had sunk on that stormy day of March 4, 1933. Other nations were comparably prosperous and safe. We were at the lowest of any nation at any time in all history. That was the picture we inherited from 4 years of "rugged individualism." [Applause.] Someone said, "We found about 15,000,000 ragged individuals."

The gentleman from New Jersey, that great agricultural State, laments that our great Agriculture Department has so many persons on its pay roll. A schoolboy could justify this expenditure compared with the increase of farmers' profits of between three and four billion dollars over the Hoover administration.

I was interested to hear the gentleman from New Jersey endorse the plan of redistribution of wealth. Coming from

him, from the great East, and the Republican side of the House, it is refreshing.

The gentleman talked about unemployment and what a great problem it is; that it is not partisan; that it cannot be remedied by any one group, but he or his party offers us no solution, and he is a great industrialist. He has had to do with unemployment for many years. He and his company have been in a position, but neither has done anything about it. He prated of the President arraying class against class. Like his hero, Mr. Hoover, he is rather attempting to stir up those unfortunate people of ours who are still out of employment. Is this "playing politics with misery", as Mr. Hoover once said?

Of course, you remember Mr. Hoover's prediction that if he lost the election in 1932 "the grass would grow in the streets." Somebody said it might be growing there if it were not for the men we put to work. We did put them to work under C. W. A., W. P. A., and F. E. R. A., and they at least took the grass out of the streets which had grown there from 1929 to 1933. [Applause.]

I regret we did not put two cars in every garage, but we at least saved the garage, and we got at least one chicken in the pot for the farmer. [Applause.]

Mr. GIFFORD. Mr. Chairman, will the gentleman yield right there?

Mr. O'CONNOR. I cannot discuss garages.

Mr. GIFFORD. Will the gentleman tell us the cost of it?

Mr. O'CONNOR. Oh, when there are millions of our citizens out of work in this country, a prosperous country that is worth about $350,000,000,000, the expenditure of $5,000,000,000 or $10,000,000,000 or $20,000,000,000 to save our people is infinitesimal. [Applause.] This country has a better financial sheet today, I will wager, than any individual in this House or any business or corporation in the country. An indebtedness of only 10 percent of capital worth is so remarkably sound that it rarely exists. I was talking to some bankers recently about the ratio of a $30,000,000,000 debt to a capital worth of $350,000,000,000. I asked them if they considered this a sound basis for a loan. They said they never received an application as good, and they told me that the indebtedness always averaged at 50 percent of the capital worth, and many times more. Can the company of my distinguished friend from New Jersey show a balance sheet with a ratio of indebtedness to its capital worth of only 10 percent?

Now, Mr. Chairman, if this barrage is all we are going to be faced with—I really expected more; in fact, I could give the gentleman some ideas of things he might talk about [laughter]—we are willing to face the music. We Democrats are willing to go to the farmers, we are willing to go to the man in the street whom we tried to help, we are willing to go to those investors in stocks who were robbed of billions of dollars, who are at least assured it will never happen again because of the Securities Exchange Act, we are willing to go to those investors in utilities who were robbed overnight of $25,000,000,000 by the utility crowd; we are willing to go to them all and ask them whether or not they want to return to those old days of 1929 to 1933. We are confident of the answer.

This campaign is not going to be a negative campaign, except in the sense that the people will be asked: How would you like to go back? [Applause.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. SAUTHOFF].

Mr. SAUTHOFF. Mr. Chairman, I wish to call the attention of those representing agricultural districts to this resolution I introduced this morning:

Joint resolution requesting the President to terminate the concessions on dairy products contained in the Canadian, Netherlands, and Switzerland agreements, and requesting that no further concessions be granted to any country on dairy products

Whereas prior to his election the President of the United States made a definite pledge that there would be no reduction in the tariff rates on agricultural commodities; and

Whereas at the time the Reciprocal Trade Agreement Act was pending in Congress administration leaders made a similar pledge that the rates on major farm commodities would not be lowered under trade agreements; and

Whereas the dairy industry is the largest branch of American agriculture, representing from 20 to 25 percent of the national agricultural income; and

Whereas American dairy farmers are able and willing to supply the entire domestic needs of the United States for dairy products at reasonable prices; and

Whereas, notwithstanding the pledges heretofore mentioned, the State Department has concluded agreements with Canada and the Netherlands and Switzerland reducing the tariff on cream and on Cheddar, Edam, and Goudda cheese, Swiss and Gruyère cheese, the said reduction of cheese tariffs being unconditional and applicable to every nation of the world enjoying commercial relations with the United States; and

Whereas said concession will have the effect of opening up domestic markets to foreign producers at a time when under the Agricultural Adjustment Act vast quantities of dairy products are being purchased to sustain domestic price levels and when additional production of dairy products is anticipated because of the use of lands taken out of cultivation of other crops under Agricultural Adjustment programs: Now, therefore, be it

Resolved, etc., That the President be, and he is hereby, requested to impose upon imports of cream and Cheddar, Edam and Goudda, Swiss and Gruyère cheese quotas as provided for in the Agricultural Adjustment Act (sec. 22), which shall be fixed at 50 percent of the average annual quantity of such commodities which was imported into the United States during the period from July 1, 1928, to June 30, 1933, both dates inclusive, said quotas to apply to every country in the world; and be it further

Resolved, That in accordance with article VII of the treaties with Canada and the Netherlands, and article VI of the treaty with Switzerland, the President and the Secretary of State are requested to notify said countries of the imposition of said quotas and to advise said countries that the imposition of said quotas is deemed necessary by the Senate and House of Representatives as a means of protecting and safeguarding the American dairy farmer; and be it further

Resolved, That the President be, and he is hereby, requested not to permit in any future agreement any reduction in the present dairy tariff structure of this country.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 30 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Chairman, I think some of the remarks I shall make during the course of the time granted me are very appropriate in connection with the resolution just read by the gentleman from Wisconsin [Mr. SAUTHOFF].

One of the chief problems before the country is the finding of markets for the products of our farms and factories. Since we have here at home the richest market in the world, one of the best ways to help agriculture and industry would be to preserve the home market for our own producers. The President, however, is tearing down the tariff through reciprocal-trade treaties and allowing a flood of competing agricultural and manufactured products to be imported from abroad.

I come from a section of the country where it is assumed that some people are somewhat inclined toward Yankee swapping. We used to swap jackknives as schoolboys "unsight, unseen", but we wanted a jackknife for a jackknife, whatever the quality of it might be. I never, as a Yankee swapper from the days of my boyhood at school, thought a swap giving the other fellow a 4-to-1 or 5-to-1 advantage was a good Yankee swap, but this is the type of swapping the President of the United States, under the advice of his distinguished Secretary of State and College Professor Sayre, is undertaking for this country. This swapping has brought about the expansion of imports coming into this country in the ratio of 4 and 5 to 1 as against exports going from this country to foreign countries.

In the 11 months ending November 30, 1935, our exports increased only $96,000,000 over the same period last year, while our imports increased $338,000,000. These are statistics taken from the January 10 report of the Department of Commerce, an official document which I have here before me. The loss for the domestic producer was in the ratio of nearly 4 to 1, and yet we were told that the trade-treaties program would result in a net benefit to him.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield at that point?

Mr. TREADWAY. Mr. Chairman, I am sorry I cannot yield to the gentleman.

The publicity given out by the State Department as to the results of the reciprocal-trade treaties always refers to the increase of exports which has resulted, but it never offers comparisons of the excessive increase of importations. For

example, the agreement with Cuba has been referred to as being beneficial to this country. Actually, it has been five times more beneficial to Cuba than to the United States. It became effective September 3, 1934, and in the 12-month period following, the increase in our imports from Cuba was $103,000,000, compared with increased exports to Cuba of only $21,000,000.

If this is the kind of swapping we are getting under your reciprocal-tariff agreements, I am Yankee enough to want to repudiate and repeal them.

The President has entered into 10 agreements so far under this so-called authority to make trade treaties. The countries with which agreements have been consummated are Cuba, Belgium, Haiti, Brazil, Sweden, Colombia, Canada, Honduras, the Netherlands, and Switzerland. Nobody has yet told me the difference between these so-called trade agreements and a foreign treaty requiring the approval of the Senate of the United States. Not one of these agreements has ever gone to the Senate. All but four of these treaties are now in operation. The Netherlands agreement becomes effective February 1, and the Swiss agreement on February 15. The Colombian and Honduran agreements must be ratified by the legislatures of these countries.

How awfully humiliating it is to us American citizens to think that some delegated official can enter into agreements in behalf of our Congress while we stand helpless and see them do so, realizing at the same time that the legislatures of the country affected must give their O. K. You on the Democratic side of the House may like it, but we on this side do not.

Reductions of duties in the case of one country are extended to all countries, with no reciprocal concessions required in return. It therefore amounts to a general tariff reduction, and that is what it is intended to be. The Democratic Party has not dared to come before the Congress of the United States and go through the formalities of reducing tariffs legitimately, legally, and constitutionally. They either know the tariff does not need revising or that the people would repudiate their reductions at the polls.

Mr. SNELL. Mr. Chairman, will the gentleman yield for a question?

Mr. TREADWAY. Yes; I yield for a brief question.

Mr. SNELL. Do I understand that the fact they lowered tariff rates on agricultural imports from Canada means that the same treatment is accorded to other countries?

Mr. TREADWAY. Other countries get the same benefit, but give up nothing in return. It is an act of generosity on the part of the President.

Mr. SNELL. To the detriment of the agriculture of the United States.

Mr. GIFFORD. Yes; under the reciprocal feature of tariffs with the other countries.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield for a question?

Mr. TREADWAY. Having yielded to the gentleman from New York, I now yield to my neighbor and friend, born in the Berkshire Hills.

Mr. FITZPATRICK. Will the gentleman point out the ratio between our total exports and total imports? I know the gentleman does not want to give a partial picture.

Mr. TREADWAY. I am not attempting to give those totals, as they are not relevant here. I am showing the effect of these swapping bargains that the gentleman's party inaugurated.

Mr. FITZPATRICK. Is it not a fact that the exports——

Mr. TREADWAY. Mr. Chairman, my time is limited. I ask the gentleman to please let me proceed.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Mr. Chairman, I just declined to yield to the gentleman from New York. I am sorry; I cannot yield further.

Germany is the only country, I may say to the gentleman from New York [Mr. SNELL], that is excluded from these bargains; and the reason Germany is excluded, as I understand it, is that that country has imposed certain discriminations against American imports into Germany.

Under the Swedish agreement the President made reductions in 35 groups of commodities. Among the principal items that affected the section of the country I come from, New England, there was a reduction of 16⅔ percent in the duty on wrapping paper and a 50-percent reduction in the duty on processed paperboard. The importation of kraft paper in the first 4 months following the Swedish agreement amounted to 4,600 tons, whereas in the entire previous year, 1934, there were only 4,000 tons imported. That was 4,000 tons in the entire period of a year, as against 4,600 tons in 4 months. If the Democratic Party wants that kind of a swap, they may have it; but in the meantime the paper mills of New England are partially closed, and in some cases completely closed.

Let us take the Canadian agreement, to which the gentleman from Wisconsin referred. I have before me a list of reductions in the duties on the products of American farms, mines, forests, fisheries, and manufacturing establishments. Among the items on which reductions on duty of up to 50 percent were made are the following: Cattle, dairy cows, cream, cheese, poultry, maple sugar, breakfast foods, apples, strawberries, blueberries, cherries, peas, seed potatoes, turnips, hay, fish, lumber, pulpboard, harness and saddlery, and patent leather.

Here is a very interesting thing about the Canadian treaty. It establishes a quota for the importation of certain Canadian imports into this country at reduced rates. If this reciprocal-agreement idea is good for anything, why is it not good for the whole of the importations? Why limit it to certain quotas? I think perhaps the gentleman from Wisconsin would be interested in that. Of course, the fact is that although the quantity of goods to be imported at reduced rates is limited in certain instances, this limited quantity will establish the market price for the entire domestic production. That is what it will do to us.

Mr. McCORMACK. Will the gentleman yield?

Mr. TREADWAY. Very briefly. I know the gentleman has a wonderful knowledge.

Mr. McCORMACK. The gentleman does not kill me with kindness, and I do not need it. The gentleman knows that the quota is for the very purpose of meeting the argument that he himself is making.

Mr. TREADWAY. Will the gentleman tell me why it is limited, if it is a good thing to have any additional imports at all? If it is a good thing to reciprocate, why not go the whole way? The gentleman's party does not dare to.

Mr. McCORMACK. The very purpose of that is to meet the gentleman's own argument.

Mr. TREADWAY. I do not yield further, as I am not arguing for increasing the quota, but repeat that a partial reciprocal arrangement shows that the proponents are afraid of their own bargain.

Mr. McCORMACK. What is New England's attitude on that matter?

Mr. TREADWAY. I do not yield further to the gentleman.

Mr. McCORMACK. Of course, the gentleman does not dare to yield further.

Mr. TREADWAY. And the gentleman and his party does not dare tell the complete story. In addition to reducing the existing duties on many items, other articles have been bound on the free list by the Canadian treaty. That is a splendid arrangement! We have entered into that same arrangement in connection with some of these other reciprocal deals. We have agreed that there should not be any duty, for instance, on coffee. Has anyone suggested a duty on the coffee which comes in from Brazil? It is ridiculous. The same proposition appears in this Canadian deal. It is agreed that on some things there will not be a duty placed. There is none on them now and no expectation to put any on.

Mr. Chairman, the distinguished gentleman from New York [Mr. O'CONNOR] a few moments ago spoke about going

to the country in a few weeks upon certain issues. I prophesy that the Canadian reciprocal treaty, unconstitutional as I know it to be, will be one of the main issues in the approaching national election. Mark what I say! Mr. Chairman, why should we of this country import increased quantities of farm products from Canada or other countries when we already have an overproduction in our own country? Can anybody answer that question?

The Democratic Party has curtailed production; they have taken land out of use and paid people for not using farm land; still they invite the importation of farm products from Canada. "Consistency, thou art a jewel."

There is another example which I have before me. Even with existing tariffs, farm products have been coming in from abroad in increasing quantities, while farm exports have been decreasing. Here is a list of imports of agricultural products in the first 11 months of 1935, as compared with the same period in 1934:

Animals and animal products, edible, $44,779,000 in 1934; $68,146,000 in 1935. Included in this category are meat products, which increased from 57,000,000 pounds in 1934 to 105,000,000 pounds in 1935; also butter, which increased from 1,000,000 pounds in 1934 to 22,000,000 pounds in 1935.

Animals and animal products, inedible, $103,479,000 in 1934; $137,820,000 in 1935.

Vegetable food products and beverages, $425,375,000 in 1934; $529,128,000 in 1935. Included in this category are grains and preparations, which increased from $28,000,000 in 1934 to $68,000,000 in 1935.

Vegetable products, inedible, $206,792,000 in 1934; $255,574,000 in 1935.

In every instance there has been an increase in agricultural products brought into this country in competition with the farm products raised at home, while our agricultural exports have declined. There must be some explanation. If the Democratic Party wants to go to the farmers up in my territory on that basis, I hope they will be given a chance.

What did the candidate, Roosevelt, say in 1932 about farm products? He said, "I know of no effective excessively high duties on farm products." Still he allows agricultural duties to be reduced all along the line. He further stated: "I do not intend that such duties shall be lowered. To do so would be inconsistent with my entire farm program." His opinion seems to have changed very materially since he made that speech as a candidate before the farmers on October 26, 1932.

The President's pledge not to reduce agricultural tariffs must now be added to the long list of broken campaign promises. I think about the best illustration we have with reference to the demerits of the present farm program and the reciprocal-tariff agreements is the statement of a member of the Democratic Party and the President's recent foreign-trade adviser, Mr. George N. Peek. He has now gone the way of Lewis Douglas and other able men who could no longer stand the policies of the New Deal. He was correct when he said that the farmer is being made to "take the rap." Those are his identical words—the farmer is being made to "take the rap."

The gentleman from Nebraska [Mr. COFFEE], a member of the Democratic majority here, inserted in the RECORD on January 10 a letter from Mr. Peek to the farm leaders' meeting in Washington to evolve a substitute for the A. A. A., and among the recommendations Mr. Peek made was the following:

> The farmers should be given the full benefit of the domestic market. The importation of competitive agricultural products should be stopped. The attempt should be abandoned to effect a general reduction of the tariff through the medium of the so-called reciprocal-trade agreements program and the unconstitutional most-favored-nation policy.
>
> I do not feel that general tariff reduction is an appropriate policy at a time when 10,000,000 or more are out of work and when we are trying to restore domestic economic balance.

When the Canadian treaty was announced the administration tried to convince the farmers that the increased importation of Canadian agricultural products would be offset by increased exports of United States products to Canada. In this it was absolutely wrong, as usual. Our increased imports from Cuba in the first year under the operation of the Cuban treaty, amounting to $103,000,000, were only offset by $21,000,000 of increased exports to Cuba, as I have already shown. So far as the Canadians are concerned, they are not obligated to buy a single dollar's worth of United States farm products, and the chances are they will be smart enough not to. Moreover, our farmers should remember that they only get reduced rates from Canada while their own home market is thrown open to the entire world.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I must yield, with all deference, to the chairman of my committee.

Mr. DOUGHTON. The markets are thrown open, but are we obligated to buy? The gentleman says they are not obligated; are we obligated?

Mr. TREADWAY. If they will be able to buy——

Mr. DOUGHTON. Answer that question.

Mr. TREADWAY. We are Yankees enough to want to buy where we can buy the cheapest.

Mr. DOUGHTON. The gentleman says they are not obligated, and I now ask him if we are obligated to buy from them?

Mr. TREADWAY. The gentleman, who is known in North Carolina as "Farmer Bob"——

Mr. DOUGHTON. I want the gentleman to be fair and answer that question.

Mr. TREADWAY. As a good farmer in North Carolina, I am sure he will buy where he can buy the cheapest. He is too good a Yankee to do otherwise.

Mr. DOUGHTON. The gentleman said they were not obligated, and I now ask him to be fair and state whether or not we are obligated to buy their goods?

Mr. TREADWAY. The gentleman's own Yankee sense teaches him to buy where he can buy the cheapest.

Mr. DOUGHTON. The gentleman does not answer because he knows we are not obligated to buy, and yet he tries to leave a different impression. [Applause.]

Mr. TREADWAY. Of course, it is not a question of what we are obligated to buy, but what the foreigner will be able to ship into our market to the detriment of our own producers. But, to answer the gentleman, I will say that we are buying from abroad now in great quantities and will buy even more under reduced tariffs. That is what the Democratic Party wants us to do—buy foreign, not American.

Here is a point that the gentleman from New York [Mr. SNELL] brought out. Farmers should remember they only get reduced rates from Canada, while our market is thrown open to the world. This is the serious rub. There is a very excellent illustration of this with respect to Cuba. We are today losing five times more than we gain under the Cuban agreement—five times extra; and it must be remembered that the Cuban reductions are not generalized in favor of other countries as are those made in the other nine treaties thus far entered into.

Under the agreement recently concluded with the Netherlands the farmers were again made to "take the rap." Items on which the duty was decreased included: Potato starch, wrapper tobacco, cheese, pearl barley, flower bulbs, garden and field seeds, split peas, cabbage, sauerkraut, cacao butter, bristol board, and strawboard and straw paper.

Now, there are certain items here of much interest to my section of the country; for instance, wrapper tobacco; a reduction of from 26½ percent to 34 percent on the particular kind of tobacco grown in the Connecticut Valley.

This is a tremendous reduction, and I am confident that the farmers of the Connecticut Valley will resent being forced to limit their production and then have the administration encourage increased foreign importations. The reduction in duty is bound to drive down the domestic price and force United States growers to give up home production. The importations will come chiefly from Sumatra, one of the Dutch East Indies, where tobacco is produced by forced labor. We had that question up here 2 or 3 years ago. The Con-

necticut farmer pays an honest day's wage to his employees on the farm, and yet he must compete with this foreign tobacco produced by convict and indentured labor.

There is a 50-percent reduction in the duty on strawboard, which is made at a time when foreign offerings are already being made at less than the American cost of production. The 33⅓-percent reduction in the duty on bristolboard also affects New England industry. The imports are used chiefly in making lamp shades. We can make just as good products here.

The Netherlands agreement offers an interesting situation. They agree to buy American wheat and flour equal to 5 percent of the consumptive demand. Now, see the joker there which is included in this proviso:

Provided, That the price of the milling wheat originating in the United States of America is competitive with the world price for milling wheat of comparable grade and quality.

This absolutely lets them out unless we meet the world price.

The agreement with Switzerland also offers a very interesting set of comparisons. The reductions are practically all on industrial items. The principal exception is a 30-percent reduction in the duty on Swiss cheese. The gentleman from Wisconsin [Mr. SAUTHOFF] has already referred to the item of Swiss cheese. This is a reduction against agriculture, but most of the Swiss reductions are on industries. Among the industrial items on which reductions in duty were made are the following: Coal-tar dyes, watch movements and parts, fine-count cotton cloths, silk cloth, knit underwear, straw hats, machine-embroidered fabrics and articles, certain kinds of machines, and turned shoes.

We all know what a hard struggle the watch industry in this country has had over a period of years. Out of the 40 or 50 factories formerly operating only 3 are in business today.

My friend from Illinois [Mr. REED] has handed me a communication from one of these three remaining watchmakers, who happens to be a constituent of his. Here is what he has to say in regard to the reduction in the duty on watches:

The reductions in the treaty are drastic, and we cannot at this time predict the result. It is safe to say, however, that we will not dare to further increase employment nor wages with these new handicaps staring us in the face.

I prefer evidence like that, Mr. Chairman, to that provided by college professors dealing through the State Department headed by a "free trader."

If the Swiss Government—

He continues—

will really try to stop smuggling it will to some extent offset the increased legal importations of their watches.

If they will. "If" is a small word, but there is a lot back of it. We have tried to legislate here for the protection of our people against smuggling. There is a bill awaiting action in the Senate now that might do some good, but there is not a more intricate schedule in the entire tariff list than that of protection against watches and clocks. It is very intricate. The Ways and Means Committee with its experts spent—I was going to say "weeks"—in trying to set up a fair schedule; and still, in a brief period of a few hours, when they send social lights over here from Switzerland, they are entertained here by our people and made a great deal of; and the Secretary of State and his cohorts sit around a table behind locked doors and tell the watch people of this country what rates of duty they can get agreeable to the people from Switzerland.

Certainly the agreement will strike a deathblow to the watch industry of this country, of which there is a factory in my State, now represented by a gentleman who I imagine would vote for the reciprocal tariff if he had a chance—the gentleman from Cambridge [Mr. RUSSELL].

This watch industry is important to the national defense, as it manufactures timing instruments used in war, and, unfortunately, they are needed then. Nevertheless, the law sacrifices this industry while foreigners send in their product, provided they say they will not smuggle any in if they can help it. That is a great notion.

What about the reduction in the duty on certain cotton cloth, affecting the textile industry in my section? While in Japan recently I visited a cotton mill, and at a later date I hope to make reference to that. Think of it! Where they pay a wage of a yen or a yen and a half, about 40 cents a day, our wages in this country are 30 times as much. Moreover, their workmen work 17 hours a day.

In the first 11 months of 1935 we imported 59,000,000 square yards of cotton cloth, as against 37,000,000 square yards in the same period the year before. The distinguished Secretary of State has recently been in consultation with Japanese representatives who are offering to reduce their cotton exports to our market to moderate levels. That is a pretty indefinite statement, "moderate levels." I have seen some indications of the capacity of the Japanese in the last few weeks, and I am wondering what they consider moderate levels. They are only interested in their capacity to get into our markets and nothing else.

The policy of the administration in regard to imports was set forth by Secretary Hull in a letter to Chairman DOUGHTON last April.

Secretary Hull said:

In my opinion, it is not only unwise as a general policy to yield to the demand for greater restrictions upon imports, but would be particularly unfortunate at this time, since such action could not but weaken the leadership of the administration in the efforts that it is making to reduce the many restrictions hampering the flow of international trade.

Under the reciprocal tariff act, tariff making has been taken out of the hands of Congress, where it constitutionally belongs. I do not think that fact can be impressed too strongly on the minds of the American people.

Under the Constitution we have the right to originate tariff rates, but under the New Deal we have that power no longer.

We have a useless Tariff Commission that was intended to give information to Congress on how to adjust tariff rates, but now there is a secret trade agreements committee which fixes the rates.

The tariff is the only bulwark between our standard of living and that of the rest of the world. When we make these swapping bargains with foreign countries, we are making very serious trades, my friends. What we are actually doing is bargaining away the livelihood of our citizens. I repeat, as I have said on this floor previously, that no one man or small group of men should be given such a power as we under these reciprocal treaties—and that is what they are; not trade agreements—give to the President of the United States. A secret group from the State Department sits behind closed doors to agree with representatives of foreign countries what our people shall be permitted to produce at home and what they shall be compelled to buy abroad. Final approval is given by the President; and, naturally, no one head—as brilliant as our President is—can understand all those details that are involved. The Congress, in neither branch, has any power or opportunity to approve or reject these agreements when entered into; but many of them cannot be entered into by a foreign country unless their body corresponding to this agrees to it.

The trade-agreements program has been forced upon Congress and the American people. The former policy of protecting the American market for Americans can only be restored by the election of a Republican President and a Republican Congress in November. [Applause.]

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. FITZPATRICK. Mr. Chairman, I yield 20 minutes to the gentleman from Texas [Mr. SUMNERS].

Mr. SUMNERS of Texas. Mr. Chairman, seated in the gallery or on the floor of the House listening to these discussions the average person would have a suspicion that probably we are approaching a general election. In that fact lies a very great danger which Members of Congress on each side of the aisle must hold in constant understanding and appreciation. We do not expect the truth, the whole

truth, and nothing but the truth from either side. The Democrats are going to claim more than they are entitled to, and the Republicans are not going to give them credit for what they ought to have. But in this campaign and in shaping the governmental policies of this country during this session we must not forget that we are still in a very critical situation in America. The statement is true I believe that when this administration came to responsibility it inherited a deficit which had been accumulated within the 3 or 4 years preceding the beginning of the administration of several billion dollars. I think it will be conceded also, and we must understand, the condition that obtained in the country at the time this administration came to responsibility. I quite understand the arguments that you are going to make, that conditions would naturally improve, and so forth, and that is a legitimate argument if you can get by with it; but in any event we well remember, those of us who were here and have been here, the crisis, the apprehension, and the humility with which the great interests came here begging for salvation.

Our deficit now stands above $30,000,000,000. I would not be candid if I should state that I have agreed with this administration in all of the details of what is known as the New Deal. I have agreed with the administration, and do agree with the administration, in what I believe to be the two fundamental things the President himself adheres to. I believe the President has a deep sympathy for the average man, and notwithstanding what we may say here, I think this is the first time a President has appreciated the natural position which agriculture holds in the economic structures. Let us see what is our situation. We lack $30,000,000,000 of having a cent in the Treasury, and we are showing no substantial disposition to balance the Budget. There has been created throughout America, and it exists throughout America, a feeling that the short cut to the settlement of all public and private economic difficulties is to come to the Federal Treasury and get the money. That is a bad situation, and it is going to bring all sorts of problems to us. This administration has done one or two definite things. I think it will be agreed that it prevented a crash at a big price, and insofar as we are all concerned as a community, we are in the same boat, and the money that we have borrowed we have borrowed from ourselves as a community. That is a fortunate situation, but it is one that calls for a very high degree of statesmanship in working ourselves out of the difficulty. Many billions of dollars it has cost and a crash has been avoided, and circulation, though we must admit it has been stimulated largely by artificial means, has at last been obtained in the economic body, and we do not owe anybody anything. We owe it to ourselves, and the people who have loaned that money to the Government probably would not have had any money to loan to anybody if the things had not been done which have been done.

We are going to run into another very interesting thing, and that is that the people who were broke 3 or 4 years ago and who do not consider themselves broke now are not willing to pay the price of their salvation. They do not want to pay for the change in their economic condition, and we are going to run into that on both sides. It does not make any difference who comes into power next time; that is one of the problems that we will have to confront.

I want to call your attention, regardless of whether you come from a city or the country, are a Democrat or Republican, to one thing that has to be done before we leave here. I believe it to be a historically established fact, beyond any question of doubt, that the beginning of the paralysis of the economic body—and that is what has been the matter with us—began with the paralysis of the buying power of the agricultural interests. The facts leave no question about that. My distinguished friend from Michigan the other day made the statement that the automobile industry had lifted Michigan out of its depressed condition. The truth of it, of course, is if there had not been farmers and those directly dependent upon farmers scattered all over the country to buy the automobiles from the manufacturers in Michigan, the manufacturers in Michigan could not have done anything on earth about the situation.

We are in this very great difficulty in dealing with the agricultural situation. I am speaking to you not as Republicans or Democrats. When we passed the protective tariff act and it was held constitutional by the United States Supreme Court, then when we went further and cast off all disguise of trying to raise money by the tariff act and gave to the President of the United States the power to raise the tariff when prices and profits of tariff beneficiaries were too low, and it was held by the Supreme Court that the power is inherent in the Federal Congress to give to the President that power, a very far-reaching thing was done. When prices are not compensatory the President of the United States can raise the prices which Americans pay for the products of tariff-protected industries. Now, let us look at that a minute. That is a clear-cut holding by the Supreme Court, that the Congress has the power to deal directly with prices and profits, not revenue, or to delegate that power to the President; but prices and profits of a particular group of our people, not as such, of course, but people engaged in particular sorts of industry which happen to be tariff protected. Regardless of what you think about the protective tariff, the result of the application of that tariff tends to put out of natural balance the economic equilibrium as between and among the industries of this country, especially as between industry and surplus-producing farmers. We did not feel that so much when we had so much new territory and the railroads carried large numbers of people quickly into virgin agricultural territory, and carried with them these fine agricultural implements with which they proceeded to rob the soil of its productivity. This did not mean so much to us when we were a debtor nation and we could pay our interest account to foreign countries with the surplus of our agricultural production; but when the war was over and we came back with much of the world's gold, and we came back a great creditor nation instead of a debtor nation, we lost, as a result of that, a great part of our foreign market; at least, it was made more difficult to hold it. That produced a new condition which challenges the genius of the statesmen of this particular period in which you and I live.

We used to talk about the problems of the farmer as something that was of interest to the farmer, and the appeal on behalf of the farmer was to do justice to the farmer, but under pressure of inventions and discoveries, the details of which I will not have time to go into, you all know the picture, anyway, to a degree that never obtained before in the world, every industry is part of every other industry, and in a peculiar sense, agriculture is the root of the tree. I do not believe that any statesman, any political philosopher, would offer any theory under which he could hope for prosperity in America, that did not carry with it prosperity to the 30,000,000 people who live right down next to the soil. They are, in a peculiar sense, the root of the tree.

Now, so much for that. What does this decision of the Supreme Court do? I am not going to criticize the Court. I do not want to get into that field at all; but what is the situation in which we appear to be left? We appear to be left in a situation where a part of the industries of this country may have their prices arbitrarily raised by the might of Congress and the President in order to give them better prices and better profits; and, on the other hand, this great unorganized body of American citizens who farm, apparently, insofar as we have been able yet to devise, are left outside of the exercise of that power. That is not something which is far away in its importance to those of us who live in the cities. When you come to examine the economic organization, made up of all our industries, you will discover it it very similar to the organization of the human body. I mean modern economic organization. Just as certainly as you cannot take any more blood out of that hand through the venous system than the arteries put in, these farmers cannot buy any more automobiles and other things from us than we give them the money to buy with in exchange for their commodities. We learned that as an actual fact.

That is one thing for which I can hardly excuse the captains of industry and the supposed-to-be wise men of this country. Actually they saw the farmers get 13 cents a bushel for corn, 5½ cents a pound for cotton, 8 cents a bushel for oats in my country, and everything else in proportion, and they thought it was fine. But the result of it was that while we were moving their commodities to us we did not give them enough in exchange to move our commodities back to them. If the farmer could not buy, the man in the village could not buy. If the man in the village could not buy, the people in the city of Dallas, where I live, could not buy; and finally it went on until the manufacturers, who produced automobiles in the great cities of my friend, could not sell. Yet those people actually felt, apparently, that it was a fine situation.

I make this statement, measuring my words—and I say this in no unkind spirit—the producers of exportable agricultural surpluses are being deliberately bled by this Government through the protective tariff and that blood pumped into industries. That is the purpose of the tariff. A protective tariff is for the purpose of dealing with prices and profits; giving some people more prices and more profits than they would otherwise get. On down the line this boost in price is passed until these unorganized producers are reached. They cannot pass it on. They sell to the highest bidder in competition with the cheapest producers in the world. I speak as a city man. In my judgment we have in that situation the greatest threat to industry, to recovery, to stability. If we permit the buying power of these 30,000,000 to become paralyzed again, that paralysis, as certainly as night follows the day, will creep on up through the village of Garland, where I once lived, to Dallas, where I now live, into St. Louis, into Chicago, and into New York, and we will have spent in vain these billions of dollars, and will be right back where we started 3 years ago. [Applause.]

I have 2 minutes left. I wish I had more time. Let me renew what I said in the beginning, Mr. Chairman. When I heard these gentlemen making political speeches I said to myself, "Boys will be boys." We have a campaign on and we know it. Each side is going to win if it can, and we know it. But I want to say this to the compliment of the Congress: I have been here a long time, I have seen partisan spirit manifested here, but I have yet to see a time of real crisis in the country's history when the men and women on the Democratic side and the men and women on the Republican side were not able to be statesmen, were not able to forget they were Democrats, to forget they were Republicans, and come to the service of their common country. [Applause.] This next campaign, we must not forget, will be fought out in an atmosphere of the great economic danger and of the gravest sort of dangers to this country of ours. This session of Congress will be conducted in that atmosphere. My time has expired.

[Here the gavel fell.]

Mr. MORAN. Mr. Chairman, I yield such time as he may require to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Chairman, I wish to take only a few minutes to call attention of the Members of the House, as well as the people of the country, to the fact that in this appropriation bill is carried the first appropriation made for the Comptroller General of the United States and the General Accounting Office in the past 16 years that will not be administered by Comptroller General J. R. McCarl.

Mr. McCarl was appointed to his present office by President Harding. Under the law his term of office is 15 years, and he cannot be reappointed unless existing law should be amended to permit such action. His term expires June 30, 1936.

I became acquainted with Mr. McCarl long before he was appointed to this position, and while it is true that he is a Republican, was named by a Republican President and confirmed by a Republican Senate, yet I, as a Democrat, am glad to testify that, in my judgment, his administration has been absolutely fair and just to all. Further than that, he proved that he was the proper man for the position. His job is to say "no", and in saying "no" he has been cursed and criticized, in my opinion, more than any official who ever served the Government. This criticism has come from Presidents, Cabinet officers, bureau officials, and Government employees. Why? Because he had the courage to perform the duties of his office as the Congress in enacting the law said he should perform them.

It was not a personal matter with Mr. McCarl. The Congress provided that he should see that money appropriated should only be spent as the various laws provided. When officials and employees of the executive and judicial branches of the Government attempted to spend money from specific appropriations other than we said it should be spent, it was the Comptroller General and the General Accounting Office that saw that the mandate of the Congress was carried out. His office has considered hundreds of millions of dollars, if not billions, in claims. It is impossible to estimate the amount that decisions of this Office has saved to the taxpayers of the country.

As chairman of the Committee on Expenditures in the Executive Departments I have always received from Mr. McCarl and his able associates valuable assistance and fine cooperation, and I know requested reports furnished on pending legislation and reports to committees of the Congress on various matters have been exceedingly helpful in every particular. I feel sure that a vast majority of the Members of this great legislative body join me in extending to General McCarl our generous thanks for his fine cooperation and assistance during his tenure in office and our sincere good wishes for his future good health and happiness. [Applause.]

In this connection I deem it meet and proper to say that I believe the Congress should be greatly interested in who is to be the next Comptroller General who will head the General Accounting Office—the organization that is the right arm of the legislative body. It should be remembered that the Congress can lay taxes and appropriate money for what it believes will best serve the public interest, but it must rely, to a large extent at least, upon the General Accounting Office to see that the appropriation laws are properly carried out. As I said, the present Comptroller General has for the past 15 years rendered highly efficient service, even though potent opposition has had to be met.

I repeat that the selection of the next Comptroller General is, and should be, of vital interest to the Congress of the United States, and my hope is that only a man of great ability and strict integrity will be selected by President Roosevelt to fill what I consider one of the most important offices in the Federal Government. [Applause.]

Mr. MORAN. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. McCORMACK. Mr. Chairman, I listened with great interest to the remarks of our distinguished and beloved chairman of the Committee on the Judiciary [Mr. SUMNERS of Texas] and I was very much impressed with his opening statement that the attack of the Republicans on the Democratic Party and its policies of the last 34 months will be more severe than the evidence and the record justifiably warrants, and that the claims of the Democrats will constitute to some extent an exaggeration of the benefits the administration has brought to the country since it went into power. I think, as practical men, we can all agree with this statement; and I think, as practical men, we can all see that these two conditions might occur—underestimation and exaggeration—and still have a remote connection with the truth.

It is in connection with an article appearing in this morning's papers that I have asked for time to refer to an unfair and vicious implication from Mr. Fletcher, the chairman of the Republican National Committee, which I think is so far removed from the truth that it does not reflect a true state of mind of the fair-minded members of the Republican Party of either the House or the Senate. I like a good fighting man or woman Member of the House. [Laughter.] I see the gentlewoman from California [Mrs. KAHN] here. I like a Republican who fights for what he thinks is right, and for his party. Naturally, we have a mutual respect for one another, realizing that both great parties are striving for

the control of government and that between the parties and the control of government are the voters. Such fair policies as might attract support, and such fair procedure as might be consistent with obtaining control of government, are followed by practical members of all parties.

In taking this course, however, with all of the colorings that are employed, which are justifiably employed, there is a limit beyond which anyone should not go. Mr. Chairman, I think the chairman of the Republican National Committee went beyond that limit in a disclosure of communications between himself and the National Broadcasting Co. and the Columbia Broadcasting Co. in relation to the securing of time with reference to a "political skit" it was contemplated to put on over the air. I am not going into the controversy as to whether time for this "political skit" should have been granted by these two great broadcasting agencies. I shall not comment on the discussion as to whether or not time for political speeches should be given before next June where compensation is charged. Time is now given gratuitously, so I understand. I am not concerned with these questions because they are matters between Mr. Fletcher and these two broadcasting chains. But when Mr. Fletcher and others undertake to charge that the administration is in some way connected with such actions, then I think Mr. Fletcher goes far beyond what is honest, what is fair, what is proper, even under the harsh and practical rules of politics. If we Democrats were to make this charge against a Republican administration in power, I would take the same position, in the absence of evidence supporting such a charge.

I like a good fighter. I admire my friend TREADWAY when he gets down here in the Well and makes a fighting speech. I like my friend EATON when he gets down here and makes a fighting speech. I like to see a fair and hard blow given, and I like to see men take fair and hard blows themselves. I do not like to see charges made that are entirely unjustified, such as the charge made by Mr. Fletcher, the chairman of the Republican National Committee. He does not make the charge directly, but in a subtle manner he conveys it. I am confining my remarks to Mr. Fletcher and to Mr. Spangler, director of the western division of the Republican National Committee, who joined with him.

What does Mr. Fletcher say? He had a controversy, and he had a perfect right to express his opinion with reference to whether or not these broadcasting stations were right or wrong. I have no controversy with him on the matter of whether or not he thought this "political skit" should be put on. He has a perfect right to take a position on that matter. I might have my own individual opinion as to the advisability, because of general opinion existing, with reference to those in the public service of putting on such a skit. I believe that everyone under whom I have served has been honest and zealous in his efforts in the public service, and lack of confidence on the part of the public has been brought about by this type of campaigning that is sometimes engaged in, together with ridiculous charges that are made and which are in no way connected with the elements of truth. But when he undertakes to imply that the action on the part of the National Broadcasting Co. and the Columbia Broadcasting Co. is connected with the present administration, then I say he should produce the evidence. I challenge him to produce that evidence. In the absence of the production of the evidence, the gentleman stands before the American public as a prevaricator.

Mr. BOLTON. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Ohio.

Mr. BOLTON. In view of what the gentleman has said with reference to these charges, would the gentleman object to having the full correspondence in this matter added to his remarks?

Mr. McCORMACK. I do not think the gentleman is justified in asking me to have that kind of correspondence added to my remarks. The gentleman can take his own time and offer that correspondence.

Mr. BOLTON. I think it would be illuminating.

Mr. McCORMACK. Does the gentleman mean to say on his honor as a Member of the House and as a gentleman, without regard to the minor issues involved, that he has any evidence to support the fact that the administration influenced the action of these two broadcasting companies?

Mr. BOLTON. I am merely suggesting that the correspondence with reference to this matter might be inserted, and then we could judge for ourselves.

Mr. McCORMACK. If the gentleman wants to do that on his own time, he is perfectly at liberty to do so.

Mr. BOLTON. My suggestion is that this might be the proper place to insert the correspondence.

Mr. McCORMACK. The gentleman may get time from the Republican side in which to insert it. I want to yield all I can, but the gentleman himself knows that if I were to ask him to put in correspondence as a part of his remarks when he had the floor the gentleman might well take a position in opposition without being placed in the position of being afraid to.

Mr. BOLTON. I thought it might be proper to put it in here.

Mr. McCORMACK. I submit the matter to my friend's honest judgment.

Mr. Chairman, what I say is purely impersonal. A number of implications are made. Here is one of them:

> Whether or not they are doing this of their own free will or this position is taken by them through fear of the administration in Washington has not been disclosed.

So said Mr. Spangler.

Mr. Fletcher in his letter to the broadcasting companies stated:

> I cannot, however, free myself of the impression that the attitude you have taken is affected and perhaps involuntarily controlled by the political party in power, which regulates the issuance of your licenses.

He also makes other unfair implications and his letter clearly shows that he has absolutely no evidence in support of the same. These implications are not fair. It is conveying subtly, insidiously, unjustly, and dishonestly to the American public an impression that does not justifiably exist.

They admit they have not the evidence, and yet they subtly present the impression to the American people that because of some controversy between these two stations and the chairman of the Republican National Committee, coupled with the refusal of the two broadcasting stations to take favorable action, there must be some influence on the part of the present administration.

Mr. HOFFMAN. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Michigan for a serious question.

Mr. HOFFMAN. Agreeing with all the gentleman has said, and assuming that Mr. Fletcher has no basis for the charge, will the gentleman answer me seriously this question: Does he think that the President was fair the other night when he charged his critics with being greedy and ambitious and further charged them with having improper motives?

Mr. McCORMACK. Of course, I am not agreeing he made those specific charges.

Mr. HOFFMAN. That inference could be drawn from the President's remarks.

Mr. McCORMACK. The gentleman's question is not relevant to my remarks, but I will answer the question. The gentleman, I know, will disagree with me, and I respect his right of disagreement. I am absolutely in accord with the sentiments expressed by President Roosevelt on that occasion.

Mr. HOFFMAN. And those inferences?

Mr. McCORMACK. I am absolutely in accord with the President's views. I may say that he confined his statement to the group that have injected business into politics, and that small group of utility magnates, not the 90 percent, who sent the message to the American people that the utilities should "gang up" against the administration, and that is the phrase the President properly used. He simply used their own language and accepted, for the people, their challenge.

Business should mind its own affairs, so far as directly entering into politics is concerned. A certain percentage of businessmen have gone into politics and the very element that have gone into politics is the element that have created



the abuses which called for consideration somewhere. The abuses that they caused called for regulation and control. They refused to or could not control the situation themselves. The continuance of these abuses would have been and is harmful to the American people. It necessarily follows that we must turn to the only agency we have, the Government of the American people, to regulate and control those abuses, for the general welfare of all our people.

Mr. HOFFMAN. Will the gentleman answer this further question: If that is what the President meant when he was talking to us, why was it necessary for him at the Jackson Day dinner to qualify his statement?

Mr. McCORMACK. That was no qualification.

Much has been said about the President appearing here. Without regard to his motive—and I do not agree with his partisan critics—may I say that we are all in the political field. I have heard a few of my distinguished friends on the Republican side take the floor and talk about politics. There is not a thing that we do that is not connected with politics. If we get a job for some poor unfortunate man in our district, we cannot divorce that fact from politics; yet our motive may not have anything to do with politics. That is the field we are in. If we do something for a friend, politics is charged; and yet if someone else does something for a friend it is called friendship. We are practical men and women, but everything we do has a connection with politics. Irrespective of what our motive might be, that is the result.

One result of the President's appearance here will be good for all time in the future. To have a President of the United States, whoever he may be in the future, appear before the Congress at a time when as many of his people as possible can have the opportunity of hearing him will be good for the country. This will bring the Government closer to the people. Regardless of what the motive may be, this will be the result.

Why do you suppose our Supreme Court appointed a press agent; and who would dare criticize that? I would not. I applaud it and I approve it. The purpose is to bring the Supreme Court and the people closer together.

[Here the gavel fell.]

Mr. MORAN. Mr. Chairman, I yield the gentleman from Massachusetts 3 additional minutes.

Mr. McCORMACK. If that is not the purpose—and I do not say it is—it is the result. It has a tendency to bring government closer to the people, and I approve what the Supreme Court has done; and brushing aside politics and looking at basic results, the appearance of the President here at a time when the maximum number of American people could listen to him is a good precedent to establish, and one that I hope all future Presidents will follow, because it brings government and the people closer to each other. [Applause.]

It is easy to criticize, and some of my friends have asked the question: What about the cost? Well, all I can liken it to is the expense of maintaining a family. When we talk in billions it looks big, and it is big, but when we get down to a family, then we begin to understand these questions better, and the American people will understand them better. Take one of our own families. We are getting along, income is coming in, with normal times, and our outlay is dependent upon our income. Everybody is happy and the members of the family are well, and then sickness happens, and when sickness happens in a family that is when expenses start. That is when we have to incur emergency expenses, and when sickness visits a nation that is when we have emergency expenses confronting the nation. When we have a sick relative we call in a doctor, and the doctor is honest and sincere. He has made a diagnosis and is prescribing treatment, but our loved one does not respond, and is sinking, and sinking, and fear enters our mind, and what do we do? We inevitably obtain the services of another doctor, and if our loved one comes back and is on the road to recovery we have confidence in that doctor. This is what has happened. On March 4, 1933, the American people were like a sick patient. They repudiated the doctor they had had from 1929 to 1933, and by the election of 1932 they employed another doctor. This doctor went in, and whether or not you like his treatment—and I do—he has brought about favorable results to the Nation.

In the coming election the people of the United States—the patient—are not going to forget President Roosevelt, the great doctor who brought the patient back to health. [Applause.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield one-half minute to my colleague the gentleman from Ohio [Mr. BOLTON].

Mr. BOLTON. Mr. Chairman, in view of the remarks of the distinguished gentleman from Massachusetts, I ask unanimous consent to extend my remarks and insert the correspondence between the chairman of the Republican National Committee and the broadcasting companies, and let the RECORD indicate what is correct in the matter. I am not personally familiar with what has transpired, but I think the correspondence fully shows what is the true situation.

I have noted with interest the reported statement of the gentleman's colleague from Massachusetts [Mr. CONNERY] as to the desirability of an investigation of the Federal Communications Commission with regard to reported irregularities in that body. I feel that such an investigation is highly desirable; in fact, I should like to see the purpose of the investigation broadened in order that the true situation may be fully disclosed as to the activities of the radio companies and the question which has been raised as to what is the connection, if any, between the large radio companies or chains and the Commission. Also, what influence has the present administration in this field which may be properly termed a public utility in the interest of the general public.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The matter referred to is as follows:

DECEMBER 13, 1935.

Mr. EDWARD KLAUBER,
Executive Vice President,
Columbia Broadcasting System, New York City.

MY DEAR MR. KLAUBER: The Republican National Committee is preparing its plans for radio broadcasting. These plans contemplate the purchase of the following radio time over the Columbia networks and owned and managed stations:

One-half hour weekly Columbia network, with selected supplementary groups and certain individual stations where it is possible to obtain stations without taking entire groups.

One-half hour Columbia basic network, with possibly certain selected stations on the Columbia basis supplementary group.

Weather reports, time signals, 1-minute announcements, 5-minute programs, 15-minute, and half-hour programs where such service or facilities are available for commercial sponsorship on stations owned or operated by the Columbia Broadcasting System.

Starting date: Sometime prior to June 1, 1936. Possibly January.

Programs: The programs to be used will be such vehicles as the Republican National Committee may in its opinion deem to be proper for carrying the Republican message to the people.

As I have a meeting in Washington Monday morning on the question of plans and budgets, it will be appreciated if you will advise by return special-delivery letter, so I may advise the Honorable Henry P. Fletcher, chairman of the Republican National Committee, as to the acceptance by your company of this business, when, as, and if, offered on the above basis.

Thanking you in advance for a prompt reply, I am,

Cordially,

THOMAS G. SABIN.

COLUMBIA BROADCASTING SYSTEM, INC.,
485 Madison Avenue, New York, December 27, 1935.

Mr. THOMAS G. SABIN,
Director Radio Division Republican National Committee,
New York City.

MY DEAR MR. SABIN: Replying to your letters of December 13 and December 26, this is to advise you that it is our policy not to sell time for political broadcasting until after the regular party conventions next summer. We are leaving to the judgment of the managers of those few stations we own the question of whether or not they will sell time for political broadcasting before the conventions to local and State committees.

We will not allow dramatization of political issues if time is bought after the conventions.

Our reasons for not selling time at present are as follows: We feel it to be our duty as a public service to devote a proper amount of time to the discussion of political issues without charge. When the campaigns actually are on so much time is needed for this purpose in more or less regular series that we are then compelled to charge for it, but we do not wish to charge until we have to.

The sale of such time over an indefinite period in such quantities as parties have been about to buy would destroy or threaten the destruction of our program balance, and this we do not believe to be in the best interests of the public or of good broadcasting.

Our reasons for not allowing dramatizations are as follows: Appeals to the electorate should be intellectual and not based on emotion, passion, or prejudice. We recognize that even the oratorical discussion of campaign issues can be to a degree stamped with the aforementioned flaws, but we are convinced that dramatizations would throw the radio campaign almost wholly over to the emotional side. Then, too, we believe that the dramatic method by its very nature would tend to overemphasize incidents of minor importance and significance simply because of the dramatic value. While we realize that no approach to the electorate is absolutely ideal, we believe American voters have long been trained to discriminate among the assertions of orators, whereas we do not believe they could discriminate fairly among dramatizations, so that the turn of national issues might well depend on the skill of warring dramatists rather than the merits of the issue debated.

Very truly yours,

EDWARD KLAUBER.

[Copy of telegram from Chairman Fletcher to the president, Columbia Broadcasting System, New York, N. Y.]

JANUARY 1, 1936.

The press announces that arrangements have been made, or are being made, by your company to broadcast over a Nation-wide hook-up the speech to be delivered by the President to the Congress on Friday night. If this be true, as chairman of the Republican National Committee, I respectfully request that your company allot on some closely following day the same amount of time over the same stations at the same hour of the day given to Mr. Roosevelt for a broadcast of comment on the issues confronting the next session of Congress by Republican spokesmen, to be selected by me, after consultation with the Republican leaders of both Houses of Congress.

The essence of American democracy and free speech is fairness. If you grant my request, it will demonstrate that you are in no way influenced by fear of the party in power.

The President is a candidate for reelection this year. The House of Representatives and the United States Senate have only once before set aside their rules to have a special night session for a Presidential address. That was the memorable occasion in April 1917 when war was declared.

So far as the American press is concerned, it would print the text of the President's message, irrespective of the hour of the joint session, and the Members of Congress would quite as readily attend a day session in the regular course.

The President's decision to dramatize his message and to bring down to the level of a political speech his constitutional right and duty to address the Congress on the state of the Union is understandable in the light of past performances.

It is apparent, therefore, that the President considers the Members of the Senate and the House as only incidentally his audience, and that he will be addressing himself to the electorate as a part of his campaign for reelection. Of course, he has a perfect right to do so if the Congress sets aside the time it wishes to receive his message.

We are not objecting to the program outlined but merely requesting an equal opportunity to place our case before the people with the same facilities, the same stations, and, potentially, the same audience.

The political character of the speeches by members of the administration over the radio should be recognized for what they are. Both sides of the vital current issues should be presented to the American jury for their own judgment. Unless the party in opposition be granted equal facilities, the dominant party can control the instrumentalities of communication in an effort to perpetuate itself in power.

I would appreciate a prompt response so that I may arrange for speakers to present the Republican point of view.

HENRY P. FLETCHER,
Chairman, Republican National Committee.

[Copy of telegram from William S. Paley, president, Columbia Broadcasting System, to Chairman Fletcher]

JANUARY 2, 1936.

This is in reply to your telegram of January 1 requesting that we allot to Republican spokesmen, to be chosen by you on some closely following day, the same amount of time over the same station at the same hour of the day given to the President for his address tomorrow night to the Congress and to the American people. We have considered with great care the reasons set forth by you for believing this action should be taken by us. We do not question your right to ascribe to the President political motives for his decision to address the people of America at the same time that he addresses their Congress. On the other hand, we do not believe that you should ask us to base our allotments of time on such interpretation by you or by others. The Columbia Broadcasting System will continue to distinguish between the office of President and the Government, on the one hand, and the political parties and their candidate on the other, without regard to whether a candidate is in office or not. Throughout this company's existence Columbia has always acceded to requests for time to be used by the President in addressing the people of the United States.

With regard to the specifications of your request for time, I must inform you that I do not believe it is either possible or wise for broadcasting to adopt a mathematical formula of fairness. This is true, first, because broadcasting has many duties and responsibilities besides serving as a medium for the dissemination of political discussion, and second, because public interest in varying issues, as nearly as we can judge it; the speakers, the probability of their effecting the action which they advocate, and many other factors enter into the decision as to how much time to allot to whom.

For us to adopt anything like a mathematical formula would be wholly to disregard other demands of balanced programming and to surrender into the keeping of others the exercise of that editorial judgment and responsibility which we believe devolves upon us and which we gladly accept and seek to discharge. We believe that a demand similar to that made upon us would be almost unanimously rejected by the newspaper editors of this country who would not commit the allotment of either position or space in their newspapers into the hands of others, but who on the contrary have, rightly I believe, always reserved to themselves judgment as to relative position and space to be allotted to political addresses and all other news events.

We are not under the domination of this administration and we have never been under the domination of any other. I am therefore forced to challenge the statement in your telegram to me that for us to accede to your request would be proof that we are not under such domination. We do not need such proof. Our record is proof enough. Throughout our history we have allotted freely time on the air for political discussion and we shall continue to do so. Within the past few weeks we have presented among other speakers in opposition Senator Borah, former President Hoover, Representative Hamilton Fish, the Honorable Henry P. Fletcher, and we have scheduled to speak in the near future, in a number of instances at our own invitation, former President Hoover, John W. Davis, Jouett Shouse, Col. Frank M. Knox, Gov. Alf M. Landon, and Senator L. J. Dickinson.

After the President has delivered his address to the Congress and to the people if the Republican Party desires to request that we allot time to certain speakers for the purpose of combating such portions of his address as leave them in disagreement we should be glad in fairness and in the exercise of our best editorial judgment to allot such available time as we believe befits the circumstances. On the other hand, so that you will understand our position and our reasons for it, I must explain that in the interest of what we judge to be good broadcasting this company cannot accept the principle that all broadcast activities of the Government of the United States or its spokesmen are in the nature of political activities and are to be mathematically balanced by similar broadcasts at similar times by a political party in opposition to the party to which Mr. Roosevelt belongs.

I hope I have made clear to you that we distinguish between the President of the United States and Franklin D. Roosevelt as a candidate for political office and we shall try to apportion time among the political candidates and their supporters with fairness and with good editorial judgment.

WILLIAM S. PALEY,
President, Columbia Broadcasting System.

JANUARY 4, 1936.

Mr. WILLIAM PALEY,
President, Columbia Broadcasting System,
New York, N. Y.

MY DEAR MR. PALEY: Under date of December 27 the first vice president of your company, Mr. Edward Klauber, replied to a letter of Mr. Sabin, December 13, outlining the following policies of the Columbia Broadcasting System:

(1) It is our policy not to sell time for political broadcasts until after the party conventions next summer.

(2) We will not allow dramatization of political issues if time is bought after the conventions.

As the Republican National Committee's plans for the use of radio are completed and time is an essence, I would appreciate your advising me by return mail that the policies outlined in Mr. Klauber's letter are the policies of the Columbia Broadcasting System.

Very truly yours,

HENRY P. FLETCHER.

COLUMBIA BROADCASTING SYSTEM, INC.,
New York, N. Y., January 8, 1936.

Hon. HENRY P. FLETCHER,
Chairman, Republican National Committee,
Washington, D. C.

DEAR MR. CHAIRMAN: This is to advise you in reply to your letter of January 4 that Mr. Edward Klauber, first vice president of this company, set forth correctly to you the policies of the Columbia Boadcasting System when he advised you:

(1) It is our policy not to sell time for political broadcasts until after the party conventions next summer.

(2) We will not allow dramatization of political issues if time is bought after the conventions.

In Mr. Klauber's letter there was a brief exposition of the company's reasons for adopting these policies, but it has now occurred to me that because of your great interest in broadcasting and your intention to make use of it as one of the media for conducting the Republican campaign it might be well for me to tell you more completely some of the guiding principles which we have adopted

for our operations after some considerable experience and a great deal of thought and research into public attitudes.

As you know, we are required under the Communications Act of 1934 to operate as public convenience, interest, or necessity requires. Naturally we wish not only to comply with the spirit and the letter of that act, but to do all things possible within the scope of reasonable and sound business operations to perpetuate the American system of broadcasting.

In trying to conduct our operations on what we conceive to be a sound basis with the foregoing objectives in view we sacrifice every year a good many hundreds of thousands of dollars of revenue and do not sell time to any organization to do with exactly what it pleases. In other words, we have set certain standards which we have greatly refined in the light of experience, and we have sold time only to purchasers admissible under those standards and willing to comply in all particulars with sound program policies. We have allotted time without charge on precisely the same basis and only on the same basis.

I think you will readily see that American broadcasting could not be soundly conducted on any other basis. Its custody is in our hands and in the hands of other broadcasters, and I know you will realize that it is inevitable that from time to time various persons or organizations should seek to put it to uses which are unsuitable. This is sometimes the case among advertisers, because while generally speaking they have raised rather than lowered broadcast standards, there are always those who seek to make selfish or opportunist uses of the medium and who thereupon need to be brought within prescribed and reasonable regulation. The same thing is true of noncommercial organizations seeking to use broadcasting to serve their particular causes.

I think that it must be obvious that, if anything like program balance is to be maintained and experience as to what constitutes good broadcasting is to be applied, the broadcasting system rather than the user or would-be user must dictate program policy. Otherwise it would be impossible to give to the public, in either quality or quantity, anything like a balanced ration of education, discussion, high-class entertainment, popular entertainment, news, and all the other things which the public wants.

In pursuance of the general policy I have outlined in the foregoing paragraph, we quite frequently refuse to take talk programs simply because their addition to the schedule at the moment would, in our judgment, throw our program structure out of balance. I am sure that you will understand that this would be the case practically all of the time if we left to people with all kinds of interests and causes to serve the determination of just how much time should be allotted to the advancement of their projects, and this is true whether the time is given away or sold. It is further true that broadcasting should be a flexible and swiftly responsive medium, and this means that programs of talk and discussion should be put on as news develops and as public interest and attention shifts from one subject or situation to another. It therefore is important that we should not schedule in advance too many programs of this nature in fixed and regular series, because if we do our program structure is thrown all out of gear by the addition of those quick and timely programs. I have dwelt at some length on the general basis of our operations, because I think with these principles in mind you will more readily understand the reasons for the particular decisions which you have asked to have confirmed to you.

With regard to these particular decisions, let me tell you first of all that it is our fixed policy not to sell time for propaganda of any sort. When we think that the public is sufficiently interested in a subject suitable for discussion over the air so that propagandists of opposing sides should be heard, we allot the time without charge. Our decision to forego the immense revenues which could be had from the sale of time for propaganda was based on two main grounds:

(1) We felt that the exercise of the wisest editorial judgment we are able to bring to bear, rather than the ability of others to pay, should govern decisions as to what subjects should be discussed and what subjects lacked sufficient public interest in proportion to other things to merit discussion; and, further, that such editorial judgment should govern the amount of time devoted to such discussion in a given case.

(2) We have an absolute conviction that the air would be misused were such discussion confined to those causes or advocates of causes who were able to pay, and we would very quickly build up an undemocratic and un-American situation in which the air belonged to those with money. This would result in some things not being heard at all and in one side of others being preponderantly presented.

I realize that it is difficult to define precisely what we mean by propaganda; in fact, this company has tried as far as possible to keep away from rigid definitions and arbitrary decisions and to rely upon common sense and the editorial judgment of those who operate it. What I mean in a general way, however, is this: We would not, for example, sell time to the public-utilities holding companies to agitate against proposed legislation restricting or regulating their operations. We would and did give them time in which to argue against such proposed legislation, just as we gave the advocates time to argue in favor of such legislation. On the other hand, if the public utilities wanted to buy time to advertise their goods and services—that is, to promote the use of gas and electricity—we would unhesitatingly sell them available time for such use. To illustrate a little further, we sell time to commercial sponsors for the promotion of the sale of their goods or services or the creation of institutional goodwill, but we do not allow them to use such bought time to agitate for high or low tariffs, changes in national or city or State tax structures, or other things of that nature.

It is in pursuance of this general policy with regard to propaganda that we have decided that we will not now sell time to the Republican Party, the Democratic Party, or any other political organization until after the conventions next summer. It is our intention to continue to devote as much time as seems to us to constitute good broadcasting to the use of political speakers without charge.

I hope I have made clear to you why we will not sell you time at present, and now let me explain our reason for intending to sell it to you, if you wish to buy it, after the conventions. When the candidates are actually nominated and the parties are campaigning for votes, we recognize that a good deal of broadcasting time should, in the public interest, be devoted to political discussion. While we are wholly in accord with the wish of the parties to use such an amount of time—and to use it on a more or less regular basis—we cannot economically afford to allow such use without pay. We shall, therefore, as in past years, treat such broadcasting as commercial and charge our regular rates, selling you available time in such amounts as you desire to buy, provided, of course, your requirements are not so great as in our judgment to upset our program structure.

Now, finally, with regard to our decision not at any time to give to you or to sell to you time for the dramatization of political issues. I believe I have already explained rather fully our reason for never selling time to any person or any organization with full right to make use of that time as he or it sees fit. I trust I have made plain that, on the contrary, we never sell time except for use in conformance with our general program policies, since responsibility for the structure of broadcasting lies with us rather than with those who buy time from us.

Before we decided that we would not allow political parties to present the issues in dramatized form, we considered this question wholly in the light of the public service we might render or the public disservice we might do. We actually listened to one of these dramatizations in audition with great care before we reached our decision. Not a single person in this organization among the numerous ones with whom we discussed it dissented from the view that such dramatizations by the political parties should not go on the air over the Columbia Broadcasting System. Since the reasons for this decision were stated to you concisely in Mr. Klauber's letter of December 27, 1935, I repeat that portion of the letter here in order to make this a complete document:

"Appeals to the electorate should be intellectual and not based on emotion, passion, or prejudice. We recognize that even the oratorical discussion of campaign issues can be to a degree stamped with the aforementioned flaws, but we are convinced that dramatizations would throw the radio campaign almost wholly over to the emotional side. Then, too, we believe that the dramatic method by its very nature would tend to overemphasize incidents of minor importance and significance, simply because of the dramatic value. While we realize that no approach to the electorate is absolutely ideal, we believe American voters have long been trained to discriminate among the assertions of orators whereas we do not believe they could discriminate fairly among dramatizations, so that the turn of national issues might well depend on the skill of warring dramatists rather than on the merits of the issue debated."

In conclusion, let me say that Columbia will continue to operate on a completely nonpartisan basis, and let me assure you that our reasons for not being able completely to meet the wishes of the Republican National Committee with respect to the sale of time now and with respect to dramatizations, are solely based upon the most reasoned and dispassionate beliefs about good broadcasting service to the American public that we are able to bring to bear upon the situation.

Very truly yours,

WILLIAM S. PALEY.

JANUARY 13, 1936.

Mr. WILLIAM S. PALEY,
President, Columbia Broadcasting System,
485 Madison Avenue, New York, N. Y.

DEAR MR. PALEY: Replying to your letter of January 4 and your telegram of the 2d in reply to my telegram of January 1 with reference to political broadcasting, I do not for a moment question your right to determine for yourselves what policies should be exercised by the Columbia Broadcasting System in the use of its facilities. I cannot, however, free myself of the impression that the attitude you have taken is affected and perhaps involuntarily controlled by the political party in power, which regulates the issuance of your licenses.

The Republican National Committee has made two requests of your company. The first is for free facilities comparable to those you have afforded Democratic spokesmen, including the President, now an acknowledged candidate. The second is to rent and pay for such time on the air as is arranged for other programs sponsored by advertisers.

I believe your policy "not to sell time for political broadcasts until after the regular party conventions next summer" will leave in the minds of the American public the distinct impression that you are either exercising an unwarranted degree of censorship or that you fear punitive action by the Federal Communications Commission.

I am informed that both the National Broadcasting Co. and Columbia Broadcasting System cleared the air of all programs on the night of January 3 and January 8 for the President so that the facilities of some 180 stations were made available for what were

in large part political talks of a candidate. I assume this was free time, and the question arises, Was this in the nature of a donation to a political party by the radio companies or by the corporations sponsoring programs which were displaced by the President's speeches?

It seems to me that the services of the great radio chains should be as nonpartisan and free from governmental domination as are great news services, like the A. P., U. P., International News, etc., and give both sides an absolutely equal break.

Now, as to the refusal of both the major broadcasting systems to rent or lease us time on their networks prior to the national conventions. It is precisely because the Republican National Committee desires to bring home to the voters the effect of the administration's aims and policies and the vital issues affecting the very foundations of constitutional government before the heat and furv of the political campaign that we have planned to take advantage now of modern radio technique to convey our message. Your letter speaks of objections to the use of dramatic sketches in political programs. So long as these are truly represented—as they would be—by the announcer as dramatic sketches, as is done in the presentation of commercial programs, I fail to see any legitimate reason for your refusing them, nor have we any intention of cluttering up or overcrowding your facilities.

The statement in your letter that "appeals to the electorate should be intellectual and not based on emotion, passion, or prejudice" seems almost funny in the light of the impassioned appeal to class prejudice made by the President in his congressional broadcast on January 3. To my mind the use of what you are pleased to call your "editorial judgment" amounts in practice to censorship.

The two great systems enjoy, under the 90-day license system imposed by the Federal Communications Commission, a precarious lease of the great theater of the air. You decline to open the doors of this theater to those in opposition to the policies of the administration unless your "editorial judgment" approves the program to be presented.

In view of the public interest involved in this question of the freedom of the air, I am giving a copy of this letter to the press.

Yours truly,

HENRY P. FLETCHER.

[Copy of letter from William S. Paley, Columbia Broadcasting System, to Chairman Fletcher]

Hon. HENRY P. FLETCHER,
Chairman, Republican National Committee,
Washington, D. C.

DEAR MR. FLETCHER: Your letter to me, dated and made public today, needs little answer other than the facts although I think it is only fair to state at the outset that you are under a misapprehension in all of your assumptions that the Federal Communications Commission could—even if it would—take punitive action against us for political reasons or that we live in fear of this administration or any other. There is nothing in the Federal Communications Law which would allow the Commission to act from partisan political motives, and, if it did so act, its judgments would very promptly be reversed by the Federal courts. Moreover, if this company were subject to such domination by any political party as is implied by you, the American people would be served so shabbily that I should lose all interest in the conduct of this business.

You have never asked us for free facilities and been refused. What you did ask was for us to assume in advance that an address by the President of the United States to the people of America and their Congress was a political speech, and to set aside in advance of the delivery of that speech comparable time for a Republican answer. We refused to treat the President of the United States other than as the President of the United States and shall continue so to refuse. We made plain to you, and now repeat to you, that we shall distinguish between the President as President and Franklin D. Roosevelt as a candidate for office. We told you that after the President had spoken we would be glad, upon request from you, to allot time that in our judgment befitted the circumstances. Since the President delivered his message we have asked you to state your desires for such time, and you have failed to do so. You, therefore, are wholly inaccurate when you try to present this incident in the light of a refusal of time on our part.

Your whole letter is worded as if we were treating one political party on a different basis than the other. The fact is that we refuse to sell time to any political party before the conventions, and we give time to both. I again explain to you that this refusal, which costs us hundreds of thousands of dollars every year, is based upon our belief that we are charged with a public duty to allot time for the free discussion of controversial public questions, including politics, and we refuse to sell time for this purpose.

We believe that American broadcasting would be greatly injured if we did allot such time on a paid basis and allowed moneyed organizations or interests to dominate the discussion of controversial public issues. We believe the American public will uphold us in our view that our own editorial judgment, rather than the availability of funds in the hands of others, should regulate the amount of time given to the various sides of any discussion, and we believe the public will agree that such discussions should be in proportion to the general public interest in the subject and that there should be due regard to the necessity for maintaining general program balance.

You cannot with justice accuse us of censorship nor should you assail our editorial judgment unless and until you are prepared to cite specific instances or to point to what you judge to be some general unfairness on our part. These are the facts with regard to our political broadcasts in recent months:

From October 2 to January 11 the Columbia Boardcasting System presented 16 political addresses by Republican spokesmen and 13 by Democratic spokesmen. During this time Columbia made several offers to the Republican Party of its facilities for their speakers, which were not utilized, notably on December 16 for you yourself to summarize results of the National Republican Committee meeting in Washington. From January 14 to January 29 of this year Columbia has scheduled four addresses by Republican spokesmen and three by Democratic spokesmen. We have besides frequently given time to opponents of the President within the Democratic Party, to speakers nominated by the Liberty League, and many other organizations in general disagreement with the President's policies.

I am glad to answer your question as to whether or not the time we allotted for the President's speech was a donation to a political party. It certainly was not. It was a donation to the American people. It has always been our policy to make time available for the President of the United States when he wished to address the Nation. We followed this policy through two Republican administrations and we follow it now.

I completely and thoroughly agree with you that we should be as nonpartisan as the press associations in giving both sides "an absolutely equal break." At the same time, I assure you that no reputable or responsible press association is run on a mathematical basis under which so many words on a given day are allotted to each political party. The press associations follow the breaks of the news and the shifting of public interest from issue to issue and from person to person. We would not be doing anything but an automaton's job if we tried to run broadcasting otherwise.

I say to you now that when the campaign is over I am absolutely convinced that you and all responsible members of your party will be satisfied that we have been scrupulously fair, just as we have been in the past, and I do not think you should impugn our fairness until you have evidence to the contrary.

We have no quarrel with your desire to present the issues to the voters "before the heat and fury of the political campaign." It is our full intention to allow you ample time for such presentation, but we must persist in our refusal to take money for it, because we do not believe it would be sound broadcasting to do so.

I disagree with you flatly that dramatizations of the political issues are unobjectionable provided they are tagged as dramatizations. We here at Columbia still believe that the issues should be discussed intellectually by responsible and identified speakers and not fictionalized. I repeat to you that the dramatic method in the hands of skilled dramatists will serve to confuse issues, to overemphasize minor points which have dramatic value, and generally to distort political discussion.

You say that we have "a precarious lease of the great theater of the air" and that we declined to open the doors of this theater to those in opposition to the policies of the administration unless our "editorial judgment" approved the program to be presented. We have not closed the door. We have only refused to accept money for opening it, and have declined, in respect to dramatized broadcasts, to permit a method of broadcasting which we believe would be injurious to the American public.

Finally, I agree with you that the system of short-term licenses under which American broadcasting operates could be very greatly improved. Broadcasting should unquestionably be put on a more permanent basis. But the entire record of this company refutes your charge that the present system has forced us into any sort of partisanship.

As long as the custody of an important part of American broadcasting remains in our hands we intend, I repeat to you, to accept our responsibilities and to discharge them as honestly and as largely in the public interest and in the interest of good broadcasting as we know how.

Very truly yours,

WILLIAM S. PALEY.

[Copy of letter from Chairman Fletcher to William S. Paley, president, Columbia Broadcasting System]

JANUARY 14, 1936.

Mr. WILLIAM S. PALEY,
President, Columbia Broadcasting System,
485 Madison Avenue, New York, N. Y.

DEAR MR. PALEY: I think our correspondence plants the issue squarely before the American people and I am willing to leave it to their calm and unbiased judgment whether or not, on the record thus made, your system is or is not exercising censorship of the air.

There is, however, just one point in your letter I desire to answer. You say:

"We told you that after the President had spoken we would be glad, upon request from you, to allot time that in our judgment befitted the circumstances. Since the President delivered his message we have asked you to state your desires for such time and you failed to do so. You, therefore, are wholly inaccurate when you try to present this incident in the light of a refusal of time on our part."

I felt this concession so unsatisfactory and hedged about that I did not immediately ask your system to allot us time that in your judgment befitted the circumstances.

However, in the course of the political campaign, which was opened by the President's congressional broadcast, I shall hope that

Republican speakers will receive comparable time at equally desirable hours over comparable stations as may be granted to the spokesmen of the party in power. You will receive requests to this effect from time to time.

Yours very truly,

HENRY P. FLETCHER.

DECEMBER 13, 1935.

Mr. M. H. AYLESWORTH,
President, National Broadcasting Co.,
30 Rockefeller Plaza, New York City.

MY DEAR MR. AYLESWORTH: The Republican National Committee is preparing its plans for radio broadcasting. These plans contemplate the purchase of the following time over the National Broadcasting Co.'s networks and owned and managed stations:

One-half hour weekly red or blue network plus selected supplementary groups and certain individual stations where it is possible to obtain stations without taking entire groups.

One-half hour weekly basic red or blue network, with possibly certain selected stations on the N. B. C. basic supplementary group.

Weather reports, time signals, 1-minute announcements, 5-minute programs, 15-minute, and half-hour programs where such service or facilities are available for commercial sponsorship on stations owned and operated by the National Broadcasting Co.

Starting date: Sometime prior to June 1, 1936. Possibly January.

Programs: The programs to be used will be such vehicles as the Republican National Committee may in its opinion deem to be proper for carrying the Republican message to the people.

As I have a meeting in Washington Monday morning on the question of plans and budgets, it will be appreciated if you will advise me by return special-delivery letter so I may advise the Honorable Henry P. Fletcher, chairman of the Republican National Committee, as to the acceptance of your company of this business when, as, and if offered on the above basis.

Thanking you in advance for a prompt reply, I am,

Cordially yours,

THOMAS G. SABIN.

NATIONAL BROADCASTING CO., INC.,
New York, December 14, 1935.

Mr. THOMAS G. SABIN,
Republican National Committee, Washington, D. C.

DEAR MR. SABIN: I am at a loss to understand your letter of December 13 to Mr. Aylesworth regarding the purchase of time for political broadcasts in the light of our company policy not to sell time for political broadcasts prior to the official conventions. After the national conventions designate their candidates we will sell time to the national committees when available and possible.

Prior to the convention, as you well know, it is our desire and intention to make it possible for responsible spokesmen to discuss their views on the major issue confronting the country.

In order to simplify this procedure as much as possible, we are reserving certain time each week for such discussions, and assignment of these periods will be made as the individual cases arise.

Cordially yours,

ALFRED H. MORTON.

[Copy of telegram from Chairman Fletcher to the president, National Broadcasting Co., New York, N. Y.]

JANUARY 1, 1936.

The press announces that arrangements have been made, or are being made, by your company to broadcast over a Nation-wide hook-up the speech to be delivered by the President to the Congress on Friday night. If this be true, as chairman of the Republican National Committee, I respectfully request that your company allot on some closely following day the same amount of time over the same stations at the same hour of the day given to Mr. Roosevelt for a broadcast of comment on the issues confronting the next session of Congress by Republican spokesmen, to be selected by me after consultation with the Republican leaders of both Houses of Congress.

The essence of American democracy and free speech is fairness. If you grant my request, it will demonstrate that you are in no way influenced by fear of the party in power.

The President is a candidate for reelection this year. The House of Representatives and the United States Senate have only once before set aside their rules to have a special night session for a Presidential address. That was the memorable occasion in April 1917, when war was declared.

So far as the American press is concerned, it would print the text of the President's message irrespective of the hour of the joint session, and the Members of Congress would quite as readily attend a day session in the regular course.

The President's decision to dramatize his message and to bring down to the level of a political speech his constitutional right and duty to address the Congress on the state of the Union is understandable in the light of past performances.

It is apparent, therefore, that the President considers the Members of the Senate and the House as only incidentally his audience, and that he will be addressing himself to the electorate as a part of his campaign for reelection. Of course, he has a perfect right to do so if the Congress sets aside the time it wishes to receive his message.

We are not objecting to the program outlined but merely requesting an equal opportunity to place our case before the people with the same facilities, the same stations, and, potentially, the same audience.

The political character of the speeches by members of the administration over the radio should be recognized for what they are. Both sides of the vital current issues should be presented to the American jury for their own judgment. Unless the party in opposition be granted equal facilities, the dominant party can control the instrumentalities of communication in an effort to perpetuate itself in power.

I would appreciate a prompt response so that I may arrange for speakers to present the Republican point of view.

HENRY P. FLETCHER.
Chairman, Republican National Committee.

[Copy of telegram from M. H. Aylesworth, National Broadcasting Co., to Chairman Fletcher]

JANUARY 2, 1936.

Answering your telegram of January 1 to the National Broadcasting Co., which was printed in the morning newspapers today, we would inform you that the President of the United States is delivering his message to Congress in an evening session, which meeting of Congress will be broadcast by the National Broadcasting Co. to the American public at 9 o'clock eastern standard time on Friday, January 3. In accordance with the established policy of the National Broadcasting Co. of making its facilities available to responsible speakers for discussion of both sides of public questions affecting the national welfare we are glad to afford the representative or representatives of the Republican Party whom you may select the facilities of the National Broadcasting Co. for such discussions from time to time. If you will designate your speaker or speakers and advise us immediately, we will make early reservations of time.

M. H. AYLESWORTH,
National Broadcasting Co.

JANUARY 4, 1936.

Mr. M. H. AYLESWORTH,
Vice Chairman, National Broadcasting Co., New York City.

DEAR MR. AYLESWORTH: Under date of December 13, Mr. Sabin, director of the radio division of the Republican National Committee, wrote you outlining the plans of this committee for the use of the radio and requested that you advise him as to the acceptance by your company of certain business as outlined in his letter when, as, and if offered. Subsequently, on December 14, Mr. Alfred Morton, whom I understand to be the manager of the N. B. C. program department, replied to Mr. Sabin stating in substance that it is the policy of the National Broadcasting Co. not to sell time for political broadcasts prior to the national conventions. Mr. Morton, however, did not reply to that portion of Mr. Sabin's letter with regard to the right of the Republican Party to use any purchased or free time for such program vehicles as the Republican National Committee might in its own opinion deem to be proper for the purpose of carrying the message of the Republican Party to the people.

As time is of the essence and the plans of this committee have been completed regarding the present use of the radio, I would appreciate receiving from yourself verification of Mr. Morton's statement, as contained in his letter of December 14, to the effect that it is the policy of the National Broadcasting Co. not to sell time to political parties prior to their respective conventions, and also, in view of the fact that Mr. Morton did not reply to the above-mentioned portion of Mr. Sabin's letter, I would like to have an answer from yourself as to this phase as well.

May I have the courtesy of a reply by return mail?

Yours very truly,

HENRY P. FLETCHER.

NATIONAL BROADCASTING CO., INC.,
New York, N. Y., January 8, 1936.

HON. HENRY P. FLETCHER,
Chairman, Republican National Committee,
Barr Building, Washington, D. C.

DEAR MR. FLETCHER: I have reviewed, as you suggested in your letter of January 4, 1936, and as you subsequently asked me to do, the policy of the National Broadcasting Co., with respect to the programs which you offered to us on behalf of the National Republican Committee, and for which you offered us compensation. I have also listened to the recorded presentations of the first two acts of the dramatized political programs entitled "Liberty at the Crossroads", which you submitted to us.

I take this opportunity to advise you of the policies of the National Broadcasting Co. on programs of political interest.

In line with its responsibility to the public, the National Broadcasting Co. seeks to have presented to radio listeners the various sides of political issues, and to have them presented fairly and adequately. The company tries to render such service on the basis of straightforward statement of fact and opinion openly and directly made by responsible spokesmen.

The National Broadcasting Co. sincerely strives to reflect the thought of the religious, political, social, and cultural life of our country. In fairness to the public, which in the final analysis is the judge of the programs broadcast, this company must accept the responsibility for the manner in which its facilities are utilized. It must, therefore, maintain the right to exercise the necessary judgment and discretion with respect to programs.

In cooperation with its associated and independently owned stations from coast to coast, this company has uniformly allotted a reasonable amount of time for the discussion of public affairs and controversial issues. This has been done on a nonpartisan basis

and, prior to the regular national conventions, no charge has been made even for political broadcasts.

The programs which you have offered to us, using actors to give dramatic skits on the air, involve the fictionalizing of important political issues now before the country. These presentations would violate the policies upon which the National Broadcasting Co. has based its service to the radio-listening public. To accept such dramatic programs as you have offered would place the discussion of vital political and national issues on the basis of dramatic license, rather than upon a basis of responsibly stated fact or opinion.

For the reasons stated above, we must decline to accept the dramatized political programs and the compensation you have offered us, but we shall be glad to follow our established policy of furnishing to political parties the opportunity to present the views of their responsible spokesmen on the public questions involved. This we shall continue to do from time to time as the facilities of the National Broadcasting Co. can be made available.

Very truly yours,

LENOX R. LOHR.

JANUARY 13, 1936.

Mr. LENOX R. LOHR,

President, the National Broadcasting Co., New York City.

DEAR SIR: This is to acknowledge your letter of January 8 and also the recent telegram from Mr. Aylesworth in reply to my message of January 1 with respect to the request for facilities for our spokesmen comparable to the facilities you afforded on January 3 to the Democratic Party.

I am enclosing herewith a copy of a letter I have just addressed to William S. Paley, president of the Columbia Broadcasting Co., which I would respectfully request that you regard as addressed also to your company, inasmuch as the stand taken in these matters by the National Broadcasting Co. is virtually the same as that adopted by the Columbia Broadcasting System.

Yours truly,

HENRY P. FLETCHER.

P. S.—In view of the public interest involved in this question of the freedom of the air, I am giving a copy of this letter to the press.—H. P. F.

Mr. MORAN. Mr. Chairman, I yield such time as he may require to the gentleman from Pennsylvania [Mr. DUNN].

Mr. DUNN of Pennsylvania. Mr. Chairman, I have today introduced a resolution, and I ask unanimous consent to insert the resolution in the RECORD as a part of my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The resolution referred to is as follows:

Joint resolution authorizing the President of the United States to communicate with the Governments of Italy and Ethiopia asking them to declare at least a 60-day truce, and for other purposes

Whereas the Governments of Italy and Ethiopia have been at war for about 5 months; and

Whereas hundreds of unfortunate Italians and unfortunate Ethiopians have been killed and hundreds have been permanently injured; and

Whereas the indications are if Italy and Ethiopia do not soon cease hostilities other nations will become involved in the conflict; and

Whereas if other nations become involved in the war, thousands of human lives will be destroyed and billions of dollars will be expended, and the amount of money which would be expended by every nation participating in the war would have to be borne by the poor people, who were in no way responsible for the war; and

Whereas if a sincere effort would be made by the officials of the governments of the world to end the hostilities now existing between Ethiopia and Italy, unquestionably the conflict would cease and a world war would be avoided: Therefore be it

Resolved, etc., That the President of the United States be authorized to send a communication to Premier Benito Mussolini, of Italy, and Emperor Haile Selassie, of Ethiopia, asking them to declare a truce for at least 60 days; and to also send a communication to every other nation in the world inviting them to participate in a conference, which conference shall be held for the purpose to provide ways and means to make peace between Italy, Ethiopia, and other nations now engaged in war.

This resolution shall become effective within 5 days after its passage.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, so that no one will be under any misapprehension as to my attitude on the administration farm program, let me say first of all that I voted for the Agricultural Adjustment Act and, secondly, I voted for the Agricultural Adjustment Act amendments in the last session of the Congress, hoping thereby to go along with the sentiment that has been articulated among the farmers in my district and seeking in my humble way to do something for agriculture; but I have contended repeatedly that there are some inconsistencies in that program, and one of them is becoming so acute at the present time that I feel it ought to be brought to the attention of the House.

It occurs to me that with the right hand at the present time the administration is reaching out and seeking to lend aid and succor and assistance to the farmers, most of whose leaders are congregated in the National Capital at the present time, and with the left hand the same administration is seeking to give the farmers a little sock on the nose.

To get at this situation we must begin at the beginning, and I am pleased to see that at least one member of the Ways and Means Committee is here, because what I have to say relates very particularly to a measure that was enacted in the last session of this Congress known as the Federal Alcohol Administration Act.

When the N. R. A. was invalidated by the Supreme Court, the so-called code set up to control the distilling, distribution, and sale of beverages of the country known as the Federal Alcohol Control Administration fell along with it. It became necessary for Congress to provide a constructive substitute setting up the control, manufacture, sale, and distribution of malt and distilled beverages.

That act is operative at the present time, and until recently was under the administration of a distinguished, able, and conscientious gentleman from New York by the name of Judge Hoyt.

Under the Federal Alcohol Administration you will remember that in the discussion on the floor we gave a lot of attention and placed a lot of emphasis on the fact that Congress very properly manifested a deep solicitude for the protection of the consumer, the protection of Federal revenue, and for the orderly conduct of the distilled- and malted-beverage business, and accordingly there were written into that measure many provisions relating to branding, marking, labeling, and advertising of distilled spirits, and conferred upon the new F. A. A. agency authority to promulgate rules and regulations for that purpose.

This Federal Alcohol Administration held hearings last fall and submitted proposed regulations covering the distribution, labeling, marking, branding, and so forth, of liquors, and one of these provisions that impressed me very much was the fact that after all the discussion and all the solicitude and emphasis that was placed upon it on the floor, they sought to emasculate some provisions of that bill by permitting the distillers of beverages which contained neutral spirits made from a thick, dirty, scummy sirup, known to the trade as "blackstrap" molasses, and imported in huge quantities from Cuba, Puerto Rico, and other offshore islands, to use the words "cane products" in informing the consuming public of the materials from which such beverages were produced.

The term "cane products" would be a euphonious and beguiling term which most certainly would conceal the real nature of the base from which a part of the ingredients in the bottle had been produced.

Now, to the average citizen, the term "cane products" means sugar and nothing more. It does not mean this dark, dirty molasses that comes into this country by the millions of gallons every year and displaces corn in the distilling industry. I sent a considerable letter to Administrator Hoyt at the time, but those proposed regulations went through, and I am informed they went to the Treasury Department of the United States and have been gone over carefully, and I find that the Treasury Department of the United States takes the attitude, in view of the provision that exists in the Revenue Act of 1918, that there can be no discrimination against any distilled beverage, irrespective of what we wrote into the F. A. A. Act last year, because of section 605 of the revenue act. That section provides that—

All distilled spirits or wines taxable under the section shall be subject to uniform regulation concerning the use thereof in the manufacture, blending, compounding, mixing, marketing, branding, and sale of whisky and rectified spirits, and no discrimination whatsoever shall be made by reason of the difference in the character of material from which the same may have been produced.

Let me suggest to the membership of this Committee that ever since the Pure Food and Drugs Act of 1906 the Department of Agriculture has been insisting that if anyone markets a whisky that is a compounded whisky the label must recite that fact. We have had a succession of opinions, beginning with the noted opinion of President Taft, as to what constitutes whisky, and he said explicitly and unequivocably that whisky is a distillate made from grain base. We have that fortified by the opinions of two Attorneys General of the United States, and yet here the Treasury of the United States at the present time, if they follow the opinion of their counsel as to their interpretation of the Revenue Act of 1918, would absolutely emasculate the F. A. A. Act passed by this Congress last year and for all practical purposes will make it possible to place on the American market, obtainable by and accessible to every consumer of distilled beverages, not only gin, for instance, made of neutral spirits which have been distilled from molasses, instead of corn, but whisky as well. If such is the case, what will be the effect of such administration of the F. A. A. Act so far as it relates to agriculture? It means that great inroads will be made upon the farmers' distilling outlet for grain and gradually curtail that outlet with its resulting detrimental effect upon grain prices. Everything which destroys demand for grain obviously operates to affect and lower the price and it constitutes an injustice to the grain farmers of the Nation.

What did we do prior to repeal of the eighteenth amendment? Along with a great many others, we went up and down the land and promised solemnly and profoundly to the farmers that if they would march to the polls and help repeal the eighteenth amendment it would expand the industrial outlet for grain, it would make possible the use of millions of bushels of corn and rye for the manufacture of bourbon, rye, scotch whisky, and all those other delightful beverages that intrigue the palates of the American public.

How do those promises square with the present administrative action, if taken. If they stand by their contemplated ruling and give effect to the proposed regulations, it is like slapping the American farmer in the face and saying to him that, while we did make that proposal to him prior to repeal of the eighteenth amendment, we feel somehow now that because of some abstruse paragraph in a law that was written 18 years ago we cannot give currency and we cannot give effect to the provisions of the F. A. A. Act that was so roundly discussed in the Congress last year, in which we sought to give to the farmer protection and to give the consumer protection. I say that if that is put into effect, how can the administration justify its present position of wanting to aid and assist the farmer with this hand and with the other hand giving him a little, gentle, yet emphatic, poke in the nose? The thing must be cured. It can be cured by repealing that paragraph of section 605 of the Revenue Act of 1918—and I shall introduce a three-line bill this afternoon to that effect—but it occurs to me that it is the responsibility of the administration which put the F. A. A. Act on the books and to get behind this repealer and see that it is inscribed on the statute books without delay.

In the course of the extended discussion of the F. A. A. Act on the floor of this House we made an effort to write a restrictive amendment into the bill protecting the farmers of this country against the inroads of imported molasses, but, unfortunately, it was defeated. At that time we felt that it would affect only gin, in view of the general opinion after the momentous opinion of President Taft years ago that whiskey was a distillate from a grain base.

Now, it would appear that the present interpretation of the revenue-act provision of 1918, which provides for uniform regulations and prevents discrimination, no matter "what the character of the material from which same shall have been produced", not only opens up vast possibilities of producing compounded whiskies containing spirits made from molasses but even presents the possibility of negativing the provisions of the Pure Food and Drug Act of 1906, which has heretofore been rather uniformly followed and supported.

I have always consistently supported farm legislation, and cannot escape the conviction that it is the very acme of hokum to reduce acreage and reduce production with one program and then destroy the farmers' markets with still another program, which lets down the bars on blackstrap imports which are directly competitive with grain.

I sincerely hope that the proper committee of this House will see the wisdom of preserving the gains that were made in the F. A. A. Act by supporting and expediting action on this bill to repeal the appropriate section of the Revenue Act of 1918. [Applause.]

Mr. MORAN. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. WEARIN].

Mr. WEARIN. Mr. Chairman and members of the Committee, I have listened with considerable astonishment, in fact, amazement, this afternoon to the remarks that have been made on the floor of the House, criticizing the New Deal. My good friend the distinguished gentleman from Illinois [Mr. DIRKSEN], who has just preceded me, indicated we were extending favors to the farmer with one hand and slapping him in the face with the other. If that were true it would be at least one more helping hand than the American farmer received under the administration that preceded that of Franklin D. Roosevelt. Lest we forget, I want to recall to your minds the situation that prevailed in the United States prior to March 1933.

It so happens that I come from a rural district and live on an Iowa farm. Just before I came to Washington the first time in March 1933, corn was changing hands on our farm and every farm in that territory at 9 and 10 cents a bushel. I stood on the streets of a small town in my district during my congressional campaign and an old farmer in that territory of some 50 or 60 years of age came to me with tears in his eyes and said, "Mr. WEARIN, if you are elected to Congress, for God's sake, in some way, do something for American agriculture. I have just been forced, because of the banking crisis, to sell my heavy hogs to the local buyer at 90 cents per 100 pounds."

Ninety cents per hundred pounds for pork! Four dollars and fifty cents for a 500-pound hog. No producer of hogs needs challenge that statement today by telling me that a 500-pound hog is not a top hog, because I have marketed too many of them; but I ask you to market a 500-pound hog today at the present market price of pork and see what he will bring you. During the administration of Franklin D. Roosevelt he would net from thirty-five to forty or forty-five dollars at least. During those trying times of 1930, 1931, and 1932 I saw many a desolate wagon train leaving the gates of Iowa farms, going out into the highways, driven off of the homes of their ancestors because of the ruinous price of farm products that had brought them down to the lowest ebb in the history of American agriculture. In some instances prices were lower than they had been for more than 300 years, which far antedates agricultural production in America.

That was the state of the American producer in 1930, 1931, and 1932 during the administration of Herbert Hoover. So it is rather astonishing to me this afternoon, as I sit here in this Chamber listening to the lamentations of the opposition, from whose views I might determine that American agriculture was today destitute—destitute, with corn selling in my district for 50 and 55 cents a bushel. I paid 53½ cents for shelled corn delivered in our bins on our farm about 4 weeks ago before I left for Washington. I paid on the Omaha Livestock Market $7.40 per 100 pounds for feeders to put into the feed yard that are being fed on the place today. I paid $7.50 a head for hogs to put into that feed yard that are being fed there today. Before I came here in 1933 I bought a respectable load of feeding cattle, almost as good as the ones in the yard today, for $3.60 a hundred pounds. I bought hundred-pound shoats for $2.65 per head delivered at the gates of my farm.

Then there are those in the American Congress who try to tell us that American agriculture is no better today at the end of 3 years of the administration of our great President, Franklin D. Roosevelt. It is inconceivable to those of us who live on American farms today and who are buying and selling American farm products as our sole business.

Mr. GRAY of Pennsylvania. Will the gentleman yield for a question?

Mr. WEARIN. I yield; yes.

Mr. GRAY of Pennsylvania. I just want to refresh the gentleman's recollection. The gentleman has referred to the lamentations of the opposition to the administration in Congress. Does the gentleman recall that in 1928 at numerous times the candidate of the Republican Party for President had thanked God that through the instrumentality of the Republican Party and its policies poverty had been abolished and American homes had been protected?

Mr. WEARIN. Oh, I remember it only too vividly, because agriculture was the only business I had from which I was afforded an opportunity to make a living in 1928, as it is today. So that picture is just a little too familiar for pleasant recollections.

Mr. MOTT. Will the gentleman yield?

Mr. WEARIN. I yield.

Mr. MOTT. Is it the opinion of the farmers and others in the gentleman's State that the President is responsible for what he just referred to as better conditions among the farmers?

Mr. WEARIN. I think it is the decided opinion of the farmers of Iowa that had it not been for the Agricultural Adjustment Act, had it not been for the 45-cent loan on corn when it was selling for about 20 cents per bushel, had it not been for the reduction of interest rates on farm mortgages, under the leadership of Franklin D. Roosevelt, had it not been for the many other features of this program, American agriculture would not be at its present level of reasonable prosperity.

Mr. MOTT. Then can the gentleman tell us why it is that the people of his State, according to the recent poll conducted by the Literary Digest, are opposed to the New Deal very emphatically?

Mr. WEARIN. I think, if the gentleman wants to lead me into that discussion, that the question as worded by the Literary Digest was one of the most unfair presentations of a program that I ever heard of. [Applause.] Let us put that question to the American people at the next election on the ballot and permit them to choose between conditions as they are under Roosevelt and as they were under Hoover.

Mr. MOTT. What does the gentleman think is unfair about the question?

Mr. WEARIN. It took into consideration every single, solitary thing that has been done under this program, and the President himself has told the country that if he could have a batting average of 80 percent he would be doing pretty well, and I think so myself. When we look back and see the desperate condition of the country at the time he took office, I think the market sheets in every newspaper in America today will indicate that he has had better than an 80-percent average.

Mr. MOTT. But the opinion expressed by the gentleman's people does not indicate that he has an 80-percent batting average.

Mr. WEARIN. Well, let us permit them to decide that at the polls. They will tell us if they want to continue with Roosevelt or go back to Hoover. I have answered three or four questions for the gentleman now, so he will have to get some time from his own side if he wants to make a speech. I want to continue my remarks.

Mr. BLANTON. Will the gentleman yield right there just in that connection for me to make a suggestion?

Mr. WEARIN. Very well.

Mr. BLANTON. If the gentleman from Oregon [Mr. MOTT] will get the stock-market reports for today, he will see that there are stocks listed today, like the Texas Corporation, for instance, that are higher than they had been at any time during Mr. Hoover's administration.

Mr. MOTT. Yet the stock-market dealers are just as much against the New Deal as the farmers.

Mr. BLANTON. I challenge that assertion.

Mr. WEARIN. Perhaps so, but I am interested in the farmers and common people of the country. The gentleman will have to conduct his controversy in his own time. I want to use what remains of mine.

I yield for one more question to the gentleman from West Virginia.

Mr. RANDOLPH. I will not ask a question, but I simply wish to make an observation, that these benefits to the farmers, not only in my State but through the Nation, are reflected also in another agency, and that is in the loans made to the farmers through the Federal land bank. Nine thousand men in West Virginia would have lost their farms without this administration's loans through its agencies.

Mr. WEARIN. The gentleman is correct.

[Here the gavel fell.]

Mr. MORAN. Mr. Chairman, I yield 5 additional minutes to the gentleman from Iowa.

Mr. WEARIN. The gentleman from West Virginia has asked a very timely question, coming as it does at this point of my discussion, because I wanted to touch for a moment upon this particular phase of agricultural relief. It will be remembered that under the Republican administration the farmers in his State of West Virginia, in my State of Iowa, and in every State in the Union were paying as high as 5-percent interest on their indebtedness; but under the terms of the Farm Credit Administration, as revised by the administration of Franklin D. Roosevelt, this interest rate has been reduced to 3½ percent for this year, 4 percent for next year, and 4 percent for the succeeding year.

So this in itself, mind you, represents a substantial saving. A reduction of 1 percent on Federal land-bank indebtedness means a saving to the American farmers of approximately $20,000,000 in interest rates. No wonder the purchasing power of American agriculture is up. A farm-implement factory in my territory which 2 years ago had a corporal's guard stowed around in the corners to protect its property is today operating on a 24-hour schedule with a full force of men and are behind in filling their orders. This is only one of many things that indicate a more profitable American agriculture as a result of the administration of Franklin D. Roosevelt.

Now I must pause for a moment to remark that the farmers of my territory, as evidenced by the telegrams and letters I am receiving in my office, were shocked at the loss of the Agricultural Adjustment Administration. In every one of those inquiries is contained the statement that they sincerely trust this administration will go on with another program equally as satisfactory and profitable to their welfare as was the A. A. A. I am replying to them that the administration, the leadership of the Congress, and those of us who are vitally interested in the welfare of the producers of this country are cooperating in a herculean effort to cope with the immediate situation and go on with another program as satisfactory as the present. The fact that we delivered the goods in the spring of 1933 ought to assure producers that we will do as well by them again, which is more than has ever been done for them by any previous administration.

Mr. MOTT. Mr. Chairman, will the gentleman yield for a question at this point—not a political question at all?

Mr. WEARIN. Mr. Chairman, I refuse to yield. The gentleman has asked several questions. He can get time in his own right.

No wonder they are making such requests of their representatives in Congress. American farmers realize what has been done for them. Just this morning I selected the following statement from the United States Department of Commerce in the December issue of A Survey of Current Business. It reads as follows and amounts to only half a dozen lines:

> Expansion in industrial pay rolls has been accompanied by a greater than seasonal increase in farm incomes during the heavy marketing season. This, again, has provided the farmer with a considerably larger margin above his fixed expenditures, with the result that retail sales in rural areas have increased very substantially this year.

This is no one's opinion; this is a statement from the United States Department of Commerce Reports.

I selected from a little file of embarrassing newspaper clippings I enjoy preserving as time goes along the following with the heading—

Farmers in this county—

Referring to the largest county in my congressional district—

to receive over $2,000,000—

Referring, of course, to the Agricultural Adjustment Act.

This clipping coming from my district says that Iowa farmers are $12,000,000 richer, despite the drought that descended upon them year before last, when they suffered almost a complete and total loss of crops.

At this point in the RECORD I shall insert a statement indicating the total amount of corn loans received by the farmers of the respective counties of my district, and also a statement of the corn-hog benefits received up to July of 1934 in my district, which has materially enhanced the total farm income from my State during 1934 and 1935. [Applause.]

During that trying period of 1933 to April 30, 1934, approximately the following amounts of money were loaned on corn in the respective counties of our congressional district:

County	Number of borrowers	Amount
Adair	900	$510,000
Adams	600	225,000
Audubon	800	425,000
Cass	850	450,000
Fremont	1,350	1,350,000
Guthrie	1,050	600,000
Harrison	1,250	850,000
Mills	1,550	1,000,000
Montgomery	900	675,000
Page	950	650,000
Pottawattamie	3,000	1,300,000
Shelby	1,100	600,000
Taylor	200	100,000
Total	14,500	8,735,000

During almost that same trying period, including the backwash of the depression that ruined thousands of farmers before the advent of the New Deal, I find that up to July 9, 1934, the Agricultural Adjustment Administration made the following payments to farmers in our congressional district:

County:	*Amount*
Adair	$71,745.60
Adams	36,061.10
Audubon	221,947.20
Cass	3,380.75
Fremont	20,228.55
Guthrie	4,962.10
Harrison	45,489.10
Mills	2,051.90
Montgomery	34,748.65
Page	111,141.60
Pottawattamie	2,295.00
Shelby	110,085.30
Taylor	13,024.85

I cite the above amounts not because of the volume of money they represent, as far greater sums were sent into the Seventh Congressional District of Iowa, but simply to illustrate that the Roosevelt administration got into action immediately and started doing some material things for American farmers before a year had passed. In the face of the above facts it is difficult to understand how even those who stand at the wailing wall, without a single constructive suggestion to offer as a reason for changing our course, can say that we have not redeemed our campaign pledge to place agriculture on a plane of equality with other lines of enterprise.

I would remind the Congress and the Nation that agriculture throughout the length and breadth of the land is unquestionably better off than it was in 1932 in spite of the criticism that is being leveled at the program from this floor and through the columns of hostile newspapers, the editors of which might very well read the market sheets in their own publications. In a copy of our Midwestern market newspaper for January 1, 1936, I found the following headlines:

All classes of livestock show substantial advances. * * *
Cattle values best in 5 years.
Hog prices not far from normal during past 12 months.
Last half of year sees lambs soar to highest since 1930.
Omaha business has best year since 1929.
Steel pay rolls near peak year as output expands 31 percent.
Farm land attracts more buyers in 1935.

And—

Expect stock rise to continue into 1936.

The farmers of the entire United States can be reassured that after the successful efforts of the Roosevelt administration to lift farm prices out of the mire that every effort will be made to continue a satisfactory program that will get results. The recent decision of the Supreme Court should indicate that the administration in power at the present time appreciates the fact that America is constantly changing and new progressive legislation must be advanced to cope with the problem. A new farm program will undoubtedly make its appearance during the present session, and if the experience of the past 3 years can be taken as a guide, we have every reason to believe that the farmers of the country will prosper under its influence.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. LEHLBACH].

Mr. LEHLBACH. Mr. Chairman, in the discussions of the act of the President in causing the Congress to assemble in joint session at the unusual hour of 9 p. m. to receive from him a communication it has been repeatedly stated that similar action was taken by President Woodrow Wilson when Congress was called in extra session to receive his message demanding a declaration of war against Germany. Nothing could be further from the fact. Instead of himself making the physical arrangements for a joint session at a time selected by himself and thereupon notifying Congress of his determination, President Woodrow Wilson waited patiently many hours until it suited the convenience of Congress to receive him.

For the purpose of keeping straight the record, I here relate what happened.

In the latter part of March, President Wilson issued a proclamation calling an extra session of the Sixty-fifth Congress, a newly elected Congress, for April 2, 1917. The proclamation reads:

Whereas public interests require that the Congress of the United States should be convened in extra session at 12 o'clock noon on the 2d day of April 1917 to receive a communication concerning grave matters of national policy, which should be taken immediately under consideration:
Now, therefore, * * *.

Both Houses met at noon on that day. The Senate, having organized at an earlier extra session in March, was ready to transact business at 12 minutes after 12 o'clock. The House of Representatives proceeded to organize as follows: First, there was the usual roll call by States. This was followed by a roll call which resulted in the election of Champ Clark, of Missouri, as Speaker. Next came a roll call electing South Trimble as Clerk of the House. Thus the House was organized for the transaction of business, and both Houses were ready at 1:30 o'clock to assemble in joint session to receive the President, who had indicated that he would deliver his communication orally.

It was a matter of general knowledge that the President was ready and waiting to proceed to the Capitol immediately upon notification by Congress.

Notwithstanding these facts, notwithstanding the grave importance of the subject matter under consideration, the House proceeded with the election of minor officials not essential to its organization, and further to elect the standing committees of the House. This required seven roll calls. Then the House by resolution informed the President that it had organized by the election of Champ Clark as Speaker and South Trimble as Clerk. It was then 7:47 p. m., and the President had been waiting with his message since noon. Thereupon the House recessed until 8:20 p. m. in order that the Members might get a bite to eat.

Upon resumption of the session at 8:20 p. m., the House passed the concurrent resolution that Congress would meet in joint session to receive the communication of the President, and at 8:37 p. m. the President arrived and delivered

his communication recommending a declaration of war against Germany.

Notwithstanding the fact that he had been made to cool his heels at the doors of Congress for almost 8 hours, President Woodrow Wilson appreciated that it was the prerogative of the Congress to fix the time and the circumstances in which they would receive a communication from the President, and at no time then or thereafter uttered a word of complaint or criticism concerning the action of Congress in this respect.

This Seventy-fourth Congress is the only "9 o'clock Congress" in American history.

Mr. Chairman, I yield back the remainder of my time.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 10 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, I have every faith in the belief that this farm situation will be unraveled during this session of Congress. I think we can go about it in a nonpartisan way and accomplish the results we need. The most encouraging feature of the whole thing is that the three strong farm organizations of the country—the Farmers Union, the Grange, and the Farm Bureau organization—are today in the vicinity of Congress with their representatives. They propose to get together on a united plan of action. When these large farm organizations get together on a plan for this Congress to put through, there ought to be no danger but what we can do it. Sometimes we are led astray by the argument that only one measure before Congress can be adopted to give relief; but I want to call attention to the fact that there are several things that can be done by this Congress to relieve the farm situation, the labor situation, and the general break-down in the buying power of the American people. It is not limited to the building up of any substitute for the A. A. A. It covers a large field.

The one thing that we can do more than anything else in talking about the relief of agriculture is to take into consideration the situation it is in today. We may start at 1920, when we had over 6,000,000 farms in the United States, and make our observations as to what the situation has been from then on. In that time 2,000,000 of the farms have been foreclosed and 2,000,000 more are on the way to foreclosure at this very moment. What can the Congress do to relieve this situation? One of the things they can do is to prevent the further loss of these farms by foreclosure. How can this be done?

The Federal land-bank system has broken down. The Federal land-bank system cannot be attributed to either party. It is a combination of both parties. The Federal land-bank system has quit lending. In the northwest district, from which I come, I am advised that they cannot make more loans. I asked them why. They stated, "Because the farmers' equity is gone."

In the State of Iowa the value of land today is only a fraction of what it was when the loans were made upon the land; consequently when you come to renew the mortgage you cannot get a commitment from a Federal land bank large enough to take care of the first mortgage.

Something else must be done to replace it. If we are to save the farms we must construct some other method of financing.

That is one of the reasons why I have been in favor of permitting this Congress to vote upon the Frazier-Lemke bill, which provides a method that will save the 2,000,000 farms now on the way to foreclosure. The only thing I am interested in is to see representative government in this country prevail. I cannot say that representative government does prevail when the Congress of the United States will not permit a vote upon an important measure such as the refinancing of farms.

Mr. Chairman, I leave this to both parties. It do not belong strictly to either party. I am nonpartisan. In the coming campaign how would you who come from the Democratic districts like to have your people say: "A Democratic House would not permit the American people a vote on a new refinancing bill for the American farmer"? How would you Republicans in New York like to have it said in the campaign that you would not use your influence to permit the American Congress to vote upon this subject? I leave it to both sides.

There are many things that this Congress can do, not only to relieve agriculture but everyone else. I am not an advocate of the theory that we must protect only the farmers. I am an advocate of the principle that if the farmers and the laborers of this country are protected and the buying power put into their hands, then the business structure of the whole Nation will be revived. You cannot do that if you are going to be prejudiced and settle only on one proposition that this Congress may consider. There are many things to consider, and it is up to us as Members of the Congress to consider all ways and means in a nonpartisan and patriotic way. [Applause.]

Mr. MOTT. Will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from Oregon.

Mr. MOTT. Is it not a fact that the Members of the House of Representatives are denying a vote upon the Frazier-Lemke farm-mortgage refinance bill, notwithstanding the fact that the Agriculture Committee of the House has favorably reported it to the House?

Mr. BURDICK. That is true. The gentleman makes a correct statement.

[Here the gavel fell.]

Mr. BURDICK. Mr. Chairman, under leave to revise and extend my remarks on the subject matter on which I addressed the House, I desire to say that there are some who think the A. A. A. was the only measure which could be of any benefit to agriculture. There are others who look forward with little hope.

As a matter of fact, the fight for the farmer has just begun. We can, if we will, do many things that will not only replace the A. A. A. but will bring so much greater benefits that the A. A. A. will be forgotten in 6 months.

First. The immediate thing to do is to pass the Frazier-Lemke refinance bill so that the 2,000,000 farms about to be foreclosed can be saved. The Federal Land Bank System has entirely broken down. The loaning business has stopped. The Federal land bank serving the Northwest at St. Paul admits that it cannot operate to refinance the rest of the farms. They say the loans are too big and they cannot make commitments that will take care of the first mortgages. At the time the present mortgages were negotiated the farm values were, in some instances, three times what that value is today under the appraisal system of the Federal land bank.

Farm land values by States showing percentage of value today as compared to the values in the pre-war period 1912–14.

The States are arranged in accordance with the lowest percentage of values. The first State named having the lowest percentage of value of farm lands as compared to the pre-war period:

	1935	Value in 1920
1. South Dakota ..... percent	54	181
2. Missouri ..... do	58	167
3. Indiana ..... do	61	161
4. Illinois ..... do	66	160
5. Ohio ..... do	66	159
6. Iowa ..... do	67	213
7. North Dakota ..... do	67	145
8. Nebraska ..... do	72	179
9. Georgia ..... do	72	217
10. Kansas ..... do	73	151
11. South Carolina ..... do	76	230
12. West Virginia ..... do	78	154
13. Pennsylvania ..... do	79	140
14. Wisconsin ..... do	82	171
15. Delaware ..... do	82	139
16. New York ..... do	82	133
17. Minnesota ..... do	83	213
18. Michigan ..... do	83	154

From the above table it should be apparent to anyone that when a debt was contracted on a farm in 1920 or 1925—when the amount of farm mortgages reached the peak point—those farms were valued at 170 percent, average, of the pre-war period values. Today we are trying to make

loans on the same farms, using a value of 70 percent of the pre-war values.

A farm valued in pre-war period at $5,000 had a value of $8,500 when the loan was contracted. When we come now to make a new loan to refinance the old, we discover that the value of the same farm is fixed at $3,500. On a valuation of $8,500, 1920–25, a loan was made for 50 percent of the value, or $4,250. The loan is past due, and we try to refinance it through the Federal land bank. The appraisal shows a value of only $3,500, or actually $1,000 less than the face of the loan. On this new value we can make a loan—if we are lucky—of 75 percent of the value, or $2,625. This new loan lacks just $1,625 of being enough to pay the old principal. Usually there is a large amount of unpaid taxes and accumulated interest to be added to the principal. Result, the loan is turned down.

This same matter may be further illustrated by showing the drop in farm values from 1919 to the present time. For that purpose I submit the following table:

1919	$79,000,000,000
1920	66,316,000,000
1929	58,000,000,000
1930	47,880,000,000
1932	37,027,000,000
1933	30,151,000,000
1934	31,655,000,000

The Frazier-Lemke bill will permit a farmer to carry $6,000 as easily as he can $3,000 under the present plan.

Second. We can adopt the Massingale bill, providing for a cost-of-production plan. Every country in Europe has been operating under this system since 1929. We do not have to limit production or destroy property under this plan. The so-called surplus will be eliminated if the farmer knows he is growing this extra amount at a loss. The extra amount can go into world trade and compete with any country if only the farmer gets cost of production for that portion of his crop consumed at home. That is what Poland is doing with its rye. The importation of this Polish surplus destroyed our domestic market.

Third. We can put more money in circulation controlled by the Government and take off the unconscionable premium which money commands today. Those who say there is a strong following in Congress today hell-bent on inflation and the destruction of the value of the dollar, have no basis whatever for that statement. We do not desire to cheapen the dollar, but we do intend, if possible, to take off the extraordinary premium which the dollar commands today, with the corresponding result of the destruction of the price of farm commodities and the price paid to labor. The value of a dollar ought to be as good for one class as the other. We never hear these calamity howlers indicate that the farmer is operating, or trying to operate, with a depreciated dollar. That is why he cannot pay his mortgage. His dollar measured in his products is only 69 cents. What we want to do is to take off the premium on the dollar which it has in the hands of the holders of money, and turn that premium back to the value of agricultural products when these products are exchanged for the dollar. Just a square deal—nothing more, nothing less.

It is now a well-known principle of our financial economics that the amount of circulation, including demand deposits, is the measure of our national income. Multiply the amount of circulation, including demand deposits, by three and you have the national income.

Our circulation today is approximately—

Cash	$5,683,128,967
Demand deposits	11,200,000,000
Total	16,883,128,967

If we are to restore our normal national income, we shall have to increase the circulation to double what it is.

I submit the following tables (prepared by myself from data before the Agricultural Committee of the House and now available in a printed report), showing the fall in our national income since the year 1929, and also indicating the farmers' share of that income:

1929: $91,988,000,000; agriculture's share, $8,254,000,000; farmers' share, 9 percent plus.

1930: $70,300,000,000; agriculture's share, $6,955,000,000; farmers' share, 9 percent plus.

1932: $39,400,000,000; agriculture's share, $3,582,000,000; farmers' share, 9 percent plus.

1934: $47,500,000,000; agriculture's share, $5,287,000,000; farmers' share, 11 percent.

I now invite those who are "locoed" because we want to reestablish the lost circulation, to examine the figures on circulation, including demand deposits for the years above mentioned, and determine for themselves, once and for all, that the amount of our circulation does measure the national income.

There seem to be two elementary principles about money: First, there must be a sufficient amount in circulation to do the business of the Nation; second, that money must circulate. Even the circulation we have today, as small as it is, is not circulating. Look at almost any bank statement and you will see nothing conspicuous except "Reserves in cash and in correspondent banks." It is not circulating.

Fourth. We can put into effect an adequate old-age-pension act that will accomplish three outstanding things: (1) We can take care of the aged of the country and perform a duty on the part of this Government that has been too long delayed; (2) money in the hands of the aged to spend will take the place of relief. The aged will then become the relief administrators and replace the imported and unsympathetic administrators who are dealing out relief today. Poor farms, homes for the aged, community chest donations, and donations for charity which we all contribute to daily, overflowing insane asylums, penitentiaries, and houses of reformation, can, to a large degree, be eliminated, and the taxpayers relieved from a burden which they are now unable to carry; (3) the money will be forced into circulation by the necessity of monthly expenditures.

We cannot solve the unemployment problem by useless work programs. Worthless work, like the employment of able-bodied men to shoot jackrabbits, is not business; the building of scenic highways by pick, shovel, and wheelbarrow does not solve the unemployment situation. Work that is not beneficial to society and performed according to the standard of the times is wholly useless and will have to be paid by the people.

Fifth. The Government can cancel feed and seed loans by crediting up the loans and charging the Army and Navy appropriations. To maintain farms is a national necessity and the strongest national defense that this or any other country can have. Where would we be, in time of a war against this country, if our food supply should not be maintained? What good is an army without food? The World War should be a lesson. Germany had the best-trained, the best-equipped army of all nations engaged in that war. But Germany asked for a cessation of hostilities and sued for peace. What for? The only reason in the world was that there was no food in Germany. The farms were abandoned by the men who went to war, the livestock on the farms was eaten by the army, the farmers could not produce.

There are those who think my resolution, now pending before Congress, to cancel these loans for seed and feed, which the farmers cannot pay, is fantastic and not based on sound reasoning; but I submit that in the light of history this is what we should do, instead of spending more money to train men in the art of war.

Yes; there are many things that this Congress can do, and it should stay in session until next January, if necessary, to do the things that need to be done. If representative government were permitted in the Congress, we would accomplish that which is urgently necessary. Congress has no right to stifle legislation and not permit the Members of Congress to vote on any important legislation. The main reason why we have failed in a farm program is because representative government at Washington has failed. Some day the people will clean out this Congress, lock, stock, and

barrel, and set up rules that will permit representative government to function. There is no use blaming the Supreme Court for their decision when the rules under which this Congress operates are worse than any decision ever handed down by the Supreme Court. This Congress in complaining of the Supreme Court should remember the fundamental rules of equity: First, he who comes into a court of equity must come with clean hands; second, he who seeks equity must be willing to do equity. Does the Congress stand before the people today with clean hands? Is this Congress willing to do equity?

The Congress should take an invoice of itself, and not blame anyone for anything until it first puts its own house in order.

Mr. MORAN. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. FERGUSON].

Mr. FERGUSON. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD and to include therein two letters from farmers and a resolution which I have introduced.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. FERGUSON. Mr. Chairman, I am indeed happy to have a chance to address the Members on the same day another farmer has taken up the cause of the agricultural West. I can offer testimony that my condition as an active farmer has been improved by the New Deal legislation. A year ago last fall I took a cow buyer out to show him my calves and I was offered $12.50 a head. I did not have to sell them at that time so I evaded that terrible price. This fall calves from the same herd of cows, and from the same pasture, brought $35 a head; yet the same day I sold my calves one of the old, reactionary Republican judges, now sitting on the bench, gave a long tirade on the fact that the farmers had not been benefited by the New Deal. Naturally he made little impression on myself or the other forced listeners who happened to be in the barber shop at the time.

We of the West were astounded that the only program that ever benefited the farmer had been thrown out the window by the Supreme Court. It seemed to us that the props had been knocked out from under us. In my humble opinion no decision that will cause any greater repercussion will ever be handed down by the Supreme Court. To me this decision of the Supreme Court means that a line, just as definite as the old Mason and Dixon's line, has been drawn between the agricultural West and the industrial East. I hope that Members of this Congress who represent the industrial East will realize this situation.

Mr. Chairman, the farmers of the country are not going to be fooled into accepting vague promises. They were shown the promised land under the platform adopted by the Republican Party for three successive administrations. Two Republican Presidents vetoed the farm legislation that was passed by this Congress. Herbert Hoover gave them the ill-begotten Farm Board. So they are not going to be lulled to sleep by political promises. We have to offer that group of American citizenship something definite, and when I say "something definite" I mean that the contracts that have been made, the contracts that have been fulfilled by the farmers, are going to have to be paid. This Congress is going to have to appropriate the money to pay the wheat farmers who have fulfilled their contracts and reduced their acreage the sum of money that the Government has promised to pay them. Personally, I think that the first act of this Congress following the Supreme Court decision should have been the reenactment of the processing tax. If we take the attitude that the Supreme Court decision closed this avenue of revenue, we might just as well say that this source of taxation is forever barred because the Supreme Court said the purpose to which the money was put did not meet with their approval.

Since we know that the old contracts have to be met and that some new contracts will have to be made, and until some new plan is devised to take care of the American farmer we might as well reenact these processing taxes.

I also think if there is any way under the sun that the $185,000,000 impounded by the order of the Court could be placed into the Treasury of the United States, it should be done. The idea of a processor, who took at least half the tax on the product off the producer to take care of the tax, and in addition to this passed it on in full to the consumer, by an order of the Court being returned the $185,000,000 that has been taken out of the pockets of the American people does not fit into the picture as the farmer today sees his rights.

My father is 72 years old and since his youth has been engaged in farming and ranching. He is still very active in business, and I take a great deal of pride in his judgment. Here is a letter he wrote me on this subject:

WELLINGTON, KANS., *January 8, 1936.*

PHIL FERGUSON,
Washington, D. C.

DEAR SON: Since the A. A. A. has been declared unconstitutional by the Supreme Court, leaving a lot of money in the hands of the various parties who collected enormous sums for processing tax, which money was collected from the producer and the cost passed on to the consumer, it is plain to be seen that the parties holding this money have no right to one cent of it.

There should be a plan devised whereby the Government can take this over to use in paying the Government's obligations on its contracts with the farmer, cotton man, and others. If no other way can be devised, it seems to me they could pass a law taking this money over on the ground of ill-gotten gains.

In other words, there must be some way for the Government to get this money to meet its promised obligations to the farmer, the cotton man, and others. I wish you would look into this and let me hear from you.

Yours,

W. M. FERGUSON.

This Congress is made up of lawyers. A vast majority of the Members here are members of the bar. As a farmer, I represent a distinct minority, but I think if this body were made up of farmers and businessmen, laymen, so to speak, it would not consent to having the only law that ever benefited the great agricultural West kicked out without making a protest, and without making an effort to reinstate us in our rights. Making a fight for a permanent plan that will aid agriculture would be one of their first moves.

The recommendation on agricultural legislation submitted by the Committee of Thirteen has a great deal of merit. No one is more aware of the danger this country faces from soil destruction than I. But I am afraid that the Supreme Court decision makes any plan that requires a contract, or even voluntary action on the part of the farmer, unconstitutional.

With this in view I have introduced a proposed constitutional amendment. I think we can appropriate money to pay the contracts. I think we may be able to sustain the price of agricultural products by some artificial method until we can change the Constitution, but to get at the real heart of the trouble I think the Constitution will have to be amended.

When we hear about polls and about what the people are thinking, I do not want this body to be misguided. I hold in my hand a letter addressed to me by an assembly of 245 farmers in one of my counties. They put various propositions up to this group of farmers. Every one of this group who voted, 241 out of the 245 that were present, voted to memorialize me here in Congress to change the Constitution so as to make legislation similar to the A. A. A. constitutional. I am including the resolution in the RECORD.

BOISE CITY, OKLA., *January 11, 1936.*

To the Honorable Senators and Members of Congress of the United States of America, greetings:

We, the active farmers of Cimarron County, Okla., in lawful assembly at Boise City, Okla., this day and date, the 11th day of January, A. D. 1936, have passed the following resolutions by count of standing votes, a statement of the same which is made a part of this resolution, and we here present the same to you for your careful consideration and action:

Whereas in recent years since the close of the World War in 1918 modern machinery has enabled the farmer to materially increase production and has added many hundreds of thousands of acres of formerly uncultivated land to production, which has caused an excess in surplus of farm products over and above that which could be consumed in the United States or sold for export trade abroad; and

Whereas other nations have shared in this same development and have produced more of these products at home, which has lessened their purchases from the United States; and

Whereas, under these conditions, in this county wheat reached the extreme low price of 23 cents per bushel, corn as low as 27 cents per hundred pounds, hogs as low as $1.60 per hundred, and other farm products in proportion, which was far below the cost of production and placed the farming industry in chaotic conditions; and

Whereas Congress intended to overcome this serious condition in an agricultural adjustment program spoken of as the A. A. A.; and

Whereas the Supreme Court has ruled that this law is unconstitutional:

We the farmers of Cimarron County, Okla., here wish to express our unbiased opinions and unselfish desires in regard to legislation affecting the agricultural interests of the United States: Therefore be it

Resolved, That the honorable Senators and Members of Congress be urged to pass proper legislation providing funds to pay obligations on all outstanding Agricultural Adjustment contracts in which compliances have been made and are now unpaid.

Further be it

Resolved, That they pass legislation adjusting agricultural production within the range of abundance for home consumption of the United States plus a reasonable amount for export and plus a reasonable surplus for carry-over from year to year.

Present, 244; yes, 241; no, 0.

Whereas a citizen of the United States charged in any criminal action is presumed by the courts to be innocent until proven guilty; and

Whereas it takes a unanimous vote of all jurors sitting in said case to adjudge said defendant guilty; and

Whereas all laws in the United States are passed and placed upon the statute books by majority vote of the Senate and honorable Members of Congress and approved by the President; and

Whereas this legislative body is elected by popular vote of the citizens of the United States and presumed to be the best informed and best qualified to occupy such position: Therefore be it

Resolved, That when a law is properly passed and placed on the statute books of the United States that it be presumed that this law is right until proven to be unconstitutional, which should only be done by unanimous vote of all members of the Supreme Court.

Present, 244; yes, 241; no, 0.

Further be it

Resolved, That a three-fourths majority vote of the Senators and Members of Congress which has been approved by the President of the United States shall overrule any decision of the Supreme Court.

Present, 244; yes, 241; no, 0.

Further be it

Resolved, That they pass legislation to the extent that all collected processing taxes now held in escrow by the various courts shall be collected by the Federal Government and not be returned to the plaintiffs in the various suits.

Present, 244; yes, 241; no, 0.

We, the committee on resolutions, recommend the adoption as read, and recommend that a copy be sent to each one of the Senators and Members of Congress from Oklahoma; and to the Honorable MARVIN JONES, chairman of the Agricultural Committee; and to the Honorable Henry A. Wallace, Secretary of Agriculture; and to the Honorable Chester C. Davis, Administrator of the Agricultural Adjustment Administration.

HOMER MATHEWS,
ROY T. NALL,
E. F. ADEE,
GEO. W. FERGUSON,
ELMER OUTHIER,
Committee on Resolutions.

We, the allotment committeemen of the Wheat Adjustment Control Association and the Corn-Hog Control Association, presiding at said meeting, do affirm the number present and the numbers voting for and against the above resolutions are as indicated.

FRANK CONNER,
F. M. MCDANIEL,
C. D. ALLEN,
Wheat Allotment Committee.
C. C. ROBERTS,
H. PETERSEN,
Corn-Hog Allotment Committee.

Three visitors from out of the county not voting.

If you think the farmers are going to accept vague theories and beautiful promises in lieu of the first real equalization tax they ever had, you are very much mistaken. I have introduced this resolution; since we are so technical in our decisions in the courts, we can, I think, change the meaning of the Constitution by a slight technical change in punctuation.

At this point I want to insert the text of my House Joint Resolution 446:

House Joint Resolution 446

Joint resolution proposing an amendment to the Constitution of the United States

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by conventions in three-fourths of the several States:

"ARTICLE —

"SECTION 1. So much of section 8 of article I of the Constitution as reads as follows: 'The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts and excises shall be uniform throughout the United States;' is amended to read as follows: 'The Congress shall have power to lay and collect taxes, duties, imposts, and excises; and to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts, and excises shall be uniform throughout the United States;'.

"SEC. 2. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by conventions in the several States, as provided in the Constitution, within 5 years from the date of the submission hereof to the States by the Congress."

Although I am not a lawyer, after studying the history of the Constitution I have come to the conclusion that by the mere changing of a comma to a semicolon and the insertion of the conjunction "and", Congress would have the power to enact A. A. A. and other legislation that would be held constitutional.

Let me read to you the section that I propose to change:

So much of section 8 of article I of the Constitution as reads as follows: "The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts, and excises shall be uniform throughout the United States."

I propose to amend that as follows:

The Congress shall have power to lay and collect taxes, duties, imposts, and excises;—

The comma is changed to a semicolon—

and to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts, and excises shall be uniform throughout the United States.

[Applause.]

Thus, by the mere changing of a comma to a semicolon, and the insertion of the conjunction "and", Congress has these distinct powers: One, to lay and collect taxes, duties, imposts, and excises; two, to pay the debts; and three, to provide for the common defense and general welfare of the United States. No longer does the phrase "to pay the debts and provide for the common defense and general welfare of the United States" act as merely a limitation on the taxing problem. But with the punctuation suggested in my amendment, Congress has the power to lay taxes for whatever purpose it deems necessary. Also, as a separate and distinct power, Congress is empowered to provide for the common defense and general welfare of the United States. It seems strange to me that Congress has proceeded over a period of years to legislate for the general welfare of the Nation by using expedient methods of circumventing the Constitution.

I hold in my hand five bills, important bills, passed by Congress since 1932. Only one of these even presumes to justify its existence on the general welfare of the Nation. First, let us look at the A. A. A. In the declaration policy, we find that the legal excuse, the legal justification for this legislation is based on the theory that the break-down of the agricultural industries "have burdened and obstructed the normal currents of commerce in such commodities." In order to try to make legislation that was absolutely essential to the welfare of that group—the American farmers—constitutional, or supposedly constitutional, the legislation was tacked onto the overworked commerce clause of the Constitution. One of the most glaring examples of this policy of trying to make the commerce clause something that we can hang any legislation on is the Wagner disputes bill. I do not want to be misunderstood. I was heartily in favor of this legislation, but I think the rights of American labor to bargain collectively contributes to the general welfare of the Nation and I do not think we should stand back at amending a Constitution that requires such social legislation to be attached to the commerce clause only, and in the light of the N. I. R. A. decision and the A. A. A. decision, we all know that this legislation when tested will be declared unconstitutional.

Let me read to this body the findings and policies of the Wagner disputes bill, to recall and refresh your memory on the legal gymnastics resorted to in this policy clause.

SECTION 1. The denial by employers of the right of employees to organize and the refusal by employers to accept the procedure of collective bargaining lead to strikes and other forms of industrial strife or unrest, which have the intent or the necessary effect of burdening or obstructing commerce by (a) impairing the efficiency, safety, or operation of the instrumentalities of commerce; (b) occurring in the current of commerce; (c) materially affecting, restraining, or controlling the flow of raw materials or manufactured or processed goods from or into the channels of commerce, or the prices of such materials or goods in commerce; or (d) causing diminution of employment and wages in such volume as substantially to impair or disrupt the market for goods flowing from or into the channels of commerce.

Let us examine another bill passed at the last session, the so-called T. V. A. legislation that is up for review in the Supreme Court. In a statement of policy in this bill it attempts to prove that the principal aim of the legislation is to provide for flood control and to provide for national defense. Yet we all know that this is an attempt by the Government to create a yardstick by which we may determine just rates that the people should pay for electric power. It is not that the purpose of the bill is unworthy that I am calling this to your attention, but rather to illustrate the absurdity of being unable to pass legislation to promote the general welfare and recognize it as such.

I also hold in my hand a copy of the holding-company bill. For two pages we have the efforts of ingenious lawyers, who tie this bill on the commerce clause of the Constitution. Any Member of Congress who heard the debate on this legislation knows that the regulation of utilities holding companies was absolutely necessary to promote the general welfare. Here again we have legislation that undoubtedly will be declared unconstitutional when it is brought into the Court for review.

N. I. R. A. although in its declaration of policy, spoke of the fact that "a national emergency productive of widespread unemployment and disorganization of industry, which burdens interstate and foreign commerce", but this did not save it from being declared unconstitutional by the Supreme Court.

The social-security bill admits that it is an attempt to provide for the general welfare, but under the narrow interpretation of the general-welfare clause as given by the Supreme Court in the A. A. A. decision, it, too, will be declared unconstitutional. Old-age pensions will be impossible after this decision.

So we must face the situation. I have reviewed six great measures passed by the Roosevelt administration. Two of them, the A. A. A. and the N. I. R. A., have already been declared unconstitutional; four of them, the social security, the holding-company bill, the T. V. A., and the Wagner disputes bill—as well as the Guffey coal bill, which should be included in this group—will, in the light of these decisions, also be declared unconstitutional. I for one cannot endorse spending another session in Congress trying to patch up legislation, trying by indirection and subterfuge to accomplish what the Supreme Court says under our present Constitution we are not able to do.

To go back to my resolution that proposes an amendment of the Constitution. At the time of the adoption of the Constitution, Patrick Henry and George Mason made very able arguments that would give great power to the general-welfare clause in section 8 of article 1. These men were champions of State rights and were afraid this clause gave too much power to the Federal Government. Although Story would make you believe that everyone understood the meaning of section 8 of article 1, he spends many pages defining this meaning. In proving the point, or rather making clear his point, that the power of taxation only is given by the clause and it is limited to objects of national character, by "to pay the debts and provide for the defense and the general welfare", and in order to make his position absolutely clear that the general-welfare portion is merely a qualification of the first part of section 8 of article 1, he says that it should be read, "The Congress should have the power to lay and collect taxes, duties, imposts, and excises 'in order' to pay the debts and provide for the common defense and general welfare of the United States."

I do not think historically it would be possible to make a case against Story's interpretation.

However, there is some justification for the view that the framers of the Constitution meant the Congress to have the power to legislate for the general welfare. According to Elliot's Debates, volume 1, page 336, in the revised draft of the Constitution, reported September 12, 1787, by the committee of revision, section 8 of article I reads:

SEC. 8. The Congress may by joint ballot appoint a treasurer; they shall have power to lay and collect taxes, duties, imposts, and excises: To pay the debts, and provide for the common defense and general welfare of the United States.

You will note that the word "excises" is followed by a colon, which distinctly breaks the thought and gives the Congress power to legislate for the general welfare. However, on September 15—Elliot's Debates, volume 1, page 342—the following amendment was adopted:

Add at the end of the first clause of the eighth section, first article, "but all duties, imposts, and excises shall be uniform throughout the United States."

It is plain to see that when this uniformity limitation was placed on the taxing power, the punctuation was revised to make the power "to pay the debts, and provide for the common defense and the general welfare" not a separate power, as it was when it followed a semicolon after "excises", but as Justice Story interpreted it, with its present punctuation the clause is merely a limiting factor to the taxing power.

I do not pretend my resolution is clarifying the Constitution. I believe, and fully intend, that the adoption of my resolution would greatly increase the powers of Congress by giving them the power to tax with only the limitations of uniformity and also a new power to provide for the common defense and the general welfare of the United States.

It will probably seem strange to those who have so long opposed any change in the Constitution that a small change of punctuation, the mere changing of a comma to a semicolon, and the insertion of the conjunction "and", would so greatly increase the powers of Congress; but I have confidence enough in this body. I think the history of our Government has shown that the power would be used wisely and well. I want to predict that whether this resolution is passed by this Congress or not—and I believe it should be—a general-welfare clause will be submitted to the States this year or at some time in the future. Congress must have the power to provide for the common defense and the general welfare of the United States. [Applause.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 15 minutes to the gentleman from Michigan [Mr. MAIN].

Mr. MAIN. Mr. Chairman, regardless of how it may appear in the course of my remarks, I want you to know that there has been no collusion between the Democratic Representative, my friend the gentleman from Oklahoma, who just preceded me, and myself.

My accession to membership in this body has come about through a sequence of events somewhat unusual and wholly unanticipated a few short months ago. It is my hope that my district will not suffer unduly because of the frequent and sudden changes in its representation in this honorable body. First and foremost I desire to acquire a personal acquaintance with the membership of this House, among the majority members as well as among the representatives on the minority side. Perhaps taking this opportunity of saying a few words upon the floor of the House soon after my appearance as a Member will serve in a small way to promote that acquaintance among you, which I crave, in order that I may sooner overcome some of the disadvantages that will inevitably accrue to my district because of the untimely passing of my friend and predecessor, the Honorable Henry M. Kimball, of Kalamazoo, and through the equally untimely and unfortunate passing of my good friend and fellow townsman, the Honorable Joseph L. Hooper, of Battle Creek.

Naturally I am pleased to be here. But in addition to the sobering references already expressed, I am somewhat further depressed at the reflection that on the very day I took

the oath of office "to support and defend the Constitution of the United States against all enemies, foreign and domestic", a very distinguished gentleman, who had likewise taken an oath of office of equal or more serious import, saw fit to interpret the functions of his office in a manner tending, although perhaps not calculated, to demean and belittle the high office of which he is the present incumbent.

One who comes to Washington with convictions at variance with the policies of the President first finds himself inclined to sympathy and pity for a man who seems to have been caught in a maze of labyrinthian confusions and contradictions. But when one recalls that the platform was accepted, and that policies and personnel were selected by the President himself; and after one sees that same President, through the connivance of his campaign manager and the supine acquiescence of the majority in this House, seize upon the occasion for the message of a statesman and distort it into one for partisan political purposes, under such circumstances I say one is promptly disillusioned as to any political tolerance or catholicity in the spirit of the President. And the predisposition to sympathy and concern for the traditionally burdened occupant of the White House is promptly and completely dissipated. And one finds himself in a mood to go forth in this House or out on the hustings and discuss the man Franklin D. Roosevelt not as the President of the United States but as the individual who is seeking the election to the Presidency as the candidate of the Democratic Party.

Why is it that the Democratic Party, with so much of its numerical quantity—and, I may say, a good share of its mental and spiritual quality—in the great Southland—why is it that so frequently we find the party of the present majority going to the North Atlantic seaboard for its candidate? Talk about Pyrrhic victories for Republicans! It seems to me that the great party of Jefferson and Jackson has had nothing but Pyrrhic victories in recent decades; and, like Pyrrhus of ancient days, the majority may well say with him, "Another victory like that and we will be undone." But I would be untrue to myself and to my own party if I should lead you to believe that my whole concern at this time is the welfare of the Democratic Party. For my part I am interested, first, in the "state of the Union"; and my responsibility is to see what I, as a member of the Republican Party, can do at this time to protect, preserve, and promote the general welfare of the Nation through the activities of this Congress.

Now, may I say that I was charmed by the President's personality. But it was apparent from the message of January 3 that the President is strangely lacking in, or unwilling to express, ideas of statecraft. When he undertook to perform a constitutional duty and address the Congress upon the "state of the Union", he could only resort to the ancient device of shouting "Wolf! Wolf!" in order to once again arouse the populace to his call. But the folk tale of old has its modern counterpart; and even the President of the United States cannot deceive the people time without number and still expect the people to come running to drive away a wolf whenever he chooses to hurl epithets at imaginary raiders of the fold.

He shouted "Wolf! Wolf!" when he sounded the alarm against the money changers. But banks were closed and stockholders and depositors were crucified, while the bogey of the fiendish banker was being paraded into view for torture by the Democratic gladiators.

When the Supreme Court handed down its unanimous decision refusing to referee proceedings over a chicken coop in New Jersey, the President shouted "Wolf! Wolf!" and said that we were returning to the horse-and-buggy days.

But there have been more automobiles made and sold since that peevish comment by the President than during any comparable period since A. F. D. R.—the advent of Franklin Delano Roosevelt.

Again the President shouted the alarm. But that time he stuttered somewhat, and he could only say, "A-A-A wolf!" While the record does not disclose that the wolf got any of the lambs of the flock, we do know that the President actually condoned the destruction of little pigs and other livestock in the pasture. The majority in the Seventy-third Congress came running to his call. But they didn't drive away the wolf. They simply aided and abetted the destruction, in the doing of which the hungry wolf of an earlier day was considered a public enemy.

The drought of 1934 threatened the prestige of the President in that presumptuous and unnatural undertaking, but the credit has been given to Tugwell and Wallace.

And now comes the alarm that the wolf is upon us again; that a greedy and unscrupulous gang of profiteers are prowling around the sheepfold. But the patience of the people of the villages in the Third Congressional District of Michigan—as well as in the cities and on the farms—has been exhausted. They are more fearful of the unfaithful tender of the flock within the pasture than of the busy wolf that exists only in the imagination of the prankster who has been charged with the duty of tending the flock.

The misfeasance—and I may add the malfeasance—in the administration of W. P. A. and P. W. A. projects as partisan enterprises for political profit has reacted against the administration and its sponsors. When the President demanded and received sole responsibility for the allocation and expenditure of the most stupendous peacetime appropriation ever authorized by the Congress of the United States he definitely and deliberately assumed the hazards as well as the political advantage that accrue from such vast discretionary power.

I am advised by the W. P. A. workers in my district that they have not received their pay for nearly 4 weeks. These same workers were persuaded, and attempts were made to coerce them, into voting for my Democratic opponent in the campaign preceding the election held December 17, 1935. No wonder that the attempts at coercion failed to coerce; they knew full well that their week's pay would not take care of the family needs. And now they have had insult added to injury by having their pay delayed. No wonder they were not impressed with the pointed remarks of their bosses, timekeepers, and political overlords that they must vote Democratic if they wanted to keep their jobs. Thank the Lord we still have the secret-ballot booth in the Third Congressional District of Michigan.

Mr. DUNN of Pennsylvania. Will the gentleman yield?

Mr. MAIN. I yield.

Mr. DUNN of Pennsylvania. While the Supreme Court invalidated the A. A. A. and the N. R. A., does not the gentleman think that it did a tremendous amount of good?

Mr. MAIN. No; in view of the drought in 1934 I do not think you could claim the benefits of that any more than you can claim that Joseph of old was made a statesman when, by statute, he took care of all the people in the lean years of scriptural record.

Mr. DUNN of Pennsylvania. The President made an effort, and is it not a fact that the labor organization——

Mr. MAIN. Yes; the President made an effort, as he said, in the spirit of trial and error. I submit that the people have had the trial and the Supreme Court has been charged with the error. [Laughter.]

Perhaps labor was disappointed with the N. R. A. decision, but if the gentlemen will bear with me, I hope to suggest procedure which will put labor upon a safe legal basis for its program.

In an equal degree, it will be no wonder if the people fail to respond to the latest cry of "Wolf! Wolf!" in the harangue invoking suspicion of class against class. We have had enough of responding to false alarms. The time is fast approaching when the cry of the "Big Bad Wolf" will be recognized as only the bray of the Democratic donkey.

One business leader, promptly disciplined by his own organization, proposed to "gang up on the President." This discredited spokesman seems to have exorcised the President into a spirit of sheer abandon as to the real state of the Union. Once again he shouts "Wolf! Wolf!", while availing himself of the courtesy of this House as a soundingboard to cause his partisan remarks to echo in the far corners of the Nation.

The President in his speech on the "State of Prospects of the Democratic Party", presented just two ideas that were appropriate to the time and place of their utterance: And these two were his "good neighbor" remarks about the western continent, and the other was his expression of sentiments relative to proposed neutrality measures. His attempt to talk over the heads of the rulers of European nations into the ears of their subjects was presumptuous and pregnant with international resentments and reactions. This effort is akin to the fomenting influences of the Soviet Republic in this country which are so insidious and so dangerous to our institutions and principles of government.

The President is to be commended for his stand on neutrality, but, in harmony with that good old phrase from the Constitution of the Commonwealth of Massachusetts, let us have a "government of laws, not of men." If this neutrality measure is right, safe, and sound, let it be mandatory and not discretionary in the decision of one man, whether he comes from a patrician home on the banks of the Hudson, the plains of Texas, the west coast, or the North Central States.

Mr. Chairman, when you have given the President the credit for these two features of his message you have credited him with all that he said on "the state of the Union." The rest of his speech must be considered under the heading of the "state of the prospects of Herbert Hoover."

But on Monday, January 6, a more significant development transpired, compared to which the surrender of the President to partisan, rabble-rousing tactics on a time-honored occasion, intended for the enlightenment of the Nation, is negligible. The Supreme Court has determined that the nightmare delusions of the "brain trusters" will not stand the test of daylight government.

The A. A. A. legislation was a perversion of natural law in its inception, and now its fallacy as a legal concept has been established.

And now, Mr. Chairman, this is the point to which I rise: What about this much-talked-of but greatly neglected theme, "the state of the Union"? Are the leaders of the majority in this House again waiting for the product of the "brain trust" to show us the way to meet the problems of agriculture and the many vital problems that seem to have been thrown back into the lap of Congress by the epoch-making decision of the Supreme Court?

Not by one sentence or syllable do I cast discredit or criticism upon the decision of the Court; but I do intimate that the majority members in the preceding session of Congress were derelict in their duty in simply rubber-stamping the proposals of the "hot-dog boys" and the "meant-well" planners. And I do say that the President was derelict in his duty when he asked the Congress to enact the Guffey coal bill regardless of reasonable doubts as to its constitutionality. I do say that we are all derelict in our duty if, now that we are face to face with the obvious fact that no great forward step in social legislation can be taken without a constitutional amendment—I say we are all derelict if we do not proceed at once to prepare the way for the sovereign people to say whether they want those changes written into our fundamental law. Many of the present Members of this House are of the opinion that progress was made when the eighteenth amendment was repealed. That was done with dispatch and decisiveness when it appeared the time had come for that action.

Now, Mr. Chairman, if the Members on the majority side of this House believe that we must have Federal regulation of such matters as agriculture, child labor, sweat shops, old-age pensions, disparity of wages between North and South, industrial relations, and human relief, why do they tolerate these palliative measures that are being proposed by the "brain trust", with practically all of the inherent defects which have been outlawed in the Hoosac Mills decision? (See Raymond Moley.)

Mr. Chairman, I know that there are men and women on the majority side of this House who have a deep understanding of our concept of constitutional government. I know that you have on the majority side of this House jurists and scholars trained and steeped in our theory of government, with its dual aspects of sovereignty and its ideals for the protection of the private citizen in every honorable calling in every section of our country. I challenge you jurists and scholars, with the prestige and power of the majority at your disposal, to do that which will squarely meet and fairly dispose of the delicate and decisive duties that confront us. Let us, I say, have a government of laws, and not of men, whether those laws are to be administered by an Executive of Democratic or Republican choice.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I am going to make a few remarks on the Budget system and the deficit situation and on the situation with reference to the national debt.

What I have to say is rather minute, and it is something I want to be very particular about, and therefore I will be unable to yield to anyone while I am delivering the remarks.

The President has submitted a Budget calling for $5,649,000,000 for expenditures for the regular departments. To this must be added, for certain, at the present time $200,000,000 to pay the impounded A. A. A. processing taxes; also $236,000,000, which is the estimated cost of paying those who had A. A. A. contracts where there has been partial performance. There can be no repudiation of contracts, in the opinion of the Republican Party, regardless of whether or not, as in this case, the authority to make the contracts was invalid. There must also be added, on the theory that the Government has not carried the bonus as a debt liability, $2,500,000,000 for the bonus; a total of $8,585,000,000.

There must be subtracted from the President's estimates of revenue $547,000,000 on account of processing taxes. Whether his other estimates as to income taxes and other items of revenue will pan out no one knows.

If an agricultural bill is adopted which is not a menace to recovery and agriculture, as the A. A. A. was, probably the miscellaneous taxes will increase. If some of the damage that has been done to American agriculture and American business by the operations of the so-called recovery measures can be headed off, there will undoubtedly be an increase in miscellaneous taxes. But, frankly, I do not see how the total of the Government's income can exceed $4,500,000,000, even if the provisions of the Social Security Act survive.

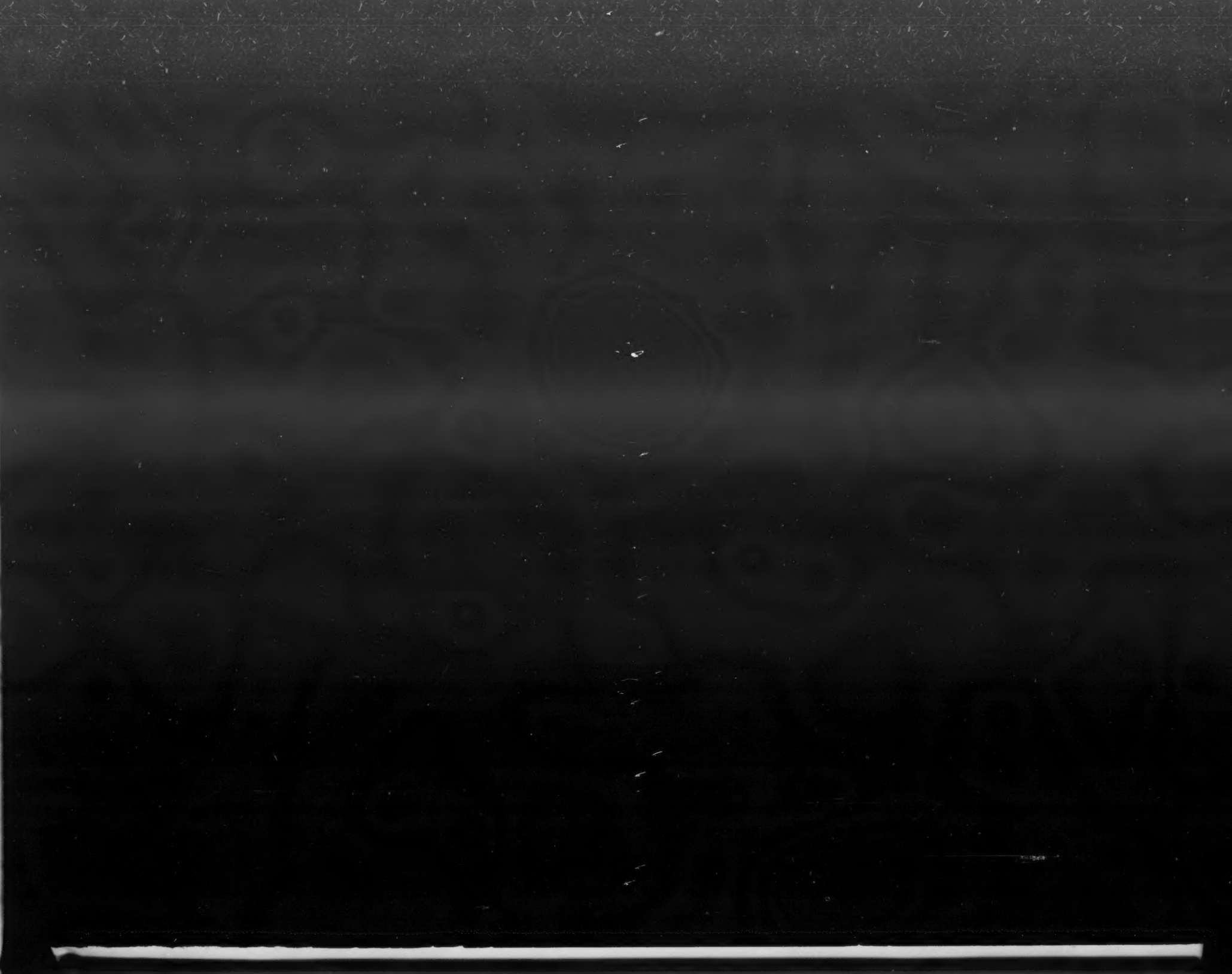
This, in itself, before we tackle the relief problem, is going to give a deficit of $4,085,000,000 in the regular operating expenses, from which must be deducted the amount of estimated expenditures under the A. A. A. of $619,000,000, leaving a deficit on regular operating expenses of the Government of $3,466,000,000.

With reference to the regular operating expenses of the Government, I am going to discuss in brief detail the different Budget estimates that have come up here.

The estimates for the legislative appropriation bill run this year practically $22,000,000, a decrease because of less construction of approximately $500,000. With the exception of building items, an increase is shown of approximately $500,000, the smallest proportionate increase of any Budget estimate.

The independent offices appropriation bill, which is now under consideration by the House, shows total estimates of $1,221,598,000 for regular activities, as against $846,033,000 appropriations in 1936, an increase of $375,565,000. Of this, $47,645,000 is for the Railroad Retirement Board. There is an increase for the Interstate Commerce Commission of $1,500,000. There is an increase for the General Accounting Office of $400,000. There is an increase of $1,400,000 for the Federal Power Commission. The Veterans' Administration has an increase of $95,000,000. There is an increase of $246,000,000 for emergency conservation work, which probably will run in a deficiency bill later on. The Civil Service Commission has an increase of $6,000,000, being entirely on account of the civil-service retirement fund. The Securities Exchange Commission has an increase of $2,000,000.

Every single bureau and commission has shown a very substantial increase in appropriations, with the possible exception of the National Advisory Committee on Aeronautics.



Operating expenses have everywhere run up; run up without regard to what would seem to be proper economy in the operation of the Government. Many of these items are for new activities, under the cloak of which I presume the administration hopes to get by without much change in the appropriations.

In the Agricultural Department, exclusive of the A. A. A. estimates, we have for the Department for 1937, $196,338,600. In 1936 the appropriations were $147,140,247, showing an increase in proposed expenditures of $49,198,000. The larger increases are, for the Forest Service, $5,800,000; roads, $9,000,000; soil conservation, $26,736,000.

Practically every item shows a very large increase in personnel and activities indicating again in this Department absolutely no regard for economy in government.

For the Commerce Department the estimate actually shows a decrease in the total from $34,702,400 to $34,264,175. That is, however, brought about only by elimination of a census operation, which is a nonrecurring item of $1,534,000. The other bureaus in the Commerce Department show a very large increase in personnel and operation, the ordinary items of increase running to a total of $1,105,000.

The Interior Department last year called for $89,061,000. This year the Budget estimates call for one of the largest proposed increases of any department, the estimated increase being $71,540,000. For the Bureau of Reclamation, designed to throw more land open to cultivation, $61,831,000 is estimated. Of all the ridiculous increases in estimates of appropriations for the waste of the people's money, this Department leads off. Every item in the Department, with the exception of the Geological Survey and the petroleum-control item, shows a very large increase in personnel and a tremendous development of expenditures for the people to meet. It is an indication of the masterful efficiency of the Secretary of the Interior, Mr. Ickes, in obtaining appropriations for things that the Government does not need.

The Department of Justice shows an increase from $35,121,000 to $43,795,000, or $8,673,000. A very large portion of this is used up in the appropriation for maintenance of additional prisoners, indicating the tremendous growth of crime which has been going on.

The Labor Department shows an increase from $15,688,000 to $24,463,000, or $8,775,000. Practically every single item shows an increase. The largest item of increase is the social security development of the Children's Bureau, $8,470,000.

The Navy Department shows an increase from $481,731,000 to $549,591,000, or $67,859,000. The big items of increase are for building of ships, $55,595,000, and for additional cost of feeding and caring for and paying the additional personnel in the Navy.

The State Department shows an increase from $15,938,000 to $19,128,000, or $3,190,000. The big item of increase is an item labeled "Foreign intercourse." The International Boundary Commission, United States and Mexico, absorbing $3,760,000 of that increase, and the money, as I understand it, is to be used for the building of a road in the Republic of Mexico at the expense of the Government of the United States. Contingent expenses in the Foreign Service show an increase of $868,000.

The Treasury Department shows an increase of $69,385,000, the appropriation increasing from $1,597,397,000 to $1,666,783,000. In the Treasury Department a very large increase is shown for most of the operating forces. The Coast Guard and the Customs Service account for $7,000,000 of the increase, the Public Health Service for $10,000,000, and the Public Debt Service $91,000,000. Of the decrease estimated of $7,000,000 on account of public buildings will appear later, as I understand it, in the deficiency estimate, a saving in tax refunds of $25,000,000 will be offset in the statement that I have made above for refund of processing taxes, $200,000,000.

For the War Department an increase is shown from $422,000,000 to $571,000,000, or approximately $149,000,000. The largest items of the increase are the Air Corps, about $17,000,000; the National Guard Bureau, $2,400,000; rivers and harbors, $124,238,000, an increase for the river and harbor work to a total of $184,000,000. Almost every bureau in this Department shows a very large increase, and certainly this tremendous increase for rivers and harbors is not in any way justified.

The President estimated for deficiencies something like $600,000,000 for the balance of the year 1936. Those unquestionably will arise.

We have from the figures which we have seen before a deficit of $3,366,000,000 on account of regular operations of the Government. For relief the appropriations demanded by the mayors in this morning's papers total, according to Mr. Hopkins, $2,500,000,000. I think it is safe to say that the appropriations asked for by the Executive will not be less than $3,500,000,000, so that the total deficit for the fiscal year 1937 will be $6,866,000,000. The gross debt at this time is about $30,300,000,000, exclusive of the bonus. Counting the bonus in 1937 and counting a deficit of $3,500,000,000 for 1936, the gross debt at the end of 1937 will be $40,666,000,000. The guarantees outstanding of Government obligations to be added to that will at that time run approximately $5,000,000,000.

Is it not time that we stopped this terrific drain on the Treasury of the United States? It is the large item which is preventing the return of prosperity to the American people. I beg of you, not in a partisan manner but as an American citizen, to appreciate the situation into which the Roosevelt administration is dragging the people of the United States.

This debt will not be paid by us in our generation. It will hang over and be a burden, bearing down upon our children's children, and is a threat to the opportunities which will be available to the young people who are coming along today.

Let us have more regard for our responsibilities as legislators. Let us see that the items of expenditures are cut down to the bone and that no wastefulness or extravagance is permitted. [Applause.]

Mr. MAPES. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. MAPES. Did I understand the gentleman to make the astounding statement that the Budget, as recommended to the Congress, contains an increase for every bureau and agency of the Government, with the possible exception of one, whether it has to do with relief measures or not?

Mr. TABER. That is practically so. I think there are two, as I remember it, one the Council for Aeronautics, and the other the Commerce Department, but the Commerce decrease is only because of the disappearance of a million and a half dollars nonrecurring item; otherwise that shows a million dollars increase.

Mr. MAPES. And with that exception there is only one other possible exception to the statement that I have made.

Mr. TABER. That is as I understand it. There may be one small one, where only a few thousand dollars is involved.

Mr. MAPES. Just one more question. As I understand, the decision of the Supreme Court, which was handed down simultaneously with the reading of the President's Budget message here in the House, puts out of joint, so to speak, the President's Budget to this extent. It decreases the estimated receipts from the processing tax by $547,000,000 and it releases impounded funds from the processing tax of approximately $200,000,000. Besides, there are $236,000,000 due farmers on their allotment contracts.

Mr. TABER. Probably there will come an opportunity to pay $236,000,000 for those contracts, where there has been partial performance.

Mr. MAPES. Making approximately $1,000,000,000 difference in the Budget estimates, as submitted in the President's estimate, within the last week?

Mr. TABER. I think that probably is so—at least that much.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. SNELL. Did I understand the gentleman to say that the Budget estimate asked for about $91,000,000 more to pay interest on the Government debt this year than last year?

Mr. TABER. It is nearly $91,000,000 for interest. There is a little increase in the debt-retirement fund which would go into that particular item.

Mr. SNELL. I have seen a great many statements coming from the administration for the last few weeks to the effect that the interest on the national debt is less, even with the increase, than it was before.

Mr. TABER. Less for this current year; 1936 they estimate will be less than for 1935, although for the year 1937 it will be much larger than either.

Mr. SNELL. And that is the increase that is asked for?

Mr. TABER. Yes.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MORAN. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. CROWE].

Mr. CROWE. Mr. Chairman, the address of President Roosevelt January 3, 1936, delivered before a joint session of the two Houses of Congress and to the Nation, was timely and fitting. Thirty-four months ago, when President Roosevelt ascended the rostrum in front of the Capitol, took the oath of office of President of the United States, and made his address, that address was made to the Congress and to the Nation. It was a first ray of light and like a bright star that suddenly appeared. It was to the Nation like the sun rising on the horizon. Following his inauguration, the great men of the land—industrialists, bankers, and lawyers—came to the President and to the Congress to save them and to save the Nation from the dire distress to which they had plunged it. The Congress and the Nation being his audience then, at a time when everyone almost without exception knew of the bankrupt condition of the Nation, it is certainly fitting and proper at this time that he should again have the same audience. He, quite of right, should desire to point out to the same listeners the changes and betterments of conditions throughout the country now and to point out the improvements that have been made in general conditions.

On that date, March 4, 1933, fear abounded everywhere. Distress was on every hand. The banks of the Nation were closed. Many millions of workingmen were idle. They and their families were hungry. Provision was not made for their maintenance, neither was clothing nor fuel offered them, and the millions idle, mind you, through no fault of their own, but largely because of an industrial condition and because industry had not given thought to the providing of labor for the unemployed. Industry had sought ways and means of saving labor and displacing labor. They had, however, given no attention apparently to finding employment for the labor which they displaced.

We hear much talk today of the national debt and the national debt is a thing to be considered because it must be repaid in taxes, but what of the national debt? What is its present and past status? We find by comparing the record that at the beginning of the Hoover administration that the Federal debt was approximately sixteen and one-half billion dollars, and that it increased approximately $5,000,000,000 during Hoover's term of office, or to a total of twenty-one and one-half billion dollars. During his term of office the income of the Nation declined from around $80,000,000,000 annually to $37,000,000,000. We find that through that and because of that regime banks were compelled to write off in losses more than $1,100,000,000. We find that home owners were faced with foreclosure by the million, as were farmers. We find that farm losses mounted, their interest rates remained the same, but their prices declined to the lowest in the history of the Nation. Corn to 10 cents a bushel, wheat to 25 to 35 cents; hogs to 2 and 2½ cents a pound, and cotton to much less than the cost of production; tobacco also sold for practically nothing. Then the credit of everyone was impaired; the faith in banks was gone; life-insurance companies were in distress; the railroads were limping; in fact, distress and discontent abounded everywhere; and who was there among you who could have said prior to March 4, 1933, that revolution might not take place even here in America! The savings of 23,000,000 bank depositors were jeopardized, as were all life-insurance policies. The losses I have enumerated were not the only losses by any means. The greatest loss perhaps was in the loss of morale; the broken spirits of men and women; the ruined young manhood through discouragement and fear can never be calculated. The home owner who lost his home; the farmer who lost his farm; the factory owner who lost his factory; the grief and heartaches that those people went through, as well as those who through lack of employment lost all of their belongings—many of them will never again be able to recoup.

Today it is a changed picture. Confidence abounds. A million homes have been refinanced and saved to the home owner. A million farms have been refinanced and saved to the farmers. Five million laborers have found gainful employment. Insurance companies are on a solid footing. Our banks have been reopened and are solvent and, thanks to this administration and to the Committee on Banking and Currency, the deposits of the millions of depositors are not only safe but guaranteed up to $5,000. I am glad to have had a hand in the enactment of this particular law. I am a firm believer in it and have actively supported this legislation. Today bank deposits are growing and are now more than $3,000,000,000 above reserve requirements and constantly growing.

INCOME OF NATION INCREASED $23,000,000,000

The national income that had declined to $37,000,000,000 in 1932 has risen in the year 1935 to approximately $60,000,000,000, or an increase of $23,000,000,000; so to those who complain of an increase in the Federal debt during the Roosevelt administration, I remind you that there is something and there will be something with which to pay the increased debt. Moreover, the debt at the present time is not above $30,000,000,000, but is today $28,348,000,000, which is an increase of less than $7,000,000,000 since Mr. Roosevelt went into office. But even though the national debt is increased there is an abundance on the right side of the ledger to show for it. Another interesting thing is the fact that we are paying today on the increased Federal debt more than $100,000,000 less in interest charges than we paid in the last year of the Hoover administration. That saving in itself, added to the greatly increased revenue of the Federal Government, will ultimately retire the Federal debt. Another idea which can be considered on the state of the Union and its improvement is the fact that the home owners of the Nation owe approximately four and one-half billion dollars less today than they did March 4, 1933. The farmers of the Nation owe several billion dollars less than they did at that date, while on the other hand farm products have increased two and one-half billion dollars this year over what they were 3 years ago. This has been due to the legislation which this administration enacted into law, thereby bringing relief to the farmers in the way of increased farm prices. Administrations heretofore have promised relief to the farmers and have promised help. They were, however, promises only, which were not worth the paper they were written on and not worth the efforts made in making them. Not only have the farmers been helped by better prices for crops but lower interest rates have been given those who have secured loans from the Federal land bank, and they are paying much less in interest charges. Likewise, the home owner is paying much less in interest charges.

A. A. A. SUPREME COURT DECISION

Many letters and telegrams from my district since the Supreme Court decision urge new legislation to take the place of the A. A. A. It is imperative new legislation be enacted into law. The "general welfare" of the farmer is the broadest and most far-reaching to be found anywhere. It covers every nook and corner of the United States. A total of 55,000,000 of our 123,000,000 people live either on or directly from the farm. Whenever that large group is in red ink, it follows, as the night the day, all the rest soon follow in distress. The industrialists are protected; accordingly, the farmer must have an equal chance and also be protected. Justice Stone well said in his recent dissenting opinion, in part, as follows:

> As the present depressed state of agriculture is Nation-wide in its extent and effects, there is no basis for saying that the expenditures of public money in aid of farmers is not within the specifically granted power of Congress to levy taxes to provide for the general welfare.

The farmer is the backbone of our Nation; in fact, the backbone of civilization. Before there were machines of any nature, before there were houses of any kind, there was farming after a fashion. Today, in this advanced machine age, the banker, doctor, lawyer, the industrialist finds his table filled with foods grown by a farmer. He finds nothing to take the place of potatoes, bread, pork chops, and beefsteak. Do these people want these foods furnished them at a loss to the farmer? When the farmer is dragged down and loses his buying power the ultimate result is apparent with the utter collapse and break-down of 1929.

Since agriculture is Nation-wide, reaching the entire Nation, with villages and cities dropped down on it here and there, with the inhabitants of them depending on those farmer sons of toil for every morsel of food they eat, for the material for the clothes they wear, and for many other things coming from the farm, is not the dissenting voice of Justice Stone and his associates, Brandeis and Cardozo, logical and conclusive? At least it so occurs to the average man.

Of course, the majority rules, and the decision must and will be accepted; however, a way must and will be found to aid agriculture. Every possible effort will be made to adopt new legislation to fit the views of the Supreme Court. Legislation to aid agriculture, no doubt, will be enacted at this session of Congress, and I intend to personally assist in same any way I can.

STOCKS AND BONDS

The owners of stocks and bonds likewise have benefited during the last 3 years. It is estimated they have increased in value during that time from $5,000,000,000 to $10,000,000,000. Business is steadily improving. I quote by comparison, giving recent figures compared with 1932. A few of them are as follows:

	1932	1935
Industrial production	64.0	97.0
Factory employment	64.2	85.0
Pay rolls	45.3	77.0
Freight loadings	56.7	64.0
Department-store sales	69.0	80.0
Building contracts	28.0	45.0
Wholesale prices	64.8	80.4

I further quote from a man who is considered one of the Nation's greatest statisticians, and of whom it cannot be said that he is thoroughly in accord with the New Deal. I quote from Roger Babson, under date of October 30, 1935. He gives a tabulated report of the percentage of gains of a few of the leading barometers since March 4, 1933, which are as follows:

	Percent
Industrial production	55
Factory pay rolls	92
Automobile sales	512
Steel ingot output	270
Residential building	322
Factory employment	45
Electric power consumed	39
Freight-car loadings	30
Lumber production	186
Rural store sales	112
Department-store sales	49
Corporation profits	85
Stock prices	194
Cash farm income	62
Bank debits	64
Commodity prices	61
New corporate issues	900
National income	25

In spite of this we not only find some, like the dog who bit the hand of the master who fed him, but they would kick the owner of the house out in the cold after they themselves had begged permission and were permitted to enjoy the comforts of the home. Sloan, for instance, of General Motors, is ready to enter his protest against President Roosevelt and the New Deal. He—of all men to complain—with his business, according to Mr. Babson, showing an increase of 512 percent.

But it is to be expected that Mr. Roosevelt will be opposed, maligned, abused, and belied. Any man who stands out, and particularly stands out for the common good, can expect abuse. Any man who touches the purse strings of great wealth can expect to have those same purse strings throttle him if possible to do so. Washington was abused and maligned because he stood out for the interests of the people; so was Jefferson and Jackson. Who was more bitterly denounced than Abraham Lincoln? Denounced even by members of his own Cabinet; yet history reveals these men as being the greatest men of their day. Woodrow Wilson, because he dared stand out for humanity and for the rank and file, suffered criticism and abuses. Theodore Roosevelt came in for his share of abuse and criticism because he dared to stand out for principles and for things that he believed would be in the interest of the masses. Likewise and for the same reasons the present President and those who believe as he does in progressive legislation in the interest of the Nation can expect their full share of criticism and opposition. Nevertheless, the rank and file are with the President and with this administration and will support President Roosevelt at the polls as well as the present Congress which is supporting him.

Mr. MORAN. Mr. Chairman, I yield 5 minutes to the gentlewoman from Indiana [Mrs. JENCKES].

Mrs. JENCKES of Indiana. Mr. Chairman, I desire to bring to the attention of the House of Representatives and the Congress a situation which I deem of great importance to every American citizen who believes in true justice.

A citizen of the great Commonwealth of Virginia, Mr. John Cooke Grayson, was indicted June 28, 1933, for allegedly violating the law dealing with the operation of a bank in the District of Columbia.

Mr. Grayson was placed under proper bond by the Supreme Court of the District of Columbia to await trial. The case was often set for trial, but always postponed on the plea that Mr. Grayson was near death from physical ailments. Mr. Grayson is 64 years old and has been under a $2,000 bond bail since September 25, 1933, shortly after his indictment on two conspiracy charges growing out of the collapse of the Park Savings Bank of the District of Columbia.

Competent medical authorities have repeatedly examined Mr. Grayson and have reported in proper form to the Supreme Court of the District of Columbia that Mr. Grayson's health is serious and that his removal from his present abode to Washington for trial would bring on his death.

This information was officially conveyed to the court in regular form by civilian doctors and doctors in the employ of the Federal Government assigned to examine Mr. Grayson.

On January 13, 1936, Justice Daniel W. O'Donoghue, of the District of Columbia Supreme Court, refused a continuance of Mr. Grayson's case and authorized a bench warrant for his immediate arrest. According to newspaper reports Justice O'Donoghue is alleged to have said, "It is better that one man should die in the administration of justice than that the public should lose confidence in its fair administration by the courts. If this man was ill 2 years ago as affidavits at that time stated he would be dead now."

Attorneys for Mr. Grayson advised Justice O'Donoghue that on account of the serious illness of Mr. Grayson they were not ready to proceed with the trial, and produced in court affidavits by three physicians who examined Mr. Grayson Saturday, January 11. All of these affidavits are alleged to have stated that Mr. Grayson might die if he were brought to Washington.

The attorneys for Mr. Grayson advised Justice O'Donoghue that the doctors were in court, and would like to have them be sworn in and testify. Justice O'Donoghue is reported in the newspapers as having said, "I don't care to hear them. This defendant has had more than ample opportunity either to admit his guilt by a plea of guilty or to plead not guilty and demonstrate his innocence."

Justice O'Donoghue proceeded in regular form to order the bond of Mr. Grayson forfeited.

Mr. Chairman and Members of the House of Representatives, I desire to protest against this inhuman and un-American decision of Justice O'Donoghue. I make this protest from the floor of the House of Representatives as a Member

of Congress elected by the people, against this inhuman decision of Justice O'Donoghue, who is an appointed servant of the people, and not responsible to the citizens of the District of Columbia, who are subservient to the Supreme Court of the District of Columbia for the administration of justice.

I protest this horrible decision of Justice O'Donoghue as an American woman. I protest it as an American mother. I protest it as a citizen of the United States who knows that justice in America is always tempered with mercy.

As a woman, I challenge the statement of Justice O'Donoghue that "It is better that one man should die in the administration of justice than that the public should lose confidence in its fair administration by the courts." The action of Justice O'Donoghue in defiance of the statements of the Government's medical authorities and civilian medical authorities in compelling Mr. Grayson to lose his life before he has had a fair trial has and will break down the faith and confidence of every loyal American in the proper administration of justice in the court of Justice O'Donoghue.

The action of Justice O'Donoghue has brought the dignity of the Supreme Court of the District of Columbia down to the level of pagan and medieval justice.

I demand, in the name of American womanhood, that the life of John Cooke Grayson should be spared. I have always had great reverence, and shall continue to have great reverence for our American courts. I have great respect for those revered justices who are charged with the administration of the laws enacted by the Congress for the good of the people. I shall always continue to revere and respect our American courts, our justices, our judges, and the members of the bar. But I resent and oppose the deliberate attempt of Justice O'Donoghue to cause the death of Mr. Grayson before he has had a fair trial.

I am not a lawyer. I am an American woman who is capable of exercising good judgment, and I know that the maximum penalty for the crime which Mr. Grayson is charged with is not death. I am not a lawyer, but I know of many instances where the courts have taken more than 2 or 3 years in order that proper justice might prevail.

Therefore I denounce and brand the decision of Justice O'Donoghue as being on a par with the horrible decisions of the pagan courts of the medieval and Roman ages and not worthy of the supreme court of our Nation's Capital. I appeal to the Congress as a woman member of the District of Columbia Committee of the House of Representatives to save Mr. Grayson's life.

From the floor of the House of Representatives I appeal to the first magistrate of the United States, the Honorable Franklin D. Roosevelt, to set aside this inhuman decision of Justice O'Donoghue. I call upon my colleagues in the House of Representatives and the Senate from the great State of Virginia to arouse yourselves and, in the name of justice tempered with mercy, prevent this vile decision from prevailing. I call upon all of the citizens of America to arouse yourselves to a militant antagonism to this terrible decision, which would take a man's life knowingly before he has had proper trial.

I prayerfully appeal to Justice O'Donoghue to retire to the quiet of his judicial quarters and read the Holy Bible, and search for precedent and authority, and appeal to Divine Providence for courage and guidance which will permit him to recall his unhappy ruling and permit Mr. Grayson to live.

The time will never come in America when the people will permit a brutal administration of justice. They will have none of it. I call on the women of America to make militant issue of this situation. If it is allowed to prevail, then all of the cherished institutions which women have worked for and attained in our great Nation are in danger.

I ask the Members of this Congress to take prompt and decisive action in appealing to the President of the United States, and, if necessary, go to the extent of impeaching Justice O'Donoghue for his utter disregard of human life.

Mr. MORAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLAND, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 9863, the independent offices appropriation bill, and had come to no resolution thereon.

IMPEACHMENT OF HON. HALSTED L. RITTER

Mr. GREEN. Mr. Speaker, I realize that the time of adjournment has almost arrived, and I dislike to ask the indulgence of my colleagues for a few minutes, but I shall be just as brief as possible. I rise to a question of constitutional privilege.

The SPEAKER. The gentleman will state it.

Mr. GREEN. Mr. Speaker, I rise to a question of constitutional privilege. Mr. Speaker and Members of the House, on my own responsibility, as a Member of this House, I impeach Halsted L. Ritter, a United States district judge for the southern district of Florida, for high crimes and misdemeanors. In substantiation of this impeachment I specify the following charges:

First. I charge that the said Halsted L. Ritter, having been nominated by the President of the United States and confirmed by the Senate of the United States, duly qualified and commissioned, and while acting as district judge for the southern district of Florida, did on divers and various occasions so abuse the powers of his high office and so misconduct himself as to be guilty of favoritism, oppression, and judicial misconduct, whereby he has brought the administration of justice in said district in the court of which he is judge into disrepute by his aforesaid misconduct and acts, and is guilty of misbehavior and misconduct falling under the constitutional provisions as ground for impeachment and removal from office.

Second. I charge that said Halsted L. Ritter did knowingly and willfully violate his oath to support the Constitution of the United States when he arbitrarily and champertously permitted the filing of a bill of complaint in the Whitehall case on October 11, 1929, and on allowing attorney fees in said case to A. L. Rankin, his former law partner, in the sum of $75,000 on December 24, 1930.

Third. I charge that said Halstead L. Ritter did willfully, unlawfully, and contrary to well-established law and contrary to the Constitution of the United States, on or about December 24, 1930, accept in cash from A. L. Rankin the sum of $2,500.

Fourth. I charge that said Halsted L. Ritter did willfully, unlawfully, and contrary to the well-established law and contrary to the Constitution of the United States, on or about April 14, 1931, accept in cash from A. L. Rankin the sum of $2,000.

Fifth. I charge that said Halsted L. Ritter did over the period of from October 11, 1929, until May 1933, and on numerous occasions, willfully, unlawfully, and knowingly visit the Whitehall receivership property, a hotel, and with members of his family enjoy its meals, beds, pressing service, and general and full hospitality without pay.

Sixth. I charge that said Halsted L. Ritter did during the months of May and June 1933, in Miami, Fla., deliberately, willfully, unlawfully, and in violation of the Constitution of the United States, trade, barter, and exchange his judicial power and authority for a flattering resolution of personal praise, politically passed by the city commission of the city of Miami, Fla., on June 14, 1933.

Seventh. I charge that said Halsted L. Ritter did from October 23, 1931, to December 1933, in what was known as the Trust Co. of Florida cases, knowingly, viciously, and unlawfully attempt to nullify the operations of the laws of the State of Florida and many States in the Union, notwithstanding higher court decisions to the contrary, and did ignore rulings of his immediately superior court. So insistent was Ritter in having his two personal friends appointed receivers that at a hearing while he was absent from the State, he wired the Federal Judge Alexander Akerman to appoint two personal friends.

Upon appeal the circuit court of appeals issued an opinion declaring that the Federal court had no jurisdiction whatsoever in the case and that the properties should be turned back to the State comptroller. Judge Ritter's receivers were in control of the properties for about 8 months and collected $183,000 and expended $156,000 of the same on overhead, receivers' fees, and attorneys' fees, a very small portion of expenditures going to taxes and repairs on the properties. Judge Ritter approved the report of receipts and expenditures without notice to anyone.

After the circuit court had declared that Judge Ritter had no jurisdiction in the cases, and Judge Ritter knew that the mandate was on the way from New Orleans, and knew what the decision was and knew that he had no jurisdiction, yet in the face of all that he entered an order allowing approximately $26,000 of fees to receivers and attorneys. He stated in substance that he would not have his receivers go begging in the State courts.

Eighth. I charge that said Halsted L. Ritter did unconscionably criticize the Chief Executive of our Nation and attempt to drag his high judicial office into politics. In substance he stated that since Democracy has finally cropped into our ranks, the assistant United States district attorney, who was a personal friend of Ritter's, would lose his job, and that he was going to see that the assistant district attorney got a job with a salary commensurate to that theretofore received from the United States Government. It is said that the assistant district attorney was vitally interested in these trust company matters pending in Ritter's court, as heretofore referred to, and was allowed large fees for little service.

Ninth. I further charge that said Halsted L. Ritter has been arbitrary, capricious, and czarlike in the administration of the duties of his high office, and has been grossly and willfully indifferent to the rights of litigants in his court, and that by virtue of his conduct his usefulness as a judicial officer has ceased.

Now, Mr. Speaker and Members of the House, I think I should lay before you some of the facts in this case that bring the matter to this House. I want to also advise my colleagues that my action in this matter is clearly one of duty. It is no pleasure to me, I assure you, to impeach any member of the judiciary. I fully appreciate that feeling of respect which should always exist between an attorney and the court. This feeling, of course, was brought more vividly to my mind while I served for 4 years on the bench before my constituents were kind enough to send me here as a Member of this great body.

Many citizens of the southern district of Florida, in which I reside, feel that in Judge Ritter's court justice has been miscarried, and they are now appealing through me to the Congress, as their only court of appeal, to relieve them of this deplorable situation. The only recourse we have is the one which I am resorting to, that of requesting my colleagues to impeach. The House sits as a committee magistrate in matters of this nature, and undoubtedly the evidence is such that in this case Halsted L. Ritter should be committed to the trial body of our legislative branch of the Government.

Mr. Speaker, I could enumerate further charges, but the hour is so late that I regret to take the time of my colleagues. It is not at all a pleasure for me to arise and impeach a member of the judiciary. I assure you I would not do it if we did not have an intolerable, unbearable, reprehensible and most shameless and unusual condition which is miscarrying justice in Halsted Ritter's court.

In May 1933 a resolution was passed by the Seventy-third Congress directing the Judiciary Committee of the House, either as a whole or by subcommittee, to investigate the official conduct of Halsted L. Ritter, a Federal judge for the southern district of Florida. A subcommittee, with Hon. MALCOLM C. TARVER, of George, as chairman, was appointed to conduct the investigation. The subcommittee held hearings in Washington and in Miami, Fla. The testimony was voluminous and very pertinent. The oral testimony has been printed by the Government. An abstract of the testimony has been made at the request of the subcommittee, and said abstract, containing about 60 pages, has been printed by the Government. The abstract is an accurate summary of the evidence, and copies of it are available. Any Member of this body can familiarize himself with the evidence in a short time by studying said abstract.

I am vitally interested in this investigation for two important reasons: First, from a careful study of the evidence I am convinced that Judge Ritter is an ignorant, unjust, tyrannical, and corrupt judge; that a majority of the people in his district have the same convictions that I have; that confidence in him and his court is lacking; that his usefulness as a judge of the southern district of Florida has long since come to an end. Second, a large portion of the district over which Judge Ritter presides is in my congressional district, and my people demand and feel that they are entitled to a judge learned in the law and one who has dignity, honor, and integrity.

Briefly, I will outline some of the evidence manifesting crookedness and official misconduct on the part of Judge Ritter. Then, in conclusion, I will read for you as a part of my speech the report of Hon. MALCOLM C. TARVER, chairman of the subcommittee that conducted the investigation. Let us consider the evidence.

Mr. O'CONNOR. Will the gentleman yield?

Mr. GREEN. I yield.

Mr. O'CONNOR. Of course, ordinarily the matter would be referred to the Committee on the Judiciary. Does the gentleman think he must proceed longer in the matter at this time?

Mr. GREEN. My understanding is, I may say to the chairman of the Rules Committee, that the articles of impeachment will be referred to the Committee on the Judiciary for its further consideration and action. I do not intend to consume any more time than is absolutely necessary.

Mr. BLANTON. Will the gentleman yield?

Mr. GREEN. I yield.

Mr. BLANTON. What action was taken on the Tarver report? If this official is the kind of judge the Tarver report indicates, why was he not then impeached and tried by the Senate?

Mr. GREEN. That is the question that is now foremost in my mind. Since Judge TARVER's service as chairman of the Judiciary Subcommittee he has been transferred from the House Judiciary Committee to the House Committee on Appropriations. He is not now a member of the Judiciary Committee.

I firmly believe that when our colleagues understand the situation thoroughly, there will be no hesitancy in bringing about Ritter's impeachment by a direct vote on the floor of the House. My purpose in this is to get it in concrete form, in compliance with the rules of the House, so that the direct impeachment will be handled by the Committee on the Judiciary. At present impeachment is not before the committee. This will give the Judiciary something to act upon.

Mr. BLANTON. Was he not impeached in the House before when the Tarver investigation was made?

Mr. GREEN. No. He was never impeached. There was a resolution passed by the House directing an investigation to be made by the Judiciary Committee.

Mr. BLANTON. Was that not a resolution that followed just such impeachment charges in the House as the gentleman from Florida is now making?

Mr. GREEN. I understand that articles of impeachment have not been heretofore filed in this case.

Mr. BLANTON. Was the Tarver report, to which the gentleman has referred, filed with the Judiciary Committee?

Mr. GREEN. It is my understanding that it is now in their hands.

Mr. BLANTON. Does the gentleman now tell the House that any such report as that was filed with the Judiciary Committee by Judge Tarver, and that that committee took no action whatever?

Mr. GREEN. I would not answer for the Judiciary Committee, but I would say I have the impression that the members of the committee are advised of Judge Tarver's report.

Mr. BLANTON. The members of the Judiciary Committee are good lawyers and are some of the leading, outstanding Members of this House, Members in whom we have absolute confidence. I cannot understand why they have not taken some action.

Mr. GREEN. I hope that our confidence will be made stronger in this committee when they bring out impeachment proceedings. I feel hopeful that the committee will give the matter further consideration as the conditions may warrant and that we will have a chance to vote upon the matter on the House floor.

Mr. MAPES. Will the gentleman yield?

Mr. GREEN. I cannot yield further at this time.

Mr. MAPES. I make a point of order, Mr. Speaker, if the gentleman does not care to yield.

Mr. GREEN. Go ahead and make the point of order.

Mr. MAPES. My understanding is the gentleman has submitted his impeachment charges.

The SPEAKER. Does the gentleman yield?

Mr. GREEN. Not at this time.

Mr. MAPES. I make the point of order, Mr. Speaker. I had hoped to be permitted to ask a question instead.

Mr. GREEN. Mr. Speaker, I yield to the gentleman for a question.

Mr. MAPES. Mr. Speaker, as I understand, the gentleman has made his impeachment charges, and for the last 10 minutes has been proceeding almost entirely with an argument and a personal statement which I do not think are in order under the circumstances. I think I will make the point of order, Mr. Speaker.

The SPEAKER. The Chair will state to the gentleman from Michigan that the gentleman from Florida having raised a question of privilege and having made these charges is entitled to 1 hour on the charges. The gentleman has been recognized and may use all or any portion of the hour he sees fit.

Mr. MAPES. Is the gentleman entitled during that hour to engage in a general discussion of the charges?

The SPEAKER. He is, under all the precedents with which the Chair is familiar.

Mr. GREEN. I shall discuss this evidence very briefly, Mr. Speaker. I do not want to take up any more of the time of the House than I feel I absolutely must take, but this is a matter that is very dear to the heart of every man who wants to see the judiciary of this country occupying the role in our Government which the framers of our Constitution had in mind when they created the three branches of our Government.

I come now to the hotel case. I will briefly outline this case.

WHITEHALL CASE

Whitehall Hotel is a fashionable hotel in Palm Beach, Fla. Judge Ritter testified that it is "an exclusive hotel where the exclusive rich went to hibernate in the wintertime, and they paid fancy prices for their rooms." It had been in bankruptcy in Judge Ritter's court. One Walter Richardson, a Palm Beach attorney, was trustee in the bankruptcy proceedings. Judge Ritter allowed the trustee a fee of $16,800, whereas the trustee's attorney had advised the court that a fee of $6,500 to $6,800 was all that could be allowed under the law. Judge Ritter replied that he would not let anybody tell him what compensation he would allow his trustees.

Desiring to retain control of Whitehall Hotel, the said Walter Richardson, and one A. L. Rankin, who was Judge Ritter's former law partner, and others formed a conspiracy to start foreclosure of the first-trust mortgage on the hotel and to have said Richardson appointed receiver. The evidence shows that they interested Judge Ritter in the scheme and that Judge Ritter went along. They learned that Judge Bert E. Holland, of Boston, held sufficient bonds for their purpose. Without full knowledge of their plans, Judge Holland authorized A. L. Rankin to bring the suit in his name. However, before the suit was filed, Judge Holland got suspicious that something improper was brewing, and wired A. L. Rankin, former partner of Judge Ritter, not to file the suit, and not to ask for receiver. Rankin ignored the instructions of his client and filed the suit, anyway. At the time suit was filed in Judge Ritter's court, Rankin wrote the clerk of court that it was very important that a receiver be appointed immediately, and requested the clerk to lock up the bill of complaint as soon as it was filed and hold it until Judge Ritter returned, so that it would not have any newspaper publicity before Judge Ritter heard the application for appointment of receiver. Judge Holland heard through accident that a hearing for appointment of receiver had been set. He went to Miami and discharged Rankin as his lawyer and told Judge Ritter he wanted the case dismissed, that he did not want a receiver appointed, and that Rankin had no further authority to represent him in the case. Judge Ritter told Judge Holland that he would not permit out-of-State clients to start suits in his court and then dismiss them. Judge Ritter then appointed the said Walter Richardson as receiver. Rankin continued to act as attorney for Judge Holland, without authority, and with full knowledge on the part of Judge Ritter that Rankin had been discharged as attorney in the case.

At this point they appear to have accomplished their design. They have control of the Whitehall property. One Walter Richardson is receiver; another, A. L. Rankin, former partner of Judge Ritter, is conducting the case without a client, without authority, and after he had been discharged from the case. Another, Judge Halsted L. Ritter, is sitting on the bench receiving and dispensing large sums as spoils and favors. He does not permit a plaintiff who has been trapped and deceived by his lawyers to dismiss his case. He does not permit that same plaintiff to discharge his lawyer, A. L. Rankin, who started the suit in violation of positive instructions.

Then the mill begins to grind. A. L. Rankin, former partner of Judge Ritter, applies to Judge Ritter for advance on fees and is allowed $2,500. Shortly thereafter more fees are asked for. Judge Ritter evidently fearing his conduct was too bold writes Judge Akerman to fix the fee for A. L. Rankin in the case. Judge Akerman swore that he fixed $15,000 as Rankin's total fee.

Judge Ritter was not supposed to know at this stage whether A. L. Rankin would win the case or whether he would be entitled to any fee from the court. Shortly thereafter Judge Ritter plays Santa Claus in a big way.

After Judge Akerman had fixed the total fee for Rankin at Judge Ritter's request, and when no more work had been done in the case except the drafting of a short final decree, Judge Ritter signs a final decree on December 24, 1930, allowing A. L. Rankin, his former partner, an additional fee of $75,000. On the very same day and out of the $75,000 fee just allowed him, A. L. Rankin stalks stealthily into Judge Ritter's private office with $2,500 cash in his pockets, and, behind closed doors in the presence of no one but himself and Judge Ritter, he places the $2,500 cash in Judge Ritter's hands. A short time later Rankin collects the balance of his $75,000 fee and again turns his footsteps toward Judge Ritter's private office with $2,000 cash in his pockets. In the same manner as before he placed the $2,000 cash in Judge Ritter's hands. Shortly thereafter Judge Ritter deposited $1,100 cash in the bank and has never yet given satisfactory explanation of where he got it.

Now, what is the excuse for Judge Ritter accepting this cash out of a fee he had just allowed his former partner? One excuse is that Judge Ritter sold Rankin his stock in a bus company, but the evidence shows the stock was worthless and that Judge Ritter continued to hold the stock and was president of the company for nearly 2 years thereafter. Another excuse is that Judge Ritter sold Rankin his interest in the law books and office furniture of the partnership when the judge went on the bench, but the evidence shows that Judge Ritter had the following books and furniture: Cook on Corporations, five volumes; Carsons Florida Common Law Pleading, one volume; General Laws of Florida, 1921, 1923, and 1925, three volumes; Jones Legal Forms, one volume; Revised General Statutes, 1920; Mills 1923 Code and Mills Statutes for 5 years; one desk, one cabinet, and three chairs. (See exhibit 46.)

Reliable attorneys say that all the books and furniture were not worth more than one or two hundred dollars, yet Judge Ritter claims to have sold them to his former partner for $5,000. Another excuse is that Judge Ritter sold Rankin his interest in the cases on hand when he went on the bench, but the evidence shows that Judge Ritter continued to get his interest in the fees collected from the old business for a long time after he went on the bench and that Judge Ritter collected three fees from the partnership business some time after he went on the bench—one of $2,000, one of $120, and one of $32.66—and never reported these fees to Rankin.

The evidence further shows that while the Whitehall Hotel was in the hands of receiver, Judge Ritter, his wife, son, daughter, secretary, and her husband stopped at the hotel five or six times, occupied expensive rooms, took meals in the dining room, sent clothes to the cleaners, and never offered to pay for said services but had the bills charged to the receivership.

A. L. Rankin was asked why he gave Judge Ritter all this money in cash instead of checks. This in substance is his reply: The reason that actuated my giving him cash is this—I thought that there might be some criticism directed to Judge Ritter should I give him checks, in view of the fact that I was his former partner, and people might misconstrue why I was giving him checks.

After Judge Ritter went on the bench Rankin paid him money for his part of fees collected from the partnership business on several occasions, but always by check. Then comes the enormous Whitehall fee of $75,000 allowed by Judge Ritter, and Rankin gives Judge Ritter $4,500 cash out of said fee.

I will now discuss what is known as the Power case.

POWER CASE

About March 1, 1933, the Miami City Commission passed an ordinance reducing electric rates to consumers approximately 29 percent.

This is why they wanted a lower rate in Miami: According to an Associated Press dispatch of February 3, 1935, the following are some of the power rates in the country:

An electric-rate study which showed variations ranging from 60 cents for 15 kilowatt-hours in Cleveland to $1.71 for the same amount of current in Miami, Fla., were made public February 3, 1935, by the Federal Power Commission. The survey said Cleveland also had the lowest charge among cities of 100,000 or more for 25 kilowatt-hours. The rate was 88 cents, followed by Washington, D. C., 98 cents; the highest being Miami, $2.76. For kilowatt-hours, the report said, Cleveland rates $1.31, while Miami tops the list with $4.18.

The highest power rate in the United States was what Halstead Ritter corruptly used his judicial power to uphold. The Florida Power & Light Co., the holder of franchises to furnish electric current, filed suit in Judge Ritter's court to enjoin the enforcement of said ordinance. Judge Ritter granted the injunction in 9 days after suit was filed. The city of Miami filed motion to dismiss the bill of complaint on legal grounds. Before the motion was disposed of, before any answers were filed, before the case was at issue, and when no party to the cause had asked for appointment of master, Judge Ritter appointed one Cary T. Hutchinson as special master, with power and very flattering compensation. The city of Miami conducted an investigation into the fitness of the said Hutchinson to act as master and found that for many years the said Hutchinson had been in the employ of Federal Light & Traction Co., as well as Cities Service and Sanderson & Porter, and that he maintained offices with Sanderson & Porter at 52 William Street, New York City.

Judge Ritter appointed the said Hutchinson without notice to the city and at a time when no one was present but an attorney for the power company. The case on the part of the city was in the hands of the city commission, the rate and traffic board, and the city's counsel, among whom was Hon. Charles A. Russell, of Washington, D. C., a utility lawyer of national reputation. Those handling the case for the city felt outraged at the appointment of Hutchinson as special master and felt that the city's case was already lost. They resorted to all legal means available to get Judge Ritter to vacate the appointment, but he refused to do so. So incensed were the members of the city commission and of the rate and traffic board and of the city's counsel that some of them, with the assistance of others, became quite active in gathering and furnishing information to this body for the purpose of having a congressional investigation of the official conduct of Judge Ritter. Congress passed such a resolution in May 1933. The city of Miami had its special counsel, Mr. Russell, prepare notice of appeal and petition for disqualification of Judge Ritter in the power case. These papers were sent by Russell to one G. A. Worley, local counsel for the city of Miami, for filing. Worley did not file them for reasons which I will give you.

Up to the time Congress passed a resolution for his investigation Judge Ritter had been firm and unmovable in his refusal to vacate appointment of Hutchinson, and those representing the city, it is said, had been outspoken in their lack of faith and confidence in Judge Ritter. But when Congress passed the resolution the whole situation soon began to have a different atmosphere.

Somehow Judge Ritter happened to have some conference with G. A. Worley, one of local counsel for the city of Miami, about opposition to Judge Ritter on the part of certain city officials and about getting the city to pass a resolution expressing faith and confidence in the honesty and integrity of Judge Ritter. G. A. Worley, as a go-between, also held conferences with certain officials of the city who were active in the power case, and likewise held conferences with attorneys for the power company and with some of the attorneys representing Judge Ritter in this investigation concerning methods of getting rid of Hutchinson as master in the case and concerning the city passing a resolution expressing faith in Judge Ritter's honesty. Apparently Judge Ritter was greatly troubled by this investigation and wanted all the support he could get. As a result of the conferences just mentioned, a trade was made by Judge Ritter with the city. The terms of the trade were that the city would pass a resolution publicly expressing faith and confidence in Judge Ritter's honesty and integrity and Judge Ritter would in turn disqualify himself in the power case and would see that Hutchinson got out of the way and a new master agreeable to the city was appointed.

The city passed a resolution expressing confidence in Judge Ritter's honesty on June 14, 1933. The people of Miami were watching the power case carefully and wondered why the resolution was passed by the city commission. Then there was a leak. The public found out about the trade with Judge Ritter. There was criticism and comment everywhere. G. A. Worley testified that "water got too muddy" to go further with the trade at that time. However, sometime later Judge Ritter did disqualify himself in the case and Hutchinson stepped aside and a new master was appointed. So Judge Ritter swapped his judicial powers and actions in the power case to get the city to abandon its hostile attitude toward him in the congressional investigation.

Mr. Speaker, the future of our Nation is in a pitiable state if the House of Representatives should uphold a district judge who will barter, trade, and exchange his judicial authority and power, his office, if you please, for a mess of political pottage in the form of a flattering resolution passed by a city commission in order to help him out in a congressional investigation. The evidence before the Committee on the Judiciary shows that this situation actually existed.

FRANCIS MATTER

Next I will discuss what is known as the Francis matter. One J. R. Francis, of Flint, Mich., had invested nearly a million dollars in Florida real estate and had become entangled in legal difficulties on account thereof. Judge Ritter received his appointment to the bench in February of 1929. On April 19, 1929, the said J. R. Francis gave Judge Ritter a present of $7,500 in cash. Judge Ritter's reason for the gift was that he and his wife found a vacant lot on Rivo Alto Island which was offered for $7,500 cash. Judge Ritter stated that he told Mr. Francis about the lot and told Mr. Francis he did not have the money with which to purchase it. He said that Mr. Francis gave him a check for $7,500

with which to buy the lot and that Judge Ritter was to hold the lot in trust. However, title to the lot was taken in Judge Ritter's name and probably still stands in Judge Ritter's name, and Judge Ritter says that after Mr. Francis died his widow told him that Mr. Francis intended that Judge Ritter should have the lot free of charge and that Judge Ritter was not indebted to the Francis estate in any manner. While the evidence is not conclusive as to misconduct in the Francis matter, yet the entire transaction is very suspicious.

It is very unusual for Federal judges to be handed $7,500 gifts unless there is some sinister motive back of it. It is a further illustration of Judge Ritter's judicial unfitness.

TRUST CO. OF FLORIDA CASES

I will next discuss in a very brief way what is known as the Trust Co. of Florida cases. The Trust Co. of Florida and the Marion Mortgage Co. were trustees for bond issues covering nearly 100 valuable hotels and apartment houses and other properties in the State of Florida.

These bond issues were placed during 1925 and 1926, which years marked the real-estate boom years in Florida. After the boom collapsed practically all of these bond issues became in default. The Trust Co. of Florida was in financial difficulties. The State comptroller took over the Trust Co. of Florida and the various properties and placed the properties in the hands of the liquidators under the State law.

According to the evidence, certain attorneys and others, aided and abetted by Judge Ritter, conspired to gain control of the various properties for which the Trust Co. of Florida and its affiliates were acting as trustees. Judge Ritter, in violation of law, took jurisdiction of these various trust properties and ousted the State liquidators and appointed as receiver-trustees two of his close, personal friends and two men who knew they were going to be appointed receivers before the hearing was had. The one who instituted the champertous litigation in Judge Ritter's court spent much in contacting bondholders and gathering data, and is said to have made lavish promises in the way of receiverships, in the placing of insurance, and of fat salaries and attorneys' fees in order to get the support of necessary parties to bring the suit. One of the attorneys, it is said, boasted that he had the inside track with the judge, and that the judge wanted "another crack" at the trust-company properties. So insistent was Judge Ritter in having his two personal friends appointed receivers, that at a hearing while he was absent from the State he wired Federal Judge Akerman to appoint his two personal friends.

Upon appeal the circuit court of appeals issued an opinion declaring that the Federal court had no jurisdiction whatsoever in the case and that the properties should be turned back to the State comptroller. Judge Ritter's receivers were in control of the properties for about 8 months and collected $183,000, and expended $156,000 of the same on overhead, receivers' fees, and attorneys' fees, a very small portion of expenditures going to taxes and repairs on the properties. Judge Ritter approved the report of receipts and expenditures without notice to anyone.

After the circuit court had declared that Judge Ritter had no jurisdiction in the cases and Judge Ritter knew that the mandate was on the way from New Orleans and knew what the decision was and knew that he had no jurisdiction, yet in the face of all that he entered an order allowing approximately $26,000 of fees to receivers and attorneys. He stated, in substance, that he would not have his receivers go begging in the State courts. He also stated that since democracy had finally crept into our ranks, the assistant United States district attorney, who was a personal friend of Judge Ritter, would lose his job, and that he was going to see that the assistant district attorney got a job with a salary commensurate to that theretofore received from the United States Government. The assistant district attorney was vitally interested in these trust-company matters pending in Judge Ritter's court and was allowed large fees for practically no service. After the circuit court of appeals had rendered its opinion stating that Judge Ritter had no jurisdiction in the cases, it is said that Judge Ritter told the attorneys for the State comptroller that he would enter any sort of order they desired, provided they would not appeal from his allowance of fees to his receivers and attorneys.

This was a case of champertous action instituted by close, personal friends of Judge Ritter, and Judge Ritter gave valuable suggestions in the preparing of the bill of complaint for the suit and went beyond the bounds of propriety in having his two personal friends appointed receivers.

After he had been ousted from jurisdiction by the circuit court of appeals, he allowed thousands of dollars as fees to receivers and attorneys and agreed to enter any sort of order in the case, provided no appeal would be taken from such allowances. The testimony in the Trust Co. of Florida case is very voluminous, and time does not permit me to go further into it.

Along this line and in this connection, may I say that I decry the practice of any Chief Executive in any administration who undertakes to pick a man from one section of the country and send him to another section of the country to occupy some appointive position. Some 65 or 70 years ago this practice was called carpetbagging. I charge that Judge Halsted Ritter is in the plainest and the simplest sense a carpetbagger. He had been in Florida but a short while—probably a year or two—before he was appointed as a Federal judge by President Calvin Coolidge. Many of Judge Ritter's decisions that have been appealed have gone on the rocks, just like the decisions of inferior judges who know little law and care less about its application.

Rather than to comment further, may I ask unanimous consent to have the Clerk read a portion of the report of the gentleman from Georgia [Mr. TARVER] in this case?

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read as follows:

RITTER CASE—VIEWS OF REPRESENTATIVE M. C. TARVER

In submitting the following views concerning the investigation of the official conduct of Halsted L. Ritter, judge, District Court of the United States for the Southern District of Florida, had under House Resolution 163, Seventy-third Congress, first session, I am discharging a duty which would be much more pleasantly performed if the conclusions reached could have been favorable to his exoneration. Having been transferred to another committee of the House of Representatives since I served as chairman of the Ritter subcommittee, I have no part in the responsibilities of the committee as to further action; but I owe to them the submission of a frank statement as to my conclusions from the evidence submitted herein while I acted in their behalf and by their authority.

At the outset I wish to make clear that by referring to certain pages of the record I am merely pointing out striking features of the case concerning which no man can form a fair opinion without reading the entire record.

Halsted L. Ritter, then a resident of the State of Colorado, removed to Florida in December 1925. (See p. 405 of hearings.) His practice as a lawyer in Florida was first as an employee of the firm of which Congressman WILCOX was a member, and afterward as member of the firm of Ritter & Rankin. (See p. 406.)

PARTNERSHIP AND TRANSACTIONS WITH RANKIN

In 1926 he formed a partnership with Albert L. Rankin. (See p. 406.) The firm, known as Ritter & Rankin, did not have a large practice. Rankin, it appears, claims to have paid an income tax on gross income of $4,621.57 (p. 447) for the year preceding his partner's elevation to the bench, but the first year after Ritter's appointment his gross income was $15,580 (p. 279). This partnership continued until the elevation of Judge Ritter to the bench on February 25, 1929. Shortly before the appointment of Judge Ritter, Rankin, being in financial difficulties, informed one of his creditors that his partner was "going to be appointed Federal judge and he would have some money shortly after that took place" (p. 10). In this statement he appears to have been justified as his income for the calendar years 1929–30–31–32 very greatly increased over his income for previous years. It is, of course, probable in this connection that many clients sought his services because of their knowledge of his previous partnership with the judge and without impropriety on his part. The Silver case (see p. 284 et seq.) appears to be one in which his selection as counsel after other counsel had failed was probably on account of his influence with the judge, and the successful consummation of the case after Rankin had been employed is significant in the light it throws on Rankin's rising income after his partner was appointed judge. In dissolving the partnership of Ritter & Rankin, there was an agreement that the judge would retain his interest in certain fees (p. 20 et seq.). He thereafter received on this account $4,899. These moneys were received by check (pp. 17–20 et seq. and p. 441). There was nothing not open and above board about these transactions, except that $2,000 paid after the judge went on the bench is said to have been an "extra" fee influenced by "psychological" reasons (p. 445). Whether there was an agreement as to Rankin

paying Ritter anything other than his proportion of these fees for his interest in the partnership is one of the disputed issues in this case. One of these fees amounting to $2,000 the judge received in entirety (p. 445). The partnership library was of little value (pp. 142–187–191). See also Rankin's statement to the investigator as to what he bought (p. 137). No written contract was made which in itself is an extraordinary circumstance, if a one-half interest in property, the whole of which is now claimed to have been worth $10,000 was disposed of (p. 22). No due date as to Rankin's alleged obligation to Ritter of $5,000 was agreed upon (p. 86). No demand was ever made for payment (p. 22). No payments were made thereon between the time Ritter went on the bench February 25, 1929, and the date Rankin paid him part of the huge fee allowed him for services of a minor character in the Whitehall case (Dec. 24, 1930), although Rankin was in receipt of a considerable income which for the year 1929 was $15,580. The payment when made was intentionally in cash so as to avoid the record of a check to Judge Ritter (pp. 17–19). Ritter placed $500 of this cash in a box and did not deposit it in the bank until almost 7 months later (p. 421). Two thousand dollars of it was withheld from deposit for 5 days. This payment was $2,500. On that date Rankin received $30,000 of the fee allowed him. Later, when he got the remainder of his fee, he gave Ritter an additional $2,000 (p. 18). These facts do not harmonize with the contention that there was a sale by Ritter to Rankin of a one-half interest in the partnership property and that the $4,500 paid him was in part settlement of this debt. Rankin claims that later he paid Ritter on this alleged debt an additional $500. It is significant that these payments from other funds were made by checks and not in cash. Only the payments from the Whitehall fee were made in cash (pp. 18 and 19).

WHITEHALL CASE

Before concluding, however, that this transaction was venal and corrupt, let us examine the facts in the Whitehall case to determine whether Judge Ritter had been guilty of judicial misconduct resulting to the financial benefit of Rankin and offering a more reasonable explanation of the payment to him of $4,500 from the proceeds of Rankin's fee in this case than the alleged partnership transaction.

The Whitehall suit was champertously brought. It was not a case of parties at interest seeking the protection of the courts.

It was a case of parties who had no financial interest in the property seeking to enlist the aid of plaintiffs in an action they proposed to bring so that they might secure control of the property with resultant large fees for services as attorneys and as receivers. Richardson and Rankin were two of the principal members of this conspiracy. A careful examination of Rankin's evidence and the documents introduced relative to the stirring up of this suit establishes this fact incontrovertibly. It was necessary under Florida law to bring the action they mediated in the names of plaintiffs holding $50,000 worth of the first-mortgage bonds (p. 76). If Richardson was to benefit, it was necessary to present the petition for action to a friendly judge, who would appoint him receiver. So pending arrangements with Bert E. Holland, who controlled $50,000 worth of the first-mortgage bonds, to act as plaintiff, Richardson and Rankin went to New York to see Judge Ritter, who was holding court there (pp. 31 et seq.). Did Rankin only talk to him about another matter, as he contends? Who could know except Ritter and Rankin? Must we accept their statements the Whitehall matter was not discussed? Let us not do so unless that statement has the ring of truth in the light of subsequent developments.

On October 10, 1928, Holland wired Rankin not to file the suit (pp. 56 et seq., also p. 150 et seq.). Rankin filed it anyway. Before receiving Holland's wire he had wired Holland he would not file it until the next day (p. 58). He claims he had already mailed it to the clerk. There is no evidence of this except his statement. (See clerk's evidence, pp. 5–6–8.) In a letter mailed either before or after Holland's telegram he did transmit the suit to the clerk (p. 12). It had not been received by the clerk when Holland's telegram was received by Rankin, because it was not filed until the following day. In his letter of transmittal he instructed the clerk to keep the filing of the suit secret (pp. 62–63). No question should exist in any lawyer's mind as to the power and duty of an attorney instructed by a client on October 10 not to file a suit to prevent its being actually filed on October 11, either by stopping the letter to the clerk in transit or by calling the clerk on the phone and withdrawing the instruction to file it. He made no effort to stop the filing (p. 58). Judge Ritter is blamable with that misconduct on the part of counsel only if it was part of a conspiracy to which he was a party or if, with knowledge of it, he approved it.

He did approve it. The facts were made to appear before him on the hearing had October 28, 1929. Holland appeared in open court and stated the facts and stated his desire that the action for receivership not proceed (pp. 63–151–167–308–309). Without him, there was no plaintiff with sufficient ownership of first-mortgage bonds to maintain the action. Did Judge Ritter indignantly rebuke Rankin for filing action in behalf of a client who had instructed him not to do it? By no means. On the contrary, he announced his determination to allow the action to proceed despite Holland's position, and appointed Richardson receiver over the protest of attorneys who advised the court of his part in the instigation of the litigation (pp. 326–327). His conduct on this hearing alone, dissociated from the proven charge that he afterward received money for his judicial misconduct in this case, amply warrants impeachment.

The receivership proceeded. Property worth 3½ million dollars was involved, although it eventually sold for $1,500,000 (p. 74).

The judge on occasion visited the receivership property, a hotel, and with members of his family enjoyed its hospitality without pay (p. 170 et seq.). In the course of the proceedings he allowed Rankin $2,500 on his fee (p. 12). Did Rankin pay any of this on the alleged debt to Ritter? Not one cent. Afterward the judge referred the matter of Rankin's full fee to Judge Akerman. At that time he evidenced an unwillingness to pass on the matter himself. But Akerman only allowed him $12,500 more. He intended it for his full fee (pp. 14–146). Rankin paid Ritter none of this $12 500 (p. 19).

Another fee of $75,000, of which $39,500 was paid to others by Rankin, was subsequently allowed in the final disposition of the case, making $90,000 in all. His reasons for dividing his fee with other attorneys and the receiver, also allowed fees by the court, appear on pages 24 et seq. Rankin's own doubt as to whether this fee might later be taken away from him as improperly granted is frankly admitted by him in explaining why he did not report it in his income-tax return for 1930 (pp. 272 et seq.). Judge Ritter did not have any qualms about fixing this fee, as he had had when he previously had referred the matter to Akerman (p. 15 and exhibit no. 7). What service had Rankin done? The record is ominously silent except that he participated in filing the action and perhaps in drafting the final decree (p. 14 et seq.). He himself claims that he "probably" performed some voluntary service for the receiver for whom he was not attorney. Later in his testimony he stated that he thought he had prepared an amended complaint (p. 66). Judge Ritter excuses himself for signing this decree because it had been agreed to by counsel. It may well be inferred from this record that counsel for those really entitled to the control of this property were anxious to get it out of Judge Ritter's court. It is evident that a decree satisfactory to his erstwhile partner was necessary to that end. Aside from that, a judge who allows exorbitant fees to be taken out of the property of litigants, even though the attorneys for the litigants who receive them agree to the amounts, is not blameless if he fails to exercise some judgment as to whether the fees have been justly earned. A judge owes a duty in this respect to the litigants as well as to the lawyers.

Did Rankin feel that he was the recipient of a judicial favor in the allowance of this fee? He gave the judge $4,500 of it upon a mythical debt that he had not recognized during the 2 years of its alleged existence, upon which he had paid nothing when he got his first $2,500, nothing when he got the next $12,500, nothing from any fee that he had received during his increasing prosperity after his partner had gone on the bench. He did not pay it openly by check like an honest debtor, as he had paid the judge his part of certain fees earned by the partnership, but he cashed a check payable to himself and carried the judge the cash "for fear his action if known might be misconstrued." He did not even take a receipt. He did not even want a canceled check to show, if he or the judge should die, that he had paid his debt.

Did the judge receive it like one accepting his just dues? He placed a part of it away in a box for many months (p. 421). He made conflicting statements to a Department of Justice investigator as to where he got it when the record of his final deposit of it in the bank was discovered (p. 425). He accepted this money, not like an honest man, but remarkably according to what one would believe would be the conduct of a corrupt judge receiving financial benefits accruing to him because of official misconduct. That, in my opinion, after hearing the evidence in the case, is the only language which can adequately describe his conduct, and I regretfully find it my duty to so state.

A significant side light upon the judge's actions in the receivership case is his action in the bankruptcy case involving the same property which had preceded it, and in which the same Walter S. Richardson had served as trustee and was allowed by the judge fees aggregating $16,800, although he was advised by the trustee's own attorney that under the law he could only allow between $6,500 and $6,800 (pp. 35, 36, 46, 47 et seq.). It sustains the conclusion that the judge has no hesitancy in violating express statutes when distributing largess from estates under his jurisdiction to his friends.

Another significant act of favoritism was his decision in the bankruptcy proceedings of Walter S. Richardson allowing his wife to retain $3,500 worth of furniture which he admitted in rendering the decision was under the Florida law the property of Richardson and therefore subject to the claims of his creditors (p. 181 et seq.).

FLORIDA POWER & LIGHT CO. CASE

The evidence in the other cases investigated by your committee is important in that, having gained an opinion of his character from his conduct in the Whitehall case, actions of Judge Ritter in these other matters which might otherwise be attributed to ignorance or given a more innocent construction than corruption assume a sinister tint. In the Florida Power & Light Co. case it appears that the city commission of Miami, dissatisfied with the judge's premature appointment (see p. 466) of a special master in a rate case who they thought was unduly favorable to power interests, sought his removal; and, being unable to persuade the judge to accord with them, participated in the agitation which resulted in the passage of the resolution under which this investigation was had (pp. 567–626). The evidence of Morris L. Cooke, now Director of Rural Electrification, was among other affidavits submitted to the judge and showed clearly the unfitness of the special master, but he declined to remove him (p. 452 et seq.).

The evidence of the city attorney, G. A. Worley, while it does not show an agreement in so many words, does show an understanding to the effect that if the city commission would pass a resolution commending the judge the city would be rid of this special master (p. 516 et seq.; also pp. 27–228). (See also his letter to Charles A. Russell, p. 464, and evidence Robert J. Boone, pp. 578 et seq.; and O'Bryan, p. 582, and others.) The resolution was passed (p. 499). The judge failed to deliver the goods for a while because news of this deal became circulated (p. 532), but finally disqualified, making it possible for another judge to appoint a different special master (p. 465). He insists that he was not in fact disqualified (p. 665). There are some questions involved as to his right to have appointed a special master at all until issue had been joined in the case; but the outstanding fact is that he swapped a judicial action, disqualifying himself in a case where he insists no disqualification existed as payment for the abandonment by the city of Miami of its hostile attitude toward him in the investigation. I see no difference between trading judicial power corruptly for a consideration of this sort and trading it for money, as I am convinced was done in the Whitehall case.

J. R. FRANCIS TRANSACTION

In the matter of the investigation of the gift of $7,500 to Judge Ritter by J. R. Francis, I do not believe that the evidence justifies a finding that this money was corruptly received.

TRUST CO. OF FLORIDA CASES

The proceedings in the Trust Co. of Florida cases evidence biased judicial conduct and ignorance of law, and a persistence in following a course which had been held erroneous by the circuit court of appeals after that court had reversed his judgment. I feel that this part of the evidence is valuable in enabling one to get a clearer picture of the judge and his attitude toward his judicial duties, and especially is this true of his decree when he finally agreed to turn the properties involved loose from his court, but required as a condition precedent that counsel should agree not to appeal from his order fixing fees to the receivers and their attorneys, although under the judgment of the circuit court of appeals he had no authority to pass such an order, much less to require it should not be appealed from (p. 216).

The evidence of George C. Stembler, Raymond W. Butler, George W. Langford, L. M. Gerstel, and Glenn B. Skipper (pp. 193–201) show unsavory facts as to the inception of this litigation. It is also to be noted that the judge's sister, Mrs. Wickard, was employed by the receiver appointed by the judge and whose fees he insisted on paying, without authority, as manager of one of the receivership properties (p. 264). She had no previous experience of this character (p. 266).

His conduct throughout these cases is consistent with the picture of an unjust, tyrannical, and corrupt judge, clearly delineated by the evidence in the Whitehall case.

CONCLUSION

I therefore respectfully submit my conclusion from the foregoing facts that the said Halsted L. Ritter, judge, United States District Court for the Southern District of Florida, has been guilty of high crimes and misdemeanors warranting the preference in proper form of articles of impeachment.

Respectfully submitted.

M. C. TARVER,
Chairman, Subcommittee.

CONCLUSION

Mr. GREEN. Mr. Speaker, what I have just read to you is the label placed on the conduct of Judge Ritter by the chairman of the subcommittee that conducted the investigation. Mr. TARVER is a most fair-minded man. He, himself, has had a great deal of experience on the bench. He has remarkable judicial temperament and judgment. His views in this matter are amply sustained by the evidence and the record.

This is a very important and a very serious matter. The judiciary of this country must be kept up to high standards and above reproach. It is impossible to maintain respect for law and order and government with men like Judge Ritter sitting on the bench.

There should be no doubt in anyone's mind as to what course this body should pursue. Appropriate action, such as the record in this case demands, should be taken promptly and prosecuted with dispatch.

I hope that between now and tomorrow the Members will have an opportunity, or take the opportunity, to read this entire matter, which will take only a few minutes. I shall not take any more of your time, but I do want to ask the cooperation of the Members of the House to do their full duty when this resolution comes up for consideration, and it is, I hope, coming up, whether brought up by the minority or the majority of the committee.

Mr. MAPES. Will the gentleman yield for a question?

Mr. GREEN. I yield to the gentleman from Michigan.

Mr. MAPES. I have great respect for the gentleman from Georgia [Mr. TARVER] and any conclusion which he might reach. However, I do not see any member of the Committee on the Judiciary present. I have never head of this judge, and I know nothing of the facts in the case. One of the Members of the House has indicated to me, since the gentleman from Florida took the floor, that the Committee on the Judiciary this morning in executive session reached a conclusion opposite from the conclusion of the gentleman from Georgia [Mr. TARVER]. Can the gentleman from Florida inform us with reference to this matter?

Mr. GREEN. I have no official information on that matter.

Mr. MAPES. I have no information about it except that one Member told me he thought that was the fact.

Mr. GREEN. I have no official information on the matter.

Mr. O'CONNOR. Mr. Speaker, I move that the proceedings be referred to the Committee on the Judiciary.

The motion was agreed to.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3097. An act relating to interest and usury affecting parties under the jurisdiction of courts of the United States functioning in countries where the United States exercises extraterritorial jurisdiction; to the Committee on the Judiciary.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 430. An act for the relief of Anna Hathaway.

ADJOURNMENT

Mr. O'CONNOR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 52 minutes p. m.) the House adjourned until tomorrow, Wednesday, January 15, 1936, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold hearings on Wednesday, January 15, at 10:30 a. m. on H. R. 4254 and H. R. 8213.

COMMITTEE ON THE PUBLIC LANDS

There will be a meeting of the Committee on the Public Lands on January 15, 1936, at 10:30 a. m. in room 328, House Office Building, for the purpose of consideration of H. R. 10104.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

585. A letter from the Chairman of the Interstate Commerce Commission, transmitting a report of the progress of the investigation of certain air-mail contracts; to the Committee on the Post Office and Post Roads.

586. A letter from the Secretary of the Navy, transmitting a draft of a proposed bill to authorize the Secretary of the Navy to accept on behalf of the United States the bequest of the late Henry H. Rogers, and for other purposes; to the Committee on Naval Affairs.

587. A letter from the Librarian of Congress, transmitting his annual report, together with that of the Register of Copyrights, for the fiscal year ending June 30, 1935; to the Committee on the Library.

588. A letter from the president of the Federal Prison Industries, Inc., transmitting the annual report of the board of directors of the Federal Prison Industries, Inc.; to the Committee on the Judiciary.

589. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated January 4, 1936, submitting a report, together with accompanying papers and illustration, on a preliminary examination and survey of, and review of report on, Melbourne Harbor

and Inlet and Crane Creek, Fla., authorized by the River and Harbor Act approved August 30, 1935, and requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted February 27, 1935 (H. Doc. No. 390); to the Committee on Rivers and Harbors and ordered to be printed, with illustration.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DIES: A bill (H. R. 10185) to amend the act approved June 18, 1934, authorizing the city of Port Arthur, Tex., or the commission thereby created and its successors, to construct, maintain, and operate a bridge over Lake Sabine, at or near Port Arthur, Tex., and to extend the times for commencing and completing the said bridge; to the Committee on Interstate and Foreign Commerce.

By Mr. O'CONNELL: A bill (H. R. 10186) authorizing construction of a 300-ton airship for military service subject to the acceptance by the United States Government; to the Committee on Military Affairs.

By Mr. SHANNON: A bill (H. R. 10187) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Randolph, Mo.; to the Committee on Interstate and Foreign Commerce.

By Mr. STACK: A bill (H. R. 10188) to reclassify employees in the custodial service of the Bureau of Engraving and Printing of the United States Government; to the Committee on the Civil Service.

By Mr. AMLIE: A bill (H. R. 10189) to provide vocational training and employment for youth between the ages of 16 and 25; to provide for full educational opportunities for high-school, college, and postgraduate students; and for other purposes; to the Committee on Education.

By Mr. DEEN: A bill (H. R. 10190) to provide for the further development of vocational education in the several States and Territories; to the Committee on Education.

By Mr. DEMPSEY: A bill (H. R. 10191) to authorize the establishment of the Bronson M. Cutting National Memorial Cemetery at Fort Bayard, N. Mex.; to the Committee on Military Affairs.

By Mr. GRAY of Indiana: A bill (H. R. 10192) to provide for certain benefit payments to farmers who have made crop-adjustment agreements with the Secretary of Agriculture, or have reduced production in contemplation of such agreement; to the Committee on Agriculture.

By Mr. MEAD: A bill (H. R. 10193) to amend the act to fix the hours of duty of postal employees; to the Committee on the Post Office and Post Roads.

By Mrs. NORTON: A bill (H. R. 10194) granting a renewal of Patent No. 40029, relating to the badge of the Holy Name Society; to the Committee on Patents.

By Mr. CRAWFORD: A bill (H. R. 10195) to provide revenue, and for the general welfare of the United States; to establish an economic balance in the relations between the people, ownership, and the Government; to reestablish the priority rights of the people to their production; to remove certain economic barriers which tend to restrict trade and commerce; to restore and increase production, trade, and employment, and increase the enjoyment of the benefits flowing therefrom; and to provide for the proper administration of this act; and for other purposes; to the Committee on Ways and Means.

By Mr. GILLETTE: A bill (H. R. 10196) providing the number of Justices of the Supreme Court who shall concur in holding an act of Congress unconstitutional, and for other purposes; to the Committee on the Judiciary.

By Mr. KRAMER: A bill (H. R. 10197) to authorize the acquisition of an addition to the site heretofore acquired and the erection on such site and addition of a Federal building at Maywood, Calif.; to the Committee on Public Buildings and Grounds.

By Mr. MAPES: A bill (H. R. 10198) to amend section 12 of the Federal Farm Loan Act so as to extend for 2 years the period during which certain loans, including loans through national farm-loan associations, shall be at a rate of interest not exceeding 3½ percent; to the Committee on Agriculture.

By Mr. BURDICK: A bill (H. R. 10199) to amend Public Law, No. 383, Seventy-third Congress (48 Stat. L. 984), relating to Indians, by exempting from the provisions of such act any Indian tribe or reservation in the State of North Dakota; to the Committee on Indian Affairs.

By Mr. DIRKSEN: A bill (H. R. 10200) to repeal the fifth paragraph of section 605 of the Revenue Act of 1918, as amended; to the Committee on Ways and Means.

By Mr. GREEN: A bill (H. R. 10201) to provide for the construction of a post office at Monticello, Fla.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 10202) to provide for the construction of a post office at Jasper, Fla.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 10203) to provide for the construction of a post office at Starke, Fla.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 10204) to provide for the construction of a post office at Dunnellon, Fla.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 10205) to provide for the construction of a post office at Macclenny, Fla.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 10206) to provide for the construction of a post office at Cross City, Fla.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 10207) to provide for the construction of a post office at Green Cove Springs, Fla.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 10208) to provide for the construction of a post office at Mayo, Fla.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 10209) to provide for the construction of a post office at Williston, Fla.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 10210) to provide for the construction of a post office at High Springs, Fla.; to the Committee on Public Buildings and Grounds.

By Mr. IGLESIAS: A bill (H. R. 10211) to amend section 38 of the act of March 2, 1917, entitled "An act to provide a civil government for Porto Rico, and for other purposes"; to the Committee on Insular Affairs.

By Mr. McCORMACK: A bill (H. R. 10212) for the relief of the State of Massachusetts; to the Committee on the Judiciary.

By Mr. JONES: A bill (H. R. 10213) to provide for loans to farmers for crop production and harvesting during the year 1936, and for other purposes; to the Committee on Agriculture.

By Mr. LAMNECK: A bill (H. R. 10214) requiring the Home Owners' Loan Corporation to make collections on loans and to file certain records relating thereto in the district in which the property securing the loan is situated, and providing that employees in each district office of the Corporation be residents of the district for which they are appointed, and for other purposes; to the Committee on Banking and Currency.

By Mr. KENNEDY of Maryland: A bill (H. R. 10215) to provide for the construction of two vessels for the Coast Guard designed for ice-breaking and assistance work; to the Committee on Merchant Marine and Fisheries.

By Mr. BACON: Resolution (H. Res. 392) for relief of Catherine A. Leich; to the Committee on Accounts.

By Mr. WITHROW: Joint resolution (H. J. Res. 451) authorizing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. SAUTHOFF: Joint resolution (H. J. Res. 452) requesting the President to terminate the concessions on dairy products contained in the Canadian, Netherlands, and Switzerland agreements and requesting that no further conces-

sions be granted to any country on dairy products; to the Committee on Ways and Means.

By Mr. DUNN of Pennsylvania: Joint resolution (H. J. Res. 453) authorizing the President of the United States to communicate with the Governments of Italy and Ethiopia asking them to declare at least a 60-day truce, and for other purposes; to the Committee on Foreign Affairs.

By Mr. HOBBS: Joint resolution (H. J. Res. 454) proposing an amendment to the Constitution of the United States granting the Congress the power to regulate the production of any and all farm products and to buy and sell all such products as are capable of being stored for an indefinite period of time without material deterioration; to the Committee on the Judiciary.

By Mr. PETTENGILL: Joint resolution (H. J. Res. 455) authorizing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. GRAY of Indiana: Concurrent resolution (H. Con. Res. 41) to require the exercise of certain delegated powers; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BANKHEAD: A bill (H. R. 10216) granting a pension to Homer C. Alldredge; to the Committee on Pensions.

By Mr. BEITER: A bill (H. R. 10217) granting an increase of pension to Susan A. Pitts; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10218) granting a pension to George S. Harris; to the Committee on Pensions.

Also, a bill (H. R. 10219) granting an increase of pension to Magdalena Emrich; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10220) granting an increase of pension to Ida H. Rupert; to the Committee on Invalid Pensions.

By Mr. BROOKS: A bill (H. R. 10221) granting an increase of pension to Leah Jones; to the Committee on Invalid Pensions.

By Mr. COLE of Maryland: A bill (H. R. 10222) for the relief of Sarah E. Palmer; to the Committee on Claims.

By Mr. COLLINS: A bill (H. R. 10223) for the relief of Walter William Meyer; to the Committee on Naval Affairs.

By Mr. COSTELLO: A bill (H. R. 10224) for the relief of Dorothy McCourt; to the Committee on Claims.

By Mr. CHRISTIANSON: A bill (H. R. 10225) for the relief of W. D. Lovell; to the Committee on Claims.

By Mr. CROSS of Texas: A bill (H. R. 10226) for the relief of Earl J. Thomas; to the Committee on Merchant Marine and Fisheries.

By Mr. CULKIN: A bill (H. R. 10227) granting an increase of pension to Anna M. Dennison; to the Committee on Invalid Pensions.

By Mr. DALY: A bill (H. R. 10228) granting a pension to Hannah Pressler; to the Committee on Invalid Pensions.

By Mr. DEMPSEY: A bill (H. R. 10229) for the relief of the estate of Careno De Vargas; to the Committee on Claims.

Also, a bill (H. R. 10230) for the relief of Edward Y. Garcia and Aurelia Garcia; to the Committee on Claims.

Also, a bill (H. R. 10231) for the relief of Fermiliana Medina; to the Committee on Claims.

Also, a bill (H. R. 10232) for the relief of Euralio Dominguez, Agapita Dominguez, and Louis Dominguez; to the Committee on Claims.

By Mr. GINGERY: A bill (H. R. 10233) granting a pension to Lydia Frances Nyman; to the Committee on Invalid Pensions.

By Mr. GRISWOLD: A bill (H. R. 10234) granting an increase of pension to Catherine Stakebake; to the Committee on Invalid Pensions.

By Mr. GOODWIN: A bill (H. R. 10235) granting an increase of pension to Phinia E. Howard; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10236) granting an increase of pension to Ida Van Loan McWhood; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10237) granting an increase of pension to Georgianna Barker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10238) granting an increase of pension to Anna Keener; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10239) granting a pension to Lottie Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10240) granting a pension to John Schoonmaker, Jr.; to the Committee on Invalid Pensions.

By Mr. IMHOFF: A bill (H. R. 10241) granting an increase of pension to Mrs. Ernest Edwin Dailey; to the Committee on Pensions.

By Mr. KELLY: A bill (H. R. 10242) for the relief of Charles Weisz; to the Committee on Claims.

By Mr. LEWIS of Maryland: A bill (H. R. 10243) granting a pension to Hilda K. McNeff; to the Committee on Pensions.

By Mr. NELSON: A bill (H. R. 10244) granting a pension to G. E. Sandbach; to the Committee on Pensions.

Also, a bill (H. R. 10245) granting a pension to Fletcher Clark; to the Committee on Pensions.

Also, a bill (H. R. 10246) granting a pension to Sadie E. Talton; to the Committee on Invalid Pensions.

By Mr. PARSONS: A bill (H. R. 10247) granting a pension to Mary C. Severs; to the Committee on Invalid Pensions.

By Mr. PETERSON of Florida: A bill (H. R. 10248) for the relief of Thomas S. Devane; to the Committee on Claims.

By Mr. POLK: A bill (H. R. 10249) granting a pension to Mary Fleig; to the Committee on Invalid Pensions.

By Mr. SECREST: A bill (H. R. 10250) granting a pension to Marion Gregory; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10251) granting an increase of pension to Lydia J. Allard; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10252) granting a pension to Florence Bonnell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10253) granting a pension to Narcissa Walter; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10254) granting a pension to Sarah R. Beggs; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10255) granting a pension to Maretta Anna Booher; to the Committee on Invalid Pensions.

By Mr. SCHAEFER: A bill (H. R. 10256) for the relief of Joseph M. Verneuil and Alice G. Verneuil; to the Committee on Claims.

By Mr. SUMNERS of Texas: A bill (H. R. 10257) for the relief of Baylor Hospital, Dr. F. M. Gilbert and Dr. T. C. Gilbert; to the Committee on Claims.

By Mr. TERRY: A bill (H. R. 10258) for the relief of A. D. Hampton; to the Committee on Claims.

By Mr. TURNER: A bill (H. R. 10259) granting a pension to Jennie Wigfall Counce; to the Committee on Pensions.

By Mr. WHITE: A bill (H. R. 10260) providing for the appointment of Thomas C. Niebaur, formerly a private in the United States Army, as a major in the United States Army and his retirement in that grade; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9493. By Mr. BEITER: Petition of the South Side Citizens Club, Cheektowaga, N. Y., favoring a further reduction in citizenship fees and for modification of citizenship-examination requirements; to the Committee on Immigration and Naturalization.

9494. By Mr. COLDEN: Petition containing the names of 62 inventors residing in Los Angeles, Calif., and vicinity, asking that the Congress immediately pass legislation establishing an inventors' loan fund; to the Committee on Appropriations.

9495. By Mr. COLLINS: Petition of the board of supervisors of the counties of San Diego, Orange, Los Angeles, Ventura, and Santa Barbara, praying for an appropriation

in the amount of $100,000 to enable the War Department to make a survey and study of beach erosion, tide and wave action, and sand flow of the shore line of these counties; to the Committee on Rivers and Harbors.

9496. By Mr. FORD of California: Resolution of the board of supervisors, Los Angeles County, and the supervisors of the counties of San Diego, Orange, Ventura, and Santa Barbara, asking the Seventy-fourth Congress to appropriate to the War Department $100,000 for the study and survey of beach erosion in the counties mentioned; to the Committee on Flood Control.

9497. By Mr. HOOK: Petition of citizens residing in towns served by star route no. 37148, asking that Congress enact legislation to extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9498. Also, petition of citizens residing in towns served by star route no. 37125, asking that Congress enact legislation to extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9499. By Mr. JOHNSON of Texas: Petition of R. O. Whiteaker, chief engineer of Texas State Parks Board, Austin, Tex., favoring House bill no. 6594, providing adequate facilities for park, parkway, and recreational-area purposes, and for the transfer of certain lands chiefly valuable for such purposes to States, etc.; to the Committee on the Public Lands.

9500. Also, memorial of R. H. Smith, of Corsicana, Tex., favoring Senate bill 3055; to the Committee on the Judiciary.

9501. Also, petition of Bernice Mallory, chairman legislative committee, Texas Home Economics Association, the University of Texas, Austin, Tex., favoring Senate bill 2883; to the Committee on Agriculture.

9502. Also, petition of Irene Hollis, Opal G. Jackson, and Estelle Hays, of the home economics department of the Waxahachie city public schools, Waxahachie, Tex., favoring Senate bill 2883; to the Committee on Agriculture.

9503. By Mr. KRAMER: Resolution of the board of harbor commissioners of the city of Los Angeles, relative to House bill 3263; to the Committee on Merchant Marine and Fisheries.

9504. Also, resolution of the board of port commissioners, city of Oakland, relative to the acquisition of a site for a naval air base, etc.; to the Committee on Naval Affairs.

9505. Also, resolution of the Hotel Greeters of America, relative to prohibiting the overthrow of the Government, etc.; to the Committee on Foreign Affairs.

9506. By Mr. MAPES: Petition of the Social Service Bible Class of the First Methodist Episcopal Church of Grand Rapids, Mich., recommending the passage of the Pettengill-Neely bills to outlaw compulsory block booking and blind selling of movie films; to the Committee on Interstate and Foreign Commerce.

9507. By Mr. MICHENER: Petition signed by G. B. Gunnison and 21 other residents of Jackson, Mich., urging legislation that will indefinitely extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9508. By Mr. PFEIFER: Petition of Bricklayers' Union, Local No. 9, Brooklyn, N. Y., concerning the Walsh bill (S. 3055); to the Committee on Labor.

9509. By Mr. RUDD: Petition of Local 176, Amalgamated Clothing Workers of America, Brooklyn, N. Y., concerning the Walsh bill (S. 3055); to the Committee on Labor.

9510. Also, petition of the Bricklayers' Union Local of Brooklyn, N. Y., concerning the Walsh bill (S. 3055); to the Committee on Labor.

9511. By Mr. SCOTT: Petition of the American League Against War and Fascism, demanding the Government of the United States to stop shipment of arms and ammunitions to the Fascist Cuban Government, and to demand the recall of American Ambassador to Cuba, Jefferson Caffrey, who does not represent the interests of the American people but those of the financial powers of the United States, and to insure the appointment of a real representative of the American people as his successor; to the Committee on Foreign Affairs.

9512. By the SPEAKER: Petition of the Motor and Equipment Wholesale Association, Chicago, Ill.; to the Committee on Interstate and Foreign Commerce.

9513. Also, petition of the New York Young Democratic Club; to the Committee on Military Affairs.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JANUARY 15, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We beseech Thee, O Lord, our God, that Thou wilt be pleased to remember today our needs. Grant, our Father in Heaven, that each of us, in aspiration, in hope, and in gladness, may receive that help which human nature and circumstances require. Turn bad habits into good ones; change selfishness into benevolence; convert unloveliness into loveliness; and lead us on where love divine most richly glows. Remind us, dear Lord, that it is only under Thy guidance that we find our true selves. In the name of our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

RESIGNATION FROM COMMITTEES

The SPEAKER laid before the House the following communication:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., January 15, 1936.

JOSEPH W. BYRNS,
Speaker, House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: I hereby resign my membership from the following committees, to take effect immediately: Education; Election of President, Vice President, and Representatives in Congress; Printing.

Respectfully submitted by,
Very truly yours,

RICHARD J. TONRY,
Eighth District, New York.

The resignation was accepted.

APPOINTMENT OF MEMBERS OF STANDING COMMITTEES

Mr. DOUGHTON. Mr. Speaker, I offer a privileged resolution, which I send to the Clerk's desk.

The Clerk read as follows:

House Resolution 393

Resolved, That the following-named Members be, and they are hereby, elected members of the standing committees of the House, as follows:

Appropriations: Louis C. Rabaut, Michigan. Judiciary: Sam Hobbs, Alabama. Merchant Marine and Fisheries: Frank W. Boykin, Alabama. The Post Office and Post Roads: Richard J. Tonry, New York; Edward W. Creal, Kentucky. Patents: William B. Barry, New York; Frank W. Boykin, Alabama; Graham A. Barden, North Carolina; John L. McClellan, Arkansas; J. Hardin Peterson, Florida. Public Buildings and Grounds: Frank W. Boykin, Alabama. Education: William B. Barry, New York. Printing: William B. Barry, New York. Labor: Edward W. Curley, New York. The Civil Service: Edward W. Curley, New York. Election of President, Vice President, and Representatives in Congress: Edward W. Curley, New York.

The resolution was agreed to.

BOARD OF VISITORS TO THE NAVAL ACADEMY

The SPEAKER announced the following appointments:

Pursuant to the provisions of title 34, section 1081, United States Code, the Chair appoints as members of the Board of Visitors to the Naval Academy the following Members of the House: Mr. CARY, Kentucky; Mr. DARDEN, Virginia; Mr. FORD, California; Mr. POWERS, New Jersey; Mr. CARLSON, Kansas.

JACKSON DAY ADDRESS

Mr. DRISCOLL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein an

address of Governor Earle, of Pennsylvania, made on January 8, Jackson Day, in Philadelphia.

Mr. RICH. Mr. Speaker, reserving the right to object, I should like to know whether it is the custom to permit the remarks of Governors of States to be included in the RECORD. I do not know whether it is or not, and I am asking the question for my own information; and I hope someone on the majority or minority side will inform me as to the custom.

Mr. WOODRUM. Certainly the Governor of such a great State as Pennsylvania ought to have the right to have his remarks incorporated in the RECORD.

Mr. SNELL. They so seldom have a Democratic Governor in that State I certainly think he should be allowed to have his remarks included in the RECORD.

Mr. WOODRUM. Even on the general state of the Union.

Mr. RICH. I appreciate, of course, that Pennsylvania is a great State, and I just wanted to know the custom.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DRISCOLL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by Hon. George H. Earle, Governor of Pennsylvania, in Philadelphia on January 8 in observance of Andrew Jackson Day:

We are here tonight to pay tribute to a man of the people, a figure who stands out against the skyline of our history. Andrew Jackson, "Old Hickory", hero of New Orleans, was every inch a man—a fighting man, a man of principles and convictions, a man of indomitable courage, above all a man who loved his country deeply and sincerely. He was a Democrat in the highest and finest sense of the word, and he brought to American democracy a new meaning. He swept aside the shabby pretenses of the liberty leaguers of his day, scorned their hypocrisy, and took his orders direct from the people.

We need not point to the fact that Jackson was the Franklin Roosevelt of his day. He, too, found that the rich and powerful were using the Government for their selfish purposes.

Let me quote for a moment from one of his speeches: "Many of our rich men", said Andrew Jackson, "have besought us to make them richer by acts of Congress. By attempting to gratify their desires we have in the results of our legislation arrayed section against section, interest against interest, and man against man, in a fearful commotion which threatens to shake the foundations of our Union."

As we gather here tonight the battle lines are tightening for the coming campaign. Big business is "ganging up" on President Roosevelt. Without candidates or program, without principles or any clear conception of where it is heading, big business is determined to smash liberal democracy in the United States, to save the country for the utilities, the big bankers, and the Wall Street stock-exchange plungers.

We know what they mean by "ganging up." We have seen big business gang up on the workingman. We have seen big business gang up on the utility rate payer, on the small merchant, on the farmer, and home owner.

They say they are ganging up on the President. Actually they are ganging up on America. They are ganging up on the American system of living. They are ganging up on the American ideal of democracy. Their attack is more than a fight against a political party—it is a deliberate and unscrupulous attempt to put the money changers back in the temple, to create an autocracy of wealth more tyrannical than any people have seen since the dawn of history. It makes no difference to them what party is in power so long as their supposedly divine right to exploit the American people is not disturbed.

They have sworn to destroy President Roosevelt not because President Roosevelt is a Democrat; not because he is Franklin D. Roosevelt; simply because they hate and dread the things he stands for.

They would rather have the poorhouses any day—for someone else—than a decent system of social security.

They would rather have bread lines on every corner—for their victims, of course—than permit decent legislation which would protect the man who earns his bread by the sweat of his brow.

They would rather have American citizens starve—and before President Roosevelt stepped into the White House they did let them starve—than have the Budget unbalanced to pay the bill for relief.

These are the people who talk about the Constitution. I tell you American people cannot eat the Constitution. They cannot clothe or shelter themselves with the Constitution. People are not interested in legal technicalities. They are concerned with the intent and purpose of the Constitution—to promote the general welfare. That is why the Constitution was established. That is the end it was written to achieve and must achieve if it is to be a living charter of liberty.

The very people who attempt to hide their greed, their lust for money and for power behind the cloak of the Constitution are doing more than anyone else to destroy it.

America entered upon a new era with the rise of Jacksonian democracy, just as it is today under the leadership of President Roosevelt. Before Jackson the Tories of his day had been in the saddle. They held the great masses of the people in contempt, and operated the American Government as they would an exclusive club. Andrew Jackson swept all of that away, as he had swept away the British before him at the Battle of New Orleans. He went forth as the people's champion, fighting their battle against the truthless money power that was squeezing the lifeblood from the young nation. He fought for the farmers, the mechanics, and laborers, who had neither the time nor the means to secure special favors for themselves from their Government.

He believed in the sovereign rights of the States, but apart from and above that was his deep and abiding devotion to the Federal Union. When the rich planters of South Carolina tried to nullify the Federal tariff law—as some interests today are trying to nullify other Federal laws—he gave them their answer in the challenging toast that he flung in the face of Calhoun: "Our Federal Union—it must and shall be preserved."

President Roosevelt is giving the same answer today to the would-be autocrats who are attempting to set up a monopoly of power over the people of the United States. Men of wealth are carping today about Federal expenditures. Why? Because that money is going to the hungry and shelterless, to the needy and underprivileged—instead of into their own pockets, as it always had in the past. That money represents the shocking price that America has had to pay for years of heartless exploitation of her people.

You will find no mention of that simple fact in the flood of printer's ink that pours from the luxurious offices of the Liberty Leaguers and their friends. Do they mention the fourteen billions of American dollars—your dollars—that they sent over to Europe and down to South America, never to return? Do they mention the eighty billions of inflated 1929 valuation that withered away? Do they mention the billions spent by Herbert Hoover to bring back prosperity by lining the pockets of the rich and by bolstering the shaky structures built up by the financial and industrial barons? Of course they don't. They would like to have America forget. They would like to have the mantle of oblivion dropped charitably over those tragic years from Harding to Hoover.

There is only one answer that America can and must make—"This Nation is not for sale."

Our people must not be sold back into economic slavery. Against the power of millions of dollars we must marshal the rights of millions of our people. We have had enough of the rugged individualism of Charlie Mitchell and Sam Insull.

Everyone who has given the matter a second thought knows why Wall Street and Big Business hate President Roosevelt. He has taken away the fat profits of exploitation. He has thrown a bright light into the dark corners of business morality. He has exposed the crooked and unscrupulous financial gamblers who preyed upon the American public.

In the old days, the golden days just before the bubble burst, Wall Street dictated the financial and foreign policy of the United States from New York. Those were the days of Andrew Mellon, the only Secretary of the Treasury under whom three Presidents served.

Can it be that the well-fed men in exclusive clubs are disappointed because President Roosevelt has not consulted them, as Hoover did?

Can it be that their pride is hurt? Or is it merely the pocketbook nerve that twinges when they see relief funds going to save the unfortunate unemployed from starvation?

Whatever the reason may be, there can be no doubt that their ingratitude would be amazing if we did not know them so well. We all remember how they ran to President Roosevelt like so many frightened children when their house of cards came tumbling down. We remember their pathetic pleas for help. They were penitent and humble in those days.

They cheered when President Roosevelt launched his recovery program. They applauded when his strong hand reorganized a ruined banking structure, when he restored the faith and confidence of the multitudes.

Those policies, carried out through the agencies of the New Deal, have brought real and substantial recovery to our Nation. They have also established principles which cannot be abandoned, no matter what party comes into power. Guaranties for labor as established in the National Recovery Administration, the farm adjustment of the Agricultural Adjustment Administration, the real-estate protection of the Home Owners' Loan Corporation, the bank-deposit insurance of the Federal Deposit Insurance Corporation—all these are today a part of the American system and will be for years to come, no matter how many agencies set up to make those policies effective are ruled out by the Supreme Court of the United States.

The attacks of the Tories of today upon our fundamental principles of government are a serious threat to our institutions, and yet recent developments lead me to believe there is another greater threat.

I do not think Democracy has much to fear in these days from the Liberty Leaguers. I believe it has much more reason to be concerned by the attitude of some members of the United States Supreme Court. I say this advisedly. When the Supreme Court

ruled that the National Recovery Act was unconstitutional we liberals felt the decision was a tragic blow to labor and industry. Now a majority of the Supreme Court has ruled that the Agricultural Adjustment Administration is unconstitutional.

Yet we find three Justices dissenting, which means that the nature of the decision apparently depended upon the economic and political convictions of the individual Justices, rather than upon any hard and fast abstractions of the law. If there had been two more Justices holding the same views as Justices Stone, Brandeis, and Cardozo, the Agricultural Adjustment Administration would have been ruled constitutional. It therefore is demonstrated that the constitutionality of any Federal legislation rests upon the uncertain basis of private opinions held by a few men.

The vote was 6 to 3 against. If only two men had changed, it would have been 5 to 4 in favor. The result is that we find the opinions of two men, who are mortal and fallible just as the rest of us, thwarting the expressed will of the executive branch of our Government, as exemplified by the President, and the expressed will of the legislative branch of our Government, the Congress of the United States.

From the brilliant and historic dissenting opinion of Justice Stone we learn that the right of Congress to levy a processing tax was not questioned by the Court. Nor was there any question of the right of Congress to spend the tax revenues to promote the general welfare. The Court held instead that in its opinion the use of the processing taxes for the purposes specified by Congress was unwise.

Justice Stone most appropriately pointed out that the courts are concerned only with the power of Congress to enact statutes, not with their wisdom. All of us agree with him that "for the removal of unwise laws from the statute books appeal lies not to the courts, but to the ballot and the processes of democratic government."

In its majority decision the Court asserts the right to declare statutes unconstitutional simply because the Court believes them unwise, and not because of any constitutional limitation. We can view this only as establishing a precedent for control of the entire Government by the Supreme Court, without regard for the Constitution.

I cannot subscribe to that belief. I believe, with Justices Stone, Brandeis, and Cardozo, that within the limits of the Constitution the people themselves are the sole judges of the wisdom of their legislation.

With due respect for the dignity of the Supreme Court, we cannot stand by idly and see our entire system of democracy thrown into chaos without a word of protest. Personally, I cannot, and will not, remain silent while the Supreme Court dismembers our Federal Union.

I use the word "dismember" in all sincerity. The decision of the Court in the N. I. R. A. case drastically limited the powers of the Federal Government. The more recent decision virtually destroys that Government and sets up a loose federation of 48 separate countries. It requires each State to legislate for the handling of its own problems. Pennsylvania, for instance, if it enacts laws to protect labor, must meet the competition of a State such as Delaware, which is controlled by the Du Ponts, the angels of the Liberty League, and the bitter foes of labor.

The Supreme Court grants Pennsylvania its "freedom" to pass labor laws. Yet the Supreme Court will not permit Pennsylvania to interfere with interstate commerce by keeping out sweatshop products from other States. What does that mean? Simply that Pennsylvania is not permitted to protect the interests of its own people by excluding from its trade those commodities made in Delaware. With the one hand the Supreme Court grants Pennsylvania sovereignty—with the other it takes it away.

The majority decision of the Supreme Court is a challenge to democracy. How that challenge is to be met remains to be seen, but it is most important that the full implication of that decision be brought home to all the people of America. While the Tories gloat over the fact that another recovery measure has been obliterated, we must look beyond the immediate results and consider the future of our democratic Government. In all our history it has never been in more danger than it is today.

In his own day, Old Hickory annihilated the forces of reaction and special privilege which threatened the liberties of the American people. Today F. D. R. faces the same sinister enemies, faces them with undaunted courage, the same unflinching will to win through.

My reason, my heart tells me that F. D. R., the Andy Jackson of our own day, fighting the battle of the American citizen, will smash through to epoch-making achievement and glorious victory.

ADDRESS OF POSTMASTER GENERAL FARLEY

Mrs. O'DAY. Mr. Speaker, I ask unanimous consent to insert in the RECORD an address made by the Postmaster General in my county of Westchester on January 13.

The SPEAKER. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mrs. O'DAY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the address of Postmaster General James A. Farley, Democratic national and State chairman, over station WOR, New York City, the Yankee network of 11 New England stations, and CKLW, Detroit-Windsor, Monday evening, January 13, 1936, at the dinner of the Westchester County Democratic committee, Murray's Bronx River Parkway, Tuckahoe, N. Y., as follows:

This deferred celebration of Jackson Day by the Democracy of Westchester County augments the host of other celebrations which occurred on the 8th of January, when thousands of champions of real American liberty gathered in their communities to listen to the President's clear, precise, and eloquent definition of what is the real issue of the national campaign already under way.

I am glad that circumstances made it necessary for you to hold your celebration tonight, because it gives me the opportunity of being present and at the same time has made it possible for the message which I bring to you to be heard on the air over a number of radio stations, for whose cooperation I am extremely grateful.

I might say that I am grateful also to the radio industry as a whole, because it has become evident that the broadcasting systems have fully sensed their responsibility to the public at large and intend to give freely and impartially of their facilities to both sides, so that listeners will be fully informed of every phase of the issues on which will rest the outcome of November's crucial election. I congratulate these great broadcasting systems on their fair-mindedness and their freedom from domination, and along with them I congratulate that portion of the public press which senses the fact that they owe their readers an uncolored presentation of the news. That portion of the press like the radio broadcasters know that the twin right of the freedom of speech and the freedom of the press, constitutionally guaranteed in this country, carries with it the responsibility to present the news of the day without discoloring it by omissions, deceiving headlines, or artful insertion of language to distort the truth.

In the statement that I have just made I fully realize that I have singled out certain newspapers and have accused them of being dominated by the interests which seek to undermine every structure of the Government that has been set up to protect the rights and liberty of its citizens. I wish time would permit me to call these newspapers by name and to show unmistakably the extent of their interests and to prove to you that instead of being the champions of liberty, which they profess to be, that they are either themselves a vast industry seeking special privileges or that they are controlled by that selfish group of industrialists and financiers who were the first to run to cover in 1929, and who now wish to profit from the prosperity of progress by getting into the game with the dice loaded in their favor.

Happily in this great country of ours the self-professed gangsters of big business constitute only a small minority of the people engaged in finance and industry. Unhappily, because they operated under the special privileges in vogue under the Republican regime of the twenties, they were able to get out from under before the crash, and they are still in possession of practically all of the material power which they built up when the public at large was holding the bag and these United States were governed by a small coterie of unprincipled brigands ensconced in luxurious offices in the skyscrapers of Manhattan, Pittsburgh, and Chicago.

Those were the days when you heard little about the Government of the United States and much about the House of Morgan, the Du Pont dynasty, the Insull empire, and the Mellon merry-go-round. Those were the days when the foodstuffs of the Nation were the pawns of speculation, when the securities of the Nation were watered so heavily that they finally sank, swamped by the very weight of their waterlogged structures. Those were the days when the banks of a nation were changed from depositories for the protection of the peoples' savings into the mediums by which the peoples' wealth could be transferred into the coffers of the greedy and the people themselves left bankrupt.

These are the ones who today are crying that they can solve the problem of unemployment, which is the legacy of Hoover misgovernment. They in these very claims show their hypocrisy. If they can perform the miracle of bringing about the much-desired economic balance, why did they not do it in 1930, 1931, and 1932, when they were in control of the Government? If they have the solution of the problem now, why do they not operate it immediately or make known their plan so that the people can understand it? I challenge them to do so; but I know full well there will be no answer, for the simple reason that they are still in the same haze that they were in the days of the crash of their own making. Their stock in trade is talk. They have no plan. They are obstructionists bent only on destruction, and in their stupidity they are blind to the gains that have been made by logical government, gains which have benefited not only all our people but also these very moguls of commerce who now are turning on the Government which saved them when they could not save themselves. Instead of being grateful, they have become the die-hards who would wreck their rescuers, and unless they can have the lion's share they would drag to ruin a great structure built, not to benefit any one class but all classes. If anyone is guilty of setting class against class, they are, and their cry is wholly in the interest of that small class which knows not the meaning of the words "sportmanship, gratitude, and patriotism."

We in this State can thank God that we have a business man for Governor; one whose successful business career has not warped his conscience. There has been no better picture drawn of the situation which confronted the present administration at its outset than the one given at the Jackson Day dinner in New York last Wednesday night by Herbert H. Lehman. For economy of time, I quote him with omissions.

In part, Governor Lehman said:

"I come here as a former business man for the purpose of laying before you * * * facts with regard to the recent economic crises * * * and our recovery from it.

"None of us will readily forget the situation in this country at the beginning of 1933.

"We cannot forget the critical run on the banks * * * the situations of our great life insurance companies * * * the thousands upon thousands of people out of employment and in need * * * the position of manufacturers and merchants * * * forced either to shut down or substantially to reduce their working forces.

"Corporation after corporation showed deficits instead of the usual profits.

"It looked as if the entire railroad system of the country inevitably would rapidly move into receivership.

"Home owners and property owners in larger and larger numbers were being foreclosed and dispossessed. The situation of agriculture was desperate. Prices were so low that the farmer could not get back even the money he had put into the production of commodities.

"New York City and many of the other large cities * * * were powerless to finance even their current needs.

"No honest person can deny the existence of almost complete economic paralysis. The country was sick well nigh unto death and our people were without hope.

"If we were to survive * * * it was necessary to replace distrust, suspicion, fear, and panic with a spirit of hopefulness and a deep determination to fight on. New leadership * * * that would rally the fighting qualities of the American people, was needed. That was the situation on March 4, 1933, when into the office of the President of the United States stepped Franklin D. Roosevelt."

Governor Lehman's picture is underdrawn rather than overdrawn. It was at that time that those who now would "gang-up" on the Government were hoarding their gold, hiding through fear in the inner recesses of their well-stocked castles, or fleeing from our shores like rats from a sinking ship. This small group, running true to form, now brazenly have assum 1 the language as well as the methods of the racketeers.

During Governor Lehman's crime conference the methods of the organized gangsters were vividly brought out. In their mad scramble for wealth and power they adopt for their own protection the strategy of penetration. Through the free use of money they penetrated into the offices of respectable lawyers, of holders of public office, of weak leaders of political groups, some labor unions, some newspapers, and some businessmen. They buy protection with wealth and use it for further increasing their devilish power. They organize paper associations with high-sounding names and, if possible, put at the head of them spokesmen who are paid well to front for the power behind the throne. These ordinary gangsters have proven that, human nature being as it is, there are plenty who would submerge their convictions for a price.

How little did the roughnecks of the alleys ever think that their practices would be emulated by men already powerful and rich but lustful for more power and more wealth. Yet such has been the case. There are those who would gang up on the Government. What government would they gang up on? The present Government of the United States, which, in the words of Governor Lehman, that I will again quote, has changed the discouraging picture of 1933 to this picture that he draws of the present:

"Three years have passed since March 1933 * * * progress, real progress, has been made all along the line. The record speaks for itself.

"Our financial institutions are happily stronger than ever.

"Deposits have grown each year since 1933. Our insurance companies are today as strong as ever in their history. Manufacturers and merchants are in the main making money, and the outlook is promising.

"Electric power consumption * * * is now at its all-time high.

"Wool consumption * * * is at an all-time high.

"Production and sales of automobiles throughout the year 1935 not only surpasses all the depression years but in many instances former records of 1928 and 1929.

"Crude oil production is now in the highest point since 1929.

"The production of shoes is today at the highest for all time.

"Copper * * * is now at its highest point since 1931.

"Our railroad companies * * * are showing profits instead of deficits.

"The New York Times Business Index rose from 63 in March 1933 to 96 in November 1935.

"The position of agriculture has completely changed since 1932. Farm cash income for October is placed at $851,000,000, the highest * * * since 1929.

"There was not a single failure on the New York Stock Exchange during the entire year of 1935. The market average of listed securities is 30 percent higher than a year ago.

"The pages of every newspaper * * * show improvement. No one who lived through 1932 and the first half of 1933 can possibly doubt that the situation today is entirely different from what it was in those terrible days."

In the face of the above facts, which I have quoted in the very words of a man who has your confidence and who himself is recognized as a great banker and a great businessman, isn't it a sad commentary on the intelligence of some other business leaders that they in their stupidity would wish to cripple a Government which has saved them in their hour of need. It is worthy of note that they only attack those New Deal enactments which do not directly benefit themselves. They have the means to attack through the courts, laws that were formulated to make them play the game on the level, and every one of these laws that has been set up to give the average man and woman a chance to better their conditions have been fought to the last ditch by the few who have not the courage to enter the arena of commerce under rules that insure a fair deal to all. Look over the list of laws that they have attacked and you will find that every enactment made for the protection of the little man and the medium-class man and the honest and patriotic-minded businessman has been attacked from scores of sources.

Why do they not attack the legislation which benefited them directly? They do not because they are perfectly willing to be on the receiving end. They are too stupid to see that pending the solution of unemployment it is necessary by means of public works to provide employment, which in turn safeguards and raises the values by which they rate their wealth. Despite the fact that the security markets have again regained the confidence of the investors by reason of the S. E. C., they are too stupid to see that this great enactment, set up for the protection of all, has benefited them by increasing the wealth of the Nation in terms of security values. But their stupidity is not to be wondered at in the light of the history of their wild speculation in the twenties and in the light of their brazen call to all of their ilk to "gang-up" on the Government.

The attempt of these arrant demagogues and the hirelings of the privileged element, which, under Roosevelt's New Deal faces the certainty of having their special favors taken away, to make it appear that the reforms being adopted are destructive of American institutions, is having hard going.

Their favorite sophistry is that Roosevelt is working for socialism, the more shameless or the most ignorant insist for communism, and now and then someone like Mr. Hoover thinks it is for fascism. The notorious truth is that fascism in America has had its sole support among the short-sighted big businessmen who associate fascism with the denial to workers of the right of collective bargaining.

And the truth is, as the more enlightened and intelligent among the big-business group well know, that in the collapse of the privileged system in the dying days of the old deal under Mr. Hoover we were in dire danger of a social revolution which brought us perilously near the utter destruction of American institutions.

Millions on the farms had been driven to desperation, until in some sections the most naturally conservative and law-abiding of our citizens were terrorizing courts and dragging judges from the bench.

Millions in industrial centers were jobless and penniless, and because of the apathy of the Government and the cold indifference of the very rich many of these were in despair and hopeless of the future under the American system. Had they not been told when they begged for work or bread from their Government that charity was the "American way"?

The great middle class was being slowly but surely exterminated, and these had their faith in the American system seriously shaken.

He who did not realize in the summer of 1932 that we were on the verge of a grave social upheaval that might easily take the form of a revolution was living in a fool's paradise.

But not all representatives of big business and big money were living in this fool's paradise; they knew.

They knew the danger, but because of their training, environment, and lack of initiative and constructive capacity, they did not know what to do. Some of them were trying to get their money out of the country to save themselves.

And then came Roosevelt, who had an idea what to do, and who had the courage to do it.

In the beginning he was hailed even by the privileged crowd as a savior. There was no criticism. They were willing to be saved, even by him.

But in the beginning they thought he merely proposed to cover the leakage of the roof with a smear of mud; to tinker a bit with the machine to make it serve a little longer until it would collapse again.

They did not have vision or intelligence enough to know that such patching would make another collapse inevitable, nor imagination enough to realize that another collapse would certainly be the ruin of American institutions.

And when they found that Roosevelt was going to the heart of the trouble, was going to rid organized society of the system and the methods that led unerringly to the collapse, they became alarmed.

It was the privileges of this small favored class that brought the collapse of 1929; but the moment Roosevelt's revival of a little confidence gave them a breathing spell, they deliberately concluded that they should rally for the perpetuation of the social and industrial and financial wrongs that had wrought the ruin.

Now, all great social or political upheavals, such as those in France during the last days of the eighteenth century and in Russia in the early days of the twentieth century, have come from the wrongs afflicted on the average man by a privileged system. Privilege is the golden path to revolution.

And Roosevelt proposes to make a clean workmanlike job of reform; and because he knows that only through reforms that end the exploitation of the many by the few can American institutions be preserved.



He knows that since every element has suffered from the wrongs, the reforms must touch every element in the Nation, the farmer, the industrial worker, the miner, the toiler incapacitated by age, the small-business man, the professional man, the white-collar worker.

That is what is making his administration one of the most significant and stupendous in all history.

In the light of the progress that has been made, the destiny of this country rests upon the continued war that has been made in the interest of the people of this country. This war started as a war against depression. The war against depression has been won, but the forces which have so successfully attained this victory cannot yet be demobilized, because we are faced with another enemy, an enemy who would snatch the fruits of our victory and use them to undermine again the foundations on which we are striving to build a permanent prosperity. These are the ones who would "gang-up" on the Government.

There is only one answer: "Keep Roosevelt in, and keep the gang out."

INDEPENDENT OFFICES APPROPRIATION BILL, 1937

Mr. WOODRUM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 9863) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1937, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate may be continued throughout the day, the time to be equally divided between myself and the gentleman from Massachusetts [Mr. WIGGLESWORTH], and in this connection, Mr. Speaker, I may say that it is the purpose of the committee, after consulting with the minority, to close all debate today, with the exception of my speech and the speech of the gentleman from Massachusetts, explaining the bill, after which we shall hope to proceed to read the bill.

Mr. BANKHEAD. Mr. Speaker, I reserve the right to object in order to make the statement that it was our expectation and hope to be able to take up another appropriation bill this week, but I understand from the gentleman from Virginia and other members of the committee that this will be the only appropriation bill it will be possible to consider this week.

Mr. WOODRUM. It is our hope that after having had such liberal debate on the bill we can read it with dispatch and finish its consideration early Friday, at which time, I understand, it is expected the House will adjourn over.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. BOLAND in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the consideration of the bill, of which the Clerk will read the title.

The Clerk read the title of the bill.

Mr. MORAN. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. Mr. Chairman, I am presenting a resolution to the House today for the investigation of the Communications Commission, and I ask unanimous consent that this resolution may be read for the information of Members.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The Clerk read as follows:

Resolution to appoint a select committee to investigate the charges of irregularities in the granting and renewals of radio licenses, the broadcasting of alleged obscene and indecent utterances by radio stations, the charges of alleged monopolies, and to investigate and report on charges made or which may be made as to charges of alleged misconduct and alleged corruption on the part of certain persons officially connected with said Commission, and to investigate the acts and activities of said Commission

Whereas on April 5, 1935, 16 Members of the House of Representatives, whose attention having been directed to a broadcast over the N. B. C. network, which broadcast contained alleged obscene and indecent utterances, and which program was in the interest of and paid for by a foreign government, filed with the Federal Communications Commission a protest against such programs and, in addition, petitioned said Federal Communications Commission for an immediate investigation of the charges contained in said protest, and, further, requested a public hearing on the results of such investigation; and

Whereas the Federal Communications Commission, in reply to said petition, stated that an investigation was being made; and

Whereas the Federal Communications Commission later replied to the petitioners setting forth that said program was not obscene within the rule laid down in a court decision cited by said Commission, which citation quoted language which is not to be found in the specific decision cited; and

Whereas the CONGRESSIONAL RECORD of July 31, 1935, contains a full and factual history of this failure on the part of the Federal Communications Commission to properly enforce the Communications Act of 1934, and in addition contains excerpts from affidavits which alleged that competent officials of the said N. B. C. admitted that the program complained of contained obscene and indecent utterances; and

Whereas the Chairman of the said Federal Communications Commission, in testifying before the House Appropriations Committee, admitted that the property of the Government, namely, radio broadcasting licenses or franchises, were the subject of profiteering on the part of individuals and others; and

Whereas charges have been made that certain vested interests are alleged to be receiving large sums of money due to the leasing to others of licenses or franchises issued by said Federal Communications Commission; and

Whereas it is well known that a monopoly exists wherein a few control all of the valuable franchises or licenses issued by said Commission, while educational, labor, religious, and other nonprofit-making organizations are denied opportunities of securing favorable consideration for radio broadcasting facilities from said Federal Communications Commission; and

Whereas the said Commission, as a result of charges apparently placed before it by the Chairman of said Commission, has now created a committee of five of its seven members to investigate charges of alleged misconduct and alleged corruption on the part of certain persons officially connected with the said Commission; and

Whereas it is in the public interest that a thorough and exhaustive investigation be made of these and other alleged irregularities: Therefore be it

Resolved, That a committee of five Members of the House of Representatives shall be appointed by the Speaker, which committee is hereby authorized and directed to inquire into and investigate the allegations and charges that have been or may be made relative to irregularities in the granting and renewal of licenses and other matters coming within the jurisdiction of the Federal Communications Commission or pertaining in whole or in part to the functions of the said Federal Communications Commission; be it further

Resolved, That the said committee shall make a thorough and exhaustive investigation of all allegations and charges that have been or may be made in connection with any and all matters pertaining to the Federal Communications Commission and shall report in whole or in part at any time to the House of Representatives, together with such recommendations as it deems advisable; and be it further

Resolved, That for the purpose of this resolution the said committee is authorized to hold such hearings, to sit and act during the sessions and the recesses of the present Congress at such time and places, either in the District of Columbia or elsewhere, and to employ such expert clerical and stenographic services as may be found necessary, and to require by subpena or otherwise the attendance of witnesses, to administer oaths, to compel the production of books, papers, and documents by Government or private agencies, and to take and record such testimony as the committee may deem advisable or necessary to the proper conduct of the investigation directed by this resolution.

Mr. CONNERY. Mr. Chairman, I ask unanimous consent to insert a factual history of the elimination of Mexican radio programs described as obscene and indecent paid for by the Mexican Government.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The matter referred to is as follows:

FACTUAL HISTORY OF THE ELIMINATION OF MEXICAN RADIO PROGRAM DESCRIBED AS OBSCENE AND INDECENT PAID FOR BY THE MEXICAN GOVERNMENT—SERIES POURED WEEKLY INTO AMERICAN HOMES BY THE NATIONAL BROADCASTING CO.

AN INDICATION OF THE POWER AND INFLUENCE OF THE RADIO TRUST AND THE UNWILLINGNESS OR THE INABILITY OF A GOVERNMENTAL AGENCY TO PROTECT AMERICAN HOMES FROM FILTHY RADIO PROGRAMS AND ALIEN PROPAGANDA—HAS THE SERVANT BECOME THE MASTER?

JULY 1, 1935.

The Honorable CORDELL HULL,
Secretary of State, Washington, D. C.
(Attention R. Walton Moore, Assistant Secretary.)

MY DEAR MR. SECRETARY: Complying with your request enclosed herein, you will find a factual history, with copies of correspondence, which is self-explanatory, indicating the unwillingness or the inability of the Federal Communications Commission to force the National Broadcasting Co. to comply with the provisions of the Communications Act of 1934 or to prosecute the Mexican

Government for its open and flagrant violation of the provisions of that act.

The protest and request which 16 Members of the House of Representatives, including the undersigned, made to the Federal Communications Commission pertaining to an obscene, filthy, and vile radio broadcast originating in the New York studios of the National Broadcasting Co. and broadcast over a network of radio stations, which broadcast was put on by or for the Mexican Government and paid for by that Government, has been virtually ignored by the Federal Communications Commission.

The Federal Communications Commission has, either in a futile effort to protect the Mexican Government or the officials of the National Broadcasting Co., or both, from proper prosecution for this openly flagrant violation of the Communications Act of 1934, which act specifically provides: "Section 327. * * * No person within the jurisdiction of the United States shall utter any obscene, indecent, or profane language by means of radio communication", revealed their impotency or their subserviency to either those in control of the National Broadcasting Co. or the Mexican Government.

Further, the penalty for such violations, as provided for in the Communications Act of 1934, is as follows: "Section 501. Any person who willfully and knowingly does or causes or suffers to be done any act, matter, or thing in this act prohibited or declared unlawful, or who willfully and knowingly omits or fails to do any act, matter, or thing in this act required to be done, or willfully and knowingly causes or suffers such omission or failure, shall, upon conviction thereof, be punished for such offense, for which no penalty (other than forfeiture) is provided herein, by fine of not more than $10,000 or by imprisonment for a term of not more than 2 years, or both."

The Federal Communications Commission, either as a result of only a casual investigation, if any investigation was really made, or, in an attempt to deceive those who had, in writing, asked for an investigation, either failed to secure or ignored the results of the investigation made by officials of the National Broadcasting Co. is revealed in part in affidavits, the substantial contents of which, with names temporarily deleted, are herein quoted:

(1) "The undersigned testifies that on the program broadcasted on Thursday, March 21, at the WJZ Station at 9:30 p. m., under the title of 'Mexican Program', there was a recitative, with music, which we qualify unfitted for the radio. It was an account of the love affairs of a man with several girls, and then told of the exquisite of those love affairs with the girl he loved, and spoke of their songs, their kisses, at the shore of the lake, and finally, when the girl disrobed herself and offered him her beauty, which he began to describe in an indecent way."

(2) "I further state that * * * stated that his investigation disclosed the fact that the second number of this program was a poem, recited in Spanish and backgrounded with music; that the narrator reached into his vest pocket, withdrew a sheet of paper, and recited in Spanish a poem which was entirely different from that rendered or used in the rehearsal, and also in the regular dress rehearsal held immediately prior to the actual broadcast; that the program had not been recorded; and that in order to find out what was actually broadcasted * * * was obliged to call into his office for separate examination, first, the narrator who recited the poem, and, secondly, the leader of the orchestra, who was also present at the time in the studio, and that in each instance he had them give their individual version and report of what had been transmitted 'over the air.'"

"I further state that * * * also stated that as a result of the individual reports which he received from the narrator and the orchestra leader, and on account of the indecent, obscene, and suggestive remarks contained in the poem, he was recommending on that same day * * * that the contract entered into with, and paid for in advance by, the Mexican Government should be canceled immediately."

"I further state that * * * also stated that his investigation of the other songs and poems, used in the first and also the second broadcasts of this series for the Mexican Government were also suggestive, but not as openly obscene as the second number, or poem, of the first broadcast, and that all of these old thirteenth century Spanish and Arabic songs and poems seemed to 'convey suggestive meanings', as he expressed it, and were not, in his opinion, in line with good taste and 'public interest.'"

(3) "* * * we conferred with * * * officials of the National Broadcasting Co.

"I further state that the said * * * stated that 'with all due respect to the Catholic Church, should he be requested to rebroadcast the Mexican Government program of March 21, 1935, he would not hesitate to approve the request.'"

"I further state that the said * * * stated that 'all of the programs of the National Broadcasting Co. sent out over their networks were recorded, and that this also included the Mexican Government program of March 21, 1935.'"

You will note that one official of the National Broadcasting Co., in the presence of other officials of the National Broadcasting Co., states to those they had invited to the offices of the National Broadcasting Co. to discuss the results of the investigation which the National Broadcasting Co. itself had made of the charges of obscenity contained in the program broadcasted for or by the Mexican Government on March 21, admitted that "on account of the indecent, obscene, and suggestive remarks contained in the poem he was recommending on that same day * * * that the contract entered into with and paid for in advance by the Mexican Government should be canceled immediately." Also you will note that the same official recounted how he had to call in different individuals in order to secure a definite picture of what had occurred, while another official stated that the program was recorded.

Exhibit no. 1. Copy of my letter to Hon. Anning S. Prall, Chairman, Federal Communications Commission, under date of April 1, 1935.

Exhibit no. 2. Copy of reply from Hon. Anning S. Prall, under date of April 2, 1935, to my letter of April 1, 1935.

Exhibit no. 3. Copy of translation and original Spanish text furnished to me by the Federal Communications Commission. Also copy of translation made for me by an authority on and one familiar with the Mexican language. The translation furnished to me by the Communications Commission, incomplete in itself, also seeks to hide or "clothe" the indecency which, I understand, a true translation reveals.

Exhibit no. 4. Copy of petition, signed by 16 members of the House of Representatives, sent to the Federal Communications Commission on April 15, 1935.

Exhibit no. 5. Copy of letter of April 30, acknowledging receipt of the petition above referred to and stating that "a full and complete investigation is being made of the subject matter * * *."

Exhibit no. 6. Copy of my letter of May 11 to Hon. Anning S. Prall, Chairman, Federal Communications Commission.

Exhibit no. 7. Clipping from, or marked page of, the May 1, 1935, issue of Broadcasting, a radio magazine, the editors of which, according to statement made by Rev. Joseph F. Thorning, S. J., in the presence of Commissioners Prall, Sykes, and Case (see exhibit no. 8), are credited with being quite intimate with the Chairman and other members of the Broadcast Division of the Federal Communications Commission.

You will note that this news story indicates—to those engaged in operating radio broadcasting station—that the Communications Commission had already, before May 1, 1935, completed such investigation as they had made and had arrived at a decision.

Exhibit no. 8. Quotations taken from the address delivered by Rev. Joseph F. Thorning, S. J., at public hearing, held by the Broadcast Division of the Federal Communications Commission May 16, 1935, at which were present Commissioners Prall, Sykes, and Case, and which statement includes contents of letters sent to me by Chairman Prall on May 14, 1935.

You will note that no refutation was made at this or any other time of the accuracy or inaccuracy of the contents of the news story of May 1, 1935, or the letter of May 14, 1935, which letter stated very specifically that the investigation had not been concluded or a decision arrived at.

Exhibit no. 9. Copy of letter of May 27, wherein the Federal Communications Commission, "after careful study," finds that the program complained of was not obscene under a ruling made in 1883 before radio broadcasting had been called to the attention of Congress.

The letter of May 27, referred to as exhibit no. 9, specifically cites a ruling made in the case of *Duncan* v. *United States*, decided in 1931, and supposedly cites language to be found in the decision of the court in that case. Incidentally this case, *Duncan* v. *United States*, dealt with a violation of the Radio or Communications Act, and was brought as a result of an indictment returned for a violation of the radio laws. The rulings of the court are very appropo of the program which the Mexican Government put on or had broadcasted from the New York studios of the National Broadcasting Co. on March 21.

In looking through the findings of the court in the case, *Duncan* v. *United States*, specifically cited, we note that the language, such as is quoted in the letter of May 27, was very much different than that found in the court's findings.

However, it is worth noting that in the case cited by the Federal Communications Commission, *Duncan* v. *United States*, the court held:

"The test is as to whether or not the language alleged to be obscene would arouse lewd or lascivious thought in the minds of those hearing or reading the publication.

"In construing the word 'obscene' as used therein, it has been uniformly held that, if the matter complained of were of such a nature as would tend to corrupt the morals of those whose minds are open to such influences by arousing or implanting in such minds lewd or lascivious thoughts or desires, it is within the prohibition of the statute, and that whether or not it had such a tendency was a question for the jury."

Exhibit no. 10. Copy of letter from the Federal Communications Commission of June 6 attempting to correct the obvious deception contained in their letter of May 27. The citation they refer to in this letter of June 6, in an attempt to justify their findings contained in their letter of May 27, is found in cases dealing with violations of the postal laws and handed down in 1883, many years before radio broadcasting was seriously thought of.

Other affidavits similar to those quoted from are available and substantiate the contention that the program which we complained of, broadcasted by or for the Mexican Government, over the network of the National Broadcasting Co., was obscene.

Trusting that the enclosed is in the form and is the type of material you requested and that we will be favored with action and an early decision on the part of the State Department.

Sincerely yours,

WILLIAM P. CONNERY, Jr.

EXHIBIT No. 1

APRIL 1, 1935.

Hon. ANNING S. PRALL,
Chairman, Federal Communications Commission,
Washington, D. C.

MY DEAR MR. CHAIRMAN: I shall greatly appreciate your furnishing me with a copy, with translation, of the broadcast sponsored by the Mexican Government, delivered over the National Broadcasting Co. network on March 21.

I have received several protests as to the filthiness of the songs sung on this program. I understand the songs were sung in Spanish. I shall appreciate the copy in the original text and also the translation thereof.

I trust that you will comply with this request, and that the matter herein requested will be furnished me within the next day or two.

With all good wishes,
Sincerely,

WILLIAM P. CONNERY, Jr.

EXHIBIT No. 2

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D. C., April 2, 1935.

Hon. WILLIAM P. CONNERY, Jr.,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: Replying to your request of the 1st instant for a copy, with translation, of the broadcast sponsored by the Mexican Government and delivered over the National Broadcasting Co. network on March 21, I beg to advise you that the Commission, through its legal department, is making an investigation of this broadcast. Upon receipt of a report I shall be glad to furnish you with the information you request. It will be impossible, however, to furnish it within the next day or two.

With kind regards, I remain,
Sincerely yours,

ANNING S. PRALL, *Chairman.*

EXHIBIT No. 3

(In part only)

Greetings to Silves, friend,
And ask her if she has
Memory of my love
In her sweet abode.

Oh, how many nights I passed there
Beside a girl
Of well-shaped and graceful form,
Of firm and wide thighs!

Oh, how many women wounded
My soul there with loves!
Like sharp arrows were
Their sweet glances.

Oh, how many nights also
I passed by the side of the water
With the lovely singer
In the solitary meadow!

Then was she wont to sing to me
Between kisses
Some warlike song
To the sound of my guitar;
And my heart then
Shook with ardor
As in battle is heard
The shock of arms.

But, my greatest delight
Was when she stood naked
Of her flowing garments;
And, like a bending branch
Of a willow, uncovered to me
Her beauty, an unfolding rose
Which breaks its bud
And displays all its loveliness.

EXHIBIT No. 4

APRIL 5, 1935.

Hon. ANNING S. PRALL,
Chairman, Federal Communications Commission,
Washington, D. C.

DEAR CHAIRMAN PRALL: Your recent radio address indicating the Federal Communications Commission, under your leadership, would protect the American home from radio broadcasts of an obscene, unclean, and offensive nature meets with the unqualified approval of every self-respecting American.

Last week your attention was called to the broadcasting of a radio program by the Mexican Government which is described in the April 8 issue of America as a "filthy piece of unabashed pornography."

Assuming that your recent radio declaration will be carried out, we feel quite positive that program as described in such a reliable and responsible publication as America comes within the category of your declaration.

Believing that it is the intent of your Commission to treat all radio broadcasters alike, without granting undue favors to the National Broadcasting Co., we, members of the House of Representatives, respectfully suggest that your Commission indicate the sincerity of its purpose by penalizing those radio stations which violated the rules of your Commission, and offended the hospitality extended to radio by the American home, in broadcasting a program that can be described as "a filthy piece of unabashed pornography" by the cancelation of the broadcasting licenses of these radio stations or, at least, by immediately suspending the licenses of those stations until a thorough investigation can be made by your Commission and a public hearing held.

Trusting that your Commission will immediately take action upon this request and notify the undersigned of your action.

Respectfully submitted.

William P. Connery, Jr., Arthur D. Healey, J. Burtwood Daly, Joseph L. Pfeifer, John W. McCormack, Michael J. Stack, Joseph E. Casey, J. Joseph Smith, William M. Citron, Herman P. Kopplemann, Emmet O'Neal, M. L. Igoe, John P. Higgins, James M. Fitzpatrick, Richard J. Welch, John J. McGrath.

EXHIBIT No. 5

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D. C., April 30, 1935.

Hon. WILLIAM P. CONNERY, Jr., M. C.,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN CONNERY: The receipt is acknowledged of your letter of April 16, 1935, with which you transmit a petition signed, jointly, by 16 Members of Congress, and with which you also transmit a page from the magazine America, dated April 6, 1935. All of these concern a complaint against the action of station WJZ in broadcasting an allegedly offensive song during a program which was sponsored by the Government of Mexico.

In reply thereto you are advised that a full and complete investigation is being made of the subject matter of your complaint, and upon the completion of the investigation such action will be taken in the premises as is appropriate under the law.

Very sincerely yours,

ANNING S. PRALL, *Chairman.*

EXHIBIT No. 6

MAY 11, 1935.

Hon. ANNING S. PRALL,
Chairman, Federal Communications Commission,
Post Office Building, Washington, D. C.

MY DEAR CHAIRMAN PRALL: Your letter of April 30, which acknowledged my letter of April 16 enclosing petition of myself and 15 other Members of the House of Representatives, contained the information that your Commission had instituted an investigation of the program broadcasted over the National Broadcasting Co. network by the Mexican Government on March 21.

In view of the fact that this obscene program was called to your attention on March 25, I am assuming that your Commission has, by this time, ascertained the accuracy of the charges contained in the petition filed by myself and 15 other Members of the House of Representatives, as well as those protests which we have since learned were filed by many individuals.

Our petition not alone directed your attention to this obscene program but, in addition thereto, requested the cancelation or suspension of the licenses of those radio broadcasting stations which carried this obscene program, and also a public hearing to discuss the findings of your Commission.

As several of those who are vitally interested in this matter will meet in Washington on Wednesday, May 15, I trust I am not asking too much when I request that you favor me, prior to that time, with some definite statement as to the results of your investigation, the action of the Federal Communications Commission on our request for the cancelation or suspension of the licenses of those radio stations which broadcasted this obscene program and the date your Commission has set for a public hearing, as we requested.

Trusting that I may be favored with the information requested and with every good wish,

Sincerely yours,

WILLIAM P. CONNERY, Jr.

EXHIBIT No. 7

[From Broadcasting, May 1, 1935]

"PROTESTS AGAINST SERIES BY MEXICAN GOVERNMENT ARE REJECTED BY F. C. C.

"Finding nothing improper or in violation of the radio regulations, the F. C. C. has passed over the protest registered by a group of Congressmen against the program sponsored over an NBC-WEAF network by the Mexican Government and designed to stimulate tourist travel, it was learned April 25. The protest asked for punitive action against NBC on the ground that the initial program, broadcast March 21, contained a poem in Spanish, which allegedly was offensive to Catholics. In addition to the protest signed by 16 Congressmen, Father John B. Harney, Superior to the Paulist Fathers, New York, also asked for disciplinary action."

EXHIBIT No. 8

Excerpts taken from address of Rev. Joseph F. Thorning, S. J., at hearings before Broadcast Division of Federal Communications Commission, on May 16, 1935:

"We do not know whether or not this same publication, Broadcasting, the editors of which, we understand, have entries to and are presumed to have a rather intimate relationship with, members of this Commission, were justified in their comments and their advice of May 1 to the radio industry, but we do know that there has been no repudiation on the part of this Commission of this rather unusual prophesy as to the attitude of this Commission. And if there is any formal repudiation of this statement in the press, you may be sure it will be welcomed by those who are making the present protests.

"We also know that as late as May 14, the chairman of this Commission, in a letter to Congressman WILLIAM P. CONNERY, Jr., stated very definitely the following:

"'You are advised that the Commission is studying all of the evidence involved and as yet has not reached a decision with regard thereto. I will be pleased to advise you of the Commission's action just as soon as the course thereof has been determined.'"

EXHIBIT No. 9

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D. C., May 27, 1935.

Hon. WILLIAM P. CONNERY, Jr.,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN CONNERY: The Commission has had under investigation the broadcast of a program sponsored by the Mexican Government which was originated by station WJZ and carried by other members of the blue network of the National Broadcasting Co. on the evening of March 21, 1935. The portion of this program referred to in your letter to the Commission was a song entitled "En Elogio de Silves", sung in Spanish.

The question as to whether a matter which is broadcast is obscene or indecent must be determined by the application of the rule announced in *Duncan* v. *U. S.* (48 Fed. (2d) 128), and other leading cases, which is as follows:

"The true test to determine whether a writing comes within the meaning of the statutes is whether its language has a tendency to deprave and corrupt the morals of those whose minds are open to such influences and into whose hands it may fall by arousing or implanting in such minds obscene, lewd, or lascivious thoughts or desires."

The Commission, Broadcast Division, after careful study of all the facts and circumstances in connection with this broadcast, has reached the conclusion that the program does not fall within the above definition.

The Division desires to express its appreciation for your cooperation in directing its attention to this matter. Because of the large number of broadcasting and other stations, letters, such as yours, are very helpful in the duties of the Commission.

Yours very truly,

E. O. SYKES,
Chairman, Broadcast Division.

EXHIBIT No. 10

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D. C., June 6, 1935.

Hon. WILLIAM P. CONNERY, Jr.,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN CONNERY: Please be referred to our letter addressed to you on May 27, relating to a broadcast program sponsored by the Mexican Government which originated over station WJZ.

The exact language of the quotation of the rule in that letter is taken from the case of *Knowles* v. *U. S.*, Circuit Court of Appeals, Eighth Circuit, 170 Federal, pages 409–412. This case is cited in the Duncan case referred to in our former letter.

Sincerely yours,

E. O. SYKES,
Chairman, Broadcast Division.

Mr. CONNERY. Mr. Chairman, the resolution is the ordinary resolution for an investigation that is to be thorough and far-reaching. I have received complaints from all over the United States with reference to radio—complaints from labor, from profit organizations, and from nonprofit organizations which have been denied radio broadcasting licenses and time on the radio.

This is not something which has just come up at the present time. It is something upon which I have been working since last April, when 16 Members of Congress, in writing, made a request to the Communications Commission for action on the part of the Commission and for a public hearing.

On the occasion when the Mexican Government entered into a contract with the National Broadcasting Co., for which broadcasting they paid $40,000, it struck me as peculiar that a foreign government should make a contract with the National Broadcasting Co. in order to broadcast foreign propaganda into the United States.

During at least one of these broadcasts an obscene song was sung.

Affidavits and statements were presented showing the exact words that were sung, affidavits from persons who heard the broadcast. Officials of the National Broadcasting Co. have related how the narrator took a piece of paper out of his pocket and sang this song which was allegedly obscene. All of this the Federal Communications Commission has, or should have, full knowledge of.

Now, we—not just I, but we, 16 Members of Congress—signed a petition asking for a thorough investigation and public hearing.

In response to those requests we received a letter saying that they, the Commission, had investigated the matter, and that as far as they could see, under the law, they could not do anything about it, quoting the case of *Duncan* v. *United States* (48 Fed. (2d) 128), and in that quotation describing what has been ruled as obscene. Looking up the case the Commission cited, I discovered there was no such language in that decision as the language they gave me in the letter. Some days later they discovered that themselves, and wrote me a letter telling me that in the case of *Duncan* v. *United States* (48 Fed. (2d) 128) the language which they had used referred to another case, and they went back to 1883 to find a case with which to whitewash the National Broadcasting Co. *Duncan* v. *United States* (48 Fed. (2d) 128) was a case alleging a violation of postal regulations. This case was acted upon some 40 years before Congress regulated broadcasting.

Mr. Chairman, there have been plenty of complaints. Take the case of a labor station in New York City, one of the first stations in New York. This station attempted to get increased facilities so that it could reach up into New York State and into additional sections of Connecticut, New Jersey, and Pennsylvania. Other people put in petitions at the same time, and as a result of those petitions, as I recall it, the Federal Communications Commission gave the time which should have been given to the labor station, which is broadcasting an educational and instructive program not duplicated in that area, and which would have rendered some service to the people of the United States, when men like Senator WAGNER, and others, men prominent in public life, could have told the American people the situation in Congress in respect to labor matters and progressive legislation. The examiner for the Commission in his report called attention to the service rendered by this labor station, but the Federal Communications Commission gave that time to the Brooklyn Eagle, a newspaper published in Brooklyn, which will simply duplicate existing programs and which had no need of the time, because Brooklyn is well covered as far as radio broadcasting is concerned.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. MORAN. Mr. Chairman, I yield the gentleman 2 minutes more.

Mr. WIGGLESWORTH. Mr. Chairman, I yield the gentleman 3 minutes more.

Mr. CONNERY. Mr. Chairman, I have received these complaints from all over the Nation. The Commission refused to take away a license from WJZ after an obscene song had been sung, and yet there was the incident in the Middle West where the engineer of a broadcasting station, without the knowledge of the owner, pushed up the power so that it reached out a little farther than the Federal Communications Commission felt they should go, and the Commission was going to take that license away completely on the ground that nothing of that kind should occur. Here was a man, the owner of the station, who did not know what his engineer had done; and they were going to penalize him and take that license away. That was a small station, but when the National Broadcasting Co. comes in and puts a foreign government on the radio for the sum of $40,000 and sends insidious propaganda and obscene and indecent songs into the homes of the American people—songs not fit to be

recited anywhere—we have a different story. The National Broadcasting Co. must be and is whitewashed. Why? Does this monopoly control the Commission?

Mr. Chairman, I think the American Congress and the American people are entitled to know what is going on in that Commission, how they are allocating radio facilities, and why they are allocating them as they do—why they will not take away a license from those broadcasting companies when those companies permit the broadcasting of an obscene and indecent song into the homes of the American people. I think the people are entitled to know what it is all about and who really controls this governmental agency. I have filed this resolution here today for that reason.

There is no politics in it; there is no partisanship about it. The radio can be used for the most insidious propaganda, as was evidenced in that Mexican Government program, and I want to see that this great avenue is still to be controlled by Congress. I want to see that these radio facilities are allocated properly. I want to find out why it is that education, labor, religion, the veterans, farm and other non-profit-making enterprises cannot get radio facilities or proper time on the radio. I want to find out everything that is going on there in a thorough investigation, in order that the people of America may be apprised of the workings of the Commission. If they have nothing to hide, we will be glad to hear their story. If they want to tell everything that goes on there, we will be glad to hear their story. If there is anything wrong over there which should be shown up, and I personally think there is plenty of wrong, then the people of the United States should be apprised of these facts, and the only way to do that is by an official, unbiased committee of this House, conducting a thorough and complete investigation of the Commission, with a proper report to the House.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. Yes.

Mr. DIRKSEN. Are the complaints which the gentleman has received based on the fact that the radio station has refused them free time?

Mr. CONNERY. Oh, no.

Mr. DIRKSEN. Or time for which they were willing to pay?

Mr. CONNERY. Oh, no. I want to make that clear. When I say time and radio facilities should be allocated to education, labor, religion, veterans, farm, and non-profit-making enterprises, I mean that they should be permitted to go in and secure radio facilities or they could buy their time, and that the National Broadcasting Co. or the Columbia Broadcasting Co. should not have the right to say, "No; we will not let you have the time." The influences of this monopoly should not be allowed to deprive these nonprofit organizations of facilities they should have.

Mr. DIRKSEN. The gentleman does not contend that the Federal Communications Commission has any authority over any individual radio station or chain to compel them to give free time?

Mr. CONNERY. Oh, no.

Mr. DIRKSEN. Or to give time to anyone if their time schedules are filled?

Mr. CONNERY. No. But their time schedule can be very conveniently filled if the Veterans of Foreign Wars or the American Legion want to talk of the bonus, or if you want to make some labor speech or some speech in which they—the radio monopoly—are not interested. They can be conveniently filled, and we do not want them conveniently filled. We want the educational, the religious, the labor, the farm, the veterans, and other non-profit-making bodies to be able to secure radio facilities they can operate themselves, permitting the stations to be self-sustaining but not profit making, instead of being dependent on the charity or good will of the radio monopoly.

Mr. RICH. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. RICH. I was wondering whether we do not have farm hours on the radio. I listen to the radio every once in a while, and I have heard somebody making a speech about the farms, and then I have heard other speeches being made.

[Here the gavel fell.]

Mr. CONNERY. Mr. Chairman, I ask unanimous consent to revise and extend my remarks. I hope we will soon have an opportunity to get this resolution passed and find out what is really going on. [Applause.]

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 20 minutes to my colleague from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I am in entire accord with the resolution introduced by the gentleman from Massachusetts [Mr. CONNERY] for an investigation of the allotment of time by broadcasting stations. Much has been said about these broadcasting stations contracting more time to one party than the other. I am willing to admit, of course, that when the President speaks, he should have a radio hook-up; and I venture to suggest that if we go back to Republican Presidents we would find that they, too, had radio hook-ups and that they were allowed more time than the opposition party.

I had not expected to speak on this issue, but in view of the speech of the gentleman from Massachusetts [Mr. CONNERY], I thought I would make a few observations dealing indirectly with the partisan issue involved.

As a minority party we cannot object to the fact that the President has radio hook-ups when he speaks, but I feel that the question is one of degree, and that prominent Republicans, when they speak, should likewise have at least one of the Nation-wide hook-ups. I have reference now to a speech that Senator BORAH is to make in Brooklyn, possibly the first speech he has made before a large mass meeting of the American people for a considerable time, which is to be delivered on January 28. Senator BORAH was unable to get time from either one of the national networks that would be convenient for the audience. The President, perfectly rightly and justly, received time at 9 o'clock here in the House. Naturally Senator BORAH, who will be the only speaker at that mass meeting, cannot keep his audience until 10 o'clock or 11 o'clock at night to begin his speech. The Columbia broadcasting station offered time at 11 o'clock at night. The National Broadcasting Co. offered time at 10 o'clock at night.

I am probably the last person in this Congress to complain against either the Columbia or National Broadcasting Cos., because they have invariably been fair with me and have offered me time and given me time when I wanted to speak 15 minutes at their studios. All I am asking—and I am sure the Democrats will go along with me—is not that we have exactly the same time as the President of the United States, but that when men like Senator BORAH or other leaders of the Republican Party are going to speak at a great mass meeting, they have at least one of the Nation-wide hook-ups, or that they have at least part of one of those hook-ups. The National Broadcasting Co. has two networks—the blue and the red. The result is that Senator BORAH will speak in Brooklyn on the 28th over WOR, a local New York broadcasting station.

Mr. CONNERY. Will the gentleman yield?

Mr. FISH. I yield.

Mr. CONNERY. I noticed in this morning's paper an article where Governor Landon said that on the 29th of this month in Topeka, Kans., he is to speak on a Nation-wide hook-up.

Mr. FISH. The gentleman is correct; and I could add quite a number of others. I have been trying to be fair. I could give you a list of a number of other Republicans who have received 15 minutes to speak, but what I am interested in in this case is a national hook-up for half or three-quarters of an hour to carry Senator BORAH's speech to every fireside in the country. I could go further and mention the National Radio Forum, sponsored by the Evening Star of Washington, a splendid paper, that has been going on for a number of years, but three out of every four speakers have been Democrats since March 4, 1933, and that is not either fair or proper for an alleged nonpartisan forum where both sides of issues are supposed to be presented. This forum has, in my opinion, become largely a sounding board for New Deal propaganda.

Mr. BLANTON. Will the gentleman yield?

Mr. FISH. I hope the gentleman will not interject any partisanship into my remarks. [Laughter.]

Mr. BLANTON. Could they not say all they have to say in 15 minutes?

Mr. FISH. If you ask me, I could not say all I have to say about the New Deal in a couple of hours.

Mr. BLOOM. Will the gentleman yield?

Mr. FISH. Yes; I yield.

Mr. BLOOM. Is it not a fact that before either of the large broadcasting companies can give any time to anyone, such as time for the President's speech or Senator BORAH's speech, or anyone else, they must first get permission from the people to whom this time has been sold? In other words, if it is the Chase & Sanborn "dated coffee" hour at that time, they must first get permission from the person to whom that time is sold.

Mr. FISH. Now, the gentleman is asking me a question and not making a speech. I would say I do not know the procedure, but let us assume that the American Liberty League had the same time that the President wanted, I do not know what action they would take, but I think even in courtesy they would yield to the President, and I think likewise, they should yield to Senator BORAH or some other prominent spokesman for our party.

Mr. BLOOM. But the broadcasting company has no discretion in the matter at all.

Mr. FISH. Oh, they have plenty of discretion. They have a contract with every one of them that they can cancel themselves in an emergency, and the gentleman knows it.

Mr. BLOOM. Oh, I beg the gentleman's pardon. Nothing like it.

Mr. FISH. They have definite understandings, whether it is a contract in writing or not.

Mr. O'CONNOR. Will the gentleman yield?

Mr. FISH. Yes; I yield. Of course, I want to be corrected, if I am wrong.

Mr. O'CONNOR. When the President spoke, both stations had to get consent to cancel two programs.

Mr. FISH. That is right.

Mr. O'CONNOR. And at a great expense; and they could not have given that hour to the President unless those customers had agreed to cancel their programs.

Mr. FISH. I think the broadcasting companies have not only a certain amount of moral suasion in such matters but actual cancelation power if the broadcast is sufficiently important to the American people.

Now, let me proceed. I now approach another subject, with charity for all and malice toward none, because I believe in freedom of speech on both sides, even within my own party.

A prominent member of my own party, Dr. Nicholas Murray Butler, took occasion a few days ago to make an attack on the record of Senator BORAH in a letter and had it published in the New York newspapers. Now, I believe in his right to hold any views he wants to; but I do not believe in the right of anyone, whether he be Republican or Democrat, to misrepresent the views of any individual, to tell half truths, or to reach plausible deductions from false premises; and for this reason I am going to answer the statements made by Dr. Nicholas Murray Butler, merely to correct the record on facts that are easily ascertainable and show that Senator BORAH has not supported the unsound and unconstitutional New Deal measures and that any such implication is most unfair.

It is true Senator BORAH supported, I assume, the regulation of the stock exchange bill, the regulation of the security exchange bill, the social security bill, the Home Owners' Loan Corporation Act, the bank-deposit insurance bill, the Farm Loan Act, and other needed legislation of this type; but that does not make him "a hopeless reactionary" or a supporter of the New Deal or the Roosevelt administration any more than any other Republican, including myself, who voted for the same measures.

The statement issued by Nicholas Murray Butler in opposition to Senator BORAH is good for a million votes throughout the country. Dr. Butler, who admits that Senator BORAH "is much the ablest and has by far the best understanding of the fundamental principles which are at stake of any Republican mentioned for the nomination for President", takes a violent exception to his candidacy on the ground that he is against the League of Nations, the World Court, and entangling alliances.

It is well for the American people to know that Dr. Butler is chairman of the board of the Carnegie Endowment for International Peace and as such he has been promoting for many years our entrance into the League of Nations either through the front door or the back door on every possible occasion and receives large sums for traveling expenses to Europe, where he has been visiting several times a year for the purpose of promoting our entrance into the League of Nations and the World Court and informing European statesmen that we are about to do so.

In spite of Dr. Butler's fulminations against Senator BORAH for opposing the World Court, in all fairness it is but right to point out that there were only eight Republican Senators who voted for our entrance into the World Court in the last session of Congress. At that time Dr. Butler stated that all Republicans who voted against it were "cowardly and ignorant."

Dr. Butler goes on further to denounce Senator BORAH because he opposed, along with practically every other Republican in the House and Senate, turning over power to the Secretary of State to write tariff schedules and to enter into reciprocal trade treaties. It is true that Senator BORAH voted against the reciprocal trade agreement bill and issued a statement opposed to the recent Canadian bargaining pact, which is detrimental to the interests of the farmers of the East and of the West.

In the next campaign three of the greatest issues that will be upheld by the Republican Party will be the preservation of constitutional and representative government, for which Senator BORAH has been the most outstanding spokesman in the country; opposition to entangling alliances and entrance into the League of Nations through the back door; and protection of American wage earners against the low standard of wages and living in foreign countries. On all these issues Senator BORAH has voted not only with the Republican Party but has been the leader in most of these fights.

As Al Smith often says, "Let's look at the record." In spite of inspired and prejudiced propaganda against Senator BORAH's nomination, emanating from big interests, which have no control over him, and repeated by Nicholas Murray Butler, to the effect that Senator BORAH has voted for most of the New Deal measures, the actual answer to that kind of propaganda is the record of his votes. Dr. Butler's attack on Senator BORAH for supporting the Roosevelt administration measures is laughable, as on numerous occasions on his return from European visits Dr. Butler has released to the press, on landing, the most glowing endorsements of President Franklin D. Roosevelt and his administration.

The actual record of Senator BORAH's votes shows that he voted "no" on the passage of the National Industrial Recovery Act, which has already been declared unconstitutional. He voted "no" on the Bankhead cotton-control bill, which will probably be held unconstitutional within a very short time. He voted "no" on the reciprocal trade agreement bill, which ought to be held unconstitutional, as it delegates the legislative powers of Congress to the President in violation of the Constitution. He voted "no" on the so-called Guffey coal bill, which likewise will probably be declared unconstitutional, and there was no record vote on the potato amendment, but he gave out a statement that he was opposed to it and has on file numerous letters in which he has answered his constituents who favored the bill that he was opposed to it on constitutional grounds.

A few more attacks such as that made by Nicholas Murray Butler on the record of Senator BORAH and his strong views against the League of Nations and entrance into ancient foreign blood feuds and boundary disputes will mean the nomination of Senator BORAH by the Republican Party on the first ballot and his overwhelming election.

While Dr. Butler was for the Versailles Treaty, Senator BORAH opposed it; while Dr. Butler was for cancelation of the war debts, Senator BORAH opposed it; while Dr. Butler has for all these years been trying to involve us in every kind of foreign commitment, war sanctions, and the League of Nations, Senator BORAH has opposed them all.

Dr. Butler called Senator BORAH a reactionary for being opposed to internationalism. No, Dr. Butler; it would have been fairer to have called him a great American and follower of the precepts of George Washington. Senator BORAH, it is true, is a "stand-patter" for American principles of government, the Constitution, and Americanism as opposed to internationalism. [Applause.]

I hope all Republicans in the House will pay attention, because it will be for their benefit later on to know what Senator BORAH's record is; and I ask the minority leader, in particular, if he will kindly pay attention. [Laughter.]

Mr. LAMBETH and Mr. BANKHEAD rose.

Mr. FISH. I yield first to the gentleman from North Carolina. I hope he does not want to ask an embarrassing question.

Mr. LAMBETH. My only purpose is to keep the record straight. The gentleman is talking about keeping the record straight.

I want to ask the gentleman, in view of the attacks that have been made by him and other members of his party upon the President and this administration for not carrying out to the letter the Democratic national platform of 1932, whether it is not a fact that the Republican platform of 1928 and the Republican platform of 1932 each declared for adherence to the World Court?

Mr. FISH. If the gentleman from North Carolina says so, I will take his word for it.

Mr. LAMBETH. I have the document right here in my hand.

Mr. FISH. I will take the gentleman's word for it, and it is a good point. It is true that only eight Republicans voted for it in the Senate. I do not blame them for changing their minds in view of the refusal of our former allies to even pay interest on the money we loaned them after the armistice.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. FISH. Certainly.

Mr. BANKHEAD. Some of us are rather curious to know why the gentleman from New York in occupying the floor is so anxious to have the attention of the minority leader to this statement. [Laughter.]

Mr. FISH. Well, if the gentleman asks me that, I must say only to enlighten him on this subject; that is all. [Laughter.]

I wanted also in this discussion to answer the charges of Secretary Ickes against President Hoover for signing, as he alleged, three unconstitutional bills. I propose to put the facts in the RECORD, and it is very easy to present the facts, because the record speaks for itself. But the gentleman from North Carolina brought a somewhat political issue into my nonpartisan remarks.

Mr. LAMBETH. Oh, no; I was only keeping the record straight.

Mr. FISH. He wanted to keep the record straight, and so do I. Your national chairman, Mr. Farley, issued a statement a few days ago deploring mud slinging and saying that this was to be a very dirty campaign. I want to point out to Mr. Farley and the members of his party that the main critics of the New Deal administration have not been Republicans, but that the most vigorous and vituperative critics have been members of the Democratic Party. I refer to Governor Talmadge, of Georgia; to the late Senator Long, of Louisiana; to Governor Ely, of Massachusetts; to Governor Ritchie, of Maryland; and to Alfred E. Smith, of New York; to Senator Reed, of Missouri; to John W. Davis and Bainbridge Colby, of New York. They have gone much further than any Republican in criticizing the New Deal administration and have not minced words or pulled their punches.

I would further point out to my friend that a year or so ago, when any Republican raised his head and had even the temerity like my friend, DEWEY SHORT, of Missouri, to criticize the administration, he was immediately denounced by Mr. Farley as a traitor, a witch burner, and a pirate. This was only a year ago. These are the words of Mr. Farley, who now predicts that this is going to be a mud-slinging campaign. So far as I am concerned, and I hope the Republican Party—we cannot control the members of the Democratic Party from expressing their sentiments—but I hope at least the members of the Republican Party will not indulge in any kind of mud-slinging campaign. [Laughter.] There is plenty to be said from our side against the unsound, un-American, unconstitutional, and socialistic New Deal measures, and I hope that from now on that all Republicans will not pussyfoot and indulge in shadow boxing, but will criticize and denounce without fear or favor the unsound and unconstitutional New Deal measures that have destroyed business confidence and prolonged the depression.

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 5 additional minutes to the gentleman from New York.

Mr. FISH. So much for that.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. FISH. Certainly; I yield to my leader.

Mr. SNELL. As long as my colleague is trying to give me information, I especially request that he include in his remarks the entire letter of Mr. Butler's from which he has quoted.

Mr. FISH. I shall be very glad to do so.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. FISH. With pleasure.

Mr. MAY. The gentleman from New York has listed a few of the measures which Senator BORAH voted against, measures proposed by the New Deal. Can the gentleman tell the House how many out of the 16 measures that passed the last Congress were voted for by Senator BORAH?

Mr. FISH. Well, Senator BORAH voted for a lot of the good measures of the New Deal, and I am very glad he did. [Applause.] So did I. The Republicans would make a terrible mistake if they start this campaign [applause] condemning and indicting every New Deal measure. They would not get to first base if they went out and attacked the stock-exchange regulation bill, the securities-exchange regulation bill, the social-security bill, and the Home Owners' Loan Corporation bill, which, by the way, emanated originally from President Hoover. Those you claim as New Deal measures. Many Republicans voted for them, and we did it because it was meritorious legislation.

Mr. BANKHEAD. Why does the gentleman exclude the A. A. A. program?

Mr. FISH. Because Senator BORAH voted for it and I voted against it, and I do not want to disagree with my leader. [Laughter.]

Mr. BOILEAU. Will the gentleman yield?

Mr. FISH. The gentleman always asks me embarrassing questions.

Mr. BOILEAU. I should like to ask the gentleman whether he and Senator BORAH agree with reference to expansion of the currency?

Mr. FISH. That is the same question the gentleman asked me the other day.

Mr. BOILEAU. No; I asked the gentleman the question whether he and Senator BORAH agreed on it.

Mr. FISH. I will talk at length on the stabilization fund next week and answer the gentleman's question at that time.

Mr. Chairman, I must proceed. Secretary Ickes made the statement, which has been repeated a number of times, that President Hoover signed three unconstitutional measures which were passed under his administration. What are the facts? This is not the first time that a Democrat has made that charge. Secretary Ickes made it. Mr. Michaelson, head of your publicity bureau, has made it. Senator LEWIS made a similar statement. Mr. Charles West, former Member of the House, in two debates with me made the statement, and it has been passed out up and down the line by the Democrats that President Hoover signed unconstitutional measures.

What does the record disclose? Out of hundreds of bills that were passed under his administration and signed by him, not one single bill has been held unconstitutional. Yet Mr. Ickes refuses to recall his statement and apologize, as he should do in all fairness, because he made a misstatement of fact. Not one single bill signed by President Hoover has as yet been declared unconstitutional, and there have already been eight declared unconstitutional under this New Deal administration.

Mr. FORD of California. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from California.

Mr. FORD of California. Will the gentleman cite one of those bills which was for the general interest of the people of the United States and not for some particular interest in which that administration was interested?

Mr. FISH. If the gentleman and the other Democrats had not sabotaged the sound recommendations of Herbert Hoover after 1930, there would be confidence in the country today and we would know which way we were going.

Mr. BLANTON. Will the gentleman yield for one question?

Mr. FISH. I decline to yield.

Mr. BLANTON. Just one question. I will ask a genial question.

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. FISH. Mr. Chairman, I ask unanimous consent to insert in the RECORD the names of the three bills which it is claimed were passed under the Hoover administration and held unconstitutional. As a matter of fact, they were not under the Hoover administration at all. One of them was passed under the Wilson administration, one of them as far back as the Grant administration. Just to save time, I ask unanimous consent to insert the names of those three bills in the RECORD, in order to prevent any further distortion of the facts.

Mr. BANKHEAD. Just the names of the bills?

Mr. FISH. Yes; and the dates.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The matter referred to is as follows:

Supreme Court decisions holding laws unconstitutional: No. 61, May 25, 1931, *Indian Motocycle Co.* v. *United States* (283 U. S. 570); No. 62, March 21, 1932, *Heiner* v. *Donnan* (285 U. S. 312); No. 63, April 11, 1932, *Burnet* v. *Coronado Oil & Gas Co.* (285 U. S. 293).

Mr. FISH. Mr. Chairman, Secretary Ickes has up to date refused to withdraw his statement that President Hoover had signed unconstitutional measures during his administration.

It is only fair in these days when the Constitution is rapidly becoming the paramount issue of the national election to be held this year that the record be fairly presented, and, of course, it is a matter easily ascertainable.

The Democrats are floundering about in view of the increased number of New Deal measures being held unconstitutional by the Supreme Court and do not know in what direction to proceed; whether to come out and ask legislation permitting the Congress to control agriculture and industry through national economic planning, to do which it will be necessary to amend the Constitution, or to attack the Supreme Court by packing it or reducing its powers in other ways.

Pending that final decision it has become the unfortunate habit to make sweeping statements without any basis of fact that President Hoover's administration had passed and he had signed unconstitutional measures, and then when challenged by President Hoover himself, Secretary Ickes refused to retract or admit the record, which is undeniable, so that he who runs may read. [Applause.]

The following is a copy of a telegram sent to Hon. J. HAMILTON LEWIS, United States Senator from Illinois, by Hon. William D. Mitchell, Attorney General under the Hoover administration, from St. Paul, Minn., on Friday, August 30, 1935:

The CONGRESSIONAL RECORD of August 1 quotes you as saying under President Hoover three specific administration acts carrying the policies of the Government were declared by the United States Supreme Court to be unconstitutional. This statement has been construed to mean that the invalid statutes were enacted during the Hoover administration. Senator ROBINSON so construed it in his radio address of August 22, and Charles Michaelson (publicity man for the Democratic National Committee) has issued a general press release that the Supreme Court has declared void three acts of Congress signed by President Hoover.

The three acts of Congress declared invalid during the Hoover administration were tax statutes passed in previous administrations, one being as far back as the Wilson administration. No act signed by President Hoover has ever been declared unconstitutional by the Supreme Court. On the contrary, he vetoed a deficiency bill because it contained an unconstitutional delegation of Executive authority to a congressional committee.

I am sure you intended to state merely that the three decisions referred to were rendered during the Hoover administration and not that the unconstitutional acts had been approved by him. Would you kindly confirm this publicly?

And I am also including a copy of telegram to Secretary Ickes from President Hoover at New York on January 10, 1936:

My attention has been called to an untruthful statement made by you at Rochester, N. Y., January 3. You said: "Under Mr. Hoover * * * Congress passed laws which were held unconstitutional."

Not one of several hundred acts of that period has been held unconstitutional. I never signed a law without bearing in mind the special obligation which rested upon the President to protect the Constitution.

The falsity of this statement, which originated with Mr. Michaelson and other New Deal sources, was promptly and publicly exposed by former Attorney General Mitchell on August 13 last. Its falsity has been repeatedly pointed out in the press. At a time like the present your action calls for an apology to the public.

[Here the gavel fell.]

Mr. MORAN. Mr. Chairman, I yield 20 minutes to the gentleman from Montana [Mr. MONAGHAN].

Mr. MONAGHAN. Mr. Chairman, I desire to express my deep appreciation and profound gratitude to my distinguished colleague from the State of Washington [Mr. KNUTE HILL], who has so generously given up 10 minutes of his time in general debate in order that I might have a small pittance of the time I should like to have to discuss a subject in which the country is so vitally interested today, namely, old-age pensions. May I say at the outset that I shall not yield to anyone, because I have not the time.

There is on the majority leader's table a statement by the American Institute of Public Opinion—which might well be a subsidiary of the American Manufacturers Association, the Liberty League, or the Chamber of Commerce—that the American people are 9 to 1 for old-age pensions.

It is stated that the Townsend plan is sectional and confined to the West. That statement may be disproved in two ways: First, there is the steering committee selected from the 63 who signed the petition to bring the Townsend plan to a vote by my good friend the author of the bill embodying the Townsend plan, the gentleman from California [Mr. MCGROARTY].

M'GROARTY BILL, H. R. 7154, TOWNSEND PLAN STEERING COMMITTEE

JOSEPH P. MONAGHAN, Democrat, Montana; C. G. BINDERUP, Democrat, Nebraska; JOHN T. BUCKBEE, Republican, Illinois; WILLIAM P. CONNERY, Democrat, Massachusetts; BERTRAND W. GEARHART, Republican, California; ISABELLA GREENWAY, Democrat, Arizona; WILLIAM LEMKE, Republican, North Dakota; ERNEST LUNDEEN, Farmer-Labor, Minnesota; VERNER W. MAIN, Republican, Michigan; VITO MARCANTONIO, Republican, New York; JOHN A. MARTIN, Democrat, Colorado; SAM C. MASSINGALE, Democrat, Oklahoma; THEODORE L. MORITZ, Democrat, Pennsylvania; JAMES W. MOTT, Republican, Oregon; ABE MURDOCK, Democrat, Utah; THOMAS O'MALLEY, Democrat, Wisconsin; EDWARD W. PATTERSON, Democrat, Kansas; J. HARDIN PETERSON, Democrat, Florida; JAMES G. SCRUGHAM, Democrat, Nevada; MARTIN F. SMITH, Democrat, Washington; MARTIN L. SWEENEY, Democrat, Ohio; J. WILL TAYLOR, Republican, Tennessee; THEO. B. WERNER, Democrat, South Dakota; COMPTON I. WHITE, Democrat, Idaho; JOHN STEVEN MCGROARTY, Democrat, California, chairman ex officio.

You will note not only is the West included but also the Middle West, the East, and the South; such States as New York, of which the gentleman from New York, Mr. MARCANTONIO, is the member on the steering committee for the Townsend plan; the State of Pennsylvania, of which the gentleman from Pennsylvania, Mr. MORITZ, is the member; the State of Florida, of which the gentleman from Florida, Mr. PETERSON, is the member, and the State of Tennessee,

of which the gentleman from Tennessee, Mr. TAYLOR, is the member. The Townsend plan is not sectional and nonpolitical, as a glance at this committee will indicate.

Further in contradiction of the fact that the Townsend plan is merely sectional, I cite to you the following statement written by Dr. Irving Fisher, that renowned and erudite economist who does not believe that the Townsend plan is workable. He says in part:

DR. TOWNSEND'S PROSPECTS

(By Irving Fisher, professor emeritus of economics, Yale University)

Inconspicuous in the news of last week was the second slight rumbling of a great national menace, all the more serious because so seldom taken seriously.

The first slight rumbling was in Michigan a month ago, when a follower of Dr. Townsend won the nomination for Congressman in the Republican primary in Kalamazoo.

The second rumbling was in Alabama a few days ago, when a follower of Dr. Townsend based his candidacy for Congress, in part, on his support of the Townsend old-age-pension plan, "or one similar to it."

These straws show the political wind is blowing in the direction of Townsend. Other candidates will come out for Townsend if they think they can win thereby.

It is reported that Dr. Townsend claims 30,000,000 supporters. This is probably an exaggeration, but there can be no doubt that the true number is a huge one. It must run into the millions if not the tens of millions. Why such prodigious support?

Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD and to include therein a letter and data sent to me by Dr. Fisher.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. MONAGHAN. Mr. Chairman, I read Dr. Fisher's letter.

NEW HAVEN, CONN., *December 31, 1935.*

Congressman JOSEPH P. MONAGHAN,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN MONAGHAN: I have read with interest that you intend to vote for the Townsend plan, and am sending you enclosed an article on the subject. I hope the report is erroneous. Economically, the plan is, I think, certainly unsound. I believe that it would do the country very great harm indeed should Congress enact it.

As you are reported in favor of it, I should, however, be glad to have you tell me in what respect you believe that the arguments of my article are invalid and to learn your reasons for wanting to have the Townsend plan enacted.

I may add that when the plan collapses it cannot but hurt those who have favored it.

Very sincerely,

IRVING FISHER.

This great, renowned economist makes three misstatements of fact in his mimeographed sheet against the Townsend plan. He first says that Dr. Townsend, who happens to be seated in the gallery today, merely answers the opponents of the Townsend plan with a wave of the hand, stating that economists are theorists. In this connection, Professor Fisher also says:

DR. TOWNSEND'S MAGIC

Last week among the numerous newspaper references to the Townsend plan was a statement by Dr. Townsend that "the economists have no answer to our plan. They don't know whether it will work or not because it is new, but they haven't been able to convince me that it won't work. I have talked with a number of them, including Irving Fisher, of Yale, and all they can say is that the plan would create a scarcity of commodities and raise prices. The trouble with these men is that they are not economists; they are so only in theory. This is a practical thing."

In other words, Dr. Townsend has no support from economists and so concludes that economists are not economists except in theory. On this "practical thing" we should put our faith in a retired dentist, whom the economists "haven't been able to convince that it won't work."

Consult Congressman WERNER, of South Dakota, your colleague, and you will find that the learned and distinguished economist, Irving Fisher, errs with respect to the man whose plan he is attacking. Dr. Townsend is not a dentist. He is a physician of renown, whom Congressman WERNER, at a table in the House dining room, lauded most highly for outstanding, unselfish, and humanitarian work in riding through the Dakota blizzards bringing aid and succor to the sick and helpless. This heroic work places him so high above the level of paid economic advisers that they are not worthy "to touch the hem of his garment."

As a professor emeritus of Yale University, Dr. Fisher should be a master of English. Permit me to point out a grammatical error in his remarks. He says, to quote him exactly:

How can a national income of only $50,000,000,000 per annum afford to spare about twenty billions for the old aged?

Redundancy is bad grammar. A dictionary states that "old" and "aged" are synonymous. Since either "old" or "aged" is superfluous, the double term probably is used disparagingly, in which event we should not give ear to his lack of respect for the aged. Otherwise he was ignorant, in which event his arguments are not worthy of our consideration. Again I cite a discrepancy of logic. How can an inanimate object be guilty of "affording to spare"? Again a superfluity of language, two superfluities in the same sentence.

I believe he was intoxicated by the exuberance of his own verbosity, which simply means that he was full of a lot of redundant statements, "full of sound and fury signifying nothing." That is why I asked that statements of this profound and outstanding economist be placed in the RECORD, that you may carefully weigh them yourselves.

I find not one valid refutation of the Townsend plan in Dr. Fisher's statement. On the contrary I find insinuations against the merit of the soldier bonus bill recently passed by this Congress by such an overwhelming majority. I find that the N. R. A., which was likewise equally passed by an overwhelming majority in the first session of the New Deal Congress, condemned by him as being fallacious in principle. I find that the A. A. A. he believes to be unsound and fallacious, perhaps because the Supreme Court, above the power of control of the people, declared it unconstitutional. But he says the Townsend plan, almost alone among the many panaceas which the great depression unearthed, merely naively represents economic fallacies. This, Mr. Chairman, is the statement on the Townsend plan of one of the outstanding economists of this country:

Economists are convinced already and hope they can convince Congress before the country is experimented on and nearly wrecked, as it would certainly be.

No economist sponsored the N. R. A., and many economists opposed it; but it was tried and failed. It retarded recovery.

The soldiers' bonus proposal, wrong as it is, has, or at any rate had, in the form presented by Congressman PATMAN, the merit of creating new purchasing power. The N. R. A. and A. A. A., though representing, fundamentally, wealth limitation or destruction, could put up plausible arguments, and the latter could even boast of some support among professional economists.

All of the monetary policies of the present administration, even the worst, namely, the silver purchases, had some modicum of economic justification.

Father Coughlin's monetary program has been very largely sound.

Even Huey Long's vague proposals for sharing the wealth had a certain degree of soundness, so far as the inheritance of wealth is concerned.

But the Townsend plan, almost alone among the many panaceas which the great depression unearthed, merely and naively represents economic fallacies.

There never was a time when sound economic instruction was more sorely needed than now to combat such economic illiteracy.

This abuse of the mentality of the public, of the Congress, and of the President is his only answer to the Townsend plan. Note the mistakes in English, as well as the mistakes of fact with respect to Dr. Townsend, which I pointed out in his remarks and letter, and then say whether or not you believe this intellectual giant, who is so careless about his facts and English, is worthy to dictate the economic policies of our country. In his letter he states:

I think it is certainly unsound.

Analyze that language, "I think it is certainly unsound", a woeful contradiction in terms. A man cannot "think" a thing is "certainly unsound."

Dr. Fisher states:

No economist sponsored the technocracy mania. In that case, too, there was only one sponsor, but one who nearly captivated the whole country. That mania also did harm.

What harm, pray tell, Dr. Fisher?

It is amusing to hear the paid economists of Wall Street prate. Consider the Townsend plan with respect to the amount of the annuity, $200 a month. Is such an amount

ridiculous in the extreme as we have been led to believe? By no means.

I have enumerated cost items, and I am going to talk facts and figures and not just make the carte blanche assertion that Dr. Fisher, because he does not know what he is writing about and about whom he is talking, is therefore wrong. I shall present facts and figures to you if I have sufficient time.

What amount can the average individual of America live upon?

Now, at the outset, I challenge any Member of the House to indicate what items which I have set forth alongside the amounts that have been stipulated he would want any member of his constituency to be denied. I have not set forth what I think should be the standard of living for the aged. I am setting the barest minimum of what they should get.

Now, here is that minimum: Rent, $12; electricity, $2.25—of course, the rates are too high—phone, $2.50—it is also too high in rates—laundry, $4. Some of you perhaps would have the aged woman do the washing herself. Newspapers, $1.50; fuel, $15; insurance, $10. The aged people have spent a lifetime contributing to insurance and should not be expected to drop it either on their lives or homes. Food, $30.

That is very small. My secretary, Miss Ford, informs me that she and her mother cannot live on less than $50 a month as far as food is concerned. Clothes, $10.

Carfare, $4; drugs—that includes razor blades, tooth paste, shaving creams, and cosmetics, $5; water rent, $2.

That makes $103.25.

The rent should be increased by $12 to provide fairly decent living quarters for the aged American people. That would be $24. Then food, $50 at the minimum, and with the other enumerated increases would amount to $135.25.

Now, there are other items that are not included in the general household expense. There is tobacco, and automobiles, which have come to be recognized in this day and civilization as a necessity, and a radio, which many aged people have not been able to buy.

Then there is $5 for entertainment, so that they may entertain old-time friends or attend the theater. Then, outside of newspapers, I have included $3 for magazines and books. Mr. Fisher says that these people are economic illiterates. Go to the American public and tell them that they are illiterates and many of you will not come back. [Laughter and applause.]

Yet, here is what Dr. Fisher evidently thinks of the public, millions of whom he says are for the plan as above stated:

> One can easily understand why a large fraction of the 10,000,000 people over 60 years of age favor Congressmen who claim to favor a plan by which all over that age will be assured an income of $200 a month.
>
> But why should the probably still greater number of those not yet 60 years old favor a plan by which they must bear the cost in higher taxes?
>
> The answer undoubtedly is to be found in the economic fallacy of "purchasing power."
>
> Frank Vanderlip once said that this Nation is a nation of "economic illiterates." The popularity of the Townsend plan proves it. It is the best example, on a large scale, of an economic fallacy, unadulterated.

When I finished that and totaled it up, I found that I had $175.25, and I again issue a challenge to any Congressman to state in what particular amount he would have reductions made. There is a balance of $29.75. This would permit merely $1.49 increase in the total of each item that I have enumerated. Since there were 20 items enumerated, the total would be $200 a month. I ask unanimous consent to place in the RECORD at this point the enumerations.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The matter referred to is as follows:

	Minimum standard	A slightly more decent standard
Rent	$12.00	$24.00
Telephone	2.50	2.50
Electricity	2.25	2.25
Laundry ($1 per week)	4.00	4.00
Newspapers	$1.50	$1.50
Fuel	15.00	15.00
Insurance	10.00	10.00
Food	30.00	50.00
Clothes	10.00	10.00
Doctor bills	5.00	5.00
Carfare	4.00	4.00
Drugs and cosmetics	5.00	5.00
Water	2.00	2.00
General household repairs, including replacement of outworn furniture and paints, wallpaper, etc		5.00
Upkeep of an automobile		5.00
Radio (which many aged do not own today), replacing outworn tubes and other accessories		2.00
Emergency travel, not pleasure trips, by any means, to southern California, but sickness, death and health trips		15.00
Entertainment, including occasional entertaining of old-time friends, shows, tobacco, cigars, cigarettes, candy. Whatever might appeal to a woman in the nature of entertainment		5.00
Just included newspapers for a family, no magazines or books		3.00
Total	103.25	170.25

Mr. MONAGHAN. Mr. Chairman, my strong advocacy of income, gift, and inheritance taxes is vindicated by the following statements in two reports that came out recently, one from the Government and one from Wall Street, showing a contrast which should be of interest to everyone concerned with national affairs, and I ask unanimous consent that this may be placed in the RECORD at this point in its entirety.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The matter referred to is as follows:

The first report came out in December, and was made by the F. E. R. A. on the basis of an investigation conducted in Winston-Salem and Durham, N. C., and in Richmond, Va. It says: "This study shows the situation of the tobacco workers on relief in the Virginia and North Carolina regions. Nearly half of them were receiving relief at the same time that they were receiving wages.

"Most of them had been on relief for considerable periods—more than half for 3 months or more. Three-fourths of them came on relief in less than 8 weeks after the loss of jobs.

"The factor most significant in bringing tobacco workers on relief is underemployment. Workers in the families studied averaged only 91 days' work out of the normal work period of 200 days in the year. Low wages are also an important factor. Average annual earnings were $144; only 12 percent of the single-worker households made as much as $300.

"Perhaps the most striking fact disclosed was that the average weekly income from earnings of the 477 families in the 'sample' studied was $3.02. For households containing only one wage earner the weekly average was $2.35, and for households with two or more workers the average was $4.97."

The other report, the one coming from Wall Street, gave the net earnings of the R. J. Reynolds Tobacco Co. This company, one of the "big four" group in the tobacco industry, has its factories in Winston-Salem, N. C.

In 1935 the net profits of this company amounted to $23,896,398, or $2,000,000 more than in 1934. This sum is nearly 50 percent greater than the entire wage bill of the entire cigarette and smoking-tobacco industry, as reported by the Census Bureau for 1933.

The R. J. Reynolds Tobacco Co. was formed in 1899 with a par value of outstanding stock of $2,100,000. There is no record of subsequent addition of capital from the outside. Today's profits are, therefore, more than 1,000 percent on the original investment. Capitalization, of course, has been increased by reinvestment of profits and through the exploitation of the workers.

This contrast between wages, on the one hand, and profits, on the other, which is largely duplicated by the other member companies of the "big four" group in Durham and Richmond, is not the only contrast existing in the tobacco industry. Louisville, Ky., which is the center of the two leading competing independent companies, namely, Axton-Fisher Tobacco Co. and Brown & Williamson Tobacco Corporation, both of which conduct 100 percent union shops, showed one of the lowest relief records in the United States. Last July only 5.4 percent of total families in Louisville were on relief, compared with a load of 20 and 30 percent in many other cities throughout the country. The burden for the State of Kentucky as a whole was approximately 20 percent.

These contrasts are worth pondering because of the light they throw on monopolistic practices.

Little wonder that the "big four" strenuously oppose a reduction of the tax on 10-cent cigarettes, as proposed in several bills before the House. The "big four" do not manufacture 10-cent cigarettes, but the independent companies do. The tax on all cigarettes is 6 cents per package, whether they sell for 10 cents or 15 cents. This inequitable tax squeezes the independent companies, and the "big four" do not want it changed. Their im-

pregnable position in exploiting labor, and no less the farmers might be threatened if the small competing companies were given a chance.

Mr. MONAGHAN. Exploitation of the workers and this failure to pay these people adequate salaries that would give them a chance to provide for their old age is the answer to those who see no immediate need for old-age pensions. Derelict Representatives and Senators and derelict Presidents who have failed in the past to protect them is the answer to the raison d'être for that condition.

Let us be sensible about this Townsend plan. Why is it necessary to give these people an adequate pension today? Because they were not paid $750 or $800 a month. Aye, not even $200, $150, or in many cases $100 a month. They were not paid $200,000 a year, and were not able to provide themselves an annuity, as have the executives of industry, who no doubt have sponsored all this propaganda against the aged people of this country. Consider the argument about the great cost of such a plan. I have not nearly adequate time to answer the objections raised. Let us consider other costs—the cost of war alone, for example. It is all right to spend billions to destroy the youth of this country. Sure, they say, go ahead and destroy them. That is the theory of those men who would not protect the aged. If it would add one penny of profit, they would tomorrow plunge America into war. But, thank God, the good sense of the American public will not permit them to do so. If they put guns on the shoulders of soldiers again, they better beware where the firing is done. Let us spend some of those billions wasted in battleships and airplanes in the advancement of happiness for the aged people of this country. Let us spend some of the billions that have been wasted in futile works in W. P. A. in taking care of the aged people of this country. Then young men and women will find permanent employment. That is the answer to the question raised by Dr. Fisher about Peter Young and Paul Old, which you may read in his remarks.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. MONAGHAN. In a moment. Peter Young has to remember that unless something is done about taking care of these aged people and taking them out of industry, these men who 6 years ago were about 14 years of age and who are now 20, will find themselves with nothing to do. Think of the number on the market today without an opportunity of employment. The answer to that, as Dr. Townsend so well stated yesterday in an address to the Optimist Club at the Mayflower Hotel, is an adequate old-age pension, and I ask unanimous consent to insert at this point what Dr. Townsend said.

The CHAIRMAN. Is there objection?

There was no objection.

The matter referred to is as follows:

The machines are becoming idle because there are too few buyers. That presages a revolution of some sort. It is for us to decide what sort of revolution we want. It may be violent and bloody if we do not exercise judgment and tact and make immediate changes in our industrial and financial world.

An ever-lessening number of workers from the present onward into the future will be required to do the world's work.

Unless our thinking men and our lawmakers recognize this social phenomenon and make provision to meet its consequences by establishing a more abundant and equitable distribution of our easily created wealth, there will be speedily brought about one of two things, either a government ruled by the rich and powerful with the masses in virtual serfdom, or a violent revolution of the poverty-ridden masses with its unguessable results.

The CHAIRMAN. The time of the gentleman from Montana has expired.

Mr. MONAGHAN. Will the gentleman grant me 5 minutes more?

Mr. WOODRUM. I am sorry, but all the time has been allocated. I can give the gentleman 1 minute.

Mr. MONAGHAN. I yield now to the gentleman from Massachusetts.

Mr. CONNERY. We made a present of $22,000,000,000 to Europe, did we not?

Mr. MONAGHAN. Yes.

Mr. CONNERY. A kind of a Christmas present of $22,000,000,000, and when a question comes up, even should it cost $24,000,000,000 to try out this plan, what do we find? There was not any turmoil about the $22,000,000,000 that we gave to Europe, but there is a lot of excitement about spending $22,000,000,000 on the American people.

Mr. MONAGHAN. I thank the gentleman for his contribution.

The CHAIRMAN. The time of the gentleman from Montana has again expired.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 10 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, I shall not discuss the political situation, because as a nonpartisan I have discovered that there is very little, if any, difference between the liberals on the Democratic side and the progressives on the Republican side. Their hopes and aspirations for the future of this Nation are virtually the same. I have also observed that there is very little difference between the conservatives on the Democratic side and the conservatives on the Republican side. They are both satisfied with things as they are; glad that they are not worse. I shall, however, discuss the agricultural situation as it exists today.

After having wandered around in the wilderness, led astray by Mr. Harriman, of the United States Chamber of Commerce, and a few inexperienced professors, we are back today where we were 3 years ago, at the beginning. There is absolutely nothing left of what we have done or had attempted to do for the farmers, because we got tangled up with the Supreme Court of the United States. The decision of the Supreme Court, whether it guessed rightly or wrongly, is still the supreme law of the land, so we are back at the beginning, and we must do something for agriculture. Every Member on either side of this House is free now to use his own judgment to do something for agriculture. Therefore we are back again to the original Farmers Union program, cost of production for that part which is consumed in America [applause] and the Frazier-Lemke refinance bill. [Applause.]

My friends, do not get the Frazier-Lemke refinance bill mixed up with the Frazier-Lemke moratorium. It is true the Supreme Court did make a mistake in its decision on the original moratorium bill, and we passed a second one, complying with all the mistakes of the Supreme Court, if you please, and that one will be held constitutional. But a moratorium means to stand still, and the American farmers are old enough. They will be 3 years older when that moratorium is over. The farmers do not want to stand still. They want to be refinanced, pay their cerditors, and go ahead. Let us therefore do something intelligent, something that will benefit not only the American farmer but the American businessman. Let us refinance all existing farm indebtedness under the Frazier-Lemke refinance bill. That bill has now been before this Congress for over 5 years, and there never was a day within those 5 years, I am satisfied, but what that bill would have passed the House of Representatives by an overwhelming vote if we had been able to get a yea-and-nay vote, as your Chief Executive said that we could get in this House. Why can we not get it? May I say it is because of the obsolete system of rules and regulations of the House and the ancient and corroded patronage system. I say to you that we must discard those. We must become citizens of the United States—not Republicans or Democrats for the time being—and do that which is for the best interests of the American people.

The Frazier-Lemke refinance bill has nothing in it that is not constitutional. There is no constitutional question involved. It provides that the existing farm indebtedness shall be refinanced at 1½-percent interest and 1½-percent principal on the amortization plan by the Government of the United States of America, not by issuing more tax-exempt, coupon-clipping bonds for the international bankers, but by issuing $3,000,000,000 of Federal Reserve notes. Oh, yes. Now I hear my banker friends say, "That is fiat money." Again may I say to you we have issued today over $4,006,000,000 of Federal Reserve notes on

nothing except hot air, if you please—a bond—a debt of the Government of the United States. A bond is only hot air, a promissory note of the Government. We have given this $4,006,000,000 to the international bankers for only seven-tenths of 1 cent per bill. It makes no difference whether that bill is a $1 bill or a thousand-dollar bill. All the international bankers give for that money to your Uncle Sam is to put up a bond from which they clip the coupons and pay seven-tenths of 1 cent to get it printed, simply the cost of printing. Under the Frazier-Lemke refinance bill the farmers of this Nation will pay 1½-percent interest each year and the Government of the United States in 47 years, the time required to amortize those loans, will make $6,345,000,000 net profit. Do you see now why the international bankers and coupon clippers are opposed to that bill? There is no question why we have that opposition. But the Congress of the United States must give voice to the American people's mandate. We are going to a vote eventually, why not now? The sensible and reasonable thing to do is to give us a vote on that bill.

We have at the Speaker's desk Resolution 123, known as petition no. 7. That resolution provides that this bill be brought on this floor for 6 hours' general debate and then under the 5-minute rule for amendment. No Member, whether he is for the bill or against it, can stand here as a believer in the American form of government and deny us that right. They may refuse to sign, but they cannot but admit that our cause is just; that we have a right to have this bill brought onto the floor of the House and disposed of on its merits. We do not care whether you vote for or against it, but we have a right to bring it up here for 6 hours of debate, and then with the right of amendment, and have it disposed of by a yea-and-nay vote, so the world may know where we, as Members of Congress, stand on that legislation.

The Agriculture Committee in both the House and Senate reported this bill out for passage favorably. Thirty-two State legislatures, the Territory of Hawaii, and, in addition, the lower houses of New York, Pennsylvania, and Delaware have asked Congress to pass this bill. It has the militant support of the National Farmers' Union and of the National Union for Social Justice. It has the endorsement of many State and local farm bureau and grange organizations. It has the support of labor leaders and officers of the Veterans of Foreign Wars. It has the approval of over 90 percent of the people of this Nation as well as of every intelligent banker, business and professional man and woman.

The Farmers Union has been back of this bill since 1930, yet we have not been able to get a vote on it. Ninety-five percent of the farmers of this Nation demand that this bill be passed. Many of the small bankers of this Nation have passed resolutions asking that it be passed; and if any of you doubt it, you can come to my office, and I will show you letter after letter where these bankers say it is the salvation of agriculture and that the bill should be passed. Yet, for some strange reason, we cannot get a vote on it. What is the power behind the scenes that can prevent that bill coming to a vote? There is not a Member who has ever opposed this bill on this floor, because they know they cannot answer its logic. Yet we can beg in vain. We have tried every way possible, and we still are being blocked in getting a vote on this bill, when the Chief Executive has told us that every bill that has that backing ought to be disposed of on the floor of the House upon a yea-and-nay vote. I think the time has come when we must realize that we are just the hired men of the people of the United States, their Representatives.

Mr. DUNN of Pennsylvania. Will the gentleman yield?

Mr. LEMKE. I yield.

Mr. DUNN of Pennsylvania. How many farmers of the country would your bill affect if enacted into law?

Mr. LEMKE. It will save over 2,000,000 farm homes. The general impression is that the Federal land bank is meeting the situation. I talked last night to this group of farmers that Mr. Wallace brought here, and they tell me there are more foreclosures now than there were a year ago. They tell me the Federal land bank has become even more strict and is tightening up the ropes.

Mr. DUNN of Pennsylvania. I am for the gentleman's bill.

Mr. LEMKE. I know the gentleman is.

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 1 additional minute to the gentleman from North Dakota.

Mr. LEMKE. Now, the Federal land bank absolutely is not helping any farmer who really needs help, who is in real danger of losing his farm, and I am not criticizing them, because under the legislation we have passed they cannot do it. I will go even further and say that only about one-eighth of the farmers in distress can ever get help from the Federal land bank under the present bill. In my own district, of 64,000 applications where commitments were made, 38,000 were canceled because the commitment was not sufficient to meet the requirements. Were you a mortgagee would you want to cut your mortgage 25 percent below the actual value of the property? You would not.

Therefore, I beg each and every Member of the House who has not yet signed petition no. 7 to sign it. I appeal to your sense of fairness and justice. I appeal to you as a believer in representative government and a square deal. I appeal to you in the name of 30,000,000 men, women, and children who live on farms. I know you will not disappoint or fail us. [Applause.]

[Here the gavel fell.]

Mr. FITZPATRICK. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. MORITZ].

Mr. MORITZ. Mr. Chairman, I rise today to speak on the circulation of money or currency expansion, which is another way, a polite way, of talking about the Townsend plan. I did not want to say I was going to talk about the Townsend plan primarily, because it is obnoxious to some Members, so I shall talk instead about the circulation of money.

A short while ago I came across an old issue of the magazine called Real America, the issue being that for December 1933. In this magazine I was delighted with an article on money. I showed it to a gentleman whom I consider the foremost authority on money in this Congress, the gentleman from Nebraska [Mr. BINDERUP], and we read it together. I want to read you now a quotation from this article. It is as follows:

CIRCULATION OF MONEY

We have had demonstrated to us in the last year that control of the amount of money in the country or bank credit, whichever you want to call it, can no longer be trusted to Wall Street financiers or to bankers. These gentlemen were allowed to run things very much as they pleased from the passage of the National Banking Act in 1863 until they finally succeded in busting nearly every bank in the United States on March 3, 1933. We are going to have some startling reforms in money and banking. Whether they will take the form of a new and thoroughly sterilized and fumigated gold standard, with rigid control over the export and import of gold, or whether the Government will adopt a "rubber" or "accordion" commodity dollar which will be changed every 30 or 60 days in value so as to keep prices and wages steady has not yet been determined.

But one thing is certain—we are not going back to the worship of the golden calf and to the rule of the magicians and witch doctors of Wall Street, who made money and credit into a kind of black magic, a mystery not only to the people they skinned but even a mystery to themselves. The reason why we are not going back to that condition is not that we are so much wiser or more moral than our fathers and grandfathers, but simply because conditions have so changed that the old hit-or-miss money system is impossible any longer. That system fitted the age of oxcarts and sailing ships fairly well, although it was not perfect even then.

It simply will not work today. Modern civilization can only be kept going by a continuous increase in the spending of money by all groups of society. The whole set-up of the old banking and money system was to encourage hoarding rather than spending. We have got to make money easier to get and create more and more inducement to spend it rather than save it or our whole business system will blow up. This may be good or bad, who knows?

But good or bad it is a condition, not a theory, and the reason we cannot go back to the old system of finance was well put by J. P. Morgan, Sr., father of the present "J. P.", when he said 25 years ago, "You can't unscramble eggs."

THE CIRCULATION OF MONEY

This, Mr. Chairman, was written by Harper Leech in an article in the Real America, December 1933, long before the Townsend plan was known. I do not know whether the Townsend plan, as it is set up in the McGroarty bill, is 100-percent perfect, but I do know that the spending theory is sound and is the only assurance we have of permanent recovery. Dr. Townsend has stated before the Ways and Means Committee that if the age of 60 is not practicable to start out with, he would be willing to start at the age of 75. He has told me personally the reason he has advocated $200 per person per month is that no politician can come along and raise the "ante."

Just as sure as the human body cannot live without the circulation of blood, and vegetation cannot live without moisture, so society cannot function without the proper circulation of money. The scoffers and those that are shallow minded shout that if a certain sum of money will bring back prosperity why not magnify that sum fivefold and bring back a "boom." The circulation of money must exist and it must be adequate, but it should not be superfluous. No housewife would think of pouring a barrel of salt on the Sunday dinner roast. The circulation of money is to society what correct seasoning is to food.

I should like to ask you learned Members of Congress who scoff at everything that is new to consider this example: A card game is in progress and the sum of money that all the players have amounts to $100. Each player has a different amount but the sum total equals $100. By mutual consent they agree to throw 2 percent of each play in the common fund; this fund is not the rake-off for the benefit of the house, as was done heretofore, but it is to be used by the player who gets "broke."

Suppose this fund should at one time equal $20. Then the sum total that the other players have is only $80. But as long as they all have money the game continues. The harm is done when one player succeeds in getting all the chips, to the detriment of the other players, just as in the case of J. P. Morgan.

I should like also to call to the attention of the learned and superior-complex Members of Congress that the college professors and economists of Columbus' day scoffed at Columbus and predicted that the world was flat. If Columbus had paid attention to these so-called learned men, we would not now be associating the discovery of America with the name of Columbus.

I should like also to call your attention to the fact that every man that possessed an original idea had to be content to "suffer the scorns of outrageous fortune" before they were hailed as heroes. Note the example of the inventions of the steamship, the telegraph, the telephone, the airplane, and radio—things now we look upon as commonplace.

I should like to call your attention to the years it took to get the Patman soldiers' bonus bill in the present status. The vote yesterday was 218 to 100 to discharge the Committee on Ways and Means on the Patman bonus bill. What would have been the result 7 years ago?

Is there anybody who would contend that the money put in circulation at present by the $5,000,000,000 appropriated by Congress is not responsible for the betterment of the present conditions? Is there anyone who would contend that the $5,000,000 put out by General Motors as a Christmas gift was not responsible for the big Christmas boom in Detroit, Flint, and Lansing, Mich.? Would anybody contend that when the soldiers are paid their bonus that prosperity will not be given another boost?

These appropriations, Mr. Chairman, are merely shots in the arm, and yet they have a temporary prosperity effect. What, then, is obnoxious or repugnant in a permanent recovery plan—a depressionless United States? It is easy for you who are making a comfortable salary to scoff at an original idea, but if you should unfortunately be plunged into the despair of no earning capacity because of a depression, your minds would change; your points of view would slightly color.

Your duty, then, is to unite under a committee of the whole and to work out this idea. If you do not like the transaction tax, cooperate with Dr. Townsend and show him how he could obtain the funds from the strictly luxury commodities tax, from stock-exchange transactions tax, and from tax on gross returns of corporations and from huge estates of over a billion dollars, and from the revenue of absentee landlords who live outside of the United States or who live outside of the community from whence they draw their wealth.

In conclusion I wish to read you a communication from Father Cox, who lead an army of 25,000 jobless men to Washington in 1932 and who proposed then to appropriate $5,000,000,000 for public works, and was scoffed and scorned at, just as Dr. Townsend is today. And yet it is a fact that this Congress has appropriated that sum. It is this same Father Cox who relates, when he interviewed President Hoover on that march, President Hoover remarked, "They were doing too much then for the unemployed."

To the Members of the House of Representatives of the United States:

HONORABLE GENTLEMEN: The world has come to the end of an era. The industrial age has revolutionized the condition of mankind. We can produce easily more than man can use for his present necessities according to the economic set-up in vogue.

We will always have 12,000,000 unemployed in the United States of America. They cannot be annihilated or neglected.

We have laws protecting and caring for the birds of the air, the beasts of the field, and the lilies of the valley. We must have a fundamental solid method of caring for these 12,000,000 people. Eight million are men and women over 60 years of age. We cannot care for them by the methods of an era that is passed. The old tools and the oil and gasoline that made the economic motors spin up to 1929 can no longer perform the task.

The profits from machines are greater than from the labor of men and women and children. These profits must be so distributed as to care for those whose places have been taken by mechanical devices.

If a war should come tomorrow involving America, $40,000,000,000 could immediately be appropriated to carry it on. We feel that a rearrangement of the profit system in America that will reach out and care for these 8,000,000 old people over 60 years of age and these 4,000,000 unemployables not yet 60 should be the care of our democratic form of government.

The only liberal, up-to-date, feasible plan that has been proposed to care for the victims of the economic order, that has been permanently put out of joint by changing conditions, is the Townsend old-age revolving pension plan.

The $200 a month would be spent in much the same way as the inhabitants of Coxtown, who were paid in Coxtown currency, which entitled them to furniture, clothing, and food, which was in the commissary at headquarters.

The commissary, according to my idea, would be the combined products of mill, mine, and farm, which should not be destroyed while people are starving.

The Government, in order to prevent production for necessities, has paid for nonproduction because the people had no money to buy the things they needed which are so bountifully provided by the Almighty.

We present this petition in the name of thousands upon thousands of young and old, of both sexes, of every race, color, and religion, from western Pennsylvania, Ohio, and West Virginia, who have written me asking me to present to the President of the United States, the Senate, and the House their attitude with regard to the Townsend old-age revolving plan.

Unless something is done—and speedily—the people cannot much longer have patience with the slow functioning of age-worn constitutions and laws that do not meet present-day requirements.

A speedy, radical change is imminent in our system of government unless the people, who are the Government, are satisfied.

The Government alone, according to the Constitution of the United States, has the power to print and issue money. There must be enough in circulation to make it an effective medium of exchange. We need money. The Government can and should give it. What is money? Who can explain it?

Respectfully submitted.

REV. JAMES COX.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. CRAWFORD].

THE DESTRUCTIVENESS OF WASTE AND EXCESS OVERHEAD BURDEN

Mr. CRAWFORD. Mr. Chairman, information comes to me from the Department of Agriculture that about 14.5 percent of the gross income of farmers operating mortgaged farms is required for the purpose of paying interest charges alone. If we add to this the running tax charges and, on those farms which are operated by sharecroppers and tenants, the amount of rent they must pay for the use of the land, we immediately see a great proportion of the gross income is dissipated before the farmer thus burdened can go into the consumers' goods market and acquire prod-

ucts turned out by what might be termed "industrialized specialized producers."

Yesterday afternoon we had the privilege of listening to the wise words of the gentleman from Texas, whom we all love. Running true to form, he told us some things which were good for our political souls and made some suggestions which, if carried out, might be very conducive to a higher level of spiritual life. He was dealing in a general way with factors which have to do with imports, exports, home production and consumption, and trading ability and buying power. When it comes to horse trading, he is no novice. And when a man with this rare ability adds a great understanding of national and international law and an outstanding legislative and political record and then speaks, we can well afford to weigh carefully his words; and when I say "we", I refer specifically to the new Members of this body, into which class I must fall.

In business or in active politics; at home or away; in the continental United States or abroad in other lands; walking, traveling overland, on train, or in the air—there constantly hovers about me a realization of the presence of an utterly unbearable overhead burden in the form of unreasonable interest charges, high taxes, excess commissions, depreciation, obsolescence, uneconomical planning and execution, transportation charges which cannot be justified, and numerous other ruthless charges applied which the producer cannot bear. It is waste, extravagance, exploitation against the primary producer on every hand, until the whole scene becomes sickening. Any intelligent man or woman knows the 1935 industrial, economic, and political machine cannot perpetuate itself unless the masses have buying power.

FOREIGN NATIONS PROFIT BY OUR WASTE

Foreign countries are taking note of this great overhead burden which rides the air and strangles the primary producers of this Nation. Other countries realizing our helplessness in the situation are industrializing against our waste and staggering excess burden and are now invading our markets in a most deadly manner. At the same time their profits are unbelievably high and effective wages have increased as much as 60 percent, and still they can undersell our processors as much as from 25 to 75 percent. Excess overhead burdens are rampant in our daily personal lives, in our homes, in our shops, banks, on our transportation lines, in our politics, and in every activity and walk of life. Anyone who cares to take a stopwatch, a pad and pencil, and go out and make observation can find so much proof in support of these statements that before he has spent 72 hours at the job he will become sickened with the heathenish waste which pervades and permeates our every thought and step in life.

Between what the primary producer receives for his labor and what the specialized producer-consumer can pay for what he consumes there is a margin. At the top there is a price beyond which the specialized producer-consumer cannot go. From this top price there is first deducted the cost of this excess overhead burden to which I refer. After this deduction is made, which, of course, includes the profit of the processor and the cost of the exchange machine, the primary producer receives the balance, or what is left. As usual, the deducts get most all there is, and the farmer particularly is left without purchasing power.

No nation of wastrels can stand up against one which operates with an economic sense of balance in its national and international activities. Heathenish practices are not restricted to the spiritual world. If cleanliness is next to godliness in the world of spiritual and physical action, then through economical living must be found that cornerstone on which rests a social life which eliminates crime and promotes cleanliness and godliness. No individual and no nation can justify waste. It is a mark of savagery in its most destructive form. Observation of wildlife in its natural state convinces us such life does not waste its resources either before or after capture. No man and no nation can fairly claim a high degree of civilization if he or it is a wastrel. Nowhere in the realm of civilized man is there a proper niche for the factor of waste. It is unethical; it approaches the immoral even if it be unmoral; it is a violation of trusteeship; it is wrong. The administrative officers of a small or large unit of government are unfaithful if they practice waste. The head of an organized business ceases to be a real leader of men and workers when his administrative policies smile upon and encourage waste. In doing so he robs the capital structure of his organization and violates his trusteeship. He helps to break down the social structure of organized society, because through setting the example of waste others follow his example and general collapse is the ultimate result. Waste is a malignant growth, highly destructive, whether it operates in the spiritual, physical, material, or economic world. No nation and no individual should condone it and every intelligent man and woman should oppose it in philosophy and in practice. It is bad for every citizen. It is good for no one.

Dr. Will Durant, noted writer on philosophical subjects, speaking at a town hall audience last Sunday evening, made the observation that four basic problems confront the American people, three of them being the decay of our moral life, our economic system, and the political system. With him millions of our people will agree without argument to the contrary. The press reports his suggested panacea in part as the economic problem could be solved if the able minority in power could learn to discipline itself sufficiently to permit such a distribution of wealth as would keep the purchasing power on a level with production capacity. As one member of the minority I desire to go on record as agreeing with Dr. Durant in this statement. To me it is very fundamental to the economic welfare of our people, to the protection and maintenance of our so-called capitalistic system, to the preservation of our present Constitution and our form of government generally.

In line with the thought expressed by Dr. Durant and with an eye to reinstating the buying power of the primary producers of this land, the elimination of waste, and the decrease of overhead burden which is now utterly impossible for the mass of our people to bear and make progress under, I yesterday introduced a bill—H. R. 10195—which I trust will give some food for thought in the solution of definite problems the Congress and our people are struggling with today.

Mr. Chairman, at this point I ask unanimous consent to extend my remarks in the RECORD on this subject, and to include a copy of the bill which covers two pages.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CRAWFORD. Mr. Chairman, the editorial challenge to the Congress appearing under date of January 12, 1936, in the Washington Herald, and doubtless all other Hearst papers, should be given attention. It calls emphatically for definite and firm congressional action, and it would seem that the American people would stand almost unanimously with the Congress on a policy of such action. In part, it reads as follows:

Fortunately the Supreme Court is not composed of small, timid souls as Congress is.

The Supreme Court has a duty to perform under the Constitution and has the courage and ability to perform it.

It is not a collection of white rabbits like the Congress, timidly blinking their pink eyes and tremblingly scurrying off to their burrows at the sound of the Presidential voice.

The Congress has not enough courage to maintain American traditions and sustain American institutions.

The Supreme Court has the courage. It is serving the American people.

It is saving the Nation. * * *

The preparation and submission of a bill to the Congress, if such a bill is of far-reaching importance, is of vital interest to the public, legislators, and many others.

The delays and changes, the support and opposition by groups and individuals prior to its formal and public consideration may be of vital importance and may or may not be in furtherance of truly democratic government.

The bill is given here following; and thereafter a brief explanation of its provisions, necessity, justice, and effects.

A bill to provide revenue, and for the general welfare of the United States; to establish an economic balance in the relations between the people, ownership, and the Government; to reestablish the priority rights of the people to their production; to remove certain economic barriers which tend to restrict trade and commerce; to restore and increase production, trade, and employment, and increase the enjoyment of the benefits flowing therefrom; and to provide for the proper administration of this act, and for other purposes

Be it enacted, etc., That this act may be cited as the "Ownership Act of 1936." The provisions of this act shall apply on the 1st day of the first calendar month following the passage of this act and succeeding taxable months and years.

SEC. 2. A tax is hereby imposed at the rate of 5 percent per annum on the value of all ownership and/or possession of lands, waters and their contents, ships and boats, bridges, tunnels, roads, means of transportation and communication, mines, wells, goods, chattels, bonds, stocks, shares, mortgages, contracts, notes, promises to pay or accomplish, agreements in writing or verbal, vested patent and/or leasehold rights, goodwill, buildings, equipment and furnishings, and all other ownership, personal and real, and including moneys, domestic and foreign, and all the ownership of other things of value used and of use in shelter and the general enjoyment and maintenance of life, comfort, and safety, and all the ownership used and of use in production, mining, manufacturing, service, commerce and trade, both foreign and domestic, wherever located or transacted within the boundaries of the United States or of its Territories, colonies, or possessions, by whomsoever owned and/or possessed, whether such owner and/or possessor shall or shall not be resident in or a citizen of the United States or its Territories, colonies, or possessions, to be paid to the United States Treasury: *Provided, however,* That this taxation shall not be in force as against and shall not apply to owned and/or possessed goods or properties and contracts or other values and rights as afore and hereafter said and described in general terms and is intended to be inclusive of all ownership and/or possession of all types and classes of any value whatsoever:

(A) If such ownership and/or possession together and concurrently be actually in the exclusive current and continuing enjoyment, service, and/or reasonable use of—

(1) (a) A natural person having residence and citizenship in the United States or of its Territories, colonies, or possessions, and subject solely to the laws thereof; or

(b) A natural person as said and described in (1) (a) above, who from reasonable conditions and circumstances, either wholly or partially is dependent upon such owner and possessor for shelter, support, and/or gratuity of the given and accepted amount, kind, or class, reasonably in that condition, and not for the means and purposes of evading, lessening, or changing the force and effect of this tax imposed:

(B) If such ownership and/or possession be used solely and exclusively by a person or persons, natural, corporate, or a firm or organization of lawful designation, not of necessity completely as to amount or time, but reasonably, in the mining of metal, coal, salts, or kindred products, or in the production of oil, gas, or water from wells or other sources, stone from quarries, or in the production, generation, distribution, and sale of power, or in manufacture, trade, service, commerce, transportation, or exchange, or for other purposes, by and under the direction of the legal owners and/or possessors and/or legally constituted and designated managers, directors, and/or trustees;

(1) Under the condition that such owners, possessors, and/or legally constituted and designated managers, directors, and/or trustees shall legally hold and possess written authorization as duly and properly issued by a legally constituted or chartered community, city, State, or Federal authority, certification evidencing and in evidence of the public convenience and/or necessity of such activity and functioning in manufacture, trade, service, commerce, or exchange, or other activities, to be or being transacted at such time and place by the owners and/or possessors, managers, directors, and/or trustees; or

(C) If ownership and/or possession be in such form and condition that the possession or use must be and naturally and reasonably is partial, not for the means and purposes of evading, lessening, or changing the force and effect of this tax imposed, then the proportionate extent of exclusive use is the measure and proportion of exemption from the provisions of this taxation hereby imposed, and the share and proportion not exclusively used by such owner and/or possessor shall be subject to the taxation provisions of this act; or

(D) If a specific ownership and/or possession, by the contract of its separate possession, and in fact, shall not operate to return to its owner and/or possessor as an effect of such ownership and/or possession any sum or benefit beyond and in addition to the reasonable and/or actual depreciation, maintenance, repairs, taxation, insurance, and/or other reasonable costs and charges to which the specific ownership and/or possession is reasonably and/or actually subject and/or liable only during such separate possession.

SEC. 3. A true return shall be prepared, signed, and forwarded by the taxpayer or his duly accredited or authorized agent to the Treasury Department of the United States, before midnight of the 5th day of the month, listing, together with its value, the ownership subject to this taxation as of the last day of the preceding month not a Sunday or a legal holiday nationally recognized in the United States, including therewith the sum of one-twelfth of 5 percent per annum tax hereby imposed, in lieu of which payment at said time collection shall be made by the Department of the Treasury in the manner of other delinquent taxes and sums due the United States: *Provided, however,* That if, as of the date of the return, the liability under the terms of this bill has not existed for the entire calendar month, there shall be included therewith, in lieu of the sum of one-twelfth of 5 percent per annum, one three-hundred and sixty-fifth of 5 percent per annum for each day on which liability to this taxation did in fact exist.

SEC. 4. The undeclared ownership and/or possession of specie or of any recognized medium of exchange of the United States or of any foreign nation held in an uncommon, unusual, or evidently hidden and secret manner, which has or may have the result and effect of evasion of the provisions of this bill, shall subject such owner and/or possessor to any or all of the penalties provided in and by the so-called gold-hoarding provisions of Treasury Order No. —— and/or any other provisions of law applicable.

SEC. 5. Ownership and/or possession, as contemplated by this act, shall not be removed from or maintained outside the jurisdiction of the United States, its Territories, possessions, and colonies, unreasonably in amount, time, or place for the purpose, means, and intent of avoidance of the terms and provisions of this bill; and for the purposes of this act such removal and/or maintenance is a defrauding of the United States and/or a conspiracy against the United States; and upon proof and conviction, in addition to such other penalties as the court may impose, may operate to remove all or such specific exemptions from this general taxation of ownership and/or possession as the court may direct for a period of not more than 5 years.

SEC. 6. The Department of the Treasury of the United States is authorized to collect this tax and to expend from unencumbered funds the amounts necessary for the collection of these taxes, and to prosecute in the United States or other courts claims arising under this enactment.

AN EXPLANATION OF THE OWNERSHIP ACT OF 1936

People, individually or as a group, may be presumed to be able to protect themselves. When it is considered that fleetness of foot, or the ability to promptly change locale, is actually a protective factor of immense importance, this defensive power of people as regards their personal safety is seen as quite impressive, although not necessarily heroic.

Property ownership, and wealth in general, may or may not have this natural defense of mobility; and the common defense to which people may agree as to their persons cannot be extended to property ownership with equal ease or justice.

The common protection of life also is naturally of individual concern and fairly equal benefit—each individual possessing an equal share. But the common defense of property or ownership, especially if unequally divided, where many of the common defenders may actually have less than nothing to defend—or be in debt—and where others may have much greater ownership than they could possibly defend, and which in fact they may never have seen, must lead to a situation and condition where many contribute their defense, even at the risk of their lives, to the benefit of such property ownership but receive absolutely nothing in return for this service; while for an exactly equal contribution toward this essential and actual ever-present common defense another individual is receiving a vast amount of this valuable protection essential to the privilege and continuance of private ownership.

It may be surprising that ownership actually has obligations; and this one of defense is one of the greatest. That an army or a navy should be considered as the largest and most important part of a national defensive force, even when that force is expanded to its utmost in time of war, is an important error.

The correction of this inequality of contribution and receipt of benefits is well within the powers and responsibilities of the Congress, should its correction become advisable, and it should be apparent that now it has become desperately advisable; and the mechanics of this equalizing are a part of this bill.

That it is actually of vital importance is plain historically. The establishment of the present form of government following the American Revolution was made possible by the fact that the Armies of this country were composed of men defending their own farms and homes. The rather feeble and quite abstract government was not a part of the daily lives of the general population—whether they would have a king, in their own right, they did not know—and they were not defending any abstract governmental theories or policies but, in a very natural, historic, and time-tested manner, individually and collectively, with their lives, they were defending their own property, as people always have done; and if the overwhelmingly vast proportion had not then owned their

homes and farms there would have been no war—or at least no successful war—and there would not now, probably, be a United States.

The fact that the population today, both rural and urban, lacks this individual ownership is of monumental and immediate importance, vital to national safety. The rented or mortgaged farm or house, or even the high-priced apartment, do not and cannot supply the necessary impetus to justify their protection at risk of life; and this plain and definite fact constitutes and is an immediate and present threat to domestic tranquillity and to the continuation of an independent form of government.

The placing of a Federal tax assessment upon all ownership as a definite, justified, and firm step toward the correction of this dangerous condition is not subject to reasonable criticism. It may well be called "national defense." As a permanent measure, the adoption of a firm policy to prevent the recurrence of the present condition is an evident constitutional responsibility of the Congress and involves no transgression of any personal right of any citizen. This action is the first part of this bill.

The second step of this bill completely exempts from this tax the ownership—by the individual and his natural or actual dependents—of his home, his farm, his furniture, even his private golf course, or his private polo field. This is certainly a broad exemption.

The third step exempts all ownership used in business holding a certificate of public convenience and necessity issued by a city, State, or the Federal Government. The Constitution certainly did not confer upon its citizens complete irresponsibility as one of its many blessings; and it did not confer it upon business, or business activities, or property of any nature, or upon the Congress itself, or upon any branch of the Government. The people are responsible to each other, to their communities and to their States, and to the Federal Government; Congress itself is responsible to the people; and ownership and business which demands or feels the need of complete irresponsibility certainly is not entitled to their free protection. The 5 percent a year tax is not confiscatory and it is not punitive.

It should be apparent that the economic and commercial factors and elements upon which people depend for their economic welfare should in justice be responsible to the people.

The next step is section c, which gives complete exemption to partial ownership and use in that proportion.

Section d, the next step, in fact, gives wide exemptions from this taxation to ownership which does not receive a net return.

Although this subject of a return to ownership has been given remarkably little specific attention in history and economics, apparently being considered a natural, necessary, and not particularly undesirable condition incident to and a part of private ownership, a close study brought to light many rather astonishing facts and conditions of terrific economic and governmental import. Among them those factors suddenly stand out in bold relief for the purposes of this bill.

Under no conditions does a return actually accrue to the ownership which the owner himself uses, even the investment in his own business by the businessman. It has been an exclusive privilege of a type of absentee ownership. With an admittedly rough but brief classification of rich and poor it has been and is a privilege only of the rich, which the poor have not and could not possibly have, because they use all they own and probably more of necessity, and it is not actually a possibility even to the comparatively prosperous.

The farmer resident upon a $10,000 farm or a $20,000 farm, for example, receives no income from that ownership; yet even at the low rate of 6 percent a $5,000 mortgage would return to its ownership $300 per year, which might exceed the entire earnings of the farmer during that period.

The businessman, the craftsman, the farmer, the artist, the artisan, the professional man all stand actually in very similar relations. The agriculturist farms his acres; the businessman farms his business; the professional man his knowledge and skill; the craftsman, the artist, the same. The income and reward of each ceases when their personal efforts cease; and no income whatever accrues to any of them from their respective ownerships.

The farmer's farm, the urban dweller's home or tools, the businessman's $10,000 investment in his buildings, equipment, and stocks; the professional man's $20,000 or more invested in education, highly specialized training, books, equipment, and place of business; and even city, State, and governmental ownership of buildings or battleships return no income to ownership and do not lead to the receipt of any unearned income whatsoever; and these respective ownerships have in fact no privileges whatever over the ownership of the farm in that respect.

No ownership should have rights superior to the basic ownership of the farm. Economically it is suicidal in its eventual effects; and it is continually unjust in every instance at all times, although the injustice has been and is deeply hidden to a remarkable degree; and the results not only almost impossible to trace to their real source, but apparently traceable to some other source. Briefly, an income to ownership in the economy of a nation leads directly to destruction of internal markets, centralized ownership, unemployment, general bankruptcy, a break-down of the monetary system, and eventual dissolution of the governmental structure, and, of course, the loss of all ownership of every nature so far as the protection by government guarantees the ownership.

As an illustration of how deeply hidden: Consider the United States as a new country; no large fortunes, and even those fortunes receiving actually no income as a result of ownership; the people generally self-supporting; and a popular fear of indebtedness and mortgages—which has only disappeared quite recently—and the businessmen owning their own buildings, stocks, and equipment. In such a group there was practically no return to ownership.

The Constitution was written specifically eliminating every rank or condition or possibility, almost, which might then or in the future lead to irresponsible power; safeguarding to everyone their ownership—which was the benefit of their production in general—in every manner they could imagine.

After the new Nation was organized, in actual practice the Constitution worked. There was a testing period of substantial time; and then arrived the natural complications of foreign trade, some mechanization, trade, money and coinage, and foreign imports, taxation—and after the testing period and after the approval of the machinery of government, and after these other complications arrived to hide its results, this income to ownership began its operations, and not until then.

Moreover, it appeared absolutely just in every particular. There was an existing legal structure in the English common law, largely unquestioned, handed down from the ancient Romans. It was one of the immovable things which courts could safely tie to and forget; and it apparently was only reasonable that if one man rented another man's extra house—or extra money—that the owner should receive a reward for his industry, thrift, and foresightedness in having the house or the money available. Certainly the two parties, in conference and agreement and without undue pressure, would arrive at a satisfactory agreement, and the law of supply and demand would operate to insure justice in general from such transactions.

Every part of the workings of an absolutely firm economic law—that there must be no return to ownership—was hidden as deeply as that.

The difficulty of finding the error should be apparent; but an important fact is this: Those people had left a social system where the error was present, and the benefit of their productivity went to someone else—apparently justly, true; but they left that situation, even if it was justice; and left their friends and relations and safety and came to the new country, where their productivity was to



their own benefit. The present population of the United States would quickly migrate in large numbers to that original condition, if that were possible.

In fact, those early Americans left a place where the economic error was present, where ownership was taking the benefit of their production, and came to a place where the economic error was not present and their production, little as it might be or as much as it might be, under the new conditions would belong to them; and they never left the new condition to return to the older country, where the economic law was being broken. Actually the conditions in the new country were just to them and unjust in the old country. They were productive people, and those conditions were unjust to productive people, as they are now.

They were not seeking a location where their ownership would give them an unearned income. They were seeking a place where their efforts and industry and enterprise would give them an earned income; and they found it in the new country. This bill returns that honest condition which has been lost. Honest people and an honest nation should welcome such a change.

There is no unearned income. The common use of the term indicates a condition where the one who actually earns does not receive the benefit of his effort and enterprise, but, instead, the benefit is received by someone who had no part in its earning.

Passing lightly over such a condition as involving a property right, therefore to be enforced by government and consented to, is governmentally unwise, at least. If such income is not a property right, what then? This conclusion cannot be escaped: that if unearned income is not a property right, then Government—the Congress—might be accused of being at least an accessory to a very unsavory performance.

Present laws quite completely protect those who have from the depredations of those who have not. Briefly, the present legal structure justly protects the rich from having their accumulations taken from them by the poor.

This bill accomplishes a duty which should not be necessary in a civilized country; it protects those who have not from those who have. It protects the poor from the rich; it protects productive people from the depredations of a type of ownership which has wrongfully and unjustly claimed and received the benefits of their production and enterprise and has impoverished productive people and bankrupted and ruined able and enterprising businessmen.

In brief explanation of the claimed purpose of this bill to remove economic barriers, restore production, distribution, and employment.

Business is, of course, primarily the exchanging of people's production. Capital charges are not a normal or necessary part of the overhead of a businessman in his owned business, with his own equipment and buildings and financing himself. There is under such a condition no return to ownership.

In a group of productive people owning their own homes and farms and businesses there is no return to ownership, and their production belongs to them, to consume or trade as they see fit. Despite their productive capacity, if they must pay to ownership—only the ownership of this surplus over use type of ownership—they themselves are impoverished to a greater or lesser degree and destroyed as buyers and consumers to a remarkable extent.

Ownership does not consume, it does not use, and it is entirely dependent upon who receives this unearned income as to whether and how completely it is to be expended for shoes or groceries or whether it is to disappear entirely from circulation and become available only for investment or loan. The percentage of this unearned income disappearing from circulation in this fashion is, of course, vastly greater than in the case of earned income; and with centralization of ownership and many other conditions which have arisen and increased governmental, individual, and commercial indebtedness, that factor is largely responsible for freezing the economic system.

Increasing the capital charges of business, to be passed on to the producer in lower wages and the consumer in higher prices, further blocks and decreases trade; and the combination naturally forces the unfortunate businessman to borrow from the bank, or some other source, on such terms as he can. With not enough business to pay the interest on his present loans, or reduce his present indebtedness, or pay his taxes, his position may be understood as somewhat difficult.

Removing from ownership—solely, of course, this surplus over use ownership, its unearned income, and bringing its privileges down to those of the farm—no more and no less—has these effects immediately.

Higher wages and salaries, lower prices, lower rents, vastly increased employment naturally result from the higher wages and lower prices and rentals; these are urgently necessary and possible by these means.

New internal buying, by the creation of new internal markets; new foreign buying, through the lowering of costs to reasonable agreement with world competitive levels, decreased overhead to an amazing degree, with the cutting off of capital charges in loans and rents, increase of transactions by a suddenly developed new buying market; these should interest any businessman.

Although these natural effects may appear somewhat startling, suddenly ending the breaking of the most vital and basic of economic laws can be depended upon to furnish many pleasant surprises, and a host of economic evils apparently due to some other causes disappear with astonishing celerity. Believing that it is a step which might have hidden dangers is, to say the least, uncalled for. There will be instead a certain appearance of hidden benefits. It is hardly necessary to "taper off" when ceasing to break an economic law; it is economically safe, one may be sure, to cease breaking it immediately.

It should be quite clear that the economic law—ownership is its own reward; it must have no income—is a very reasonable and just law. The breaking of it will eventually wreck any monetary system, political economy, or governmental structure which could be designed. No compensatory scheme for favored or selected classes, such as the recently banned A. A. A.—no matter how worthy the groups selected—or any Townsend movement, demanding $200 per month minimum, or other similar nostrum, can possibly correct the condition or even cause the present economic tailspin to hesitate.

The ownership of a man's farm, his home, his business, does not take, or even attempt to take, anything unearned, or the benefit of anyone's production, from anyone. Taking or receiving unearned income is not a property right. It is the breaking—or attempting to break—of an absolutely adamant and unbreakable economic law; and the cleverest schemes of financiers, lawyers, and economists have been broken by that law, which is still untouched.

By a sufficiently complete uncovering of many elements involved in the unsuccessful attempts to break this economic law means have been uncovered and designed to cease breaking it, and to cease in an orderly fashion, without taking from the present owners any part of their present ownership—all of which they most certainly would lose with the continuation of the present conditions.

On its face it is a difficult problem—how to rent a house, or business place, or how to have a mortgage on your home, or borrow or loan money, or buy goods on credit or open account—without permitting to any ownership privileges and rights which the farm does not have—and complying with the economic law means only that.

In short, how to change the direction of income without changing or even placing a strain upon the existing capital structure, but instead, strengthening it immeasurably at a desperate time. This bill does that.

No amendment to the Constitution should be necessary to accomplish the purposes of this bill. It would almost be insulting to the memory of those who ably produced the Constitution to hold or believe that it was their intent that there should be in the United States any ownership with rights superior to the ownership of a man's own farm and a man's own business. Such interpretation of the Constitution and its intent would seem to be patently unreasonable—and yet

no courts can be held at fault for having placed some confidence in rulings as to property rights which have come down from ancient times, and which appeared to be so reasonable.

This economic power that has grown up—what is it? Is it the ownership by an individual of his home or his farm? No! Such ownership has no economic power whatever. By the process of elimination it can be seen immediately that "economic power" to some extent is the unregulated and irresponsible business ownership, but chiefly the unlimited ownership and control of this surplus over use type of ownership.

Under long unquestioned interpretations of the Constitution property ownership has been held to have what is actually a complete irresponsibility. The Congress, the President, the Supreme Court, and the people themselves were held to a complete and definite responsibility under that same Constitution. The laws of inheritance transmitted this economic power from father to son—under the protection of the Constitution.

There, in short, is a combination of a complete, inherited, absolute, and irresponsible power—from which the American people once revolted—and that revolt from that type of irresponsible power furnished the cause and the foundation for the American system of Government under the Constitution.

The existence of irresponsible power in the United States would seem to be, from this reasonable viewpoint, blatantly unconstitutional; and although this bill removes from ownership that irresponsible power, yet it leaves intact all the ownership and all the rights and privileges which the ownership of the farm and the home have.

But mainly and primarily this is a revenue bill that will produce large revenue even at this time without becoming an additional barrier to trade and commerce. It taxes for the first time a new kind of property—income property—and it is not a tax easily passed on to the wage earner as taxes have been passed on in the past.

It should be evident that it is not a confiscatory tax, and that it is not a punitive tax. It has good and necessary social effects, but evil social effects never have been the test for constitutionality.

Strange, certainly, that it is somewhat of a relief bill without carrying a huge Federal appropriation, but it is a relief bill to productive people who in the past have been forced to pay two and three times for their homes and for everything which they might have to purchase for themselves and their families—at the same time faced with only intermittent employment at low wages—to furnish unearned income claimed as a property right by this surplus over use type of ownership.

It is a relief bill for the farmer. It removes the interest from his mortgage at the same time it removes the interest from the city man's home and from the businessman's business, and in the same fashion, although it does not select the farmer for any special favors or charity; it restores his lost markets, reduces his costs, and reduces the prices for the things which he buys; in the great majority of instances its direct benefits to him exceed the amount of his former A. A. A. checks, or of any similar scheme which might be devised.

It is a relief bill for all productive people, relieving them from the payment of an unjust tribute—which seemed just—to a type of ownership which has accepted the charity of their protection, and in return for that favor has almost destroyed them.

The good effects are accomplished in a safe, natural way, not by artificial means. The sun does not chop the ice from a river or dynamite it to force the water to flow again. It shines on it for a short time, and the river begins to flow, very naturally and smoothly and very quickly.

The present economic structure is frozen. This bill melts the ice and leaves the structure free and able again to perform its necessary and natural functions.

It is a vital bill in this unquestionably terrific emergency, and should be carefully considered.

Until it becomes a law there can be no suitable or permanent or honorable place in the American economic structure and system for the army of young people who never seem necessary until the bugles start to blow, at which times their importance is quite apparent and outstanding, and then they must protect it—a system and structure which a moment before, perhaps, had denied any use or need for their services, actually refused to allow them to enter into or benefit from that economic structure.

This bill, in its effects, takes care of their situation because they are really important people; it is a bill to restore to people their natural rights which have been taken from them by a certain type of ownership, and this was a very unjust taking away of their natural rights.

Mr. WOODRUM. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. NELSON].

Mr. NELSON. Mr. Chairman, the farm problem is the biggest one that this Congress has to settle. Farmers have had experience with two plans, the Hoover plan and the Roosevelt plan, the Farm Marketing Act, or Farm Board, and the A. A. A., or Agricultural Adjustment Act. Fortunately, a Democratic Congress repealed the one, and, unfortunately, the Supreme Court has just put aside the other. As a result of the Supreme Court decision, and because industry continues to share in subsidies, this Congress must find some way, within constitutional boundaries as marked by the Court, to provide substantial farm aid.

Before suggesting legislative possibilities I desire briefly to refer to past plans. Presidential plans, they might properly be called. The Hoover Farm Marketing Act had its birth in a special session of Congress, pledged by, or for, Mr. Hoover in the 1928 Presidential campaign. The call referred to legislation to aid agriculture and to bring about a limited revision of the tariff. Just here I would especially stress the word "limited", for at the end of some 17 months there had been practically a complete revision of the tariff. The Hawley-Smoot bill, the printing of which made a great "joke book", a tragic joke book of several hundred pages, resulted.

Congress met in special session on April 15, 1929. The House Agriculture Committee, of which I was a member then, as now, spent 2 busy months in writing a farm bill, in all respects pleasing to President Hoover, and which became a law on June 15. On that date eggs were selling at 27 cents a dozen; sweet cream at 44 cents a pound; hens at 23 cents; hogs, on the St. Louis market, at $11.15; cattle, $14.75; and sheep at $15.25. July wheat in Chicago was $1.08; corn, 92 cents; and oats, 45 cents. Compare those prices with what followed: Top hogs at $2.80 in Kansas City, eggs at 6 to 8 cents, butterfat at 11 cents, wool at 11 cents, wheat at 25 and 30 cents, and corn at 10 to 15 cents.

To be specific, I quote prices from the Daily Drovers Telegram of Kansas City. In December 1932 hogs in Kansas City sold at $2.75, and in January 1933 at $2.80 per hundredweight, while in 1929 they had reached $15. In April 1932 the top price of sheep in Kansas City fell to $3.25, instead of $15, as in April 1929. In the same month the top price of native steers was $7.75 instead of $16.75 in 1929.

Such were the price reductions under the Hoover plan. Special attention is called to these results because of a statement to the effect that tomorrow night, in Lincoln, Nebr., Mr. Hoover is expected to make known his farm plank for the Republican platform of 1936. Of course, I do not know what Mr. Hoover may propose. It is safe to say, though, that it will be quite as clear as a statement which he gave out on the subject of farm relief about a dozen years ago. I quote:

> Evolution of economics as applied to problems of the American farmer cannot be accomplished by legislation, but must be accomplished by scientific investigation of facts followed by application and cooperation of forces involved.

"Clear as mud," you say; and I agree.

But let us get back to a comparison of what took place under the Hoover and Roosevelt farm-help plans. For purposes of comparison I have had compiled by the Division of Statistics and Historical Research of the Bureau of Agricultural Economics, United States Department of Agriculture, figures showing average farm prices received by farmers on June 15, 1929, when the Hoover farm plan had its beginning, and on March 15, 1933, the approximate date of its demise.

Then, in addition, and in order to complete the comparison, prices at the beginning and near the end of the Roosevelt plan are given. Never have I seen more startling or convincing figures. Here they are, showing the drop in prices from the start to the finish of the Hoover farm plan and the rise from the latter date to the time the Supreme Court put an end to A. A. A. activities:

From June 15, 1929, to March 15, 1933, average cattle prices fell from $9.67 to $3.42 per hundred pounds, while under the A. A. A. they advanced from $3.42 to $6.14. Hogs under the Hoover plan fell from $9.80 to $3.22, while under the Roosevelt plan they went up from $3.22 to $8.72. Sheep under the Hoover plan fell from $7.86 to $2.18, while under the Roosevelt plan they advanced from $2.18 to $4.21. Corn under the Hoover plan fell from 86.9 cents per bushel to 20.6 cents, while under the Roosevelt plan it went up from 20.6 cents to 53 cents. Wheat under the Hoover plan fell from 86.8 cents to 34.5 cents, while under the Roosevelt plan it advanced from 34.5 cents to 90.1 cents. Oats under the Hoover plan fell from 42.5 cents to 13.7 cents, while under the Roosevelt plan they went up from 13.7 cents to 25.5 cents. Butterfat under the Hoover plan fell from 43.6 cents per pound to 15.1 cents, while under the Roosevelt plan it advanced from 15.1 cents to 33 cents. Eggs under the Hoover plan fell from 26.1 cents per dozen to 10.1 cents, while under the Roosevelt plan they went up from 10.1 cents to 28.7 cents. Wool under the Hoover plan fell from 30.2 cents per pound to 8.9 cents, while under the Roosevelt plan it advanced from 8.9 cents to 23.3 cents. Cotton under the Hoover plan fell from 17.9 cents to 6.1 cents, while under the Roosevelt plan it went up from 6.1 cents to 11.4 cents.

In other words, farm prices under the Hoover plan fell to one-third of what they had been, while under the Roosevelt plan prices were more than doubled. Surely the American farmer does not want any more dark days "Hoovering" over him.

Frankly, and in fairness, I would say that all the losses under the Hoover plan should not be charged to the Farm Board. The robber Hawley-Smoot tariff bill, representing Grundyism and greed, was in part responsible. Just here I digress to say that there can be no complete plan of farm relief which does not include tariff reduction and adjustments. Never was a high protective tariff as indefensible as now, when a restoration of world trade is so greatly needed.

My Republican friends may say that a part of the advance in farm prices under the Roosevelt plan was due to drought. This I concede, if you, with equal frankness, will confess that the imports of agricultural products, such as corn, have been due solely to the 3,000,000,000-bushel shortage of grain caused by drought. Under these circumstances it is surprising that imports have not been greater. Further, I would call attention to the fact that prices had advanced before the drought. Again, it was the drought that demonstrated the value of having in the White House a President who possesses sympathy for and understanding of the farmer. Because of his agricultural program, the actual losses and suffering experienced by farmers were far less than in other droughts more severe and more prolonged. The farmers' livestock was not allowed to starve and die, as had been the case in other droughts. Instead, provisions for purchase were made, feed was provided, and emergency loans authorized to the extent of many millions. Truly it was a new deal.

So much for the past. Today those of us who are, first of all, interested in farming stop to take stock of our strength. How and in what direction should we proceed? What do I, a member of the House Agricultural Committee, have to say? My answer is that in expressing any views I speak for myself alone. No doubt we shall have more helpful and constructive ideas from others.

First, as I see it, this is a time for working rather than weeping; for renewed faith and fight, not for faltering and faultfinding. We are fortunate that if the blow had to be struck agriculture, it was delayed until now, when farm prices are so much higher and agricultural conditions so much better than at the beginning of the Roosevelt administration. In any farm help plan it should be remembered that we are dealing with two groups of very wise men—farmers and the Supreme Court. I mention farmers first, but neither can be fooled.

The first "must" that I mention is that an appropriation sufficient to pay in full every contract signer must be made. This is putting first things first, as the Good Book recommends. [Applause.]

In the next place, the constitutionality of every legislative step should, insofar as possible, be assured. There is a desire for certainty and assurance on the part of producers and all others. It is important that mistakes be avoided.

Any plan should call for cooperation but not coercion. For instance, if land rental as a means for withdrawing land from production is approved, the farm owner should be left free to use the remaining part of his farm as he sees fit. Just here I wish to express my approval of a proper land-rental plan. It means a step in the solution of one of the Nation's biggest problems—that of soil conservation. The fertility of the soil must be saved. We must prevent farm tragedy. As has been written:

Hordes of gullies now remind us,
We should build our lands to stay
And departing leave behind us
Fields that have not washed away;
When our boys assume the mortgage
On the land that's had our toil,
They'll not have to ask the question,
"Here's the farm; where's the soil?"

In addition to land rentals and a soil-saving program, we may, in an effort to repair losses sustained by the Supreme Court decision, consider the farm-allotment or export-debenture plans; strict enforcement of all antitrust laws; means of lowering the cost of production, including prices charged by manufacturers of farm machinery; the levying of small widely distributed processing taxes, the receipts to go directly into the Federal Treasury and later to be appropriated, as needed, for the general welfare or any other proper purpose as the Supreme Court decision seems not to deny; and, finally, I suggest restoration of foreign markets, either by a congressional revision of the tariff or through trade agreements, as advocated by the State Department.

Regardless of what we may think of subsidies, and I wish we could be rid of all "stilts", there is no prospect of complete and immediate clean-up. So just as long as industry, through a high protective tariff, enjoys a thinly disguised subsidy, agriculture is clearly entitled to something effective. Incidentally, industry, if wise, will understand that the well-being of agriculture is to the advantage of all. The Supreme Court, in passing upon the Agricultural Adjustment Act, did not even suggest to Congress any laws which could not be repealed. In that direction, even though comparatively distant, a way is open. Through tariff reductions and reciprocal trade agreements there is suggested a start to reestablish a parity between agriculture and industry.

As to the life and death of the A. A. A., under which farmers received checks amounting to much more than a billion dollars, it might be said that it was truly a great godsend. These checks, which went to pay interest and taxes, made it possible for millions of farmers to hold on, to continue to live on the home farm, until today the outlook is far better for them. Despite the mistakes that were made, and it is freely conceded that neither the plan nor the administration was perfect, I feel that the average farmer is thankful for the benefits which he derived under the Roosevelt plan of farm help.

In reviewing the passing of the measure it is interesting to note that the case which finally resulted in the adverse decision by the Supreme Court had its origin in Boston in October 1933, when William M. Butler and James A. McDonough, receivers of the Hoosac Cotton Mills, refused to pay $81,000 in processing taxes to the Federal Government. Mr. Butler, it will be remembered, is a former Republican Senator from Massachusetts, while Mr. McDonough is the private secretary to Frederick H. Prince, of Boston, railroad financier and one of the country's wealthiest men. I say this

to show that the step to be rid of the Agricultural Adjustment Act did not originate in the great food-producing sections of the country, nor was the end favored by farmers.

In conclusion I would make it plain that the farmer is not whipped. He is not whining. Whether the orders be "gee" or "haw", to the right or to the left, or ahead, he is ready for a long and strong pull. It is morning; not noon, not night. There is work to do. Now is no time to "take out." [Applause.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. KVALE].

Mr. KVALE. Mr. Chairman, my only purpose in asking for this time is to preface a request for extension of remarks.

A few days ago a young friend of mine who has considerable original knowledge and innate ability and capacity for research placed in my hands an unusual document. It has merit; it is informative and has material which I think every thinking Member of this body will want to read.

I was asked to use it as my own speech. I was unwilling to let my name cover the mental effort of another person, and for this reason I am asking to extend my own remarks by including this material which has been presented to me by a friend who, for personal reasons, prefers to remain unknown. It concerns the subject of aviation.

Whether it is for commercial or financial or industrial or patriotic reasons, every one of us is interested in aviation. This statement, incidentally, also concerns one of the most romantic branches of aviation, one that has the greatest potentialities, perhaps, of any branch at the present time, and that is the autogyro.

For these reasons I hope no Member will feel constrained to object to my request. Mr. Chairman, I renew the request to extend my remarks in the RECORD as indicated.

The CHAIRMAN (Mr. BEAM). Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The matter referred to follows:

Probably at no time in the history of our country have we felt more keenly or urgently the need for new industrial activities and the development of new and useful products or implements which will not only add to our creature comfort, increase our national security, strengthen our resources for national defense, and provide us with more efficient means of accomplishing our daily duties, but will also be the means of relieving more of our fellow Americans from the distressing conditions of forced idleness and dependence on charity which now exist.

Congress has figuratively racked its brain to stimulate national industrial recovery in every way possible, and the soundness of this policy is questioned by no one.

In this connection, and lying in one of the most interesting and, in the world of today, important fields of development open to our imagination—aeronautics—we find a new and radically different development, with probably untold possibilities, worthy of our most serious consideration. It is the autogiro.

Invented 13 years ago by a Spaniard, few of us probably realize that autogiros have now flown somewhere between seven and ten millions of miles with never in all these years a fatal accident due to structural failure of the machine itself. Such a record is so far superior to records achieved by any other form of flying machine as to be almost unbelievable, but true it is. Not only that, but the autogiro as it exists today can land with no forward speed whatever, it can hover in the air like a bird, it can operate from restricted areas, and can be flown by people who could never hope safely to pilot an airplane.

Thousands of our people, including many outstanding aviation authorities, have echoed the famous Thomas A. Edison's statement when he saw the giro fly: "That is the answer." Yet, while all agree regarding its tremendously promising future, autogiro development is proceeding all too slowly at the present time.

The autogiro, in spite of the remarkable flying qualities it already possesses, still needs improvement and perfection along certain lines to achieve the broader field of usefulness it will some day fill. It must be safer, it must carry larger loads, and full knowledge must be obtained of the intricate technical workings of the revolving rotor system upon which the efficiency and flying qualities of the autogiro entirely depend, inasmuch as the autogiro now has no wings whatever.

Only a mere handful of engineers in the entire United States—perhaps a dozen—are experienced in these autogiro problems, a woeful quantity of brain power to tackle such a tremendous task. Only four wingless autogiros have been built here to date—meaning that the invaluable development knowledge and experience gained from actual operations is sadly limited.

The fine military and transport airplanes we have today are the result of experience gained from the designing, building, and actual operating of nearly 100,000 airplanes.

Obviously the situation is clear and the problem an important one, but what to do about it? The answer is extremely simple and logical: First, put the autogiro to work immediately in the fields of utility, and there are many, where it can actually be of invaluable service as it exists today.

Second, expedite and encourage experimental research development in the various governmental departments which are charged with these functions in the science of aeronautics.

The autogiro as it now exists can render valuable service in many fields of utility, both civil and military.

The Field Artillery wants autogiros to replace the obsolete, costly, and vulnerable sausage balloon. Several years ago, as chairman of the House Subcommittee on Military Appropriations, the Honorable Ross A. Collins recognized this need and the potential possibilities of the autogiro. It is a matter of record that he called the attention of Congress and the military authorities to this subject at that time.

It is likewise a matter of record that in February 1935 our Field Artillery formally requested 21 autogiros for these purposes.

It is likewise a matter of record that the French Army, after service demonstrations, is now replacing all sausage balloons with autogiros and is also using them for general army cooperation work.

Our Coast Artillery believes the autogiro is just what they want for observation of fire under certain conditions.

Our Infantry wants to try the autogiro for communications and cooperation work immediately.

Our Cavalry wants the autogiro immediately in connection with their operations with the modern mechanized Cavalry units.

Many of our National Guard units throughout the country are anxious to obtain giros. Some National Guard authorities believe every guard squadron should have at least three of these machines.

Unquestionably this type of aircraft would be extremely valuable in operations of our Army Medical Corps for evacuation of wounded, as well as emergency delivery of supplies and medical assistance.

Our growing and efficient Coast Guard Air Service needs autogiros for certain types of patrol work, which it is believed can be more efficiently accomplished by giro than by any other means.

Our Bureau of Investigation, Department of Labor, wants to try giros for carrying out certain patrol duties with which they are charged.

Our Department of Justice is extremely anxious to obtain autogiros to assist them in the remarkable work they are doing in apprehending dangerous criminals.

Our Bureau of Biological Survey is tremendously anxious to obtain giros to conduct operations which can be accomplished in no other way.

Our Bureau of Meteorology considers them promising for carrying out all-important weather observations.

Our Bureau of Air Commerce would like to put giros in the hands of their field inspectors, their engineering and regulations divisions, thus obtaining actual operating experience, which, strange as it may seem they have never had with this type of aircraft—though this Bureau is specifically charged with the regulation and licensing of autogiros.

Our Navy, if it is to keep abreast of the experiments now being conducted by the navies of all principal foreign powers, should place a reasonable number of autogiros in experimental service operations.

And several other of our Federal departments are anxious to obtain autogiros immediately, believing this equipment will render to them valuable service in the performance of their duties.

Autogiros recently landed on the roof of the new Philadelphia post office, delivering mail from the outlying airport and proving this type of service entirely practical. Chicago, Detroit, Philadelphia, and other cities are intensely interested in this service. The Post Office Department could immediately put such service into effect in some localities. Its development will probably lead to the development of autogiros carrying passengers between outlying airports and central city areas—a valuable addition to our famous air-transport system, an outstanding aeronautical achievement in the world's history.

Turning to research, our National Advisory Committee for Aeronautics, handicapped by lack of funds and personnel, has already contributed greatly to autogiro development. Provided with means to carry out the program they desire, this body could not only expedite perfection of the autogiro by several years, but would assure our country a leading world position in this development—which is receiving wide attention in France, England, Germany, Italy, Russia, Japan, and other countries, where autogiros are already actually in use in the armies, navies, and other services.

Our Army Air Corps, by being provided with means to become actively interested in giro engineering development, could not only contribute skillful engineering brains to the problem involved, but could assist in technical development of equipment meeting the ultimate desires of the ground troops, as determined by these ground troops (Artillery, Infantry, Cavalry) from their actual experience and tactics developed in the operations of their initial autogiros.

Our naval air-service engineers could likewise contribute brain power toward the development of this equipment for naval uses.

Lastly, but perhaps most important of all, our Bureau of Air Commerce, if provided with the means, could undoubtedly hasten development of the autogiro to such a point as to open up new

fields of civilian aeronautic activity of inestimable value to our industrial well-being.

We all know that our American military aviation industry now depends, and always must depend, entirely upon the Federal Government for its continued existence. Our world-famous air transport industry has in the past, and must for some time to come, depend partially upon Federal Government support for its continued operation. Without this Government support and encouragement the United States would possess neither the outstanding military airplanes nor the outstanding air transport systems of which we are so proud today.

So with the autogiro. If we are to keep pace with its development by foreign powers abroad, if we are to obtain the advantages of its great possibilities in our own industrial life, we must extend to its use and development recognition, encouragement, cooperation, the same as we have done to the airship and the airplane.

The autogiro is neither an airship nor an airplane, but is quite distinct from either. It requires its own specialized engineers, designers, operating and piloting personnel. Our airship and airplane personnel cannot, without proper assistance, perfect the autogiro for us—they cannot in fairness be expected, or asked to do so, for the very good reason that their time is already fully occupied with the multitudinous duties already assigned to them. This can only be done by personnel primarily assigned to and devoted to autogiro development as distinct from airship and airplane development.

How can this program be accomplished? First, by making it possible for every interested Government department to obtain and put to work without delay the autogiros needed and desired to render better service in the performance of its assigned functions. Every congressional committee member can render service in this regard by cooperation with the Government departments under his jurisdiction.

Secondly, by ascertaining that the established Government research and engineering sections (National Advisory Committee for Aeronautics, Army, Navy, and Bureau of Air Commerce) have the means and personnel and are devoting their active attention to autogiro development.

Thirdly, by seeing that all future legislation provides distinctly for the autogiro instead of simply for the airship and the airplane.

In addition, in view of the widespread interest in this subject by such a large number of different independent governmental departments, the establishment of a small congressional committee to study this matter is highly advisable. Such a committee could determine and coordinate the needs of all the various departments interested, survey the present state of the autogiro industry, and recommend legislation, if any, needed to properly advance the progress of this new art. Or the subject could be assigned for action by some present standing committee of the House.

One thing is certain: If even 1 percent of our present total aviation appropriations could be devoted to the autogiro, its development will progress with amazing rapidity. Then, in place of an industry which is now so weak it just barely holds the thread of life, we shall have a new industry employing thousands of useful citizens and shall have added an important asset to the strength of our national defense.

Mr. MORAN. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. DUNN.]

Mr. DUNN of Pennsylvania. Mr. Chairman, according to statistics which I have obtained from the American Federation of Labor, there are about 11,000,000 people out of employment in the United States. Since the decision of the Supreme Court pertaining to the N. I. R. A. the unemployment situation has increased. Large industrial associations and business establishments, such as chain stores, have increased the hours of work and have decreased the salaries of their employees. I have said many times if President Roosevelt had done nothing else in the 8 years he will be President [applause] than to have been instrumental in passing the N. I. R. A., he would go down in history, in my opinion, as one of the greatest Presidents that ever sat in the White House. [Applause.] Of course, we know that he sponsored many other progressive and humanitarian measures which did benefit the laboring people of our country. It is true that all of the legislation which was sponsored by the President did not solve all our economic problems, but if he would have had the cooperation of the big-business men of our country whom he had saved from financial ruin, the unemployment situation today would not be so grave.

Mr. MORITZ. Mr. Chairman, will the gentleman yield?

Mr. DUNN of Pennsylvania. I gladly yield to the gentleman from Pennsylvania.

Mr. MORITZ. I hope that the gentleman from Pennsylvania [Mr. DUNN], and the many friends here who are like him, will be returned to this body for the rest of their lives, because we need them here.

Mr. DUNN of Pennsylvania. I thank the gentleman for his friendly remarks, and I hope that he and all the other Congressmen who believe in progressive and humane legislation will be returned to Congress regardless of their party affiliations.

I have said many times that if we could get the majority of the Members of Congress to support humane and progressive legislation, our economic problems would be easily solved.

I firmly believe in adequate pensions for the aged, widows who have dependent children, and all others who cannot obtain employment because of physical disability. Poorhouses and slum districts should be eradicated from the United States. I believe in the public ownership of all public utilities and natural resources. Of course, I believe we should purchase them at a reasonable price and not confiscate them.

I hope the time is not far distant when we will be able to pass progressive and humane laws which will not be declared unconstitutional by the Supreme Court. I believe that the elected representatives of the people should be the ones to determine what kind of legislation should be enacted into law. [Applause.]

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 15 minutes to the gentleman from Michigan [Mr. BLACKNEY].

Mr. BLACKNEY. Mr. Chairman, I desire at this time to present to the House my observations on the Constitution and the New Deal.

One hundred and forty-eight years ago our forefathers, in the old historical Convention at Philadelphia, adopted the Constitution of the United States, and for a period of 146 years, beginning with the administration of Washington, this great document has been the guiding law of this Nation of ours.

During that time we have developed from a small nation of 13 States and approximately 3,000,000 people to a great Nation of 48 States and 130,000,000 people.

The great purpose of this Constitution was to assert the eternal verities of liberty and justice, and our living generation should pay heed in this respect to the tested wisdom of a mighty past, just as we do to the noble beauty of a gothic cathedral which is not less inspiring because its builders are dead.

Our Constitution, therefore, is enduring because it is the definite expression of a higher law. The Constitution itself only deals in this great principle of government, which remains, to a large degree, unchangeable, and is, in itself, a broad and accurate political philosophy which goes far to state the "law and the prophets" of free government. Our Constitution is enduring, therefore—

First. Because it establishes the doctrine of representative government.

Second. Because it establishes a dual form of government, under which the National Government has certain delegated powers and prerogatives, and "the powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people."

Third. Because the guarantee of individual liberty through constitutional limitations is clear and definite. Under individual liberty I mean such great principles as freedom of the press, liberty of speech, property rights, and the right to worship God according to the dictates of one's conscience. These rights can never be taken away from the people without amending the Constitution.

Fourth. Because our forefathers wisely imbedded in the Constitution the principle of an independent judiciary. Through the 146 years of constitutional life our great Supreme Court has been the balance wheel of our Government. William Wert wisely said:

> If the judiciary be struck from the Constitution, what is there of any value that will remain; for Government cannot subsist without it.

Fifth. Because our forefathers wisely inserted in the Constitution a complex system of checks and balances seeking to

prevent the concentration of power in any one man or body of men.

For 146 years our Constitution has been accepted by the citizens of our country, who had an abiding faith in that great document. Since the advent, however, of the New Deal, with its socialistic and communistic tendencies, a change of sentiment has been manifested among many who have accepted the New Deal doctrines and who look upon the Constitution as an antiquated document. The New Deal philosophy is antagonistic to the Constitution. It appeals to mass psychology and is endeavoring to change the concept of our fundamental law.

The Constitution wisely provided a way by which it could be amended, but the New Dealers, as such, do not desire to change the Constitution by amendment. That way is too slow for them. They would rather adopt the doctrine of nullification, and for that reason have urged and whipped through Congress many bills which are unconstitutional, unwise, uneconomic, and unfair. Congress for the first time in many, many years has become subservient to the President. The old theory of three independent parts of government has been to a great extent annihilated. Our forefathers wisely provided for the legislative, executive, and judicial departments of government, but under the New Deal philosophy the Executive, not being satisfied with performing the functions of his Executive office, has endeavored to subvert the true functions of the legislative department and to make the Congress subservient to the President. For that reason nearly every major bill that has been passed by Congress has delegated to the President new powers, new authority, new rights to create departments, until Congress has fallen from its high estate and become truly subservient to the executive department.

In the case of Schechter Poultry Corporation et al. against the United States of America, known as the N. I. R. A. decision, the Supreme Court wisely decided that the N. I. R. A. was unconstitutional because of the attendant delegation of legislative power and the attendant regulation of intrastate transactions which affect interstate commerce only indirectly.

In the recent Potato Act of 1935 we have an illustration of the New Deal philosophy. This legislation is arbitrary, unreasonable, and uneconomic because:

First. The act attempts to control production of potatoes through a punitive tax of questionable validity.

Second. It is intended to benefit large commercial growers of potatoes, but will harass several million small growers and burden the entire consuming population.

Third. To present excessive costs of many articles of food will be added higher prices for a staple commodity upon which the poorer classes are absolutely dependent.

Fourth. Regimentation of farmers who produce potatoes is compulsory rather than voluntary.

Fifth. Even a small garden patch maintained by a housewife and producing only a few bushels for sale is subject to control.

Sixth. Regulations which will annoy both producers and consumers include requirements that all potatoes must be packed in closed and stamped containers of special design.

Seventh. Provision is made for an army of snoopers through severe penalties imposed on persons who fail to tell of violations by their neighbors.

Eighth. Bootlegging will be unavoidable despite fines up to $1,000 and jail sentences up to 1 year.

Ninth. Buyers of bootleg potatoes are made equally guilty with sellers.

Tenth. An expanded bureaucracy, made possible by blanket authority to the Secretary of Agriculture to appoint officials and employees, without regard to civil-service and classification laws, will meddle in the affairs of some 3,000,000 potato growers.

We have other acts of Congress, namely, the Public Utility Holding Act of 1935, the Tennessee Valley Authority, and the Guffey Coal Act, which, in the judgment of leaders of both parties, are unconstitutional and unsound. But the President of the United States, with the aid of his tremendous majority in both Senate and House, was able to force the passage of these bills against the rights of the common people of this country and clearly against constitutional government.

I am a great believer in the Supreme Court of the United States. To me it is the crowning feature of the Constitution. It has long been the balance wheel of this Government of ours. The right of the Supreme Court to declare an act of Congress unconstitutional, in my judgment, is unquestioned. This great principle was decided in 1801 by Chief Justice Marshall in the famous case of Marbury against Madison, in which case it was determined to be not only the right but the duty of the Supreme Court, under their oaths, to pass upon the constitutionality of an act of Congress. In this decision Chief Justice Marshall used the following very pertinent language, which every citizen today should read:

> Why does a judge swear to discharge his duties agreeably to the Constitution of the United States if that Constitution forms no rule for his government? Thus the particular phraseology of the Constitution of the United States confirms and strengthens the principle, supposed to be essential to all written constitutions, that a law repugnant to the Constitution is void, and that courts as well as other departments are bound by that instrument.

I am particularly opposed to the New Deal efforts to disparage the great Supreme Court; I am opposed to their efforts to belittle the great Constitution of the United States; I am opposed to the New Deal philosophy of nullification by acts of Congress, thus seeking to subvert the Constitution. If constitutional amendments are necessary, then we do not have to use the doctrine of nullification, but the only courageous way is that of using the constitutional method itself, of amendment.

The Republican Party stands flat-footed upon the preservation of the Constitution. It still maintains that it is the greatest political document ever made by man. It still maintains that the happiness of 130,000,000 people rests directly upon the preservation of that great document.

How frequently on the floor of the House have we heard Congressmen, sworn to support the Constitution, attack that instrument bitterly and with malice.

How frequently have we heard these same Congressmen attack the Supreme Court of the United States, willfully forgetting the fact that this Supreme Court during the existence of our Government has been its guiding genius.

Thank God for the Supreme Court, for their wonderful ability and integrity, for their unswerving loyalty to the Constitution. And now some Members of Congress would take from the Supreme Court their right to pass upon the constitutionality of a law of Congress. Who then would have that right? Why Congress, of course, say the attackers of the Constitution.

While I have the utmost regard personally for my colleagues in the House, yet I fear for my country if they and they alone could determine the constitutionality of a law. Who is to blame for the undesirable and unconstitutional laws passed? Why, Congress, of course. Under the whip of the "brain trust" Congress passed many laws unwisely, unthinkingly, and supinely. Why then blame the Supreme Court? The blame belongs to Congress and to Congress alone.

The Supreme Court in the Agricultural Adjustment Act decision recently declared this act of Congress unconstitutional on the ground, among others, that—

> This act invades the reserved rights of the States.

In the language of the Supreme Court—

> The Agricultural Adjustment Act is a statutory plan to regulate and control agricultural production, a matter beyond the powers delegated to the Federal Government. The tax, the appropriation of the funds raised, and the direction for their disbursement are but parts of the plan. They are but a means to an unconstitutional end.

In this decision the Court said:

> From the accepted doctrine that the United States is a Government of delegated powers, it follows that those not expressly granted, or reasonably to be implied from such as are conferred, are reserved to the States or to the people.

In my judgment, the decision of the Supreme Court declaring the A. A. A. unconstitutional was simply a reaffirmation that here in America we live under a constitutional form of

government. In these days when men's minds are clouded by every conceivable ism, we should thank God that apart from the political departments of the Government—the legislative and executive—there is one department of government—the judicial—that stands apart from politics.

In conclusion let me state that the Constitution is not self-perpetuating. If it is to survive, it will be because it has public support.

The Constitution of the United States is the final refuge of every right that is enjoyed by any American citizen. The Constitution represents a government of law. There is only one other form of authority, and that is a government of force. Americans must make their choice between these two. One signifies justice and liberty; the other tyranny and oppression. To live under the American Constitution is the greatest political privilege that was ever accorded to the human race. [Applause.]

Mr. MORAN. Mr. Chairman, I yield such time as he may require to the gentleman from California [Mr. FORD].

Mr. FORD of California. Mr. Chairman, yesterday on the floor of this House the distinguished gentleman from Oregon [Mr. MOTT] called attention to the fact that the so-called Literary Digest poll which is being taken over the country shows an adverse opinion on the New Deal. In the State of California that poll shows 60 percent against the New Deal, but in the State of California a reregistration is going on. We had a permanent registration law, but a Republican legislature canceled it and started a new registration. I submit that a registration of the voters of a district or a State is a fairly authentic referendum as to their views, and that registration, my friends, today is running two and a half Democrats to one Republican. That is the registration record that California is piling up today in spite of the Literary Digest's unfair questions that make it possible to get an adverse vote.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. FORD of California. Yes.

Mr. McCORMACK. I do not think it is fair to say that the returns show an adverse state of mind. I am not questioning the motives of the Literary Digest, which is a very reputable magazine, as we all agree, but I think the first question is very deceiving. If one more question were asked, as to whether or not the person answering intended to vote for the reelection of President Roosevelt, the result would be different. Furthermore, it is rather unfair to ask a voter what he is going to do in the absence of the other party's convention and the other party selecting its nominee. All other ballots, without regard to the Republican Party, showed that President Roosevelt is receiving from 53 to 55 percent of the votes. It seems to me that this poll is worthy of slight credence, without in any way attacking the magazine or impugning its motives, but making a statement as to what would constitute in the minds of fair persons a reasonable and proper conclusion.

Mr. FORD of California. Mr. Chairman, speaking for California, I merely want to say that I consider a registration the most authentic referendum on the subject that we have.

Mr. RICH. Will the gentleman yield?

Mr. FORD of California. My time has expired.

Mr. FITZPATRICK. Will the gentleman yield for an observation?

Mr. FORD of California. If I have any more time, I will be glad to yield.

Mr. FITZPATRICK. The State of New York, according to the Literary Digest, is against the New Deal. There were two Congressmen elected in the city of New York 8 weeks ago and they received the largest vote ever given to any candidate on the Democratic ticket for Congress. That was in the Second and the Twenty-second Congressional Districts of New York.

Mr. RICH. Will the gentleman yield now?

Mr. FORD of California. My time has expired.

Mr. RICH. Oh, the gentleman's time has not expired.

Mr. FORD of California. That is all I have to say, Mr. Chairman.

Mr. WOODRUM. Mr. Chairman, I demand the regular order.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. MORAN. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. KENNEY].

Mr. KENNEY. Mr. Chairman, the President of the Philippine Islands has been inducted into his high office. Gratifying it is to many of us that a large congressional delegation attended the induction ceremony. There were many Members of this House in attendance, including the Speaker and the chairman of the Ways and Means Committee, that committee which has to do with the raising of revenue for the maintenance of our Government. More than once I thought I should like to be a member of that group, sail over the seas, and be present there in Manila Bay on such an auspicious occasion as was epitomized by the inauguration of the first President of the new independent Republic. As I visualized that delegation going over there, and thought of our renewed struggle for economic independence in this country, I wondered how many of that delegation took along with them a history of the life of Alexander Hamilton, the first Secretary of the Treasury of the United States.

Mr. CRAWFORD. Will the gentleman yield for a question?

Mr. KENNEY. I prefer to yield a little later. The Members will perhaps recall our history, where, after we gained our political independence, Alexander Hamilton persisted it was incumbent upon the new Nation to undertake to establish our economic independence. In this connection he had uppermost in his mind always the foresight to provide for deficits, actual and potential. He proposed the establishment of a center of industry in my State of New Jersey where manufactures would be carried on, but he was sufficiently apprised of the possibility of failure from deficits arising out of operations. How did he provide against deficits? That is a well-known matter of history, and as the Members of this House sailed the seas and went into that land which had been under the protection of the American flag, I wondered if any of them would go out of their way to find out how the Philippine Islands raised a large portion of their revenue. I thought I should like to be in that distinguished party, and for one purpose, namely, to point out the efficacy of the lottery in the Philippines and, at the same time, remind them of its service to our own country in the days of the new Republic. I wondered then and I wonder now if any of them would resolve at this session of Congress to see the light of the way open to us to wipe out our governmental deficits. Would they determine to do what was done under the American flag in the Philippine Islands? Would they declare themselves according to that determination; would they declare for what people want in this country, a national lottery? [Applause.] The delegation of this House, together with a body of Senators headed by Vice President Garner of the United States, sailed on over the seas into China and went into the city of Shanghai; as they did so, I wondered if any of their group, when they viewed the great public buildings of that city, some of them even more beautiful than our own in this great Nation, took it upon themselves to inquire of the Chinese how it was possible for them to erect their outstanding public buildings, models of modern architecture. I wondered if they did.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. KENNEY. I yield.

Mr. FITZPATRICK. Did the lottery which put up those beautiful buildings in China also bring about the living conditions in China?

Mr. KENNEY. The lottery has improved living conditions in China, as it has wherever it has been instituted. Without the lottery China would not have her enviable buildings. I wondered and still wonder if any of the delegation was moved by this method of raising revenue practiced not only by China but employed at the present time by every known form of government. As our representative delegation came home by way of the Panama Canal, I wonder if any of them looked around there and observed the lottery conducted

weekly in the city of Panama. That lottery incidentally is supported and made possible by the patronage and support of our citizens resident in the Canal Zone—Americans. Even you and I and our countrymen in the various States are sustaining and contributing to the lotteries of other foreign countries. There is a drawing down there in Panama every Sunday morning. About $90,000 a week is involved. Sixty thousand dollars goes to awards. A portion is used in expenses, but $25,000 every week goes to sustain the hospitals in the Isthmus of Panama.

I wondered if our congressional delegation learned of this lottery and its operation which assures the maintenance of its hospitals without deficits and fear of their closing for lack of revenue not obtainable from ordinary sources; and if they did, I wonder if they gave thought to wiping out the deficits in our own National Treasury by this means. I wonder now if any of them took along a history of the life of Pitt, the great English Prime Minister. I wonder if they went back with Pitt to the eighteenth century when, with the rest of Europe bankrupt, he, as the financial genius of England, was able to sustain the Empire of Great Britain, even to paying off the Florida colonists, through and by means of his use of the lottery, which, as always with the people, received the support of his people. [Applause.]

Mr. RICH. Will the gentleman yield?

Mr. KENNEY. Certainly.

Mr. RICH. Does the gentleman believe that the lottery was the means of raising the funds in the Philippine Islands to pay for this party that went to the Philippine Islands? Also, does the gentleman believe that those who went over to see the Philippine Islands on this trip or jaunt would vote for their independence today, if they had it to do over again?

Mr. KENNEY. The gentleman has crowded his questions into one, but I will pick out one and answer it.

Mr. RICH. There were only two questions.

Mr. KENNEY. The lottery funds kept the hospitals open in the Philippine Islands, and there is no fear of their closing. Appalling to relate, however, I was present at a meeting in New York a short time ago where one of the leading physicians of New York City said that unless something drastic was done to raise funds from other than ordinary sources, three of the leading hospitals in New York City would close their doors.

Mr. RICH. I was not trying to say that the raising of funds for hospitals was not a good motive, but I wondered whether the raising of the funds in the Philippine Islands by lottery was the means they took to pay for the jaunt that the Members of Congress had to the Philippine Islands.

Mr. KENNEY. The gentleman knows differently, I believe. All the moneys collected in the Philippine Islands from the lottery go directly for charitable purposes. The moneys which were expended for our delegation, through the generosity of the Philippine Government, were raised from other sources. Sources of revenue are drying up, however, and our sources are well-nigh exhausted. So, I may say also to the gentleman and to the Members of the House, since we must be looking about for a new source, that when the First Congress met—and this reminder may come as a telling rebuke—when the First Congress met under the Constitution in the city of New York at the invitation of that city, repairs and additions to the City Hall were made necessary. After they were done, there was a deficit remaining of something like £13,000, or $65,000. There was no way of raising this money from ordinary sources. So the city went to the legislature of the State, obtained permission to conduct a lottery, and thus the deficit was readily met.

To make up the deficits we are incurring and to reduce the ever mounting national debt, are we going to break the broken backs of our taxpayers with more taxes, or are we going to do as has been done in our greatest emergencies, harness the huge supply of treasure which is open to us by the popular and much desired lottery? [Applause.]

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. CARLSON].

Mr. CARLSON. Mr. Chairman, one of the vital problems facing this session of Congress is the enactment of farm legislation. As far as I can learn, there is a disposition on the part of every Member of Congress to assist agriculture, but even with this sentiment it will no doubt be weeks, and possibly months, before a bill can be drawn and enacted into law. In the meantime, I believe there are three things this Congress can do that will not only temporarily assist but be of permanent value.

Shortly after the Supreme Court decision in regard to the constitutionality of the A. A. A., my colleague, Hon. CLIFFORD HOPE, of the Seventh District of Kansas, introduced H. R. 9968, which provides for the making of rental and benefit payments to farmers who have made crop-adjustment contracts with the Secretary of Agriculture. The farmers made these contracts in good faith, and this resolution provides that where compliance can be made previous to January 6, 1936, the obligation on the part of the Government should be paid. This is a moral obligation on the part of our Government, and I hope this bill can be reported shortly by the Committee on Agriculture for consideration by the House. In conferring with many members of both parties I have yet to find one that is not in favor of the passage of this resolution. The immediate passage of this would materially assist the farming sections of our Nation.

Second. The farmers, through a crop-reduction program, have taken 30,000,000 acres of land out of production during the past year, and should have the cooperation of the Federal Government by limiting importation of agricultural products, of which we produce a surplus. Surely no one can consistently ask the farmers to curtail production on the one hand and on the other hand encourage the importation of farm products through reciprocal-trade agreements. Let this has been the policy of the present administration. In the recent reciprocal-trade agreement with Canada our farmers' home market is opened to world competition through the favored-nation clause, which automatically grants to all competing countries, except Germany, the same concessions we have made to Canada. Statistics show we have no shortage of cattle or beef products, but the records show we imported last year 230,581 head of cattle and 7,346,000 pounds of fresh beef and veal. The dairy farmers are not getting cost of production, and yet we imported 22,710,000 pounds of butter last year. Our farmers took out of production approximately 5,000,000 acres of wheat land, and the records show we imported 28,085,000 bushels of wheat. During this same period we imported 34,630,064 bushels of corn. All of these imports were brought into this country previous to the making of the Canadian reciprocity agreement. No one can foretell what our farm imports might be with this treaty in effect and a favored-nation clause.

It is unfortunate that the Secretary of State, Hon. Cordell Hull, dismisses the importation of farm commodities with the statement that the percentage of imports is small compared to the total of the products produced in the United States, and leaves the inference that the amount is so small that it makes little difference. Using this same argument, it might be said that despite the fact that we have 10,000,000 unemployed in this country, it would not be objectionable to admit several thousand alien laborers or admit them on a quota basis. No one would seriously consider this, yet it is what we do for agriculture.

To protect agriculture we should immediately rescind the Canadian reciprocal-trade agreements and other similar trade agreements.

Third. The Department of Agriculture and the Department of the Interior, through the Reclamation Service, should have a coordinated land-use policy. The Department of Agriculture has embarked upon a program of land-use curtailment, while on the other hand the Reclamation Service has, through great Federal appropriations, adopted a policy of bringing into use several million acres of arid land through the application of water by the construction of reservoirs. I am not opposed to all reclamation work, but I am opposed to spend-

ing hundreds of millions of dollars of the taxpayers' money in order to bring into production strictly arid land. There are many sections of semiarid land in our country that should be taken care of before vast new areas of arid land are opened up. In an article appearing in the Spokane Chronicle of December 25, 1935, it was suggested that many States in the United States were being indirectly benefited by the construction of the Grand Coulee Dam and reclamation project through expenditures for products used in its construction. It was interesting to note in this article that the State of Kansas received benefits totaling $10.73. In view of this benefit to the State during the period of construction, I am wondering what the loss will be to the farmers of Kansas when 1,200,000 acres of fertile soil come into production. This is one of the many projects under construction, and I believe Congress should limit the expenditures for reclamation work until we have a definite coordinated plan of land use.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield for a question?

Mr. CARLSON. I yield.

Mr. CRAWFORD. I find in the announcement of brokers representing certain processors of the country that since the Supreme Court decision these processors are insisting and demanding that the retail grocerymen pay the processing tax to them on their invoices, which taxes have been held illegal. If this money is thus collected, does the gentleman agree with the proposition that this money might be used for the purpose of meeting these unfinished contracts?

Mr. CARLSON. I certainly am not in favor of returning it to the processors.

Mr. CRAWFORD. The gentleman means by the retailer?

Mr. CARLSON. Yes.

Mr. Chairman, I yield back the balance of my time.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, the newspapers of the morning carry some exceedingly interesting information. The Secretary of the Treasury seems to have told a committee of the Senate that during the next 17½ months we must finance something like $11,300,000,000. On yesterday the ranking minority member of the Committee on Appropriations revealed some very startling figures which interested me, because on the floor of this House last year on several occasions I quoted figures showing that the national debt in 1937 would be about $40,000,000,000. At the time this seemed to be an extravagant statement, but my prophecy now appears to be borne out by others, and even sooner than I expected.

Before I forget it I wish to comment on a question which was presented to the House this afternoon. Who were the bankers who told the President of the United States that this country could stand a debt of $50,000,000,000 or more? Who were those anonymous bankers whom the President refuses to name or whom up to this time he has not named? We must assume that there were such bankers. We must take the President at his word, and in the absence of real information we may look back and see what bankers might possibly have said it. On the floor of this House last year I stated that, under questioning by the Committee on Banking and Currency, one very prominent banker did say to the committee:

I do not worry about a debt of $40,000,000,000.

This man now, Mr. Chairman, is the Chairman of the Federal Reserve Board and probably the chief adviser to the President on financial matters.

Are we to be blamed for assuming that he was one, at least, of those bankers who so advised the President of the United States? Is it wrong sometimes to assume things which appear to be logical? Is it wrong to assume, as some of us did on the floor of this House yesterday, that the Federal Communications Commission, appointed by the President, might have taken the advice of the big generals of this administration when they made an important decision with reference to political broadcasting? Is it not to be expected that we would assume this without making definite charges? No; we have at least the right of assumption sometimes; and in the absence of definite information, certainly we have a right of assumption when it is based on good reasons. Naturally we have cause to think it highly probable that consultations were held with political strategists in a matter of this nature.

The ranking minority member of the Committee on Appropriations, the gentleman from New York [Mr. TABER], brings in figures that are most startling. In 1933 we gullible Congressmen, believing that the expenses of the country were going to be cut 25 percent, voted for the economy bill.

In 1933 we had statements from the President himself giving us assurance that if this Economy Act were passed there was reasonable prospect that within a year the income of the Government would be sufficient to cover the expenditures of the Government. That was the "long-range planning", of which we have heard so much. Yet a message was received only about 10 days ago, when the Budget was presented, stating that the deficit this year would be $1,500,000,000. Of course, the decisions of the Supreme Court and the bonus, taken together, will set it back about $3,000,000,000 more; and the gentleman from New York [Mr. TABER] yesterday, in presenting his figures, said this:

I think it is safe to say that the appropriations asked for by the Executive for relief will not be less than $3,500,000,000.

So the total deficit for the fiscal year 1937 will be $6,866,000,000—not $1,500,000,000. The country was to have been reassured by believing that the deficit would be $1,500,000,000, whereas now figures which really can be depended upon show it will be $6,866,000,000.

The gross debt at this time is about thirty and one-half billion dollars, exclusive of the bonus. Taking into consideration the bonus to be payable in 1937, counting a deficit of three and one-half billion dollars for 1936, at the end of 1937 there will be a debt of $40,000,000,000. The Congress spent more than $10,000,000,000 last year, which was about $6,000,000,000 more than we knew we could raise. When and where was that $6,000,000,000 to be accounted for, when the country was told we were in debt only thirty and one-half billion dollars? That was the indebtedness for loans outstanding at the moment only. But there were $10,000,000,000 to be spent, and much will have to be financed very, very soon after that statement was made.

Now we find it. There seems to be a deficit of three and a half billion dollars for 1936, which, in conjunction with the bonus, will create a debt at the end of 1937, as is stated, of about $40,000,000,000.

Now, ridicule, if you can, the figures we gave you a year ago when we talked about a $40,000,000,000 debt. And the end is not yet! I do hope that those bankers of the country will either confess, or we may be told who they were, because those from whom we have heard in the past have advised that a debt of $40,000,000,000 is a highly dangerous one. Now, Mr. Morgenthau states that in the next 17½ months he will have to borrow $11,000,000,000, or more. We have been canceling the long-term bonds because of the higher rate of interest. We have been getting money for 10 years at the rate of 2½ percent. If we are to continue to pile up the debt, and the public is fully informed as to what has transpired, especially in the last 2 weeks, will it help the credit of the country? Will they continue to be able to sell 10-year bonds at 2½ percent? Extremely doubtful! When, as happened this morning, there are recorded on the floor the names of many prominent Democrats of the country who are criticizing the New Deal, I say, "Page Lewis W. Douglas" on the financial phase of the Government. He should know. What does he say? If you have not acquired the last two or three issues of the Atlantic Monthly, you certainly should do so. Buy those numbers and read what Lewis W. Douglas, the man the administration trained in the budgetary and financial affairs of this Government, has to say about the present financial conditions.

Is business really confident? Are the banks now loaning money freely? There were $49,000,000 less loaned last week to business than the week before. There is plenty of money in the banks, but the graph shows no increase in loans, but

a constant increase in reserves. To be sure, business is better, but that is in spite of present inimical legislation rather than the result of assurances of helpfulness.

We find here today in this bill a request for a large sum of money for the Securities Commission, of which you on the other side boast so much. I do congratulate the President on the selection of its personnel, for much consternation might have resulted if it had been more radical. I have looked through these hearings and I find the answer to a most important question is not there.

About $5,000,000,000 has been presented for registration with the Securities Commission. How much of that has been for new business? We shall find that nearly all has been for refinancing and taking advantage of these low-interest rates. At the end of the first 6 months of the past year, as I recall it, about a billion and a quarter of registrations had been received, but less than $30,000,000 of that was for new activities.

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. GIFFORD. Mr. Chairman, follow this business graph and it will be seen that in the summer of 1932 business greatly increased. An election was coming on, however. The graph goes down. Of course, all elections cause business disturbance to some extent. Then there came the fateful interregnum from November to March. I shall wish to say much more about that later. Recall those fateful 4 months after a new President had been elected. Nobody knew what he would do, and he was silent; oh, so silent! If the country had not met with that tremendous setback, there would not have been any such unhappy situation as existed in March 1933. It can be likened to the 4 months which followed Abraham Lincoln's election. He could not take his seat until March. Recall the happenings of those 4 months!

In March 1933, after the President made the speech asserting that he would balance the Budget in a year and income would equal the disbursements, business took an abrupt upturn until the middle of that year. Then the graph goes down, and since then there has been a very slow upturn—this despite existing threats of punishment, with merely "breathing spells", permitted at the whim of the ringmaster. Gradually we are getting used to these things, however, and business, heartened by the Supreme Court, goes slowly ahead. After all, little businesses feel that they are closely related to big business.

They rather feel they are second and third cousins to big business, and they take the cursings as though they were meant for them, too. They are frightened. The Democrats say, "Do you want to go back to March 1933?" No; we do not. No one knew where we were then; not the Democrats themselves. They knew absolutely nothing of their leader's plans or his abilities. The country did not know. Such a question is ridiculous. It is not an argument.

Mr. Chairman, I rose at this time just again to remind the Members of the House that we are approaching a national debt of $40,000,000,000 and to justify the figures which I gave a year ago. I suggest also that it would not take many guesses to determine who at least one of the great bankers was who told the President not to worry about a forty or fifty billion dollar debt. [Applause.]

[Here the gavel fell.]

Mr. MORAN. Mr. Chairman, I yield 3 minutes to the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Mr. Chairman, I should like to call the attention of the House to that which is already recorded so fully in the newspapers this morning and this afternoon with respect to the untimely death of air-line passengers and the pilot and copilot and stewardess of a plane on a westward journey from New York to Los Angeles, the tragedy occurring last evening in Arkansas, and taking a toll of lives to the extent of 17 persons, making it perhaps the greatest tragedy in the history of American commercial aviation.

I call attention this afternoon to this tragedy simply for one purpose. Those who have pioneered in science, industry and business in this country and in the world have always had to stand out in the forefront and take their chances of success or failure. Those who fought their way westward over this country in the early days when we pioneered through the mountain passes and over the plains had their toll of death. Those who pioneered across the waters and beneath the seas have also had their bitter experiences.

Commercial aviation in America and in the world today has been dealt a stunning blow, but only temporarily so, because in the future those who are charged with carrying on this great industry will continue to so improve the planes in which men and women fly, so improve the airports where the planes land and take off, and so improve all conditions necessary to successful continued progress in aviation that they will lessen greatly the number of casualties just as those who pioneered in railroad transportation were called upon to do.

I have been deeply interested just now in reading the figures from American Airlines officials in New York City showing that 186,000,000 passenger-miles have been flown by this company until last night without a single accident; and that 240,000 passengers in the last year and a half have flown over this line without a single fatality.

I comment on this tragedy with its lesson for us as Members of Congress to encourage in every way, and not discourage, these improvements and the advancement that will take away from commercial aviation in this country certain of the hazards and dangers which still exist.

The pilots of progress in this outstanding transport system will continue to cary it forward, and especially in America do I feel we shall lead the way in continued improvement and success in this great industry. Not only the pilots who fly the planes but all those connected with this great enterprise are truly pilots of progress in the onward march of American civilization.

How prophetic are the lines written in 1842, almost a hundred years ago, by Tennyson when he said:

For I dipt into the future, far as human eye can see,
Saw the vision of the world and all the wonder that would be;
Saw the heavens fill with commerce, argosies of magic sails,
Pilots of the purple twilight, dropping down with costly bales.

[Applause.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, as one of the gentlemen here has said, "Where are you going to get the money?" I think this is probably the best way for me to begin and end any address that I may make here, because I want to impress it upon the minds of the Members of the Congress. Again I say, where are you going to get the money? [Laughter and applause.]

I want to call the attention of the Members of the Committee at this time to the address made by the President of the United States on January 3, 1936, at 9 o'clock p. m., in the House of Representatives before a joint session of the House and Senate, in which he stated:

We are about to enter upon another year of the responsibility which the electorate of the United States has placed in our hands. Having come thus far, it is fitting that we should pause to survey the ground which we have covered and the path which lies ahead.

I want to call the President's attention to some of the ground he has covered, and then I am going to suggest something with respect to the path that lies ahead.

"Consistency, thou art a jewel." I have always been interested in any man when he points out a particular road to travel and then travels it himself, but I certainly lose my respect for an individual when he points out a road to travel and then takes another course.

I wish to read to the Members of this Congress extracts from the message to Congress by President Roosevelt on March 10, 1933:

The Nation is deeply gratified by the immediate response given yesterday by the Congress to the necessity for drastic action to restore and improve our banking system. A like necessity exists with respect to the finances of the Government itself, which requires equally courageous, frank, and prompt action.

For 3 long years the Federal Government has been on the road toward bankruptcy.

For the fiscal year 1931 the deficit was $462,000,000.

For the fiscal year 1932 it was $2,472,000,000.

For the fiscal year 1933 it will probably exceed $1,200,000,000.

For the fiscal year 1934, based on the appropriation bills passed by the last Congress and the estimated revenues, the deficit will probably exceed $1,000,000,000 unless immediate action is taken.

Thus we shall have piled up an accumulated deficit of $5,000,000,000.

With the utmost seriousness I point out to the Congress the profound effect of this fact upon our national economy. It has contributed to the recent collapse of our banking structure. It has accentuated the stagnation of the economic life of our people. It has added to the ranks of the unemployed. Our Government's house is not in order and for many reasons no effective action has been taken to restore it to order.

Upon the unimpaired credit of the United States Government rests the safety of deposits, the security of insurance policies, the activity of industrial enterprises, the value of our agricultural products, and the availability of employment. The credit of the United States Government definitely affects these fundamental human values. It therefore becomes our first concern to make secure the foundation. National recovery depends upon it.

Too often in recent history liberal governments have been wrecked on rocks of loose fiscal policy. We must avoid this danger.

It is too late for a leisurely approach to this problem. We must not wait to act several months hence. The emergency is accentuated by the necessity of meeting great refunding operations this spring.

We must move with a direct and resolute purpose now. The Members of the Congress and I are pledged to immediate economy.

I am, therefore, assuming that you and I are in complete agreement as to the urgent necessity, and my constitutional duty is to advise you as to the methods for obtaining drastic retrenchment at this time.

I am not speaking to you in general terms. I am pointing out a definite road. * * *

Remember, this was the President's address of March 10, 1933.

WHERE WILL YOU GET THE MONEY?

I wish to call the attention of the Members to the fact that the deficit of the Federal Government on June 30, 1934, was $3,989,000,000; that the deficit of the Federal Government June 30, 1935, was $3,575,000,000; the deficit on June 30, 1936, estimated to be $3,234,000,000; and the estimated deficit, according to the President's message, for June 30, 1937, is to be over a billion ninety-eight million dollars. This does not include anything for relief nor does it include the bonus bill passed by this House several days ago, amounting to $2,000,000,000.

The attention of the Members of Congress is called to the fact that the expenditures from July 1, 1933, to June 30, 1937, are estimated to be $28,879,000,000, and the receipts about $16,981,000,000. That will leave an operating deficit of $11,898,000,000; and for work relief for 1937 about a billion dollars, estimated; and for the soldiers' bonus payments about $2,000,000,000, estimated; or a net deficit for the 4 years of Roosevelt's administration of $14,898,000,000.

When you think of the expenditures of the Roosevelt administration, what encouragement do you Members of Congress see in the statement made in the President's message of March 10, 1933:

For 3 long years the Federal Government has been on the road to bankruptcy.

And when he said:

I am not speaking to you in general terms; I am pointing out a definite road.

It looks to me as if he must have felt at that time that spending would eventually lead to bankruptcy. In the name of all that is sensible and sane, if the President wanted to criticize expenditure of funds for the 3 years previous to his administration, I wonder what the man thinks of himself and his administration at this time.

Mr. Roosevelt—call him, if you will, the Democratic President, elected by the Democratic Party to carry out the Democratic platform—has fooled every leader of the Democratic Party, the members of that party who are in Congress, and the American people. The Congress should be most careful, in my judgment, in carrying out any recommendations that may be made by him which are, in my opinion, proposed by men not qualified in the affairs of government, men who do not know the value of a dollar, men who do not know how to put 10,000,000 men to work and on the pay rolls of the manufacturing establishments of this country.

At this time I wish to state to the Members of Congress that if you will tax improved machinery, the manufacturers of the Nation will be compelled to absorb this unemployment and the unemployed will be taken care of by the pay rolls of manufacturers, and not by the Federal dole, as at present, and which has created this great national deficit. I so recommend that you take definite action through proper laws overseen by the Department of Labor for the immediate taxation of improved machinery—or mass production, as we call it—in order to get the workers off relief and onto the pay rolls of industry. I have suggested this numerous times in the past several years, but no action has been taken.

Let us pass laws at this session of Congress that will get us out of this deplorable position we are in; let us stop this enormous increase of our national deficit, or we are soon faced with national bankruptcy, and when we are compelled to repudiate our debts then we repudiate all our obligations and America loses its form of government and its freedom.

Where will you get the money? [Applause.]

Mr. McCORMACK. Will the gentleman yield?

Mr. RICH. I yield.

Mr. McCORMACK. Has my friend introduced a bill to carry out all that?

Mr. RICH. No; I have not; but I understand there are Members on the Democratic side who have. I would introduce a bill, but you know that any bill introduced by me would be thrown into the scrap basket by this majority Congress. If you will get behind a bill of that kind I will do everything I can to help enact it into law.

Mr. McCORMACK. My friend from Pennsylvania is unnecessarily sensitive. My friend has made a constructive recommendation, and whether I am for it or against it I should like to see it introduced. When he makes the recommendation he can introduce a bill, and whether or not it is considered is not his responsibility. I should like to have the gentleman introduce a bill. Will he introduce it?

Mr. RICH. The gentleman from Massachusetts can introduce the bill and I will help him put it through. I would introduce such a bill, but in this Congress it would be scrapped; so why should I waste my time when I know it would not be considered? I am pointing the way to you. [Applause.]

[Here the gavel fell.]

Mr. MORAN. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. MASSINGALE].

Mr. MASSINGALE. Mr. Chairman, I shall devote the time allotted to me to a discussion of the two farm bills that are pending before this Congress—the Frazier-Lemke refinance bill and the cost-of-production bill. I do not know how it appears to most of you, but to me, as has been stated here, and during all time today and yesterday in this general debate, the thing most urgent for the consideration of the Congress is some kind of farm relief. I do not believe that the people of the United States are much concerned, nor do they give much heed to the attacks made on the President of the United States on the one hand, or on the other of having the political undertaker wheel President Hoover's corpse out here in the well of the House. The people are interested in trying to do something for the farming class in America. I agree with one statement made here this morning by the gentleman from New York [Mr. FISH] when he classified the farming industry as a non-profit-making industry. If there has been anything established in the arguments that have been made in regard to agriculture and the condition in which it finds itself today, that is the outstanding fact.

I have been getting a lot of letters and telegrams from down in my country. It is a farming district. Everyone in that district is either a farmer or directly interested in farming. This Congress does not want to imagine itself secure by any means in ignoring their demands for recognition here. There are only about 30,000,000 farmers in America, or people interested in farming, and the people of America, according to my judgment and the contacts I have had with them down

in my portion of the world, are losing confidence in parliamentary legislation, and they are losing it because of the attitude that the Congress as a rule assumes.

Democracy is regarded down there as a mockery, so far as the accomplishments of Congress are concerned. I do not care whether a man is a Democrat or a Republican. The people are not interested in your politics, but they are interested in the thought that you have and the votes that you cast in this House.

We have had this Frazier-Lemke refinance bill here for a number of years, I am told, and you cannot blast it out of the committee because of various arguments made in regard to inflation. We have had the cost-of-production petition filed here for nearly a year. We cannot get signers to that program because of that same conservatism. I do not blame a man for being conservative, but I do say this, that in the Congress of the United States the people have a right to a hearing, and you are not giving it to them. [Applause.]

I make this observation, that after having talked with the representatives of this bunch of farmers which have been assembled in Washington for the last week we had better mind just what we are going to do in Congress. I am a Democrat. I agree with you as strongly as possible that the country ought to insist upon and demand the reelection of President Roosevelt—not so much because, perhaps, of his standing on this farm legislation, but the people of America have confidence in the humanitarian aspects of the man. I believe the people know that if the administration was behind this farm program you could get consideration of it. No consideration has been had, and probably none will be had unless we reconsider what we are doing now.

Where do we find ourselves? The Democratic platform in 1932 provided for the cost of production, the very bill that we are trying to petition out here now. For some reason or other, I do not know why, the President ignored it; and the Republican platform in 1932 provided for a control of production. That was the Triple A, and the Democratic administration operated under the triple A and the Supreme Court held it unconstitutional. We now hear rumors to the effect that a committee is going to report another bill providing for a reduction program in agriculture. If they do, under the decision of the Supreme Court of the United States in the Triple A bill, we are facing a head-on collision again. Why not adopt something sensible and reasonable, in which there is a hope of having it sustained on constitutional grounds?

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MASSINGALE. Yes.

Mr. McCORMACK. Does the Frazier-Lemke bill provide relief for the home owner in the city?

Mr. MASSINGALE. No.

Mr. McCORMACK. Why not?

Mr. MASSINGALE. I am talking about the cost of production.

Mr. McCORMACK. The gentleman did refer to the Frazier-Lemke bill.

Mr. MASSINGALE. Yes.

Mr. McCORMACK. That does not carry relief for the home owners in the city?

Mr. MASSINGALE. No; but Congress passed the Home Owners' Loan Act and did its best to relieve conditions in the metropolitan areas. Here is the situation the way the farmer views it and the way that I view it. The farmer is down and out. Statistics show that for the last 8 or 10 years he has been operating at a loss. He has not been getting what it cost him to produce his stuff. There is a relief, a promised relief, in this cost-of-production program. I do not see why a Republican cannot come up here and sign these petitions. I hear it rumored around that in 1936 the Republicans are going to have as a part of their platform the cost-of-production plan that the Democrats had in 1932. Here is the way this thing will operate, according to my information. If we adopt the cost of production as an aid to farmers, then the farmer will get for the stuff that he produces for domestic consumption in the United States what it costs him to produce it on the basis of a proclamation of the Secretary of Agriculture.

In addition to that, he will have surplus crops. He can take those surplus crops and do what he pleases with them, or the Government of the United States can do it with appropriate provisions in the law. If these hard-pressed New England industries or textile mills of the country are complaining, the Government can dispose of that surplus cotton, for instance, to those mills at such a price as will put them on their feet and let them compete with the textile manufacturers of other countries in the world. There is no reason why we should not try to do something for this class of farmers, and the Democratic Party is going to be held responsible for it if we do not. [Applause.]

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. MASSINGALE] has expired.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 4 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, while we are in Committee of the Whole House on the state of the Union I want to call attention to the Members of Congress who are always here, and to the country at large, that we have a great number of citizens in this country in great distress. I refer to the American Indians. We have 340,000 Indians in this country today, and while I am speaking to you at least 100,000 of them are almost destitute. I spent about a month with them this summer, and I found a great many families of Indians on the Sioux Reservation living in tents in the cities, eating off the dump grounds.

I made an effort to get some money allocated for the immediate relief of those Indians. I succeeded in getting a commitment of $5,000 for the immediate relief of that reservation. Since that time I understand the Director of the Budget refused to O. K. the expenditure of those transferred funds.

We have declared those Indians to be citizens, yet they are not citizens. This Government, contrary to the wishes of the Indians, has made every Indian who has any allotment under the allotment system of this country and every Indian who is entitled to land under the tribal land grants a ward of the Government, and the Government has assumed to act for him both in the matter of his life and his property. Inasmuch as the Government, as early as 1887, against the wishes of those Indians, deprived them of the right to operate their own business, and they now appear today as wards of the Government, is there any just reason why this trustee of the Indians—the Government—should permit those Indians to starve?

Mr. Chairman, I ask unanimous consent to revise and extend my remarks to give a full report in regard to this Indian question.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BURDICK. Mr. Chairman, under leave to revise and extend my remarks made on the floor of the House on the subject of the condition prevailing among the Indians of the Northwest, permit me to say that it is my purpose here to give the Members of Congress and the country at large a brief outline of conditions prevailing among the Indians of North Dakota, South Dakota, and Montana as I personally found them to be on my personal visit among them in October and November just passed.

First, may I say that I have lived among the Sioux of Dakota for more than 50 years, and I believe I have a broader acquaintance among them than anyone at present in the city of Washington. In the area of my acquaintance are the Sioux, Mandans, Gros Ventres, Arikaras, Crees, Chippewas, and Blackfeet. The entire population of these tribes numbers about 41,000.

These tribes at one time in the long ago occupied the territory of the United States far to the east, but as the white population pushed over the Allegheny Mountains, and crossed the valleys of the Ohio and the Mississippi, these tribes were driven westward beyond the horizon of the white man's civilization.

During this trek across the continent countless numbers of treaties were made with these Indians, and in every instance the Government of the United States solemnly promised the Indians land to west if they would give up the dominions they then occupied. As soon, however, as the white population reached the "Indian country", reserved for the Indians, they occupied it. Financial pressure was that never ending force which drove our forefathers westward to undergo the dangers of Indian wars and massacres. The Indians were fighting for their homes in the only way they knew—the frontier settlers were fighting for the chance to build a home which they could not do in the East that had denied them the opportunity to own a home.

No sooner was a treaty made with the Government before that Government found a way to either break it or circumvent it.

The Indian department was established in 1832 by an act of Congress, acting under the general supervision of the War Department. Later the supervisory control of Indian affairs was lodged with the Secretary of the Treasury. In 1868 by an act of Congress the supervisory control of Indian matters was placed under the direction of the Secretary of the Interior, where it still remains.

In 1871 by an act of Congress all further treaties with Indians were prohibited, but all treaties made prior to that date were validated.

The last great treaty made with the Sioux was made at Fort Rice, Dakota Territory, in 1868, and among other things this treaty provided—

In article 2 that the future home of Brule, Oglala, Minneconjue, Yanktonai, Hunpapa, Blackfeet, Cut Head, Two Kettle, San Arcs, and Santee Sioux should be in that territory described as follows:

Commencing on the east bank of the Missouri River where the 46th parallel of north latitude crosses the same—

which would be at or near Fort Yates, Dakota Territory—

thence along low-water mark down said east bank to a point opposite where the northern line of the State of Nebraska strikes the river thence west across said river and along the northern line of Nebraska to the 104th degree of longitude west from Greenwich (104th degree)—

The same being the west boundary of Dakota—

thence north on said meridian to a point where the 46th parallel of north latitude intercepts the same thence due east along said parallel to the place of beginning.

This provision embraces all of what is now South Dakota and a strip approximately 10 miles wide across the southern boundary of what is now North Dakota. In addition to this tract the Government added thereto all existing reservations on the east bank of said river. And the Government in said treaty said:

And the United States now solemnly agrees that no person except those herein designated and authorized so to do and except such officers, agents, and employees of the Government as may be authorized to enter upon Indian reservations in discharge of the duties enjoined by law shall ever be permitted to pass over, settle upon, and reside in the territory described in this article and in such territory as may be added to this reservation for the use of said Indians, and henceforth the Indians will and do relinquish all claims or right to any portion of the United States except such as is embraced within the limits of the aforesaid.

The territory ceded to the Indians in this treaty included the Black Hills. Gold was discovered there in 1874 and the white prospectors and settlers moved in in violation of this treaty and the Government of the United States was responsible for this trespass.

Another provision of the treaty provided that the Indian should be educated by the United States Government. Article 13 of the treaty provided:

The United States agrees to furnish annually to the Indians the physicians, teachers, carpenters, millers, engineers, farmers, and blacksmiths herein contemplated, and that such appropriations shall be made from time to time on the estimates of the Secretary of the Interior as will be sufficient to employ such persons.

This article does not authorize Congress to appropriate this money with the Indian funds, but it is a direct appropriation during the civilization period of the Sioux Indians, but that provision, as every Congressman knows, has never been kept. The treaty further provided in article 16 that the United States hereby agrees and stipulates that the country north of the North Platte River and east of the summits of the Big Horn Mountains shall be unceded Indian territory, and also stipulates and agrees that no white person or persons shall be permitted to settle upon the same without the consent of the Indians first had and obtained. This provision of the treaty was not kept. The Black Hills were taken away from the Indians absolutely, and they were never paid either for the gold obtained or for the country itself, and after all of this bad faith are we to forget the Indian today when he is starving by following the white man's ways which we have compelled him to follow?

During the entire period in which these tribes were wending their way westward in the vanguard of approaching pioneers, the Indians were in the main treated as prisoners of war or as fugitives from justice. Whole communities of Indians were broken up, their land taken away from them, and they were transferred to distant parts of the United States and compelled to live in reservations, far from their native haunts. Longfellow's story of Acadia was enacted time without number among the very tribes of whom I now speak. The deliberate and uncalled-for transfer of the Idaho Indians under Chief Joseph from their native homes in Idaho to Indian Territory is more pathetic to read than the story of Acadia.

In 1887 the allotment system of handling Indian lands and Indian lives was adopted through an act of Congress. Allotments of land in reservations were made to the Indians, but the control of that property and the control of the lives of the Indians was not left to the Indians, but assumed by the United States Government. Today in the "Indian country" the Federal courts of the United Sates have complete jurisdiction of all Indian matters and of all crimes committed within the "Indian country" whether committed by Indians or whites. While the Indians are no longer treated as prisoners of war, they are not permitted to have their independence. An Indian is termed a ward of the Government. He can do nothing—the Government is his agent, his protector, his advisor, his trustee, and the Government, acting through the Bureau of Indian Affairs, is complete master over the destiny of the American Indian.

The Government has assumed this stewardship as guardian of the American Indian. Not only does the Government control the Indians in all of their affairs but the Government controls their money, keeps it on deposit for them, under this trust, and spends it in appropriations by Congress as it sees fit, without the Indians' consent. It is no exaggeration to say that the Government of the United States has expended out of Indian trust funds, to support the machinery that governs the Indian, and against the plain provisions of this trust, more than $500,000,000.

Today the Indians of the Northwest are slowly but surely starving. They live in homes unfit for human habitation, sanitary conditions are at the lowest ebb, and sickness and disease, at least among the Sioux, are allowed to go unchecked.

During the past 6 years one of the unprecedented droughts of history has visited these reservations. Their gardens dried out, and the shortage of grass compelled them to sell their cattle. The pride of ownership of any Indian was his horses, and today on the Standing Rock Indian Reservation the horses have perished, and the Indian is on foot.

In the P. W. A. and the Indian works program, many young Indians have been employed, but even those must measure up to standards of health and fitness. The sick Indian, the aged Indian, the husbandless widows are left to the tender mercies of the Great Spirit.

I found family after family with nothing to eat except a few beans furnished by the agency. Occasionally I saw a small portion of sowbelly, but the rations dealt out for a whole month for a family of five could have been devoured by two hungry men at one meal. The wild fruit, always a source of food for these Indians, failed to mature. Through the anxiety of the Indian Department to do something, the prairie dogs were poisoned, and other wild game such as prairie chickens were destroyed by the same agency. Prairie-

dog meat has always been a natural Indian menu, and this poisoning process was a serious matter with the Indians.

I visited Indian homes and saw for myself their destitute situation. As far as my means would permit, I fed them, but one Member of Congress cannot feed many distressed Indians. I took up collections among the white people; I wired to the Secretary of the Interior, the Indian Bureau, and the President of the United States, setting forth their deplorable condition. At first these reports which I sent in were denied by some, and the unfriendly newspapers in North Dakota belittled the reports I made and printed statements that I was evidently out canvassing for Indian votes. I found the most deplorable conditions at Bull Head and Little Eagle, S. Dak., among the Hunkpapa Sioux, the bravest of all the Indians on the American continent. I surely could not be looking for votes in South Dakota. I trust I may be given credit for having more political judgment than to be out "cooning" for votes where there are no votes. All the Indian vote in the Northwest would not determine the election of any Member of Congress. No; I made this investigation because I have lived with them for half a century and they are my friends.

I was advised by wire from the Indian Bureau that $5,000 had been made available for the relief of aged Indians on the Standing Rock Indian Reservation. I felt somewhat relieved. The Commissioner of Indian Affairs also made the statement in the press of the country that out of a total Indian population in the United States of 340,000, at least 100,000 were in distress.

That $5,000 has never been sent to the reservation, because the Comptroller General will not O. K. the transfer of the fund from which this money was to come, and the Indians are in more distress than ever.

Foreseeing this condition, and acting upon information received from the Indian Bureau, I introduced in the first session of this Congress a resolution providing for the appropriation of $175,000 as an immediate emergency fund for the relief of these Indians. This was House Joint Resolution No. 263. Nothing more modest in amount could ever have been suggested. The Bureau of the Budget reported to the Committee of Indian Affairs of the House that the resolution was not in harmony with the financial policy of the President, and that was the last of that resolution.

Senator NORBECK, of South Dakota, introduced in the Senate, and Congressman KNUTE HILL, of Washington, introduced in the House a bill to provide $30 per month pension for the aged Indians. This was done for the reason that the social-security bill does not apply to Indians. No general law for relief applies to Indians unless the act itself so declares, and there is nothing in the Social Security Act that makes it applicable to Indians. That bill was also turned down as not in harmony with the financial policy of the President.

While these measures were said to be in conflict with the financial policy of the President, at the same time the Government was building golf courses at Fort Yates for the benefit of the employees of the Indian Bureau. At the same time men from Arkansas were engaged in the important work of shooting jack rabbits in North Dakota. This is not put in here as an idle joke—it is the truth. At the same time, when we had no fund to feed hungry Indians, the Government was building steel towers in North Dakota and erecting on them houses to house observers put there to see that the wild duck were not molested. At the same time the Government was spending money in the building of a scenic highway through the Bad Lands of North Dakota by men armed with picks, shovels, and wheelbarrows. This is still going on and the most modern type of road machinery lies idle. I am just wondering what the key is to the President's financial policy that will approve such nonsensical operations and at the same time will leave 100,000 Indians in distress.

I desire to point out one further fact, and that is that these destitute Indians are wards of the Government, made so through no act of their own. The Government of the United States is their trustee, their protector. The Government cannot escape this responsibility to care for these Indians. They are duty bound to do it because of this trust relationship. It is inhuman to avoid this responsibility. Some way must be found by this Congress now to feed these Indians, to clothe them, to provide them with houses, to take care of them in sickness, no matter what the financial policy of the President or anyone else may be. Some way out must be found to permit and demand that this Government discharge its obligations to a class of our citizens who have been held in subjugation since the beginning of this Government. I will venture this predicition—that if this Government will pay the Indian what is due him under validated treaties and under acts of Congress and let him take care of himself he will be infinitely better off than he is cooped up on a restricted reservation, with all power to take care of himself taken away, while his money is being spent by Congress without his consent, and he allowed to starve by the very agency that is responsible for his helplessness.

We made the Indians citizens of the United States, but we qualified it by saying that he was only a limited citizen. He still remained under the control of the Government. He cannot transact his own business and cannot get his own money until Congress gets through spending it in the grand process of civilizing the Indian.

It surely is a sad commentary to have to say that the first inhabitants of this great country are still under the protecting care of the Government and that when dire need comes that the Government should say it cannot discharge the trusteeship which it has assumed.

It is repudiation of the solemn terms of ratified treaties for this Government to refuse now to make its word and promise good.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Chairman, I asked for this time to discuss an issue that is of vital interest to the welfare of the entire country. I am going to get away from the spirit of partisanship. We have heard a great deal along that line the last few days. Today I wish to discuss the subject of transportation in its related fields. I wish to discuss, within the limits of time allowed me, the attempt that is being made to merge rail and water transportation in the United States and to place it under the complete regulation and jurisdiction of the Interstate Commerce Commission. This is the proposition embodied in Senator WHEELER's bill—S. 1632—which has already been reported from the Committee on Commerce in the other body.

THE PROPOSED MERGER IS VICIOUS

I desire to voice my vigorous objection to the suggested procedure. The prime necessity of America today is adequate low-cost transportation. In some sections of our country we have great surpluses of products of the farm and factories for which there is no market. In other sections there is distress because of the need of these commodities which cannot be transported to the area where they are needed by reason of the prohibitive, and, I may say, excessive costs of transportation. It is my honestly considered opinion that the development of our internal waterways and of our coastal harbors is now beginning to solve this acute and distressing problem. A feature in this solution is the 3,000,000 miles of public roads and highways which we have improved. Over these the development of transportation by truck is already furnishing a needed and necessary method of transportation.

We have about 15,000 miles of canalized rivers suited to navigation within these United States. I am informed that we have 250,000 miles of railroads in the country. As at present constituted, these various methods of transportation are not meeting the problems of the people. May I say that I am somewhat familiar with these problems. I have served on the Rivers and Harbors Committee for 8 years and have been fairly diligent in my attendance at all hearings. I have come to know the national picture and have been greatly impressed with the measure of relief which water transportation has brought to the people.

PRESENT RAILROAD RATES DESTRUCTIVE OF NATIONAL INTEREST

I am firmly convinced from my examination of the subject that the present rate structure of the railroads is a definite and complete handicap to the farmer and industrialist who

wishes to get his goods to the market. As time has gone on, these railroad rates have become more and more oppressive. I have in mind sections of the East and West which are virtually marooned where water transportation is not present by reason of the fact that the freight rates on the product to the large metropolitan markets are greater in amount than what the farmer receives for his produce.

I have in mind certain areas of the West, where it costs more to carry a bushel of wheat 100 miles than the wheat is worth. Congress has attempted to solve this vital and growing problem by the creation of the Interstate Commerce Commission and has granted to this body certain quasi-judicial powers.

I do not wish to cast any aspersions on that body, but it is obvious to all who have looked the situation in the face that the Interstate Commerce Commission has definitely become railroad-minded. It has forgotten the purpose for which it was created, and I am somewhat of the opinion that it were as well if this body had never been created. Edmund Burke once said that "refined policy was the parent of confusion." The present situation of the railroads is an evidence of that. It may be that the railroads, by reason of the sins of the past and the fact that they were once subject to the financial piracy of the Jay Goulds and Jim Fisks of a past generation, are in fact suffering from a condition for which there is no cure. The management of the railroads since the creation of the Interstate Commerce Commission have remained moribund and have been content to make an annual pilgrimage to the Interstate Commerce Commission, where they asked for and usually received an increase in freight rates.

RAILROADS HAVE HAD GENEROUS SUBSIDIES

America owes much to the railroads, but America has been and is being good to the railroads. I mention this in connection with the claim that the waterways of the country are being subsidized by the Government. According to the records of the Interior Department, Federal land grants to the railroads have amounted to 158,293,376 acres. The value of this land is indicated by the fact that much of it was located in such States as Michigan, Illinois, Wisconsin, Minnesota, Iowa, Missouri, and Kansas. The monetary value of this land, plus the donations from other sources by localities, both State and townships, amounts to the handsome sum of $950,000,000. They have had the use and enjoyment of these gratuities for over 60 years. At 4 percent simple interest the present value of these railroad bonuses is over $3,000,000,000. The Reconstruction Finance Corporation since its inception has loaned the railroads approximately $400,000,000. The repayment of much of this is doubtful. We are paying many millions of dollars in subsidies on mail contracts to the railroads.

WATERWAYS ARE EFFICIENT

It is my honest judgment that waterways are today giving substantial service to the people at a greatly decreased cost. The cost of maintaining all of the rivers and harbors is annually about $25,000,000, and represents a cost of about 3½ cents per ton of commerce. The cost of maintaining the railroads ranges from one billion to one and a half billion dollars per year, as stated by the Interstate Commerce Commission. This represents an average cost of $1.50 per ton of freight handled. The railroads, according to Chairman Eastman, are carrying a capitalization of approximately $24,000,000,000. One billion of this structure represents the capitalization of public gifts. It is fair to state that due to the part that the financial piracy of the olden days played in the railroad management that $6,000,000,000 is water and never went into property at all. Much of the railroad property has been permitted to become obsolescent; yet the public, in the theory of Mr. Eastman, is supposed to pay freight rates based on this exaggerated and fantastic capitalization.

I am fully aware that the investment in bonds of the railroads make up a considerable part of the investment of banks, insurance companies, and investment trusts. I realize that many widows and orphans are dependent upon their income from this source. But I do not believe that investments in this type of security are threatened by any write-down of railroad valuation.

The fact is that America will be tied hand and foot if we permit the present policies of the Interstate Commerce Commission to include water transportation. The rates fixed by this body carry in themselves the seeds of destruction of the railroads. I am in strong sympathy with the type of investors I have described. I am in strong sympathy with the men who are employed on the railroads of America. For the protection and future of all concerned it is vital that there should be some write-off in the present volume of securities. For myself, I am willing to vote proper Federal aid to the railroads, but I am unwilling to weigh down water transportation with the past sins of the railroads and to consign them both to ruin and destruction.

WATERWAYS DO NOT INJURE RAILROADS

Both water and rail transportation should be kept independent, and there should be no monopoly in transportation. Judge MANSFIELD, who is chairman of the Rivers and Harbors Committee of the House and an expert in the field of waterways, has repeatedly stated on the floor of the House that waterways do not injure the railroads. He has stated that 90 percent of the harbors that were improved in America were improved at the request of the railroads themselves. The city of Pittsburgh is evidence of the fact that movement by low-cost water transportation resulted in the building up of one of the greatest industrial and railroad centers on the American Continent.

The fact is that every locality in America that is alive to the situation is against the proposed merger. And the record displays an absence of abuses of water transportation such as call for a remedy through regulation. On the contrary, the record shows that the public which furnishes the tonnage and pays the freight urges that this legislation be not passed.

FARMERS AND BUSINESS OPPOSE MERGER

The great farm organizations, such as the American Farm Bureau Federation, the National Grange, the Northwestern Farmers Union, the Farmers National Grain Corporation, and the American Cotton Cooperative Association, are fighting tooth and nail against this proposed merger. The fact is that every organization of shippers in the United States and many representatives of organizations of commerce and industry have presented facts and arguments which justify the defeat of this measure when it comes to the floor of the House. Nor should anyone be surprised at the popular uprising against the proposed legislation.

Mr. Fred Brenckman, Washington representative of the National Grange, in an article in the January 1936 issue of the National Grange Monthly, protests in the name of agriculture against this unholy alliance. It is his view that the enactment of this measure into law inevitably means the increase of charges of water-borne commerce to or near the level of what the Commission considers normal rail rates. Mr. Brenckman goes on to state:

> Such increases in water rates must be drastic or the obvious purpose will fail. All of this extra burden will have to be borne by the shipper and consuming public. All water carriers and the public benefits resulting from their service will be thrown into the discard.

RESOLUTION OF THE NATIONAL GRANGE

The last annual convention of the National Grange, held in Sacramento, Calif., in November 1935, adopted a resolution in opposition to the so-called water carriers' bill. The resolution in full reads as follows:

> Whereas the so-called water carriers' bill, introduced at the last session of Congress, would subject all common and contract carriers by water operating on our inland waterways and in the coastwise trade to the absolute domination of the Interstate Commerce Commission, giving the Commission wholly unwarranted powers that are intended to be used for the benefit of the competitors of the water carriers and not in the interest of the people as a whole; and
>
> Whereas agriculture has a vital stake in the matter, since millions of tons of grain and other farm products find their way to market by water, not to mention farm implements, machinery, and other supplies and equipment that farmers buy, and which are transported by boat: Therefore be it

Resolved, That the National Grange go on record against the enactment of this proposed legislation, which is without a counterpart in any other nation in the world.

Mr. KVALE. Will the gentleman yield?

Mr. CULKIN. I yield.

Mr. KVALE. In the course of the gentleman's remarks or his extension will he point out, apropos of what he has been saying, what good purpose will be served if, after completion of the construction of waterway transportation, through mergers or through some other elimination of competition, instead of reducing rail rates or making available water transportation, water rates are lifted to a point where the construction of waterways is ridiculous and futile?

Mr. CULKIN. The gentleman's request is very pertinent. If this iniquitous merger is accomplished, water rates will be raised to the general level of freight rates. No one has any illusions about that who has watched the course of the Interstate Commerce Commission and its findings. It has been the theory of the Commission for many years that they could bring about a rehabilitation of the railroads by increasing freight rates. The fact is that the contrary was true. The freight rates they fixed were so high that the farmers could not pay them and other groups seeking transportation outlets were driven into other modes of transportation. The effect of this merger would be to create a monopoly of transportation which would throttle agriculture and industry. Our salvation so far has been, in large part, the relief afforded by water transportation.

COMPARISON OF RATES

A comparison of rail and water rates will be helpful and illuminating on the point I am attempting to make. For example, the unregulated water rate on grain from Duluth to Buffalo, approximately 1,000 miles, is normally 1½ cents per bushel, or 50 cents per short ton. The rail rate from Duluth to Buffalo, known as a depressed water influenced rate, is 18½ cents per bushel, or $6.16 per short ton. However, from Shelby or Livingston, Mont., to Minneapolis, approximately the same distance, but without water competition, the grain rate is 25 cents per bushel.

The Pittsburgh Steel Co. is now shipping steel products, including rails, wire, and pipe, from Pittsburgh to the Pacific coast and saving $3 a net ton under the usual rail route to the Atlantic seaboard and reshipment by steamer. It came to my notice several years ago when investigating the transportation cost of onions from Egypt, a distance of over 6,000 miles by water, and by rail from my home county of Oswego, N. Y., that the water cost per bushel for over 6,000 miles was less than the rail cost for 360 miles.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. I yield.

Mr. DONDERO. Is it not true that a ton of coal can be moved from Buffalo, N. Y., to Duluth, Minn., by way of the Great Lakes for about the same price it would cost one to move a ton of coal from the curb to one's cellar window, or about 50 cents? This could not be done by rail.

Mr. CULKIN. I think that is an excellent illustration. I thank the gentleman for it.

As I said before, I make no war on the railroads. I wish to give them their place in the sun, but their place in the sun will not be gained by a merger with water transportation. Their relief should come from some other source, if need be, even out of the Federal Treasury, but water transportation belongs to the people and is for the people and for the benefit of the people.

Its merger with rail transportation would maroon large sections of the country and destroy them. I speak for a free and unfettered America when I ask Congress to stop this unholy merger. [Applause.]

Mr. WOODRUM. Mr. Chairman, this concludes the general debate on this bill. I should like to call the attention of the House to the fact that everyone who has requested time has been accommodated. Several gentlemen on this side of the House who requested time were not here to claim the time, and I understand my colleague from Massachusetts on the other side has had a similar experience. But, lest it should at some future time be said that the Appropriations Committee does not permit Members to talk on the state of the Union, we vouch these facts as evidence that we have tried to be liberal in debate.

I want now to say that tomorrow, as soon as the House convenes and business on the Speaker's table is disposed of, I shall endeavor, if I may, to make a few remarks I hope will be pertinent to the bill. My colleague from Massachusetts [Mr. WIGGLESWORTH], and perhaps our colleague from Ohio [Mr. BOLTON], will do likewise, and then we shall hope that the membership of the House will cooperate with us in permitting the bill to go through in the regular and expeditious manner.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. SNELL. I want to say that the gentleman from Virginia has been fair in allowing discussion and handling general debate on this bill. We appreciate his kindness in this matter. [Applause.]

Mr. MORAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLAND, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 9863, the independent offices appropriation bill, 1937, had come to no resolution thereon.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following communication:

JANUARY 15, 1936.

Hon. JOSEPH W. BYRNS,
Speaker, House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: With the highest personal regard for the chairman and members of the great committee I have had the honor and pleasure of serving on during 1935, I hereby tender my resignation from the membership of the Post Office and Post Roads Committee because of my election to the membership of the Committee on the Judiciary.

Most respectfully,

SAM HOBBS.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

RETURN OF SENATE BILL

Mr. COOPER of Tennessee. Mr. Speaker, I rise to a question of privilege of the House and offer the following resolution.

The Clerk read as follows:

House Resolution 396

Resolved, That the bill (S. 3260) to amend Public Law No. 438, Seventy-third Congress, entitled "An act to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes", in the opinion of this House contravenes that clause of the Constitution of the United States requiring revenue bills to originate in the House of Representatives, and is an infringement of the prerogatives of this House, and that said bill be respectfully returned to the Senate with a message communicating this resolution.

The resolution was agreed to, and a motion to reconsider was laid on the table.

NEW DEAL SPENDING AND THE FUTURE TAX BURDEN

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein a radio address I made last night.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. TREADWAY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which I delivered over the radio January 14, 1936:

Present and prospective taxes will be one of the most important issues in the approaching national election. No question more directly or more vitally affects the Nation as a whole.

The money the Government spends must necessarily be collected from the people in taxes of one form or another, imposed at one time or another. No one escapes their burden. Those taxes which

we do not pay directly are hidden in the cost of the things we buy. When the Government resorts to borrowing to meet current expenditures, it does not thereby avoid the necessity of taxes; it merely postpones the evil day.

Inasmuch as the present New Deal administration has been the most prolific spending administration in peace times in all our history, it follows that the taxes which must be imposed to pay for its unprecedented spending must be higher and more burdensome than ever before.

We can only realize the enormity of the administration's reckless extravagance when we consider that it has cost the people as much as was spent during all the administrations from President Washington to President Taft, inclusive. The annual reports of the Treasury Department show that the expenditures of the Government in this 125-year period were $24,521,845,000. President Roosevelt has spent an equal amount since March 4, 1933.

The numerous income and excise taxes now imposed by the Federal Government are only sufficient to pay one-half the cost of the New Deal's profligate spending program. In the first half of the current fiscal year the Treasury has collected $1,902,000,000 and disbursed $3,782,000,000. This practice of spending $2 for each $1 collected in taxes has been going on ever since the present New Deal administration took office and will have resulted in an accumulated deficit of $11,000,000,000 in the 3-year period between July 1, 1933, and June 30, 1936.

With Federal, State, and local tax collectors now taking one-fifth of the national income, the tax burden already is too great. But if we think we are heavily taxed at present, then let us consider what our burden will be when Congress starts levying the taxes necessary to pay for the wild, wanton, and wasteful spending spree of the New Deal. When that day arrives—and it is not far off—we will really have something in the way of taxes to complain about.

Moreover, we may expect this tax load to continue for many years to come. Even future generations will be called upon to help pay for present-day extravagances in addition to assuming the burdens which their own times will bring.

In his annual message to Congress on January 3 the President stated that "we approach a balance of the National Budget" and asserted his "belief" that no new taxes would be necessary. How the President can feel justified in making such a statement I do not know. In the fiscal year 1934 the Budget was $4,000,000,000 in the red; in 1935, $3,600,000,000; and this year's estimated deficit will be in the neighborhood of $3,300,000,000. The President's Budget message for 1937, which has recently been presented, indicates a further deficit of as much as $3,000,000,000. Thus it does not appear that there will be a balance of receipts against expenditures for some time to come.

Every year since he has been in office President Roosevelt has kept postponing the date for balancing the Budget. It has now gotten to the point where he is only willing to say that we are "approaching" a balance. All idea of a definite date seems to have been abandoned.

Even when a balanced Budget has been realized, whether by decreased expenditures or increased taxes, the taxpayers will still have to pay off the accumulated national debt, which now stands at the unprecedented total of $30,500,000,000. It will take more than a Presidential smile to wipe out this tremendous obligation. The interest on the debt alone amounts to $800,000,000 annually, which is more than it cost to run the entire Government when I came to Congress some 23 years ago.

So far as the President's promise of no new taxes is concerned, we have only to recall that he made a similar promise in his annual message a year ago, and then, 6 months later, demanded the enactment of his so-called share-the-wealth tax bill.

In his recent annual message to Congress the President referred to the increasing national income and pointed out that tax receipts based upon that income would increase without increasing the rates. However, it must not be forgotten that a large part of the present recovery is artificial, being based on the New Deal's lavish spending, and that when this spending ceases there will be a consequent shrinking of the national income. The same spending program which has created a measure of artificial recovery has at the same time resulted in a definite drag on real recovery, since it tends to impair the Nation's credit and create uncertainty in the public mind.

The assertion of Democratic leaders that new taxation is unnecessary is as insincere as it is ridiculous. It is being made for purely political purposes, just as the Democratic platform of 1932 was made to run on and not to stand on. The fact is that new and increased taxes are inevitable unless we are going to turn to the issuance of printing-press money, which, by inflating prices to the sky and thus destroying purchasing power, would still be taxation in another and more destructive form.

Taxes are naturally unpopular. No one likes to pay them, and the Democrats don't dare to antagonize the voters just before the election. They want to continue playing Santa Claus and forget all about taxes—at least for the time being. Possibly in the coming campaign we may find them using the slogan "Billions for expenditures, but no new taxes in payment thereof." However, it will be just as false as was the slogan "He kept us out of war", on which President Wilson campaigned for reelection in 1916; then asking Congress to declare war on Germany.

In this connection, it is significant that administration leaders have been careful not to make a definite promise that there will be no new taxes levied after the election. They know better than to do this, because that is when the day for beginning to pay the piper will come. Even if they did make such a promise, their word could not be relied upon in view of their failure to carry out the solemn pledges of their 1932 platform, which they so piously referred to as a "covenant with the people to be faithfully kept by the party when entrusted with power."

Many Democrats are insisting that it would be unwise to balance the Budget at the present time. This is perhaps because of the fact that it would be absolutely impossible to do so at the present level of expenditures, which amount to nearly $8,000,000,000 annually. New Deal extravagance has so run riot that it would necessitate the doubling of the present tax burden, and the people simply could not stand the load. The Democrats have apparently lost sight of the fact that there are two sides to a Budget—the income side and the expenditure side—and that if they can't make their revenues equal their expenditures, they might try making their expenditures equal their revenues.

We may expect the Democrats during the approaching election campaign to use every effort to convince the people that they have been very lenient in the matter of new taxes, but such is not the case. Actually, the New Deal administration has imposed heavy burdens on the taxpayer, particularly on those of small means.

In his Albany speech of July 30, 1932, Candidate Roosevelt said: "Our party sees clearly that not only must government income meet prospective expenditures but this income must be obtained on the principle of the ability to pay. This is a declaration in favor of graduated income, inheritance, and profits taxes, and against taxes on food and clothing, whose burden is actually shifted to the consumer."

In spite of this declaration, one of the first legislative enactments of the Roosevelt administration was the law under which over a billion dollars in processing taxes have been unconstitutionally imposed on bread, meats, cotton goods, and other necessities of life. Regardless of the merits or demerits of the A. A. A. program, it cannot be denied that these processing taxes bore most heavily upon those least able to bear them, and that they have resulted in an enormous increase in the cost of living while salaries and wages remained the same. Fortunately, the Supreme Court has now invalidated these iniquitous levies.

The administration also has continued for 3 years beyond their intended expiration date, the so-called nuisance taxes, which cost the taxpayers nearly $500,000,000 annually. Under the Social Security Act, two separate pay-roll taxes are imposed, the rates of which will eventually aggregate 9 percent on employers and employees and result in increasing the present tax burden by $2,700,000,000 annually. I call attention to the fact that none of these taxes are based upon the principle of ability to pay.

The suggestion has frequently been advanced by New Deal apologists that when the time comes to pay for the present spending program the burden will be thrust chiefly upon the well-to-do. However, the President discovered last year, when he secured the enactment of his share-the-wealth tax bill, that even by increasing taxes on the rich to the point of confiscation, the present revenues could only be increased by $250,000,000. This sum lacks exactly $3,325,000,000 of being sufficient to offset the deficit for the last fiscal year, and is only 3 percent of the estimated expenditures for the current year. It would pay the running expenses of the Government for less than 2 weeks.

The great masses of our citizens—those of moderate and meager circumstances—must, therefore, realize that it is upon them, and not alone upon the wealthy, that the New Deal must rely to pay for its reckless spending. Every man, woman, and child in the country, whether realizing it or not, has had a stake in the administration's orgy of extravagance and waste. All the time it has been going on it has been not alone the income and property of the wealthy that has been squandered but also the future earnings of the man on relief, the clerk in the store, the stenographer, the shopkeeper, the farmer, the factory worker, and others of small means, even including generations yet unborn.

Since we will all be taxed to pay for the New Deal's spending, it is up to each of us to ask ourselves whether we are satisfied with the way our money is being used and whether we consider we are getting value received for the taxes we will ultimately be compelled to pay. The fact that there are more than 10,000,000 still unemployed, that some 20,000,000 people have been forced to rely upon relief for an existence, and that the New Deal has had to abandon as worthless one grand spending scheme after another should furnish a ready answer.

What is the remedy for the condition in which we find ourselves today?

So far as the obligations which have already been incurred are concerned, there is no remedy. The cost of the New Deal's reckless spending must simply be charged up to experience. But there is a way to avoid still further taxation, or its alternative—ruinous inflation. The New Deal spendthrifts can be turned out of office and a sane and economical government restored. What we need is wise spending, not wasteful spending. This can be secured through the election of a Republican President and a Republican majority in Congress.

In the coming election the people will have an opportunity to choose between Roosevelt profligacy and Coolidge economy. They have had experience under both. I am confident that they have seen the error in placing the present Democratic administration in control of the Government, and that next November they will return to power the party which reduced the wartime public debt by $10,000,000,000 in 10 years, while at the same time making four separate reductions in the tax burden. I thank you.

THE FARM PROBLEM

Mr. CHRISTIANSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech I delivered by radio on October 17, 1935, over a national broadcasting hook-up.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. CHRISTIANSON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which I delivered over the radio on October 17, 1935:

In order to understand the problem which I have been asked to discuss this evening it is necessary to know something about the history of American agriculture and about the conditions which made the expansion of America's farm area possible. The first half of the nineteenth century saw the beginning of two significant and history-making movements, one of which took place in Europe and the other in the United States. First in England, and then on the Continent, the invention of the steam engine caused handicraft production to be superseded by power-driven machines. The result was the industrialization of western Europe and a movement of people from the farms to the factories.

Whenever a European acre was withdrawn from cultivation it became profitable to break and put into production another American acre. It was opportunity to produce food for a European population that had shifted its emphasis from agricultural to industrial production that made possible the development of the Middle West and the extension of America's agricultural frontier.

Without a large export market it would not have been possible for 30,000,000 people to engage in agriculture in this country, and without the restoration of a large export market it will never again be possible for 30,000,000 people to be engaged profitably in agriculture in the United States.

American agriculture was established on an export basis, and its prosperity can be restored only to the extent that it again becomes an export industry. Failure to understand that basic fact is responsible for the short-sighted and even suicidal agricultural policy of the Roosevelt administration.

I am not attacking the Agricultural Adjustment Act as such, for I grant that, however inadequate it may be and however bad some phases of its administration have been, it has done some good as an emergency measure. But I am attacking an administration that has stooped to the folly of regarding it, and the policy of acreage reduction which it embodies, as a permanent solution of the farm problem. That the President himself so regards it he stated in his recent speech at Fremont, Nebr., where he said, "I like to think of the Agricultural Adjustment Act not merely as a temporary means of rescue for a great industry but as the expression of an enduring principle."

It is to be an "enduring principle" that agriculture must forego foreign markets and limit its production to domestic needs. It is to be an "enduring principle" that the farmer shall be required, by means which may seem voluntary but are in fact coercive, to keep a substantial part of his acreage fallow, receiving as rent for his retired land a miserable pittance supplied by a processing tax. It is to be an "enduring principle" that farmers must obey orders from Washington telling what to raise and how much; that they must submit to inquisition by official snoopers and run the risk of heavy penalties if they evade bureaucratic regulations.

INTELLIGENCE UNDERESTIMATED

The President mistakes the temper and underestimates the intelligence of the farmers of America. They have accepted the agricultural adjustment program as a temporary expedient, but they will not accept it as a permanent policy. They realize, even if the President does not, that it is not a solution of the farm problem but, at best, a stopgap; that, as the very name implies, it is a means for meeting an emergency—a device to be used until measures of permanent adjustment have been put into effect. They know that the future of farming in this country calls for increased, not reduced, production; for the development of markets rather than restriction of output. They condemn the administration for pursuing a policy that has resulted in flooding this country with foodstuffs from abroad and for failing to take even a single step intelligently directed toward the reopening of closed export channels.

There has been another impediment to commerce which I haven't mentioned—the demoralization resulting from currency depreciation. When European nations, led by England, sought to remove that impediment by stabilizing currencies, the United States assumed the role of obstructionist. By abruptly withdrawing from the London Economic Conference President Roosevelt frustrated a plan wisely conceived to reopen the avenues of world trade and took a step that has definitely prolonged the depression.

There are certain opportunities for foreign trade which, if wisely exploited, would make it possible to develop elsewhere markets that would compensate for our losses in Europe. In other words, we are in a position to use our buying power as leverage for a profitable reciprocity. Has the administration so used it? On the contrary, it has thrown away our opportunity. When Cordell Hull negotiated a trade agreement with Haiti and agreed that her coffee should enter this country without duty, he placed Brazil, which had a treaty containing the "most favored nation" clause, in a position where she could claim the same privilege for her coffee without giving anything in return. The adoption of the Haitian trade agreement deprived the United States of the means with which to force trade concessions from Brazil.

We buy more rubber, sisal, silk, tea, and cacao than any other nation, and can wield a heavy leverage. Let the countries which produce these and other noncompetitive agricultural products find here a free and profitable market, but only on the condition that they take in exchange those of our agricultural commodities which they do not produce, and the American farmer will manage to get by without subsidies from his Government.

SUBSIDIZING A DEFICIENCY

To restore the balance in agriculture it is necessary not only to find foreign outlets for farm products but also to save the farmer from destructive competition in the home market. This the present administration has not even tried to do. On the contrary, it has resisted and obstructed every effort made to protect American agriculture against the rising tide of imports.

Last year Congress, in an effort to help the dairy farmer, placed an excise tax on coconut oil. The President not only tried to cajole Members of Congress from agricultural States into voting against the levy; he not only threatened to veto the bill in which it was incorporated; but, failing by obstructive tactics to defeat the tax the farmers demanded, he proceeded to secure from his subordinates an interpretation of the tax provision which evaded its plain meaning and partly nullified what Congress had tried to do.

Within 8 months 22,000,000 pounds of butter has come into this country from abroad. Not until imports had completely demoralized the butter market did the administration even make a gesture of disapproval. More loyal to the fetish of free trade than to the interests of the American farmer, the President stood by while the great dairy industry, the very bulwark of our agriculture, was being destroyed by bombardment from abroad.

Within the same 8 months 4,000,000 tons of foreign sugar was permitted to enter the United States. Instead of giving the domestic grower of beets and cane an even chance to compete in the home market—which was the very least a government could do for its own people—the administration and its instrument, a supine Congress, established quota restrictions limiting the amount of cane and beets the American farmer is permitted to produce for the American market.

Within the same 8 months 10,000,000 bushels of rye has entered the United States, most of it from Poland, which makes a practice of subsidizing exports. Time and again the President has refused to exercise his power to increase the duty on rye 50 percent. Twice the Treasury Department has declined to invoke the antidumping provisions of the tariff act. Instead of taking the obvious course of stopping imports, the administration last week announced the adoption of a 4-year program intended to reduce the domestic production of rye 25 percent. To finance the program there is to be imposed a processing tax of 30 cents a bushel. In other words, the American people are to be taxed in order to curtail the production of American rye, presumably in order to make room for more Polish rye in the American market.

During the first 7 months of this year more than 23,000,000 bushels of corn was brought into the United States from abroad. During the same period we imported 7,000,000 bushels of wheat, 10,000,000 bushels of oats, and 5,000,000 bushels of barley. We imported 28,000,000 pounds of beans, 122,000,000 pounds of cottonseed oil, and 176,000,000 pounds of tallow. Our imports of canned meats were 44,000,000 pounds, and of other meat products 67,000,000.

At a time when we were holding millions of acres of our own land out of cultivation we admitted from abroad the products of millions of acres of foreign soil.

THOSE 6,000,000 PIGS

Two years ago the administration killed 6,000,000 pigs in order to raise the price of pork. Last week Secretary Wallace, stampeded by protests from consumers, announced that he would seek a 30-percent increase in hog production next year in order to reduce the price of pork. He should have announced at the same time that experience has proved that it is impossible by "economic planning" to balance the supply and demand of farm products. Rains and winds, drought and rust, are unpredictable elements that confound the wisest among the smart young men who are now directing the Nation's destinies from Washington.

In order to avoid scarcity in lean years it is necessary to maintain an acreage large enough to yield a surplus in fat years. Therefore the only wise agricultural policy, the only "economic plan" that will work is: (1) To let the farmer operate on a surplus basis, as he always has done in the past; (2) to provide him with outside markets with sufficient elasticity to absorb the surplus, be the same great or small; and (3) to protect him in the home market against the competition of cheap lands and peasant labor.

Recently the country was shocked by the disclosure that in 3 years under Roosevelt there will be spent as much public money as was spent by all the Presidents from George Washington to Woodrow Wilson. That revelation should be of extraordinary interest to the farmer, for he, of all men, is most heavily burdened by taxation. The taxes on what he buys he cannot pass on, and the taxes on what he sells are charged back to him.

The unprecedented expenditures of the administration, which this year aggregate $10,250,000,000, will be reflected not only in burdensome taxes but in high interest rates. I assume that it has occurred to very few farmers, and in fact to very few bankers, that

the financing of huge Government deficits is responsible in a large degree for the failure of interest rates on mortgages and other long-term obligations to follow prices and general incomes downward.

DEBT DEEPENING

The annual flotation of billions of dollars in Government bonds has given men of wealth—men in the higher income tax brackets—opportunity to invest all their funds in securities the income from which is tax-exempt. I want to say to you farmers that when the volume of Government securities offered is great enough to absorb all the new capital available for investment there is no inducement to buy farm mortgages.

There can be no substantial relief for the owner of a mortgaged farm, nor for any other person struggling with a heavy debt, until the Government either stops issuing additional bonds or begins to tax the interest income from its own securities.

The present administration, far from accomplishing recovery, is plunging the country deeper and deeper into debt. It is increasing expenditures and piling up deficits in a way to make its promises to balance the budget sound like childish chatter.

It has already brought us to the brink of a dangerous inflation. It is regimenting the people, scuttling their bill of rights, and sneering at what it calls their "horse and buggy" Constitution.

How much further the President intends to go in his self-appointed task of remaking America we cannot know. For those who believe that the American system is basically sound and who wish to chart the Nation's future within the American pattern the course of duty is clear. It is to elect in 1936 not only a President who is satisfied to be President but a Congress that will insist upon its prerogatives as such, refusing to be a rubber stamp, refusing to yield to the Executive the powers reserved to the representatives of the people.

THE NEW DEAL'S TARIFF AND EFFECT UPON FARMERS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks by printing an address I made over the radio on October 16 last.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which I delivered over the radio on October 16, 1935:

The American people no longer are under the spell of New Deal hypnotism. For some little time past now they have been weighing the policies of President Roosevelt and their disastrous consequences. They have analyzed congressional action and have come to the conclusion that many of Mr. Roosevelt's experiments could not have been enacted into law had it not been for a completely servile New Deal majority in both Houses of Congress. They are rapidly coming to the conclusion that New Deal policies furnish the greatest inconsistencies in American history.

Our people already are aware of the scandalous waste and the extravagances of the Roosevelt administration. This record of the greatest-spendthrift administration in all history will be impressed still further upon them when, as is inevitable, they are called upon to foot the bill. Then, if they have not done so before, this land will resound with the cry "turn the spendthrifts out."

While there is hardly a single phase of Mr. Roosevelt's long record of violations of the trusts imposed upon him that does not lend itself to constructive criticism, I wish tonight particularly to speak about the tariff and its ruinous effect upon the American farmer. We in the East, especially in New England, have seen the dire consequences to industry. Despite this, and because of the A. A. A. Government checks to agriculturalists, our farmers have been temporarily lulled into the belief that the New Deal administration is helpful to them. Unfortunately, they have a day of awakening coming, and the New Deal tariff policy will have much to do with hastening that day.

Although we heard broadsides of criticism against the Smoot-Hawley tariff law in Congress, and the New Deal statesmen told us it was conceived in iniquity, there has been no open attempt by this administration to repeal it.

Mr. Roosevelt, in his 1932 campaign, indicated that there would be a change in our tariff schedules, that this would be effected by Presidential power through the regularly established United States Tariff Commission and its staff of experts, and only after long and due deliberations.

Little did we know that we were to be changed from a protective tariff into a free-trade nation by indirection. But indirection seems to be the order of the day. Congress, through its tremendous and subservient New Deal majority, was induced to turn over to the executive department its tariff-making powers so that our tariff rates would be made the football of foreign negotiations.

DETERMINED DESTRUCTION

Let me remind you that when it was decided to destroy the protective tariff through mining and sapping, the best engineer for the job was put in charge of the work. Mr. Cordell Hull, of Tennessee, an honest and sincere man, but a confirmed internationalist and a free trader, was named Secretary of State. It would seem that for tariff negotiation which would turn American markets over to alien producers, Mr. Hull is perhaps the best qualified man in America. For years as a statesman and stump speaker he has been asserting to all who would listen, that a protective tariff is immoral and indecent, that an American standard of living, higher than that in alien lands, established by tariff differentials, is a sham and a fraud. Mr. Hull remained firm in his faith, even though the world seemed to hold against him. As a tariff expert he belongs not to the horse and buggy days but to the era of the ox cart and the pillion.

There have been rumors abroad that there is disagreement in the ranks of the New Dealers, that some of them advocate American nationalism, while the calm Mr. Hull stands out for world-wide economic brotherly love. We are told that the export surplus theory of the Secretary of State mixes about as well with the burn the surplus theory of the A. A. A. as do shoes and ships and sealing wax, and cabbages and kings.

Although this may be true in practice—and it is true—it is by no means the case in theory. For we have it from his own words that Mr. Wallace himself, Secretary of Agriculture and kingpin of the A. A. A., is inherently an internationalist. He would sacrifice some of our industries and many of our workers if he could bring prosperity to others. That it may be impossible to destroy one organ of a national body without seriously injuring the entire system he ignores as a practical suggestion. But let me read in part what he says in his much exploited book, America Must Choose: "Traditionally the Democratic Party is the party of low tariffs. Actually Democratic administrations have never made changes in the tariff structure great enough to increase foreign purchasing power to the extent demanded by the present world dilemma. If we are going to increase foreign purchasing power enough to send abroad our normal surpluses of cotton, wheat, and tobacco at a decent price, we shall have to accept nearly a billion dollars' worth more goods from abroad than we did in 1929 * * * that will involve radical reduction in tariffs that might seriously hurt certain industries, and a few kinds of agricultural businesses, such as sugar-beet growing and flax growing. It might also cause pain for a while to wool growers and to farmers who supply material for various edible oils. I think we ought to face that fact. If we are going to lower tariffs radically there may have to be some definite planning whereby certain industries or businesses will have to be retired."

Passing for the moment the painful fact that some of Mr. Wallace's dire prophecies have already come true, it may be seen from this quotation that the Secretary is by no means a staunch nationalist. Theoretically he is willing to follow Mr. Hull.

Armed with his authority for tariff treaty making, Mr. Hull has gone busily forth striking at American tariff barriers at every opportunity. His great purpose is to welcome foreign goods, whether they be made by peasant worker or coolie. His announced effort is to find a market abroad for the surplus of American farmers.

NO EXPORTABLE SURPLUS

But, alas, Mr. Wallace and the A. A. A. have seen to it that there is no farm surplus to export. More than 6,000,000 pigs and hundreds of thousands of potential porcine mothers were slaughtered and consigned to the funeral pyre or dumped into middle western rivers to become tidbits for unappreciative catfish. Fields were plowed under, and we were propagandized into believing that the way to become wealthy was to destroy wealth. Ideals of thrift were laughed down as principles of the jungle days, which could not stand for a moment before the theorems of Professor Tugwell and the logarithms of Prof. Mordecai Ezekiel. Then Providence, flaunted by the New Deal, took a hand and man-made fire and slaughter was followed by drought and failure.

The professors had worked greater wonders than they knew. Not only was the surplus destroyed, but a deficit was created. We have sacrificed our home market in a vain effort to sell abroad a surplus when there is no surplus.

If the purpose of President Roosevelt and his administration was to destroy the protective tariff, and the acts of the free trader Mr. Hull under administration-sponsored legislation clearly indicate such a purpose, then the purpose is rapidly becoming realized. Mr. Hull has had powerful assistance. Retribution has come more quickly and in deadlier fashion than through the reciprocal tariff treaties, most of which are still in the making.

The artificial increase in the costs of American production by Government regimentation and regulation both in the factory and on the farm, plus the A. A. A. program of planned scarcity, have just about wiped out any protection which most American producers enjoyed before these hectic days of the New Deal. These higher American costs and planned scarcity have so helped the alien producer that he has been able to scale the American protective wall and undersell his American competitor in the American market.

Imports of food to the United States are showing a tremendous rise, with wheat, corn, and cattle in the lead. Wheat imports during the first half of 1935, according to the report of the United States Chamber of Commerce, have increased 117 percent, while imports of corn have grown 11,462 percent. Cattle imports have increased 356 percent, canned meat products 122 per cent, butter 7,446 percent, sugar 29 percent.

Lard and other pork products are being imported from Canada, while in the great packing centers of America the supply of hogs is the lowest in more than a half century. Thousands of men have been thrown out of work around the packing plants because there is nothing to do. Let us remember, too, that this is only the beginning. The shortage of home products and the importations from abroad will continue increasing in volume as Mr. Hull succeeds in bringing in more of his reciprocal treaties and as the shortage of our farm products becomes more acute.

ALIEN FARMER CHUCKLES

Money spent for agricultural products is now pouring from our consumers into Canada, Australia, and the Argentine. It is now the alien farmer who is chuckling up his sleeve. Taking advantage of the A. A. A. program of reducing production in America, he has increased his own production. This enabled him not only to take possession of the foreign market with his cheaper products, but to override the American tariff and capture a big portion of the richest market in the world—that of our own people.

Meantime Mr. Hull is not discouraged. He is going forward bravely, reducing American tariffs, inviting in foreign goods to take the place of the products of American workers, providing, as he so fondly thinks, a market for an American farm surplus which can now only be expressed in terms of algebra—as a minus quantity.

It would seem that nothing so becomes Mr. Hull as his courage. He is a crusader for imports, the "builder-upper" of the coolie worker and the peasant farmer. A fainter hearted internationalist might become discouraged by the results of the past 10 years. For example, he might believe that nations who fail to pay their debts might fail also in keeping tariff agreements. There are many examples of repudiation. Then there is the later case of Russia. Who does not remember how the Roosevelt administration welcomed Moscow to the family hearthstone when the versatile Mr. Litvinov promised us hundreds of millions in foreign trade and an entire cessation of Russian-inspired propaganda against the American Government? The increased foreign trade failed to materialize and the propaganda so increased in its intensity that the State Department, to save its face, felt impelled to send Moscow a protest which evoked an almost audible chuckle. One of those reciprocal trade agreements was entered into with Russia whereby Moscow agreed to buy $30,000,000 worth of goods a year in return for a freer American market. Yet in August Russia's purchase fell to $826,000 from $5,520,000 in July.

Another reciprocal agreement has been entered into with Cuba. Cuban exports to the United States, according to the Chemical Foundation, have increased $31,025,000 in 1935. Yet in turn Cuba has bought from us only $18,551,000 more. Once more Uncle Sam is on the little end. The rest of the balance has gone elsewhere. But one of Mr. Wallace's predictions will doubtless soon prove true. He told us that American beet-sugar growers would have to be sacrificed in the quest for foreign trade. With our greatly increased import of Cuban sugar this calamity is already coming true.

THE REMEDY

But, we may ask, is there no remedy? Yes; there is a remedy, but it is an old-fashioned one, a remedy as old as the Nation itself, a remedy which was applied in the first Congress of the United States and was hailed as our second Declaration of Independence. It is the remedy of tariff protection, properly and sensibly applied, based not on foreign agreements or diplomatic intrigue but on the broad conception of protection to American industry, in the factory, and on the farm. It was by applying such a principle that we grew to be potentially the richest nation on earth. It was with this guiding principle that the American market became the coveted objective of every nation which profits by cheap labor and a living standard ground down to the bare subsistence level—a market which normally absorbs more than 90 percent of all our products, providing ample prosperity for the American worker and the American farmer.

WAR DEPARTMENT AIRCRAFT PROCUREMENT

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent that the gentleman from South Carolina [Mr. McSWAIN] have permission to extend his remarks in the RECORD on the manner of purchasing aircraft by the Army, together with a letter from the Secretary of War attached.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. McSWAIN. Mr. Speaker, the investigation carried on by the Committee on Military Affairs into War Department business transactions during the Seventy-third Congress and also during the Seventy-fourth Congress up to date has been of very great benefit to the Army and to the cause of national defense and therefore to the country. Among the many matters brought under investigation was that of the manner of buying airplanes for the use of the Army. It was discovered that the spirit, purpose, and provisions of the act of July 2, 1926, were being ignored and disregarded in a large measure. Instead of holding frequent design competitions and instead of buying aircraft in quantity only after due advertisement and open competitive bidding, in accordance with the law as frequently expounded by the Judge Advocate General of the Army and later by the Attorney General of the United States, aircraft was purchased by private negotiation.

After this situation was called to the attention of the Secretary of War and of The Assistant Secretary of War, they became convinced not only of the true interpretation of the law but that the purpose and intent of the law was wise, and would protect the Government from a financial point of view, and at the same time insure progress and rapid development in the designing and construction of military aircraft.

It is a source of great gratification to the Committee on Military Affairs to learn that the War Department, in the administration of the procurement law with reference to aircraft, after the same originated in this committee and was finally enacted into law on July 2, 1926, is meeting with so much success. This success is justification for the confidence that the Committee on Military Affairs of the House of Representatives had in the advantages of competition after public advertisement and full and free opportunity for all manufacturers and designers to present their products to the War Department. Undoubtedly competition is not only the life of trade, but it is the life of progress in all lines. The evolution of aircraft is the history of generous and aggressive rivalry between individual designers and groups of designers, and between individual manufacturers and groups of manufacturers.

Many friends of progress in aviation have asserted that only certain individuals could design certain types of military aircraft, and only certain manufacturers could succeed in manufacturing certain types of military aircraft, but this has been shown to be unsound. It would be a sad day for the cause of national defense if only one person could succeed in designing a particular kind of aircraft, and if only one manufacturer could manufacture and sell only a particular kind of airplane. Upon the death of such person and upon the failure for any reason of such manufacturer, the national defense would be left in the lurch.

The experience of the War Department since a wholehearted and sincere effort has been made to apply the principle of advertisement and open competitive bidding is gratifying. The kind of craft being produced as a result of this policy is a great advance over previous types. Undoubtedly the continuation of the present policy will result in continued progress, and the ultimate result will be, just as the sponsors of the act of July 2, 1926, have always claimed, that America will keep in the forefront of all the other nations in the matter of aircraft. Undoubtedly American engineers have the skill and American inventors have the genius and American manufacturers have the material, the tools, and the skilled laborers to turn out the very best fighting craft in all the world. When the present policy shall have prevailed for a few years longer we will see the full fruition of what now promises to be a great forward movement for the cause of national defense.

I herewith offer for printing in connection with these remarks two letters from the Secretary of War giving a report as to progress being made in the matter of purchasing aircraft.

WAR DEPARTMENT,
Washington, January 13, 1936.

Hon. JOHN J. McSWAIN,
Chairman, Committee on Military Affairs,
House of Representatives.

DEAR MR. McSWAIN: Aware of the keen and continued interest of yourself and your committee in the matter of procurement of aircraft for the Army Air Corps, I wish to take this opportunity of further elaborating upon my letter of August 15, 1935, to you and of presenting such additional significant facts as have occurred since that time. You will recall that the War Department has consistently maintained that the present policy of procurement by competitive bidding, which policy I interpret as the underlying purpose and principle of the act of July 2, 1926, would have to be in operation at least 2 years before a final conclusion could be reached as to its efficacy. With approximately 18 months behind us and with the accomplishment of certain results, which are set forth below, I feel all the more certain that the procurement policy as now operated will more than justify the enthusiasm which has been had for it by its sponsors.

Since the present policy was put into effect the War Department has contracted for and now has on order a total of 685 airplanes. The first contract of this group was let on June 28, 1934, and to date 10 airplanes have been delivered thereunder. In addition, the first airplane under each of several of the other contracts has been delivered and accepted. Inasmuch as this delivery may at first glance seem small, I wish to emphasize here that the major problems creating delay in the delivery of aircraft arise in connection with the test and acceptance of the first airplane under the contract and that thereafter the delivery of the

remaining planes is accomplished at a very much accelerated rate. This is significantly borne out by the fact that deliveries of aircraft under the afore-mentioned contracts will total more than 500 during the year 1936, commencing at the rate of approximately 20 for the month of January and increasing progressively each month thereafter.

I am going into the matter of the time factor in some detail because one of the chief criticisms against the War Department has been the length of time between the inception of an airplane design and the delivery of airplanes of this design in quantity to the tactical units in the field. Since the present procedure has been put into effect, constant efforts have been made to reduce this elapsed period. One step taken is to issue circular proposals to the trade sufficiently far in advance of the availability of funds to permit the awarding of contracts almost immediately after appropriated funds become available to the Department. For example, circular proposals have already been issued to the trade covering 1937 requirements. Another step taken is the submitting of the airplane of the successful bidder to an "accelerated service test" for a period of 90 days, which procedure will reduce to a minimum the necessity of change orders with the delays incident thereto. I am pleased to be able to inform you that under the new policy of competitive bidding and the subsequent improvements which have been made therein, quantity deliveries of aircraft are now being made for tactical use within something less than 2 years of the date of advertising. For example, the circular proposal for attack airplanes was issued on May 28, 1934, and delivery of 6 airplanes has already been made, with delivery of approximately 40 more due by May 1936. Such a rate of delivery compares most favorably with that of foreign powers on which such information is available.

Another objection which the opponents of the present procurement policy offered against its adoption was the fear that procurement by competition would lessen the sources of supply, whereas the War Department contended that the opposite results would be obtained. I commented upon this matter, and the favorable results which had been obtained, in my letter of August 15, 1935. I wish to inform you that the results of the bidding during this past fall substantiate the contention that sources of supply will increase rather than decrease as a result of the opportunity offered to all bona fide manufacturers to compete for the War Department business. Furthermore, I feel that the stimulation of a creative interest in engineering and development places industry in a better position to meet the needs of the Army Air Corps in case an emergency should arise.

I wish to further reassure you with regard to the performance of the aircraft which are now being procured. Improvements in performances are extremely gratifying and in some instances far beyond even those hoped for. As an example, I think I can assure you that the very near future will see the single-seat pursuit airplane with a top speed of over 300 miles per hour, with proportionate improvements in the other types of airplanes with which the Army Air Corps is equipped.

Another matter in which you and your committee are particularly interested is that of design competition. I alluded to this in my letter of August 15, 1935, but at that time I had no definite information to furnish you. I now wish to advise that in two instances the design submitted was sufficiently advanced to warrant an award and a contract with the winners, and as a result the Wedell-Williams Air Service Corporation, Patterson, La., is manufacturing a single-place pursuit airplane, and the North American Aviation, Inc., Baltimore, Md., is manufacturing a three-place observation plane for the Army Air Corps. The War Department expects to continue the holding of periodic design competitions and has hopes that they will not only result in advances in design and engineering but will serve to produce additional sources of supply for military airplanes in the future.

Sincerely yours,

GEO. H. DERN, *Secretary of War.*

WAR DEPARTMENT,
Washington, August 15, 1935.

Hon. J. J. MCSWAIN,
Chairman, Committee on Military Affairs,
House of Representatives.

DEAR MR. MCSWAIN: At the time of the adoption of the present War Department policy for the procurement of aircraft The Assistant Secretary of War took the position that the policy would have to be in operation at least 2 years before sufficiently definite results could be obtained to render final judgment upon its efficacy. Although this policy has been in effect only 1 year, I feel that sufficient progress has been made to warrant a report to your committee at this time, and I am therefore setting forth below the results obtained to date, and my opinion of what may reasonably be expected in the future.

Briefly the policy calls for the placing of contracts for quantity procurement of airplanes as a result of competitive bids submitted by the industry. Advertisements submitted to the trade are on a performance-specification basis and require each competing manufacturer to submit with his bid a sample airplane complete and ready to fly. A period of from 8 to 12 months is allowed between the issuance of the advertisements and the opening of the bids to give the manufacturers adequate time in which to design, construct, and submit the sample airplanes for test. Award is made on the basis of a predetermined method of evaluation of which the bidders are made cognizant in the advertisement. This evaluation places a premium upon improvement in performance and award thereunder is made to the highest evaluated airplane, thereby assuring the Government obtaining the finest available aircraft. The advertisement further contains certain minimum performance requirements which are based upon the maximum performance of the finest known airplane at the time of issuance of the particular advertisement, and provides that no consideration will be given to any airplane that does not at least come up to these requirements.

This policy gives full rein to the inventive genius and engineering ability of the manufacturer and permits the incorporation in the sample to be submitted of all worth-while developments practically up to the actual date of opening. For example, a certain manufacturer arrived at Dayton, Ohio, with the airplane which he proposes to submit on a particular proposal about a month prior to the date of opening of bids. After arrival at Dayton he apparently decided that the plane could be additionally improved, and consequently has had a crew working upon it consistently since its arrival. If advertising had been based upon detailed specifications and drawings, with no incentive for turning out the finest possible type of airplane, it is fair to assume that proposals would have been received offering airplanes meeting only these detailed specifications and drawings, and not including therein the engineering developments which have taken place since their issuance many months before.

The making of awards under this system on the basis of a tested article, rather than on a "paper promise to perform", has an additional marked advantage. It enables the War Department to make contracts for quantity procurement with the knowledge that the manufacturer has actually demonstrated his ability to construct the finest available type of airplane, thereby eliminating the service test of an article, which would be necessary if samples were not required. This factor alone reduces by at least a year the elapsed time between the inception of a design and delivery of airplanes in quantity to troops in the field and eliminates to a great extent past criticism to the effect that airplanes are becoming obsolescent by the time they reach the hands of tactical organizations.

The War Department is gratified at the response of the industry to the new procurement policy. On standard equipment competition has been keen and has resulted in a great deal of engineering work on the part of manufacturers. It is fair to say that progress in the art has been materially advanced, moving ahead according to the belief of some people intimately connected with the industry as much as 3 to 5 years. Furthermore, manufacturers are offering airplanes whose performance exceeds expectations. For instance a basic training airplane now in service has a top speed of about 125 miles per hour while the basic trainers contracted for under the present system have a top speed of over 200 miles per hour. It appears reasonable to assume that no such advance would have been made at one stroke without the incentive of competition and the assurance that award would be made to the manufacturer offering the most advanced airplane.

When the present policy was originally adopted it was felt in some quarters that it would result in reducing the available sources of supply for the different types of airplanes. It was the opinion of the War Department that a competitive policy of procurement would give the opposite results and I am gratified to be able to state that such is apparently the case. For example, six manufacturers offered basic training airplanes in the last competition while four manufacturers entered observation airplanes. I am informed that three manufacturers will offer bombardment airplanes in that competition, bids on which are to be opened the 22d of this month. Reliable press reports indicate that each of these three companies has built and has ready for test a bombardment airplane which will far exceed the performance of any bombardment plane now known, with speeds ranging over 200 miles per hour, cruising range exceeding 3,000 miles and with greater useful loads than have heretofore been thought possible. Press reports further indicate that the Glenn L. Martin Co., which is now manufacturing a quantity of bombers for the Army, is offering a newly designed airplane in the competition under discussion. It is fair to assume that had procurement continued along the lines previously followed this company probably would have offered for this year's consideration the present type of Martin bomber with certain refinements and improvements rather than an airplane of completely new design and development.

In addition to quantity procurement competitions, the War Department is holding design competitions on many types of aircraft. These competitions were opened May 6, 1935, and resulted in 17 manufacturers entering the competition for pursuit airplanes and an average of 8 manufacturers in each of the other competitions. The necessity of giving preference to the work involving contracts for quantity procurement because of present shortage of airplanes in the Army and the amount of detail work necessary to evaluate the design competition have precluded any final determinations to date. It is expected to announce the winners of the design competitions at an early date, and it is hoped that the designs submitted will be sufficiently advanced to warrant the manufacture of experimental airplanes in accordance therewith.

I regret that the present procurement policy has not been in effect sufficiently long to enable me to furnish your committee more concrete information, but I feel certain that the progress and development outlined above are sufficient to enable you to

conclude with me that the success of this policy is most promising and that nothing should be placed in the way of continuing the present method for a sufficient period to determine definitely its net worth.

Sincerely yours,

GEO. H. DERN, *Secretary of War.*

OUR OWN WILL ROGERS

Mr. ROGERS of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address delivered by me recently.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ROGERS of Oklahoma. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include my tribute to our own Will Rogers, delivered through the facilities of the National Broadcasting Co. before the Oklahoma State Society November 14, 1935, as follows:

Friends, Oklahomans, Americans, paraphrasing Mark Antony, I come not to bury Will Rogers but to eulogize him.

If I were an artist, I might paint a picture too beautiful for the eye of man to behold. If I were an architect, I might plan an edifice too magnificent for human hands to construct. If I were a musician, I might compose a hymn that only angels could sing; but God alone could create a character equal to that of Will Rogers, Oklahoma's most beloved son, America's most noble citizen, and the world's greatest humanitarian friend since the Master of all Good Works sent His Son to earth to minister to mortals.

Men may joke and jest. Women may laugh and cry. Will Rogers undoubtedly was the only man of contemporary time who could truthfully utter the philosophy, "I never met a man I didn't like." His life was a mold of that practical wisdom. His very deeds manifest the logic of this association of his personality with this human viewpoint, "I never met a man I didn't like." No one but Will Rogers could have made this statement. The world could not in becoming manner express the same sentiment of any other character. Doubtless there is no living mortal who could not with utmost sincerity bear witness that "he never met a man who didn't like Will Rogers."

He endeared himself universally because he was everybody's friend. His homespun philosophy, fun-loving nature, and adventuresome cowboy spirit glorified Oklahoma and typified America. Will Rogers never joked about a man who was down. He always directed his shafts of humor at those who were riding the crest of public favor. He was severest critic and warmest friend at one and the same time. He could thrust a ripping barb at men holding high positions of state for the afternoon newspapers, but when the same papers brought him news of that man's personal or public difficulty he would fly across the continent and offer counsel at the next morning's breakfast table. Will Rogers would give his entire earnings to the Red Cross, crippled children, and other charities and borrow necessary expense money from his banker. Many Oklahoma children who are healthy and strong today are indebted to Will Rogers, who tore up a check or diverted his fee to some babies' milk fund. He did this in Oklahoma; he did it in every other State. Many men of the East, the West, the North, and the South, ranchers, ex-cowboys, artists, actors, newspapermen, have been given a new start and a new courage because the friendly hand of Will Rogers pressed a huge roll of paper money into their pockets.

Will Rogers presented the world a new type of humor. The news of the day was his workshop. He fashioned truth, wisdom, and philosophy with humor, criticism, and repair.

If I live for a century I could have no more profound hope, I could wish for no better demise than to come to the end of time and utter the philosophy expressed by the poet and lived by the man whose name I bear, our own Will Rogers, the most beloved son of Oklahoma, the most outstanding super-American, the most beautiful character to tread the globe since Christ came to earth and dwelt among men. Let my life be as his was, so that I can say, when my summons comes to join that innumerable caravan that leads to that mysterious realm from whose bourne no traveler returns, I approach my grave not like the quarry slave at night, scourged to his dungeon, but sustained and soothed by an unfaltering trust I can wrap the draperies of my couch about me and lie down to pleasant dreams. Long may the memory of Will Rogers live in the hearts and minds of men.

JACKSON DAY ADDRESS

Mr. ROGERS of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address delivered by me recently.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ROGERS of Oklahoma. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address delivered by me before the Intercollegiate Democratic League of New York on Wednesday, January 8, 1936:

Mr. President, members of the Intercollegiate Democratic League, ladies and gentlemen of the radio world, I want to thank you for this opportunity to speak to you. The Intercollegiate Democratic League has my profound gratitude and my best wishes for a successful year's work. I want to commend both your organization and the intercollegiate organization of America, with which you are affiliated and which has branches in 38 States, with a membership of more than a fourth of a million, for the fine work you are doing. You are building character, improving citizenship, and training the youth of today for leadership for tomorrow. I am sure you have the interest of all those seeking better government.

The history of the world commits itself to a distinct, self-evident tradition that in times of great national emergency there has invariably arisen a forthright leader able to command the loyal obeisance of his countrymen by the sheer genius of his personality and the profoundness of his program. Since the birth of our Nation, tracing our progress by the landmarks of critical emergencies overcome, we can pause and reflect in the security that America has, without fail, been equal to the exigency of every occasion. Whether it has been righteous reform or crucial revolution there has always emerged some American who by masterful precision, patriotic compassion, and keenness of intellect has wrested calm out of chaos and order out of confusion. Whether it has been "taxation without representation", "imperialistic infringement" of other nations, "secession from the Union", "autocracy or democracy", or war against economic bondage, as now engages our attention, America has steadfastly been able to produce on every occasion "the man of the hour."

If I were called upon to list the greatest men our country has produced, I would want to include the names of George Washington, Thomas Jefferson, Andrew Jackson, Abraham Lincoln, Woodrow Wilson, and Franklin D. Roosevelt. I come to you this evening to speak of only two of these outstanding American citizens, Andrew Jackson and Franklin D. Roosevelt. Jackson, though the son of penniless Irish immigrants, exemplified the true American citizen in his every work and deed. He was born on the frontier 2 years after his parents landed in North Carolina. As a soldier, "Old Hickory" saved a vast territory for his country. This implacable champion of the dignity of America and preserver of the Union was a soldier, Congressman, Senator, judge, and President of the United States. This hero of the Battle of New Orleans never turned his back on a friend nor his face from a foe. He knew not the meaning of fear. He was stern and unyielding in his determination to serve the American people and to maintain the dignity of the United States. He was the idol of the common people because he was one of them. No man can read the story of Andrew Jackson and not be a better citizen. No man can emulate his life without becoming a better American. On one occasion Jackson wrote: "The first duty of a soldier or good citizen is to attend to the safety and interest of his country. The next to attend to his own affairs wherever they are rudely or wantonly assailed."

Jackson was at all times ready to defend his country. You will remember his toast when he said, "Our Federal Union, it must be preserved." Andrew Jackson was a patriot and he loved his country, as evidenced by the following lines from one of his letters: "I know the writer to be a patriot, and possessing virtue such as every citizen ought to possess, who the God of nature has intended to live in a land of freedom and to enjoy the blessings of a Government like ours, and which alone can perpetuate to the Nation of America its freedom and independence." Jackson was proud of his birth as an American citizen. On March 7, 1812, he said: "We are the free-born sons of America; the citizens of the only Republic now existing in the world; and the only people on earth who possess rights, liberties, and property which they dare call their own." Old Hickory believed in a government of the people, by the people, and for the people. He wrote the following lines to his Cabinet on September 18, 1833: "The conduct of an American administration may not only be subjected to the control of its own citizens, entrusted as a corporate body with the management of its finances, but through them to the influence of the foreign capitalists with whom they may have identified their interests."

If the spirit of Andrew Jackson had not prevailed, we could not today revel in the satisfaction that in America personal freedom is enjoyed in a measure not comparable to that in any other nation; that free speech and freedom of the press are prerogatives unquestioned; that the right to orderly redress the Government for its shortcomings is guaranteed by the Constitution; that trial by jury is irrevocable; that religious worship is dictated by individual volition; that wise conservatism embodies a watchful readiness to modify, and even to replace, outmoded institutions and practices; and that intelligent liberalism incorporates a cooperative spirit in keeping with national perspective.

The work of Andrew Jackson in leading the people of America boldly forward along an unfamiliar road sets precedent for today's actions of President Roosevelt. Americans of today may ask "Are we not departing from the wisdom of the founders of this Republic? Are we not forgetting and ignoring the philosophy of Andrew Jackson?" If we are to interpret the deeds and spirit of Jackson correctly, we must conclude that his example is pointing the way for Roosevelt. The only contrast between the two lies in past and present machinery. As Roosevelt accelerates the facilities of the Government of the United States in its present form, meeting with precision the emergencies of the moment, so did Jackson apply the whip and spur to the new Government to speed forward the strengthening of the Union. Jackson and his colleagues were the boldest of experimenters. He opposed the powerful and long-established imperial governments of Europe. He waged a success-

ful campaign entailing war and bloodshed. He was foremost in overthrowing the old order of things. He burdened his shoulders with the exacting and difficult duties of formulating a new principle of government, and he assumed the responsibility of launching forth a campaign for its acceptance by the people.

Jackson's age was an economic order of localism. His every act was devoted steadfastly to a program of economic and political betterment. When it became apparent to him that the old system was inadequate to the needs of a changing world he dared to experiment with new and untried systems. He strengthened the new cooperative democracy, destined to world leadership.

It is not idle illusion or presumptive fantasy to compare the present with the past. The Nation 3 years ago was caught in a maelstrom of devitalizing confusion and prejudice, with the forces of construction vesting their welfare in the sympathetic and responsive personality of Roosevelt. The President has launched forth in a manner comparable to Jackson, to check and overthrow a political imperialism and a capitalistic oligarchy. Like Jackson, he has promulgated ideas and changes that are revolutionary. The spirit of each was conceived in an ever-watchful and an ever-responsive attitude to safeguard American welfare.

America, with Franklin D. Roosevelt in the White House, entered upon a new path of national destiny. From the proclamation ordering the bank holiday to the personal message by the President to the heads of 54 nations, Mr. Roosevelt advanced from a vigorous and compelling national leader to a wise and humane world leadership. Behind this phenomenon lies a series of facts—issues, events, personalities—upon which the fate of a man and the destiny of a nation rests. The circumstance of Mr. Roosevelt's nomination and election is too profoundly a part of America's present survival and future progress to be left loosely spread over the incoherent reportings of the daily press and ephemeral reflections of periodical comment. Even today we cannot see clearly whither events are leading nor how far we may be carried before equilibrium is reached and this sliding civilization of ours shall once more come to rest.

Of one thing we are sure, that the great man in the White House today is bending his every effort for the betterment of his country, and we know we are safe in his hands. Franklin D. Roosevelt is a great President, but he is a greater American citizen. In 1932 he said: "It is time for redoubled, yes, heroic, measures to save, not only for the immediate future but for generations to come, the human values of our citizenship." Of all our eminent Presidents, not one has been more interested in the youth of the land than the present incumbent. On his fifty-second birthday he said: "Modern medical science has advanced so far that a very large proportion of children who for one reason or another have become crippled can be restored to useful citizenship." President Roosevelt is a real scout, and he believes in organizations for character education and citizen training. On February 8, 1935, he said, "The value of the Boy Scout organization in building character and in training for citizenship has made itself a vital factor in the life of America." Later in the same address he said, "The Boy Scout oath is the basis of good citizenship." On August of the same year we find him saying, "You boys, old and young, in every part of this broad land—present Scouts and former Scouts, your numbers running into the millions—constitute a very real part of our American citizenship. Even before you become of voting age you actually have a part in civic affairs and you bear responsibilities in your home communities. We older citizens are very proud of the many contributions that individual Scouts and Scout organizations have made to * * * the furtherance of good citizenship and good government. * * * Just as you are individually a necessary part of your patrol or your troop today, so will you become necessary parts of the citizenship of your communities."

No President has ever been more considerate or more thoughtful of the women of this great Republic. Quoting from Mr. Roosevelt's statement in October 1935, we find: "The women of America, as their responsibilities of citizenship have greatly expanded, are turning with intense earnestness to measures which are aimed at eliminating or alleviating the effects of these imperfections of our society. * * * My task and the task of all those others who are associated with me in the official life of the country can be made easier if the citizenship of the Nation, and particularly the women citizens of the Nation, seek the truth and a wise application of the truth." What better tribute could be paid to the wives and mothers of the sons of this great Republic? Our country has not produced a more affable, courteous, friendly leader than Franklin D. Roosevelt. His broad smile, his kind words, and his winsome ways have given him a place in the heart of every American citizen approached by no man of his day or of past generations; yet with all this, he is a "two fisted" fighter, as has been evidenced many times during the past few years. You will remember his aggressive, forceful address "on the state of the Union" delivered to the Congress only a few days ago. President Roosevelt is a peace-loving man, but he does not believe in "peace at any price." Andrew Jackson in all his glory showed no more aggressive, forceful spirit than did President Roosevelt when he delivered the above-mentioned message. Some 3 years ago Roosevelt said, "I believe in the fundamental obligation of citizenship to don the uniform of our country, to carry arms in its defense when our country and the things it stands for are attacked."

No man can succeed without the help of his coworkers. As a true American citizen, President Roosevelt realized this and he has been quick to acknowledge this fact. In 1935 he said: "I have reason to remember the past 2½ years that have gone by so quickly, reason to remember the fine spirit of the average of American citizenship which made my task lighter."

Andrew Jackson has left his imprint upon American civilization. President Roosevelt is now making his. Let us all continue to cooperate in the hope that we may make his burdens lighter.

Members of the Intercollegiate Democratic League, I commend to you two of our country's most eminent sons, Andrew Jackson, second to one, and Franklin D. Roosevelt, second to none.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BUCHANAN, for 1 week, on account of illness.

To Mr. PLUMLEY, for 3 days, on account of important official business.

ADJOURNMENT

Mr. WOODRUM. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 44 minutes p. m.) the House adjourned until tomorrow, Thursday, January 16, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

590. A letter from the Chairman of the Reconstruction Finance Corporation, transmitting a report of its activities and expenditures for November 1935 (H. Doc. No. 391); to the Committee on Banking and Currency and ordered to be printed.

591. A letter from the Secretary of War, transmitting draft of a bill to validate payments and to relieve the accounts of disbursing officers of the Army on accounts of payments made to Reserve officers on active duty for rental allowances; to the Committee on Military Affairs.

592. A letter from the Secretary of War, transmitting draft of a bill to validate payments and to relieve disbursing officers' accounts of payments made to Reserve officers promoted while on active duty; to the Committee on Military Affairs.

593. A letter from the Secretary of War, transmitting draft of a bill to authorize the settlement of individual claims for personal property lost or damaged arising out of the activities of the Civilian Conservation Corps; to the Committee on Claims.

594. A letter from the Secretary of War, transmitting draft of a bill for the relief of George Rabcinski, which the War Department presents for the consideration of the Congress; to the Committee on Claims.

595. A letter from the Secretary of War, transmitting draft of a bill for the relief of certain disbursing officers of the Army of the United States for settlement of claims approved by the War Department; to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLOOM: Committee on Foreign Affairs. H. R. 9871. A bill to amend an act entitled "An act providing for the participation of the United States in the California Pacific International Exposition to be held at San Diego, Calif., in 1935 and 1936; authorizing an appropriation therefor, and for other purposes", approved March 7, 1935, to provide for participation in the California Pacific International Exposition to be held at San Diego, Calif., in 1936, to authorize an appropriation therefor, and for other purposes; without amendment (Rept. No. 1913). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS: Committee on the Public Lands. H. R. 10104. A bill to aid in providing the people of the United States with adequate facilities for park, parkway, and recreational-area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof; without amendment (Rept. No. 1914). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 10228) granting a pension to Hannah Pressler; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 9795) for the relief of Mary McCormack; Committee on World War Veterans' Legislation discharged, and referred to the Committee on War Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BACON: A bill (H. R. 10261) providing for the examination and survey of Orowoc Creek, Long Island, N. Y.; to the Committee on Rivers and Harbors.

By Mr. BROOKS: A bill (H. R. 10262) to extend the times for commencing and completing the construction of certain bridges across the Monongahela, Allegheny, and Youghiogheny Rivers in the county of Allegheny, Pa.; to the Committee on Interstate and Foreign Commerce.

By Mr. DISNEY: A bill (H. R. 10263) authorizing the President to invite the States of the Union and foreign countries to participate in the International Petroleum Exposition at Tulsa, Okla., to be held May 16 to 23, 1936, inclusive; to the Committee on Foreign Affairs.

By Mr. HESS: A bill (H. R. 10264) to authorize the coinage of 50-cent pieces in commemoration of the fiftieth (golden) anniversary of Cincinnati, Ohio, as a center of music, and its contribution of the annual May festival to the art of music for the past 50 years; to the Committee on Coinage, Weights, and Measures.

By Mr. McSWAIN: A bill (H. R. 10265) to authorize the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, the Secretary of Agriculture, and the Secretary of the Treasury to lend Army, Navy, Coast Guard, and other needed equipment for use at the National Jamboree of the Boy Scouts of America; and to authorize the use of property in the District of Columbia and its environs by the Boy Scouts of America at their national jamboree to be held during the summer of 1937; to the Committee on Military Affairs.

Also, a bill (H. R. 10266) to amend that provision of the act approved March 3, 1879 (20 Stats. L., p. 412), relating to issue of arms and ammunition for the protection of public money and property; to the Committee on Military Affairs.

By Mr. MEAD: A bill (H. R. 10267) to provide for adjusting the compensation of division superintendents, assistant division superintendents, assistant superintendents at large, assistant superintendent in charge of car construction, chief clerks, assistant chief clerks, and clerks in charge of sections in offices of division superintendents in the Railway Mail Service, to correspond to the rates established by the Classification Act of 1923, as amended; to the Committee on the Post Office and Post Roads.

By Mr. DINGELL: A bill (H. R. 10268) to provide for the extension of the Home Owners' Loan Act; to the Committee on Banking and Currency.

Also, a bill (H. R. 10269) to amend section 2 of the National Housing Act, as amended, so as to permit the insurance of financial institutions making certain loans and advances of credit subsequent to March 31, 1936, and prior to April 1, 1937; to the Committee on Banking and Currency.

By Mr. DOXEY: A bill (H. R. 10270) to provide that the minimum pension rate for totally and permanently disabled World War veterans shall be the same as for the Spanish-American War veterans; to the Committee on World War Veterans' Legislation.

By Mr. CLAIBORNE: A bill (H. R. 10271) to reduce the maximum interest rate on obligations of home owners to the Home Owners' Loan Corporation; to the Committee on Banking and Currency.

By Mr. KNUTSON: A bill (H. R. 10272) to increase the processing tax on certain oils, to impose a tax upon imported soybean oil, and for other purposes; to the Committee on Ways and Means.

By Mr. VINSON of Georgia: A bill (H. R. 10273) to authorize the Secretary of the Navy to accept on behalf of the United States the bequest of the late Henry H. Rogers, and for other purposes; to the Committee on Naval Affairs.

By Mr. CONNERY: Resolution (H. Res. 394) to appoint a select committee to investigate the charges of irregularities in the granting and renewals of radio licenses; the broadcasting of alleged obscene and indecent utterances by radio stations; the charges of alleged monopolies, and to investigate and report on charges made or which may be made as to charges of alleged misconduct and alleged corruption on the part of certain persons officially connected with said Commission, and to investigate the acts and activities of said Commission; to the Committee on Rules.

By Mr. MAVERICK: Resolution (H. Res. 395) creating a select committee of the House to investigate the problems of urban, suburban, and agricultural housing, and for other purposes; to the Committee on Rules.

By Mr. WEST: Joint resolution (H. J. Res. 456) to provide for defraying the expenses of the American section, International Boundary Commission, United States and Mexico; to the Committee on Foreign Affairs.

By Mr. ROGERS of Oklahoma: Joint resolution (H. J. Res. 457) defining the jurisdiction of the Court of Claims under the act approved April 25, 1932 (47 Stat. L., p. 137), and for other purposes; to the Committee on Indian Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Commonwealth of Massachusetts, favoring immediate payment of the bonus; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN: A bill (H. R. 10274) granting a pension to Agnes I. Brewer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10275) granting an increase of pension to Henry Frederick; to the Committee on Invalid Pensions.

By Mr. COLMER: A bill (H. R. 10276) for the relief of Alney E. Robinson; to the Committee on Claims.

Also, a bill (H. R. 10277) for the relief of George E. Wilson; to the Committee on Claims.

By Mr. DOCKWEILER: A bill (H. R. 10278) granting a pension to Julia C. Messamore; to the Committee on Invalid Pensions.

By Mr. GIFFORD: A bill (H. R. 10279) for the relief of the Pocahontas Fuel Co., Inc.; to the Committee on Claims.

By Mr. GILLETTE: A bill (H. R. 10280) granting an increase of pension to Ellen E. Smith; to the Committee on Invalid Pensions.

By Mr. HOPE: A bill (H. R. 10281) granting a pension to Lizzie E. Brown; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10282) granting a pension to Rosa M. Green; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10283) granting a pension to Peter Cuddy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10284) granting a pension to Alvesta Otto; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10285) granting a pension to Sadie Hainline; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10286) granting an increase of pension to Rose R. Corner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10287) granting an increase of pension to Ella M. Tansey; to the Committee of Invalid Pensions.

By Mr. KEE: A bill (H. R. 10288) granting a pension to Sarah M. Williams; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10289) for the relief of the trustees of the Baptist College at Blue Sulphur, W. Va.; to the Committee on War Claims.

By Mr. KELLY: A bill (H. R. 10290) for the relief of Joseph Nicholas Lusson; to the Committee on Naval Affairs.

By Mr. LEWIS of Colorado: A bill (H. R. 10291) for the relief of Edwin L. McCulloch; to the Committee on Claims.

By Mr. PLUMLEY: A bill (H. R. 10292) granting a pension to Clara L. Garvin; to the Committee on Invalid Pensions.

By Mr. SCHAEFER: A bill (H. R. 10293) granting a pension to Antonia Kuehn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10294) granting a pension to Sarah E. Linder; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10295) granting an increase of pension to Mary E. Straube; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10296) granting an increase of pension to Katharina Reis; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 10297) authorizing the President of the United States to appoint Corp. Robert Slover as a first lieutenant in the United States Marine Corps and place him on the retired list; to the Committee on Military Affairs.

Also, a bill (H. R. 10298) granting a pension to Clellia S. Irvin; to the Committee on Pensions.

By Mr. THOMAS: A bill (H. R. 10299) granting a pension to John Charles Inglee; to the Committee on Pensions.

Also, a bill (H. R. 10300) granting an increase of pension to Fannie McGuire; to the Committee on Invalid Pensions.

By Mr. THOMPSON: A bill (H. R. 10301) granting a pension to Helen R. Pitney; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9514. By Mr. BACON: Petition of sundry residents of Nassau County, N. Y., favoring the restoration of prohibition in the District of Columbia; to the Committee on the District of Columbia.

9515. Also, petition of the membership of the Nassau Independent Citizens Club, Rockville Centre, Long Island, N. Y., protesting against any American association with League of Nations sanctions activities; to the Committee on Foreign Affairs.

9516. Also, petition of the Crusaders of Nassau County, N. Y., urging the rescission of Russian recognition, the deportation of aliens belonging to any group proposing change or overthrow of this Government by force or violence, and the deportation of all aliens of illegal entry; to the Committee on Immigration and Naturalization.

9517. By Mr. CULKIN: Petition of Beaver Falls (N. Y.) Grange, Patrons of Husbandry, No. 554, petitioning Congress to annul the Canadian reciprocal trade agreement; to the Committee on Agriculture.

9518. Also, petition of Isabella Council, No. 873, Knights of Columbus, urging that 50 percent of wave lengths or frequencies be allotted to labor and similar non-profit-making and human welfare associations; to the Committee on Interstate and Foreign Commerce.

9519. Also, petition of the National Camp, Patriotic Order Sons of America, petitioning Congress to grant no further governmental relief to unnaturalized aliens, and to deport all aliens who are deportable under our laws; to the Committee on Immigration and Naturalization.

9520. By Mr. KENNEY: Petition of the Patriotic Order Sons of America, advocating the registration of all unnaturalized aliens in the United States, etc.; to the Committee on Immigration and Naturalization.

9521. By Mr. O'CONNELL: Resolution petitioning Congress to restore to the District of Columbia its prohibition law by passing House bill 8739; to the Committee on the District of Columbia.

9522. By Mr. PLUMLEY: Petition of the Franklin County Pomona Grange, protesting against the Canadian treaty; to the Committee on Foreign Affairs.

9523. By Mrs. ROGERS of Massachusetts: Petition of the General Court of the Commonwealth of Massachusetts, memorializing Congress in favor of the immediate cash payment of the adjusted-service certificates of veterans of the World War; to the Committee on Ways and Means.

9524. By Mr. WERNER: Petition of 52 citizens of the Second Congressional District, South Dakota, patrons of star route no. 61201, urging enactment of legislation to extend existing star-route contracts and increase the compensation thereon to an equal basis with that paid other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9525. Also, petition of 62 citizens of the Second Congressional District, South Dakota, patrons of star route no. 25229, urging enactment of legislation to extend existing star-route contracts and increase the compensation thereon to an equal basis with that paid other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9526. Also, petition of 103 citizens of the Second Congressional District, South Dakota, patrons of star route no. 59271, urging enactment of legislation to extend existing star-route contracts and increase the compensation thereon to an equal basis with that paid other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9527. By the SPEAKER: Petition of the county court of Bledsoe County, Tenn.; to the Committee on Foreign Affairs.

9528. Also, petition of the National Annuity League of California; to the Committee on Rules.

SENATE

THURSDAY, JANUARY 16, 1936

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Blessed Savior, who at this hour didst hang upon the cross stretching forth Thy loving arms: grant that as we thus behold Thee we may love Thee more and more, and loving Thee may hate those sins from which Thou hast redeemed us. Have mercy upon all who are in want; comfort those who are in sorrow; enlighten the perplexed; strengthen the faint-hearted; and by Thine own example kindle in us all the flame of true devotion to our country and our God.

And when life's golden days have winged their flight and we no longer barter time for good, nor have the power to heap up life or buy one added hour, do Thou then receive us unto Thyself that where Thou art there we may be also. We ask it for Thy sake, who died to save us all. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of Monday, January 13, 1936, when, on request of Mr. ROBINSON, and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 1016. An act to empower the health officer of the District of Columbia to authorize the opening of graves, and the disinterment and reinterment of dead bodies, in cases where death has been caused by certain contagious diseases;

S. 2013. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Pak Chue Chan; and

S. 2939. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Ronald A. Cox.

The message also announced that the House had passed the bill (S. 1277) to amend section 24 of the Judicial Code by conferring on district courts additional jurisdiction of bills

of interpleader, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the bill (S. 2434) for the relief of George W. Hallowell, Jr., with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House insisted upon its amendments to the bill (S. 381) for the relief of the Confederated Bands of Ute Indians located in Utah, Colorado, and New Mexico, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ROGERS of Oklahoma, Mr. MURDOCK, and Mr. BURDICK were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 8437. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Arthur B. Walker;

H. R. 8577. An act to amend the Teachers' Salary Act of the District of Columbia, approved June 4, 1924, as amended, in relation to raising the trade or vocational schools to the level of junior high schools, and for other purposes;

H. R. 8820. An act to amend section 907 of the Code of Law for the District of Columbia, approved March 3, 1901, as amended, up to and including June 7, 1924; and

H. R. 8821. An act to define the crime of bribery and to provide for its punishment.

The message communicated to the Senate House Resolution No. 396, as follows:

Resolved, That the bill (S. 3260) to amend Public Law No. 438, Seventy-third Congress, entitled "An act to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes", in the opinion of this House contravenes that clause of the Constitution of the United States requiring revenue bills to originate in the House of Representatives, and is an infringement of the prerogatives of this House, and that said bill be respectfully returned to the Senate with a message communicating this resolution.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 430) for the relief of Anna Hathaway, and it was signed by the Vice President.

CALL OF THE ROLL

Mr. LEWIS. I note the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Hayden	O'Mahoney
Ashurst	Coolidge	Holt	Overton
Austin	Copeland	Johnson	Pittman
Bachman	Costigan	Keyes	Pope
Bailey	Couzens	King	Radcliffe
Bankhead	Davis	La Follette	Robinson
Barbour	Dickinson	Lewis	Russell
Barkley	Dieterich	Logan	Schwellenbach
Benson	Donahey	Lonergan	Sheppard
Bilbo	Duffy	McAdoo	Shipstead
Borah	Fletcher	McGill	Smith
Brown	Frazier	McKellar	Steiwer
Bulkley	George	McNary	Thomas, Okla.
Bulow	Gerry	Maloney	Thomas, Utah
Burke	Gibson	Minton	Townsend
Byrd	Glass	Moore	Trammell
Byrnes	Gore	Murphy	Truman
Capper	Guffey	Murray	Vandenberg
Caraway	Hale	Neely	Van Nuys
Carey	Harrison	Norbeck	Wagner
Chavez	Hastings	Norris	Walsh
Clark	Hatch	Nye	White

Mr. LEWIS. I announce the absence of the Senator from Washington [Mr. BONE] in attendance upon the funeral of the Hon. Wesley Lloyd, late a Representative in Congress from the State of Washington. I also announce that the Senator from Nevada [Mr. MCCARRAN], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Maryland [Mr. TYDINGS], and the Senator from Montana [Mr. WHEELER] are necessarily detained from the Senate.

Mr. BANKHEAD. I announce the necessary absence for the morning of my colleague, the senior Senator from Alabama [Mr. BLACK]. He may be able to be in the Senate later in the day.

Mr. AUSTIN. I announce that the Senator from Rhode Island [Mr. METCALF] is necessarily absent from the Senate.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

REPORTS FILED DURING ADJOURNMENT OF SENATE

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Senate, which was read and ordered to lie on the table, as follows:

JANUARY 16, 1936.

To the President of the Senate:

Under the order of the Senate of the 13th instant, committee reports were filed with me as Secretary of the Senate as follows:

On January 14, 1936:

By Mr. HARRISON, from the Committee on Finance, favorably, the following nominations:

John A. Tyson, of Mississippi, to be a member of the Board of Tax Appeals;

Lyle T. Alverson, of New York, to be Acting Executive Director of the National Emergency Council;

Thomas F. Mulcahy, of San Francisco, Calif., to be comptroller of customs in collection district no. 28; and

Assistant Dental Surgeon Joseph J. Dunlay to be passed assistant dental surgeon in the Public Health Service, and certain other nominations therein.

By Mr. CLARK, from the Committee on Finance, the nomination of Milton E. Carter, of Kansas City, Mo., to be assistant to the Commissioner of Internal Revenue.

By Mr. GUFFEY, from the Committee on Finance, the nomination of Leo A. Ivory, of Wilkinsburg, Pa., to be collector of customs for customs collection district no. 12.

On January 15, 1936:

By Mr. HARRISON, from the Committee on Finance, with an amendment, the bill (H. R. 9870) to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes, with an accompanying report (No. 1465).

Very respectfully,

E. A. HALSEY,
Secretary of the Senate.

BOARD OF VISITORS TO THE NAVAL ACADEMY

The VICE PRESIDENT, in accordance with the provisions of law, appointed the Senator from Virginia [Mr. BYRD], the senior Senator from New Hampshire [Mr. KEYES], the junior Senator from New Hampshire [Mr. BROWN], and the Senator from California [Mr. JOHNSON] as members of the Board of Visitors on the part of the Senate to visit the United States Naval Academy at Annapolis, Md.

NORTHWEST TERRITORY CELEBRATION COMMISSION

The VICE PRESIDENT appointed the Senator from Indiana [Mr. VAN NUYS] and the Senator from Michigan [Mr. VANDENBERG] as the members on the part of the Senate of the Northwest Territory Celebration Commission, established under the joint resolution to provide for the observance and celebration of the one hundred and fiftieth anniversary of the adoption of the Ordinance of 1787 and the settlement of the Northwest Territory, approved August 2, 1935.

GEORGE W. HALLOWELL, JR.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2434) for the relief of George W. Hallowell, Jr., which was, on page 1, line 15, after "1932", to insert:

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. JOHNSON. I move that the Senate concur in the amendment of the House of Representatives.

The motion was agreed to.

JURISDICTION OF BILLS OF INTERPLEADER

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 1277)

to amend section 24 of the Judicial Code by conferring on district courts additional jurisdiction of bills of interpleader, which were, on page 1, after line 2, to strike out all down to and including "follows", in line 5, and insert "That section 24 of the Judicial Code, as amended, is amended by inserting at the end thereof the following"; on page 1, line 7, after "pleader", to insert "and of bills in the nature of interpleader"; on page 3, line 25, to strike out "be"; on page 4, line 16, to strike out "Code" and insert "Code;"; on page 4, line 17, to strike out "'Sec." and insert "Sec."; on page 5, line 4, strike out hereby."" and insert "hereby."

And to amend the title so as to read: "An act to amend section 24 of the Judicial Code by conferring on district courts additional jurisdiction of bills of interpleader, and of bills in the nature of interpleader."

Mr. BARKLEY. I move that the Senate concur in the amendments of the House of Representatives.

The motion was agreed to.

REPORT OF THE DIRECTOR OF EMERGENCY CONSERVATION WORK

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Education and Labor, as follows:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, the report of the Director of Emergency Conservation Work, embracing the activities of that organization which includes the group popularly known as the Civilian Conservation corps, for the period April 5, 1933, through June 30, 1935. Text and tables are included, showing in considerable detail the extensive activities of this organization in relieving unemployment, providing for the restoration of the country's natural resources, and assisting in the program of national recovery.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 16, 1936.*

REPORT OF GOVERNMENT OF THE DISTRICT OF COLUMBIA

The VICE PRESIDENT laid before the Senate a letter from the president of the Board of Commissioners of the District of Columbia, transmitting, pursuant to law, a report of the operations of the government of the District of Columbia for the fiscal year ended June 30, 1935, which, with the accompanying report, was referred to the Committee on the District of Columbia.

REPORTS OF THE LIBRARY OF CONGRESS

The VICE PRESIDENT laid before the Senate a letter from the Librarian of Congress, transmitting, pursuant to law, his annual report as Librarian of Congress, together with the report of the Register of Copyrights, for the fiscal year ended June 30, 1935, which, with the accompanying reports, was referred to the Committee on the Library.

NOVEMBER REPORT OF RECONSTRUCTION FINANCE CORPORATION

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Reconstruction Finance Corporation, reporting, pursuant to law, relative to the activities and expenditures of the Corporation for November 1935, which, with the accompanying papers, was referred to the Committee on Banking and Currency.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate resolutions adopted by the General Court of Massachusetts, favoring the enactment of legislation providing for the immediate cash payment of adjusted-service certificates of World War veterans, which were ordered to lie on the table.

(See resolutions printed in full when presented today by Mr. COOLIDGE, p. 459.)

The VICE PRESIDENT also laid before the Senate a letter from Mrs. Emile Bienvenu, of New Orleans, La., transmitting resolutions adopted by a mass meeting at New Orleans, La., of the Democratic Party of that State, protesting against any Federal interference or control over primary elections in the State of Louisiana, which, with the accompanying paper, was referred to the Committee on Privileges and Elections.

Mr. COOLIDGE presented the following resolutions of the General Court of Massachusetts, which were ordered to lie on the table:

Resolutions memorializing Congress in favor of the immediate cash payment of the adjusted-service certificates of veterans of the World War

Whereas it appears that present national economic conditions warrant the extension of adequate relief to a large number of those who served in the armed forces of the United States Government during the recent World War; and

Whereas it appears that adjusted-service certificates were issued to those mentioned above by the Director of the United States Veterans' Bureau in compliance with section 501 of title V of the World War Adjusted-Compensation Act; and

Whereas it appears that it is the consensus of opinion and the desire of a large number of those who have received the above-mentioned certificates to realize the immediate cash value of their adjusted-service certificates: Therefore be it

Resolved, That the General Court of Massachusetts respectfully represents to Congress and the President of the United States the advisability of providing for the immediate payment to war veterans of the face value of their adjusted-service compensation certificates; and be it further

Resolved, That a copy of these resolutions be forwarded forthwith by the secretary of the Commonwealth to the President of the United States, the Presiding Officers of both branches of Congress, and to the Members thereof representing this Commonwealth.

Mr. WALSH presented papers in the nature of petitions from Local Union No. 2384, of Webster, and Local Union No. 2332, of Northbridge, both of the United Textile Workers of America, in the State of Massachusetts, praying for the enactment of House bill 9072, known as the National Textile Act, which were referred to the Committee on Education and Labor.

He also presented a memorial of sundry citizens of Springfield, Mass., remonstrating against the neutrality policy of the administration, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the Sixty-third Great Sun Council, Improved Order of Red Men, of the Great Council of Massachusetts, favoring the enactment of legislation creating a Bureau of Alien Deportation in the Department of Justice, which was referred to the Committee on Immigration.

Mr. WALSH. I present copy of resolutions, similar to those offered today by my colleague [Mr. COOLIDGE] and printed elsewhere in the RECORD, from the Massachusetts General Court, memorializing Congress in favor of the immediate cash payment of the adjusted-service certificates of veterans of the World War.

The VICE PRESIDENT. The resolutions will be received and lie on the table.

Mr. COPELAND presented resolutions adopted by the Quaker Springs Local of the New England Milk Producers' Association, and Lewis County Pomona Grange, both of the State of New York, favoring the enactment of legislation imposing an additional tax upon oleomargarine, which were referred to the Committee on Agriculture and Forestry.

He also presented resolutions adopted by the annual meeting of the National Association of Sales Finance Companies, favoring the nonextension of activities of the E. H. F. A. into urban communities; the cessation of the activities of F. H. A. in respect of small movable chattels, and that title I of the National Housing Act expiring in April 1936 be not renewed in terms authorizing the continuance of credit insurance on the financing of small chattels, which were referred to the Committee on Banking and Currency.

He also presented a resolution adopted by the Warehousemen's Association of the Port of New York, N. Y., protesting against the use of certain water-front terminal property acquired by the Government pursuant to an act of Congress authorizing the taking of property for war purposes, which was referred to the Committee on Commerce.

He also presented a letter from the commander of the New York Chapter, the American Veterans Association, enclosing copy of a telegram addressed to Mr. Ray Murphy, national commander of the American Legion, stating in part, "New

York Chapter of the American Veterans Association urges you as leader of the largest organization of World War Veterans to reaffirm the American Legion policy as regards service pensions as declared at the Fourth National Convention of the American Legion held at New Orleans in 1922, wherein the Legion recorded itself as being opposed to the creation of a general pension system", etc., which, with the accompanying paper, was referred to the Committee on Finance.

He also presented resolutions of the Crusaders Democratic League, Inc., and St. Vito of Ciminna Society, both of Brooklyn; the Italo-American Union, Sons of Italy, of Schenectady; the Ravanusa Club, of Buffalo; and an organization of the nineteenth assembly district, all in the State of New York, protesting against the neutrality policy of the administration, which were referred to the Committee on Foreign Relations.

He also presented a resolution of Isabella Council, No. 873, Knights of Columbus, Brooklyn, N. Y., favoring the allocation of 50 percent of radio frequencies or wave lengths to educational, religious, agricultural, labor, and similar non-profit-making associations, which was referred to the Committee on Interstate Commerce.

He also presented the petition of Harry J. Green and sundry other citizens of Williamsville and vicinity, New York, praying for the enactment of legislation granting additional salary to rural mail carriers employed on unusually densely populated routes, which was referred to the Committee on Post Offices and Post Roads.

He also presented resolutions adopted by Branch No. 12, Jugoslav Federation of the Socialist Party, and Lodge No. 728, "Gewanda Boosters", Slovene National Benefit Society, both of Gewanda, and Lodge No. 211, Slovene Progressive Benefit Society, all in the State of New York, favoring the adoption of a so-called workers' rights amendment to the Constitution, which were referred to the Committee on the Judiciary.

REPORTS OF COMMITTEES

Mr. SMITH. From the Committee on Agriculture and Forestry I report back favorably with an amendment the bill (S. 3612) to provide for loans to farmers for crop production and harvesting during the year 1936, and for other purposes, and I submit a report (No. 1466) thereon. I desire to state that this bill is identical with the one passed last year; and I think all the members of the committee join me in hoping we may get early action, because, if relief is to be given, it must be given before planting time.

The VICE PRESIDENT. The bill will be placed on the calendar.

Mr. McNARY, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 3596) to provide for making rental and benefit payments to farmers who have made crop-adjustment contracts with the Secretary of Agriculture, reported it without amendment.

Mr. COPELAND, from the Committee on Commerce, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 7814. A bill to authorize the Secretary of Commerce to grant to the State of California an easement over certain land of the United States in Tehama County, Calif., for highway purposes (Rept. No. 1467); and

H. R. 7995. A bill to authorize a preliminary examination of the Arkansas River and Fourche Bayou, with a view to the control of floods in the vicinity of Little Rock and North Little Rock, Ark. (Rept. No. 1468).

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on January 13, 1936, that committee presented to the President of the United States the following enrolled bills and joint resolution:

S. 85. An act for the relief of Homer H. Adams;

S. 978. An act authorizing the Secetary of War to convey to the University of Oregon certain lands forming a part of the Coos Head River and Harbor Reservation;

S. 1059. An act authorizing adjustment of the claim of Francis B. Kennedy;

S. 1142. An act to reserve certain public-domain lands in Nevada and Oregon as a grazing reserve for Indians of Fort McDermitt, Nev.;

S. 1336. An act to amend paragraph (f) of section 4 of the Communications Act of 1934;

S. 1422. An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of William E. B. Grant;

S. 1690. An act for the relief of R. G. Andis;

S. 2252. An act for the relief of Henry Hilbun;

S. 2257. An act to amend the act entitled "An act to provide additional pay for personnel of the United States Navy assigned to duty on submarines and to diving duty", to include officers assigned to duty at submarine training tanks and diving units, and for other purposes;

S. 2519. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of F. Mansfield & Sons Co., and others;

S. 2616. An act for the relief of the estate of Joseph Y. Underwood;

S. 2673. An act for the relief of certain persons whose cotton was destroyed by fire in the Ouachita Warehouse, Camden, Ark.;

S. 2774. An act for the relief of certain officers on the retired list of the Navy and Marine Corps, who have been commended for their performance of duty in actual combat with the enemy during the World War;

S. 2845. An act to provide for the retirement and retirement annuities of civilian members of the teaching staffs at the United States Naval Academy and the Postgraduate School, United States Naval Academy;

S. 2950. An act granting the consent of Congress to the county of Saline, Mo., to construct, maintain, and operate a toll bridge across the Missouri River at or near Miami, Mo.;

S. 2996. An act for the relief of the Eberhart Steel Products Co., Inc.;

S. 3077. An act for the relief of Constantin Gilia;

S. 3078. An act for the relief of C. R. Whitlock;

S. 3195. An act for the relief of Guiry Bros. Wall Paper & Paint Co.;

S. 3280. An act for the relief of Doris Allen; and

S. J. Res. 144. Joint resolution to provide for the payment of compensation and expenses of the Railroad Retirement Board as established and operated pursuant to section 9 of the Railroad Retirement Act of June 27, 1934, and to provide for the winding up of its affairs and the disposition of its property and records, and to make an appropriation for such purposes.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. AUSTIN:

A bill (S. 3655) for the relief of the Vermont Transit Co., Inc.; to the Committee on Claims.

By Mr. McADOO:

A bill (S. 3656) for the relief of Harriet L. Liggett; and

A bill (S. 3657) granting a pension to Dora F. Babbitt; to the Committee on Pensions.

By Mr. BENSON:

A bill (S. 3658) to provide vocational training and employment for youth between the ages of 16 and 25; to provide for full educational opportunities for high school, college, and postgraduate students; and for other purposes; to the Committee on Education and Labor.

By Mr. LOGAN:

A bill (S. 3659) to promote the efficiency of the Judge Advocate General's Department of the Army; to the Committee on Military Affairs.

By Mr. HATCH:

A bill (S. 3660) granting a pension to Mrs. A. O. Carson and Charles S. Brown; to the Committee on Pensions.

A bill (S. 3661) to provide for the granting of public lands, including the minerals therein, to the States in which they

are located, subject to certain terms, conditions, reservations, and exceptions, and also subject to acceptance by each individual State; for the elimination of lands from national forests, parks, reservations, and withdrawals in connection with such grants; for changes in the collection and expenditure of moneys for the United States reclamation fund and other changes relating to the Reclamation Service; and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. WHITE:

A bill (S. 3662) for the relief of F. A. Rumery & Sons, of Portland, Maine; to the Committee on Claims.

A bill (S. 3663) to correct the military record of William Connelly, alias William E. Connoley; to the Committee on Military Affairs.

A bill (S. 3664) granting a pension to Essie M. Cotton;

A bill (S. 3665) granting a pension to John H. Johnson;

A bill (S. 3666) granting an increase of pension to Dora B. Bridges;

A bill (S. 3667) granting an increase of pension to Mary E. Stevenson; and

A bill (S. 3668) granting a pension to John Wesley Heal; to the Committee on Pensions.

By Mr. BORAH:

A bill (S. 3669) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska; to the Committee on Mines and Mining.

A bill (S. 3670) making it unlawful for any person engaged in commerce to discriminate in price or terms of sale between purchasers of commodities of like grade, quality, and quantity, and for other purposes; to the Committee on the Judiciary.

By Mr. RUSSELL:

A bill (S. 3671) for the relief of Howard Hefner; to the Committee on Claims.

A bill (S. 3672) to amend the Judicial Code to create a new district in the State of Georgia, known as the northeastern district, and for other purposes; to the Committee on the Judiciary.

By Mr. BACHMAN:

A bill (S. 3674) for the relief of Thomas J. Jackson; to the Committee on Military Affairs.

A bill (S. 3675) for the relief of Smith Wall; and

A bill (S. 3676) to extend the benefits of the Employees' Compensation Act of September 7, 1916, to Robert Judson McGarry; to the Committee on Claims.

A bill (S. 3677) granting an increase of pension to Rufus M. Barnes;

A bill (S. 3678) granting a pension to Annie Hankal;

A bill (S. 3679) granting a pension to Rue S. Jackson; and

A bill (S. 3680) granting a pension to Thomas Scott; to the Committee on Pensions.

By Mr. HAYDEN:

A bill (S. 3681) granting an increase of pension to Carrie Henger; to the Committee on Pensions.

By Mr. SCHWELLENBACH:

A bill (S. 3682) for the relief of Stillwell Bros., Inc.; to the Committee on Claims.

By Mr. SHEPPARD:

A bill (S. 3683) for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department (with accompanying papers); and

A bill (S. 3684) to authorize the settlement of individual claims for personal property lost or damaged, arising out of the activities of the Civilian Conservation Corps, which have been approved by the Secretary of War (with accompanying papers); to the Committee on Claims.

A bill (S. 3685) for the relief of George Rabcinski;

A bill (S. 3686) to amend that provision of the act approved March 3, 1879 (20 Stat. L. 412), relating to issue of arms and ammunition for the protection of public money and property;

A bill (S. 3687) to validate payments, and to relieve the accounts of disbursing officers of the Army on account of payments made to Reserve officers on active duty for rental allowances; and

A bill (S. 3688) to validate payments, and to relieve disbursing officers' accounts of payments, made to Reserve officers promoted while on active duty; to the Committee on Military Affairs.

By Mr. SHIPSTEAD:

A bill (S. 3689) granting a pension to Matilda Davison; to the Committee on Pensions.

By Mr. McKELLAR:

A bill (S. 3690) for the relief of Dr. R. N. Harwood; and

A bill (S. 3691) for the relief of N. N. Self; to the Committee on Claims.

By Mr. CAREY:

A bill (S. 3692) for the relief of William T. J. Ryan; and

A bill (S. 3693) to increase the efficiency of the Medical Corps of the Regular Army; to the Committee on Military Affairs.

By Mr. BULOW:

A bill (S. 3694) for the relief of William C. Willahan; to the Committee on Indian Affairs.

By Mr. NEELY:

A bill (S. 3695) for the relief of B. G. Moore; to the Committee on Commerce.

A bill (S. 3696) granting a pension to Charles Rufus Koon; and

A bill (S. 3697) granting a pension to Hattie Jane Koon; to the Committee on Pensions.

By Mr. BULKLEY:

A bill (S. 3698) for the relief of Exum M. Haas; to the Committee on Claims.

A bill (S. 3699) to authorize the coinage of 50-cent pieces in commemoration of the fiftieth anniversary of Cincinnati, Ohio, as a center of music, and its contribution to the art of music for the past 50 years; to the Committee on Banking and Currency.

By Mr. WALSH:

A bill (S. 3700) for the relief of the State of Massachusetts; to the Committee on the Judiciary.

A bill (S. 3701) granting a pension to Clara B. Cutter (with accompanying papers);

A bill (S. 3702) granting a pension to Joseph H. Furlong (with accompanying papers);

A bill (S. 3703) granting a pension to Mary D. Rice (with accompanying papers);

A bill (S. 3704) granting a pension to Elizabeth Rose Clark;

A bill (S. 3705) granting a pension to Beatrice E. Duke;

A bill (S. 3706) granting a pension to Susie Fiedler;

A bill (S. 3707) granting an increase of pension to Cynthia J. A. Grant;

A bill (S. 3708) granting a pension to George E. Kenson;

A bill (S. 3709) granting a pension to Emma J. Moore;

A bill (S. 3710) granting an increase of pension to Lucy J. Whipple; and

A bill (S. 3711) granting a pension to Mary J. Winslow; to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 3712) granting an increase of pension to Jane A. McNelly; to the Committee on Pensions.

By Mr. BYRD:

A bill (S. 3713) for the relief of Earl Thomas Dodd; to the Committee on Claims.

A bill (S. 3714) to amend the act of March 4, 1915 (38 Stat. 1068–1069), authorizing the President to transfer to the active list of the Army certain officers on the retired list; to the Committee on Military Affairs.

A bill (S. 3715) for the relief of Roscoe McKinley Meadows; to the Committee on Naval Affairs.

By Mr. NEELY:

A bill (S. 3716) granting a pension to Ella A. Barker; to the Committee on Pensions.

By Mr. SHEPPARD:

A bill (S. 3717) to provide for hurricane control in the Gulf of Mexico and environs during the hurricane season; to the Committee on Commerce.

A bill (S. 3718) for the relief of Sam and Garrett Burk, of San Saba County, Tex.; and

A bill (S. 3719) for the relief of Col. Dan T. Moore, Field Artillery Reserve, United States Army; to the Committee on Claims.

By Mr. TRAMMELL:

A bill (S. 3720) to authorize the Secretary of the Navy to accept on behalf of the United States the bequest of the late Henry H. Rogers, and for other purposes; to the Committee on Naval Affairs.

By Mr. CONNALLY:

A bill (S. 3721) to provide for a change in the design of the 50-cent pieces authorized to be coined in commemoration of the one hundredth anniversary of independence of the State of Texas; to the Committee on Banking and Currency.

A bill (S. 3722) to amend the joint resolution entitled "Joint resolution providing for the participation of the United States in the Texas Centennial Exposition and celebrations to be held in the State of Texas during the years 1935 and 1936, and authorizing the President to invite foreign countries and nations to participate therein, and for other purposes"; to the Committee on the Library.

By Mr. SHIPSTEAD:

A bill (S. 3723) granting an annuity to Theresa E. Thoreson; to the Committee on Civil Service.

By Mr. KING (by request):

A joint resolution (S. J. Res. 188) to declare the 12th day of October of each year, commonly celebrated and known as Columbus Day, to be a legal public holiday; to the Committee on the Judiciary.

By Mr. GEORGE (by request):

A joint resolution (S. J. Res. 189) authorizing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. BENSON:

A joint resolution (S. J. Res. 190) to carry out the intention of Congress with reference to the claims of the Chippewa Indians of Minnesota against the United States; to the Committee on Indian Affairs.

By Mr. COPELAND:

A joint resolution (S. J. Res. 191) to amend Public Resolution No. 31 of the Seventy-fourth Congress, first session, approved June 17, 1935, so as to extend its provisions to cover the National Boy Scout Jamboree now scheduled to be held in 1937; to the Committee on Immigration.

A joint resolution (S. J. Res. 192) directing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. BANKHEAD:

A joint resolution (S. J. Res. 193) making appropriations to enable the Secretary of Agriculture to meet commitments and obligations, including administrative expenses, incurred under the provisions of the Agricultural Adjustment Act, as amended, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. BACHMAN:

A joint resolution (S. J. Res. 194) for the relief of Hal G. Saunders; to the Committee on Military Affairs.

By Mr. WALSH:

A joint resolution (S. J. Res. 196) to correct errors in the enrollment of Private Act No. 349, Seventy-fourth Congress, approved August 29, 1935, and to clarify the duties of the Comptroller General in connection with said act; to the Committee on Education and Labor.

By Mr. BULKLEY:

A joint resolution (S. J. Res. 197) authorizing construction of a memorial building to commemorate the Treaty of Greenville at Greenville, Ohio; to the Committee on Public Buildings and Grounds.

By Mr. THOMAS of Utah:

A joint resolution (S. J. Res. 198) to extend for 1 year the joint resolution approved August 31, 1935, relating to neutrality; to the Committee on Foreign Relations.

SUSPENSION OF GIN TAX

Mr. RUSSELL. I introduce a joint resolution for the suspension of the gin tax provided for in the so-called Bankhead Cotton Control Act, which I ask may be printed in the RECORD and appropriately referred.

There being no objection, the joint resolution (S. J. Res. 195) for the suspension of the gin tax provided for in the so-called Bankhead Cotton Control Act, approved April 21, 1934, as amended, was read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Senate Joint Resolution 195

Joint resolution for the suspension of the gin tax provided for in the so-called Bankhead Cotton Control Act, approved April 21, 1934, as amended

Whereas the Supreme Court of the United States in its recent decision declaring unconstitutional and invalid the act of Congress establishing the Agricultural Adjustment Administration clearly indicated that, in the opinion of a majority of the Court, the act commonly known as the Bankhead cotton control measure was unconstitutional, null, and void; and

Whereas, on account of the lack of a case pending in the Supreme Court properly presenting for the determination of that body the question of the constitutionality of the Bankhead Cotton Control Act, the cotton producers of the Nation are shackled with a program of mandatory control of production without being permitted the benefit payments from the Treasury of the United States for the reduction in production of this commodity, thereby leaving cotton as the only great essential commodity under drastic mandatory restrictions as to production; and

Whereas under said Bankhead Cotton Control Act taxes are now being collected from the cotton producers of the United States on all cotton ginned in excess of the allotment to such farmers allowable under the terms of said Bankhead Cotton Control Act, and said taxes are being collected by virtue of an act which, under the decision in the A. A. A. case, is certain to be declared unconstitutional by the Supreme Court when the question is properly presented; and

Whereas gin taxes in the amount of thousands of dollars have already been illegally collected from cotton producers on all cotton ginned by them in excess of their allotment, and recovery of said taxes will result in great confusion, expense, and difficulty both to the producers who have paid said taxes and to the Government of the United States and its agents and officials, and will cause much litigation and legislation in the adjustment of refunds; and

Whereas it is inconsistent with sound public policy to collect any further taxes under an act already clearly designated by the Supreme Court as null and void, and it is, further, unfair to the producers of cotton to limit their production to definite allotments, some of which are too small to permit such producers to earn a livelihood, while denying such producers any benefit payments as provided in the Agricultural Adjustment Act: Therefore be it

Resolved, etc., That the gin tax provided for in the Bankhead Cotton Control Act, the same being an act entitled "An act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in bringing cotton into the channels of interstate and foreign commerce, and to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes", approved April 21, 1934, as amended, be, and the same is hereby, suspended.

ALLOCATION OF EMERGENCY RELIEF FUNDS

Mr. DAVIS. I introduce a bill to provide for the allocation of emergency relief funds, which I ask may be referred to the Committee on Appropriations.

The bill (S. 3673) to provide for the allocation of funds appropriated by the Emergency Relief Appropriation Act of 1935 was read twice by its title and referred to the Committee on Appropriations.

Mr. DAVIS subsequently said: Mr. President, earlier in the day I introduced a bill (S. 3673) to provide for the allocation of funds appropriated by the Emergency Relief Appropriation Act of 1935 through the administrative agencies of local governmental units. At that time I asked that the bill be referred to the Committee on Appropriations.

The bill provides that all funds appropriated by the Emergency Relief Appropriation Act of 1935 which have not been expended prior to the enactment of this act, except funds allocated for expenditure for Federal projects or for expenditure by the State highway departments of the several States,

shall be allocated by the President to the several States in proportion to their respective populations.

It further provides that any municipality or local political subdivision of the several States may submit relief or work-relief projects to the President for his approval.

It further provides that funds so allocated by the President shall be paid to the governing boards or bodies of local governmental units whose projects have been approved and administered in such manner and under such regulations as they may prescribe. The President may require of such governing boards or bodies such reports as are reasonably necessary to show that the funds so paid are expended only to carry out such projects.

An appropriation of $1,200,000,000 from the unexpended balance of the work-relief fund, allocated on a per capita basis to the various political subdivisions of the country, would enable local officials to sponsor substantial construction projects, create jobs for the unemployed in their respective communities, create markets for materials and equipment necessary to carry out the program, thus starting the wheels of private industry, creating additional jobs in a normal and orderly manner.

The administration of the works relief program and funds by locally elected officials would save millions of dollars in the cost of administration, wipe out partisan politics as the dominant factor in employing men, put an end to red tape and delay in getting projects under way, and result in work projects of a more substantial character.

This proposal can in no way be considered a partisan matter. The allocation of funds would be made on the basis of population. The approval of projects would be in the hands of the President. The administration of funds and the direction of the relief and work-relief programs would be entrusted to local governmental officials, irrespective of their party affiliations.

The purpose of the Federal Government to provide relief for the unemployed has been clearly demonstrated. The relief program has failed to accomplish its purpose, because it has been administered centrally rather than locally. Democratic processes of government are more responsive in small areas than in larger ones. With Federal money at their disposal there is every reason to believe that local government officials, under the pressure of local public opinion, would give a far more efficient administration of the taxpayer's money than is possible under the present plan of long-range administration from Washington.

Every effort should be made to stimulate private business and build up private pay rolls. This can be accomplished more effectively when there is a local coordination between relief administration and private business enterprise. It is impossible for Federal officials working in and out of Washington to meet local needs as satisfactorily as local officials who have to rub shoulders day by day with the taxpayers who foot the relief bill. The transfer of the administration of relief to local governmental agencies is inevitable. The most expert opinion of statesmen and social welfare leaders points in this direction. Such a move, coming at this time, would be a tribute to the sagacity of the present administration and would show indisputably that relief is a public-welfare measure and not a political weapon.

WORLD WAR ADJUSTED-SERVICE CERTIFICATES—AMENDMENTS

Mr. KING submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (H. R. 9870) to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. THOMAS of Oklahoma submitted an amendment intended to be proposed by him to the bill (H. R. 9870) to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENTS TO RIVER AND HARBOR BILL

Mr. BULKLEY submitted an amendment, and Mr. HAYDEN and Mr. HATCH, jointly, submitted an amendment intended to be proposed by them to the bill (H. R. 8455) authorizing the construction of certain public works on rivers and harbors for flood control and other purposes, which were referred to the Committee on Commerce and ordered to be printed.

CHANGES OF REFERENCE

On motion of Mr. NEELY, the Committee on Pensions was discharged from the further consideration of the following bills, and they were referred to the Committee on Finance:

S. 1201. An act granting a pension to Harry F. McCray; and

S. 2613. An act granting a pension to John D. Licklider.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred to the Committee on the District of Columbia:

H. R. 8437. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Arthur B. Walker;

H. R. 8577. An act to amend the Teachers' Salary Act of the District of Columbia, approved June 4, 1924, as amended, in relation to raising the trade or vocational schools to the level of junior high schools, and for other purposes;

H. R. 8820. An act to amend section 907 of the Code of Law for the District of Columbia, approved March 3, 1901, as amended, up to and including June 7, 1924; and

H. R. 8821. An act to define the crime of bribery and to provide for its punishment.

COMPILATION OF LAWS ADMINISTERED BY VETERANS' ADMINISTRATION

Mr. NORRIS submitted the following concurrent resolution (S. Con. Res. 27), which was referred to the Committee on Printing:

Resolved by the Senate (the House of Representatives concurring), That the Administrator of Veterans' Affairs is requested to prepare and transmit to the Congress, in form suitable to be printed, a compilation of all Federal laws administered by the Veterans' Administration, which compilation shall contain (1) appropriate explanatory notes and annotations to each section of such compilation and (2) suitable headings, reference tables, and indices for the purpose of making available in convenient form, a clear and complete statement of the rights and privileges provided by such laws; and that this compilation shall be printed as a public document, and 8,000 additional copies shall be printed for distribution and use by the Veterans' Administration, of which not less than 7,000 copies may be furnished, upon written application to the Administrator of Veterans' Affairs, one copy to each post of the Grand Army of the Republic, to each camp of Veterans of the Indian Wars, to each camp of the United Spanish War Veterans, to each post of the Veterans of Foreign Wars of the United States, to each post of the American Legion, to each chapter of the Disabled American Veterans of the World War, and to each chapter of the American Red Cross.

WAR DEBTS, DISARMAMENT, CURRENCY STABILIZATION, AND WORLD TRADE

The VICE PRESIDENT. Resolutions coming over from a previous day are in order.

The Chief Clerk proceeded to read the resolution (S. Res. 141) submitted by Mr. TYDINGS on May 21, 1935, favoring conferences with foreign governments on war debts and certain other international matters.

Mr. ROBINSON. Let the resolution go over.

The VICE PRESIDENT. The resolution will be passed over.

APPOINTMENT AND CONFIRMATION OF CERTAIN FEDERAL EMPLOYEES

The Chief Clerk proceeded to read the resolution (S. Res. 152) submitted by Mr. GORE on June 15, 1935, calling on the Comptroller General for information concerning appointees or employees of the Government receiving compensation at the rate of $4,000 per annum or more.

Mr. ROBINSON. I ask that the resolution go over.

The VICE PRESIDENT. The resolution will be passed over.

REPORT OF INTERSTATE COMMERCE COMMISSION ON AIR MAIL ACT

Mr. McKELLAR. Mr. President, subsection (e) of section 6 of the Air Mail Act of 1934, as amended August 14, 1935, required the Interstate Commerce Commission to make examination as to rates in certain cases and report by January 15 of this year. I have a letter from the Chairman of the Interstate Commerce Commission, Hon. Charles D. Mahaffie, explaining why it was impossible to do so by that date. I ask that the letter be printed in the RECORD for the information of Senators.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

INTERSTATE COMMERCE COMMISSION,
Washington, January 11, 1936.

The PRESIDENT, UNITED STATES SENATE.
The SPEAKER, UNITED STATES HOUSE OF REPRESENTATIVES.

SIRS: Additional time is needed to comply with subsection (e) of section 6 of the Air Mail Act of 1934 (48 Stat. 933), as amended August 14, 1935 (49 Stat. 614), which provides in part:

The Commission is hereby authorized and directed, after having made a full and complete examination and audit of the books, and after having examined and carefully scrutinized all expenditures and purported expenditures, of the holders of the contracts hereinafter referred to, for goods, lands, commodities, and services, in order to determine whether or not such expenditures were fair and just and were not improper, excessive, or collusive, in the cases of the eight air-mail contracts which are allowed, by a previous report of the Commission, the rate of 33⅓ cents per mile, under the provisions of the act of June 12, 1934, on routes numbered 7, 12, 13, 14, 19, 25, 27, and 32, and the Commission shall make a report to the Congress, not later than January 15, 1936, whether or not, in its judgment, a fair and reasonable rate of compensation on each of said eight contracts, under the other provisions and conditions of said act, as herein amended, is in excess of 33⅓ cents per mile, together with full facts and reasons in detail why it recommends for or against any claim for increase.

While subsection (e) directs us to investigate the operations of only 8 routes, as a practical matter we must extend the investigation to 16 routes. Among the 8 routes are routes nos. 7 and 25, operated by American Airlines, Inc., and route no. 12, operated by United Airlines Transport Corporation. American operates 6 and United operates 2 other mail routes.

In addition, these and other carriers operate off-line passenger and express service. In the case of the Pennsylvania Airlines & Transport Co., operating route no. 32, also included in the eight routes, the off-line service is more extensive than that on its mail route. Carriers engaged in these multiple-route operations must of necessity first set up the combined results of those operations on their books, records, and accounts, and then allocate the total amounts to the various operations on the basis of actual results directly relating thereto with a predetermined arbitrary division of items common to all services. In such cases our investigation must therefore embrace a study of the total operations by each carrier and the apportionment of the results between its separate operations.

In order to carry out the directions of the statute it is necessary that we not only make a complete audit of the accounts and carefully scrutinize all expenditures of the routes affected, but "under the other provisions and conditions of said act", as amended, ascertain whether the expenditures have been upon a fair and reasonable basis and whether the carriers have paid more than a fair and reasonable market value for the purchase or rent of planes, engines, or any other type or kind or class of goods or services, including spare parts of all kinds, and whether the carriers have purchased or rented any kind of goods, commodities, or services from any individuals who own stock in or are connected with the carriers or have purchased such goods and services from any company or corporations in which any of the individuals employed by or owning stock in the carriers have any interest or from which such purchase or rents any of the employees or stockholders of the carriers would be directly or indirectly benefited; give consideration to all income derived from the operation of airplanes over the routes affected, the amount of air mail carried, the facilities supplied by the carrier, and the carrier's revenue and profits from all sources; and disregard losses resulting, in our opinion, from the unprofitable maintenance of nonmail schedules, in cases where we find that the gross receipts from such schedules fail to meet the additional operating expenses occasioned thereby.

We have carried on this work as expeditiously as possible with our limited force of employees in the Bureau of Air Mail, and all other work of the Bureau that could be deferred has been subordinated, but necessarily all of the employees in that Bureau could not be spared for this job.

Although good progress has been made, we regret to say that it will be impossible, for reasons hereinabove stated, to submit the report by January 15, 1936. We will continue to expedite the work, and shall submit a complete report at the earliest practicable date.

Respectfully yours,

CHARLES D. MAHAFFIE,
Chairman.

REGULATION OF TRANSPORTATION OF PASSENGERS AND PROPERTY BY AIRCRAFT—LETTER FROM THE POSTMASTER GENERAL

Mr. McKELLAR. Mr. President, last August, as shown by Order of Business 1381 on the Senate Calendar, the Committee on Interstate Commerce reported favorably a bill, introduced by the Senator from Nevada [Mr. McCARRAN], proposing to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by aircraft in interstate and foreign commerce, and for other purposes. On January 13 the Postmaster General, Mr. James A. Farley, wrote a letter to the Honorable BURTON K. WHEELER, chairman of the Committee on Interstate Commerce, protesting against the passage of the bill. The arguments set forth are very interesting and important. I ask that the letter may be printed in the RECORD.

There being no objection, the letter was referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

JANUARY 13, 1936.

Hon. BURTON K. WHEELER,
Chairman, Committee on Interstate Commerce,
United States Senate.

MY DEAR SENATOR WHEELER: The report on S. 3420 was filed by Senator TRUMAN, of your committee, in Calendar No. 1381, July 29, 1935 (calendar day, Aug. 15, 1935), just before the adjournment of Congress. I do not know whether this report was intended to be the report of the whole committee, but at any rate I now understand it is on the Senate calendar. This bill has for its purpose the repeal of the greater portion of the present air-mail laws and the enactment of substitute legislation.

At the time this bill was under consideration, the Post Office Department did not have an opportunity to personally present its views to the committee. Representatives were allotted a brief period, but unfortunately only the author of the bill, Senator McCARRAN, and one other, Senator DONAHEY, were able to be present at the hearing. In view of the fact that since the bill was introduced another air-mail law has been enacted by Congress, this bill, S. 3420, may not be further considered by the Senate, or it may be referred back to your committee. I therefore desire to present to you, in the hope that they may be considered by the entire membership of your committee, my views upon the pending bill. I also at this time ask that if additional hearings are held, the Post Office Department be given an opportunity to appear.

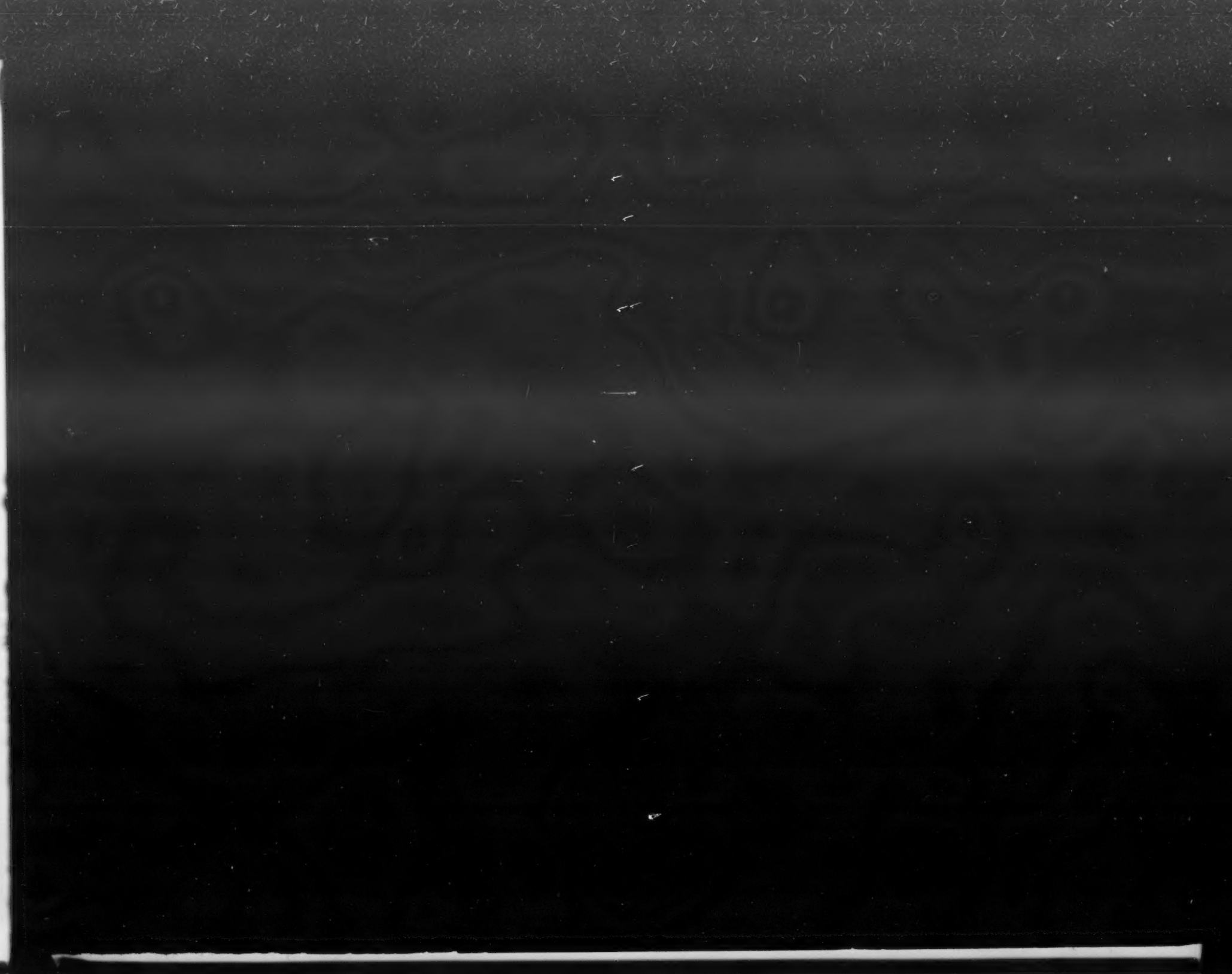
This bill provides for the regulation of all air carriers and airport operators who operate regular scheduled service, by the Interstate Commerce Commission. The report appears to assume that there is not now any regulation by the Commission when, as a matter of fact, under existing law the Commission already has full and complete power and authority to regulate air-mail lines. Practically every one of the air-transport operators is a mail contractor; and the domestic air-mail system extends into practically every principal city and to every State in the Union except two, which have indirect connections.

The report of Senator TRUMAN refers to the appointment of Coordinator of Transportation Eastman and the Federal Aviation Commission, and to the reports of these two Commissions and testimony of individuals and air-line operators. Since the Coordinator and Aviation Commission were appointed and made their reports, the air-mail laws have been twice rewritten. These reports therefore cannot be used as the basis for the revision of the present law, because numerous and vital changes have been made which have permitted the building up of a much better aviation system and much better regulation. Also, since this bill was introduced the air-mail laws were amended to authorize the Interstate Commerce Commission to increase rates as well as lower them, and a number of contractors have expressed themselves as being thoroughly satisfied with the law as it now is.

I do not think that the present air-mail law should be changed in any material respect at this time.

The present air-mail laws are the natural development from years of intense study and investigation by the two Post Office Committees of the Senate and the House, and were enacted upon the recommendation of these committees. During these years the Air Mail Transport Service has been operated under the direction of the Post Office Department, and Congress has usually depended upon that Department for accurate information as to the nature of the services rendered.

Every official of the Post Office Department is justly proud of assisting in establishing, under the present law, the finest air-transport system the world has ever seen. This system embraces 28,884 miles, over which planes fly more than 40,000,000 miles annually. The principal lines are using the highest type and most improved airplanes, flying from 185 to 215 miles per hour. Time has been reduced between all major points in the United States to a matter of hours, whereas under the old system it was a question of days. All records for passengers, express, and mail are broken practically every month. Ten million seven hundred and seventy-five thousand pounds of mail were carried in the fiscal year 1935, as against 6,741,000 in 1933. The passenger-miles flown by air-





mail contractors for the fiscal year 1935 was 243,780,000 miles, as against 126,598,000 for the fiscal year 1933. The cost to the Government in 1932, with inferior service, was $20,154,146.19. The total direct cost of the service for the fiscal year 1935 was $9,836,846.49, or a savings of more than $10,000,000 annually. The air postage rate was reduced to a flat rate of 6 cents per ounce by Congress, and yet in the fiscal year 1935 the revenue derived from postage amounted to $6,589,534.45, leaving a deficit of only $3,250,000 as a subsidy.

Notwithstanding the lessened cost to the Government and the operation of the newest, finest, and most improved type of airplane by the contractors, involving the expenditure of millions of dollars for such new equipment, the air lines are generally doing well. The United Airlines, an air-mail contractor, in a recent statement showed an increase of approximately 26 percent in its earnings and is paying dividends. Transcontinental and Western Air has announced substantial increased earnings. The American Airlines, which operates more route miles than any other contractor, while claiming a loss at this time, announces an increase of 80 percent in its passenger revenues for a 6-month period this year compared to a similar period of last year. These largest lines, therefore, appear to be fast approaching a self-sustaining basis because of increased passenger and express revenues.

The condition just recited exists despite the fact that the rate fixed by the Interstate Commerce Commission on only seven of the routes is the maximum rate authorized by law. Congress has fixed a base rate limit of 33⅓ cents per airplane mile for planes carrying 300 pounds of mail or less. This maximum rate applies on only seven of these lines. The Interstate Commerce Commission has authority to lower rates or raise them to as much as the base rate of 33⅓ cents per mile. After this law was passed the Commission held extended hearings, and after such hearings the Commission fixed a fair and reasonable rate for the transportation of mail over the lines by reducing the rate on 11 routes and increasing it on 19 routes and leaving the rate on 1 route the same as called for in the contract. Congress has directed the Commission to make a thorough investigation and audit of the books of the seven contractors who receive the maximum rate and report their recommendation to the next session of Congress not later than January 15, 1936, as to whether any increase in the base rate of pay should be made. Congress has already given thorough consideration to the question of rates. The Commission has held its hearings and fixed these rates, and is continuing from day to day to hold hearings concerning rates on different lines. It therefore follows that, from the standpoint of the question of the rate compensation to the carriers, there is absolutely no necessity for the passage of this bill.

I consider the present law provides an adequate method of securing transportation of the mails by air at reasonable rates.

The present law contains safeguards protecting the public interest which would be repealed by the passage of this bill. The pending bill seriously and unnecessarily interferes with States and municipalities in the operation of their laws and ordinances relating to the establishment and maintenance of airports, which is bound to lead to friction between Federal and local governments. Monopolies in the air transport business should be and are specifically prohibited by law. The pending bill would repeal the present law and, in fact, specifically authorize combinations and mergers that would result in the establishment of monopolies.

Competition should be encouraged in a new industry such as air transportation. Under the pending bill there can be no real competition. By reason of requirements of certificates of public convenience and necessity, competition is prevented at the outset. The air-mail lines are subsidized and the present law fixes limits upon the extent of the service, the rate of compensation, and the mileage that may be flown by the air lines each year. The proposed law removes those restrictions and is certain to result in a tremendous increase in expense to the Government.

These are some of the general reasons why it is the opinion of myself and others in the Department having direct charge of the administration of the present law, that S. 3420 should not be passed.

In support of my view that the passage of S. 3420 might have a detrimental effect on the air-transportation industry; that passage of the bill in its present form might be used to destroy some of the beneficient results of our present laws; and that no radical changes should be made now in the present air-mail laws, I submit the following detailed analysis of the law compared with corresponding sections of the pending bill:

REGULATION GENERALLY

Under the present laws, all regulations concerning the use and operation of airports, the operation of airplanes, the licensing of pilots, the requirements as to safety features and safety devices, arrangement, supervision and operation of all airways, beacon lights, and radio stations, are promulgated by the Bureau of Air Commerce of the Department of Commerce. The Bureau of Air Commerce was built up over a period of many years and is a very efficient bureau for handling the administrative problems in connection with the operation of air lines.

It is generally considered that the Bureau of Air Commerce maintains a very efficient, experienced, and able personnel, and their fitness and ability to handle the problems connected with the maintenance and supervision of airways has been recognized by all persons dealing in any phase of the aviation industry. The undertakings of the Bureau of Air Commerce affect not only the commercial air transport operators but also the operators of private planes, and it cooperates with the Army and Navy. Its work is purely administrative and wholly unrelated to any of the normal functions of the Interstate Commerce Commission, which is a quasi-judicial body.

Section 404 of S. 3420 would vest in the Interstate Commerce Commission the authority to prescribe standards with respect to the types of equipment to be used; to approve or disapprove any rules or regulations issued by any other department which would affect the Commission's powers and duties; to approve or disapprove any application made by any air carrier, or airport operator, for any loans from any governmental agency or department; to study and report to Congress whether or not the Government should share the cost of maintenance of airports or whether any governmental aid should be given to air carriers or airport operators; to report to Congress the effect on air transportation of existing laws with respect to customs, immigration, public health clearances, and all such functions as are now being performed by the Commerce Department and other Government departments.

The airport operators and individual operators of airplanes, and the small commercial air lines that are not mail contractors, are not regulated by the Post Office Department or the Interstate Commerce Commission. They are strictly regulated, however, by local authorities and the Bureau of Air Commerce, and up to this time Congress has considered that the aviation industry was too young to be severely restricted by governmental regulation that would tend to hamper its natural growth and efficiency.

All domestic air-mail contractors, which include practically all persons engaged in commercial aviation, are being strictly regulated by the Interstate Commerce Commission as to rates and as to services supplied the public beyond and in addition to that required under the air-mail contract. The Commission can raise or lower rates and it can order a decrease or may permit an increase in the number of nonmail flights made by the contractor over his route.

CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY

Section 405 (a) provides that no air carrier or airport operator shall engage in any interstate or foreign transportation, or any service connected therewith, unless he obtains a certificate of public convenience and necessity issued by the Commission.

Under the proposed law no municipality or citizen of a community may operate an airport if on any occasion it is used by any person engaged in interstate transportation by air, unless under the direction and with the consent of the Interstate Commerce Commission. This provision would naturally require every municipality or State to surrender any sovereign powers they might have, waive any requirements of laws made by their own legislatures, and be compelled to appeal to the Commission at Washington for authority to operate their own airports as they desire. This restriction as to airports does not apply alone to the air-transport operator engaged in interstate commerce but is much broader than that, and covers the operations of the airport if it is made available at any time for use by a person who flies from one State to another. The supervision of each of these airports and the policing of the airports by the Commission would not only involve a conflict of authority between the Federal and local governments but is certain to result in heavy expenditures of public funds used for such policing, inspection, and supervision.

Under the present law the Bureau of Air Commerce regularly inspects airports used by commercial planes, and simply either forbids the air-transport operators to use airports found not to be so constructed and maintained as to be safely employed as landing fields, or authorizes their use as such landing fields.

REGULATES FOREIGN AIR COMMERCE

Our foreign air-mail lines, which extend throughout Mexico, Central America, South America, the West Indies, Cuba, Hawaiian Islands, Philippine Islands, and to China, are regulated as to the services rendered to the United States by the Post Office Department. Whenever necessary, every administrative action taken by the Post Office Department is the result of consultation with the Bureau of Air Commerce as to safety features, types of equipment to be used, and other phases of the operations with the War and Navy Department from the standpoint of national defense. Obviously, our foreign air-mail contractors conducting friendly business negotiations with foreign nations necessarily must observe the laws of the foreign countries through which their lines extend.

The bill under consideration definitely requires that American citizens operating commercial air-transport businesses in foreign countries must first secure permission from the Interstate Commerce Commission. It makes no provision for consultation with the Secretary of State, who handles foreign affairs, and does not take into consideration any treaties or covenants or agreements of the United States.

Section 405 makes air carriers and airport operators in foreign transportation or service connected therewith subject to the law. It is inconceivable that the author of the bill would attempt to regulate the operation of airports in foreign countries if they rendered service connected with foreign air-mail transportation. Nevertheless, the bill so provides.

The foreign air-mail contractors are the only foreign air-transport operators of the United States. As stated, they must yield obedience to the laws of the countries through which they fly. Our present contractors are under the jurisdiction of the Post Office Department. Their present services are very valuable to the United States in building our foreign commerce, and the Commission should not have the power to direct any action on the part

of our foreign air-mail lines that would jeopardize our foreign air-transport service.

From the standpoint of handling the mails the schedules of the foreign air-mail contractors must be fixed by the Post Office Department if the foreign air lines are to be of any benefit to the public. This is necessary in order to provide for connection with domestic air-mail lines, railroads, and steamships carrying the mails.

CREATION OF MONOPOLIES

Practically all of our domestic air-transport operators now operate with mail subsidies. Aviation is approaching the point where we hope subsidies will not be necessary. On the other hand, other individuals and corporations are becoming more interested in the air-transport industry and may be expected to institute services from different points in the United States without the assistance of subsidies. It is my opinion that free and unhampered growth of the industry should be accorded to it for a few years, and that, generally speaking, only the subsidized lines should be rigidly controlled, as they now are, by the Interstate Commerce Commission. If it is allowed to grow naturally and unrestricted, we may expect to see all of the smaller cities, towns, and villages of the Nation connected with a network of independent, nonsubsidized lines. Some of them will be profitable and some will die out because of their failure to develop the business which was expected. The Government at this time has no investment in the air lines other than the subsidies granted to them, and the same conditions do not prevail in the aviation industry as did in the railroads in their infancy. The regulation proposed at this time of the ordinary commercial carrier operating with its own resources is unjustified and would result in giving the present air-transport operators a full and complete monopoly.

VALUATION

Section 406 provides for the valuation by the Commission of all property owned or leased by all air carriers subject to the act.

Section 6 of the present law authorizes and directs the Commission to take into consideration, in the fixing of air-mail rates, all expenditures of every kind for goods, lands, commodities, and services; and in the determination of rates at this time the Commission is taking into consideration, and will continue to take into consideration, the value of all property of the air-mail carriers. Therefore, the Commission now has the authority which would be conferred on it by section 406. It can, and should, value all the property of the air carriers in order to ascertain and fix fair compensation without additional legislation.

ACCOUNTS, RECORDS, AND REPORTS

Section 407 authorizes the Interstate Commerce Commission to require annual, monthly, periodical, and special reports from all persons subject to the act and to prescribe the manner of keeping the books, records, and accounts, and to issue rules and regulations concerning the manner in which depreciation reserves shall be accrued and expended.

The present law not only authorizes the Postmaster General and the Commission to require the books, records, and accounts of the contractors to be kept as directed, but the Commission is also directed to examine the books, accounts, contracts, and entire business records of the holder of each air-mail contract each year, and to review the rates of compensation of the contractor in order to be assured that no unreasonable profit is resulting therefrom. Therefore, no new law in this respect is necessary.

RATES AND FARES

Sections 408 and 409 direct every airport operator to provide safe and adequate service and to establish, preserve, and enforce just and equal rates, fares, and classifications therefor. The tariff is required to be published, filed, and posted under the direction of the Commission, and it is authorized to repudiate any tariff found not to be in cognizance with the law and with the Commission's regulations. No air carrier or airport operator shall charge, demand, collect, or receive a greater or less or different compensation for transportation, or for any service in connection therewith, than the rates, fares, and charges specified in the tariffs in effect at the time. Numerous provisions of this character, which very closely follow the laws pertaining to railroads, are contained in the act, and the Commission is given authority over rates exactly as it is in the case of railroads.

From the experience of the Post Office Department, there are numerous objections to sections 408, 409, and 410.

The infant air-transport industry has found it necessary to have different rates per mile for the carrying of passengers and express in different localities. It has attempted to fix rates to meet proper demands for air travel and competition. In order to supplement revenues which they have obtained from their mail contracts, they have used various methods to build up their passenger and express business. And, again, it is repeated that in the experimental state in which this industry now is it is more likely to suffer than to be benefitted by being compelled to observe strict or hide-bound rules and regulations with reference to fixed charges for the carrying of passengers and express than if they are permitted to continue to feel their way along, test out public sentiment, and adopt such practices and fix such tariffs as they think will produce increased revenues and business. Again, it is emphasized that it is my opinion that the natural and fair competition existing will do more to develop the aviation industry than any rules made by a Government bureau.

Like other public conveniences which have been developed in this country and experimented with by thousands of persons who have become interested in them, cities and towns have built fine flying fields. Sometimes the use of these airports is given free to commercial airplanes flying into the city; sometimes they are leased at nominal rental charges to commercial operators, who maintain operating facilities for transit airplanes at nominal cost, or cost of upkeep. At no place in the country is there any indication that the charges of municipalities supplying airport facilities are unjust, unreasonable, or discriminatory, but such rates are made by the owner and the municipalities as will attract airplane operators. Every encouragement in many other ways has been given to the building of commercial aviation fields by city governments throughout the Nation. Whatever they do, the municipalities and local governing bodies should not be themselves subject to the rule of a Federal agency as to the regulation of rates, charges, tariffs, and services at municipal airports. The Federal Government should go no farther than insisting that such airports shall be made safe for planes engaged in interstate commerce. This the Government now does through the efficient operations of the Bureau of Air Commerce of the Department of Commerce. The idea that a municipality shall come to Washington to secure a certificate of public convenience and necessity for permission to operate its airport would be resented and intolerable to the citizens of the country in general.

AIR-MAIL RATES

With reference to paragraph (g) of section 410, I have to call the attention of your committee to the fact that the methods proposed for the fixing of rates for the transportation of air mails do not prescribe any maximum limitation that may be paid to the carrier. It is provided that the Interstate Commerce Commission may prescribe the rate of pay by pound-mile, weight, space, or any combination thereof, for ascertaining such rates of compensation; and no consideration is given to the necessity of supplying a subsidy to the weaker lines. If the Commission is permitted to put into effect a general rate, applicable to all lines by the pound-mile basis, then naturally the heavy mail-carrying lines will receive most of the money appropriated by Congress to pay for carrying the mails by air. The rate is now fixed by prescribing a base rate of not exceeding 33⅓ cents per mile for carrying a mail load not exceeding 300 pounds. The Air Mail Service extends to practically every State, and most of the lines do not carry anything like the base load of 300 pounds. Without going into too much detail, it is obvious that if all sections of the country are to be equally served by air-mail lines, the rate of pay must be kept on a mileage basis for a while. An admirable system is now in force, and while providing for a rate of pay that amounts to a subsidy for the weaker lines, yet the stronger lines receive added compensation for the heavier mail loads. These rates are, of course, fixed by the Commission. Under the proposed system there is no limit to the amount that would be expended for carrying the mails or to the number of air lines that might be established, or the number or frequencies of trips, or the aggregate mileage to be flown.

The present law is admirable for present conditions and is the best system to be used for several years yet to come. With reference to expenditures of Government funds, the law contains several safeguards not present in the proposed law.

The Postmaster General may not establish air-mail routes in excess of 32,000 route miles. He may not authorize schedules over these lines in excess of 45,000,000 airplane-miles per year. He may not pay, nor may the Commission direct him to pay, in excess of 33⅓ cents per airplane-mile for carrying the base load of 300 pounds of mail or less, and the rate is gradually increased in proportion upward for excess loads, with a maximum rate of 40 cents per airplane-mile for any load. If the mail traffic is so heavy that it would be unjust to require the contractor to fly an extremely heavy mail load, for which he should receive more than 40 cents per mile, the Postmaster General may put on additional trips or schedules, having in mind that the aggregate amount flown cannot ever exceed 45,000,000 miles per year. The proposed law would remove every one of these limitations and restrictions, and would cause the Post Office Department and the Interstate Commerce Commission to be constantly infested with persons desiring to extract additional funds from the Federal Treasury on the basis of pretended needs for increased service.

It would seem that the author of the bill feels that air-mail rates should be fixed in a similar manner to that provided for railroads. If so, this certainly should be made very clear. We feel that the air lines must have a greater rate at this time for carrying the mails than for carrying other weight, passengers, or express. The basis of fixing railroad rates is determined upon the space requirements compared to other uses of railroads of similar space, the expense, and revenues of the railroads. Air-mail rates to the contractors are anywhere from 3 to 20 times as much per pound for carrying the mail as for carrying passengers, and more for carrying mail than for carrying their own express. We felt that it was better to allow them to build up their express business as long as the planes were flying and had space available, and to fix the rates at whatever they thought they should have. It means just that much more revenue to them. But the Government is the biggest customer the air lines have, and if it can be said that competition is so great that it is vital that the future growth of aviation should be controlled and competition lessened, then the air lines do not need any subsidy whatever, and the Government should get the same rate per pound for carrying the mail as the air lines get for carrying express or passengers, in the carrying of which they are compelled to render a great deal more service than in carrying the mail.

Under the proposal the Commission would have control of all the air-mail lines. This is properly a function of the Post Office Department; and so far as directing the lines by any governmental department is concerned, that should be done by the Commerce Department and by the Post Office Department as to air-mail lines.

The Air Mail Service must be coordinated with regard to railroads, steamship lines, star-route services, and connecting air lines, and those in the Post Office Department who administer the air-mail service are in much better position to know the needs of the Government with respect to carrying the mails than is the Interstate Commerce Commission.

To allow any other agency of the Government to fix schedules of air-mail carrying planes than the Post Office Department would seriously impair the value of air-mail service. The Post Office Department now fixes the schedules of all the air-mail lines so that prompt connections are made at terminal points resulting in speedy dispatch of the mails and excellent connections for passengers. This is all done very simply by the Post Office Department with full accord and agreement with the contractors, and it is done without a lot of expensive and tedious hearings and red tape.

HOLDING COMPANIES AND MONOPOLIES

Section 411 (a) provides for the merger and combination of commercial aviation companies, with the consent of the Commission. This is bound to lead to monopolies. It is inevitable. For the past several years this has been a subject of considerable discussion. When this Department reorganized the Air Mail Service, it was found that practically every contractor had affiliated connections. There were holding companies upon holding companies, each extracting a dole from the operating company. There were manufacturing companies from which the air transport lines were compelled to purchase supplies at the manufacturing companies' own rates. There were companies, the principal business of which was to engage in stock manipulating activities. Now these practices are directly forbidden by law. They cannot be engaged in. All the present contractors have severed their connections with the stock manipulating enterprises theretofore conducted by some of their officers. Holding companies have been divorced from ownership of the air-transport companies. The management has been transferred to the field of operations, rather than on the stock market, with the result that there has been developed the greatest aviation system in history. Of all the provisions of the bill, this provision, in my opinion, is probably one of the worst from the standpoint of public interest.

Section 411 contains seven full paragraphs, which in detail provide ways and means by which the present direct operations by the stockholders can be circumvented or avoided by stock manipulators and for the creation of monopolies that will prevent any fair amount of competition by new capital or persons.

Section 412 relates to the issuance of securities and requires the air carriers and airport operators to be subject to the Interstate Commerce Act rather than to the laws now being administered by the Securities and Exchange Commission, which are adequate and sufficient to protect the public interest.

GOOD LAWS REPEALED

If there has been established and is now in operation in this country the most modern air-transport system in the world it is due to a large extent to the sound laws now in effect governing the air-mail contractors, who constitute practically all of the air-transport lines. The proposed bill would repeal some of the most vital sections of the present law.

Section 417 of the pending bill would repeal the following laws, which I consider vital and important to the aviation industry:

Section 3 of the Air Mail Act of 1934, which provides that the Postmaster General may designate air-mail routes, award contracts within the limitations heretofore mentioned as to rates and mileage, and grant extension of routes.

Section 4 of the present law, which restricts the Postmaster General in the award of contracts to a mileage of 32,000 miles for flying and provides that not more than 45,000,000 airplane-miles may be flown per year; directs the Postmaster General to prescribe the number of frequencies of schedules, stops, and departures of all planes carrying the mails, with due regard to the volume of mail carried and for connection schedules; and provides for additional schedules for emergency trips. This would be left to the Commission.

Sections 5, 6, 7, and 8 of the present law specifically direct the Commission to make periodical audits of the books of air-mail contractors, to see that no unreasonable profits are resulting to the contractors; to make a thorough and complete investigation of operating methods of contractors, including purchasing of supplies to ascertain whether they have made fair and reasonable terms; to make a special investigation as to whether they are paying fair and reasonable prices for equipment; to make a report touching upon such probability to the Postmaster General, the Secretary of the United States Senate, and the Clerk of the House of Representatives. In short, the Commission is expected to make a full and complete investigation of every phase of the contractor's business in order to determine the need of Government aid in the operation of the lines.

Specific directions given to the Commission by the laws recommended by the Post Office Committees of the House and Senate and adopted by Congress, as to the performance of its duties in fixing air-mail rates, are all repealed, and the methods to be used in the proposed law are to allow the Commission to disregard specific instructions which Congress has heretofore deemed wise, but to use their own judgment as to what investigations they shall make and what consideration they shall give to any phase of the conduct of the operators' business.

Section 15 of the present law provides specific prohibitions against the building of monopolies by providing that it shall be unlawful for air-mail contractors competing in parallel routes to merge or enter into any agreement which may result in common control or ownership. This is specifically repealed by the pending law. It is now unlawful for a contractor to maintain a passenger express service off the lines of his air-mail route, commencing after June 30, 1935, if such service competes with passenger-express service available upon another air-mail route. This prohibition is in the present law in order to assure that there will be no cutthroat competition among air-mail contractors who are receiving Government subsidies. The subsidy is given to aid in the establishment and maintenance of the air lines, and the beneficiaries thereof having large capital should not be permitted to engage in cutthroat competition with another air-mail contractor by invading territory served by such other contractor. It is being attempted right now by numerous contractors, and this question already is causing the Department some concern. The bar should certainly not be let down to permit any such unfair competition. The flying of the air-transport routes of the air-mail route by contractors in competition with another air-mail contractor has a detrimental effect upon the air-transport service in two directions. First, the contractor whose air-mail line is subsidized must spend a great portion of his capital for a subsidy in conducting the off-line flying, thereby weakening air-mail contract service; and, secondly, unwarranted competition by a strong air-mail contractor with a weak line, of course, takes away needed revenue from that weaker line to its great damage. Both the Post Office Department and the Commission now can control any unlawful operations of the contractor under present laws.

SAFETY MEASURES

Section 12 of the Air Mail Act of 1934 is repealed. It provides that the Secretary of Commerce is authorized and directed to prescribe the maximum flying hours of pilots on air-mail lines and safe operation methods on such lines. The Bureau of Air Commerce has rendered and is continuing to render splendid service in providing for the safety, comfort, and convenience of passengers using the air-mail lines.

The safety of passengers flying in airplanes should be a prime consideration of the Government. The laws providing for safety measures can be best administered, I believe, by an administrative agency such as the Bureau of Air Commerce rather than one of a quasi-judicial character such as the Interstate Commerce Commission, whose principal functions are the fixing of rates for transportation. This is not said in any criticism of the Commssion or expressing any doubts of its ability to administer the law if charged with that responsibility, but it is my belief that the present status of the development of aviation safety measures can be best handled by an administrative body rather than a semijudicial body.

Section 15 of the present law restricts the air-mail contractors in the number of contracts they may hold. Under the proposed law, they may hold any number of contracts if allowed by the Commission. The present law was intended to prevent monopolies and monopolistic practices. The effect of the proposed law would be to encourage monopolies and the freezing out of small concerns for the benefit of the large ones by allowing them to appear before the Commission and make claims of being able to render superior service because they have more capital. Numerous other good provisions of law that have been found necessary to be enacted by Congress would be repealed by the pending bill.

For the foregoing reasons, and for numerous others which are not necessary to be mentioned in this letter, it is my sincere belief that S. 3420, now pending, should not be enacted into law. If the bill should be returned to your committee or further hearings held thereon, this Department would be very glad to furnish to your committee or any other committee of Congress any information the Department has on the subject.

Very truly yours,

JAMES A. FARLEY,
Postmaster General.

PUBLIC-UTILITY PROBLEMS AND PUBLIC-UTILITY SECURITIES—ADDRESS BY SENATOR HOLT

Mr. NORRIS. Mr. President, on November 4 last the junior Senator from West Virginia [Mr. HOLT] delivered a radio address on Public-Utility Problems, with especial reference to natural gas holding companies, and on the 6th of December before the National Association of Security Commissioners, at Miami, Fla., he delivered an address on Public-Utility Securities. I ask unanimous consent that both addresses may be printed in the RECORD.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

PUBLIC-UTILITY PROBLEMS

SPEECH DELIVERED AT WASHINGTON NOVEMBER 4, 1935

In discussing utilities, the public has not paid much attention to the gas industry. Tonight I will discuss that problem. In 1815, while drilling a salt well in Charleston, W. Va., gas was

discovered. A few years thereafter at Fredonia, N. Y., a well was drilled which yielded gas. Natural gas has been in use for 110 years, but the most rapid growth has come in the past 10 or 15 years. It was not until 1872 that the first iron-pipe line was laid for any distance; it was approximately 5 miles long. Gas is produced in 28 States in 5 gas areas—the Appalachian, covering the States of New York, Pennsylvania, Ohio, West Virginia, and Kentucky; the southern, covering the States of Louisiana and the Texas Panhandle; the Rocky Mountain, in the States of Montana, Wyoming, Utah, New Mexico, and the California field.

With the advent of the seamless pipe in 1926, the industry started its rapid growth. We find that pipe lines have now been built so that natural gas is at the gateway of almost every city east of the Rockies except in New England and a few southern cities. Recently the natural-gas interests filed a brief before a committee of the United States Senate stating that there were approximately 75,000 miles of gathering and transmission lines and about 90,000 miles of local distribution mains furnishing natural gas to approximately 5,000 communities. In the year of 1933, 7,166,000 domestic and commercial consumers were supplied, as compared to approximately 3,500,000 in 1925. When one realizes that it has been estimated that the gas industry has a potential energy of from five to six times that of the power and electric industry, one will realize this gigantic set-up. Moody's volume of public-utilities estimates that the gas industry (both manufactured and natural) has a capital investment in excess of $4,500,000,000, with 17,000,000 consumers and a gross revenue of $800,000,000.

Manufactured gas has approximately 10,000,000 consumers. Although I am not discussing manufactured gas, it might interest you to know that the consumers for this product increased 113 percent between 1910 and 1930; 360,000,000,000 cubic feet were used in 1934, of which 270,000,000,000 cubic feet were sold to domestic and house-heat sales, with a revenue of $312,000,000 of the $380,000,000 for the industry. To produce this, it took 7,000,800 tons of bituminous coal, 132 tons of anthracite coal, 2,000,580 tons of coke, and 528,000 gallons of oil.

Let us turn now to the natural-gas industry. In 1933, 1,500,000,000,000 cubic feet, with a gross revenue of approximately $375,000,000, were distributed. Ten years ago the domestic and commercial consumers covered 3,500,000 users, as compared to 7,166,000 in 1933. The rise of domestic and commercial consumers has been steady. Although the domestic consumer used but between one-fourth and one-fifth of the total amount of gas produced, they contributed $250,000,000 of the $360,000,000 received by the gas industry. It is used in heating, lighting, and refrigeration. A rapid increase in the revenue per thousand cubic feet and the rate to domestic consumers has been noticed.

This has come about by the development of large pipe lines. To look at a map of the United States, one would see pipe lines coming close by large centers of populations from the fields where this product is found. It has been estimated that Texas has 10,000 miles, Ohio 6,000, Pennsylvania 5,000, West Virginia 4,000, Oklahoma and Kansas between 3,500 and 4,000, Louisiana nearly 2,000, and California, Arkansas, Kentucky, and New York with more than 1,000 miles of these lines. Natural gas is unlike electricity.

It is found in limited fields and cannot be generated like electricity—everywhere. One line between the Texas fields to Minneapolis is approximately 1,000 miles in length. Natural-gas service has been offered and used by 15 States in 1933 that did not use it in 1925 and replaced manufactured gas in communities with a combined population of 15,000,000 people. The control of the gas industry does not have to be at the point of production, but it can be controlled through the ownership of pipe lines that transport gas. Sixteen percent of the total production of gas was interstate. The four holding companies that control this interstate movement are the Cities Service, Electric Power & Light, and the Standard Oil Co. of New Jersey, also the Columbia Gas & Electric. Eleven holding companies control 76 percent of the total pipe-line mileage of America. Four control 58 percent. The big four are: The Columbia Gas & Electric, which controls nearly 25 percent; Cities Service, which controls 14 percent; the Electric Power & Light (a subsidiary of the Electric Bond & Share), approximately 11 percent, and the Standard Oil Co. of New Jersey, with approximately 8 percent. Who are the big four? Senator NORRIS says: "The Columbia Gas & Electric, which is Morgan controlled and operates largely in the East—that is, in Ohio, Pennsylvania, West Virginia, Kentucky, and Maryland—sells in gas, mostly natural gas, half as much energy as is sold by the entire electric industry of the United States." Utilities controlled by the Cities Service is known as the Doherty group. You have heard much of Henry L. Doherty in the power investigations. He was listed as a director or officer in 111 different companies.

The Electric Power & Light goes back to the Electric Bond & Share. The well-known C. E. Groesbeck, who was director in 33 companies, is the powerful factor in this.

There is no need to go into the Standard Oil, as their corporate set-up is too well known by all of you through its Rockefeller ownership.

The Cities Service and Standard jointly control the Natural Gas Pipe Line Co. The next largest, the Lone Star Gas Co., has its connections with the Columbia Gas & Electric through Mr. Crawford and Mr. Gregory as directors. In 1930, 380,600,000,000 cubic feet went across State and international boundaries, and of that amount 240,000,000 through pipe lines under control of the big four.

The Federal Trade Commission report says:

"The Standard Oil Co. of New Jersey owns 30 percent of some of the Columbia Gas & Electric Corporation main trunk pipe lines, and together they own nearly 50 percent of all main trunk pipe lines. The mastery of the most practical gas transporation by a few large corporations would seem to place the small well owners at their mercy, to enable these corporations to dictate terms of purchase and to compel the small well owners to sell their gas in order to secure transportation, as was the situation in the oil industry prior to the Hepburn Act. Thus, these larger gas trunk pipe lines are common carriers in substance, though not in form, due to their exception as common carriers under the Interstate Commerce Act.

"All the natural gas pipe lines transporting gas from the Appalachian area to the eastern seaboard are operated by the Columbia Gas & Electric Corporation and the Standard Oil Co. of New Jersey. Four lines are jointly owned by these two companies extending from the Appalachian field to cities along the eastern seaboard, and in addition a compact network of gas lines is operated in western Pennsylvania, West Virginia, and northern Kentucky, with a line from this area effecting a connection with the line operated from the Texas Panhandle gas field by the Panhandle Eastern Pipe Line Co.

"That transporation of gas through pipe lines from one State to another is interstate commerce coming under the regulation of Congress is clearly settled in many decisions of the United States Supreme Court.

"It is possible that the reason Congress specifically exempted gas pipe lines from regulation as common carriers was that they were not of sufficient importance at the time to require regulation. The growth of 111 percent in customers in the 10-year period 1921–31, and the increase of gas pipe line transportation facilities to 50,000 miles, more than 50 percent of which is under the mastery of four large corporations purchasing, as well as producing, natural gas, present a situation somewhat similar to that which preceded passage of the Hepburn Act as set forth in the pipe-line cases, 234 U. S. 548."

The 11 companies that control the gas field, according to the report of the Federal Trade Commission, are as follows: The American Power & Light Co., Columbia Gas & Electric Corporation, Cities Service Co., and the Electric Power & Light Corporation, Lone Star Gas Co., Minnesota Northern Power Co., Middle West Utilities Co., North American Light & Power Co., and Southwestern Development Co., Standard Oil Co. of New Jersey, and Tri-Utilities Corporation.

May I be pardoned to point to a local situation? West Virginia, my home State, produces much natural gas. Across our boundaries we export between 60 to 64 percent of the entire amount produced. The Standard Oil Co. of New Jersey and the Columbia Gas & Electric Co. have complete domination. There is developing and has been developing a huge monopoly that is taking away the God-given resource from the earth for the profits of only a few. Most of those few are the absentee landlords who do not live where the gas is produced. Senator COUZENS, of Michigan, introduced a resolution in the Senate of the United States in the last session in which it was asked that the Committee on Interstate Commerce obtain information relative to the producion, transmission, sale, and distribution of natural gas. We have, and properly so, brought to the attention of the public the huge power octopus that invades most of the American homes, but let us not overlook the very rapid development of another public-utility combine, the natural-gas group. Many people feel that the industry is local in its nature. That was so a few years ago, but today it is a Federal problem. It has risen to a place where it has enough power to defy and to evade State regulatory bodies. For years gas companies appeared before the courts saying that State regulation interfered with interstate commerce. Between 1891 and 1934 there were 22 cases carried to the Federal courts from Indiana, New Jersey, Oklahoma, Kansas, New York, West Virginia, Pennsylvania, Alabama, Wyoming, Ohio, Mississippi, Texas, and Colorado on this ground. The interstate commerce decisions rendered forestalled much State regulation and conservation.

A few years ago the legislature of my State passed a bill to place a tax upon gas being exported beyond the boundary. It was carried to the Supreme Court of the United States, and there it was decided that the law interfered with interstate commerce. Now these same interests, this same group, this same company is trying to dodge Federal regulation by calling for State rights and State regulation. It is a joint problem. Where the State does not and cannot regulate, it should be the problem and responsibility of the Federal Government to step in. The Federal Trade Commission, under the very able counsel of Colonel Chantland, will bring much information to the people of the United States about the natural-gas industry.

We have heard a whole lot—not too much—about the National Electric Light Association and about the Edison Electric Institute, but what the N. E. L. A. is to the electrical industry the A. G. A., the American Gas Association, is to the gas industry. These utilities, controlled through the 11 powerful holding companies mentioned earlier, contributed materially to the public-utilities information bureaus of the different States, and gave much for propaganda in behalf of the utilities.

I speak from personal knowledge when I say that I know of no group, not even the Power Trust, that is more active in politics than those who control the gas industry. They interest themselves in all elections—municipal, State, and congressional. They try to control municipal officials so that the cities and towns will

not have rate cases. They try to control the State officials in order that no public service commissioner will be appointed that would be so-called unfriendly, or that no member of the legislature be named who would introduce a bill making pipe lines common carriers or investigate their activities. They try to control congressional elections because they fear Federal regulation and oppose liberal legislation just as bitterly as does the Power Trust. The same lobbyists who represent the power companies in many instances are lobbyists for the gas companies.

They have and are interested in getting propaganda into our schools. I have with me a pamphlet that was placed by the gas industry in the public schools of West Virginia. They have their essay contests and lectures about their activities. The employees are called in before campaigns for safety meetings, and just as important as the teaching of safety to life and limb to those who have called the meeting, is the safety of the political control that the gas industry asserts.

You who are not from a State that produces natural gas may not realize to what extent this group extends its influences. They lease land from the farmers for the proposed drilling of wells. They will see the farmers and advise them that rentals will have to be reduced because of the activity of some man from that county who might be interested in regulating the gas industry, telling them that it is highly advisable that someone else would be sent in place of a so-called "red" or dangerous demagogue. Leases have been surrendered and rentals reduced to my own knowledge to exert the political control of the gas companies.

Contracts call for the shifting of tax burdens to the independent producer. This not only has its value in keeping down the tax burden on the gas companies but places them in a position whereby they can and do have the small independent producer in their lobby activities. In the last session of Congress representatives of the gas companies quietly but effectively lobbied in opposition to the holding-company bill. Not only have they been guilty of all these things but many more. They have had the power of finance to stave off any fight in the courts that might be raised by a municipality. One case recently decided by the Federal court had been pending 10 years. They have become so powerful that a municipality can hardly compete with them. They have entwined themselves through the control of holding companies to such extent that the State commission finds them practically impossible to regulate. They are not a lone State problem, but, as I said before, a national problem.

We find directors who are directors in the power companies and industrial groups so that influence can be used for the continuation and protection of this monopoly. In a period of declining prices, all through the depression, we find that this monopoly had a constant increase in the price of gas. This did not go to the independent producer who sold it to them, but was extra profit for the holding companies and to the favored few who might control this octopus.

Just recently the Federal Trade Commission exposed the activity of the American Gas Association, who aided in a movement to decrease the British thermal unit to the consumers. The term "B. t. u.", or British thermal unit, does not mean much to those who realize that it represents the direct heat value of gas itself. The gas industry by decreasing the B. t. u. would naturally increase the consumption, because as the heat quantity declines, the amount used increases. It is similar to decreasing the number of pounds in a gallon. It has been estimated that this B. t. u. activity of the gas companies would have increased the final bill for cooking and heating in America $490,000,000. The usual methods of suppression were brought about to keep this information from the public.

The Bureau of Standards in 1925 published a pamphlet which presented a mass of scientific data to the effect that the heating value of gas was in inverse ratio to the volume consumed. The industry had endeavored either to prevent or modify the conclusions reached. In a letter dated August 29, 1934, referring to this proposed publication, Mr. Abell wrote Managing Director Forward, of the American Gas Association, describing a conference with the Bureau of Standards, and stating that he knew "that many members of the gas association would not want to send out a report that would indicate that the charges for gas should be inversely proportional to the calorific value of gas."

He further expressed the belief that if the industry "watches its step with the Bureau, the Bureau will play the game our way as near as they know how." A. Gordon King, service manager for the American Gas Association, in referring to the proposed publication of the Bureau of Standards, said: "The more I study this document the less value of good to anyone I see in it, and if it were possible I believe it should be suppressed."

A letter was prepared for dispatch to the Bureau of Standards by the president of the American Gas Association, stating the industry's position, and the minutes of a conference among the leaders of the industry stated that: "The purpose of this letter is to stop further publication and distribution of the Bureau's report and to lead up to a conference with the Bureau at which an effort should be made to induce them to withdraw the copies of this publication already distributed."

You will find a feeling of cooperation between the electric and gas utilities. The large holding companies have asserted electricity and gas. Gas and electricity, as everyone knows, can be competitive, but if controlled through the same ownership, this competition, which would naturally bring decreased rates for the domestic consumer, would be done away with.

The same story of holding companies can be traced through those who operate the gas industry as that of electricity. The growth of capital assets, intercompany transactions, high interest rates, and the pyramiding of company upon company are all evident. For instance, when I was a member of the legislature, I investigated the ownership of utilities. I found Kentucky-West Virginia Gas Co. owned by the Philadelphia-Louisville Gas & Electric Co., which in turn was controlled by the Philadelphia Co., in turn by the Standard Gas & Electric Co., which in turn was controlled by the Standard Power & Light Corporation, and this jointly owned by the United States Electric Power Corporation, and H. M. Byllesby & Co., and the holding company was United Founders Corporation.

May I also cite some intercompany transactions:

The United Fuel Gas Co. sold gas to the Huntington Gas Corporation for 26½ percent. They in turn sold to Union Gas & Electric at 45 percent, and this company finally sold the product at 64.7 cents. Upon every transaction the Columbia Gas & Electric collected management fees, not on the final prices, but upon each of the transactions. I also should like to note how the United Fuel & Gas Co. shows an appreciation of $41,042,462 with the property valued at $98,500,000. It is the same problem and the same group of insiders collecting whether it be electricity or gas and the consumers footing the bill.

Of course one must realize that the Securities Act and the Wheeler-Rayburn bill would do much to correct this problem, but we must be on our guard so that this combine will not develop to such an extent that it will be a burden on every consumer. This requires strict regulation of the gas pipe lines by the Federal Government.

It is important that America know more about this industry and that a thorough investigation be made of the activity of those who control it.

PUBLIC-UTILITY SECURITIES

I have been much interested in the public-utility problem and particularly interested in the holding companies that control public utilities. Of course, I could go back and trace the history of public utilities and holding companies, back as far as 1868 when the State of Pennsylvania gave the right to one company to hold stock in another by legislative enactment, and then on through the action of the State of New Jersey in giving holding companies a legal right to live, through the United Gas Improvement Co. started in 1882, and on through the Associated Gas & Electric Co. started in 1906, but there is no need to do that. We are interested in public utilities as they affect the United States today.

Of course, the public-utility game is a big one. Over $25,000,000,000 is the estimated value of plant and equipment of public utilities in the United States. I should like to, in the few moments that I have, speak of public-utility securities as they affect those who buy them, and in doing that I should like to show some of the appreciation of the value of public-utility stocks and how that was accomplished. Of course, appreciation, or write-ups, which is the general term used, is the addition of the ledger value of stocks. There are four ways of appreciation:

(1) Through construction; (2) through purchases and inflation and intercompany transfers; (3) through consolidations, mergers, and greater reorganizations; and (4) through appraisals and revaluations.

How come the write-ups through construction? Public utilities must build lines. They must build their property in order to serve the customers. They have brought together their own construction companies, owned or nearly owned entirely by the holding company itself. I could cite Phoenix Engineering Corporation of the Electric Bond & Share, W. S. Barstow & Co. of Associated Gas & Electric Co., Byllesby Engineering & Management Corporation of the Standard Gas & Electric Corporation. In other words, these construction companies owned by the holding companies charge the operating company a certain fee for the construction of their properties. They not only reinvest that but they capitalize the interest and overhead over a long period of time. I will cite a few cases to show you that securities are not based on actual value.

The Brooklyn Borough Gas Co. shows appreciation by Associated Gas & Electric, where the Barstow Engineering Co. charged 2½-percent construction fee and all of this was capitalized and sold to the security holders of America.

Then we could go further and note the capitalization of organization expenditures, of utilities, of franchises, of privileges, of water rights. May I mention one of those? The Minnesota Power & Light Co. is a subsidiary of the Electric Bond & Share Co. We find capitalized organization expenditures, franchises, and certain water rights. That was also true in the case of the Niagara Falls Power Co.

Now, how could this appreciation or write-up be gained through purchases? That can be done through capitalization of improper items and transfer of properties to affiliates. May I note a case of that—the Central & Southwest Utilities Co., of the Insulls, in which certain improper items were capitalized and passed on to the security holder. That was also true of Cities Service. Then another way they sell the securities is capitalization of service contracts. One company has a contract with another company to give them certain management and official services. They sell that contract and make a profit. May I refer to the fact of Associated Gas & Electric having such a contract. It was sold to the Utility Management Corporation, another subsidiary. They in turn sold it to the J. G. White Management Co. and boosted the value of the service contract alone $8,000,000, to be sold to security holders over the United States. Another instance of that is Standard Gas & Electric Co. They own the Byllesby Engineering

& Management Corporation, who sold the same contract back to the Standard Gas & Electric Co. and made hundreds of thousands of dollars, which was capitalized and sold to the security holders. Stone & Webster, through the sale of service contracts in a period of 7 years, increased their capitalization seven and one-half million dollars, based on nothing but the resale of their own property among their affiliates; and that is true of Cities Service and the Public Service Co. of Colorado, who in the same manner made over a million dollars.

Another way to write up is through consolidation and mergers. They want to consolidate some of their own companies, or merge, whether it be owned within or without their own right. The Arkansas Natural Gas Co. was an instance where the Cities Service stepped in and through consolidation had a write-up of $5,669,975, and with that write-up came the sale of securities to the people, and they had to pay that. Another was the Ohio Fuel Corporation, a subsidiary of Columbia Gas & Electric, which group operates in the State of West Virginia, written up by $164,915,000, and the Columbia Gas & Electric Corporation written up by $97,185,000. The Federal Trade Commission in their report stated this is a write-up alone in these two companies through consolidation of their own properties of $104,833,905. They add two and two together and get seven, and the people pay the difference between the two. May I cite another write-up that was boosted onto those that have to pay the bill. There are only two ways a holding company can make money. One is through the operating company, or through the consumer, and the other through securities they may sell. May I go back to the instance of write-up through consolidation and merger? Appalachian Power Co. in West Virginia was bought by the American Gas & Electric Co. When they consolidated on March 31, 1925, the company's worth was $73,000,000. On the next day on the books this company's worth was $139,000,000. Overnight we find the Appalachian Power Co. had a write-up of $66,419,913; and the pressure became so great on the Appalachian Co. that they met 6 years after and wrote off approximately one-half that amount. Another one is a local situation, the Florida Power & Light Co. We find the Florida Power & Light Co. had a ledger value of $28,213,209. Immediately upon the purchase of that company we find that it was written by the Florida Power & Light Co. to be worth $58,448,217, or a write-up of $30,235,008—103-percent increase. The only people that could pay are those who own the securities of the companies that may be sold from time to time.

Another way of write-up is through appraisals, sometimes horseback appraisals. When the Appalachian made the appraisal of that great system of electricity, they went through Kentucky, Tennessee, West Virginia, and Virginia looking at the properties. They said, "This is worth so much", and "That is worth so much", and "We will write it down at so much", and they wrote it down at so much—a horseback appraisal—and they went down the lines, horseback or anyway they could cover the various properties of the Appalachian Co., and we find they wrote appraisals by that method.

May I cite such an increase of stocks sold through the Byllesby Co., which was done in the case of the Northern States Power and Associated Gas & Electric Co., which you have heard quite a little about because of the escape of Mr. Hopson in Washington. We find the New York State Gas & Electric Corporation had their property written up from $5,947,000 to $10,860,000. In other words, the same company that owned them made an appraisal and found the value one day to be $1 and the next $2.

In my own State, may I be pardoned for citing, the United Fuel Gas Co., a subsidiary of the Columbia Gas & Electric Corporation, found their gas was worth more than they thought. They had the same fields, the same gas wells, same lines, same property, exactly, but they had Mr. White, an engineer, look at them. He made a new appraisal and he found it was worth $39,751,229 more than they thought it was, and, of course, they increased the value of it, and the public paid the price, whether a rate payer or a purchaser of securities of the Columbia Gas & Electric Corporation.

The Florida Power Corporation found in 1929 that there was certain abandoned property coming about through the loss of the value of property in St. Petersburg and Clearwater and Tarpon Springs. The property was worthless. Did they write it off? No. The directors met in 1929 and did not write off a single, solitary penny of that $1,054,370 which was listed on the value, and the people paid the price of it.

Associated Gas & Electric Co. wanted to get the value of W. S. Barstow & Co., which they owned completely. Barstow had a book value of $315,000. At how much do you suppose the Associated Gas & Electric Co. listed the value of that company? Fifty-two million seven hundred and seventy-three thousand eight hundred and fifty-five dollars on a book value of $315,000. Who paid that? Nobody but those who bought the securities of the company that operated at the top, the holding company. Another instance is the East New Jersey Power Co., where there was a write-up of $6,898,048 of a company worth less than $4,000,000.

The Cities Service Co. wanted to start a new company, and they started the Cities Service Power & Light Co., all owned by the same people, blood brothers of the same family, all go back to the top holding company, but by juggling the thing back and forth we find a write-up and increase in the value of their own companies of 165 percent, or $106,104,403.

I could go through and show you numbers and numbers of instances, but what is the use? You, as securities commissioners, know them too well. And what has that done? It has absolutely proven that these utility securities in many instances are built on nothing but water and gas and salesmanship, and you have no control over them. Very few State commissions do have control over them; and even as powerful as the Securities and Exchange Commission may be, they have no right to determine whether securities should be sold. They have the right to publicize them, but how many investors are going to pick up a 70-page prospectus and read it through before investing?

Now, as to the Associated Gas & Electric Co. stock, may I show you how this group have issued 3 classes of common, 6 of preferred, 4 of preference, 7 classes of guaranteed bonds and notes, 24 classes of debentures, 4 classes of investment certificates? You can take your choice, just like you go into a grocery store; if you do not like one kind they will sell you another. Take the Tri-Utilities Corporation, another holding company. They sold their securities, and do you know how much the preferred creditors got? Three and one-half mills on every dollar they invested. Terrible how we are stepping on these dear holding companies in Washington. They have cried on my shoulder until I have to wear a raincoat telling how we have tried to destroy the widows and orphans of America. May I give you some of the highs and lows on the stocks of some companies that love the widows and orphans of America? The American Gas & Electric Co. operates in my State. Their common stock sold at 224⅞, and the value after a few years to the widows and orphans of our State was 17¾. How they loved the widows and orphans of America. The Columbia Gas & Electric Co. issued common stock and a number of kinds of preferred stock. We find that stock had reached a high of 140 in 1929, and it had declined in 1934 to a level of 6⅝. They want to protect the dear widows and orphans of America—those who had sold stock to as high as 100 which was worth 6.

Associated Gas & Electric stock in 1930 was worth 51½. Well, my friends, if you sold it the early part of this year you were well protected, even though you were a widow or orphan, because that same stock, worth 72⅝, was worth one-fourth of 1 point this year, based on water and stock. How can you expect to add to that any value because of all these write-ups and manipulation?

Cities Service Co.—their common stock was listed at 90⅞ and it declined to a value of one point. For every $90 you invested in Cities Service you got $1 back, and, of course, they love you so well they want to protect that last dollar they have left you. And these Insull securities, you in the West know that better than the people down South, the famous $6 preferred, based on nothing but appreciation. In that appreciation they did that by pyramiding of control. I want to give you a good investment, you securities commissioners. The Associated Gas & Electric Co. has a gold debenture out. If you have any children you want to invest for and want something to give them in the future, the Associated Gas has something to take care of that. They have issued a gold debenture stock that, if you are living, you can go to the Chase National Bank in 2875 and get it back. You can invest for 947 years in this. I have brought along with me a list of a number of stocks due after the year 2001 up to 2030. If you want long-term investments, you can get your public utilities to take care of these children that may live from time to time in the future. Why don't the stockholders come in and stop this? The kind of stock they sold to the stockholders has no voting rights; stocks A, B, C, $6 preferred and at the top and special stocks have the voting rights. I cite an instance of pyramiding control of a $150,000,000 corporation. They issue fifty million bonds, fifty million nonvoting preferred, fifty million common. Then they wanted to start company B below that and in order to take control of that fifty millions they must possess twenty-five million and a fraction of it. They start company B, issue ten million of bonds, ten million of nonvoting stock, and five million common. Not satisfied with that, the five million controlling the one hundred and fifty millions voting, so they start company C, issue two million bonds, two million of nonvoting, and one million of common.

It keeps increasing to such an extent that we find such instances as this, that the Byllesby Corporation through the Standard Power & Light, through an equity of three million, has a control of utility properties worth one and one-fifth billions of dollars. And the Associated system, through eight million ownership, controls a corporation worth more than $1,000,000,000. Of course, the Standard Power & Light does that differently. They have common series B stock and common stock. If you want to vote, you have to own the common series B stock. The average investor doesn't know that. They do this through the pyramiding of control and by issuing great quantities of bonds and debentures by holding and operating companies which give control to the owners of stock equities; (2) issuance of preferred stock with no voting power whatever, or with right to vote contingent on passing dividends for a number of consecutive periods; (3) the issuance of various classes of common stock or participating stock only, one of which can be called the controlling voting power—they list them under A, B, C preferred or common; (4) through issuance of special class of cheap stock so heavily endowed with votes as to give the possessor control; (5) through creation of voting trusts by which the controlling stock of utility or holding company is placed in the hands of the voting trustees for a period of time; (6) by the issuance of controlling interests of large quantities of purchase warrants which permit those investing to secure the majority of the outstanding vote of the stock when existing minority control is threatened by the inclusion in the charter of a provision waiving the preemptive right of existing shareholders to purchase any new stock.

I could go on and show you instances of these various ways of pyramiding of control, but there is no need to do that. We all realize that pyramiding of control has been and is being prac-

ticed today. May I cite a company in my home State, the Kentucky-West Virginia Gas Co. The people down there think they are paying money to the Kentucky-West Virginia Gas Co., but upon investigation we find the Kentucky-West Virginia Gas Co. is controlled by the Philadelphia Co., Inc., and upon further investigation we find the Philadelphia Co., Inc., is controlled by the Standard Gas & Electric Co., and we find the Standard Gas & Electric Co. is controlled by the Standard Power & Light Co. When we find the Standard Power & Light is controlled generally by the United Power Corporation, and on top of that we find another holding company with voting rights, how can anyone find out who owns the stock, who owns the property, and what the value of the stock is? They say holding companies should be regulated, and the regulation should be through stocks. There is no economic value whatever to a holding company. It is an economic waste. As Will Rogers has said, "It is the man who holds the goods while the other man is being searched." You try to look into a utility company and find out its value in the State of West Virginia, and they inform you it is owned by a company in Delaware. You find Delaware company, and in turn it is owned by a company in New Jersey. Trace it further, and you find that it is owned by a company in some other State, until you finally end up by no one knowing and you finding out nothing.

As securities commissioners realize, all that must mean that securities are based on these increased write-ups and that must come from two sources. If a company has written up its value, whether it has become saintly overnight or not, the write-ups are still on the books, stocks are still out, and obligations are still out, and can only be recovered through two sources, one through the investor and the other through the rate payer. The investor has already paid the bill, but the rate payer is still available. They claim it doesn't, but how can any public-service commission investigate the actual value of a company when it is operating in a number of States closed and covered up by State regulations and laws that cross from time to time. That is not only true in the electric industry but it is now true in the gas industry. We find four large holding companies now controlling 58 percent of the gas companies in America and 11 are holding companies controlling 76 percent of them. In other words, the centralization of control is becoming just as great in the gas industry as in the power, and the people who buy the securities and the rate payer are going to pay for such write-ups and false securities and values. One way to stop this absurd sale to the people was done at the last session of Congress by the abolition of the holding company. My radio time has expired. I thank you for your kind attention.

THE ROOSEVELT POLICIES—ADDRESS BY HON. JAMES A. FARLEY

Mr. McADOO. Mr. President, I ask permission to have printed in the RECORD an address delivered by Hon. James A. Farley, chairman of the Democratic National Committee, in San Francisco, August 1, 1935, on the subject of the Roosevelt Policies.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It seems superfluous for me to express the pleasure I feel in being in San Francisco and having a chance to talk over the political situation with my fellow Democrats. I don't know anybody who doesn't like to come to this beautiful city. Not only is there much to see that every American wants to see, but San Francisco has the charm of romance to a greater degree, I think, than any other community within the borders of the Republic. Most American cities have come along in humdrum fashion and are consequently pretty much alike, but you folks on the edge of the continent grew up by yourselves, developed a culture unique in its character independent of the rest of the country, with the result that you have done your own thinking. Undoubtedly this is due to the circumstance that you were an isolated community separated by long distances from other popular centers. Where most of our cities are tributary to some larger center and patterned after that large center, you for many decades have been a metropolis in your own right. For nearly half a century people thought of the Pacific coast only as meaning San Francisco. You developed your own great men and great women, your own great authors and artists, and not a few of the leaders of industry, whose names have become household words in New York and elsewhere, brought their wealth and talents to the East and identified themselves with the largest of national and international enterprises.

Your splendid universities and other public works that bear their names indicate how loyal and lasting was the affection for California of these men whose fortunes were founded here. I know that some of these may have been ruthless in their pursuit of fortune, but they dated from a ruthless period. The pioneers who defied the dangers of the great gold trek of '49 had to be strong men to overcome the stupendous difficulties in their way and to hew out careers on a difficult frontier. Their faults were the faults of a period and environment; their virtues were the qualities that mean success everywhere.

No observer of government could fail to note the high quality of the men you have sent to Washington from the beginning of your statehood.

No California audience needs be told of the eminence of your senior Senator, HIRAM JOHNSON, in the councils of the Nation. Your junior Senator, WILLIAM GIBBS MCADOO, through his vast influence, his wide experience, and his ripe judgment, is of inestimable value to the country and to the administration. Your delegation in the House of Representatives ranks as high as any State's Congressmen and has contributed much to the wise legislation that has made possible the measure of recovery from the depression we have attained.

The Democratic Party cannot forget its debt to California. It was this State that kept Woodrow Wilson in the White House in 1916. It was California that insured the nomination of Franklin D. Roosevelt in 1932, and the vote of this State confirmed magnificently the action of your delegates to the Chicago Convention.

Yours has always been a progressive community. You have not feared to try stupendous experiments. This trait is part of the fine heritage that came to you from your adventurous ancestors.

Because we must recognize that the course being pursued by President Roosevelt is in itself pioneering, I feel that we can count on the continued support of the sons and daughters of your pioneers. It has required the same sort of courage that brought your fathers and mothers across the deserts and over the mountains, fighting their way with hostile Indians and the bandits that beset the trails, to inaugurate and prosecute the emergency policies that have marked the present administration in Washington. Franklin D. Roosevelt, when he came to the White House, felt that he was charged with leading this country out of the great depression. There were no precedents that he could follow in carrying out this great mission. For 3 years the country had been in the gravest trouble. Every month of that period showed an increase in unemployment, the closing down of factories, the destruction of confidence in the banks, and a growth of despair among the people. I will not say that no effort was made during this period to fight the depression, but nothing was tried except the puny expedients that had served to check minor economic diseases. It was as though some of the old-time remedies for a sore throat were applied to meeting the emergency of a ghastly mortal epidemic. It required strong measures to meet the situation.

I have heard the banking holiday declared by the President on the day of his inauguration compared with the shotgun quarantines of your pioneer days. It would have been perhaps difficult to reconcile the stringent activities of California's early days to strict legal requirements, but they were effective. So were effective the emergency measures enacted on the advent of the Roosevelt administration, which, starting in by rehabilitating the banking system, continued with such expedients as the National Recovery Act, the Agricultural Adjustment Administration, Civilian Conservation Corps, etc.

I do not urge that in the administration of these measures there may not have been mistakes and errors, but they served a great purpose, and the result of these measures is the difference between the country's condition today and what it was on March 4, 1933.

Yours is a political organization, and I want to talk over politics with you. It is perfectly natural that at this time, with a national election coming next year, the Democratic administration should be subjected to as keen a fire as our opponents can bring to bear upon it. That is the explanation of a flood of propaganda that has been inundating the country. It is true that all of this propaganda does not bear the Republican label. But there is no difference in the purpose of the onslaught, regardless of its source. The objective is to destroy confidence in the Roosevelt administration, and particularly in the President himself. By this process our assailants hope—no; I will not say hope, because I doubt if even the most sanguine among them thinks that Republican success is possible in 1936—I will put it that the dream is that by destroying the confidence of the people in the President, they can effect a return of the Government control to those who would restore the privileges which piled up enormous fortunes for the few and reduced the rest of us to poverty.

Not only is there a general assault on the legislation the President has sought to promote in Congress and a consistent effort to make our industrial and commercial gains attained under the recovery program seem small, or to deny them altogether, but there is also being conducted a whispering campaign. The word is being circulated that the President has broken down under the strain and that his decisions, instead of being the ripened judgment of a man stalwart in strength and mind, are the productions of a fretful invalid. I can tell you that hardly a day passes while I am in Washington in which I do not see and talk to the President. I can tell you also that he is in perfect health, that he is serene, and that he is living the busiest life of anybody in these United States, smilingly, cheerfully, and most effectively. Twice a week he meets the Washington newspaper correspondents. He faces several hundred of them at these sessions; they bombard him with questions, and he replies. Isn't it absurd to suppose that this host of keen, experienced men, many if not most of them representing newspapers hostile to the administration, would not have been quick to note any lessening of the President's powers? The story, of course, is without a vestige of a foundation. That, however, has not prevented its industrious circulation by word of mouth, by chain letters, and by every other means which could pass it around surreptitiously and in such form that its ultimate source cannot be traced. Well, there is nothing new in this, either to the President or to the Democratic organization. The same stories were told during the 1932 campaign in exactly the same way and in almost exactly the same language. The President plans to come out to this State after Congress adjourns to participate in one of the great

California expositions. You will be able to judge for yourselves of his physical state and the vitality of his mental processes. I only mention the matter now because doubtless a great many of you may have seen some of this scurrilous stuff and may have been alarmed by it.

The President has the most strenuous job in the world, but he is equal to it.

The Nation is fortunate that this statement is true. Let me ask you if there is one among you who has not thought of the bristling possibilities that threatened this Nation if it had not had for its head during the past few years an individual of consummate courage, skill, and endurance? Where would we be today if Franklin D. Roosevelt had not gripped the situation on his advent to the White House and carried out his program of restoration and rehabilitation? The Supreme Court recently decided that in establishing the N. R. A. the President had gone beyond the letter of the Constitution. So did Jefferson when he effected the Louisiana Purchase. So did Lincoln when he issued the Emancipation Proclamation. I am no constitutional lawyer, but I dare say that there were those who regarded the acquisition of the Pacific coast as part of the United States as open to constitutional question. None of this, of course, contravenes the fact that the Supreme Court is the tribunal of last resort and you have doubtless observed that the President, while he did not mask his disappointment at the N. R. A. decision, hastened to comply with it and to arrange the various emergency establishments in accord with the ruling.

Now, the other day I noticed that one of the newspaper columnists instanced an episode of the Taft administration, reciting that the then President, and thereafter Chief Justice, had vetoed a bill—the Webb-Kenyon Act—because he doubted its constitutionality. This, of course, was in line with criticism of President Roosevelt, who advised Congress that, in his opinion, it should not hastily discard legislation for the public welfare merely because a constitutional question was raised. That matter must be left for the Supreme Court to decide. What I was about to tell you was that in the recital of the Taft incident the columnist did not tell the whole story, for the bill that President Taft had vetoed was repassed by Congress over that veto, and the Supreme Court decided that it was constitutional and it remained in force until the repeal of the eighteenth amendment.

Yes, the 1936 campaign has already begun. Every act of the administration is assailed by the Republican spellbinders and the Republican newspapers and the crew of special-interest representatives who pose as nonpartisan defenders of the Constitution and work in the word "liberty" in the titles of their organizations. When Congress passes a law in accordance with the President's recommendation there is an immediate barrage to the effect that the President is assuming to be a dictator and that Congress is a mere "rubber stamp" ready to register his individual will. When, on the other hand, Congress objects or modifies some proposal the President has made, the G. O. P. batteries—open and concealed—send forth a broadside telling the people that the President has lost control of Congress and that Congress is a high-minded body of statesmen. Of course, this does not make sense. A President could hardly be a dictator today and be at the mercy of Congress tomorrow, and resume his despotism the day after.

The situation is simply this: The Old Guard wants to get hold of the Government again; and President Roosevelt, being an insuperable obstacle in their path, they feel that their only chance lies in breaking down the affection and regard with which the plain people of this country regard him. Naturally, such a campaign is not going to be carried on in any fine ethical spirit or with adherence to the truth if a falsehood will serve better. I presume you have noticed the events in Congress relative to the bill aimed to put an end to such frauds on the people and such larcenies of the people's money as was typified in the Insull case.

For a time, you will remember, you read about every day of the flood of telegrams from their constituents being received by Senators and Representatives protesting against the enactment of this bill. These messages were cited as showing the deep public interest and concern in the matter. At the recent senatorial investigation it was shown that these telegrams by thousands were filed by the interests that sought to defeat the Wheeler-Rayburn Act, that the signatures thereto were taken from city directories and telephone books, and that the senders knew nothing about them until some of the Congressmen replied to them. Instances appeared where the originals of these telegrams were burned in an effort to destroy the evidence of forgery. Moreover, there was revealed a million-dollar slush fund. The Associated Gas & Electric System admitted spending $700,000 to fight this legislation. Chairman Philip H. Gadsden, of the committee of public-utility executives, testified to the expenditure of $301,865 which he said had been used for attorney fees and lobbying activities.

Now the next time you read of the surging tide of public sentiment against some administration project or policy just remember the faked snow storms of telegrams to Congressmen and the million-dollar slush fund, and you can perhaps arrive at a real estimate of the alleged surge of public opinion.

Detraction of the President is the sole resource of our political enemies. In all the matter that they send out, in all the speeches that have been made by or for the reactionaries and exploiters, there has not been one word of a constructive character. They inveigh against the recovery program, but not by any chance do they suggest an alternative program. They denounce the expenditures to keep people from starving and to put the unemployed to work, but never do they make a suggestion of how starvation can be warded off or men be put to work except in the manner in which this is being done.

The administration has been accused of extravagance. Let me call your attention to the fact that the routine expenditures of government, the normal, natural work of the various departments, are hundreds of millions of dollars per year below what they were when Roosevelt came to the White House. The only extravagance that can be justly laid to the door of the administration is the money it has expended in feeding the hungry, giving work to the jobless, and changing the business balances on their ledgers from red to black.

Let us just take a look at some of the results of the Roosevelt policies. For example, the amount paid in income taxes last year was $200,000,000 greater than the year before. I wish each of you would make a mental calculation. Take the amount of income tax you have paid and figure what relation it bears to your income. Apply the same process to the $200,000,000 increase that the Treasury reports, and it will be plain to you that the general public income in this country is three or four billion dollars more than it was a year ago. That is one yardstick by which you can figure what the Roosevelt policy has done for business. What it has done for the farmer you people in California can gage from your own experience. The Department of Agriculture tells me that the cash sales making up California's farm income are $65,000,000 more this year than they were last. I, of course, have seen and marveled at the two great bridges that are being thrown across San Francisco Bay. The employment they are furnishing and the impetus to business given by the purchase of the materials that go into them are tangible results of the President's program. Your stores, they tell me, are having an excellent season. These evidences of prosperity are not confined to California by any means. The automobile industry reports that it produced 2,300,000 cars and trucks during the first 6 months of 1935, a third more than in the corresponding period of last year and a good deal more than double those produced in 1933.

A familiar charge against the administration is that the profit is all going to the big fellows in business, to the detriment of the little fellow. Now, what are the facts? Dun & Bradstreet, that cold-nosed chronicler of business trends, announced that sales of general merchandise in small towns and rural areas in June of this year were 38 percent higher than for June of last year and 51 percent higher than the year before that. This business firm likewise reported recently that there were more retail businesses in existence now than there were during the boom that collapsed in the fall of 1929 and that the percentage of business failures was less than it had been for 15 years.

Yet, those who attack the administration are trying to convince the people that they are in a terrible plight, that the New Deal has failed and that the country's only salvation lies in giving back control of the Government to the outfit that led us into economic calamity.

I have gone into the subject of attacks on the administration at some length. Please do not get the impression that this means that there is any anxiety in Democratic headquarters as to the effect of the campaign of detraction. Our political fences are in good shape. I have no more doubt of the result of the 1936 election than I had before the 1932 election. But there is always this to be considered: No election was ever won by inaction, by permitting feuds within the party to take up all our attention, or by neglecting the great work of organization and education. Overconfidence has more than once in this country turned what appeared to be certain victory into surprising defeat, so I want to tell you that this is no time for Democrats to sit back and grin at what appears to be a futile foe. Moreover, an election is but one stage in the advancement of the great principles of democracy, so well expressed in a recent utterance of the President when he was asked by a newspaperman to define the object of his administration. He said then:

"The social objective, I should say, remains just what it was, which is to do what any honest government of any country would do—to try to increase the security and the happiness of a larger number of people in all occupations of life and in all parts of the country; to give them more of the good things of life; to give them a greater distribution, not only of wealth in the narrow terms but of wealth in the wider terms; to give them places to go in the summertime—recreation; to give them assurance that they are not going to starve in their old age; to give honest business a chance to go ahead and make a reasonable profit; and to give everyone a chance to earn a living."

This country has made great progress under the Roosevelt administration. It will progress still further toward the goal of public betterment during Roosevelt's next term. The voters of the United States enthusiastically gave him his opportunity in 1932. They gave him a magnificent tribute of approbation in 1934. It should be the aim of every one of us to see that in 1936 his election figures shall be so impressive that nobody can make any mistake as to where the American people stand.

EUROPE AND AMERICA—ADDRESS BY SENATOR POPE

Mr. THOMAS of Utah. Mr. President, I ask to have printed in the RECORD an address delivered by the Senator from Idaho [Mr. POPE] on January 8, 1936, before the Institute of Arts and Sciences of Columbia University, in New York City, on the subject of Europe and America—Today and Tomorrow.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

EUROPE AND AMERICA—TODAY AND TOMORROW

A subject as broad as this gives one the opportunity to browse over nearly the whole field of foreign affairs and to linger here and there as his fancy may dictate. It is a field full of interesting things. There are tangled thickets of trade barriers in almost every nation, dangerous embankments of governmental and commercial debts, rugged piles of military armaments, and the volcanic eruptions of war. But there also may be seen green pastures of improved economic conditions in most countries, clear springs of intelligent effort in foreign affairs, and the sun of international cooperation and good will.

In approaching the subject an American has certain intimate emotional reactions. His mind goes back over the relations of Europe and America since 1492, when a courageous European discovered this continent. He thinks of the struggles of colonization, of the conflicts among European nations and their reflection in the New World, of the great struggle between Britain and France for domination of the new continent, of the War for Independence, and varied relations between the two continents since that time. He realizes the ties of common blood and common culture. He appreciates the rich heritage of European progress toward democracy in government that made possible our Republic, which, we are convinced, is an advance in popular government. The American has inherited all the cultural treasures of his ancestors. After all, there is an intimate kinship between Europe and America, and the relationship is or should be a little closer than with the rest of the world.

In fact, the thing that impresses me most when I visit Europe is the closeness of that actual relationship. Wherever I have gone I found Americans at my elbow. Many of them were, of course, tourists like myself, but I found them also in almost every line of business—bankers, merchants, hotel keepers, lawyers, doctors, newspapermen, restaurant keepers, and cab drivers. I found American students in European universities and European students in American universities. I found American newspaper correspondents in every large European city. One can buy in any large city in Europe his favorite American shaving cream or cigarette. Daily happenings on either continent are known almost instantly on both. One speaks over the radio in any capital in Europe and is heard throughout America.

In every large city in Europe there are scores of representatives of American industry and commerce. One has only to attend a meeting of the American Club in Paris to realize the importance of the commercial ties between the United States and France.

The slightest depreciation in foreign exchange or a change in European tariff duties is a matter of concern to America. A change in the form of government in a European state may have important consequences in America. The triumph of nazi-ism in Germany, of fascism in Italy, and of communism in Russia produced the most widespread interest, if not consternation, throughout America. The setting up of a dictatorship in any European country has repercussions from one end of this country to the other. Communism, fascism, nazi-ism, Hitler's treatment of the Jews, to say nothing of currency depreciations and armament policies, are subjects of consideration in every town and hamlet in America.

So important are the interrelationships between the nations of Europe and America that the murder of an Austrian Archduke in 1914 started a war in Europe which involved the United States as a participant.

Europe today is much closer to America than one State was to another a few years ago. It is predicted by scientists that tomorrow the speed of airplanes at a thousand miles per hour will keep pace with the sun and that one may breakfast in New York, lunch in Honolulu, and dine in Shanghai on the same day. This would mean a trip from New York to London for lunch and matinee and back home in New York any day. Whether such amazing advance in transportation is possible or not it is certain that the relations of Europe and America tomorrow will be closer than they are today.

This all means that such relations and interests will become more complex and more integrated. This interdependence will become more pronounced as time goes on. There will be more social and economic problems for economists and statesmen to consider tomorrow than there are today.

TRADE BARRIERS

In spite of this close relationship between the people of Europe and of America there have grown up artificial barriers that threaten their peace. As the physical barriers of time and space are rapidly dissolving in the advances of science, social and economic barriers have shown no such tendency to disappear. In fact, since the World War artificial barriers have increased. These barriers take a wide range. They are economic, financial, military, and to some extent racial.

Those barriers having to do with trade and commerce are as numerous and varied as the parts of a jigsaw puzzle. They consist of currency depreciations, exchange controls, excessive tariffs, quotas, import licenses, consular fees, government monopolies, and taxes on payments made abroad. They include colonial preferences, economic boycotts, and discriminations of various kinds.

At the close of the World War, as one of the bases of a just peace, President Wilson in his famous 14 points declared in favor of:

"The removal, so far as possible, of all economic barriers and the establishment of an equality in trade conditions among all the nations consenting to peace and associating themselves for its maintenance."

The fundamental principle laid down—that of removal of trade barriers and equality of trade conditions—has been violated in almost every conceivable way by the nations of Europe and America. It is with regret that an American must admit that his country has been a serious offender in this process. Almost immediately after the war the United States began the enactment of laws generally increasing already high tariffs, which had the effect of contracting its world markets.

In 1930 the Smoot-Hawley tariff bill was passed by the American Congress and signed by the President over the protest of some 33 European nations and over 1,000 American economists. The law increased import duties on an average of about 30 percent. Immediately following its passage European nations began to follow suit by tariff increases and other trade restrictions.

Spain, for instance, withdrew most-favored-nation treatment from the United States and passed the Wais tariff bill. The tariff on American automobiles was raised from 100 to 150 percent, and exports of them were seriously impaired. Italy acted immediately. Her purchases were transferred from the United States. Switzerland promptly and effectively boycotted American products. To illustrate the sort of campaign that was carried on in Switzerland against the conduct of the United States in passing the Smoot-Hawley Tariff Act, a committee of the Swiss Chamber of Commerce circulated an advertisement in which it was stated "In order to react against a danger that menaces us and in a spirit of solidarity we ask all industrials, artisans, merchants, and consumers to ban from their offices, factories, workshops, garages, stores, and homes all merchandise coming from the United States."

As a result of the Swiss boycott exports from the United States to Switzerland decreased more than 50 percent between 1929 and 1931, while total Swiss imports decreased only about 20 percent.

In 1931 France established a customs quota system against which the United States protested vigorously. Canada retaliated in an emergency tariff act of September 17, 1930.

In 1931 and 1932 Great Britain adopted the policy of protection, and in the latter year the famous Ottawa agreements were signed in which preferences were accorded goods of the United Kingdom.

According to the United States Department of Commerce, in the year 1932, 65 commercially important countries introduced or increased their trade barriers. Coincidently with these acts of the various nations, a feverish nationalism arose. Propaganda movements were started in the various countries. Such slogans as "British goods are best" in Britain and "Buy American" in the United States became common.

A few days ago in Washington a cab driver related to me the story of a cargo of apples consigned to France by himself and his associates. They arrived 2 days late. In those 2 days quota restrictions had been imposed and the apples were not permitted to be landed. Unable to find a market, the owners were forced to dump the apples into the ocean. In addition to the year's apple crop, each party took a $1,400 loss in transportation charges. That is why one of them is driving a taxi, and his attitude toward the Republic of France is not one of intense friendliness.

Multiply this incident by millions of American exporters and the specter of strained relations raises its head.

CURRENCY DEPRECIATION

Along with the establishment of import quotas, licenses, and excessive tariffs, one nation after another began to depreciate its currency. Italy deflated the lira, Great Britain depreciated the pound, and the United States went off gold in 1933. This game added to the confusion and distress of carrying on international trade.

So long as the United States was able to float huge bond issues and lend to foreign countries money with which to purchase our goods, a degree of prosperity was maintained. In 1929, however, when such loans could no longer be financed with the savings of American citizens, a financial crash struck home. That fact, together with the trade restrictions to which I have referred, is largely responsible for the distressing economic conditions that have prevailed throughout the world during the last few years.

Let us for a moment try to visualize the end of these trade-restricting policies. Trade areas are continually narrowed; markets are inevitably reduced for the products of labor; individual purchasing power and standards of living are lowered everywhere. If carried to the logical end, man would return to the primitive state in which small groups, like the family or the tribe, would consume only what they produce. This is retrogression with a vengeance.

If history is clear upon any point, it is that the growth of human civilization has been concurrent with the growth of trade. Countless generations of explorers and scientists have devoted their lives to opening new channels of trade. Statesmen have striven by peace pacts and economic conferences to keep open these channels. As increased trade is the object of every individual business, so increased trade of nations has been the aim of the world's greatest statesmen.

Trade barriers can only serve as a detriment to the states of Europe and America and a threat to their peaceful relations.

WAR DEBTS

One of the most serious barriers to good relations between the United States and Europe is the governmental and commercial debts. There is considerable bitterness in this country over the failure of European nations to pay. In every effort to promote

friendship the specter of these overdue debts appears. Upon my return from Europe this summer a number of my friends inquired cynically whether the statesmen said anything about paying their debts to us.

Critical comment is heard constantly on the floors of both Houses of Congress. Legislation was passed a year or two ago denying the indebted nations the right to sell securities in this country. The vote on the adherence of the United States to the World Court was undoubtedly influenced to some extent by the attitude of Members on this matter. The columns of our newspapers and magazines contain almost daily criticisms of such nations. It colors the thinking and influences the attitude of the American people perhaps more than anything else.

In 1921 President Wilson issued a prophetic warning to the people of the world in his message vetoing the emergency tariff bill of that year.

"Europe", he said, "is not in a position at the present time to send us the amount of gold which would be needed, and we could not view further large imports of gold into this country without concern. If we wish to have Europe settle her debts, governmental or commercial, we must be prepared to buy from her. If we wish to assist Europe and ourselves by the export of either food or raw materials, or finished products, we must be prepared to welcome commodities which we need and which Europe will be prepared, with no little pain, to send us."

Until the last 2 or 3 years the United States has been doing two things utterly inconsistent. She has pursued a policy of contracting her markets, decreasing her imports as well as exports, and at the same time demanding payments from European nations. They do not have the gold with which to pay, and we eschew commodities as a substitute. It is virtually the height of folly to adhere to a policy containing no hope of the problem's solution and the removal of a constantly irritating barrier.

COLONIZATION RESTRICTIONS

Another barrier to good relations between nations consists of colonization restrictions. This has played a very substantial role in bringing about the Italian invasion of Ethiopia and the steady encroachment of Japan in China. There are two main contentions made by the so-called have-not nations, such as Germany, Italy, and Japan. They claim that colonies are needed to serve as an outlet for surplus population and as a source of raw materials.

I am convinced that the value of colonies as a physical outlet for population has been greatly exaggerated. After 45 years of occupation of Eritrea by Italy there are now only about 4,000 Italians living in that colony. It is also claimed that there are some 40,000 Frenchmen in the French colony of Tunis and about 90,000 Italians. There were residing in all the German colonies at the outbreak of the World War less than 50,000 Germans. It is true, however, that the people believe their countries are overpopulated, and the result is the same.

With reference to necessary raw materials and markets, much more can be said for the contention. It is generally true that real trade preferences exist in favor of the mother country. There are undoubted discriminations against the have-not countries. Japan, with her 60,000,000 people and her area about the size of California, one-sixth of which is arable land, has experienced increasing internal pressure for colonization. Had it been possible for the Japanese to import raw materials and export manufactured products, she could have maintained her standard of living without the sort of expansion which we now see going on, in spite of a one-million annual increase in her population. The United States, Australia, and New Zealand placed rigid restrictions upon Japanese immigrants. China declared tariff autonomy and Japanese trade became insufficient with which to buy food for her ever-increasing population. Without contending that Japan is justified for her aggressions in China, it is safe to say that colonial trade restrictions and other barriers have had tremendous influence in bringing on the present crisis.

It is also safe, I think, to draw the conclusion that not until colonial and other trade preferences are removed will the world be free from the threat of such aggression as Japan and Italy are engaged in today.

MILITARY ARMAMENTS

Concurrent with the constriction of trade, ill-feeling, nationalistic hostility, and increased armaments have arisen to plague us. At the close of the World War it was recognized by statesmen at the peace conference that a reduction in armaments was necessary to the peace of the world. So much was recognized in the language of the peace treaty. The disarmament of vanquished Germany, Austria, Hungary, and their allies was justified by the victors on the theory of progressive disarmament among the allied nations. Before the German delegates to the peace conference signed the Versailles Treaty, assurance was given them that a policy of disarmament would be followed by all the great powers. This policy was not carried out. Evidence adduced by the Special Senate Munitions Committee laid the blame in part on activities of the world's powerful munition makers. It was also due, I am convinced, to the policy of economic nationalism and ill will to which I have referred.

Today all the powers of the world are spending more for military purposes than ever before in peacetime history.

Japan has given notice of the discontinuance of the Washington Disarmament Treaty at its expiration at the end of 1936. That the nations of the world are engaged in an armament race is no longer a matter of conjecture. The race is on.

The United States has an annual armament program of about a billion dollars. Great Britain's expenditures for the year, probably more than $650,000,000, not including estimates for her air force, are much larger than ever before. It seems certain that expenditures for replacing battleships and for aerial armament will in 1936 exceed those of any previous year in time of peace.

The increase in expenditures for military purposes is bad enough from the standpoint of the taxpayer, but the greatest menace is the increase of killing power in modern implements of war. Incendiary bombs, high explosives, and other death-dealing implements are being manufactured in enormous quantities.

Like the dope addict smothering his emotions in a drug, nations endeavor to rationalize their fears by ever-increasing armaments. In either case the ultimate result is self-destruction. Unless the mad scramble for supremacy in arms is checked, its reasonable result can only be another world war.

RACIAL HATRED

Within the last few years another ancient barrier has reared its head in the rising tide of racial hatred. Hitler's anti-Semitic campaign has resulted in virtual boycott of Germany by Jews in America as well as other parts of the world.

INTENSE NATIONALISM

Both as a cause and as a result of all these barriers a spirit of intense and narrow nationalism has arisen in most of the nations of the world. An attitude of distrust and suspicion of all things foreign prevails. The motives of foreign statesmen are impugned, and charges of intrigue and selfishness on the part of foreign diplomats are frequent. Evidence of hostility toward European nations can be found in public and private expressions of opinion by American citizens. Newspapers frequently exhibit such an attitude in their news columns and editorial comment. It is not uncommon to hear the statement in this country that "All Europe is a hotbed of intrigue and is trying to get the United States involved in it."

Thus we have a world beset by ills. A racial hatred causes an ache here, tariff discrimination a pain there. National grievances are heard on every hand. Dictators have seized power in several countries, and the people of those countries have, for the present at least, surrendered much of their freedom.

While I was in Europe this summer serious-minded and responsible men everywhere expressed their fear of war. At that time the immediate fear was that Italy would make war upon Ethiopia. That has now been done. The British feared Italian designs upon their Empire and possible war. The French are in constant fear of an attack by Germany, particularly under the Hitler regime, and they fear the danger of a combination between Italy and Germany. Russians are alarmed over the danger of an attack from Germany on one side and from Japan on the other. The democratic nations of Europe all fear the warlike designs of dictators. As one responsible European said to me, "A dictator is like Mephistopheles, in that he goes about seeking whom he may devour."

Is it any wonder that most of our modern writers and statesmen are pessimistic? Recently Frank H. Simons declared, "No system of organized peace is possible under present economic conditions." In the address of President Roosevelt a few days ago to the Congress, he asserted:

"Not only have peace and good will among men grown more remote in those areas of the earth during this period (since 1933) but a point has been reached where people of the Americas must take cognizance of growing ill will, of marked trends toward aggression, of increasing armaments, of shortening tempers—a situation which has in it many of the elements that lead to the tragedy of general war. * * * To say the least, there are grounds for pessimism."

All this presents a gloomy picture indeed. It raises the age-old question of whether humanity has the stuff in it to save itself. I must admit the outlook tests one's faith in the ability and integrity of the race to preserve what it has achieved and to make further progress.

While the gloomy side of the picture predominates, there are streaks of light to be seen. In most of the nations of Europe, as well as in America, economic conditions are improving. In some parts of the world, as in America, they are improving rapidly. Heroic efforts are being made to deal with the matter of trade barriers. In the United States under the law providing for reciprocal trade agreements the State Department has done noble work. A number of important agreements have been entered into with other nations reducing tariffs and removing other restrictions to trade. This process is going on throughout the world, and foreign trade is showing a substantial increase.

Everywhere in Europe I found a deep desire for peace. I am convinced that 90 percent of the people of the world want peace. The responsible statesmen in the democratic nations of Europe are seeking to follow a policy that will promote peace and will prevent the spreading of the Italian-Ethiopian conflict into a general European war. At Geneva this summer over 50 nations, through their representatives, strongly committed themselves to the principles of the League Covenant in opposition to aggression and war. Never in the history of the world has there been such a massing of sentiment in opposition to a campaign of military aggression. Every action of the League of Nations has been designed to prevent or end war without bringing on armed conflict between the nations which are members of the League and Italy. League action has been limited to financial and economic sanctions in the hope of avoiding armed conflict and at the same time of asserting an effective pressure upon the aggressor to bring an end to the war.

Any serious study of foreign affairs must, it seems to me, result in two very definite conclusions.

First. Most of the problems plaguing the nations are international in character.

Second. Remedial action, to be successful, must be of a type agreeable to and concurred in by all nations.

Some of the powerful nations of the world have not yet accepted a system of working out their mutual ills in a manner agreeable to all.

The United States is still trying to solve many international questions without cooperation with other nations, yet every barrel of oil and every bale of cotton shipped to Italy at this moment is immediate proof that we cannot be disinterested and aloof. Nothing is more certain than that the problems arising out of our foreign trade are international in character and must be solved by an international remedy.

NEUTRALITY

Today America is trying to be neutral. Neutrality, according to the dictionary, means no active assistance to any belligerent. Under that definition one cannot conceive of a course under modern conditions by which the United States could be neutral. During the World War, and prior to our participation, the United States attempted to pursue a policy of neutrality. And yet it is certain that her course was of great assistance to the Allies to the detriment of Germany. This was due, of course, to the fact that Great Britain controlled the seas and could effectively blockade Germany.

In 1935 the Congress enacted a neutrality bill requiring the President to place an embargo upon arms, ammunition, and implements of war to belligerents upon the outbreak of war. The President has declared such an embargo in the Italian-Ethiopian war. It is perfectly clear that the effect of this embargo is to benefit Ethiopia to the disadvantage of Italy. The application of such an embargo to Japan and China in the event of a war between them would work to the distinct advantage of Japan. Under any plan that has been suggested, so far as I know, the result would be similar; that is, work to the advantage or disadvantage of one party or another to the conflict.

There are about five different courses that have been suggested to keep us out of war.

First. That the old rules and forms of international law established before 1914 should be followed. These would preserve the doctrine of freedom of the seas. Under this course a neutral nation would be permitted to trade in war time as in peace, except where ports were effectively blockaded. Neutral ships could be searched on the high seas for contraband. This is the course pursued by the United States during the World War prior to our participation as a belligerent and which led us into the war. This course has caused us to become involved in every major European war where a maritime power was a belligerent.

Second. It is suggested that no exports to belligerents be permitted on American vessels; that vessels of such belligerents should be permitted to come to our shores and obtain the goods. This is sometimes called the "cash-and-carry" plan. This would, of course, mean the ruin of American shipping interests. It would mean surrender of freedom of the seas and would place the United States at the close of the war at the complete mercy of the shipping interests of other countries. It would mean giving active assistance to the nation that commands the seas. Such a proposal would not deal with the dangerous and difficult problem of transshipment of our exports by neutrals to the belligerents.

Third. A complete embargo upon all exports to belligerents. During the Napoleonic war in 1807, this was tried by the Jefferson administration, with results so distressing to industry in the United States that an aroused public opinion forced repeal of the embargo acts. We then proceeded to trade as usual and got into the War of 1812. It is not likely this proposal will receive serious consideration by Congress.

Fourth. A compromise proposal such as is contained in the administration bill introduced on January 3, a few days ago. This bill extends the provision for an embargo upon arms, ammunition, and implements of war; it gives the President power by proclamation to limit export of necessary war materials to the normal amount in peacetime, with further provisions restricting travel on belligerent ships and loans to the warring nations. This is the sort of bill which is likely to be enacted by the present Congress. It is obvious, of course, that such a bill does not avoid discrimination as to one or the other of the belligerents. It may be in favor of the aggressor or the victim. It will probably prevent the most effective application of economic sanctions by the League nations, and thus prolong the present war. And in the event of a future war between Japan and Russia, for instance, since Japan buys over one-quarter of her imports from the United States, our policy would give vital aid to Japan. The trouble is that in modern times real neutrality is not possible. We do not live in a neutral world.

COLLECTIVE SECURITY

Fifth. The final course that has been suggested is cooperation with the other nations of the world in measures undertaken to prevent or stop war. This would mean working with other nations in such measures. It would mean at this time that the United States would cooperate in carrying out sanctions—more specifically, in placing an embargo upon those articles and commodities such as coal, oil, iron, and steel that have been interdicted by the League. It will mean, of course, a change in the conception of neutrality. This takes time. It is unlikely that any such cooperation with the League of Nations will be considered by the present Congress.

This is the situation today; but tomorrow America will find it necessary to take part in a system of collective security among the nations. Under modern civilization the interdependence of nations will make such a course inevitable. The demand for law and order and progress among the nations of the world will develop a system similar to that which has grown up in every civilized community in the world. This will determine the relations of America and Europe tomorrow.

NATIONAL HOUSING PROGRAM—ADDRESS BY SENATOR WAGNER

Mr. COSTIGAN. Mr. President, on December 3, 1935, the junior Senator from New York [Mr. WAGNER], who speaks with exceptional authority, delivered an important address on the National Housing Program before the National Public Housing Conference in New York City. I ask unanimous consent that his address may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I felt deeply honbred when invited to speak under the auspices of the National Public Housing Conference, an organization known throughout the country for the distinction of its leadership and the quality of its services. Those of you here today are not recruits but veterans in the campaign for better housing. You have always glowed with the ardor of every humanitarian endeavor.

But while there is nothing new about your services, you have heretofore been in the relative obscurity of those who do the real spade work, who translate public need into public demand. It is only very recent events that have brought you complete recognition upon the threshold of fulfillment. First of all, it was the depression that revealed not only to the penetrating social worker but to the average man everywhere the ugliness and squalor in the underprivileged lives of the slum dwellers. Then it was the victory over hard times that brought renewed faith in our united capacity to remove such ugliness from the American scene.

No well-informed New Yorker needs to be told about the slums, and it is certainly no pleasure to review their sordid history. But it is easier for us to hear about these conditions than it is for the victims who are oppressed by them every moment of their lives. The time has come to face the whole truth with realism and to act upon the facts.

Every new study of the slums creates a fresh impact of tragedy and horror against our hearts and minds. This very year we have learned in greater detail about the more than half a million families in this rich city who barely exist in substandard homes. It may seem overprecise to attempt to divide their misery and destitution into different gradations or degrees. Certainly we know that the people even at the top layer of this underprivileged group suffer severely enough. But I cannot refrain from noting that the 23,000 families at the very bottom are paying, and can afford to pay, rentals only one-third of the amount necessary to secure decent living quarters.

Perhaps most New Yorkers and those who do not live here have been too prone to magnify the differences between this city and the rest of the country. In respect to terrible housing conditions I wish for the sake of the rest of the country that the difference did exist. But, on the contrary, searching inquiry by the Department of Commerce indicates that in American cities at large at least 20 percent of the homes lack elementary sanitary facilities and are not fit for decent living. And when we turn from the metropolis to the countryside we find conditions even worse. Despite the much-heralded joys of rural living, there are many States today where only one home in a hundred has a bathtub; only two in a hundred any kind of running water. Generalizations are often dangerous, but it is safe to generalize about housing in the United States. For millions of people, through no fault of their own, housing is wretched and disgraceful. One-third of the total population live in homes injurious to their health and endangering their safety and morals.

"Health, safety, and morals" has become a phrase that is bandied about rather loosely. We should never allow it to become a mere legalism, a stereotyped slogan devoid of real meaning. We cannot be reminded too frequently that where the sun is not permitted to cast its healthful rays into the tenement room, 3 out of every 4 babies are afflicted with rickets; the danger of contracting tuberculosis is 30 times as great as under normal conditions; the infant mortality rate is 3 times as high as among the well-to-do. It is easy to collect these figures. But only several generations of bitter experience can reveal the cumulative effect of undernourishment and dampness and cold upon millions of unfortunates, who spread the contagion of their infirmities among society at large.

The conditions that impair health are not consistent with safety. Year after year we find that conflagrations in New York are most numerous and most dangerous in the crowded and rotting old-law tenements built before 1901. In 1934, 81 human beings were needlessly burned to death in the firetraps of this city.

The boon companion of poverty and disease is crime. The pioneer work done by the Cleveland crime survey years ago has now been supplemented by the research of the New York City Housing Authority. We now know that in the worst slum area of Manhattan, the number of arrests per thousand people is two and one-half times as great as in nonslum areas. We know also

that the dragnet of the law enmeshes women within its folds four times as frequently within the slums as elsewhere.

Even more shocking have been the discoveries with regard to the young. The rate of juvenile delinquency is four times greater in the worst slum area of Manhattan than in nonslum areas. An earlier Chicago study drew an even more vivid contrast by comparing a very poor section of the city with one of the most prosperous. It found that lawlessness among children was over 300 times as great in the Loop as it was on the North Shore.

This juvenile delinquency, and the high truancy records that accompany it, are but phases in the process by which the underworld is becoming a hunting ground reserved for the young. If we regard all persons under 21 years of age as juvenile, we find that three-quarters of all delinquents are between 18 and 16. Over one-half of all serious crimes are committed by people who have not celebrated their twenty-sixth birthday. Only some of us believe that almost all criminals are products of social mistreatment. But none of us would deny that when children on a large scale go astray, the injury that they can do to society is trivial compared to the injustice that society has perpetrated against them.

Fifty years ago the juvenile offender was thrown into a common jail, there to learn mastery in transgression from the hardened criminal. We pride ourselves on our progress since then. We have created special laws, special courts, special judges, and special houses of correction. But withal, we have hardly scratched the surface of the problem because we have not attacked it at the source. For every child of the slums who enjoys a playground, 11 are forced into the streets, there to be thrown up against every evil influence of the city. Millions are subjected to living conditions that blunt the intellectual and moral development of the average child, and that produce, even in the exceptional child, seething resentments likely to make him an exceptional criminal. To attempt correction only after the child reaches a court is as foolish as it would be to make people live in swamps, and then to provide grand hospitals for the isolation and treatment of malaria.

Occasionally one hears the claim that the corruption of the young is not due to bad housing and the slums, but rather to the streets, or the home environment, or heredity, or a multitude of other causes. Those who voice these objections are either indulging in hair-splitting and unreal distinctions, or they are the selfish few who attempt to block progress by indirect methods. Of course, all the social tragedies of mankind are part of a tangled web into which are woven the strands of many causes. But in attempting to untangle the web, we must begin somewhere. And if our concept of the home as the center of civilization has any meaning, how can we begin better than by creating the necessary conditions of a happy and healthy home life?

This is not empty theory. It is based upon experience. A study in Liverpool showed that when families were relieved of slum conditions their annual tuberculosis death rate fell from 4 per thousand to 1.2 in the short space of 4 years. It is reliably estimated that about 90 percent of those who have had an opportunity to get away from the slums have soon proved themselves in every respect the equal of any element of the population.

Closely connected with these human considerations are the economic aspects of the slum problem. A study of a large representative city showed that the per capita cost to society for the care of fire hazards, juvenile delinquency, disease, poor relief, and insanity, was seven times as great in the slums as in other areas. In addition, there is the unavoidable loss in industrial efficiency, when men and women are driven to work undernourished in body and spirit, with lowered resistance against industrial disease and accident. Finally, we must not neglect to consider the corroding effect upon democratic principles and practice, when so many see themselves denied the basic opportunities for living full lives.

It is indeed disconcerting to note that slum-living has taken on a more permanent character in recent years. When our population and industries were expanding rapidly, when the Nation was young and large waves of immigration succeeded one another, the slums were taken over from time to time by newcomers. These newcomers first pushed the older occupants into better living quarters, and then in their turn moved upward as their conditions improved. While it was never nice to think of anyone living in the slums, at least we comforted ourselves with the thought that it was merely the first step in a constant progress. Perhaps the picture was never as rosy as we thought it. But in any event, the situation today is certainly different. Millions of people are now finding the slums not a starting place but a perpetual habitat. They were born in the slums, they are spending their whole lives there, and they will die there if nothing is done to help them.

To state this development in another way, we are passing from an age when the worthy individual could help himself to an era when we must rely more and more upon cooperative action. No longer is it easy for a man to build his own home, to go prospecting in the West, or to rise rapidly in industry. Society has become more stratified. There is, of course, no reason why we should abandon hope or cut short our efforts to raise wage standards, or lose our objective of giving dignity to all occupations. But we need to realize fundamentally that individual action must be supplemented by a well-planned and coordinated housing program for the people of the country.

A program of this kind must include not only slum clearance and low-cost housing but also the development of better homes for people of moderate means, and the replacement of obsolescence of all types. In every phase of this program, from top to bottom, private industry should and must bear by far the major portion of the undertaking. Such a requirement is consistent with our practices and consonant with our principles of economics and government. The rebuilding program which this country needs, involving an expenditure, almost entirely by private agencies, of about $65,000,000,000 over a period of 10 years, would prove a boon to every trade. It would absorb the technological unemployment caused by the machine process. It would place our national prosperity upon the sound foundation of a healthy condition in the durable-goods industries.

But low-cost housing for the wage earner of the lowest income cannot be left to private industry alone. On this issue experience speaks decisively. Limited-dividend housing corporations, even at their best, have not reached the really low-income groups, but rather the skilled workers and professionals. In New York, under the Housing Act of 1926, the average monthly rental has been between $10 and $11 per room. This touches only the needs of those whose earnings are between $1,500 and $2,500 per year, or only one-third of the population in normal times. Between the first tenement house survey 26 years ago and 1932, the families occupying old-law tenements declined only by seven-tenths percent per year. At that rate, it would take about a century and a half to get the city decently housed. We cannot afford to wait that long.

It is elementary that private enterprise, no matter how unselfish, and no matter how well executed, must operate at a profit. It is clear also that private enterprise alone could not make any profit by providing the poor with more costly housing than they are able to pay for. But that is just the kind of housing that millions of people must receive if they are to be decently housed at all. No family earning less than $1,500 a year can buy suitable lodging. And even in 1929, over 42 percent of the families in America fell below that income level. Twenty-one percent, indeed, were earning less than $1,000 annually. To care for these groups, there must be private industry plus public help.

The object of public housing, in a nutshell, is not to invade the field of home building for the middle class or the well-to-do, which has been the only profitable area for private enterprise in the past. Nor is it even to exclude private enterprise from major participation in a low-cost housing program. It is merely to supplement what private industry will do, by subsidies which will make up the difference between what the poor can afford to pay and what is necessary to assure decent living quarters.

This subsidy idea, like schools and parks, hospitals and public libraries, embodies the principle that the distribution of our national income has not been entirely just, and that the interests of all the people require that the Government play its part in promoting improvement.

No one who has studied the widely successful European experience will talk sincerely of housing the poor decently without acknowledging the need for public subsidy. In England, large grants have not only raised standards of living, but also helped every part of the building industry and contributed mightily to the restoration of better times.

The bill that I introduced at the last session of Congress, and that I believe will be pushed to a successful conclusion when Congress meets again, is built around this principle. While the subsidy must be Federal, the initiation, the supervision, and the major part of the financing of a home-building program must be left to the localities. This is desirable not only from the administrative point of view, but because homes are part of the fabric of community life. They express sectional and regional habits and ideals. They must reflect spontaneous impulses of the people themselves.

I feel sure that everyone will become enlisted in this campaign to tear down the slums. There is involved here not merely the removal of delapidated buildings that are eyesores in the center of prospering cities; not merely a program for civil reform or economic improvement. There is involved the destruction of suffocating dwellings from which children of tender years are driven into the streets of vice and crime. There is involved the introduction of joy and health into the barren lives of millions of parents and their children. What heart can fail to beat in sympathy with a project to supplant disease with health, to replace discrimination by opportunity, and to do all those things that transfer human liberty from an idle dream to an inspiring reality?

ASSOCIATE JUSTICE WILLIAM GASTON—ADDRESS BY SENATOR BAILEY

Mr. WALSH. Mr. President, I present, and ask that there be printed in the CONGRESSIONAL RECORD, an able and interesting address delivered at Raleigh, N. C., by the senior Senator from North Carolina [Mr. BAILEY], upon the occasion of the centennial celebration of William Gaston, distinguished Associate Justice of the Supreme Court of North Carolina from 1833 to 1842.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The present Commonwealth of North Carolina is unique in that its white population is not less distinctly English than England itself. North Carolina is no melting pot. If in the Western World there is an old England, it is within the boundaries of North Carolina. We are in truth but an extension of that England across the Atlantic which now for 3 centuries has presented to all other nations the example of a people competent under all conditions,

equal to every demand, flourishing throughout 10 generations of increasingly rapid change, and at the last standing forth, amid crumbling structures of government, serene, contained, and forward—the most stable of all the peoples of the Old World.

England's capacity lies altogether in her competence to produce as need requires strong men with power to command the confidence of the masses, the while they have maintained in public and private life the noble ideals and virtues received from Heaven and proved by the experience of the race of mankind—the virtues of morality, of courage, of tolerance, of common sense, of religion—a capacity in the people to appraise such men at their worth and, therefore, to prefer them to all others. The demagogue gets nowhere in England, and may Heaven continue to grant North Carolina the same deliverance.

Our North Carolina heritage is no common heritage. We draw today our life as a people from 1,000 years of English experience, 700 in England, 300 in America; an experience of the progress of virtuous men and women, to liberty, and in that liberty to self-reliance and self-competence. It is a heritage that no one generation may destroy, that no series of calamities may take away. It is in the blood of a thousand years that fails not to reproduce after its order. Not infrequently it is said that North Carolina has not brought forth famous warriors, statesmen, scientists, or men of letters. But it cannot be said that she has failed to produce great men or that she has failed to work out a noble civilization.

In the first half of the eighteenth century, the formative period of our Commonwealth, upon our scene four men of the first magnitude, men comparable to the great in any age—Nathaniel Macon, William Gaston, George Badger, and William A. Graham. Granted that none of them attained unto the fame their greatness deserved, all they lacked was the accident of station. Each of them commanded, from their more eminent associates in the national life, tributes of deference and encomium that leave no doubt of his stature measured by the recognized great. Each of them left memorials in achievement and utterances that continue to exalt them after the lapse of many decades.

Tonight, 100 years after one of these—William Gaston—made his crowning contribution to our Commonwealth, the church from which he drew the heavenly standards and moral ideals that guided his exalted earthly course celebrates his character and invites its children and all others to recur to his deeds and thoughts, confident of their inspiring power, and not less confident that the crowded decades since he ceased to move upon the earthly scene have produced in this region no more lofty example, no more noble man. I would present him as a youth who sent a perfect model of filial piety and diligence in every man-making task; as a lawyer who adorned and elevated a great profession; as a statesman whose conduct commanded the highest eminence; as a citizen who exalted his relation to the State; and a churchman who was faithful to his church until the uttermost. Unequal to and unworthy of the task as I am, I gratefully accept the honor and humbly seize an opportunity as great as it is rare.

As a youth, as a student, as a man, a citizen, lawyer, jurist, and churchman, William Gaston was distinguished by the mold in which the soul was cast—and that mold was fashioned by his Catholic mother, a widow from the time when he was 3 years of age. He was undoubtedly gifted in rare degree in natural endowments, but it appears that his best gift from his earliest youth was his singular susceptibility to a saintly mother's devoted influences. Reviewing his career as a whole, there is but one reconciliation of the child, the man, the jurist, the Christian, and the statesman—and that is his steadfast concern to be true to all that was noble, his responsiveness to the holy hopes of a pious mother, a concern that wrought in him an integrity of character, a breadth of learning and loftiness of conduct that exceeded his other achievements, noble as they were. One must, in order to appraise him, behold him as the man produced by incessant and tireless self-improvement, beginning in early infancy, guided all the way by the highest standards of piety, and an unfaltering adherence to the noblest ideals; receiving at length the offer of the highest honors the State could give, and having added to these the highest honorary degrees of Columbia, Pennsylvania, Princeton, Georgetown, and other universities.

William Gaston's father was of French Huguenot descent; born in Ireland, a physician by profession, a graduate of Edinburgh Medical College, and a surgeon in the English Army. He resigned this position and emigrated to our New World, settling at New Bern. His mother was an English lady, Margaret Sharpe. The son was one of two children of this union, the other being a daughter, who became the wife of our Chief Justice John Louis Taylor. He was born 1778, in the years of our American Revolution.

The little and happy family was all too soon to be overwhelmed by disaster. An ardent Whig and supporter of the Revolution, the father was shot to death "over the heads of his wife and children" by the Tories, for no reason other than that he was a captain of volunteers in the cause of our country's independence. Years later William Gaston referred to this event in a speech in the Congress of the United States, when challenged for his moderation and his counsels of peace with respect to our course with England, by remarking that he "was baptized an American in the blood of a murdered father."

It is not unlikely that this dire affliction had an incalculable influence upon Gaston's career and character. He became at once the only son of a widow of scant means—a child of misfortune, whereas he had been born a child of fortune. The mother never recovered from her grief. Her path through life was the path of sorrow. But she was not without recourse. She was a devout Catholic, a true Catholic, who found in her church not the antidote to grief but the means to triumph over every woe that life might bring, the Heavenly guidance in every hour of darkness, the faith to carry on, and the moral ideals that qualified her to be the mother of a noble daughter and a great son.

So far as kindred were concerned, the widow and her little children were alone in the southern part of the new Republic, but in faith she possessed the heritage of all who suffer in all worlds and all ages. She was not alone, but rather was compassed about by a great cloud of witnesses. The broken heart could not yield. It is recorded of her that she was a woman of prudence and energy and that she reared her children in the faith from which she drew the strength to endure and triumph. To precept she added example, and to example precept. To say what would have been the event had the father lived would be to speculate. It is enough to record that out of a home so dark the light of a mother's faith has shone a century and a half, and never more brightly than now, when a proud and grateful people bear witness that death and a hundred years, which have swallowed up hundreds of millions in a common oblivion, have not only not been sufficient to quench the flame of the life of a child of that darkened home, but rather bear witness to its power.

I cannot resist the temptation of the moment; I would bid you bow at the feet of the daughters of sorrow, the mothers of the great. I would speak to many of the present day the word of cheer—there is no disaster, there is not power sufficient to overthrow a mother who loves her children, and sustained by piety the while she pours out her life to bring them up in the fear of the Lord and the faith of her church. The darker the night the brighter shines the light of a mother's faith. The deeper the waters the more moving at length the tide upon the shore.

The first student to enroll in the Catholic college at Georgetown, D. C., was William Gaston, aged 13 years. The mother managed that and his preparation for that. The first of a long and increasing line, it was a good omen for this institution, since grown to national importance, that he was pronounced "the best scholar and the most exemplary youth in the college." So he set an example to all who have followed him to Georgetown. Most appropriately have the authorities named the main hall of Georgetown University in his honor.

After 18 months of too earnest pursuit of his studies he returned to his mother's home—there to remain, studying in the local academy until 1794, when he entered Princeton College, from which within 2 years he graduated with the highest honors of his class. One catches a fresh insight into his soul when he reads that, after his State had laid its highest honors at his feet and he had made a long succession of conquests, he continued to say that the proudest moment of his life was when he informed his mother of his graduation at the head of his class. Confidently, may it be added that to the son's pride was added the mother's joy; that her grief was turned to gladness as she saw of the travail of her soul and was satisfied. For heavenly service she had received a heavenly reward.

A brief period of studies in the law, and he entered upon his profession, at the age of 20 years, under most auspicious conditions—having for his career every qualification of his exacting calling—the combination of learning, of capacity to learn, of nobility of character, forensic capacity, of untiring industry, and the sense of duty in the public service rather than ambition to accumulate riches. Excellence was his motive. He was successful from the outset.

I must be content, in order to comport with the demands of this occasion, to say that he shortly attained a widely recognized primacy at the bar, and at length so far achieved that the great John Marshall is reported to have said of him that he would be willing to resign as Chief Justice if he could be assured that Gaston would take his place. Mr. Justice Story rated him one of the four great American lawyers of his time. Chancellor Kent sought his assistance in more than one deep problem. His most competent rival at the bar, George Badger, bore witness that in John Marshall's court Gaston was all in all—that he had never known a judge so to depend on a lawyer as Marshall depended on Gaston.

But it was in the public rather than private life that William Gaston was destined to fulfill his career. At the age of 30 he was speaker of the house of commons, serving as such two terms. At 35 he was a Representative in the Congress, where he served two terms with Webster, Calhoun, and Clay, becoming one of Webster's most cherished associates and his ally in a number of great causes. He was a member of the State senate in 1817, 1818, and 1819. And he served thereafter in the house of commons in 1824, 1827, 1829, and 1831. In 1833 he became associate justice of the supreme court, to serve 11 years, the remainder of his life, with rare distinction. And he served also as a member of our constitutional convention of 1835; altogether, nearly 30 years in the public service, notwithstanding great and exacting duties at the bar.

Nevertheless, he could declare in the presence of the witnesses: I have never sought office—the office sought me.

As a jurist the late Mr. Justice Connor records that the records of our supreme court disclose that in a hundred years Gaston has been overruled in only one instance. What he wrote as law remains the law to this day. His most famous opinion was that in the *State* v. *Will*—probably the most notable case in all our reports. In this case he broke new ground by declaring the rights of the slaves as against felonious attack by their masters, and delivered from the sentence of death a Negro who, under great

provocation, had slain an overseer in circumstances which the court held could not justify a verdict of murder.

As legislator Gaston was active in four forums—the house of commons, the State senate, the National House of Representatives, and the constitutional convention. He could have been United States Senator, but refused on the ground of duty to the bench. He was a great lawyer and a great lawmaker. But the role of justice was to him the path of duty.

One obtains a measure of Gaston's great powers in debate when he learns that in the Congress, notwithstanding he served only two terms, it is recognized that he unhorsed Henry Clay, the greatest of American legislative leaders, in the debate on the Previous Question, to which he brought against Clay's genius a knowledge of the history of the subject and a cogency of reasoning that were overwhelming, and produced an address that must be included in any list of the classics of the Congress.

Nevertheless, it is clear that Gaston's interest was in his State and that he preferred his law practice with service in our legislature to service in the Congress. For it must be recorded that notwithstanding his well-won prestige in that body and the opportunity it offered for national fame, he voluntarily withdrew from it in 1817, refused to offer for the Senate, and served almost without intermission in the Legislature of North Carolina, until elevated to the supreme court. Perhaps fame had no more power to seduce him than money, although he frankly avowed his ambition for distinction. Surely he delighted in the engagements of his profession, the life at home, the association with his own people, and the service in the legislature. Reaching this decision from his character, one concludes that the voice of duty was the voice that moved him to renounce the national arena for service amongst his own people.

In his first term of his legislative service he drew the act regulating the inheritance of real estate—a system of descents that remains the law with only slight changes. In 1818 he was, as Battle declares, most influential in the establishment of the supreme court—practically in the form in which it exists to this day. For this he is entitled to the epithet—father of the supreme court. And it may be revealed for our Raleigh hearers that to him is due a lasting debt for his efforts to rebuild the capitol at Raleigh, thus doing much to establish our city as the State capital against a very powerful political movement.

He was the great pacificator between our east and west, and the line he drew and the provisions he made for the election of a certain number of senators west of that line and a certain number of representatives east of it, arranging a balance of power between the sections, brought about a great period of peace, and likewise determined in no small degree our politics since. To these services he added an ardent interest in public education and a noble devotion to our university, which he served as trustee 30 years.

Altogether, he was the commanding figure of his time in the legislature of this State, and his power to command rested not upon politics or catering to popular agitation or partisan antipathies. He was a Federalist and the last of the great figures of that party. He was not a man of popular manner or proclivities. He is described by Mr. Creecy as standing in the convention as reserved and aloof—and leading by reason of the sheer force of his excellence. In the heyday of slavery, for example, he did not hesitate to denounce it in unmeasured terms. Fortunate for him he lived in a day when the electorate looked to legislators to do right, to be honest and fearless, and despised the demagogues who sought office by fraudulently sowing discontent and catering to emotional demands. The Absaloms sat at the gate in vain when such as Gaston could so hold the popular confidence that, notwithstanding he did not please the masses with vain promises, he served them capably and with a heart as honest as it was fearless, and a mind that comprehended their problems far better than they.

With such a background it remained for the constitutional convention of 1835 to provide Gaston with the opportunity of his life, the occasion to render one of those services which the generations do not suffer to be forgotten. All that he had learned at his mother's knee, all that Georgetown and Princeton could give, all the noble gifts that he had acquired, all his experience as a lawyer, lawmaker, and jurist were now to serve him and serving him to serve all men forever in the cause of freedom of conscience.

The constitution undergoing revision provided in the thirty-second article:

"No person who shall deny the being of God or the truth of the Protestant religion shall be capable of holding any office or place of trust or profit in the civil department within this State."

The proposition in the convention was to strike out the word "Protestant" and insert the word "Christian."

The issue was the sectarian test of office. The stake was toleration primarily, religious liberty in the last analysis.

The debate had gone against the amendment until Gaston arose. He held the floor 2 days in a great historical argument. When he sat down the issue had been decided, and the battle for toleration had been fought almost single-handed, and it had been won.

Gaston had repeatedly been elected to office notwithstanding this section of the constitution. He was a Catholic, and everyone knew that he was. He was sworn to support and maintain the constitution. It had been his view that the section which appeared to disqualify him was repugnant to the Constitution of the United States and to the Constitution of North Carolina. On this view of the matter he had long ago, after consultation with the most eminent authorities, reached his conclusion, and his argument left no doubt of its soundness. But he was not content to rest his case on the legalistic basis, however firm. His soul was aflame with the right of conscience and the freedom to worship God.

He avowed his Catholicism without apology. And so far from apologizing for it, he gave to the convention an exposition of the Catholic's relation to his church and the State that to this day leaves nothing to be desired. With all earnestness he drew in definite lines the distinction between his allegiance to his State and his vows to his church. There was, he declared, no conflict. There could be no question of allegiance—the word related wholly to the relationship to the State. There could be, therefore, no point upon the question of allegiance. There was nothing in his religion tending to impair his allegiance to North Carolina; on the other hand, there was much to fortify that allegiance.

No nobler or braver words than Gaston's have been uttered in behalf of the separation of church and state.

He proudly pointed to the policy of toleration under Calvert in Maryland, and with no little force referred to Roger Williams and his policy of religious liberty in Rhode Island. He seems not to have made the distinction between religious toleration and religious liberty, but he left no doubt of his devotion to both. While he made no avowed choice, his argument at its height, as I shall hereafter show, was for religious liberty.

The heart of his great argument is to be found in his exposition of the right of Americans to worship God according to the dictates of their consciences and the lights before them without civil interference, pains, or penalties. In this he was fortified by the Constitution of the United States and the spirit of our Commonwealth and Republic. He had to deal for the most part with prejudices and the spirit of political accommodations, and these he attacked with devastating power.

It is not to be wondered that Gaston's utterance, so effective to present the position of his church and establish the democratic right of representation according to the popular will, is preserved by the Catholic Historical Society. Its usefulness may seem long since to have been expended, since both Catholics and Protestants have for decades agreed upon its truth—the course Gaston advocated being the course approved throughout our land. But as a memorial of a great statesman representing his church in a crucial hour, and as the final argument against religious tests of office, it well deserves preservation for all generations.

I make no apology for prolonging this address to the extent of quoting from Judge Gaston's argument, which I have so unworthily described, sufficiently to convey in his own words some impression of its high character and of the great capacity of the man who conceived it.

Hear him on the freedom of the soul:

"If there be any subject upon which the interference of human power is more forbidden, than upon others, it is on religion. Born of faith—nurtured by hope—invigorated by charity—looking for its rewards in a world beyond the grave—it is of Heaven, heavenly. The evidence upon which it is founded, and the sanctions by which it is upheld, are addressed solely to the understanding and the purified affections. Even He, from whom cometh every pure and perfect gift, and to whom religion is directed as its author, its end, and its exceedingly great reward, imposes no coercion upon His children. * * * He causes His sun to shine, alike on the believer and the unbeliever, and His dews to fertilize equally the soil of the orthodox and the heretic. No earthly gains or temporal privations are to influence their judgment here. * * * But civil rulers thrust themselves in and become God's avengers. Under a pretended zeal for the honor of His house, and the propagation of His revelation,

"Snatch from His hand the balance and the rod;
Rejudge His justice—are the God of God."

Let us not be deceived. These words are not as out of date as I just now appeared to suggest. They are needed in this age, as well as in Gaston's. There are dictatorships of recent origin that proscribe religion, that describe our religion as "the opiate of the people", that seek to destroy Christianity, that persecute a great race both on account of race and religion; millions on our continent are today deprived of religious liberty; and there are forces operating even in our land which, given the power, would in the name of communism deny to our people the consolation of the cross and the hope of eternal life.

And now on the separation of church and state:

"The alliance between king and church, or between state and church, by which the latter has been taken into the keeping of the civil power, has sprung not so much from a zeal for religion, not so much even from bigotry or fanaticism, as from the crooked policy of tyrannical men. A law-church is a convenient instrument for rulers, whether with or without religion. It enlarges their dominion by extending it over the minds of their subjects. It puts at their disposal the high places in the church and enlists in their service its ministers and teachers. It makes kings and princes and magistrates the heads of God's spiritual kingdom, and renders it sacrilege as well as treason to resist their sway. Thus has the religion of peace and brotherly love been held up as the pretext for tyranny and persecution, and its holy name been desecrated to purposes of plunder and outrage."

Hear his tribute to Roger Williams:

"The next example of religious freedom, secured in the original and fundamental institutions of a state, was given to the world by the great and amiable Roger Williams, the founder of Rhode Island, and one of the most distinguished ornaments of the

Religious Society of the Baptists. This extraordinary man, at the age of 30, had matured a doctrine which secures to him imperishable fame. A fugitive from religious persecution in England, 'he had resolved in the capacious recesses of his mind the nature of intolerance—and he, and he alone, had arrived at the great principle which is its only effectual remedy. He announced his discovery under the simple proposition of the sanctity of conscience. 'The civil magistrate should restrain crime, but never control opinion—should punish guilt, but never violate the freedom of the soul' (1 Bancroft's History, 398). 'In the unwavering assertion of his views he never changed his position; the sanctity of conscience was the great tenet, which, with all its consequences, he defended as he first trod the shores of New England; and in his extreme old age it was the last pulsation of his heart. But it placed the young emigrant in direct opposition to the whole system upon which Massachusetts was founded, and gentle and forgiving as was his temper, prompt as he was to concede everything which honesty permitted, he always asserted his belief with temperate firmness and unbending benevolence' (Ditto, 399). It was impossible that with these fixed principles of enlarged liberality he should not often have come in opposition to the fierce doctrines which then obtained. The persecuted Pilgrims of Massachusetts were such zealous lovers of civil and religious freedom that they would fain keep it all to themselves. They could not abandon the idea of punishing heresy as a crime against the state, and of upholding God's law by human force. 'Magistrates were selected exclusively from members of the church. With equal propriety, reasoned Williams, might a doctor of physic or a pilot be selected according to his skill in theology and his standing in the church.' It was objected to him that his principles subverted all good government.

"The commander of the vessel of State, replied Williams, may maintain order on board the ship and see that it pursues its course steadily, even though the dissenters of the crew are not compelled to attend the public prayers of their companions. But the controversy finally turned on the question of 'the rights and duties of magistrates' (thereby meaning civil rulers) to guard the minds of the people against corruption, and to punish what would seem to them heresy. Magistrates, Williams asserted, are but the agents of the people or their trustees, on whom no spiritual power in matters of religion can be conferred, since conscience belongs to the individual, and is not the property of the body politic; and with admirable dialectics, clothing the great truth in its boldest form, he asserted, that 'the civil magistrate may not intermeddle even to stop a church from apostacy and heresy', and that 'equal protection should be extended to every sect and every form of worship.' With corresponding distinctness, he foresaw the influence of his principles upon society. 'The removal of the yoke of soul oppression', to use the words in which, at a later day, he confirmed his early views, 'as it will prove an act of mercy and righteousness to the enslaved nations, so it is of binding force to engage the whole and every interest and conscience to preserve the common liberty and peace.' (Ditto, 401.) Compelled to fly, because of these obnoxious opinions, in winter snow, and stormy weather, for 14 weeks, not knowing what bread or bed did mean, often without fire, food, or companion, often without a guide and with no shelter but a hollow tree, he at length found a safe refuge and kind treatment among the Narragansett Indians. From them he purchased an extensive territory, and there founded the Commonwealth of Rhode Island, wherein the will of the majority was to govern in all civil things, and God alone respected as the ruler of conscience."

And now on the Catholic as citizen:

"The Catholics in this State are very few, and those who have had no opportunity of knowing them personally, and have learned their tenets only through the medium of their enemies, cannot be much blamed for crediting the most ridiculous falsehoods. It has been asked whether the allegiance of Catholics to the Pope be spiritual only, and the learned gentleman from Halifax has unquestionably shown that they do not owe him civil allegiance. Sir, I object in toto to the term 'allegiance', as characterizing the connection between the Catholic and the chief bishop of his church. I owe no allegiance to any man or set of men on earth, save only to the State of North Carolina, and so far as she has parted with her sovereignty, to the United States of America. The charge that Catholics owe allegiance to the Pope is wholly false. Spread over the whole earth—speaking different tongues, subjects or citizens of different governments, beings of different races and complexions—they are connected by a spiritual tie, the tie of one and the same faith, which constitutes them one spiritual family or church. For the regulation of this widespread church, an ecclestiastical or spiritual government is indispensable. This is mainly confided to the bishops of the several dioceses and of these, the first in rank and jurisdiction is the Bishop of Rome. To him, subject to well-defined laws and well-ascertained usage, is committed the chief administration. To him, and to them, and to every spiritual or ecclesiastical teacher, acting within his proper sphere, respect and obedience are due. But no man owes to him or them, or any of them, the duty implied by the term 'allegiance'; the obligation of personal fidelity, the obligation of defense, as an equivalent for the benefit of protection.

"His authority, their authority, is spiritual only—has no connection with civil duties—and is enforced only by spiritual censures.

"He has not, and they have not, any more right to interfere with a man's obligation to his country or his fellow men than civil rulers have to interfere with a man's spiritual concerns. Catholics peremptorily deny that the church has any temporal power or any right to interpose in the regulations of government, and hold themselves bound to resist, even unto death, as tyrannical usurpation, all attempts at such interference."

On the Catholic and freedom:

"But it has been objected that the Catholic religion is unfavorable to freedom—nay, even incompatible with republican institutions. Ingenious speculations on such matters are worth little, and prove still less. Let me ask who obtained the great charter of English freedom but the Catholic prelates and barons at Runnymede? The oldest, the purest democracy on earth is the little Catholic Republic of San Marino, not a day's journey from Rome. It has existed now for 1,400 years, and is so jealous of arbitrary power that the executive authority is divided between two Governors, who are elected every 3 months. Was William Tell, the founder of Swiss liberty, a Royalist? Are the Catholics of the Swiss Cantons in love with tyranny? Are the Irish Catholics friends to passive obedience and nonresistance? Was Lafayette, Pulaski, or Kosciusko a foe to civil freedom? Was Charles Carroll of Carrolton, unwilling to jeopard fortune in the cause of liberty?"

And now on the duty of public men:

"But gentlemen declare themselves afraid, alarmed, lest they should give a shock to prejudice, and this is spoken of as if it were some dreadful and appalling calamity. Suppose they should; what is the mighty mischief? It may impose upon them necessity, if they wish to stand well with their neighbors, to explain the reasons by which they have been influenced, and to prove the propriety of their course. This is some inconvenience, indeed, but surely no one expects that the way of duty is to be always smooth and pleasant, a mere primrose path of dalliance. It is possible, however, that the inconvenience may be greater than this. They may not be able to convince all their constituents that the decision was right. Such may be the ignorance, or prejudice, or excitement at home that it will not immediately yield to reason. And has it come to this?

"Is all our boasted patriotism an empty name? Is a public man to risk nothing for the public good? Shall he model himself after Mr. By-Ends, of Fair-Speech, in the Pilgrim's Progress? This distinguished personage was desirous to accompany Christian and Faithful in their pilgrimage to the Celestial City, but then he made it a rule 'never to sail against wind or tide' and always 'had the luck to jump in judgment with the present state of the times, whatever it might be.'

"I am humbled—I almost despair of my country—when I find honorable men clothed with the holy trust of passing in judgment on the things which make for the lasting freedom, honor, and happiness of this people hesitating to do right—looking over their shoulders—fearing that they may run counter to a partial or temporary excitement at home, and thus yield a petty advantage to some miserable factious demagogue in the contest for popular favor. It would seem as if the tenure of office had become a species of privileged villainage—public trust to be held only on the render of base services. Favor is not worth having, if it is to be propitiated or secured upon these terms."

I cannot conclude without a brief reference to Gaston's great address to the students at our university—an address treating of the proper course and conduct which becomes those who would do well in life—I commend it to every young man and woman. I quote:

On the demagogue:

"Honestly seek to serve your country, for it is glorious to advance the good of your fellow men, and thus, as far as feeble mortals may, act up to the great example of Him in whose image and likeness you are made. Seek also, by all honest arts, to win their confidence, but beware how you prefer their favor to their service. The high road of service is indeed laborious, exposed to the rain and sun, the heat and dust; while the bypath of favor has, apparently, at first, much the same direction, and is bordered with flowers and sheltered by trees, 'cooled with fountains and murmuring with waterfalls.' No wonder, then, that like the son of Abensina, in Johnston's beautiful apologue, the young adventurer is tempted to try the happy experiment of 'uniting pleasure with business, and gaining the rewards of diligence without suffering its fatigues.' But once entered upon, the path of favor, though found to decline more and more from its first direction, is pursued through all its deviations, till at length even the thought of return to the road of service is utterly abandoned. To court the fondness of the people is found or supposed to be easier than to merit their approbation. Meanly ambitious of public trust, without the virtues to deserve it; intent on personal distinction, and having forgotten the ends for which alone it is worth possessing, the miserable being, concentered all in self, learns to pander to every vulgar prejudice, to advocate every popular error, to chime in with every dominant party, to fawn, flatter, and deceive, and become a demagogue. All manliness of principle has been lost in this long course of meanness; he dare not use his temporary popularity for any purposes of public good, in which there may be a hazard of forfeiting it; and the very eminence to which he is exalted renders but more conspicuous his servility and degradation. However clear the conviction of his judgment, however strong the admonitions of his, as yet, not thoroughly stifled conscience, not these, not the law of God, nor the rule of right, nor the public good, but the caprice of his constituents, must be his only guide. Having risen by artifice, and conscious of no worth to support him, he is in hourly dread of being supplanted in the favor of the deluded multitude by

some more cunning deceiver. And such, sooner or later, is sure to be his fate. At some unlucky moment, when he bears his blushing honors thick upon him—and well may such honors blush—he is jerked from his elevation by some more dextrous demagogue, and falls, unpitied, never to rise again."

And finally on our country and the Constitution:

"If it must be so, let parties and party men continue to quarrel with little or no regard to the public good. They may mystify themselves and others with disputations on political economy, proving the most opposite doctrines to their own satisfaction, and perhaps to the conviction of no one else on earth. They may deserve reprobation for their selfishness, their violence, their errors, or their wickedness. They may do our country much harm. They may retard its growth, destroy its harmony, impair its character, render its institutions unstable, pervert the public mind, and deprave the public morals. These are indeed evils, and sore evils; but the principle of life remains and will yet struggle with assured success over these temporary maladies. Still we are great, glorious, united, and free; still we have a name that is revered abroad and loved at home—a name which is a tower of strength to us against foreign wrong and a bond of internal union and harmony—a name which no enemy pronounces but with respect and which no citizen hears but with a throb of exultation. Still we have that blessed Constitution which, with all its pretended defects and all its alleged violations, has conferred more benefit on man than ever yet flowed from any other human institution—which has established justice, insured domestic tranquillity, provided for the common defense, promoted the general welfare, and which, under God, if we be true to ourselves, will insure the blessings of liberty to us and to our posterity. Surely such a country and such a Constitution have claims upon you, my friends, which cannot be disregarded. I entreat and adjure you, then, by all that is near and dear to you on earth, by all the obligations of patriotism, by the memory of your fathers who fell in the great and glorious struggle, for the sake of your sons whom you would not have to blush for your degeneracy, by all your proud recollections of the past and all your fond anticipations of the future renown of our Nation, preserve that country, to uphold that Constitution. Resolve that they shall not be lost while in your keeping, and may God Almighty strengthen you to fulfill that vow!"

Lest the hearer suspect that I have overrated my subject, let me quote the estimate of him by Mr. R. D. W. Connor, late professor of history in our university, now the National Archivist, as follows:

"Though now half forgotten, in his own day Gaston was one of the most eminent of American statesmen and jurists. Probably no other American who had so brief a public career ever enjoyed among his contemporaries such an extraordinary wide and favorable reputation for statesmanship and legal learning. Aside from a few terms in the State legislature his career as an officeholder began and ended with two terms in Congress and 11 years on the Supreme Court of North Carolina. Two-thirds of his adult life was spent as a country lawyer in private practice. Yet during those years jurists and party leaders in every section of the Union laid their problems before him and begged for light. Story and Kent consulted him on knotty questions of law; Webster and Marshall on grave constitutional problems. A Senatorship, a Cabinet position, were his for the acceptance; and in 1824 the son of Alexander Hamilton urged him to come to the rescue of the Hamiltonian conception of the Union by running for the Whig nomination in opposition to Webster and Clay for 'the Presidential choice.' To all these calls he turned a deaf ear in order to devote himself to the administration of justice on the supreme court of his native State."

In the year 1842—7 years after his greatest utterance—while yet serving as associate justice, and in the full flower of a life maintained upon the noblest level, within and without, William Gaston passed from the earthly scene which he had long adorned and from the presence of the generation which he had so nobly served. He had lived 64 years; he had wrought full half a century, for he began early in building his character and his intellectual capacity. Notwithstanding death came suddenly, his lamp was trimmed and burning. Without intimation of his end, it overtook him even as he testified to his faith in God. Had he known of its approach, it would not have been otherwise—save for dear thoughts of the mother who gave him life and faith and instructions, of friends and comrades in the beautiful and triumphant pilgrimage through the years of hours and faculties of which he had dutifully made the most, of unwavering fidelity to his church, of a humble trust in his Redeemer, which had increased even as his powers of intellect and his fame had increased, and of a happy assurance that he would live beyond the grave here in minds made better by his presence, and eternally in the blest abode of all the children of God.

He had borne witness in rare degree that man is made in the image of God, is but little lower than the angels, and by His grace we may be counted worthy to be called the sons of God.

THE AGRICULTURAL SITUATION—ADDRESS BY SENATOR BANKHEAD

Mr. BYRNES. Mr. President, I ask permission to have printed in the RECORD a radio address delivered by the junior Senator from Alabama [Mr. BANKHEAD] January 14, 1936, on the agricultural situation.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The decision in the Triple A case directly touches the firesides of more families than any other decision ever rendered by the Supreme Court.

Two cases involving the doctrine of States' rights, the Dred Scott decision and the Hoosac Mills case, will stand out in the history of legal jurisprudence as of paramount importance in human, social, and economic values. The Dred Scott decision led to the War between the States, with all of its devastating and horrible consequences. The Triple A decision strikes down, at least temporarily, a program which has carried financial relief and buoyant hope into the homes of millions of farmers, displacing discontent, despair, and desperation.

The ground upon which the Court elected to base its holding that Congress had no power to spend money to provide for the welfare of agriculture, if it means what it says, is more far-reaching than has yet been fully grasped by the American people. The Court held that while Congress had the power to tax and spend for the national welfare, that it could not do so in aid of agriculture through contracts with farmers, because that would invade the reserved rights of the States. The Court held that the condition of agriculture could not be a situation of national concern, but was one involving only local conditions, regardless of widespread similarity of such local conditions.

That is the same as saying that one's body covered with smallpox pits is affected with widespread local conditions, but that no general condition of the person is involved. It is truly disturbing to most thoughtful citizens, regardless of their views about the wisdom of the Triple A law, to know that our highest court has written into the lawbooks the fiat that Congress has no power to tax and spend for agriculture as a subject affecting the national welfare, and that as the regulation of agricultural production covers only local conditions the exclusive power to deal with it is reserved to 48 separate States. It holds, however, that industrial plants, located within the States, may be aided by tariff taxes under the commerce clause of the Constitution. In short, while agriculture cannot be aided under the general-welfare clause because it is composed of separate local units, industry, though composed of separate local units, does not, like agriculture, fall under the States' rights doctrine.

Representatives of the people and true supporters of the Constitution have sufficient ingenuity, courage, and patriotism to find a way to give a reasonable and just application of the letter and spirit of the Constitution to the end that the welfare of millions of farmers who produce the food and clothing for all the people of our country may be treated as affecting the national welfare.

Before the controvery can be finally settled, the doctrine of "equal rights to all and special favors to none" should, and will, be given application to agriculture, alongside of industry, finance, and commerce.

Since the deflation of 1921 and the passage of the McCumber-Fordney Tariff Act, the farmers have been knocking at the door of Congress for relief. Congress passed the "equalization" bill at the insistence of farmers' organizations. Mr. Coolidge vetoed it as unconstitutional.

Following a promise to Senator BORAH, Mr. Hoover called Congress in special session to increase tariffs on farm commodities. Industrialists swarmed down on Washington and took charge of the bill. It emerged with ineffective tariff rates on farm products, but with such highly effective rates on manufactured products that the Smoot-Hawley Act brought on a world-wide tariff war. The result was that the farmers lost the major part of their foreign markets. Instead of getting relief under that act, the farmers got more distress.

The first ray of hope given the farmers of the Nation was contained in the Agricultural Adjustment Act.

If I had the power to portray a true picture of the misery, the physical wants, the mental anguish, and soul despair in the average farm home during 1930, 1931, and 1932, and all the time progressively growing worse, I could not have any satisfaction in doing so. The recollections are too horrible to revive in a vivid way.

After nearly 3 years of administration of the Triple A, we find a different story, especially with producers of basic agricultural commodities and with the city people in the agricultural areas. With a few exceptions, farm prices have not yet reached parity—fair exchange prices with industrial commodity prices; a fair exchange between the products of the labor of those on the farm and the labor of workers in the mills, factories, and other industrial plants.

The total received by the average cotton farmer for his entire crop, a year's work, during the dark days of the depression was about $200. The average income of the cotton farmer has been more than doubled. Paltry though the increased income may be at best, it spells the difference between poverty and destitution and loss of homes on one side, and, on the other side, encouragement to labor on—not as mere "hewers of wood and drawers of water" but in a spirit of manly pride, conscious that they are free-born, independent, patriotic American citizens, carrying on the work of their pioneer ancestors, proud of their blood, devoted to their families, ambitious for their children, faithful to their churches, friendly with their neighbors, and a hospitable host to any decent stranger.

Last week the farmers, though not free from troubles, felt that they were on a safe road, which would lead them out of the wilderness of debt and despair. They looked to the future with a new hope and a new feeling of security. There had come to most of them a new outlook and a splendid satisfaction that at



last their Government had recognized that agriculture, after carrying for generations the load of industrial development by buying at tax-protected prices and selling at world market prices, would henceforth be granted compensatory benefits.

Two coordinate branches of the Government, the legislative and executive, both elected by the people, approved this new balanced program in our country's economic system. The Supreme Court has refused to give its approval. The farmers grieve and look to the leaders to find a substitute for a plan condemned by the Supreme Court, that will be as good or better than the one just rejected.

Consumers in the industrial and commercial areas are rejoicing because they look for a reduction in the cost of food. Looking at immediate savings, they overlook other results of equal or greater importance. They decline to appraise the interdependence of agriculture, industry, and commerce. They forget that the purchasing power of more than half the people of the Nation is based directly upon the earning and spending power of the farmers. They totally ignore the relationship between industrial, commercial, and financial operations, and the purchasing and debt-paying power of the trade area into which business sends its capital and the products of the mills and factories of the industrial sections.

If agriculture is forced back to the conditions which prevailed before the Triple A became a law, it is certain that there will also be a return to the same conditions that then prevailed in the industrial and commercial sections.

The waybills of four railroads operating in the South show that the first year after the farm program went into effect shipments of industrial and manufactured goods originating in the 16 Northeastern States increased 39 percent. It is common knowledge that since that time the increase has been much larger. New registration of automobiles increased by 38 percent in 1934 over 1933 on farms and in towns of less than 10,000. Since that time the percentage is much higher. The farmers' money has been flowing to the industrial centers and increasing pay rolls, to the advantage of city consumers of farm products.

Protective-tariff advocates have persistently urged the farmers to support protection on the ground that, notwithstanding prices of things bought by the farmers would be higher, the farmer would be benefited in a compensating way through the increased purchasing power of industrial workers to buy farm products.

Is it fair now for buyers of farm commodities in industrial and commercial centers to insist that the benefits flowing to them from tariff taxes should be retained and that the benefits flowing to the farmers from processing taxes should be abandoned? Processing taxes increase the cost of rice, flour, hog products, and cotton textiles. Protective tariffs increase the cost of practically everything the farmer buys.

More than half of the money paid out for food goes, not to the farmers, but to individuals and firms engaged in transporting, handling, processing, storing, financing, selling, and delivering that food.

In 1932 the average retail value of bread made from 1 bushel of wheat was $4.24. The farmer got only 39 cents of it, or less than one-tenth of the money consumers were paying out for their bread. In 1935 the retail value of the same amount of bread was $5.17, an increase of 93 cents. Of that increase the farmers got 47 cents, or only slightly more than half. City workers got the balance.

Since the Supreme Court decision there have been a few reductions, but for the most part processors and distributors have hastened to tell consumers that they cannot expect big price drops, because the cost of raw material is really only a very minor part of the retail price.

If the Government aids industrial groups and sections, through tariff taxes, thereby increasing prices of their products for the benefit of those groups or sections, who can sincerely and honestly say that it is not fair to also give agricultural groups and sections the benefits of a processing tax on wheat, hogs, and cotton and rice, although the costs of those agricultural products are thereby correspondingly increased?

If Federal machinery for aiding farmers to collectively adjust their supply to reasonably fit consumptive demands is not provided, and if excessive production again reduces the agricultural areas to distressing living conditions, the city consumers who are now rejoicing at the Supreme Court decision will find factories slowing down, retail sales diminishing, bank deposits decreasing, salaries and wages reduced, and unemployment increased.

Few things could be more unfortunate than a resistance, by city consumers of agricultural products, to a program intended to promote in a reasonable way the welfare of 6,500,000 farm families and all the town and city people in the agricultural sections of our country. Such a division of the people will have in many domains of activity unwholesome and unhappy reactions and results.

Critics of this administration have denounced the "plow under" of cotton and pigs and refer to reduction in acreage planted to other crops as a "plow under" performance. You hear nothing from the same critics about the "plow under" production-control activities of industry, the scarcity doctrine, under which industry plowed into the streets 16,000,000 men and created far more scarcity of output than the farmers ever thought of doing. Who started the plowing-under practice? Under what administration did an agency of Government advise the farmers to plow under every third row? Under what administration were 19 battleships, costing $277,695,994.34, plowed under the sea?

What is Congress going to do? I feel that I can say with assurance that it will do whatever it can do to hold the gains made by the farmers. We must conform new legislation to the decision of the Supreme Court. It is believed by the friends of the farmers in Congress that a new program can be devised that will enable the farmers, if their spirit of cooperation is sufficiently strong, to avoid price-ruining surpluses, and while doing so to receive the aid of rental or benefit payments.

The time element is very important, especially to the cotton farmers. Their situation is worse than the wheat, tobacco, and hog producers. When this year's crop comes in the market, a carry-over of 8,500,000 bales will be in the warehouse. A new crop of 14,500,000 bales (and it may be 18,000,000) would provide a supply of 23,000,000 bales for a world consumption of 12,000,000. There must be action and quick action to prevent such a disaster. Let me assure the people in the Cotton Belt that their leaders here are working day and night to produce the most effective plan that can be devised under existing judicial limitation. Good progress has been made, and the work will be pursued with tireless effort. A bill will be on its way through Congress in a few days. The prices of other basic commodities will not immediately go much lower. That is due to reduction in surpluses—the adjustment of supply.

When the 1936 crops come to market without aid from the Government in acreage adjustments, surpluses will again pile up, and prices will go down. More work, more expense, and less income. Hog producers may not receive the blow until 1937, but it will jolt them at that time. The refusal by the Supreme Court to pass on the constitutionality of the Bankhead Cotton Act leaves that act in full force and effect. The operation of that act should deter noncooperating farmers from planning for large increases in cotton planting. If it serves the purpose of staying plans and steadying conditions until a new Triple A law can be enacted, carrying the usual benefit payments conditioned upon a proper balanced production on farms, there will be demonstrated full justification for the passage of the Bankhead Act, and its continuance by an overwhelming vote of the cotton producers.

THE PHILADELPHIA NAVY YARD—ADDRESS BY REAR ADMIRAL WATTS

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Rear Admiral W. C. Watts, commandant of the League Island Navy Yard, given at the Rotary Club of Philadelphia, November 18, 1935. It was my privilege to be a guest speaker in company with Rear Admiral Ernest J. King, Chief of the Bureau of Aeronautics, at the time Admiral Watts gave this address. It shows in a clear and comprehensive manner the contribution the Navy is making to the civic life of eastern Pennsylvania, Delaware, and New Jersey, and to the development of aviation through the medium of the Naval Aircraft Factory. This speech has been read by Commander J. A. Saunders, aide to the Naval Committee, and Senator from Florida [Mr. TRAMMELL], chairman, and they concur with me in the opinion that the discourse of Admiral Watts will be of interest to members of the Naval Affairs and Appropriations Committees.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Toastmaster, distinguished guests, and Rotarians of Philadelphia, when I was asked to address you on this naval aviation night sponsored by your club, I was told that my subject should be the Relationship of the Philadelphia Navy Yard to the City of Philadelphia, and I realized at once that I would consequently have to ask your indulgence in departing for a time from the aviation theme of the evening. It is true that the navy yard does include the naval aircraft factory as one of its most important units, about which more later, but I hope I may be excused if I touch also, in handling the subject assigned me on some topics having no relationship to aviation. In any event, my old friend Admiral King has so admirably treated a most vital and interesting feature of naval aviation and the next speaker will so delight us all, I am sure, on another specially important phase of the matter, that there is not much left for a representative of the navy yard here to contribute on the subject.

I take it that you are all more or less familiar in a general way with your navy yard, as you really should be as good citizens, and I do not want to embark on a complete description of it or to bore you with too many facts and figures in discussing its relationship with your great city. To set out to explain how this relationship is a very close one also seems unnecessary to me, for it must be obvious that any very large and complicated establishment, employing thousands of your citizens, must constitute a real part of the life of the community in which it is located. That such is true in the case of the navy yard is emphasized by the fact that at present there are employed within its 1,000-acre area a total of about 7,700 regular civilian employees, the vast majority of whom are citizens of Philadelphia. The monthly pay roll of these men and women is about $1,100,000, and I am sure the significance of this figure is apparent to you businessmen of Philadelphia.

There are now under construction at the yard two 10,000-ton cruisers, two destroyers, and four large sea-going Coast Guard cutters, this program representing a total expenditure in the yard of about $34,500,000. Work will soon start on another destroyer, the construction of which was recently assigned to this yard. When this work load reaches its peak about next spring it is expected that about 1,400 more men will be employed, but thereafter, unless additional work is assigned to the yard, it will be necessary to discharge large numbers of men. The yard has already initiated efforts to procure additional work, particularly the construction of the battleship which it is rumored may be included in next year's program, but I wish now to point out how important this matter also is to Philadelphia if a serious increase in its unemployed and a marked reduction in the spending power of the navy yard are to be avoided. The wisdom of active interest in this matter on the part of the rotary club and similar organizations in this city is clearly indicated.

While on the subject of unemployment, it is a pleasure to inform you of the considerable part in its relief that is being taken by the navy yard in a direct manner. We have, from the start in 1931, been very active in obtaining approval for numerous projects under first certain emergency legislation of the previous administration, and then under N. R. A., C. W. A., L. W. D., and finally now under W. P. A. and P. W. A., and at present there are employed in the yard on W. P. A. projects more than 3,100 persons obtained from the State employment office in Philadelphia, these being additional to the regular yard force above mentioned, and being employed on work particularly well adapted to existing policies and contributing greatly to improved efficiency in the yard. Since February 1931 funds have been allotted for unemployed relief projects in the naval establishments in Philadelphia in an aggregate amount of $10,400,000, of which $3,335,000 was assigned from the last appropriation of Congress for emergency relief. Our relations with the relief authorities, both of the State and of the city, have been most cordial, and we have received numerous compliments regarding the manner in which our relief projects were initiated and are being handled. The first men in Pennsylvania who were put to work under the new program last summer found relief from their distress in employment on navy-yard projects successfully pushed through to early authorization. I feel strongly that no more suitable employment could be found for these men than in this work of improving the facilities of a navy yard, and the results to us are of tremendous value.

Also the very considerable amount of new buildings being erected in the yard, particularly at the aircraft factory, by local contractors, has furnished employment on these P. W. A. projects to what now is a total of about 345 men additional to all those previously mentioned. So I hope you will feel that the yard is serving a useful purpose also in the relief of unemployment, surely a phase of its relationship to Philadelphia which appeals to us all in these critical times.

It should be remembered that workmen in nearly every mechanical trade are required in a navy yard such as the one in Philadelphia, the only yard to include an aircraft factory and a boiler laboratory, in which latter considerable service is rendered to commercial concerns by conducting highly scientific tests for them. Thus it serves as a great training institution for industry, and it has been possible to maintain the apprentice training school, a system that has had to be abandoned because of its cost by many commercial concerns in the recent hard times. Young men in this way are given an excellent opportunity with pay to receive technical and general education, and to qualify for rating in one of the many trades needed in the yard. The Philadelphia Board of Education recognizes the value of this system for young men of this community and supplies a teacher who devotes his full time to the instruction of the apprentices, a service that I am glad to have this opportunity of acknowledging with our great appreciation. Unfortunately the number who seek appointment to this school is far greater now than the quota of about 30 annually which we are authorized to accept. When a competitive examination for such appointments was recently held by the Civil Service Commission, through which agency all our regular force must be obtained, there were over 6,500 applicants, and I only wish we could take many more of them.

Philadelphia and the Delaware River has always been a great shipbuilding center from the very earliest days when William Penn gave the first impetus in that direction in 1683 by ordering the building of a small seagoing ship, the *Amity*, for the Free Society of Traders. The Philadelphia Navy Yard, now officially classified as primarily a building yard, earnestly strives to live up to the high traditions of ship construction of which this region may be so justly proud. We owe very much to the excellent labor market, particularly in shipbuilding trades, which has thus been built up in this vicinity, and we trust that we may always be able to serve it well.

The navy yard is also fortunate that it is situated in the very heart of the manufacturing center of the United States, facilitating greatly the expeditious procurement of all the immense amount of material and articles required to maintain a well-equipped ship and aircraft building and repair plant, and to meet the needs of the fleet. In addition to purchases made by the Navy Department in this vicinity, local purchases by the supply department of this navy yard average about $3,000,000 per annum, an item of no mean importance to business interests here. To give an idea of the extent of the business side of the yard, there were received by the supply officer during the past year material and equipment costing over $15,000,000, and his issues in those 12 months amounted in value to even more than this sum. The value of his stock in hand is usually about $26,500,000, and all these figures do not include the business of the aircraft factory, which is also very considerable, as noted later.

This being naval aviation night for this club, I want to allude particularly to this naval aircraft factory in our navy yard, which plays an important part in the general scheme for the administration of naval aviation. The factory is organized as a separate department of the yard and, through the commandant, is controlled largely by the Bureau of Aeronautics of the Navy Department, whose distinguished Chief you have had the pleasure of hearing this evening. It has its own manager and its own supply department, and is located in its own distinct area of the yard, occupying the entire eastern end of League Island. It employs about 1,400 men and women, with a pay roll of about $220,000 per month, these figures being included in those already given for the yard as a whole. The total cost of operating the factory is about $4,000,000 per year, which is its contribution to Philadelphia's economic life blood. Its supply department received articles in the past year costing about $12,000,000, and its annual issues exceeded that sum by a million and a quarter dollars. The value of its stock on hand is about $10,000,000.

The naval aircraft factory has a varied mission. It is a central depot for the service of supply, where purchase and distribution to ships and operating stations of practically all naval aeronautical supplies are centralized. It is a central repair base, for both the Navy and the Coast Guard, and a manufacturing unit for airplanes and engines, and serves as an experimental station for all types of aeronautical test and research. It is equipped with highly developed laboratories for research and testing of aeronautical engines and structures, and for many operating and flight problems. Its flight activities require an extensive modern flying field and beach. Mustin Field, while not a commercial operating field, does serve as a very useful terminus for Federal and State planes, and makes an ideal emergency landing lighted field directly on the Camden-Washington Airway.

Besides its contribution to Philadelphia's economic life, the aircraft factory, being a Government-owned institution, not operated for profit, can and does maintain the highest standards of design and workmanship in the aeronautical art. These standards of design and workmanship, determined and maintained, and the findings of its laboratories available, except in confidential matters, to the entire aviation industry, together with the trained personnel in both professional and mechanical callings which the factory constantly turns out into that industry, are invaluable contributions toward attaining practical and safe commercial and military aviation.

There are other important departments of the yard about which I would like to speak, but lack of time forbids anything but the briefest mention. The medical department, which renders medical services to the civilian employees, including W. P. A. workers, who unfortunately sometimes sustain injuries in the yard; the disbursing department, which pays all wages and salaries to civil and naval personnel and pays the bills of the yard, a monthly disbursement in all of about $1,750,000; the marine barracks and the receiving station, which are the military branches of the yard; the two large schools for young officers, the marine basic school and the naval finance and supply school—all these have their important share also in the relationship of the yard to the city.

Then, too, many think of the navy yard as the only naval unit in Philadelphia, but there are numerous others of great importance to a well-rounded naval organization and that in some cases have specially close relations with the local community, as, for example, the fine new naval hospital, where 250 veterans from this area are hospitalized, and the hydrographic office, which is of such great value to the maritime interests of the port (naval home). The naval inspection services in Philadelphia have constant contacts with many local manufacturing concerns. The marine depot of supplies employs many civilians, as does the naval ammunition depot at Fort Mifflin, and Navy and Marine recruiting offices are available here for enlisting into the regular services as many of the vast number of applicants as their regulations permit. Though the naval air station at Lakehurst has no very direct relationship to Philadelphia, it also is a unit of the fourth naval district, of which also I have the honor of being commandant, and it plays such an important part in naval aviation as the center of airship training and experiment that I cannot refrain from at least mentioning it for that reason.

All these varied naval activities in the vicinity of Philadelphia have made a considerable impression, I believe, on the consciousness of the community, and I am happy in paying a tribute tonight to the very hearty support they all receive from the municipal authorities and business interests of the city. While I feel that their presence here does contribute very materially to the welfare and prosperity of Philadelphia, we in our turn are very grateful for what the community and its government does for us in many ways. I think it may be said that Philadelphia, particularly as regards its officials and its institutions and organizations, is an unusually navy-minded city. I can speak from my own experience of the past year and a half in saying that I have had nothing but the most whole-hearted support, interest, and sympathy from all to whom I have turned for assistance in matters that frequently arise affecting both the yard and the city. Likewise, the many hospitalities and courtesies that have been extended to the Navy, both those of us stationed here and those who have come here in ships

of the fleet, on the part of the city government and many of the clubs, societies, and organizations in Philadelphia, have been conspicuous and most highly appreciated.

As I took occasion to point out in another public address, Philadelphians are most unusually hospitable and kind to anyone in the Navy who comes here with any previous association with them, and I reiterate this fact now with the greatest possible emphasis, particularly as this tribute to Philadelphians was omitted from the newspaper accounts of my former address.

There are at present about 385 active-list officers of the Navy, commissioned and warrant, who are on duty at the navy yard or in Philadelphia, of whom about 140 are attending special schools in the yard or taking special postgraduate courses in educational institutions of the city. About 120 of these are quartered in the navy yard or at Fort Mifflin, though they spend much of their off-duty time uptown, but all the remainder, about 265, together with about 120 retired officers, of whom the vast majority are married, live in Philadelphia or its immediate vicinity.

This, of course, represents an almost negligible portion of the population of this great city, but from our point of view it is quite a large Navy community to be domiciled in any one locality. I mention the figures primarily, however, to show that there are considerable opportunities for contacts on the part of Philadelphians with officers of the Navy, who always welcome opportunities to fraternize and discuss affairs of mutual interest with any civilian friends with whom they may be able to make acquaintance. There are many such contacts now, I am happy to say, but the more they can be developed among those of the service who come here as strangers, the more intimate still will become the relationship between the Navy and the city, a result of mutual benefit to both, I feel sure.

The number of enlisted men of the Navy and Marine Corps permanently stationed in Philadelphia is rather small, about 700 in all, of whom 570 are marines, the largest single unit being at the marine barracks at the navy yard, composed of about 320 men, many of whom are attending special schools at the marine barracks and supply depot. Relatively few of these enlisted men are married, and the great majority consequently live in the yard. They are treated finely in Philadelphia and seem to make friends quickly, so that duty here is sought by many of them. At times, when crews for new ships are being assembled at the receiving barracks, there are many more enlisted men of the Navy here, and the experience in Philadelphia of these transients becomes more of a problem, as is true in the case of the crews of visiting ships. Officers of the Navy are most deeply interested in the welfare of their men, and I am always specially pleased when entertainment of any sort for the enlisted men is arranged, as has on occasions been so splendidly managed here in Philadelphia.

Another point of contact with men deeply interested in the Naval Establishment is offered by the large number of naval and marine reservists in this area. In addition to the two battalions of Naval Reserves, one in Philadelphia and one in Camden, the two Marine Corps Reserve battalions and the reserve aviation squadron, there is a great number of men here enrolled in the volunteer reserve, for all the many specialized branches of the Navy. All of these men are showing high patriotism, which is most commendable, and they and the organizations which they represent are deserving of your fullest support. I would be very remiss if not paying this tribute to this fine group of citizens of this vicinity.

It is true, also, that the naval personnel stationed in and about Philadelphia is but a small portion of the whole Navy, but nevertheless it does represent the Navy and, small though it is, it stands ready, as the Navy always and everywhere does, to be of such service to the city as it can in any emergency or calamity in which the employment of Federal force might become necessary or helpful. God forbid that such a situation may ever arise in Philadelphia, but, if it unhappily should, the representation of the Navy here can be counted on, I assure you, to live up to the best traditions of its service, so often demonstrated elsewhere under such conditions.

The very fact that the navy yard and its naval personnel are symbols of a great branch of the national defense brings out what I feel should be the most important feature in their relationship to the city of Philadelphia. If their presence here can serve to stimulate patriotic inspiration and to arouse interest among our citizens in their Navy, much good to our Nation will result. The Navy is largely dependent for its development on the attitude of public opinion toward it. Such attitude is much more apt to be favorable if the public is thoroughly familiar with the Navy, or some part of it, and acquires an interest in it and its needs and problems through direct contact with its representatives.

Philadelphians are more and more conscious all the time that a great navy yard is located nearby. Last Navy Day the unprecedented number of 93,600 visitors, by actual count, came to the navy yard, which is indeed a most gratifying proof of their interest in seeing what was arranged specially for that day. It stimulates us greatly and improves the morale of both naval and civilian personnel to feel that the public is interested in our work. If only the yard could become so well known that its interests and welfare would be a subject of frequent thought and discussion in the civilian community here, then, indeed, our relationship with Philadelphia would redound still further to the welfare of our Navy and our Nation. I know that so powerful an organization as this Rotary Club can be of great assistance in arousing such interest, and I submit such an effort to you as a fine, patriotic undertaking, a purpose for your fellowship in service, which I feel will appeal to so fine a representation of loyal Americans.

In conclusion, let me express my great pleasure in being with you all this evening and in having the privilege of addressing you. We all appreciate greatly the compliment shown to the Navy by your dedication of this occasion to a naval subject. I thank you sincerely for all this and for your attention, and you have my very best wishes for the continued success and welfare of the Rotary Club of Philadelphia.

THE MERCHANT MARINE—REPORT OF T. W. VAN METRE

Mr. COPELAND. Mr. President, the American Merchant Marine Conference at New York City, November 18–19, 1935, appointed an expert to give some consideration to the question of the American merchant marine. Prof. T. W. Van Metre, professor of transportation of Columbia University, prepared a report on the subject. The report is brief but very illuminating. I ask that it be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

Accordingly, T. W. Van Metre, professor of transportation, Columbia University, was engaged for this purpose. In presenting Professor Van Metre's findings herewith the committee wishes to express its sincere appreciation for his valuable services in preparing this final draft.

I. MERCHANT MARINE POLICY

The United States is a great commercial nation possessing a water-borne foreign and domestic trade greater in volume and in value than that of any other country in the world. It should have a merchant marine adequate to the needs of that commerce, a merchant marine which will not only protect that commerce and promote its normal expansion in times of peace, but which will preserve that commerce in time of war; and should this country become involved in war, a merchant marine which can be employed for national defense as an auxiliary of the Navy. The ships of this merchant marine should be built in American shipyards and they should be manned by American crews.

It is impossible to establish an arbitrary figure as to the desirable size of the merchant marine, but it does not seem unreasonable to hold that it should ultimately be sufficiently large to carry at least one-half the water-borne foreign trade of the country. This does not mean that half the Nation's export and import trade on all ocean routes with which the trade passes should necessarily be carried in American ships. On some routes, especially those to nearby countries which have little or no merchant shipping, the proportion carried in American vesels should be greater than one-half, while in other routes it seems reasonable to suppose that for many years to come at any rate, the proportion will be less.

At the present time the proportion of American foreign trade carried in American ships is considerably less than one-half. In all of the country's important trade routes there are reasonable prospects for a healthy growth of American shipping, and on several routes there is a genuine desire and need for ships which are larger, faster, and better equipped than those at present in use. The steady revival of foreign trade now in progress should make possible the expansion of the American shipping industry. The operation of ships superior in type and speed to those now employed will serve to stimulate trade.

If the United States is to have a merchant marine adequate to the needs of its commerce and suitable for use as a means of national defense, one fact must be accepted. Government aid is indispensable. The cost of construction of ships in foreign shipyards is much less than the cost in American yards, and the cost of operating ships under foreign flags is less than the cost of operating under the American flag. It is impossible for American ships to compete wholly upon a commercial basis with foreign vessels. Without Government aid American shipping now engaged in foreign trade would soon wither away, the American flag would virtually disappear from the high seas, and the merchant marine would soon revert to the conditions which prevailed before the World War.

Whatever plan of aid is employed, it should be, as nearly as possible, of a permanent character. A policy, based upon careful study of all facts and upon past experience should be adopted, and once adopted, it should be firmly adhered to. It is only under such a policy, wisely and carefully administered, that needed ships can be built and replacements and additions made as they become necessary. In other words, if permanence of the merchant marine is to be secured, there must be permanence of national policy.

In the determination of the general character of the merchant-marine policy the first question to be decided is whether governmental aid shall take the form of complete government ownership and operation of shipping or of private ownership and operation with a Government subsidy. Between those alternatives there should be no question as to the proper choice. Not only is Government ownership and operation contrary to American tradition and practice, but the lesson of experience is that its results have been highly unsatisfactory. The American merchant marine should be privately owned and privately operated.

II. FORMS OF GOVERNMENT AID

At the present time the operators of various American ship lines receive Government aid in the form of mail subventions paid in pursuance of contractual agreements with the Postmaster General. While this method of Government aid has been helpful in restoring and in encouraging the further development of the shipping

industry, the opinion is general that it would be well to replace it by a system of direct subsidies—subsidies for both the construction and the operation of ships engaged in foreign trade. Should Congress decide to discontinue mail subventions and in their place give direct subsidies, it should be clearly understood that the lines now possessing mail contracts should be adequately protected in the rights acquired under their contracts. The contracts were entered into in good faith, and they should be scrupulously adhered to until their expiration in all those cases in which it is impossible to make an adjustment satisfactory to the contract lines.

The construction subsidy should equal the difference between the cost of foreign and American construction. Various ways have been suggested as to how this subsidy should be paid. One suggested method is that the Government contract for the ships, pay for them, and sell them to the operators at the price determined by the cost of construction in foreign yards. A more preferable method, however, would be for the American operator to contract with the shipbuilder, the Government contributing a sum equal to the difference between foreign and domestic cost. There are distinct advantages to be derived from the supervision and direction of the process of construction by the operator himself. Contracts for construction should be let as the result of competitive bidding, and since the Government has a definite financial interest there should be no objection to the supervision of the bidding by proper governmental authority.

The present construction loan fund should be continued at least for a few years. It is to be hoped that eventually the merchant shipping business of the United States will be established upon a basis strong and substantial enough to make it attractive to the investing public. Until this comes to pass, however, Government aid in financing the operator's share of the cost of construction seems to be essential. This loan fund should be available to the builders of ships for the coastwise trade as well as for ships engaged in foreign trade.

It should be the policy of the shipping industry to keep the merchant marine up-to-date. Obsolete vessels should be scrapped and suitable vessels built to replace them.

It has been suggested that a considerable saving in the cost of ship construction would be effected by adopting quantity production to a limited extent—that is, by constructing duplicate vessels. Unquestionably if it were possible to use standardized ships there would be a saving in construction costs. Experience seems to indicate, however, that the possibilities of standardization are not great because of the widely varying requirements of vessels traversing different routes and employed in different trades. Where a saving in cost is manifestly possible this method of construction should be adopted.

The operating subsidy granted to American ships in foreign trade should be such as to bring about equality between the American operator and his foreign competitor. The chief differences between their costs are the plainly visible items in the cost of ship operation, such as wages, supplies, equipment, insurance, repairs, and administrative expenses. There may also be differences arising from advantages possessed by the foreign operator in the form of subsidies, subventions, or some form of governmental aid or preference. None of these differences of cost are permanently the same. They fluctuate because of changes in prices, changes in wage rates, and occasionally because of aberrations of currency. The frequency with which changes may occur indicates that there should be some degree of flexibility with respect to the payment of the operating subsidy, adjustments being made wherever warranted by changed conditions.

The operating subsidy should be a matter of contract between the operator and the Government. The time of this contract should be as nearly possible the life expectancy of the ship for the operation of which the subsidy is to be paid.

III. ADMINISTRATION AND REGULATION

The success of a merchant-marine policy such as outlined above will depend in a very large measure upon the manner of its administration by the Government. The work for administering the law should not be given to any existing executive department or bureau, but to a new and independent commission or "maritime authority", such as provided for in the bill now under consideration by Congress. This authority should devote its undivided time to giving effect to the Nation's merchant-marine policy.

Replies received indicated a preference that some of the members of the authority be men who have had actual experience in some branch of the shipping industry. While it is probably too much to expect, under any system of government, that appointments to be made without regard to political affiliation, yet nothing could be worse than to have appointments a matter of political regard and favor. The merchant marine problem is not a matter of politics, and under no circumstance should it be permitted to become so.

What is more important than place of residence, politics, and perhaps even experience, is that the members of the authority be honest and impartial, and, above all, possessed with a thorough and a sympathetic understanding of the purpose of the law they are to administer. For, let it be said again, the ultimate success of any merchant-marine policy which may be adopted will depend chiefly upon its administration.

While the most important function of the proposed maritime authority will be the administration of the ship-subsidy legislation, it will also have other duties to perform.

The chief question which has arisen with regard to other possible duties of the proposed authority concerns the matter of shipping regulation: Shall the authority have regulative as well as administrative duties? Shall the regulatory functions now exercised by the Shipping Board Bureau, and such other regulative authority over shipping as may be needful, be given to this body?

The preponderance of opinion among shipping interests is in favor of giving the duties connected with shipping regulation to a maritime authority. The most valid objection to such a course arises from the fact that the administrative duties of the authority will have to do chiefly with shipping engaged in foreign trade, while such regulation as there may be will apply for the most part to vessels engaged in domestic commerce. It has been proposed that the duty of giving effect to legislation for the regulation of shipping be given to the Interstate Commerce Commission, which regulates transportation by rail and by highway. Some ship operators favor this course, but the majority are distinctly opposed to the regulation of shipping by the Interstate Commerce Commission. Should such regulation be entrusted to the maritime authority or to some other body, some provision should be made for the coordination of the work of the separate regulatory bodies to the end that harmonious policies would prevail, under which all forms of transportation would receive the recognition due to their importance and their peculiar characteristics.

It is in connection with the promoting of the development of a merchant marine that the maritime authority will find its real opportunity for noteworthy achievement. With regard to this function its authority should be broad in scope, and it should not be hampered by a too precise and meticulous definition of its powers.

Inevitably the authority must have an intimate relationship with those shipping companies that are the recipients of Government aid in the form of loans and subsidies. It should therefore have power to exercise supervision in the accounting practices of those companies even to the extent of requiring a reasonable degree of uniformity. The regulation of accounting practice need not be so extensive nor so detailed as that applied to railroads. The unsound practice of establishing a limit upon profits or of recapturing any portion of profits should by no means be adopted, though there would seem to be no valid objection to a requirement that profits above a stipulated amount should be applied to the extinction of Government loans.

IV. THE PROBLEM OF COMPETITION

There is no business in which competition is greater than in the business of shipping engaged in foreign commerce. It is a field which is open to all people of all nations.

As in other types of business enterprise in which a large proportion of the costs is fixed, and independent of the volume of business actually done, this competition, if subjected to no discipline or control, inevitably becomes destructive to the point of demoralization and ruin of the business. In recognition of this fact the Government has permitted American shipping companies to participate in steamship "conferences", having as their purposes not the elimination of all competition but the elimination of those competitive methods and practices usually designed as "cutthroat competition", the indulgence in which leads to irreparable loss and eventually to financial disaster. The practice of keeping competition within reasonable bounds by participating in conferences should be permitted to continue, and if possible it should be further developed by joint action of Government and steamship operators.

The effectiveness of conferences depends upon their stability and their permanence. Since the usefulness and value of conferences have been admitted, the steamship operators should be permitted to employ the best means known to secure their continuing stability. It seems unreasonable to permit the operators to organize a conference and then deprive them of the instruments for making the conference effective. Not only should they be enabled to establish a greater degree of solidarity among conference members but they should be placed in a position to secure the support and patronage of shippers. To this end the practice of granting deferred rebates to shippers should be legalized.

V. CONCLUSION

During the last 15 years the shipping legislation which Congress has enacted has been distinctly helpful. The Jones Act of 1920 and the Jones-White Act of 1928 indicate a desire on the part of the Government to bring about the creation and the maintenance of a merchant marine adequate to the needs of American commerce. Experience under these laws has been valuable in indicating what should be the nature of a permanent merchant-marine policy. It is a hopeful and encouraging sign that Congress evinces a willingness to enact the legislation necessary to give effect to a policy which, under wise and prudent administration, will lead to the development of a merchant marine such as the United States should possess.

The current revival of foreign commerce indicates a brighter picture for the merchant marine. Shipping depends for its employment upon commerce. As commerce grows the shipping industry becomes more thriving and prosperous. The negotiation of reciprocal-trade agreements with foreign countries under which without detriment to American industries the exports and the imports of the United States may be increased is favored by the shipping industry.

The shipping industry of the United States gives employment directly to more than 200,000 persons and indirectly to many thousands more. All of the money which the Government may appropriate for subsidies in the shipping industry is used in the employment of American labor and in the purchase of goods pro-

duced by American labor. With reasonable stimulation and aid the shipping industry will become an important factor in the restoration of economic prosperity.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

The VICE PRESIDENT. The morning business is closed.

Mr. HARRISON. Mr. President, I desire to make a brief statement, to which I invite the attention of the Senator from Oregon [Mr. McNARY].

I was very anxious to have taken up and considered this morning House bill 9870, providing for the payment of adjusted-service certificates. The Senator from Oregon spoke to me and expressed a desire that the bill go over until tomorrow.

I appreciate the fact that some special orders have been entered into with regard to the session of today. I do not desire to inconvenience any Senator, nor to press the bill if certain Senators desire to read the report, and so forth. I ask the Senator from Oregon whether there is any objection to taking up the so-called "bonus" bill today for consideration.

Mr. McNARY. Mr. President, there has been an unbroken practice, which I have followed, of objecting to the consideration of any bill until it has lain over a day under the rule. By virtue of the unanimous-consent agreement entered into on Monday, I think probably that rule has been violated; but, in all fairness to the Members of this body, I think the bill should lie over in order that an opportunity may be had to read the report. Therefore, I shall object to the consideration of the bill today, as I should in the case of any other bill.

Mr. HARRISON. I may say to the Senator that I have no doubt the committee has complied with the rules with reference to filing the report on the bill. Not only has that been done, but we have rushed the Government Printing Office in order that the members of the Finance Committee might receive on yesterday afternoon copies of a hearing of a confidential nature and a report on the bill. So I think we have complied with the rules. Since the Senator feels as he does, however, would he object to entering into a unanimous-consent agreement that we may take up this measure immediately after the convening of the Senate at 12 o'clock noon tomorrow?

Mr. McNARY. Mr. President, I stated specifically and definitely my objection to the consideration of the bill today, as I would in the case of any other bill that might come up under the same circumstances. I have no objection to a speedy consideration of the bill. So far as I am personally concerned, I am willing to take it up at any time after today; but I insist that it shall not come before the Senate today.

Mr. HARRISON. Mr. President, I desire to submit a unanimous-consent request. Before doing so I hope the Senator from Arkansas [Mr. ROBINSON], the Democratic leader, will ask that the Senate take a recess at the conclusion of today's session, instead of adjourning, so that we may begin the consideration of House bill 9870 at 12 o'clock tomorrow, immediately upon the convening of the Senate, if that will meet his wishes.

Mr. ROBINSON. Mr. President, I have no objection to entering into the arrangement suggested by the Senator from Mississippi. Does he wish the request at this time?

Mr. McNARY. Let me suggest to the Senator from Mississippi that he first propound his unanimous-consent request. Failing in that, he may propose action of the kind he has indicated.

Mr. ROBINSON. I think that would be the better course.

Mr. HARRISON. I ask unanimous consent that on the convening of the Senate tomorrow, if it shall recess, the Senate shall immediately proceed to the consideration of House bill 9870; that if the Senate shall adjourn, it shall proceed to the consideration of the bill immediately after the expiration of the morning hour.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBINSON subsequently said: Mr. President, I ask unanimous consent that when the Senate concludes its business today it take a recess until 12 o'clock noon tomorrow.

The PRESIDING OFFICER (Mr. HOLT in the chair). Is there objection? The Chair hears none, and it is so ordered.

THE CALENDAR

The VICE PRESIDENT. Under the special order, the calendar will be called for the consideration of unobjected bills.

USURY IN THE DISTRICT—RECOMMITTAL

The first business on the calendar was the bill (S. 396) to amend section 1180 of the Code of Laws for the District of Columbia with respect to usury.

Mr. ROBINSON. Mr. President, this bill has been pending on the calendar for a long time. I think it should be either considered or recommitted.

Mr. KING. Mr. President, will the Senator yield?

Mr. ROBINSON. Certainly.

Mr. KING. Another bill has been introduced in lieu of Senate bill 396, and I have no objection to its being recommitted.

Mr. ROBINSON. I ask unanimous consent that the bill be recommitted to the Committee on the District of Columbia.

The VICE PRESIDENT. Without objection, it is so ordered.

BILLS, ETC., PASSED OVER

The bill (S. 213) to amend section 113 of the Criminal Code of March 4, 1909, Thirty-fifth Statutes 1109 (U. S. C., title 18, sec. 203), and for other purposes, was announced as next in order.

Mr. McGILL. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1506) to change the name of the Pickwick Landing Dam to Quin Dam was announced as next in order.

Mr. McKELLAR. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 574) relative to Members of Congress acting as attorneys in matters where the United States has an interest was announced as next in order.

Mr. ROBINSON. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The resolution (S. Res. 35) authorizing the Committee on the Judiciary to investigate certain phases of the National Recovery Act was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The resolution will be passed over.

REGULATION OF SMALL LOANS IN THE DISTRICT

The Senate resumed the consideration of the bill (S. 1162) to regulate the business of making small loans in the District of Columbia, and to amend an act to regulate the business of loaning money, etc., approved February 4, 1913.

The VICE PRESIDENT. This bill has been heretofore considered by the Senate, and the amendments reported by the committee have been agreed to. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc.,

DEFINITIONS

SECTION 1. (a) "Lender", as used in this act, is any individual, copartnership, firm, association, or corporation engaged in the District of Columbia in the business of lending money upon which interest, fees, and charges totaling more than 6 percent per annum upon the unpaid principal balances of such loan are paid or charged, whether with or without security of any kind, direct or collateral, tangible or intangible, except national banks, licensed bankers, credit unions established under the act approved June 23, 1932 (47 Stat. 326, c. 272, sec. 1), and under the act approved June 26, 1934 (48 Stat. 1216, c. 750), trust companies, savings banks, building and loan associations, or real-estate brokers, as defined in chapter 4, title 20, of the Code of the District of Columbia, and pawnbrokers. Pawnbrokers are those who lend money upon physical security and keep possession of such security during the period of the loan: *Provided*, That any of the above-excepted national banks, licensed bankers, trust companies, and savings banks may operate under the provisions of this act upon securing a license so to do.

(b) "Procurer", as used in this act, is any individual, copartnership, firm, association, or corporation engaged in the

District of Columbia in the business of procuring or securing money or its equivalent for another when said person, copartnership, firm, association, or corporation is paid anything of value for the procurement of said money or its equivalent.

(c) "Person", within the meaning of this act, includes individuals, firms, partnerships, associations, and corporations.

(d) "Superintendent", as used in this act, means the Superintendent of Insurance for the District of Columbia.

(e) For definitions of "interest", "charges", and "fees", see section 12.

SEC. 2. Every lender shall obtain a license for doing business and it shall be unlawful to engage in any such business without procuring such license. A procurer shall be deemed to be and treated as the agent of the lender in all matters relating to the loan.

SEC. 3. Each license granted under the terms of this act shall date from the 1st day of November in each year and shall expire on the 31st day of the October following, unless prior thereto it be suspended, revoked, or surrendered as hereinafter provided.

SEC. 4. Applications for licenses under this act shall be made under oath to the Superintendent upon forms furnished by him, and every such application, in addition to such other information as may be required by the Superintendent, shall specify by name the person to whom the license is to be granted, and in case the applicant is a firm, partnership, or association the names of all persons comprising said firm, partnership, or association shall be given, and in case the applicant is a corporation the names of all the officers and directors and the place of incorporation of such corporation shall be given. If any change in the personnel of a firm, partnership, association, or corporation shall thereafter occur, the licensee shall forthwith notify the Superintendent of such change.

Upon the expiration of each license the licensee may apply, in the same manner and form as aforesaid, for a renewal thereof.

The Superintendent shall investigate every application, either for an original license or for any renewal thereof, and shall either approve or reject it.

SEC. 5. Upon the filing of an application for a license, if the Superintendent shall find the financial responsibility, experience, character, and general fitness of the applicant, and of the members thereof if the applicant be a firm, partnership, or association, and of the officers and directors thereof if the applicant be a corporation, such as to warrant the belief that the business will be operated honestly, efficiently, and in accordance with the provisions and purposes of this act, he shall thereupon approve the application. Upon such approval of the application by the Superintendent the applicant shall—

(a) Pay to the collector of taxes a fee as hereinafter provided in section 6;

(b) Deposit with the auditor for the District a bond as provided in section 7;

(c) Designate in writing the Superintendent as resident agent as provided in section 8.

Thereafter the Superintendent will issue the license as hereinafter provided in section 9.

SEC. 6. Upon approval by the Superintendent of any application, either for an initial license or any renewal thereof, the applicant shall pay to the collector of taxes a fee of $200: *Provided*, That licenses issued at any time after the beginning of the license year shall date from the 1st day of the month in which the license is issued and end on the last day of the license year above prescribed and payment shall be made of the proportionate amount of the annual fee; but no fee shall be prorated to an amount less than $50. The Commissioners of the District of Columbia may increase or decrease the above license fee as the cost of supervision, inspection, and regulation may require.

SEC. 7. Upon approval by the Superintendent of any application, either for an original license or any renewal thereof, the applicant shall deposit with the auditor for the District of Columbia a bond in due form in the penal sum of $2,000 with two or more sureties or duly authorized surety company to be approved by the Commissioners. The bond shall be payable to the District of Columbia and shall be conditioned that the person applying for the license will comply with the provisions of this act and with any regulations promulgated hereunder and shall pay all damages occasioned by reason of any misstatement, misrepresentation, fraud, or deceit, or any unlawful act or omission of any licensed person, made, committed, or omitted in the business conducted under such license, or caused by any other violation of the said act or regulations in carrying on the business for which such license is granted. One or more recoveries upon such bond shall not vitiate the same, but it shall remain in full force and effect: *Provided, however*, That the aggregate amount of all such recoveries shall not exceed the full amount of the bond. Upon the commencement of any action or actions against the surety upon any such bond for a sum or sums aggregating or exceeding the amount of such bond the Superintendent may require a new and additional bond in like amount as the original one, which shall be filed with the auditor for the District within 10 days of the demand thereof. Failure to file such bond within the prescribed time shall constitute cause for the revocation of the license theretofore issued. Any suit or action against the surety on any bond required by the provisions of this section shall be commenced within 1 year from the accruing of the cause of action thereon.

If at any time, in the opinion of the Superintendent, the sureties, or any of them, shall become irresponsible, the person holding such license shall, upon notice from the Superintendent, give a new bond, and failure to give a new bond within 10 days after such notice shall operate, in the discretion of the Superintendent, as a revocation of such license.

SEC. 8. Upon the approval of an application by the Superintendent, the applicant shall, in writing, appoint the Superintendent the true and lawful attorney of such applicant, upon whom all lawful process in any action or legal proceeding against him (the said applicant) may be served, and therein shall agree that any lawful process against him which may be served upon him or his said attorney, as herein provided, shall be of the same force and validity as if served upon the applicant, and the authority thereof shall continue in force irrevocably so long as any liability of the applicant in the District shall remain outstanding. Such process shall be served by leaving the same with the Superintendent or his deputy, and service thereof upon such attorney shall be deemed service upon the principal. The Superintendent shall forthwith forward such process by mail to the applicant. The deposit by the Superintendent or his deputy of such process sent by registered mail in a sealed envelope, postage prepaid, in the United States mail and service of such process, shall not be effectual until the same has been so mailed and received by the applicant, and registered receipt shall be prima facie evidence of the notice of service to such applicant. Such appointment shall be valid and existing not merely for the 1-year term of the license but until the license of the applicant and the renewals thereof are surrendered, discontinued, or revoked. Such written appointment shall be deposited with the Superintendent.

SEC. 9. Upon approval of an application, and upon receipt of evidence of the payment to the collector of taxes of the required fee, and the deposit with the auditor of the required bond, and the deposit of the appointment of the Superintendent as resident agent, the Superintendent shall issue the license as applied for and approved. Licenses shall be prepared in duplicate, one copy of which shall remain with the Superintendent and one copy shall be transmitted to the applicant. The latter copy shall be printed in conspicuous size and color and shall be impressed with a seal approved by the Commissioners of the District of Columbia. This copy of the license shall be kept conspicuously posted in the place of business of the licensee and shall not be transferable or assignable. Such license shall remain in full force and effect until it is surrendered by the licensee or revoked or suspended as hereinafter provided.

SEC. 10. No more than one place of business shall be maintained under one license, but nothing herein contained shall prevent the Superintendent from directing the issuance of more than one license to the same licensee for different places of business upon compliance with all provisions of this act governing an original issuance of a license.

No change in the place of business of the licensee shall be made without the approval of the Superintendent.

SEC. 11. Every licensee shall—

(1) Deliver to the borrower at the time a loan is made a statement upon which there shall be printed in the English language, all in type not smaller than 8 point, (a) a copy of sections 11 (this section), 12, and 21 of this act; (b) in clear and distinct terms the amount of the loan, the date on which it is made, the date of its maturity, the nature of the security, if any, for the loan; (c) the name and address of the borrower or borrowers and of the lender and the procurer (if any); (d) the agreed rate of interest and the charges and fees, showing clearly by items the nature of the charges and fees; and (e) any other information which the Superintendent may require to be so given.

(2) Give the borrower a plain and complete receipt for all payments made on account of any such loan at the time such payments are made, specifying the amount applied to interest or charges and the amount, if any, applied to principal, and stating the unpaid principal balance, if any, of such loan.

(3) Permit payment to be made in advance in any amount on any contract of loan at any time, but the licensee may apply such payment first to all interest in full at the agreed rate to the date of such payment, and any charge or fee not previously credited or paid.

(4) Upon payment of the loan, stamp indelibly every obligation signed by the borrower with the word "paid" or "canceled", and release any mortgage, restore any security or pledge, cancel and return any note, and cancel and return any assignment given to the licensee by the borrower.

SEC. 12. (A) "Interest" as used in this act means an amount of money or other thing of value required to be paid as compensation for the loan of money or credit. It includes any and all charges, fees, expenses, demands, discounts, commissions, brokerage, bonuses, including notarial and examination fees, and all other charges of any character made, directly or indirectly, for any purpose by any lender, procurer, appraiser, or any other person in connection with the lending or procuring of money or credit, except the fees hereinafter specified.

The total interest (as above defined) which may be charged or received by a lender, his agents, representatives, officers, and employees (total for all such persons concerned in the loan) in respect to any loan shall not exceed 2 percent per month on the monthly unpaid principal balances of the loan. Interest shall not be compounded. Neither interest nor fees shall be deducted from the principal of the loan.

(B) "Fees" as used in this act means the fees specified in the following schedule.

For the purposes of determining the fees allowable hereunder, loans are divided into three classes and the fees allowable are as follows:

(a) Loans of $35 or less for a period of 30 days or less without collateral (so-called "character loans"). In these loans a fee not to exceed $1 (in addition to interest and charges as above defined) may be charged and received for a credit report or investigation, but only if such report or investigation is actually secured or made by the lender or procurer. In these loans a total of 50 cents as interest and other charges (in addition to the $1 just referred to) may be allowed on each such loan.

(b) Loans of any amount for more than 30 days and loans of more than $35 for 30 days or less, without collateral (so-called "character loans"). In these loans fees not to exceed $3 (in addition to interest and charges as above defined) may be charged and received for credit reports or investigations at the rate of $1 per report or investigation, but only if such reports or investigations are actually secured or made by the lender or procurer. Such credit reports or investigations may concern either the borrower or proposed endorsers.

(c) Loans on collateral. On these loans the following fees may be charged and received:

For the recording of chattel mortgage, not to exceed $1;

For the examination of titles, not to exceed $3.

Insurance premiums actually paid for insurance protection of the collateral security where such protection is necessary and does not already exist. The insurance which the borrower may be required to take shall not exceed the amount necessary to protect the total amount of the loan.

(C) No interest or fee of any kind or description, in addition to the foregoing schedule, may be charged or received by any lender, procurer, or any other person in connection with any loan.

Such fees as are allowed under the foregoing schedule may be charged only upon the original loan and may not be charged upon any renewal thereof.

The borrower shall be permitted to repay the full amount of the loan, with the interest, fees, and charges due, at any time, and in the event of such payment shall not be charged interest on the loan beyond the date of the payment. Likewise the borrower shall be permitted to pay in advance of the date specified in the contract of loan one or more installments and in the event of such greater payments no further interest on that amount so paid shall be charged or received.

In cases of loans upon collateral security where the physical property supporting the collateral remains in the possession of the borrower (such as loans upon automobiles or other personal property) and the borrower is in default on the due date and the lender has a right to repossession of the property and does so repossess the property, the lender may charge and receive the actual fees incurred and expended by him in such repossession, but only in the amount so actually expended by him and actually paid by him to some other concern for the services rendered.

SEC. 13. The provisions and restrictions of this act shall be applicable to loans not in excess of $300, and whenever a licensee under this act shall make any loan in excess of $300, interest and charges on the said excess shall be governed by other law.

SEC. 14. Every licensed lender shall keep a register approved by the Superintendent in which shall be entered, accurately and truthfully, in the English language—

(a) The name of every person granted a loan.

(b) The amount of such loan.

(c) Interest charged or received, showing both rate and amount.

(d) Charges, by items, made or received.

(e) Fees, by items, charged or received.

(f) Whether the loan was made directly or if at instance of a procurer and the name of such procurer.

(g) Endorsements, if any.

(h) Collateral accepted, if any.

SEC. 15. Every licensee shall keep in his place of business such books, accounts, and records as will enable the Superintendent to determine whether such licensee is complying with the provisions of this act and of the regulations hereunder. Each licensee shall preserve such books and records, including cards used in any card system, for at least 2 years after making the final entry on any loan recorded therein.

Every licensee shall, on or before the 1st of each February, file a report with the Superintendent, giving such information as the Superintendent may require concerning the operation of the licensed business during the preceding calendar year. Such report should be made under oath, and upon a form prescribed by the Superintendent, and an analysis and recapitulation of such report shall be published once each year, at a time to be fixed by the Superintendent. The Superintendent may require under oath, and on a form prescribed by him, additional special reports as he may deem necessary for proper supervision of the business of the licensee.

SEC. 16. The Superintendent may, as often as he may determine, personally or by a duly designated agent, investigate the loans and business and examine the books, accounts, records, and files used therein of every licensee, and for that purpose the Superintendent, or his duly designated agent, shall have free access to the offices and places of business, books, accounts, papers, records, files, safes, vaults, or any depositary of all such licensees.

SEC. 17. The Superintendent may forthwith revoke any license issued hereunder if, after investigation and hearing, he finds that—

(1) The licensee has failed to maintain in effect the bond or bonds required under the provisions of this act; or

(2) The licensee has failed to comply with any demand, ruling, or requirement of the Superintendent lawfully made hereunder; or

(3) The licensee has violated any provision of this act or of the regulations hereunder; or

(4) Any fact or condition exists which, if it had existed at the time of the original application for license, would have warranted the Superintendent in refusing to approve the application; or

(5) The licensee has, in respect to the licensed business, committed any act which may be deemed to be contrary to public policy.

The Superintendent may, without notice or hearing, suspend any license for a period not exceeding 20 days, pending investigation.

The Superintendent may revoke or suspend the particular license with respect to which the grounds for revocation or suspension may exist, or, if he shall find that such grounds are of general application to all the places of business operated by such licensee, he may revoke or suspend all the licenses issued to such licensee or such licensees to which the grounds apply, as the case may be.

Whenever the Superintendent shall suspend or revoke any license issued hereunder, he shall forthwith execute in duplicate a written order to that effect, one copy of which shall be forwarded to the licensee, and one copy retained in the office of the Superintendent. Any order of suspension or revocation may be reviewed by the Commissioners upon application duly made to and granted by them. Any such application for review of any action of the Superintendent taken under the provisions of this act shall be made within 30 days from the date of such order of said Superintendent.

Where any license has been revoked, no such licensee shall be entitled to apply for further license for a period of 6 months. Where the revoked license has been issued to a copartnership or corporation no member of said copartnership or corporation nor officer or director shall be entitled to apply for a license for a period of 6 months.

The Superintendent may reinstate any suspended licensee or, after the expiration of 6 months, issue new licenses to a licensee whose license or licenses shall have been revoked, if no condition then exists which would warrant the Superintendent in refusing originally to issue such license.

Any licensee may surrender any license by delivering to the Superintendent the licensee's copy of the license and a written notice that he thereby surrenders said license. Such surrender shall not in any way affect any civil or criminal liability for acts committed prior to such surrender.

No revocation, suspension, or surrender of any license shall in any way affect the obligation of any lawful contract between any licensee and any borrower.

SEC. 18. No business for which a license is issued hereunder shall be conducted in any residential district within the District of Columbia.

SEC. 19. No licensee conducting any business permitted by this act shall publish or cause to be published any false or fraudulent or misleading information, representation, notice, or advertisement, nor shall such licensee give any false information, or make any false promises or false statements concerning the lending or procuring of money as provided herein.

SEC. 20. The making of any contract for or relating to the lending or the borrowing of money or credit in which any term, condition, or part thereof, whether relating to principal, interest, charges, fees, or other terms, and whether expressed or implied, verbal or written, is in violation of any provision of this act, or of any part of any provision thereof, is hereby expressly forbidden and prohibited and, if made, such entire contract and every part thereof shall be deemed to be wholly illegal and void as in violation hereof.

SEC. 21. This act is to be construed liberally to effect its intent and purpose. Any subterfuge, device, plan, scheme, or individual act (including among other things the adjustment or arrangement of the period or amount of a loan) designed or used to evade or avoid any of the provisions of this act is hereby prohibited and declared to be in violation hereof. The transferring of loans or the referring of borrowers from one lender to another, upon the suggestion of the lender or his representative, for the purpose or with the effect of avoiding any provision of this act (including particularly those relating to renewals or the maximum amounts of loans), and any agreement, understanding, or practice of lenders for such purpose or with such effect, shall be deemed to be a violation of this act.

SEC. 22. Any person, copartnership, firm, association, or corporation violating any of the provisions of this act or the regulations hereunder, shall, on conviction thereof in the police court of the District of Columbia, be punished by a fine of not more than $200 or imprisonment for not more than 30 days, or by both such fine and imprisonment, in the discretion of the court.

SEC. 23. Prosecutions for violations of any of the provisions of this act or the regulations hereunder shall be on information in the police court of the District of Columbia by the corporation counsel for the District of Columbia or any of his assistants.

SEC. 24. The Commissioners of the District of Columbia are hereby authorized and empowered to make all rules and regulations necessary in their judgment for the enforcement of this act, and not inconsistent therewith.

SEC. 25. Each section of this act, and every provision of each section, is hereby declared to be an independent section or provision, and the holding of any section or provision of any section to be void, ineffective, or unconstitutional, for any cause whatever, shall not be deemed to affect any other section or provision thereof.

SEC. 26. The act entitled "An act to regulate the business of loaning money on security of any kind by persons, firms, and corporations other than national banks, licensed bankers, trust companies, savings banks, building-and-loan associations, and real-

estate brokers in the District of Columbia", approved February 4, 1913, as amended, is hereby repealed insofar as its provisions are inconsistent with the provisions of this act and except insofar as it provides for the regulation of businesses not covered by this act.

SEC. 27. This act shall become effective 90 days after the date of its enactment and shall not affect loans made before the passage of this act which have not matured before the effective date of this act.

SEC. 28. This act may be cited as the "District of Columbia Small Loan Act."

BILLS PASSED OVER

The bill (S. 509) to prevent the use of Federal offices or patronage in elections and to prohibit Federal officeholders from misuse of positions of public trust for private and partisan ends was announced as next in order.

Mr. ROBINSON. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 24) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching was announced as next in order.

Mr. McKELLAR. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1452) providing for the employment of skilled shorthand reporters in the executive branch of the Government was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 87) to prevent the shipment in interstate commerce of certain articles and commodities, in connection with which persons are employed more than 5 days per week or 6 hours per day, and prescribing certain conditions with respect to purchases and loans by the United States, and codes, agreements, and licenses under the National Industrial Recovery Act was announced as next in order.

Mr. VANDENBERG. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

UNITED STATES SUPREME COURT DECISIONS—RECOMMITTAL

The bill (S. 1589) authorizing the purchase of United States Supreme Court Decisions and Digest was announced as next in order.

Mr. KING. Let that go over.

Mr. BURKE. Mr. President, I ask unanimous consent that Senate bill 1589, just reached on the calendar, be recommitted to the Committee on the Judiciary.

The VICE PRESIDENT. Without objection, it is so ordered.

INCLUSION OF HOPS AS BASIC AGRICULTURAL COMMODITY

The bill (S. 626) to amend the Agricultural Adjustment Act so as to include hops as a basic agricultural commodity was announced as next in order.

Mr. DUFFY. Mr. President, would the Senator from Oregon object to having this bill stricken from the calendar?

Mr. McNARY. Mr. President, for obvious reasons, I ask that the bill be indefinitely postponed.

The VICE PRESIDENT. Without objection, it is so ordered.

BILLS, ETC., PASSED OVER

The joint resolution (S. J. Res. 38) for the adjustment and settlement of losses sustained by the cooperative marketing associations was announced as next in order.

Mr. McKELLAR. Let that go over.

The VICE PRESIDENT. The joint resolution will be passed over.

The bill (S. 1460) to fix standards for till baskets, climax baskets, round-stave baskets, market baskets, drums, hampers, cartons, crates, boxes, barrels, and other containers for fruits or vegetables, to consolidate existing laws on this subject, and for other purposes, was announced as next in order.

Mr. SCHWELLENBACH. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 212) to liquidate and refinance agricultural indebtedness at a reduced rate of interest by establishing an efficient credit system, through the use of the Farm Credit Administration, the Federal Reserve banking system, and creating a Board of Agriculture to supervise the same was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1476) to provide for unemployment relief through development of mineral resources; to assist the development of privately owned mineral claims; to provide for the development of emergency and deficiency minerals, and for other purposes, was announced as next in order.

Mr. VANDENBERG. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 738) to aid in providing the people of the United States with adequate facilities for park, parkway, and recreational area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof was announced as next in order.

SEVERAL SENATORS. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes, was announced as next in order.

Mr. ROBINSON. That bill is the unfinished business.

SEVERAL SENATORS. Let it go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 476) relating to promotion of civil-service employees was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1952) extending the classified executive civil service of the United States was announced as next in order.

Mr. McKELLAR. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2405) to provide for a special clerk and liaison officer was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1975) to authorize certain officers of the United States Navy, and officers and enlisted men of the Marine Corps, to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered was announced as next in order.

Mr. NYE. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 916) to carry into effect the decision of the Court of Claims in favor of claimants in French spoliation was announced as next in order.

Mr. McKELLAR. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2583) establishing certain commodity divisions in the Department of Agriculture was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 379) to provide for the deportation of certain alien seamen, and for other purposes, was announced as next in order.

Mr. COPELAND (and other Senators). Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2912) to repatriate native-born women who have heretofore lost their citizenship by marriage to an alien, and for other purposes, was announced as next in order.

Mr. SMITH. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2998) to control the trade in arms, ammunition, and implements of war was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1632) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by water carriers operating in interstate and foreign commerce, and for other purposes, was announced as next in order.

Mr. COPELAND (and other Senators). Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2825) to provide for the establishment of a National Planning Board and the organization and functions thereof was announced as next in order.

Mr. KING and Mr. BULKLEY. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1820) to provide warrant officers of the Coast Guard parity of promotion with warrant officers of the Navy was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

REGULATION OF COMMERCE IN FIREARMS

The bill (S. 3) to regulate commerce in firearms was announced as next in order.

Mr. ROBINSON. Mr. President, I think there should be an explanation of this bill. I have not had an opportunity of studying the report. I shall be obliged if the Senator from New York [Mr. COPELAND] will make a brief explanation of the bill.

Mr. COPELAND. Mr. President, the Attorney General has been very insistent on better regulation of commerce in firearms. After due consideration of his proposals and the proposals of the Special Committee on Crime, which investigated the subject, this bill was worked out.

I may say that all these bills were opposed by the American Rifle Association and the American Revolver Association; but there is full agreement as to this particular bill, which simply provides that firearms which are shipped in interstate commerce must be shipped under regulations prescribed by the Secretary of Commerce, and that only those persons who are licensed to ship in interstate commerce or who are given a special permit by the Department of Commerce may ship such arms. The bill has no reference whatever to the possession of firearms. It has to do simply with the transportation of firearms in interstate commerce.

Mr. ROBINSON. I have no objection to the consideration of the bill.

Mr. SMITH. Mr. President, let the bill go over. It is a pretty far-reaching measure, and I wish to have a chance to study it.

Mr. COPELAND. Mr. President, will the Senator from South Carolina withhold his objection for a moment? I know the sincere desire of the Senator from South Carolina not to have any injustice done. I beg of him that he will shortly read the bill to be sure that there is not an infringement of the rights of individuals in the various States.

Mr. SMITH. Mr. President, I have no desire to be captious about it, but I know there is a trend here to restrict trading in firearms, and I prefer to study the principle involved before I give my consent to the consideration of this bill.

Mr. COPELAND. Mr. President, I can quite understand the Senator's attitude; but of course we realize that firearms, particularly small arms, revolvers, are possessed in larger numbers in the United States than anywhere else. Since the war a million or more have been imported from abroad, and they are found in the hands of juvenile delinquents. This bill has no reference whatever to the individual in the State, on the farm, or in the home.

Mr. BARKLEY. Mr. President, I make the point of order that the Senator is not in order.

The PRESIDENT pro tempore. The point of order is sustained. The clerk will call the next order of business on the calendar.

BILLS PASSED OVER

The bill (H. R. 7680) to amend the act of May 18, 1934, providing punishment for killing or assaulting Federal officers was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3072) to amend the Tariff Act of 1930, as amended, was announced as next in order.

Mr. NYE. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2665) to change the name of the Department of the Interior and to coordinate certain governmental functions was announced as next in order.

Mr. SMITH. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2969) to authorize the deportation of criminals, to guard against the separation from their families of aliens of the noncriminal classes, to provide for legalizing the residence in the United States of certain classes of aliens, and for other purposes, was announced as next in order.

Mr. RUSSELL. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT—RECOMMITTAL

The bill (S. 2791) to amend the Longshoremen's and Harbor Workers' Compensation Act was announced as next in order.

Mr. BURKE. Mr. President, I move that this bill be recommitted to the Committee on the Judiciary, as certain amendments are to be offered.

The motion was agreed to.

CLAIMS OF ALTA MELVIN AND TOMMY MELVIN

The bill H. R. 4436, an act conferring jurisdiction upon the United States District Court for the Western District of Washington to hear, determine, and render judgment upon the claims of Alta Melvin and Tommy Melvin, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the United States District Court for the Western District of Washington to hear, determine, and render judgment, as if the United States were suable in tort, upon the claims of Alta Melvin and her son, Tommy Melvin, both of Seattle, Wash., for damages resulting from injuries received by them when the automobile in which they were riding was struck by a United States Army truck from Fort Lawton, Wash., at the intersection of Twenty-eighth Place West and Gilman Avenue in Seattle, Wash., on June 21, 1932.

SEC. 2. Suit upon such claims may be instituted at any time within 1 year after the enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings for the determination of such claims, and appeals from and payment of any judgment thereon, shall be in the same manner as in the cases of claims over which such court has jurisdiction under the provisions of paragraph 20 of section 24 of the Judicial Code, as amended.

The PRESIDENT pro tempore. Without objection, Calendar No. 1232, being Senate bill 1102, of the same title and to the same purport, will be indefinitely postponed.

BILLS PASSED OVER

The bill (S. 1826) for the retirement of employees in the classified civil service to include employees in the legislative branch was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3160) to amend the law relating to residence requirements of applicants for examination before the Civil Service Commission was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 8555) to develop a strong American merchant marine, to promote the commerce of the United States, to aid in national defense, and for other purposes, was announced as next in order.

Mr. COPELAND. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

WILLIAM MITCHELL

The bill (S. 2804) to authorize the payment of retired pay to William Mitchell was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President is hereby authorized to place the name of William Mitchell upon the unlimited list of

retired officers in the United States Army as a colonel and to pay to the said William Mitchell the retired pay that he would be entitled to if now upon the active list of the Army by reason of the distinguished service rendered to his country by the said William Mitchell, who enlisted as a private on May 14, 1898, and advanced through all the grades to the rank of brigadier general and resigned his commission on February 1, 1926.

BILL PASSED OVER

The bill (S. 2134) to prohibit employers from influencing the vote of their employees in national elections was announced as next in order.

Mr. KING. Let that go over, Mr. President, in the absence of explanation.

The PRESIDENT pro tempore. The bill will be passed over.

ESTABLISHMENT OF AIR CORPS TECHNICAL SCHOOL

The bill (S. 3398) to establish the Air Corps Technical School and to acquire certain land in the State of Colorado for use as a site for said Air Corps Technical School and as an aerial gunnery and bombing range for the Army Air Corps was announced as next in order.

The PRESIDENT pro tempore. This bill is the special order and will be passed over.

VACATIONS TO GOVERNMENT EMPLOYEES

The bill (H. R. 8458) to provide for vacations to Government employees, and for other purposes, was announced as next in order.

Mr. McKELLAR. Mr. President, I ask that this bill be recommitted to the Committee on the Civil Service. I do not see the chairman of the committee present, but I am sure that action would meet with his approval.

Mr. COPELAND. Mr. President, as I understand, this bill and the following one have been thoroughly considered by the committee. Everybody interested has had a chance to study the bills, and I am frank to say, with all due courtesy to the Senator from Tennessee, that I believe the majority of the Senate are in favor of the bills. I object, at the moment, to recommittal of the bill.

Mr. McKELLAR. Mr. President, several of the departments, notably the Navy Department, have requested that they be heard in regard to the measure. They have not been heard; and I believe it will probably expedite a hearing on the bill if it be recommitted to the committee. I move that the bill be recommitted.

Mr. ROBINSON. Mr. President, I have to raise the question of order. Under the unanimous-consent agreement under which we are proceeding a motion to recommit is not in order unless the Senate takes up the bill.

Mr. McKELLAR. Mr. President, I withdraw the motion, and object to the consideration of the bill.

The PRESIDENT pro tempore. The bill will be passed over.

SICK LEAVE FOR CIVILIAN EMPLOYEES

The bill (H. R. 8459) to standardize sick leave and extend it to all civilian employees, was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

ESTATE OF JOHN GELLATLY, DECEASED

The bill (S. 3409) for the relief of the estate of John Gellatly, deceased, and/or Charlyne Gellatly, individually, was announced as next in order.

Mr. ROBINSON. Mr. President, reserving the right to object, I desire to have the attention of the Senator from New York [Mr. COPELAND], the author of the bill. This measure involves considerations which, I think, were not brought to the notice of the committee, and to which the committee should have an opportunity of giving attention. I ask the Senator from New York if he will consent to a recommittal of the bill to the Committee on Claims, which reported it, in order that the representatives of the Smithsonian Institution and others may be heard on the bill. I myself should like to have an opportunity of appearing. I think it is fair to state to the Senator from New York that I am opposed to the bill. I feel, in any event, that it should be considered more fully by the committee.

Mr. COPELAND. Mr. President, of course, I wish to accede to the request of the Senator from Arkansas. The surrogate judge in New York City had a very strong conviction that if the property involved were in the possession or within the jurisdiction of the court, he would under no circumstances permit the transfer to the Smithsonian Institution, because it was the property of the widow. However, I have no objection to the recommitment of the bill, with the understanding that at the time of the hearing there shall be a full opportunity for those of us who believe the bill is meritorious to be heard. But since the Smithsonian Institution has a direct monetary interest in this matter, and feels it has not been heard and its case presented, I shall not object to the recommittal of the bill.

The PRESIDENT pro tempore. Without objection, the bill will be recommitted to the Committee on Claims.

AMENDMENT OF PLANT QUARANTINE ACT OF AUGUST 20, 1912

The bill (S. 2983) to amend the Plant Quarantine Act of August 20, 1912, was announced as next in order.

Mr. KING. Mr. President, will not the Senator from Washington explain the purpose of this bill? I make the inquiry for the reason that I received a letter noting some objection to the bill.

Mr. SCHWELLENBACH. Mr. President, this bill makes mandatory the provisions of the old act of 1912 under the terms of which the Secretary of Agriculture was given the discretionary right to prohibit the importation of narcissus and iris bulbs into the country on the ground that they were pest-infested.

In 1923, under the old act, the Secretary put into effect an order which prohibited the importation of these bulbs. From 1923 to 1933 various reports were made by the Department of Agriculture, which are quoted in the report of the committee, showing that it was impossible to inspect these bulbs against infestation. In other words, the insect gets into the middle of the bulb, and in order to find out whether or not a bulb is infested the entire bulb has to be destroyed. The committee has set forth numerous quotations from the Department of Agriculture from 1926, at the time the act went into effect, until 1933, saying that the importation of these bulbs should be prohibited. Despite that record, in 1935 the Department issued an order that commencing December 15, 1936, the regulation would be removed, and that the bulbs could be imported into this country.

The purpose of this bill is simply to put into effect the order which was effective from 1926, and will be effective until December 15, 1936, under the present order of the Department.

Mr. KING. Mr. President, will the Senator yield?

Mr. SCHWELLENBACH. I yield.

Mr. KING. It seems to me that where authority is given to the Secretary of Agriculture to issue an order absolutely barring the importation of iris, that would be satisfactory. If, as the Senator states, it is impossible to determine whether or not a bulb is infested, obviously the Secretary of Agriculture has authority under the act to order importations prohibited.

Mr. SCHWELLENBACH. I would agree with the Senator if the record did not disclose the facts as they exist. I say frankly that this bill does not meet with the approval of the Secretary of Agriculture. He takes the position that it is now possible to make these inspections. Against that we submit, in the committee report, a record of over a 10-year period in which they were constantly making the statement, every time the question came up, that it was not possible to protect against this infestation.

In addition to that, the State departments of agriculure of both the States of Oregon and Washington have filed reports setting forth definitely their view that at the present time it is not possible to protect without an absolute barring—that it is not possible to inspect these bulbs.

The bulbs came into a port. In order to inspect them each bulb must be completely opened. After the bulbs reach the fields, if they are not opened, and if there is an insect in them, the infestation spreads, and it is impossible to stop the spread after that time. I say frankly that there is dispute with the Department of Agriculture, but I am basing my argument entirely on a record which the Department of Agriculture made over a period of 10 years, as late as July 20, 1933, when the Chief of the Bureau of Entomology and Plant Quarantine, United States Department of Agriculture, said this:

Classes of plants that we know are likely to bring in pests from specific localities should be definitely excluded.

That statement was made in reference to a request for a ruling upon iris and narcissus bulbs, and it was about such bulbs that he was talking at that particular time. I see no reason for a change of attitude on the part of the Department of Agriculture. There is nothing in the record which supports it. Their own record supports the contrary position. The state departments of both Oregon and Washington say that it is absolutely impossible to control this pest unless these bulbs are absolutely barred.

Mr. RUSSELL. I have received some letters objecting to the passage of this bill. I know nothing whatever of the merits of the measure, but, in view of these letters, until I may have an opportunity to investigate the complaints filed with me, I shall be compelled to request that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

BILLS PASSED OVER

The bill (S. 3420) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by aircraft in interstate and foreign commerce, and for other purposes, was announced as next in order.

Mr. KING. I ask that the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 6402) for the relief of Julia M. Crowell was announced as next in order.

Mr. KING. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

BILL INDEFINITELY POSTPONED

The bill (S. 3030) granting the consent of Congress to the Rockland-Westchester Hudson River Crossing Authority, State of New York, to construct, maintain, and operate a highway bridge and causeway across the Hudson River between a point in the vicinity of the village of Nyack, Rockland County, and the village of Tarrytown, Westchester County, N. Y., was announced as next in order.

Mr. COPELAND. I ask that this particular bill be indefinitely postponed. The question is taken care of in another bill.

The PRESIDENT pro tempore. Without objection, the bill will be indefinitely postponed.

BILLS PASSED OVER

The bill (S. 1645) to provide for the creation of a commission to examine clear height of bridge to be constructed over Hudson River was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1424) to amend the Packers and Stockyards Act of 1921 was announced as next in order.

Mr. CAREY. I ask that the bill be passed over.

Mr. LEWIS. I ask that the bill be passed over so it may be examined a little further. Does the Senator from Kansas [Mr. CAPPER] desire to have it taken up at this time?

Mr. ROBINSON. Mr. President, I make the point of order that objections have been made to the present consideration of the bill, so it goes over automatically.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2820) to amend the Public Works Appropriation Act of 1935 making available not to exceed $1,000,000 for the alteration of carriages of three thousand two hundred 75-millimeter guns now in storage was announced as next in order.

Mr. COPELAND. I wish to object to the consideration of my own bill. I am not satisfied with the amendments made to it.

The PRESIDENT pro tempore. The bill will be passed over.

EXTENSION OF PUBLIC-SCHOOL BUILDINGS, NORTH DAKOTA

The Senate proceeded to consider the bill (S. 3093) to provide funds for cooperation with Sanish School District No. 1, Mountrail County, N. Dak., for extension of public-school buildings to be available for Indian children, which had been reported from the Committee on Indian Affairs with amendments, on page 1, line 3, after the words "authorized to be", to strike out "expended, from any moneys now available and applicable, or that may become applicable hereafter available, for construction under provisions of the National Industrial Recovery Act, approved June 16, 1933" and to insert in lieu thereof "appropriated, from any moneys in the Treasury not otherwise appropriated"; and on page 2, line 7, after the word "school", to strike out "district, subject to such further conditions as may be prescribed by the Secretary of the Interior" and to insert in lieu thereof "district: *Provided further*, That this appropriation shall be reimbursed in not more than 30 years, without interest, either through reducing the annual Federal tuition payments for the education of Indian pupils attending such school, by the acceptance of Indian pupils in such school without cost to the United States, or in such other manner as the Secretary of the Interior may direct: *And provided further*, That plans and specifications shall be furnished by local or State authorities, without cost to the United States, and upon approval thereof by the Commissioner of Indian Affairs, work shall proceed under the direction of local or State officials, payment therefor to be made monthly on the basis of work in place and upon vouchers approved by a responsible official of the Indian Service", so as to make the bill read:

Be it enacted, etc., That there is hereby authorized to be appropriated, from any moneys in the Treasury not otherwise appropriated, the sum of $30,000 for the purpose of cooperating with Sanish District No. 1, Mountrail County, N. Dak., for extension and improvement of school buildings: *Provided*, That the expenditure of any moneys so appropriated shall be subject to the condition that the schools maintained by said district shall be available to all the Indian children of the district on the same terms, except as to payment of tuitions, as other children of said school district: *Provided further*, That this appropriation shall be reimbursed in not more than 30 years, without interest, either through reducing the annual Federal tuition payments for the education of Indian pupils attending such school, by the acceptance of Indian pupils in such school without cost to the United States, or in such other manner as the Secretary of the Interior may direct: *And provided further*, That plans and specifications shall be furnished by local or State authorities, without cost to the United States, and upon approval thereof by the Commissioner of Indian Affairs, work shall proceed under the direction of local or State officials, payment therefor to be made monthly on the basis of work in place and upon vouchers approved by a responsible official of the Indian Service.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 3393) to create a Federal Board of Foreign Trade was announced as next in order.

Mr. KING. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

GRAIN FUTURES ACT

The bill (H. R. 6772) to amend the Grain Futures Act to prevent and remove obstructions and burdens upon interstate commerce in grains and other commodities by regulating transactions therein on commodity futures exchanges, to limit or abolish short selling, to curb manipulation, and for other purposes, was announced as next in order.

Mr. LEWIS. Mr. President, I move that House bill 6772 be recommitted to the Committee on Agriculture as there

are many features of the bill to be considered and it ought not to be acted upon by the Senate at this time.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Illinois that the bill be recommitted to the Committee on Agriculture.

Mr. McNARY. I object.

The PRESIDENT pro tempore. Objection is made to the recommittal of the bill. Is there objection to the present consideration of the bill?

Mr. ROBINSON. Mr. President, I understood there was objection. The Senator from Illinois moved that the bill be recommitted. That was objected to. The bill is just about to pass. If the Senator does not desire it to be considered, he will have to make objection.

Mr. SMITH. Mr. President, under the circumstances, of course I shall ask that the bill be passed over. However, I understand from the highest administrative sources that recommendation has been made that this bill be recommitted for ironing out certain provisions which ought not to be in the bill. At the proper time I, as chairman of the Committee on Agriculture and Forestry, will move that the bill be recommitted.

I now ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

RESEARCH AND EXPERIMENT STATION, SALT LAKE CITY

The bill (S. 2424) to provide for the establishment and maintenance of a central research and experiment station of the Bureau of Mines at Salt Lake City, Utah, was announced as next in order.

Mr. McNARY. Mr. President, I think there should be an explanation of that bill by its author.

Mr. KING. Mr. President, the Senator from Oregon and other Senators are aware of the fact that in Pittsburgh, for instance, there is a station which is devoted to the examination of coals and their byproducts. The station is maintained by the Government. It is very valuable because of the scientific information that is thus obtained and disseminated throughout the United States. In the West there is no such station dealing with the iron ores and metallic reserves of that great region.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 2424) to provide for the establishment and maintenance of a central research and experiment station of the Bureau of Mines at Salt Lake City, Utah, which had been reported from the Committee on Mines and Mining, with amendments, on page 1, line 5, before the word "research", to insert "central", and in line 10, after the word "substances", to strike out "(including coal, oil, gas, and the hydrocarbons)", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to establish and maintain in Salt Lake City, Utah, under the Bureau of Mines, a research and experiment station, the province and duty of which shall be to handle, and to disseminate information concerning, major problems of basic interest arising in connection with (1) inquiries and investigations into the mining, preparation, treatment, and utilization of ores and other mineral substances; and (2) the improving of conditions in the mining, quarrying, metallurgical, and other mineral industries; safeguarding life among employees; preventing unnecessary waste of resources; and other matters contributing to the advancement of these industries.

SEC. 2. The present experiment station of the Bureau of Mines at Salt Lake City, together with all its powers and duties, official records and papers, property, personnel, and appropriations made or allocated for its use, shall be transferred to the station established under the provisions of section 1.

SEC. 3. For the purposes of this act there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $50,000 for the fiscal year ending June 30, 1936, and there is hereby authorized to be appropriated the sum of $50,000 for each fiscal year thereafter.

SEC. 4. The Secretary of the Interior is authorized, in his discretion, to cooperate with the State of Utah in carrying out the provisions of this act and for such purpose to accept lands, buildings, or other contributions from said State.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide for the establishment and maintenance of a research and experiment station of the Bureau of Mines at Salt Lake City, Utah."

INVESTIGATION OF PRODUCTION COST OF PULPWOOD

The resolution (S. Res. 195) directing the Tariff Commission to investigate the production costs of wood pulp or pulpwood was considered and agreed to, as follows:

Resolved, That the United States Tariff Commission is directed, under the authority conferred by section 336 of the Tariff Act of 1930, and for the purposes of that section, to investigate the differences in the costs of production of the following domestic articles and of any like or similar foreign articles: Wood pulp or pulpwood.

Mr. ROBINSON subsequently said: I ask unanimous consent that Senate Resolution 195, which was just agreed to, be reconsidered, with a view to investigating the question. I recall that the resolution was adopted once before, and I should like to refresh my memory regarding it.

The PRESIDENT pro tempore. Is there objection?

Mr. McNARY. Mr. President, I note the absence of the Senator from Idaho [Mr. BORAH]. Will not the Senator from Arkansas wait until the Senator from Idaho comes into the Senate Chamber before he makes his request?

Mr. ROBINSON. I am compelled to leave the Chamber at 2 o'clock, so I make the request now, and if it is objected to I shall give notice of a motion to reconsider. In view of the procedure we are following—the resolution was just agreed to by unanimous consent—I could have objected; but my attention was diverted at the moment the resolution was taken up and adopted.

Mr. McNARY. Mr. President, what is the calendar number of the resolution?

Mr. ROBINSON. It is Calendar No. 1499, a resolution directing the Tariff Commission to investigate the production costs of wood pulp or pulpwood. I recall that this resolution was agreed to on a previous occasion, and that, upon the statement I made, the Senator from Idaho consented to a reconsideration of the resolution.

I ask unanimous consent that the vote by which the resolution was agreed to be reconsidered.

Mr. McNARY. For the purpose of further consideration of the resolution?

Mr. ROBINSON. To restore it to its place on the calendar.

Mr. McNARY. Is the request made in order that opportunity be given for further investigation of the purposes of the resolution?

Mr. ROBINSON. Yes; and to take it up in a more orderly way when it can be discussed.

The PRESIDENT pro tempore. Without objection, the vote by which Senate Resolution 195 was agreed to is reconsidered, and the resolution is restored to the calendar.

INTERNATIONAL MANUFACTURERS' SALES CO. OF AMERICA

The bill (H. R. 4178) for the relief of the International Manufacturers' Sales Co. of America, Inc., A. S. Postnikoff, trustee, was announced as next in order.

Mr. KING. Mr. President, I should like an explanation of this bill. The amount involved is very large.

Mr. LOGAN. I call the attention of the Senator from Utah to the fact that the Seventy-third Congress, after consideration, passed the same bill that we now have before us. Then at the previous session of the present Congress the Senate again passed the bill. When it went over to the House, the House had a separate bill on the same subject providing for the same relief. The House passed its bill, which increased the amount some two or three hundred thousand dollars, as I recall. When the bill came back to the Senate and was referred to the Committee on Claims, the Committee on Claims adhered to its previous findings and offered an amendment reducing the amount to conform to the action which the Senate had heretofore taken. If the amendment shall be adopted and the bill shall be passed, it may have to go to conference.

Mr. KING. May I inquire whether the State Department or the War Department or Navy Department—and I assume

that perhaps one or the other of the latter departments has some interest in this matter—has recommended the passage of the bill?

Mr. LOGAN. As I recall, the State Department has considered it heretofore. May I say to the Senator from Utah that there has never been any controversy, so far as I know, about the justice of the claim. The amount is large. The corporation was taken over, as the Senator may recall, by a war board created during the war; shoes were turned over to it and sold and distributed through the agents of the war board, and by reason of the order of President Wilson it was not possible for them to collect this money. The Senate committee held lengthy hearings upon the question and we reduced the amount to what we thought was a fair amount. The House has increased the amount, and we have taken the same position as was taken by the Senate committee heretofore, that the lesser amount should be adopted.

Mr. KING. I withdraw the objection.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 4178) for the relief of the International Manufacturers' Sales Co. of America, Inc., A. S. Postnikoff, trustee, which had been reported from the Committee on Claims with an amendment, on page 1, line 7, after the words "sum of", to strike out "$968,748.12" and to insert in lieu thereof "$658,050", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the International Manufacturers' Sales Co. of America, Inc., A. S. Postnikoff, trustee, out of any money in the Treasury not otherwise appropriated, the sum of $658,050 in full settlement of all claims against the Government of the United States for losses sustained by the said International Manufacturers' Sales Corporation of America, Inc., during the years 1918 and 1919, while engaged, at the invitation of the United States Government, in furnishing articles of necessity to the Siberian population of Russia under and in pursuance to the plan formulated by the War Trade Board in the fall of the year 1918 for extending economic aid to the Siberian population of Russia, said losses having been incurred through the inability of the said International Manufacturers' Sales Co. of America, Inc., to exchange the Russian rubles received from the sales of said articles of prime necessity into American dollars because of the regulation issued by the Federal Reserve Board under date of February 14, 1919, under authority of the Executive order of January 26, 1918, prohibiting the exportation or importation of Russian rubles or the transfer of funds for their purchase by persons or dealers in the United States: *Provided*, That no part of the amount appropriated in this act in excess of 5 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 5 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

DOUGLAS B. ESPY

The bill (H. R. 1550) for the relief of Douglas B. Espy was considered, ordered to a third reading, read the third time, and passed.

CHEROKEE FUEL CO.

The bill (H. R. 1299) giving jurisdiction to the Court of Claims to hear and determine the claim of the Cherokee Fuel Co. was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 3257) to amend the World War Adjusted Compensation Act was announced as next in order.

Mr. McKELLAR. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2869) to legalize the use of emergency relief funds for the construction of armories for the National Guard was announced as next in order.

SEVERAL SENATORS. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 8599) to provide for a change in the designation of the Bureau of Navigation and Steamboat Inspection, to create a marine casualty investigation board and increase efficiency in administration of the steamboat inspection laws, and for other purposes, was announced as next in order.

Mr. COPELAND. I ask that House bill 8599, just stated, as well as Calendar No. 1518, being Senate bill 2003, be passed over. I know the Senator from Wisconsin desires to say something about both bills.

The PRESIDENT pro tempore. The bills will be passed over.

SHIPPING ACT, 1916

The bill (S. 3467) amending the Shipping Act, 1916, as amended, was announced as next in order.

Mr. McKELLAR. Did not the Senator from New York ask that that bill be passed over?

Mr. COPELAND. No, Mr. President; this is a meritorious bill and ought to be passed. The purpose of the bill is to protect against fraudulent billings, to prevent an article being billed as one substance when as a matter of fact it is something else. The bill ought to be passed.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 3467) amending the Shipping Act, 1916, as amended, was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Shipping Act, 1916, as amended, is hereby amended by inserting after section 16 a new section to read as follows:

"FALSE BILLING

"SEC. 16A. Any shipper, consignor, consignee, forwarder, broker, or other person, or any officer, agent, or employee thereof, who shall knowingly and willfully, directly or indirectly, by false billing, false claim, false representation, or any other device or means, whether with or without the consent or connivance of the carrier, its officer, agent, or employee, obtain or attempt to obtain transportation for property by any common carrier subject to the provisions of the act at less than the regular rates or charges then in force by such common carrier; or who shall knowingly and willfully, directly or indirectly, by false claim, false representation, or other device or means, obtain, or attempt to obtain, any allowance, refund, or payment in connection with or growing out of the transportation of such property, whether with or without the consent or connivance of the carrier, its officer, agent, or employee, whereby the compensation of such carrier shall be less than or different from the regular rates or charges in force by such common carrier at the time of such transportation, shall be deemed guilty of a misdemeanor, and shall, upon conviction thereof in any court of the United States of competent jurisdiction, be subject for each offense to a fine of not less than $1,000 nor more than $3,000."

REIMBURSEMENT OF MEMBERS OF THE NAVY AND MARINE CORPS

The bill (H. R. 4799) to provide for the reimbursement of certain officers and enlisted men or former officers and enlisted men of the Navy and Marine Corps for personal property lost, damaged, or destroyed as a result of the earthquake which occurred at Managua, Nicaragua, on March 31, 1931, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, such sum or sums, amounting in the aggregate not to exceed $38,487.04, as may be required by the Secretary of the Navy to reimburse, under such regulations as he may prescribe, certain officers and enlisted men or former officers and enlisted men of the Navy and Marine Corps, for losses of and damages to reasonable and necessary personal property resulting from the earthquake which occurred at Managua, Nicaragua, on March 31, 1931: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

BILL PASSED OVER

The bill (S. 2003) to amend section 13 of the act of March 4, 1915, entitled "An act to promote the welfare of American seamen in the merchant marine of the United States, to abolish arrest and imprisonment as a penalty for desertion, and to secure the abrogation of treaty provisions in relation thereto, and to promote safety at sea" was announced as next in order.

The PRESIDENT pro tempore. As the Chair understands, it has been agreed that this bill should be passed over.

DR. DEXTER P. REYNOLDS

The Senate proceeded to consider the bill (S. 3284) to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Dexter P. Reynolds, which was read, as follows:

Be it enacted, etc., That, notwithstanding any limitation relating to the time within which an application for a license must be filed, the Commission on Licensure to Practice the Healing Art in the District of Columbia is authorized and directed to issue a license to practice the healing art in the District of Columbia to Dr. Dexter P. Reynolds, Washington, D. C., in accordance with the provisions of the first paragraph of section 24 of the Healing Arts Practice Act, District of Columbia, 1928.

Mr. McKELLAR. Mr. President, will the Senator from New York explain the bill?

Mr. COPELAND. Dr. Reynolds was out of the city when the bill covering the general subject matter was passed. He was a legitimate practitioner here. He returned afterwards and found that he was debarred by reason of the law which had been enacted. The Commissioners, however, and the Licensure Commission feel that this is a meritorious bill and that it ought to pass.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

STEAM-BOILER INSPECTION IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 2953) to provide for the inspection and control and regulation of steam boilers and unfired pressure vessels in the District of Columbia, which was read, as follows:

Be it enacted, etc., That this act may be cited as the "Boiler Inspection Act of the District of Columbia."

SEC. 2. Wherever the word "person" is used in this act it shall include individuals, firms, partnerships, associations, and corporations.

SEC. 3. There is hereby constituted a boiler inspection service in the Engineer Department of the District of Columbia, to be composed of the following: (a) A boiler inspector who shall be qualified by training and experience in the construction and operation of steam boilers and unfired pressure vessels, and who, under an official designated by the Commissioners of the District of Columbia, shall have charge of the enforcement of the provisions of this act and of the regulations promulgated hereunder; (b) such assistant boiler inspectors as may be necessary, qualified by training and experience in the construction and operation of steam boilers and unfired pressure vessels; (c) and such other employees as may be necessary for the proper performance of the work. All such officials and employees shall be appointed by the Commissioners of the District of Columbia, and their compensation shall be fixed in accordance with the Classification Act of 1923, as amended.

SEC. 4. No person shall use or cause to be used any steam boiler operating at a pressure in excess of 15 pounds per square inch, or operating at a pressure less than 15 pounds per square inch unless provided with an unassisted gravity return, or any unfired pressure vessel operating at a pressure in excess of 60 pounds per square inch and having a capacity in excess of 15 gallons, except such vessels as may be exempted by the Commissioners of the District of Columbia, without having first obtained a certificate of inspection from the boiler inspector.

SEC. 5. No person shall operate or cause to be operated any boiler or unfired pressure vessel, referred to in section 4 hereof, at a pressure greater than that permitted by the certificate of inspection, or while feed pumps, gages, cocks, valves, or automatic safety-control devices are not in proper working condition, or in violation of any of the regulations promulgated hereunder by the Commissioners of the District of Columbia.

SEC. 6. The boiler inspector, or one of his assistants, shall inspect annually all boilers and unfired pressure vessels for which a certificate of inspection is required by section 4 of this act, and shall determine by actual tests the condition thereof from the standpoint of safety and fitness for operation. If such boiler or vessel be safe and fit for operation, the boiler inspector shall issue the certificate of inspection which shall state, among other things, the pressure per square inch such boiler or vessel may be allowed to carry. This certificate of inspection shall be displayed in a conspicuous place in close proximity to the boiler or vessel covered thereby. In the case of a steam boiler or unfired pressure vessel which is regularly inspected at least once a year by an insurance company duly licensed in the District of Columbia and approved by the Commissioners of the said District as to its inspection service, where a report of such inspection filed within 30 days after such inspection with the boiler inspector shows any such boiler or unfired pressure vessel to be in a safe and insurable condition, such inspection and report may take the place of the inspection hereinbefore provided and the certificate of inspection may be issued upon such report.

SEC. 7. The boiler inspector may in his discretion revoke or suspend the certificate of inspection provided in section 4 of this act if at any time he shall find any boiler or unfired pressure vessel covered by such certificate to be unsafe or unfit for operation.

SEC. 8. Steam boilers and unfired pressure vessels located in or upon self-propelled boats or vessels or boats or vessels owned or operated by the United States, or upon locomotives, street cars, busses, or other vehicles, operated under the regulations of any Federal agency or the Public Utilities Commission of the District of Columbia, shall be exempt from the provisions of this act.

SEC. 9. There shall be paid to the collector of taxes of the District of Columbia for the issuance of a certificate as required by this act fees to be fixed from time to time by the Commissioners of the District of Columbia for the annual inspection of each steam boiler or unfired pressure vessel, commensurate with the cost of inspection, with power to fix higher fees for the issuance of a certificate where the inspection in connection therewith is made on a Sunday or legal holiday. When an inspection report is filed by an insurance company with the said boiler inspector, showing that a boiler or unfired pressure vessel has been inspected and found to be in a safe and insurable condition as provided in section 6, there shall be paid to the collector of taxes of the District of Columbia a fee of $1 prior to the issuance of a certificate of inspection.

SEC. 10. The boiler inspector and his assistants shall have the right to enter, in the performance of his or their duties, at all reasonable hours, all premises on which a steam boiler or unfired pressure vessel is being installed, operated, or maintained, and it shall be unlawful for any person to deny admittance to any such inspector or assistant or to interfere with him or them in the performance of his or their duties.

SEC. 11. The boiler inspector shall keep in the office of the boiler inspection service all applications made, and a complete record thereof, as well as of all certificates issued. He shall also keep a complete record of each boiler and unfired pressure vessel inspected, and such other records and data pertaining to the boiler inspection service as may be directed by the Commissioners of the District of Columbia.

SEC. 12. The use of any steam boiler or unfired pressure vessel in violation of any of the prohibitions or requirements of this act, or of the regulations promulgated under the authority hereof, shall constitute a common nuisance, and the corporation counsel of the District of Columbia may maintain an action in the Supreme Court of the District of Columbia, in the name of the District of Columbia, to abate and perpetually enjoin such nuisance.

SEC. 13. If any person shall violate any one or more of the provisions of this act, or of regulations duly promulgated hereunder, the corporation counsel of the District of Columbia, or any of his assistants, shall file an information in the police court in the name of the District of Columbia, and upon conviction such person shall be subject to a fine not to exceed $100 or to imprisonment for not more than 90 days, or both, for each and every violation thereof, and each violation shall constitute a separate offense.

SEC. 14. The Commissioners of the District of Columbia are hereby authorized and empowered to make such regulations as they may deem proper to carry out the provisions of this act and to fix the fees herein provided.

SEC. 15. All laws or parts of laws relating to boiler inspection in conflict with the provisions of this act are hereby repealed: *Provided*, That no provision hereof shall be deemed to amend, alter, or repeal the act approved February 28, 1887, as amended, being an act to regulate steam engineering in the District of Columbia.

SEC. 16. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

SEC. 17. This act shall become effective 6 months from the date of its approval. The regulations and schedule of fees herein provided for shall be promulgated by the Commissioners of the District of Columbia and printed in one or more of the daily newspapers published in the said District but shall not be enforced until 30 days after such publication or until the effective date of this act. Amendments to the regulations or new or additional schedules of fees, when and as the same may be adopted, shall likewise be printed in one or more of the daily newspapers published in the said District, and no penalty for violation thereof or payment of new or additional fees prescribed shall be enforced until 30 days after such publication.

Mr. KING. Mr. President, the present law in the District of Columbia is wholly inadequate to meet the situation. There is only one inspector of boilers, and the demands

which are made upon his time render it impossible for him to make proper inspections. The result has been that there have been a number of catastrophes; boilers have exploded and persons have been injured. After thorough investigation, the District Commissioners, in cooperation with the necessary officials, have recommended this bill. The Senate committee examined it carefully and recommends its passage.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

REGULATION OF AUTOMOBILES VISITING IN THE DISTRICT

The bill (S. 3161) to amend section 13 (c) of the District of Columbia Traffic Acts was announced as next in order.

Mr. McKELLAR. Mr. President, may I ask the Senator from Utah; Is it proposed that the driver of a vehicle who comes from another State into the District may be prevented from driving his car in the District?

Mr. KING. The general purpose of the bill is to subject nonresidents who operate motor vehicles within the District of Columbia to the same regulations respecting traffic which are enforced against residents of the District.

Mr. ROBINSON. Mr. President, may I inquire of the Senator from Utah how much time a visitor from one of the States would have to acquire a permit?

Mr. KING. As I recall, there is no provision dealing with that question. As I have indicated, nonresidents enjoy some advantages denied to residents of the District who are operating motor vehicles under permits or licenses obtained from the District authorities. It is sought to have nonresidents submit to the same regulations which control the residents of the District.

Mr. ROBINSON. Submit to what? I did not hear the statement of the Senator.

Mr. KING. Nonresidents are to be governed by the same rules and regulations as to traffic as are those residing within the District and who are operating under District licenses.

Mr. ROBINSON. Is not that true without any special statute? Does not the law of the District relating to traffic apply to visitors as well as to residents?

Mr. KING. Nonresidents, as I recall the provisions of existing law, are not made amenable to a number of regulations to which residents must conform.

Mr. ROBINSON. What is the advantage given nonresidents?

Mr. KING. I do not have the present law before me, but my recollection is that the authority conferred upon the District Commissioners to revoke or suspend automobile-operators' permits issued to local residents contains broader power than that conferred upon the Commissioners to suspend or revoke the right of nonresidents to operate cars within the District. My recollection is that the Commissioners may revoke the permits of residents for any cause deemed by the Commissioners, or their representative, to be in the interest of the public safety; but the law discriminates in favor of nonresidents, as against residents of the District, in that the Commissioners, in dealing with nonresidents who operates cars within the District, may not revoke permits unless the nonresident has been convicted of driving his car within the District under the influence of intoxicants or drugs. In other words, the present law is believed by the Commissioners to be too liberal in favor of nonresident drivers within the District and to impose upon residents more stringent rules and regulations respecting traffic.

Mr. ROBINSON. I think, with a view to reserving the rights of the country boys and others from out of town, I will ask that the bill go over until an opportunity may be afforded to examine it more carefully.

The PRESIDENT pro tempore. On objection, the bill will be passed over.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

The bill (H. R. 9870) to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes, was announced as next in order.

Mr. COUZENS. That is the so-called "bonus" bill, and I ask that it go over.

The PRESIDENT pro tempore. The bill will be passed over.

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business which will be stated.

The CHIEF CLERK. A bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

SIXTEENTH ANNIVERSARY OF EIGHTEENTH AMENDMENT

Mr. SHEPPARD. Mr. President, on most of the anniversaries of the eighteenth amendment to the Federal Constitution I have addressed the Senate on the evils of beverage alcohol and the methods of its suppression.

The repeal of the eighteenth amendment, which became effective on December 5, 1933, and its replacement by the twenty-first amendment, which retains national power over interstate liquor shipments, introduced another epoch in connection with the age-old and ever-present liquor problem.

Occurrences since the repeal of the eighteenth amendment have shown that the dangers of the liquor traffic to the Nation have multiplied with the disappearance of national prohibition.

We can repeal legislative and constitutional enactments but we cannot repeal the nature of a physical poison.

Developments since the repeal of the eighteenth amendment continue to demonstrate the value of prohibition in Nation and in State.

These developments show that such is the nature and power of the liquor traffic that no unit, national, State, nor otherwise is able to handle it with any substantial degree of success once the legal and constitutional barriers are broken down.

Observe what has happened since the revocation of the eighteenth amendment.

Nearly all the States now have the license plan or State monopolies or dispensaries, the license plan predominating. In most of these States the abuses and the evils of the old-time saloon have returned, with added viciousness and debauchery. Women have become patrons in such numbers and with such persistence that the words "feminine barfly" have become a shameful addition to our language. Mr. Martin Nelson, secretary-treasurer of the Keeley Institute, the largest liquor-cure institution in the country, said last month that drinking among women had increased materially since the repeal of the eighteenth amendment, that the open saloon was again in evidence, that the number of women patients at the Keeley Institute increased 14 percent during the first 10 months of 1935, but that the gain in number of patients was probably not comparable to the actual increase in the number of women who have become habitual drinkers in recent years. Mr. Nelson added that of the women taking the cure for the drink habit 90 percent were married, 77 percent were housewives, the remainder being divided among school teachers, nurses, bookkeepers, salesladies, office workers, and restaurant keepers.

Already there are more places where legalized liquor is sold in the area where all prohibition has been abolished, State and National, than there were in the entire country at the time of the adoption of the eighteenth amendment. Before national prohibition there were 177,790 saloons. Now, by best estimates, there are more than 200,000 retail outlets. Beer is sold amid new surroundings—in hardware stores, groceries, restaurants, drug stores, and other places, which women and children frequent.

The Brewery Age of October 1935 announced that Mrs. Norma V. Young, home economics editor, who writes for the Los Angeles Examiner as "Prudence Penny", would speak before the United States Brewers Association's national convention at Los Angeles, October 23, 1935, on What Shall We Do About the Women? She was expected to give many suggestions to the industry on how to sell women beer. Perhaps the most significant statement made by "Prudence

Penny" in her address to the brewers was one not to forget the younger set, saying:

> You will have to appeal to the coming generation, and while I have the greatest respect for the wisdom and experience of our elders, it is the teaching you do now for our younger generation that is going to help you increase your percentage of beer consumed by women.

Since the repeal of the eighteenth amendment the number of deaths and accidents due to drinking drivers of automobiles and drinking pedestrians has reached the highest point ever known. It was shown last year through figures gathered from official sources by Dr. Theron Wendell Kilmer, police surgeon, of Hempstead, N. Y., in a paper read before the Thirty-fifth Annual Convention of the New York State Association of Chiefs of Police at Utica, N. Y., that in the country as a whole the number of drinking drivers had increased 11 times more in 1934 over 1933 than the number of cars had increased in 1934 over 1933.

The gravity of the traffic-accident problem has brought about an organized effort upon the part of many groups to institute safety campaigns in individual cities and in the Nation at large. Despite all safety campaigns and public discussion, however, the indications are that the number of accidents and fatalities in 1935 will equal, or almost equal, those of 1934—an all-time high.

Since repeal the insurance companies are facing more extensively than ever the effect of the use of alcoholic beverages by applicants for insurance. The Northwestern Life Insurance Co., one of the large and representative companies of the Nation, reports that according to its experience indulgence in alcohol shows an increase of 149 percent as a cause of rejection for insurance among men and women under 30; that for all ages the increase in rejections involving alcoholic excesses is 25 percent since the prerepeal days of 1931 and 1932. This company states that an examination of its accepted insurance applications for the spring of 1935 as compared with the same period in 1932 discloses an increase of 74 percent in the proportion of applicants using alcoholic beverages; that this figure includes all reports of indulgence, occasional as well as habitual, young people showing a much greater increase than any other age group with a gain of 138 percent in users of intoxicants among those under 30. Analyzing its rejections, the company states that each age group showed an increase due to indulgence in alcohol, except the group over 45, which showed a slight decline since repeal, the average increase of all ages being as heretofore stated 25 percent, and for the group under 30 as also heretofore stated 149 percent.

Mr. Walter C. Hill, president of the Retail Credit Co., said in a paper before the medical section, American Life Convention, April 1935, that there was a steady rise in hazards to insurance companies of drivers of automobiles and of pedestrians associated with liquor; that available records indicated a relatively large number of accidents to either the driver or a second party where one or both were under some influence of liquor; that the hazard of the slowing-up effect of alcohol on the driver covered the small end of the picture, the greatest toll coming from pedestrians affected by alcohol on account of their larger numbers. It will be noted that Mr. Hill did not include children and older people unaffected by alcohol who are perpetually imperiled on roads and streets by auto drivers whose mental reactions are crippled by even moderate quantities of alcohol.

With approximately 25,000,000 motor vehicles crowding American highways and moving at modern speed rates, it is nothing less than complicity in murder to enhance the use of beverage alcohol by giving it a legalized status.

Beverage alcohol and auto driving will not mix. Beverage alcohol and machinery will not mix. Beverage alcohol and progress will not mix. Beverage alcohol and right conduct will not mix. Beverage alcohol and law observance will not mix.

We were told that repeal would promote temperance. How completely the records repudiate that assertion! They show that tax-paid withdrawals of distilled spirits, including alcohol for consumption, rose from a little more than 6,000,000 gallons in 1933, the last year of national prohibition, to nearly forty-two and a half million gallons in 1934 and to nearly eighty-two and a half million gallons in 1935. They show that tax-paid withdrawals of fermented malt liquors for consumption rose from about six and a half million barrels in 1933 to a little more than 32,000,000 barrels in 1934 and to nearly 42,000,000 barrels in 1935. Remember that liquors withdrawn for industrial uses are for the most part tax-free. Recalling the verdict of the ages that social abuses increase largely in proportion to the quantity of alcoholic liquors consumed, we may well turn with a shudder from any attempt to measure the inferno these figures suggest.

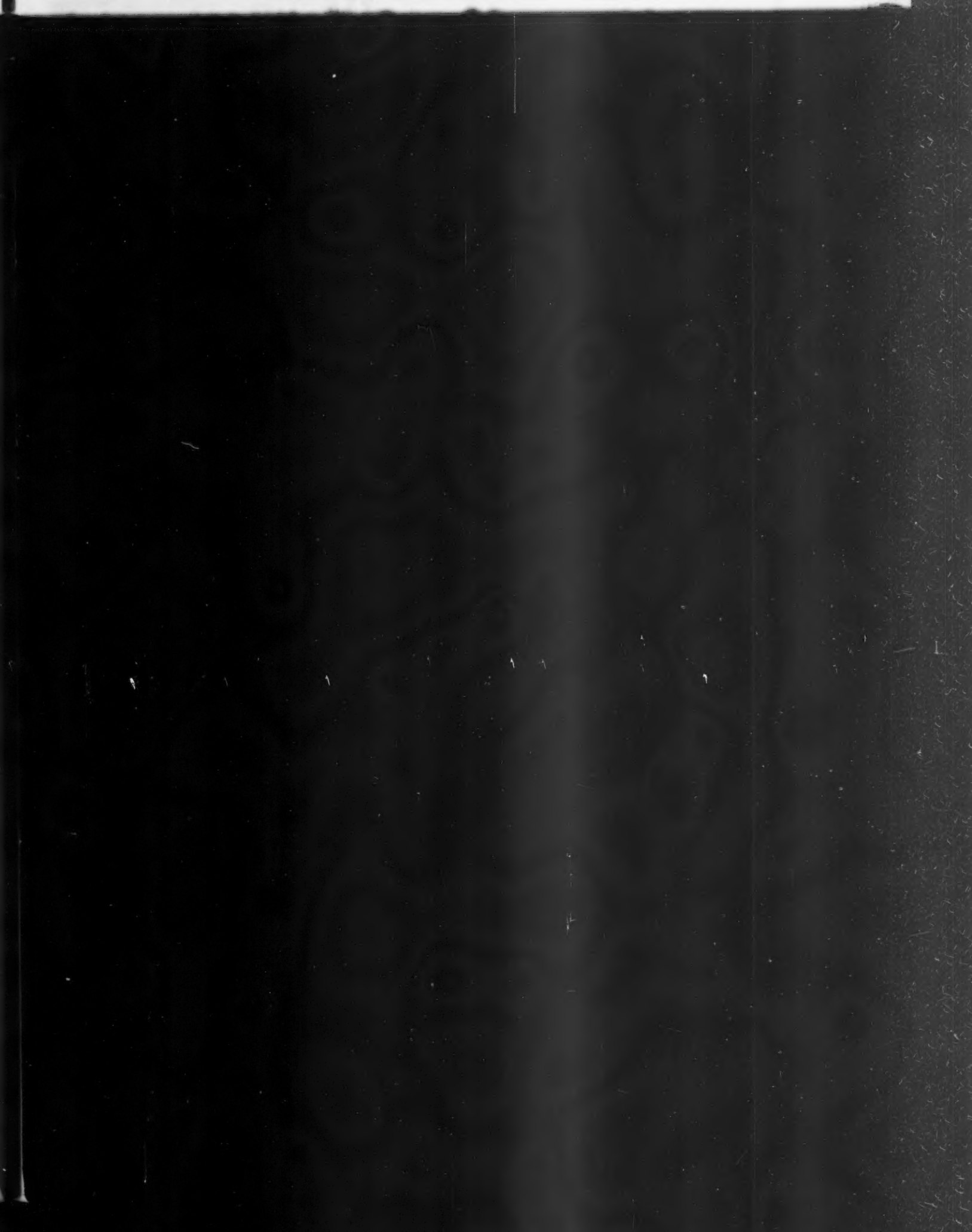
We were assured that bootlegging and illicit selling would largely disappear with the return of the legalized liquor traffic. In reply, I refer to excerpts from testimony last year before the Senate Finance Committee by the National Civic Federation. This federation is not a prohibition group, but an organization which has been making a study of the liquor question as well as other matters of national significance. The Federation stated to the Senate Finance Committee that bootlegging, rum running, and illicit selling were depriving Federal and State Governments of more than $300,000,000 annually in collectible revenues; that Federal Alcohol Commissioner Choate had expressed the fear in April 1934 that seizure of illicit plants for the first 3 months of that year indicated the year's total would amount to 7,952 illicit plants with a combined annual capacity of 271,623,000 gallons, while actually the year's total was much larger; that since conditions in 1935 were admittedly no better than in 1934 it must be conceded that no less than 50 percent of distilled spirits consumption was not being tax paid.

Repeal has not been followed by anything like effective regulation or control. It has not decreased the consumption of alcoholic beverages. It has not promoted temperance. It has not reduced crime. It has not eliminated the bootlegger, the gangster, the kidnaper, nor the illicit distiller. The revenue it produces is not a source of relief to the taxpayer, because every dollar of liquor revenue means the extraction of eight or ten additional dollars from the pockets of the consuming public for the purchase of intoxicating beverages. It cannot make any contribution, therefore, to prosperity. It has been marked by an increasing number of arrests and commitments for driving while drunk or drinking, and for offenses growing out of the use of liquor, by the return of the saloon, with women and girls conspicuous among patrons, servers, and bartenders.

The American Businessmen's Research Foundation of Chicago, an organization devoted to a constructive endeavor to solve the liquor question, announced a five-point appraisal of the liquor traffic in the United States on the 1st of January 1936.

The statement began with the assertion that the beginning of 1936 and the end of the first 2 calendar years of the legalized liquor traffic had disclosed the social and economic menace of a legalized trade in beverage alcohol.

The five points in this connection were in substance as follows: First, that this traffic had again been revealed as the only legalized business which gave its patron no value in return, but products that promoted disorder, destroyed efficiency, bred physical disability, mental derangement, and moral irresponsibility; second, that unlike any other industry it directly diverted an amount now growing annually into billions from legitimate business without any equivalent to its customers; third, that in failing to return this equivalent it was a fraudulent competitor with all other American industry; fourth, that the national advertising and high-pressure sales program of the liquor traffic through the press, the radio, the movies, the billboards, the mails, and other channels of publicity was a destructive influence in that it bred potential disaster not only to every other business but physically and otherwise to millions of American industry's legitimate customers; and, fifth, that the revenue apology faded completely when the economic, social, educational, and political waste in the wake of the reopened saloon was considered, as well as the further fact that the



people were paying 10 times as much as the revenue received by the Government out of their own pockets directly for liquor or for liquor's share in the annual crime and accident bill.

As man's struggle to conquer liquor has continued through the centuries, the problems of drink have become, year by year, more and more social in their character and less a matter of individual determination. This process has been accentuated in comparatively recent years by countless inventions and mechanical devices which have served to increase the momentum of the conditions under which we live; which have served to bring human beings into more immediate, numerous, and vital relationships with each other, and which have increased the chances we as individuals possess of injuring and bringing harm to our fellow men. There was never a period in the history of our country when the acts of a drinking man would constitute such a menace to the safety and happiness of others as they do today.

Dr. Arthur D. Bevan points to the social significance of the liquor problem by stating emphatically that the greatest factor of law control in the interest of the health of the Nation would be the elimination of alcoholic drink; that this is not tyranny—that it is progress, it is science, it is civilization; and that civilization is often compelled to protect the individual against himself.

It was because of the social significance of the liquor problem in this country that, 16 years ago, we as a Nation banded together to protect ourselves from the menace of drink and the degrading influences of the liquor traffic. It was to protect our society from the ravages of alcohol upon the human body, to lift us above drink-caused poverty, to crush the saloon with all its degrading influences, and to blast the liquor interests from their strangle hold upon the political life of this country that we turned to Nation-wide prohibition as the most effective weapon against liquor. The problem had long ceased to be exclusively an individual one.

Society has the right to expect that each individual will so conduct himself as to make a reasonable and substantial return on the investment which it has made in his protection, his education, and his environment. The individual who poisons himself with alcohol infringes that right. He cannot make himself as useful and as effective a member of society as if he did not so abuse himself. Especially does he betray society when he makes himself a detriment and a menace.

There are those who make the assertion that the eighteenth amendment was a violation of personal liberty. Let us examine that statement. A drug, a narcotic, in any form, whether it be opium, alcohol, cocaine, morphine, or any similar article, will destroy the capacity to exercise liberty in the vast majority of victims.

Who is he that asserts a personal right to engage in a trade or business that cripples the human body, destroys or absorbs the earning power and the property of men, and shatters the happiness of others? I tell you there are no such personal rights, and no property rights, in a practice such as this. Why is this true? Because the rights of society are superior to the indulgence, the appetite, or the greed of individuals.

No single word in our language has been subjected to more perversion and misinterpretation than the word "liberty." As one has said, "There is scarcely a sin or crime against God or man that has not, some time or other been honored and dignified by the word 'liberty.'" Personal liberty does not imply, and it has never implied, the right to kidnap, the right to embezzle, the right to blackmail, the right to bribe, or the right to drive others to poverty, broken health, or shame through the promotion of a traffic in a drug, by purchase, use, or sale, that produces these results.

No; true liberty has never had any such meaning in our history. Liberty to our fathers, and to us, means liberty regulated and ordered. No one can deny that the right of the individual ends where the rights of others begin. As Albert E. Sawyer, formerly with the University of Michigan Hospital, and an authority on business management, once said, society takes an interest in the conduct of the individual in an amount proportionate to the power and ability of the individual to influence the health, the happiness, and the welfare of others.

Naturally, as our social and economic structure becomes more and more complex, as industrial machinery, fast moving trains, automobiles, and airplanes come into existence, the power and the play of individual action must be curbed and prohibited more and more in the interest of all.

For instance, as millions on millions of people became dependent on meats and other foods shipped from packing houses it became necessary to prohibit in the interest of all the sale and shipment of unclean, impure, and dangerous foods, and the right of an individual to eat what he pleased was not permitted to interfere with the general right to protection. As criminal elements began more and more to impose on the weak and the unsuspecting by the sale of quackeries and poisonous drugs, it was demanded that such practices and products be made the subject of rigid prohibitions and restrictions. As opium began to work its way into this country, our Government stepped in to prohibit it, except for its established scientific uses.

These prohibitions and restrictions were applied not in violation of personal liberty but to give birth to and to nourish true personal liberty and to preserve in the individual the power to exercise personal liberty. They were applied to make possible an environment in which the individual could be truly free and could have every legitimate chance of making his contribution to society. Such freedom is certainly not to be sacrificed to the so-called liberty to indulge a personal appetite.

Beverage alcohol undermines the moral, mental, and physical strength of multiplying millions and thus cripples the foundations of democracy, self-government, and progress. It imperils liberty because liberty is the power to choose the right and to take advantage of opportunity. An article whose consumption impairs this power through the corruption of the springs of thought and energy, of health and will, as does this liquid poison, is a destroyer of liberty, and its tolerance is not an emblem of freedom.

It is public enemy no. 1, and the only way to handle it is to destroy it.

DECISION OF SUPREME COURT IN A. A. A. CASE

Mr. MINTON obtained the floor.

Mr. TRUMAN. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HOLT in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Hayden	O'Mahoney
Ashurst	Coolidge	Holt	Overton
Austin	Copeland	Johnson	Pittman
Bachman	Costigan	Keyes	Pope
Bailey	Couzens	King	Radcliffe
Bankhead	Davis	La Follette	Robinson
Barbour	Dickinson	Lewis	Russell
Barkley	Dieterich	Logan	Schwellenbach
Benson	Donahey	Lonergan	Sheppard
Bilbo	Duffy	McAdoo	Shipstead
Borah	Fletcher	McGill	Smith
Brown	Frazier	McKellar	Steiwer
Bulkley	George	McNary	Thomas, Okla.
Bulow	Gerry	Maloney	Thomas, Utah
Burke	Gibson	Minton	Townsend
Byrd	Glass	Moore	Trammell
Byrnes	Gore	Murphy	Truman
Capper	Guffey	Murray	Vandenberg
Caraway	Hale	Neely	Van Nuys
Carey	Harrison	Norbeck	Wagner
Chavez	Hastings	Norris	Walsh
Clark	Hatch	Nye	White

The PRESIDING OFFICER. Eighty-eight Senators having answered to their names, a quorum is present.

Mr. LEWIS. Mr. President, this morning I announced the necessary absence of certain Senators, and I should like to have the announcement repeated on this roll call.

Mr. MINTON. Mr. President, it is with great deference that I rise to address this distinguished body at this time. I propose to discuss very briefly the recent decision of the Supreme Court, in which it held the Agricultural Adjustment Act unconstitutional. Lawyers of far greater distinction

than I, and statesmen of proven wisdom and ability who honor this body by their presence, are better able to discuss it than I. However, the gravity of our present situation constrains me to attempt at this time the expression of my own views on this important decision and the problem to which it relates.

As a lawyer I have the greatest respect for the Supreme Court. I accord to their decisions the respect that is due them. However, I cannot help remembering that in each case argued before the Court some good lawyer finds that he is mistaken about what the Constitution provides, and very frequently some members of the Court are mistaken. Of course, Congress would not be expected to know! In other words, what the Constitution provides rests in the minds and hearts of nine eminent and distinguished gentlemen of the Court who have the last guess. They have the last guess because they have decreed it so, and we have accepted it as a part of our jurisprudence that the Court shall have the last guess. This guess may be by any varying majority, and sometimes they even take a second guess.

I mention these facts only to remind Senators that there is nothing sacrosanct about the opinions of the Court. Unlike the law of the Medes and Persians, their opinions can be changed. I hold no brief for this most important opinion of the majority of the Court. I disagree with the majority emphatically. I think their opinion is the most strained, forced construction of the Constitution, and the most highly flavored political opinion to come from that Court since the Dred Scott decision.

I accept the Court's decision in the same spirit in which Abraham Lincoln accepted the Dred Scott decision, when he said, first, in his debate with Douglas:

> Somebody has to reverse that decision, since it is made, and we mean to reverse it, and we mean to do it peaceably.

And, second, when he said in his first inaugural address:

> At the same time the candid citizens must confess that if the policy of the Government upon vital questions affecting the whole people is to be irrevocably fixed by the decision of the Supreme Court, the instant they are made in ordinary litigation between parties in personal actions the people will have ceased to be their own rulers, having to that extent practically resigned their Government into the hands of that eminent tribunal.

I accept the decision as the law to be obeyed, so long as it is the law, and I join the ranks of those who believe it their duty to release the country from the paralyzing effect of that opinion. We accept it as the law of that case, but we will not be bound by any implication contained therein, that this Government of the United States is powerless to aid its people in distress. We must avert the consequences of the Court's action in destroying the first national program that ever put a dollar in the farmer's pocket, and has lifted the great agricultural industry of the Nation from the slough of bankruptcy and ruin and set it well on its way to prosperity; we must avert the consequences by enacting legislation within the law declared in that opinion if possible, but if that cannot be done, then change the fundamental law of the land in accordance with its own provision. But avert the consequences we must. It will not do for a nation that has nurtured industry—yes; subsidized it with a lavish hand—to say to the agricultural interests of this Nation, in the darkest hour of their need: "We cannot help you."

As we approach the analysis of this opinion, there are two aspects in which to consider it. First, we may consider what it did not decide, and then, what it really did decide.

I have always understood that when the Supreme Court was considering the constitutionality of statutes, even a State statute, that the A B C's of such construction were that if an act is subject to two constructions, one of which renders the act unconstitutional and the other constitutional, the latter must be adopted.

Mr. Justice Sutherland, in the *Arkansas Gas Co.* v. *The Railroad Commission* (in 261 U. S. 379–383) said:

> The rule is fundamental that if a statute admits of two constructions, the effect of one being to render the statute unconstitutional and the other to establish its validity, the courts will adopt the latter.

So that rule is fundamental! That is hornbook law! What did the Court do? It had a choice of deciding that the law was a scheme to use the taxing power to compel regulation in a field the Federal Government had no power to regulate, which would make the law unconstitutional, or it could have taken the position that the law was the exercise of the power granted in the Constitution to lay an excise tax and spend it in the interest of the general welfare, and that in the spending of it, to save the agricultural industry of the Nation, Congress might reasonably be held to have acted in the general welfare and, therefore, the act was constitutional.

Did the Court adopt the constitutional rule? Not at all! Agriculture is the largest single industry in the Nation. I assume, of course, that the Supreme Court knew that. Fully 45 percent of our people are directly dependent for their living upon the tillage of the soil or rendering some service to the tillers of the soil, such as country merchants, garages, shops, and so forth. Even that must have been known to the Court.

For 10 years prior to 1933 the farmers of this country steadily progressed toward ruin and in 1933 had just about arrived. Yes; arrived at the point of desperation, unable to pay their taxes or meet the interest payments upon their mortgages, with their crops rotting in the fields, unable to get a price for them that would pay for the seed and fertilizer. They were desperate as they witnessed the accumulations of a lifetime of toil and sacrifice taken from them by the tax-gatherer and under the sheriff's hammer. Armed with shotguns, they barricaded the highways and stopped the trucks and poured the milk in the gutters, they burst open the doors of the freight cars and dumped the produce on the right-of-way. Yes; they put a rope around the neck of a judge and threatened to hang him because he declared the law in a foreclosure suit. That was the picture in the beginning of 1933, with the largest single industry of the Nation prostrate, bewildered, and frustrated. We faced an emergency in this country never paralleled in its history. Congress met in conference with the leading representatives of agriculture. This legislation was passed, and lo and behold, it worked. That may be the rub. Prosperity returned to the farmers. Maybe that should not have happened. With the millions in benefit payments paid to the farmer to induce him to reduce his production, and the increase in farm produce from 10-cent corn to 75-cent corn and 30-cent wheat to 90-cent wheat and 3-cent hogs to 12-cent hogs, and so on all along the line, the farmers' prosperity began to reach everyone.

You would think that the Supreme Court, with the knowledge of these facts, which even they must have known, would have approached the consideration of this act with these facts in mind, and with such an approach may very properly have held that the act was a valid exercise of the taxing power and the expenditure of that tax to save the agricultural industry of the Nation was an expenditure in the interest of the general welfare and, therefore, the act was constitutional. Three of the Court did take that course, but not the majority. They not only did not decide the question of general welfare but expressly avoided it.

I quote from the opinion of Mr. Justice Roberts:

> We are not now required to ascertain the scope of the phrase "general welfare of the United States" or to determine whether an appropriation in aid of agriculture falls within it.

And again he says:

> The tax can only be sustained by ignoring the avowed purpose and operation of the act.

The Court thereby admits what I think no one will dispute—that Congress has the power to levy such a tax, although the Court does not decide it. On the other hand, it does not decide it cannot be done. So we have the Supreme Court of the United States refusing to decide a question squarely before it, namely, whether this was a proper levy of an excise tax and a proper expenditure in the interest of the general welfare. Why did not the Court decide this question? Because it could not say to the people of this country that where the Constitution of the United States provides for the collection of taxes to provide for the general welfare that the expenditure of that money to save agriculture was not in the interest of the general welfare.

It just did not make sense. So the Court refused to see what everybody else saw and expressly declined to decide

what the Court itself designated "the controlling question in the case."

Having left out Hamlet in the case and refused to decide the question of the general welfare, which was expressly presented, it proceeded to decide the case on a ground that to the majority's satisfaction invalidated the legislation. And what was the basis of that decision? Stripped of the things the Court did not decide and the spook arguments advanced about things that have never happened, the case simply decides that the act was invalid because it was a scheme to use the taxing power to enforce regulations in a field left to the States and not granted to Congress. Is not that what they decided and nothing more? Let us see.

May I remind you again that they never decided the scope of the general-welfare clause or whether an appropriation in aid of agriculture falls within it. Neither did they decide the right to levy the tax or deny the right.

At the very beginning of his opinion Mr. Justice Roberts points out the issue he must meet in these words:

> The Government, in substance and effect, asks us to separate the Agricultural Adjustment Act into two statutes, the one levying an excise on processors of certain commodities, the other appropriating the public moneys independently of the first. Passing the novel suggestion that two statutes enacted as parts of a single scheme should be tested as if they were distinct and unrelated, we think the legislation now before us is not susceptible of such separation and treatment.

In other words, the Court declines to separate the act into the constituent elements of taxing and appropriating, for the reason that the Court could not deny the power to tax, and it did not have the effrontery to decide that the expenditure of that tax money to save agriculture was not in the interest of general welfare. So the Court takes the position that the tax is part of a scheme to regulate; and the regulation being without the Federal jurisdiction, the act fails.

That is the basis of this opinion. That is what it holds, as I read it, and, in my judgment, that is as far as it goes. I quote variously from the opinion:

> The tax can only be sustained by ignoring the avowed purpose and operation of the act.

Again:

> The tax plays an indispensable part in the plan of regulation.

Again:

> The tax is fixed with the purpose of bringing about crop reduction and price raising.

Again:

> The exaction cannot be wrested out of its setting, denominated an excise for raising revenue, and legalized by ignoring its purpose as a mere instrumentality for bringing about a decided end.

Again:

> We conclude that the act is one regulating agricultural production; that the tax is a mere incident of such regulation.

The pivot of this decision, upon which the case turns, as pointed out by Justice Stone, is that the act is a scheme to use the taxing power to enforce regulation in a field reserved to the States. To sustain this, the majority cites as authority the *Second Child Labor case* (259 U. S. 20). I submit that this authority does not sustain the Court and is so clearly beside the mark that a freshman in law school ought to be able to see it. One almost wonders why a judge on the Supreme Court could not see it. In fact, three of them did, and pointed it out very clearly in their dissenting opinion. Here is the distinction: The tax in the Child Labor case was a penalizing coercive tax, laid upon the taxpayer to compel the taxpayer to discontinue the use of child labor in his factory, and laid only if he did not so discontinue the use of child labor.

The Court had held in the First Child Labor case that the power to regulate under the commerce clause, the employment of child labor in the factories in the States, did not reside in Congress, and the second case was an attempt to use the taxing power to enforce regulations in a field in which Congress had been denied the right to regulate under any grant of power contained in the Constitution. But in that case the tax penalized and coerced the taxpayer; it was put into effect only when he violated the regulation. It was not intended to raise revenue, but to penalize, and that in a field where there was no other Federal power to support the taxing power. The taxing power was exerted on the taxpayer, but in the recent case the processing tax was not a penalizing tax. It did not operate upon the taxpayer to compel him to conform to any regulations. The regulations, if any, came only with the spending or appropriating of the money. In the Child Labor case the tax operated on the taxpayer to coerce him in a field in which Congress had no power to regulate, while here the tax, and hence the exercise of the taxing power operated on no taxpayer to compel him, by force of the tax, to conform to any regulation.

Mr. Justice Stone, in his dissent, clearly points out the inapplicability of the authority relied upon by the majority, in the following words:

> While all Federal taxes inevitably have some influence on the internal economy of the States, it is not contended that the levy of a processing tax upon manufacturers using agricultural products as raw material has any perceptible regulatory effect upon either their production or manufacture. The tax is unlike the penalties which were held invalid in the Child Labor Tax Case—because they were themselves the instruments of regulation by virtue of their coercive effect on matters left to the control of the States. Here regulation, if any there be, is accomplished not by the tax but by the method by which its proceeds are expended, and would equally be accomplished by any like use of public funds, regardless of their source.

As I view this case, unfortunate as it is, our situation is not hopeless. We may yet lay the tax, the right to do which is not denied. The money from the tax goes into the Treasury. Then, another power of Congress comes into play, the power to appropriate this money from the Treasury. The only limitation mentioned in the Constitution upon the use of money in the Treasury of the United States by the Congress is that it cannot be expended except in accordance with an appropriation duly made, and that no appropriation shall be made for a period of more than 2 years for the support of armies. Appropriation of money by Congress is not mentioned in the Constitution, except in those two instances. There is no limit upon the objects for which Congress may appropriate money, except that the appropriation is restricted to the purpose for which it is made, such as to pay the national debt, provide for the national defense and the general welfare; that is, it must be for a governmental purpose. With the money in the Treasury, Congress then appropriates it in aid of agriculture. If Congress does this, who has a standing in court to question such appropriation? Under the authority of Massachusetts against Mellon, no taxpayer or State can question the expenditure of the money. Assume, for the sake of argument, that someone may invoke the jurisdiction of the court to question the appropriation made by Congress to aid a prostrate industry, such as agriculture, can it be said that such expenditure is not in the interest of the general welfare? Can such an expenditure be said to bear no reasonable relation to the general welfare? I think not; and the Supreme Court will never say to the contrary; and, after all, the only power the Court would have would be to decide whether the act was arbitrary or whether it bore no reasonable relation to the general welfare.

The tilling of the soil as an industry may be committed by the present form of the Government to the care of the States, but the welfare of the industry as a whole and its prosperity are of national concern. If the industry as a whole is not prosperous, it affects vitally the welfare of the entire Nation.

What have State lines to do with this phase of it? What does the artificial State line between the great States of Illinois and Indiana have to do with the price of corn and hogs? What do the artificial State lines from Georgia to Texas have to do with the price of cotton in the Cotton Belt? We, therefore, have an aspect of agriculture which is subject to State control, and another which is the concern of the National Government, since the prosperity or bankruptcy of that industry affects the general welfare.

In aid of the national problem and to further the welfare of the Nation, Congress may spend and appropriate money

from the National Treasury. Certainly the power to spend money is as broad as the power to raise it, or why authorize the raising of it? Therefore if Congress may tax for the general welfare, it may spend for the general welfare. This has not been denied by the Supreme Court. It has only condemned what it believed to be an unauthorized exercise of the taxing power in a scheme where the taxing power could not be separated from regulations over which Congress has no control.

So if Congress should make the appropriation, the only thing that the Supreme Court could look to would be to determine whether or not the expenditure was in the general welfare. The general welfare is recognized in the Constitution as a governmental purpose, and, if the expenditure of the money bore any reasonable relation to the general welfare of the United States, the Supreme Court of the United States could not declare it to be unconstitutional.

Mr. President, I conclude, in agreement with the distinguished junior Senator from Alabama [Mr. BANKHEAD], that we may tax and then spend for the general welfare, and that saving agriculture would be spending for the general welfare, and therefore within the power granted to the Federal Government under the Constitution.

Although the Court has gone out of its way to wreck a system that works, it has not gone so far, in my humble opinion, as to make our condition hopeless.

I hope I am not wrong in my judgment of the scope of this important decision. If I am, and the Court has effectively paralyzed the arm of Congress to act to relieve the people who constitute the Government, then the people must act to reclaim their own Government.

The blight of the cold, dead hand of the Court must not be permitted to contaminate the blood stream of the Nation and destroy the right of the people to live and prosper.

PEACE AND NEUTRALITY

Mr. CAPPER. Mr. President, yesterday was the seventh anniversary of the ratification of the Kellogg-Briand Peace Pact for the renunciation of war. That pact had the approval of all peace-loving people of the whole world. Recently I have been overwhelmed with petitions and appeals from the people of Kansas and other Western States urging prompt action on the neutrality bill which, it is hoped, will minimize the means by which the United States may again be dragged into a war in which our people are not concerned—a causeless war, so far as the people of the United States are concerned. Such proposed legislation is now under consideration in the Commitee on Foreign Relations, and the country hopes that an effective measure, written in the interest of peace and of the people, will be enacted.

I believe it is a fair statement that what is uppermost today in the minds of the American people is not the Supreme Court and its power to decide legislative and administrative policies; it is not the form of the Constitution; it is not the necessity of a balanced Budget. The people are thinking of all these things; they are important; they affect the welfare and the future well-being of all our people. The people realize that fact.

But above and beyond all these questions is the heartfelt desire that this Nation shall never again be embroiled in another foreign war and a growing determination that the Nation shall not be dragged into another world war to make profits for financiers and munitions makers and other war profiteers.

I want the Congress to pass a permanent neutrality measure that will leave no question where the United States Government stands. I believe the people of this country want the Congress to assume this responsibility and to take action promptly.

The American people look upon war for what it is—a colossal crime and a stupendous folly, the curse of nations, and the misery of their people. War is a crime with penalties that never end. It seems no atonement can be made for the crime of war. We know—we know too well—that the consequences of war are unending. Years of poverty, suffering, disease, and debasement cannot pay for war. This bitter realization has come to the people of the world, as it has come to the people of this country.

Mr. President, regardless of blundering diplomacy, regardless of scheming dictators and equally scheming war profiteers, regardless of what may happen over the world in the next 10 years to discredit this prophecy, I say to you that war is definitely on the way out. Sooner or later the world's rulers, nominal and real, will be forced to recognize this. Sanity and common sense eventually and inevitably will dominate the world and world policies, instead of war and the insanity and folly of war.

Preceding the storm of indignation in England over the proposal to dismember Ethiopia, which resulted in the plan being abandoned and officially denounced, the people of Great Britain, by the largest popular poll ever taken in the British Isles, declared themselves for peace measures and almost unanimously against war. A poll taken in this country by the Congregational churches shows the peace sentiment in the United States is just as strong. A world-wide petition calling on all governments to settle international disputes peacefully will soon be started on its way.

A poll of a cross section of the Middle West, taken by a group of newspapers and magazines published in the center of the United States and made public a few days ago, indicates and emphasizes that the people in seven of these Central States—Kansas, Missouri, Iowa, Nebraska, Oklahoma, South Dakota, and Colorado—are overwhelmingly against this country's participation.

The people of this distinctive American region of the United States are demanding, almost unanimously, that this country shall not participate in another foreign war.

That profit shall be taken out of war by drafting industry and wealth as well as men in case of war.

That before declaring war the question shall be submitted to a vote of the people.

That no loans for war purposes shall be made to foreign governments.

That the people of the United States shall sell no supplies to warring nations.

That munitions of war shall be manufactured in Government plants.

That military training in our colleges shall not be compulsory.

By an overwhelming majority the poll also favors world disarmament. One remarkable and highly creditable feature of this poll, in which nearly 100,000 participated, was the huge majority vote against selling supplies to warring nations. This section of the country would profit directly and largely from such sales. The vote against selling supplies to warring nations was 26 to 1, with more than 90,000 ballots on this question. This testifies strongly to the sincerity of the convictions expressed in this particular poll. Any general poll of the people of the United States would, I am confident, show similar results.

I have received voluntary petitions signed by thousands of citizens of my State against our participating in another foreign war. They come from many organizations. Long lists of signatures are attached to them. The preamble of one such petition states the case simply, forcefully, and adequately, as follows:

> We, the undersigned, view with alarm the political situation developing in Europe. The horrors of the last European war, in which we were entangled, are still fresh in our minds. In the name of humanity, keep us out of war.

Mr. President, the Congress of the United States as representative of the people of the United States can do no more timely and momentous act at this hour than to declare itself, in a way that can leave no question, where the people and the Government of the United States stand, in positive opposition to war and war-breeding policies and actions.

As a part of that declaration, a declaration written into an effective act, let it be stated plainly that we will under no circumstances, bind ourselves to send an army or navy to foreign shores; that we will make no alliances nor assume any obligations to protect Europe's territorial boundaries; that this Nation nor its people will not finance the

quarrels of other nations nor ever again send its young men across the sea to fight in a cause in which we have no just concern; that our Government will enforce strict American neutrality in case of foreign wars.

Finally, on the firm basis of such an understanding, let it be made known that American good will and American common sense will go the limit to uphold America's traditional policy of peace on earth, good will toward nations and men.

Mr. President, I think the Senate will be interested in the result of the peace poll to which I have just referred. Following is the report:

Final report on war peace poll

	Yes	No
1. Should the United States keep out of all foreign wars?	90,746	964
2. Do you favor giving the people a vote on the question before going to war?	87,714	2,542
3. Do you favor taking the profit out of war by drafting industry and wealth as well as men in case of war?	89,333	2,444
4. Do you favor world disarmament?	81,422	7,930
5. Do you favor the manufacture of munitions at Government plants instead of at private plants?	82,095	8,087
6. Do you favor the United States or any of its citizens or institutions lending money to foreign nations to be used for war purposes?	2,067	89,558
7. Do you favor the people of the United States selling supplies to warring nations?	3,598	87,046
8. Do you favor compulsory military training in colleges?	12,077	78,257

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

The Senate resumed the consideration of the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal and for other purposes.

The PRESIDING OFFICER (Mr. MOORE in the chair). The bill is open to amendment.

Mr. GORE obtained the floor.

Mr. McNARY. Mr. President, will the Senator from Oklahoma yield for a moment?

Mr. GORE. I yield.

Mr. McNARY. I am advised that several Members of the Senate interested in the bill now before us as the unfinished business are not prepared to go forward with it today. One of the Senators is suffering from a severe cold, which would prevent his discussing the subject. Would the Senator from Oklahoma be willing that the bill may go over for the day if such action will not destroy any of the rights of priority it may have under the order of the Senate?

Mr. GORE. If I could have some assurance that Senators in opposition to the bill will be ready to proceed, I should be very glad to oblige them, with the understanding that the unfinished business be laid aside to be taken up immediately after the disposition of the special order.

Mr. McNARY. May I suggest to the Senator that I do not see the Senator from New York [Mr. COPELAND] or the Senator from Maine [Mr. WHITE] in the Chamber at the moment. It might be well to suggest the absence of a quorum.

Mr. BARKLEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Carey	Gore	Maloney
Ashurst	Chavez	Guffey	Minton
Austin	Clark	Hale	Moore
Bachman	Connally	Harrison	Murphy
Bailey	Coolidge	Hastings	Murray
Bankhead	Copeland	Hatch	Neely
Barbour	Costigan	Hayden	Norbeck
Barkley	Couzens	Holt	Norris
Benson	Davis	Johnson	O'Mahoney
Bilbo	Dickinson	Keyes	Overton
Borah	Dieterich	King	Pittman
Brown	Donahey	La Follette	Pope
Bulkley	Duffy	Lewis	Radcliffe
Bulow	Fletcher	Logan	Robinson
Burke	Frazier	Lonergan	Russell
Byrd	George	McAdoo	Schwellenbach
Byrnes	Gerry	McGill	Sheppard
Capper	Gibson	McKellar	Shipstead
Caraway	Glass	McNary	Smith
Steiwer	Townsend	Vandenberg	Walsh
Thomas, Okla.	Trammell	Van Nuys	White
Thomas, Utah	Truman	Wagner	

The PRESIDING OFFICER (Mr. MALONEY in the chair). Eighty-seven Senators having answered to their names, a quorum is present.

SECRET TREATIES DURING WORLD WAR

Mr. CONNALLY. Mr. President, I ask to have read by the clerk, in my time, an excerpt from the press, which I send to the desk. Before that is done, I wish to say that I have had the Senator from North Dakota [Mr. NYE] advised as to what I expect to discuss, and have requested his presence.

Mr. McNARY. Mr. President, I will state to the Senator that I have sent word to the Senator from North Dakota that the Senator from Texas is about to speak.

Mr. CONNALLY. Very well.

The PRESIDING OFFICER. Without objection, the clerk will read as requested.

The Chief Clerk read as follows:

[From the Washington Herald of Thursday, Jan. 16, 1936]

WILSON DECEIVED UNITED STATES, SAYS NYE—PRESIDENT KNEW BUT DENIED SPOILS PACT, PAPERS SHOW

By Don Ewing

Charges that Woodrow Wilson and his Secretary of State, Robert Lansing, "lied" to the American public concerning secret plans of World War allies to split up conquered European territories were made yesterday by Chairman NYE in the Senate munitions inquiry.

The cutting of the territory "pie" itself did not involve the United States.

Simultaneously, the committee revealed statements by Wilson long after the war ended that this Nation would have entered it even if Germany had "committed no act of war or injustice" against this country.

NYE's "lie" charges came in yesterday's hearing as Senator BENNETT CLARK (D.), of Missouri, read into the record numerous hitherto secret State Department documents, and also excerpts from memoranda of both British and American war-time statesmen.

These documents revealed that Wilson and Lansing were aware in late April 1917—a few weeks after America entered the world conflict—of secret agreements between the Allies on splitting up European territory among themselves in event of victory.

Further documents showed Wilson and Lansing, both now dead, denying as late as the fall of 1919 in testimony before the Senate Foreign Relations Committee that they knew of the treaties until Wilson went to Paris in December 1918, after the war ended, to help negotiate the Treaty of Versailles.

Other documents in the committee's possession detail official denial by the Wilson administration of knowledge of the treaties late in 1917, when the Soviets overthrew the Russian Government.

As this developed, NYE turned to CLARK and said:

"Then it is clear that both President Wilson and Secretary Lansing lied when they stated from time to time they had no knowledge of these secret treaties."

CLARK had read into the record excerpts of writings by Lord Balfour, head of the British mission to this country in April 1917—after the United States went to war—detailing a conversation at a White House dinner with Wilson.

Mr. CONNALLY. Mr. President, for some time I have observed the course of the Munitions Committee with a great deal of interest, and frequently with amazement; but not until today, with the appearance in the press of the charges by the Senator from North Dakota [Mr. NYE] attacking very courageously and bravely two men who are now dead, did the operations of this committee reach what I believe to be their, so far, lowest depth of performance.

I have invited the Senator from North Dakota to be here. I should like to have him tell the Senate whether or not he is correctly quoted in this press dispatch. The Senator from Texas endeavored this morning, through the committee, to secure a copy of the verbatim report of the proceedings on yesterday and was advised that it would be several days before it could be obtained.

Mr. President, I assume that the Senator from North Dakota—who purportedly is pursuing the munitions investigation in behalf of peace—on yesterday wantonly and flagrantly and without any justification whatever insulted the memory of a man who, perhaps, of all men in recent times, devoted his life, his efforts, and practically sacrificed his life in behalf of the cause of peace. I know that many Senators on the other side and many on this side of the Chamber differed with him in his ideas as to how peace was ultimately to be attained and vigorously fought his methods, but I do

not believe that any responsible Member on either side of the Chamber will impeach the integrity of purpose or the splendid idealism of Woodrow Wilson; and at this late day, at least 17 years after the war closed, the Senator from North Dakota is spending the Government's money seeking to ascertain why we went into the World War!

If the Senator from North Dakota, as the result of his reading and his experience during that time, has not yet found out why we entered the World War, he is a very poor leader to lead us out of the danger of future wars; and he professes to be engaged in these pursuits for the purpose of preserving peace and averting war!

Mr. President, I was not an intimate of President Woodrow Wilson. I was only a new Member of the House of Representatives when the war began; but, without that intimacy, I, as one of his admirers—not always a supporter in every detail of his policies, but one of his admirers—desire to express my own resentment of the coarse, common insult which the Senator from North Dakota has heaped upon one of the great figures in American history.

I am not speaking as a Democrat. Let us for the moment forget partisanship. Whether you loved Woodrow Wilson or whether you hated him, whether you agreed with him or whether you opposed him, when the history of this Republic shall be written, his titanic figure will tower above some of the puny pigmies who now bark at his memory, as Pikes Peak towers above the fog and the bog of that Arkansas swamp, which only yesterday engulfed 17 human lives.

Mr. President, being one who is devoted to parliamentary ethics and parliamentary observance, and one of limited resources, I find it very difficult within the compass of parliamentary propriety to find language adequate to express my contempt for efforts of this kind to besmirch the memory of the man Woodrow Wilson, whose tongue is now silent, and has been silent for these many years, or to attack the memory of Robert Lansing, who has now been gone for many years.

If the Senator from North Dakota is so heroic—this white knight of peace—if he wants to make charges like this, why does he not single out some double-fisted man who is still alive? There are many in this body, and many elsewhere in Washington, who had a part in the transactions to which he has referred, and let him impugn their purposes and their motives.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. FRAZIER. I do not know anything about the reasons for my colleague the junior Senator from North Dakota [Mr. NYE] making the statements purported to have been given to the press, but I have reason to believe they were made on evidence developed through his committee.

As far as the Senator's suggestion is concerned that my colleague single out some two-fisted individual and go after him, I think it is fair to say that some of the witnesses who have been called before that committee are as two-fisted as anyone who might be found. Some of the biggest bankers of the Nation have been before the committee.

Mr. CONNALLY. Mr. President, because a man is a banker does not make him an outcast with me. The senior Senator from North Dakota [Mr. FRAZIER], through a spirit of loyalty to his colleague, which is very admirable, rises and says, first, that he knows nothing about why these charges were made; then the next moment says he is sure they were made, however, on the basis of testimony adduced before the committee.

I do not care how the charges were made; they are infamous. Some checker-playing, beer-drinking, back room of some low house is the only place fit for the kind of language which the Senator from North Dakota, the chairman of the committee, this Senator who is going to lead us out toward peace, puts into the RECORD about a dead man, a great man, a good man, and a man who when alive had the courage to meet his enemies face to face and eye to eye. No one ever saw Woodrow Wilson sheathe his sword so long as combat was on.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. McKELLAR. How long will it be before the committee will complete its labors and how much money has been expended by the committee in what it is doing?

Mr. CONNALLY. I can only say that my recollection is that $150,000 in all was appropriated. I understand it was $150,000. As to the limit of time, I do not think there was any limit on the time. I think they will run just as long as they are given money.

Mr. McKELLAR. Does the Senator know how long this money will last and when it will be necessary for the committee to come to the Senate for additional money?

Mr. CONNALLY. I am sorry I cannot answer the question. The Senator from Tennessee is on the Committee on Appropriations, and he should not ask a Senator who is not on the committee about the appropriation. I thank him, but it is embarrassing to the Senator from Texas not to be able to answer the Senator about a matter of appropriations.

Mr. McKELLAR. I do not know what this committee is doing with the money which has already been appropriated, but it does seem to me we are going far afield when we appropriate money to be expended for the purpose stated by the Senator from Texas.

Mr. CONNALLY. I shall say to the Senator that I hold in my hand a copy of the resolution creating this committee, or I suppose it is the one creating the committee. It is Senate Resolution 206.

Mr. NYE and Mr. VANDENBERG submitted the following resolution.

The date at the head of the resolution is February 28, 1934, calendar day of March 12. Let us see what expenditure is authorized. In hastily reading the resolution I am led to believe that the appropriation must have been in a separate resolution. Then by Senate Resolution 244 the committee were granted $35,000 additional.

Mr. McKELLAR. On what date?

Mr. CONNALLY. In June 1934.

Mr. McKELLAR. Thirty-five thousand dollars?

Mr. CONNALLY. Thirty-five thousand dollars additional.

Mr. McKELLAR. The Senator does not know how much of that has already been expended?

Mr. CONNALLY. I do not know. What is the object of the Munitions Committee? What is its jurisdiction? Where did it get authority to do what it is undertaking to do? I ask the clerk to read portions of the resolution.

Mr. CLARK. Mr. President, may I suggest to the Senator that the whole resolution be read?

Mr. CONNALLY. I have no objection. But just a moment. The Senator from Missouri can answer the question of the Senator from Tennessee. The Senator from Tennessee desires to know how much money the committee has had appropriated.

Mr. McKELLAR. And how much of it has been spent.

Mr. CLARK. Mr. President, I am unable to answer exactly as to the amount that has been spent. My recollection is that $125,000 has been appropriated all-told, a sum very small in comparison with the sums spent by other important investigating committees of this body. I should be glad to find out exactly and tell the Senator.

Mr. McKELLAR. I shall be glad if the Senator will do so.

The PRESIDING OFFICER. The clerk will read as requested.

The Chief Clerk read as follows:

Whereas the influence of the commercial motive is an inevitable factor in considerations involving the maintenance of the national defense; and

Whereas the influence of the commercial motive is one of the inevitable factors often believed to stimulate and sustain wars; and

Whereas the Seventy-first Congress, by Public Resolution No. 98, approved June 27, 1930, responding to the long-standing demands of American war veterans speaking through the American Legion for legislation "to take the profit out of war", created a War Policies Commission which reported recommendations on December 7, 1931, and on March 7, 1932, to decommercialize war and to equalize the burdens thereof; and

Whereas these recommendations never have been translated into the statutes: Therefore be it

Resolved, That a special committee of the Senate shall be appointed by the Vice President to consist of seven Senators, and that said committee be, and is hereby, authorized and directed—

(a) To investigate the activities of individuals, firms, associations, and of corporations and all other agencies in the United

States engaged in the manufacture, sale, distribution, import, or export of arms, munitions, or other implements of war; the nature of the industrial and commercial organizations engaged in the manufacture of or traffic in arms, munitions, or other implements of war; the methods used in promoting or effecting the sale of arms, munitions, or other implements of war; the quantities of arms, munitions, or other implements of war imported into the United States and the countries of origin thereof, and the quantities exported from the United States and the countries of destination thereof; and

(b) To investigate and report upon the adequacy or inadequacy of existing legislation, and of the treaties to which the United States is a party, for the regulation and control of the manufacture of and traffic in arms, munitions, or other implements of war within the United States, and of the traffic therein between the United States and other countries; and

(c) To review the findings of the War Policies Commission and to recommend such specific legislation as may be deemed desirable to accomplish the purposes set forth in such findings and in the preamble to this resolution; and

(d) To inquire into the desirability of creating a Government monopoly in respect to the manufacture of armaments and munitions and other implements of war and to submit recommendations thereon.

For the purposes of this resolution the committee or any subcommittee thereof is authorized to hold hearings, to sit and act at such times and places during the sessions and recesses of the Congress until the final report is submitted, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $15,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

Mr. CONNALLY. Mr. President, in answer to the inquiry of the Senator from Tennessee, I shall say that I have consulted the financial clerk of the Senate, and he advises that $125,000 has already been appropriated for the use of the committee. I did not ascertain how much of it has been spent, but nearly all of it must have been spent, because I find Senate Resolution No. 8, by the Senator from North Dakota, under date of last January, asking for $50,000 additional—$50,000 additional!

Mr. President, Senators have heard read from the desk the resolution creating the Munitions Committee, I challenge Senators to point out where in that resolution any authority was granted to the Munitions Committee to go back and to rediscover why the United States entered the war.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. CLARK. At this time I do not desire to enter into a discussion of the remarks of the Senator from Texas, which were studiously made in the absence of the Senators upon whom he has been reflecting.

Mr. CONNALLY. The Senator from Missouri states something which is not true, because I advised the Senate before I began to speak. I did not intend to mention the Senator from Missouri. I advised the Senate that I did intend to mention the Senator from North Dakota [Mr. NYE], and I advised him of it, and that Senator knows I invited him to be present.

Mr. CLARK. Mr. President, will the Senator again yield to me for a moment?

Mr. CONNALLY. I yield.

Mr. CLARK. Let me say that during my service in the Senate, when I have found it necessary to discuss an absent Senator in this body I have never yet done so without first notifying him of my intention to do so. It is my intention to continue to pursue such a practice as long as I continue to remain a Member of this body. I learned casually a few moments ago, while I was in attendance on the Munitions Committee, that the Senator from Texas was on the floor making very serious reflections upon myself as well as the Senator from North Dakota. I came over to the Senate Chamber. I do not desire to answer the Senator's remarks until I can get the stenographic notes and see what he has said. However, as to the challenge just issued by the Senator from Texas, it seems to me that the Senator from Texas should be able to understand——

Mr. CONNALLY. Mr. President, I yielded to the Senator from Missouri but not for a speech.

Mr. CLARK. Does the Senator desire me to accept his challenge or not?

Mr. CONNALLY. At the proper time.

Mr. CLARK. The Senator has made the challenge.

Mr. CONNALLY. I have not completed my challenge.

Mr. CLARK. I shall be glad to point out where the authority referred to lies in the resolution.

Mr. CONNALLY. Very well, if the Senator will be brief.

Mr. CLARK. I will be brief enough to read one paragraph out of the resolution which fully answers the Senator's challenge.

Mr. CONNALLY. I shall be glad to have the Senator do so.

Mr. CLARK (reading):

(b) To investigate and report upon the adequacy or inadequacy of existing legislation, and of the treaties to which the United States is a party, for the regulation and control of the manufacture of and traffic in arms, munitions, or other implements of war within the United States, and of the traffic therein between the United States and other countries.

Mr. President, I submit that such a duty as was imposed on the committee would be impossible of performance without a review of the experiences of the United States previous to the last war which finally led us into the war.

Mr. CONNALLY. I thank the Senator.

Mr. CLARK. The Senator is welcome.

Mr. CONNALLY. I thank the Senator, because now I am glad to know—yes; I repeat and say I am glad to know that that is the platform upon which the committee bases its assertion of its plenary and almost world-wide powers.

Mr. CLARK. Mr. President——

Mr. CONNALLY. Just a moment. The Senate knows that when I rose to speak I notified the Senate that I had advised the Senator from North Dakota—not personally, but through officers of the Senate—that I was about to speak and invited the Senator from North Dakota to be here, because I intended to discuss some remarks he had made. The Senator from Oregon [Mr. MCNARY] rose in his seat and advised the Senator from Texas that he also had invited the Senator from North Dakota to be here. If the Senator does not desire to come, that is his concern.

Now, as to the Senator from Missouri [Mr. CLARK]. I had not mentioned the Senator from Missouri, and I did not intend to mention the Senator from Missouri. But evidently the Senator from Missouri, when he heard the Senator from North Dakota mentioned, felt that he had to be mentioned also. So he takes offense at what I said.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. CLARK. If the Senator has not mentioned my name, I apologize. I was informed while I was attending the meeting of the Munitions Committee that the Senator from Texas had mentioned my name and seriously reflected upon me, and for that reason I came over to the Senate Chamber. I stated to the Senator a moment ago that I have not yet had a chance to examine the stenographic notes of his remarks.

Mr. CONNALLY. The Senator is not going to change his remarks. I will say that. Let me say to the Senator from Missouri that I shall call Senators as witnesses here who will testify that I did not mention the Senator from Missouri; and if he is not satisfied with the testimony of Senators, I shall call some clerks around here and the doorkeepers and the press gallery. I made no mention of him.

What I said I shall repeat for the benefit of the Senator from Missouri. I quoted the press report which said that the Senator from North Dakota had referred to President Wilson and Secretary of State Lansing as having lied. The Senator from Missouri was present at the committee meeting. He knows whether that occurred. Did that occur?

Mr. CLARK. That did not.

Mr. CONNALLY. Why does not the Senator from North Dakota [Mr. NYE], who the newspaper said made the statement in question, not come here and say to us whether he made that statement or not?

The Senator from Missouri says that he would never on the Senate floor make a statement about an absent Senator.

Why did not his committee practice that sort of thing in the committee when they dragged the grave clothes off of Woodrow Wilson, and dragged his poor body across the committee room and plastered it with the denunciation of having lied? The Senator is so courteous that he will not even talk about an absent Senator, and will not discuss him unless he talks to his face. Yet this committee which is headed by the Senator from North Dakota goes back like a ghoul, like an historical ghoul, and desecrates the sacred resting place of the honored dead.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. CLARK. Does the Senator regard it as pulling the grave clothes off any dead man to read the record immutably written and on file in the State Department of his own official pronouncements?

Mr. CONNALLY. Then the Senator approves what he says the Senator from North Dakota did not say? Does the Senator approve that? Does the Senator say that President Wilson lied?

Mr. CLARK. I will say "no" in answer to the Senator. I did not say President Wilson lied. As a matter of fact, the Senator from North Dakota did not use exactly that language. He did say that the committee would take official cognizance of an official document in the State Department, supported by many subsidiary documents put in evidence, to the effect that the substance of the secret treaties had been communicated to the American State Department, and, on the authority of Mr. Balfour and Mr. Lloyd George, to President Wilson shortly after the entrance of the United States into the World War. I do not say that Wilson lied or falsified, or that Secretary Lansing did when he appeared before the Foreign Relations Committee. I do say there is an obvious inconsistency between the records shown in the State Department files and that testimony. Possibly there was some distinction in the President's mind as to the absolute knowledge that had been conveyed to him which justified him in making that statement. All that I have done, so far as I am concerned, is to put into the RECORD the documents as they appear in the files of the State Department and from other sources.

Mr. CONNALLY. I am glad to have the interruption of the Senator from Missouri. However, Mr. President, the Senator from Missouri is quite willing to take the testimony of Mr. Balfour and Mr. Lloyd George, if there be such testimony, and I am not prepared to deny it, against the testimony of Mr. Wilson. Quite willing. Balfour told the truth. Lloyd George, a foreigner, who wants to induce us to help them, to get into the war——

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. CLARK. We were already in the war. This was a statement made by him after the United States went into the war, supported both by the testimony of Mr. Balfour and Mr. Lloyd George and Colonel House, and also by documents in the State Department itself.

Mr. CONNALLY. Mr. President, this American committee, this patriotic committee, this committee which loves its country so greatly that it is going to pass a rule to prevent any war in the future, is perfectly willing to take the testimony of Lloyd George and Mr. Balfour and call President Wilson a liar. O Mr. President, they speak of these secret documents in the State Department, and they cite this authority for their action. What is the authority that the committee cites for its going back and trying to discover why we went into the World War? Let us see this Magna Carta of the Munitions Committee. This is what the Senator from Missouri says is their authority to do what they are doing:

To investigate and report upon the adequacy or inadequacy of existing legislation—

Existing legislation—

and of the treaties to which the United States is a party—

Now—right now. Not 18 years ago, but today—

for the regulation and control of the manufacture of and traffic in arms, munitions, or other implements of war—

Where?

within the United States, and of the traffic therein between the United States and other countries.

Where is there the authority to go back and impeach the record of America itself as to why we entered the war? Where therein lies even an imaginary authority to question the vote of the Senator from Florida [Mr. FLETCHER] when he voted that the United States should enter the war, and to smear that record all over with the fact that we did not know why we were fighting, and now we are going to find out? Where is there a line here to impeach the record of the Senator from Illinois [Mr. LEWIS], who was here when the declaration of war was made? Where is there a line to impeach the vote of any Senator on the other side of the Chamber as to why he voted that we should enter the World War?

Mr. President, the action of the Munitions Committee is an impeachment before the world of America's own record. It is an impeachment of the action of the Senate and of the House of Representatives. Yet the committee say that because the Senate authorized them to report upon the adequacy of existing legislation with regard to munitions and the manufacture of arms, that they have a right to go back 18 years and hunt out the secret documents in the archives of the State Department!

Mr. President, the Senator from Missouri speaks of the documents which are within the State Department. I can see the ferrets of this committee now—these high-priced expert assistants to the committee, including Mr. Raushenbush or Raushenbottom or some name of that kind—going into the secret files of the State Department, sifting them with microscopes, trying to get something to impeach the record of this country in the World War—something to throw slime over Woodrow Wilson and Secretary Lansing and others who are dead. Oh, yes; great documents! Of course, anybody knows that in the secret files of any government contradiction is going to be found, one man saying this and the other saying that about some matter, just as the Senator from Missouri rushed in here and said that I had mentioned his name and that I had attacked him. That is not true; and yet if the Senator from Missouri had been writing his diary today, unless I had corrected him, he would have set down in his diary that the Senator from Texas, without any warning, had attacked him on the floor of the Senate.

Mr. CLARK. I do not keep a diary.

Mr. CONNALLY. The Senator from Missouri says he does not keep a diary. Well, I admire him for not doing it.

Mr. CLARK. Does the Senator from Texas keep a diary?

Mr. CONNALLY. No; not a written one; I keep one in my brain. [Laughter.] I recommend that to the Senator from Missouri.

Mr. CLARK. Mr. President, the Senator from Texas has a great deal of room in his brain for the purpose of keeping a diary. [Laughter.]

Mr. CONNALLY. Absolutely, and other Senators who lack room would do well if they had more room. Of course, I mean my remarks facetiously, because the remarks of the Senator from Missouri were an effort at facetiousness, and I have to reply in kind.

I wonder where the Senator from North Dakota [Mr. NYE] is. [Laughter.]

The PRESIDING OFFICER. The Chair must admonish the occupants of the galleries that it is necessary for them to preserve order. They are the guests of the Senate, and the Chair must insist that order prevail.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. FRAZIER. I am informed that my colleague [Mr. NYE] is acting as chairman of the Munitions Committee in the hearing and questioning the banker from New York City, Mr. Morgan.

Mr. CONNALLY. Oh, well, if he is after a banker, God speed him! [Laughter.]

Now, about the bankers. The Senator from North Dakota a while ago said that some two-fisted bankers had been

brought before the committee, but none of them were called liars, were they? The committee did not get very far with the most of those two-fisted bankers who were called before the committee, if the newspapers are to be believed. Oh, but they have a banker before them and have him cornered over there. What they are going to do to him I do not know, but he belongs to the other party; and God knows, get him if you can, boys. But, Mr. President, a banker is an American citizen just like anybody else.

I hold no brief for bankers. They hold all my notes. That is all the relation I have ever had with bankers. I owned stock in four banks once upon a time; but all except one failed, and that is a very little one in the small town where I was born and where there are only 500 people. That is the size of my banking interest.

But, Mr. President, the Senator from North Dakota could have relinquished the chair in the committee to the Senator from Missouri, if he had wanted to come here, but he has not done so. He will probably come tomorrow; but he ought to come here now. I want him to stand up in the Senate and state whether he said what the newspaper quotes him as saying, and I want the reporter who reported the statement in the morning Herald to state whether the Senator said it.

If there is that much doubt and that much controversy between those who were present in the committee yesterday, why is it remarkable that there should be some disagreement, after 18 years, about what happened in the course of an oral conversation during the World War. I submit that to the Senate. Yet, because Mr. Wilson did not agree in his memorandum and in other reports of private conversations with what Mr. Balfour said, or what Mr. Somebody Else said, Mr. Wilson is denounced as a liar.

So far as I am concerned, I have voted just about all the money that I am going to vote from the Treasury of the people of America, who really want peace and who are devoted to peace, to the exploitation of the Committee on Munitions. They have already spent $125,000 and they want $50,000 more. Mr. President, in real truth, the Government would save money if we were to appropriate a lump sum, turn it over to some advertising agency, tell them to devote it to the chairman of the committee, and put the rest of the money in their pockets. [Laughter.]

Mr. McKELLAR. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Tennessee?

Mr. CONNALLY. I yield.

Mr. McKELLAR. I have ascertained that the exact amount appropriated for the committee is $125,000, as the Senator from Texas has just said, and all but $400 has already been expended; in other words, $124,600 have already been expended, and the committee has $400 left. So, if the Senate agrees with the Senator about the matter, the activities of the committee can easily be stopped by not voting them any more money.

Mr. BYRNES. Mr. President, will the Senator from Texas yield to me?

Mr. CONNALLY. I yield.

Mr. BYRNES. The figures are as stated by the Senator from Tennessee [Mr. McKELLAR], $124,600; but I must say to the Senator that my information is that that is not the entire sum; that the city of New York applied for the establishment of a project to give employment to clerical workers; that such a W. P. A. project was approved, and the workers assigned to the work of the committee. I do not know what expenditures have been made on that account, but during the closing days of the last session a Member of the Senate called it to my attention and I inquired about it and found that was so.

Mr. CONNALLY. How much did the committee get on that account?

Mr. BYRNES. How much money was allocated to the project, I do not know. The project was requested by the city of New York or by someone in its behalf, according to the information obtained by me.

I do not mean to say that the committee was exceeding its powers, for under the language of the original resolution, it had the authority to procure assistance from departments of the Government, but how much assistance the committee received in that manner I do not know.

Mr. CONNALLY. I thank the Senator.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CONNALLY. Let me say just a word, and then I shall yield. I thank the Senator from South Carolina [Mr. BYRNES], because we all know how efficient and active he is as chairman of the Committee to Audit and Control the Contingent Expenses of the Senate; but does the Senator mean that the Munitions Committee is on the relief roll? [Laughter.] As I understand, the committee got this money on the ground of relief for the workers whom they have employed doing the work of the committee.

Mr. BYRNES. I do not know what prompted the committee to do it; I did not know of it being done until a Member of the Senate asked me about it. I had no information on the subject and so I inquired and ascertained the fact.

Mr. CLARK. Mr. President, as the Senator from Texas has the floor and seems to cut me off every time I seek to interrupt him, I will wait until he concludes and will then speak in my own time.

Mr. CONNALLY. I shall say to the Senator from Missouri that I had yielded to him several times. He said I "cut him off." I had some sort of illusion that I had control of the floor.

Mr. CLARK. That is precisely what I said. The Senator from Texas has the floor, and I would prefer him to occupy his time, and then I will take the floor in my own right.

Mr. CONNALLY. We shall be very happy to have the Senator from Missouri take the floor; we are always glad to have the Senator from Missouri take the floor; we always enjoy his brilliant arguments, sound reasoning, and his wild, enthusiastic presentation of any subject in which he is interested.

I hope the Senator from Missouri when he takes the floor will elaborate somewhat on section (b) of this resolution. Mr. President, section (b) refers to "existing legislation" and existing treaties. For what purpose? "For the regulation and control of the manufacture of and traffic in arms, munitions, or other implements of war within the United States." Where in that section is there any authority to go out and dig up secret treaties of the Allies or of any other nations 18 years ago? I care nothing about those secret treaties; they are water over the dam; they are now embalmed in the diplomatic history of an era that is dead—I hope never to be revived. But where is the authority in the resolution for the committee to go snooping around through the secret files of the State Department and drag out documents of foreign powers and other things of that kind that might embarrass a nation and might cause other governments to charge us with bad faith?

Mr. President, that authority is not written; it was never written by the hand of the Senate; it was not drafted by the draftsmen who drew this resolution, and that power, if there be such power, is only the assumption of the Committee on Munitions and its chairman. They are doing it because nobody stops them. They haul witnesses before them and witnesses come because they do not want to be pilloried at the bar of public opinion as trying to prevent the country having any knowledge which they possess.

So, Mr. President, in conclusion I want to renew here and now the solemn assertion that this resolution contains no authority of the Senate for the committee to go back among the dead and buried figures of the past, the dead and buried papers of the past, the dead and buried relationships of the past, pull them out now before a curious world for the amusement of the public and for the enhancement of the political fortunes of the chairman of the committee.

I must conclude that the Senator from North Dakota used the language credited to him by the press. He knew I was going to speak; he was advised by two or three different people that I was going to talk about this newspaper report, and he is not here. He will come rushing in, prob-

ably tomorrow or some other time, with a press release in one hand and a copy of some proceedings over there in the committee in the other hand, and try to make a reply. I want to express the indignation that I feel, and that I am sure is felt by practically every Senator who was here during the World War, at this unseemly, this almost scandalous effort to besmear and besmirch the record of America in the World War. We know why we went to war.

If the Senator from Missouri does not understand why we went to war, if the Senator from North Dakota [Mr. NYE] does not understand why we went to war, let them read the resolution for which we voted; let them read the debates in this Chamber and the other Chamber. They will find written there in those indelible records, in those records which neither time nor place nor circumstance can erase, the reasons why America went to war.

Now, after 18 years, those who see visions and who listen to the voices of ghosts, who prowl around the graveyards, come forth and try to tell us, "You think you knew why you went into the war. You did not go into the war because you wanted to. You did not go into the war because Germany sank American ships and murdered American men and women. You did not go into the war because Germany sent her submarines to this side of the ocean in violation of the international law of the world and sent women and children down to watery graves, with the American flag, in some cases, floating above them."

"Oh, no!" the Munitions Committee says, out of the depths of its wisdom, out of its occult powers, out of its marvelous connection with the stars of the heavens which we ordinary mortals never understand. This committee tells us now in solemn pronouncement, "You did not go into the war for these causes. You went into the war because some big bad wolf, a munitions maker, and Mr. Lloyd George bulldozed you into the war, made you go into the war, fooled you into the war, conspired against you and dragged you in while you did not know it." Some international woman of the street, lurking at the corner of an alley, enticed Uncle Sam down the alley and got him into war! [Laughter.]

Mr. President, I know the Senator from Missouri [Mr. CLARK] wants to take the floor. I thank the Senate for its attention. I wish to close by challenging the Senator from South Dakota [Mr. NYE] to come here and either confirm the language which he is said to have used, or rise on the floor and eat his words.

Mr. CLARK. Mr. President, it will be necessary for me to detain the Senate very briefly to dispose of the remarks of the Senator from Texas [Mr. CONNALLY]. It is perfectly natural that the Senator from Texas should desire to deliver an ad captandum harangue without reading the record of the Munitions Committee and the scope of their investigations and the progress which has been made in the development of facts in connection with the matters which they are investigating, rather than wait until he has done so, because doubtless if he were familiar with the records before the Munitions Committee he would not have had the hardihood to make the remarks which he addressed to the Senate today.

Mr. President, so far as the authority of the Munitions Committee is concerned to investigate into the conduct of the United States during the last war, with a view to proposing legislation which will make such drifting into war impossible in the future, it runs throughout the whole length and breadth of the resolution which the Senate adopted 2 years ago. The very first whereas in the preamble to the resolution sets it forth and it runs throughout the resolution. Let me read the resolution:

Whereas the influence of the commercial motive is an inevitable factor in considerations involving the maintenance of the national defense; and

Whereas the influence of the commercial motive is one of the inevitable factors often believed to stimulate and sustain wars; and

Whereas the Seventy-first Congress, by Public Resolution No. 98, approved June 27, 1930, responding to the long-standing demands of American war veterans speaking through the American Legion for legislation "to take the profit out of war", created a War Policies Commission, which reported recommendations on December 7, 1931, and on March 7, 1932, to decommercialize war and to equalize the burdens thereof; and

Whereas these recommendations never have been translated into the statutes: Therefore be it

Resolved, That a special committee of the Senate shall be appointed by the Vice President to consist of seven Senators, and that said committee be, and is hereby authorized and directed—

(a) To investigate the activities of individuals, firms, associations, and of corporations and all other agencies in the United States engaged in the manufacture, sale, distribution, import, or export of arms, munitions, or other implements of war; the nature of the industrial and commercial organizations engaged in the manufacture of or traffic in arms, munitions, or other implements of war; the methods used in promoting or effecting the sale of arms, munitions, or other implements of war; the quantities of arms, munitions, or other implements of war imported into the United States and the countries of origin thereof and the quantities exported from the United States and the countries of destination thereof; and

(b) To investigate and report upon the adequacy or inadequacy of existing legislation, and of the treaties to which the United States is a party, for the regulation and control of the manufacture of and traffic in arms, munitions, or other implements of war within the United States and of the traffic therein between the United States and other countries; and

(c) To review the findings of the War Policies Commission and to recommend such specific legislation as may be deemed desirable to accomplish the purposes set forth in such findings and in the preamble to this resolution;

That preamble I have just read.

(d) To inquire into the desirability of creating a Government monopoly in respect to the manufacture of armaments and munitions and other implements of war, and to submit recommendations thereon.

Then follow certain other clauses relating to appropriations.

Mr. President, the particular investigation in which we are presently engaged in the Munitions Committee is not only in direct compliance with the direction and authority of the Senate, but, to my mind, it constitutes the most important compliance with the direction of the Senate of all the activities of the Munitions Committee. For some 18 months the Munitions Committee has conducted an exhaustive investigation. I undertake to say in this place that never has so much important information, afforded as a basis of legislation, been obtained for the Senate for such a small cost as has been obtained by the Munitions Committee with the appropriations heretofore made by this body.

Mr. President, it is an amazing thing for the Senator from Texas [Mr. CONNALLY] to undertake to intimate or to state that the Munitions Committee is exceeding its authority when it investigates the chain of circumstances involving our commercial alinements and the commercial involvements of American citizens ultimately resulting in the involvement of the credit of the United States Government itself, which led us into the war in 1917. I undertake to say if the Senator from Texas had devoted more time to familiarizing himself with what the committee has been doing and less to agitation against the imposition of an oil embargo he might have been better informed than he is today.

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Texas?

Mr. CLARK. I yield.

Mr. CONNALLY. What does the Senator mean by saying something about an oil embargo?

Mr. CLARK. I understand the Senator's activities in the Foreign Relations Committee have been very much devoted to expressing great fear of the imposition of embargoes.

Mr. CONNALLY. Did he say anything about an oil embargo? Does the Senator mean to imply that I was actuated in my efforts in the committee by any interest in an embargo on oil?

Mr. CLARK. I am in no way imputing an unworthy motive to the Senator from Texas.

Mr. CONNALLY. If the Senator has not made any sort of an insinuation like that, he had better not do so.

Mr. CLARK. I will say to the Senator from Texas that I will make any insinuation or any statement that is fit and proper to make when supported by the facts.

Mr. CONNALLY. I think that is true. Does the Senator make it now?

Mr. CLARK. I state to the Senator from Texas that his course, as I understand it——

Mr. CONNALLY. Where does the Senator get his understanding? Does he know anything about it at all? Did he get his understanding from the same man who told him I was talking about him a while ago?

Mr. CLARK. I did not say that.

Mr. CONNALLY. I wish to say to the Senator from Missouri that the Senator from Texas has never mentioned oil in the Foreign Relations Committee in all the discussion of these matters. If it is the habit of the Senator from Missouri to be actuated by improper motives, it does not necessarily follow that any other Senator is.

Mr. CLARK. I stated to the Senator from Texas just a moment ago that I was imputing to him no improper motives, but I repeat that if the Senator from Texas, before he took the floor to make a speech about it, had devoted himself as assiduously to finding out what had been going on in the Munitions Committee, he probably would not have made the speech which he has made here today.

What the Munitions Committee is presently doing, in order to afford a basis of facts for the consideration of the Senate and the House of Representatives of the United States and the executive departments of the Government in the formulation of new neutrality legislation and the formulation of future foreign policies of the Government, is to submit, so far as we have been able to find it, insofar as we have been able to develop it, the record of everything that happened from the beginning of the World War in 1914 until the entrance of the United States into the war in 1917. It is very easy for the Senator from Texas to quote a resolution, with which we are all familiar, affording the basis of the declaration of war—the resolution in which the United States declared it was about to go to war. That is a very different matter from painstakingly digging out the commercial involvements which began immediately after the declaration of war in Europe in 1914, which step by step took the United States along a course which could lead only to war, by their commitments on one side as against another, if the war lasted long enough to drag us in. To say that we went to war because of the sinking of some ships, with the loss of some American lives, is very different from developing painstakingly, step by step, the fact that the United States at one time had an opportunity to prevent the continuance of unrestricted submarine warfare, and, for fear of offending Great Britain and the other Allies, refused to push its advantage and stop permanently such unrestricted submarine warfare.

So far as secret treaties are concerned, I have not said, and I have not intimated, that President Wilson or Secretary Lansing falsified the record. I did place in the record, as I felt it my duty to do, and as I would do again whenever the question might come up, the evidence upon the subject, showing evident inconsistency in the statements made by President Wilson and Secretary Lansing at a later date to the Committee on Foreign Relations. As to the explanation of what was in the minds of President Wilson and Secretary Lansing as to the inconsistency of their statements that they had not been apprised of the secret treaties between the Allies, I have not undertaken to make an estimate.

I repeat, Mr. President, that it has been the duty of the Munitions Committee, as we have understood it, to arrive at all the facts pertinent to the issues committed to us by the Senate, and to place those facts in the record without fear and without favor to anybody. I may say in passing that we have placed in the record facts to which former President Hoover very seriously objected. We have placed in the record facts to which the friends of former President Coolidge very seriously objected. We have not hesitated to place in the record at any time any facts concerning any of the issues submitted to us which seemed to us to be pertinent to the investigation we were instructed by the Senate to pursue.

Mr. CONNALLY. Mr. President, the Senator from Missouri [Mr. CLARK], as is always the case with a man who has a weak cause, sought to insinuate that somebody had told him somewhere that in the Committee on Foreign Relations the Senator from Texas was very much concerned about an embargo in time of war with foreign countries, because of his interest in oil.

Mr. CLARK. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MCKELLAR in the chair). Does the Senator from Texas yield to the Senator from Missouri?

Mr. CONNALLY. Yes.

Mr. CLARK. Let me say to the Senator from Texas that I had no notion of intimating that the Senator from Texas had specified oil in the Committee on Foreign Relations. I, of course, am not a member of that committee. I was told that the Senator had been rather vigorously opposing the proposition to authorize the imposition of embargoes, particularly at the present time. Inasmuch as the question of oil embargoes had been more to the fore than the imposition of any other embargo, it was fair to conclude that that was the one in the Senator's mind. Let me say to the Senator from Texas that I have no disposition or desire whatever to impute to him any unworthy motive.

Mr. CONNALLY. Will the Senator do me the kindness of stating who told him that I did that?

Mr. CLARK. I prefer not to do that. It was a member of the Senate Committee on Foreign Relations; and I do not think the Senator from Texas will deny that he has been opposing this matter of embargo.

Mr. CONNALLY. I shall tell the Senator what I have done. I have to tell him now. It relates to the proceedings of an executive session, but I have to tell him; and I hope the Senator from California [Mr. JOHNSON] will remain in the Chamber, because I may need his testimony.

The Senator from Missouri is suspicious that every Senator has some secret motive, some improper reason for action. Let me say to the Senator that if I had been concerned about an embargo on oil, as the representative of the greatest oil-producing State in the Nation, it probably would have been a part of my duty here to see that oil received at least fair treatment; but I think the Senator from California will testify, if his testimony would be satisfactory to the Senator from Missouri, that I have never mentioned oil in the Foreign Relations Committee.

Mr. JOHNSON. Mr. President, will the Senator yield to me?

Mr. CONNALLY. I yield.

Mr. JOHNSON. Let me say that if any man is guilty of mentioning oil in the Foreign Relations Committee, I am that man. I am the one who asked the Secretary of State whether or not there had been an embargo upon oil to Italy. I asked the question with the distinct purpose which readily I avow. I do not want this country to be levying sanctions upon any nation on the face of the earth at the behest of Great Britain or Great Britain's League of Nations. I do not want—and I say it frankly—to lead the way in sanctions in this difficulty abroad, so that again America will be out on a limb, and America will be leading in a European controversy. [Manifestations of applause in the galleries.]

Mr. CONNALLY. I thank the Senator. The Senator has stated the facts, and I thank him.

Mr. President, I now desire to state, for the benefit of the Senator from Missouri, and for the benefit of every other Senator who is interested, just what the Senator from Texas has done in the secret meetings of the Committee on Foreign Relations. Evidently, if the Senator from Missouri got any information from that committee, he got it in violation of the rules of the Senate, because its proceedings were secret, and he says they were secret. Evidently the Senator, through some of his friends or the employees of his Munitions Committee, has a way of getting information that is secret and is not supposed to be divulged to the outside world.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. CLARK. The Senator knows very well that I have no means of getting information from the Foreign Relations Committee through any employees of the Munitions Committee. The statement was made to me by a colleague of the Senator and of myself.

Mr. CONNALLY. A member of the Committee on Foreign Relations! Ah! I would not break faith with a man who told me in public what had transpired in a secret committee meeting if I were the Senator from Missouri. I would respect that confidence. The Senator from Missouri secures from a brother Senator information as to a secret, executive transaction of a committee and then he gets up on the floor and divulges it! I am astonished.

Here is what the Senator from Texas did in the Foreign Relations Committee: We have pending before us a bill known as the Pittman bill. I shall ask to have a copy of the bill sent to me. I think it is section 9 of the bill which provides that in time of war the President of the United States may embargo the exportation to a belligerent country of materials which may be used in war over and above the normal amount of those materials which has been going to that country in time of peace.

Mr. JOHNSON. Mr. President, section 4 is the one referred to.

Mr. CONNALLY. Section 4 is the one which provides for the embargo. Section 9, however, provides that if an American citizen is carrying on with a nation at war, or with a neutral nation, or with anybody else, commerce in commodities in the normal amount that is carried on in time of peace, which he has a perfect right to carry on, and which the Government of the United States says he has a right to carry on, the United States Government will not protect him, but that he shall do it at his own risk.

I opposed that. The Senator from California [Mr. JOHNSON] opposed it. The Senator from Idaho [Mr. BORAH] opposed it. There was no mention of any particular kind of commodity. God knows I am one Senator who does not want war; but when an American citizen is carrying on a legal trade with a foreign power under the explicit permission of his own Government I will not vote for a joint resolution or an amendment to a statute empowering the Government to say to him that he has to go into these places of danger robbed of his character as an American citizen, without any protection; that the United States will not assert its power to protect him. I will not vote for a measure of that kind even though it may be sponsored by the Senator from Missouri [Mr. CLARK] and that courageous knight of peace, the Senator from North Dakota [Mr. NYE].

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CONNALLY. Yes.

Mr. CLARK. The provisions of the bill, as I understand, are also sponsored by the President of the United States.

Mr. CONNALLY. I am not one of those who accept everything that the President of the United States approves. That argument comes with good grace from the Senator from Missouri. Is that his course here? No. I like to agree with the President of the United States; I like to be in harmony with his views; but the Senator from Texas is not the kind of Senator who feels that it is his duty to divest himself of his own responsibility and his own conscience and his own duty to his people to vote as he thinks he ought to vote here in the Senate of the United States.

The Senator from Missouri is greatly comforted by the thought that the President of the United States and he agree on this subject. He has not had that comfort very often since the present administration has been in power, judging by some of his votes in this body.

Mr. President, the Senator from Missouri says, "Why, this authority is as clear as the noonday sun." Let us see.

Why do not the Munitions Committee go back and investigate the Spanish-American War? They have as much right to investigate the Spanish-American War as they have to investigate the World War. Why did we enter the Spanish-American War? Did not the bankers drag us into it? Did not the great sugar interests in New York, owning sugar plantations in Cuba, bring us in?

Why do not these investigatory individuals, these marvelous experts, go back and settle the causes of the War between the States? You know, we have been debating for about 75 years the causes of the War between the States, and we never yet have agreed on them. Here is the Senator from Massachusetts [Mr. COOLIDGE], good Democrat that he is. I doubt if he and I could ever agree as to the causes and the justice and right of the outcome of the War between the States. That is a matter which the Senate ought to investigate. We ought to know what really produced and brought about the War between the States.

It will be remembered that there was once a war with Mexico. Why can we not have this committee look into that matter? It is a very serious thing. Of course, the Senator from California [Mr. MCADOO], who sits before me, would object, no doubt, because if it had not been for the Mexican War he would be living down in Mexico, eating frijoles and hot tamales. [Laughter.] As a result of the Mexican War we acquired New Mexico, Arizona, California, Nevada, Utah, Oregon, and part of Idaho and Wyoming. But really we ought to go back and see about that, and get the real truth as to what brought about the war between the United States and Mexico.

Did Senators ever stop to think about what produced the Revolutionary War? [Laughter.] Have they ever really deliberated properly upon the great issues that were involved? If they will remember, they will recall that old Benjamin Franklin spent a great deal of his time in Paris; negotiating with whom? With munition makers, with this man whose name we see connected with the Du Ponts—de Nemours. It was the ancestor of the Du Ponts from whom the American Colonies bought some of their munitions in France during the War of the Revolution. In God's name why does not the committee go back and find out the truth about that, and bring it back and give it to us, so that we can legislate on munitions? In these trying, troubled days of the Republic, we ought to know more of the birth pains of this great old Republic of ours, in order that we may know why the Revolutionary War was fought, who brought it about, and how it resulted.

Of course, Mr. President, that is all persiflage; but it shows how ridiculous is the claim of this committee that carrying out subsection (b), because it authorizes it to investigate existing laws with relation to munitions in America, it should go out and smell around to find what happened 18 years ago; to go around every chancelry and every old musty file of the State Department and walk down every whispering gallery in Europe and in America and dig up all of the gossip and all of the diplomatic chicanery of which it can find record in an effort to besmirch America's own records in the World War.

If the clerks have gotten the volume containing the proceedings of the Congress showing the vote at the time of the World War, I shall ask them to bring it to me. The Senator from Missouri said I had been very indolent and had not given proper attention to the Munitions Committee, that if I had just thrown aside everything else and had devoted myself to the wonderful and marvelous achievements of the Munitions Committee I would have been a much better Senator. I know I could make a much better Senator doing differently from what I have been doing, but with these industrious Senators on the committee, we have imposed this great responsibility on them.

The rest of us humble men—we men who do not get our names in the papers often; we men who have to devote ourselves to the details of looking after our constituents back at home and try to represent their interests now and then, instead of our own—have vested this responsibility with the Committee on Munitions; and, in all good conscience, I submit to the Senator from Missouri that he should not expect me to devote all of my time to the Committee on Munitions, because I do not think even they do that. I do not think the Senator from North Dakota devotes all of his time to it. I see that he flies over the country in an airplane and delivers a speech somewhere in order to prevent war; then he rises like the great soaring eagle and alights over yonder

and makes another speech. Of course, he cannot be laboring in a committee while he is doing that—unless he does it by remote control. [Laughter.]

Mr. President, I wish to call the attention of the Senator from Missouri to the CONGRESSIONAL RECORD for April 5, 1917, the proceedings of the House of Representatives, where is set forth the language of the resolution declaring war. I remember it, because that was the first vote I had to cast when I came to the House—a vote on the declaration of war. I was placed on the Committee on Foreign Affairs, and I had to vote on it before Congress itself voted.

Mr. President, I never faced a vote that gave me so much concern, or made me search my conscience and my heart, as that vote did. We did not approach it frivolously; we approached it with all of the solemnity of men realizing that by that vote we would either plunge this Nation into war, and, perhaps, send out upon the scarlet field of battle his fellow citizens, or that we would put this country in the position before the world of being unwilling to protect its own citizens, being unwilling to vindicate their rights on the high seas, being unwilling to stand up and vouch for American commerce and American lives.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. CLARK. Does the Senator recall whether or not anything was written in the Versailles Treaty as to the intentions of the United States concerning the rights of commerce and the freedom of the seas? I think the Senator will search that document in vain for one single word about the intentions of the United States.

Mr. CONNALLY. What has that to do with this?

Mr. CLARK. It has a great deal to do with it.

Mr. CONNALLY. What has it to do with it?

Mr. CLARK. It has a very great deal to do with it.

Mr. CONNALLY. For the information of the Senator, I shall say that the United States and practically all the other countries, before the war and since the war, have contended for the principle of the freedom of the seas. I shall say to the Senator from Missouri, however, that in time of war whatever nation has a navy big enough and strong enough and courageous enough to control the seas, dictates what contraband shall be, and, of course, to that extent interrupts the freedom of the seas. But is that any reason why, because some strong and militant power denies her citizens their unquestioned right under international law, simply because a big, bad bully comes to town and starts to shoot, we should go home, lock the door, and crawl under the bed? I deny it.

Mr. President, I apologize to the Senate for the consumption of its time. I invite the Senator from Missouri to reread the declaration of war with Germany; to reread the thrilling and stirring messages which Woodrow Wilson sent to the Senate and to the House of Representatives, cataloging the outrages and the wrongs which had been inflicted upon his and my country; to read the debates of men who were, under their oaths, to represent their constituencies and to perform their public duties. That is a solemn and a splendid chapter in the history of parliamentary government in the United States. Let us leave it alone. Let us not sully it. Let us not smear it all over with slime, bedaub it with personal or partisan hate or poisonous epithets, after 18 long years.

Woodrow Wilson's body sleeps out yonder in the great cathedral, but his spirit stands today among the great figures of history. I remember a story about Stonewall Jackson: It was said that after he had been wounded at Chancellorsville, lingered a few days, and then died, a great state funeral was held for him, and his body lay in state. His officers came by and took one last long look at their dead chieftain.

Finally one young lieutenant, in a ragged gray jacket, approached the bier, came to salute, and said, "Great General, I salute you. I was with you at the First Battle of Manassas. I followed your plume in the Shenandoah Valley. I was with you at Cedar Mountain and at Antietam. I was with you in the Peninsular campaign and those seven desperate days before Richmond." He said, "Great General, if thou art now with Caesar and with Hannibal and with Napoleon, tell them that your soldiers still know how to make war."

Mr. President, the spirit of Woodrow Wilson is now with the great figures of the past, but some of us who loved him, some of us who honored him, are unwilling to stand mute in the presence of his traducers and those who would heap ignominy upon his memory.

Mr. CLARK. Mr. President, the Senator from Texas is entirely mistaken in saying that I ever accused him of being indolent or of neglecting his duty. I said only, and I say only, that while the Senator always speaks brilliantly and eloquently, frequently with great wit, he would speak much better on any occasion if he knew what he was talking about. [Laughter.] I say only that the Senator from Texas could speak with much greater effect as to the course taken by the Munitions Committee if he knew what the Munitions Committee had been doing.

Mr. CONNALLY. We should all be very glad to know what they have been doing with that $125,000.

Mr. CLARK. If the Senator will read the record, he can find out. The Senator can find out by going to the disbursing office of the Senate. He can find very voluminous results of the investigation by reading the record instead of talking about it. I say the Senator could speak much more eloquently, possibly with as much wit, and certainly with much more force, if he were familiar with the subject about which he has been talking.

Mr. CONNALLY. The Senator from Texas is familiar with the record.

Mr. CLARK. Let me say to the Senator from Texas that a considerable amount of time has been taken up in the Senate with reports of the Munitions Committee, and a considerable amount of time will be taken up in the future. The Senator from Texas prefers to speak without the record. He prefers to indulge in persiflage——

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. CONNALLY. I rose to discuss what happened in the Munitions Committee yesterday. I went to the committee and asked for the record. They said it would not be ready for 2 or 3 days. I had, therefore, to take the secondary evidence, the next best evidence, which was the newspaper account, and which is undenied.

Mr. CLARK. The Senator can secure the stenographer's notes. Let me say to the Senator that the galley proofs will come out in 2 or 3 days. If the Senator from Texas desires at any time to refer to and view the stenographer's notes, I shall be glad to see that he gets them.

Mr. CONNALLY. I shall be glad to have just that much—just the few words—of what the Senator from North Dakota [Mr. NYE] said about Mr. Wilson.

Mr. CLARK. Any member of the committee will be glad to see that the Senator gets the notes.

The Senator from Texas, as I started to say, prefers to indulge in persiflage by talking about the Civil War, and the War of 1812, and the Mexican War, and the Revolutionary War rather than to come down to the cold facts of the record as they have been produced before the Munitions Committee.

Mr. President, I say it is no reflection on Woodrow Wilson, or Robert Lansing, or any Member of the House or Senate who voted for the declaration of war, to put into the record the cold documents and the cold facts as to the course of conduct and the surrounding circumstances which dragged the United States into the war in 1917.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. CLARK. I will yield in just a minute.

I will say further, Mr. President, that the neutrality laws of the United States having been until last August precisely what they were when the war broke out in 1917, there is no way on the face of the earth by which the Munitions Committee can so intelligently provide the basis for intelligent action by the Senate and the House of Representatives, looking to the future neutrality of the United States and

the prevention of future wars, as by the study of all the surrounding circumstances which led us into the war in 1917. I say there is no way on earth by which the Munitions Committee could so efficiently carry out the mandate of this body as by going into the surrounding circumstances of those unhappy events and putting them, without fear or favor, into the record, so that he who runs may read, and so that any Member of this body or of the House of Representatives may draw his own conclusions therefrom.

If the Senator from Texas considers that that is dragging the grave clothes from any man, if the Senator from Texas considers that there are events which should be kept secret, that there are events which the Congress of the United States should not be permitted to know in formulating future neutrality legislation, or that the public of the United States should not be permitted to know in making up its mind about future neutrality legislation, then the Senator from Texas is entitled to his opinion; but I beg to differ with him fully and wholeheartedly.

I now yield to the Senator from Texas.

Mr. CONNALLY. I thank the Senator. I do not wish to trespass on the Senator's time, but there is one thing I desire to ask him. He says that it is perfectly proper—and I am not discussing that with him—to put these documents into the record. Was the Senator present yesterday when the Senator from North Dakota [Mr. NYE] was present, as the newspaper report says?

Mr. CLARK. I was.

Mr. CONNALLY. The Senator from Missouri was the one who put the documents into the record, as I recall?

Mr. CLARK. Yes.

Mr. CONNALLY. The comment of the Senator from North Dakota was not a document, and it was not a record. Did the Senator from North Dakota say, as attributed to him in the newspaper, from which I quote?—

Then Wilson and Lansing lied.

Mr. CLARK. The Senator from North Dakota did not say that.

Mr. CONNALLY. What did he say?

Mr. CLARK. So far as I can recall the expression used by the Senator from North Dakota—I shall not undertake to quote him verbatim—what he said, in effect, was that President Wilson and Secretary Lansing had falsified the record.

Mr. CONNALLY. Had falsified the record?

Mr. CLARK. Had falsified the record. That is my recollection.

Mr. CONNALLY. He said they had falsified the record?

Mr. CLARK. Yes.

Mr. CONNALLY. In what respect, if the Senator had the documents there, had they falsified the record? Had they erased something, or inserted something, or how had they falsified the record?

Mr. CLARK. I shall have to ask the Senator from North Dakota to answer that question. I concluded that he made that remark on the basis of the fact that the record before the committee indicated that knowledge of the secret treaties between the Allies had been conveyed to the United States Government shortly after the entrance of the United States into the war in 1917, and that subsequently, at the end of the war, in his appearance before the Foreign Relations Committee of the Senate, the Secretary denied such knowledge.

Mr. CONNALLY. Does the Senator from Missouri know a correspondent on the Washington Herald by the name of Don Ewing?

Mr. CLARK. Yes. I paddled him when he was a freshman at George Washington. [Laughter.]

Mr. CONNALLY. The Senator paddled him when he was a freshman, but now he is not a freshman. Mr. Ewing says:

As this developed, NYE turned to CLARK and said: "Then it is clear that both President Wilson and Secretary Lansing lied when they stated from time to time they had no knowledge of these secret treaties."

Mr. Ewing says that occurred, and the Senator from Missouri says it did not occur.

Mr. CLARK. The Senator from Texas is as familiar with newspapermen as am I; and he is also familiar with the fact that in giving a running account of a hearing or a debate in the Senate, in undertaking to report exactly what happened, newspapermen frequently paraphrase the expressions, or put words into the mouths of men—either Senators or otherwise—which are not exactly what they used. I acquit Mr. Ewing of any intention of misquoting the Senator from North Dakota, but my own recollection is not in accordance with Mr. Ewing's report.

Mr. PITTMAN. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. PITTMAN. I am satisfied to have voted for the resolution under which the committee has acted. I realized that valuable information could be obtained under it. However, I cannot understand how the documents introduced yesterday by the Senator from Missouri which started this debate could in any sense be material to the investigation.

Mr. CLARK. Mr. President, I repeat what I said to the Senator from Texas a little while ago—that the Munitions Committee was instructed to report upon the adequacy or inadequacy of existing legislation, and there is no finer laboratory test of the adequacy or inadequacy of existing legislation than the record of events which transpired during the World War, and prior to our entrance into it, which resulted in the United States drifting into a state of war which has left us holding the sack with billions of dollars of allied loans on our hands.

Mr. PITTMAN. As I understand from the press reports—if I am incorrect in my understanding, I should like to be corrected—certain statements were recorded by Mr. Balfour in his diary with relation to some conversations he had with President Wilson following a dinner at the White House after we went into the war.

Mr. CLARK. That is entirely correct.

Mr. PITTMAN. In those statements, Balfour is alleged to have stated that the President was fully familiar with the arrangements between the Allies as to what would probably take place after victory, if it happened. Then Lloyd George in his book confirms the diary by stating that he had a conversation with Balfour in which Balfour said that was the conversation he had with Wilson.

Mr. CLARK. That is perfectly correct.

Mr. PITTMAN. Mr. Lansing testified before the committee that the administration did not know anything about those treaties.

Mr. CLARK. I will say further, for the edification of the Senator from Nevada, that I also placed in the record documents from Ambassador Walter H. Page in London, Ambassador Thomas Nelson Page at Rome, and Ambassador Francis at St. Petersburg, in greater or lesser degree putting the United States on notice as to those secret treaties, and also certain extracts from the diary of Colonel House indicating knowledge of the treaties on the part of the then administration.

Mr. PITTMAN. That is not material. I am simply getting a picture of the weight of this evidence. We were already in the war when this information came to the President, if it did come to the President. We were in the war; so the information had nothing to do with getting us into the war.

Mr. CLARK. That is perfectly true.

Mr. PITTMAN. I do not mean to say that Balfour did not have certain things in his diary, and that Lloyd George did not confirm them. I do not say that Page's letters are not true. However, I do not believe the evidence discloses that the President knew what was in those treaties.

Mr. CLARK. I will say to the Senator from Nevada that as chairman of the Foreign Relations Committee and having access to the State Department documents, he can very readily satisfy himself on that point.

Mr. PITTMAN. I am talking about the evidence which the Senator introduced. It does not show that the President knew what was in those treaties. It may be evidence that he knew there were treaties between the Allies. Be that as it may, that is the evidence the Senator introduced. It is

in regard to something which came to the President's attention after we were in he war. Therefore, it could have nothing on earth to do with taking us into the war.

Mr. CLARK. Let me say, if the Senator will permit me, that that matter was put into the record, as I stated in putting it in, for the purpose of showing that whatever may have been the aim of the United States in entering the war, once in the war we were committed to the status quo which would be maintained by our allies; and that after we were in the war, no matter what may have been our purpose in joining our new allies, we were forced, willy-nilly, to go along with our allies in those matters concerning which treaties had been made.

Mr. PITTMAN. If the Munitions Committee was authorized to investigate what was the effect of going into a war which already existed, I can see where it would be material, because it would prove that when we joined the warring forces we would indissolubly be tied with them.

Mr. CLARK. Mr. President, the Senator from Nevada may say that the Senate intended the Munitions Committee to go right up to the declaration of war, but that it should be unable to follow to their logical conclusion the steps which led us into the war, as showing how we were led to make vast advances to the Allies which have never been recovered. If he can do that, he is entitled to that view. I cannot conceive that the Senate intended any such fruitless purpose; that with the whole train of consequences the study should be stopped as of the date of our declaration of war.

Mr. PITTMAN. What legislation would the Senator suggest to prevent a President, after our Government had joined in a war with several allies as we did in 1917, from being told about treaties into which they had already entered?

Mr. CLARK. I have no desire to prevent the President being told about their having treaties. The Senator from Nevada evidently does not understand the trend of the whole proceeding. It seems to me of highest importance, in studying the basis for legislation to keep us out of war, to consider also what happened to us after we got into the war, how the purposes for which we entered the war may have been frustrated, how the United States was compelled to change completely its position and bear practically the whole cost of the war, and how ultimately, instead of accomplishing the purposes which President Wilson had so eloquently set out on many occasions, particularly in his 14 points, secret treaties of which he had no knowledge until we had entered the war came up to thwart and frustrate those purposes.

Mr. PITTMAN. Of course, if the Senator is trying to prove that war is a very disastrous thing, I do not think he needs any evidence——

Mr. CLARK. We are trying to show exactly what happened.

Mr. PITTMAN. Let me finish the sentence, if the Senator please. If the Senator is trying to prove that war is a very disastrous thing, and that particularly war is disastrous when our Government combines with the governments already in the war, we must admit it. If the Senator is trying to prove that, when we are forced into a war as the allies of somebody else because of circumstances, it is always an unfortunate circumstance and we are always liable to suffer by reason of the acts of our allies; everybody knows that. But if he conceives that the Senate, under that resolution, wanted his committee to investigate every detail of the horrors of the war, every detail of the result of the war, every detail of the treaties of peace that were made, for the purpose of recommending legislation to this body with regard to munitions, then I say the work of the committee would be interminable. It would have to enter into an historic work which might take 20 years or more, with a very much larger force than the committee now has. There is no legislation which he can suggest here that would prevent that very thing occurring which he said did occur.

Mr. CLARK. Permit me to suggest, so far as the work of the Munitions Committee is concerned, that if it never does anything else or never has done anything else, at least the investigation of that committee has resulted in the Senator from Nevada introducing, as an administration measure, a very far-reaching neutrality bill.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER (Mr. DUFFY in the chair). Does the Senator from Missouri yield further to the Senator from Nevada?

Mr. CLARK. I yield.

Mr. PITTMAN. I think the Senator from Missouri is attempting to compliment me, and I desire to thank him; but I think he is complimenting himself more highly than he is the Senator from Nevada in saying that the work of the Senator from Missouri is responsible for the thoughts of the Senator from Nevada. I think I discussed neutrality for years before I ever heard of the Munitions Committee.

Mr. CLARK. Undoubtedly the Senator from Nevada has discussed neutrality on many occasions, but it was not until after certain resolutions were introduced as a result of the investigation of the Committee on Munitions—and, as a matter of fact, after the filibuster was started by members of the Munitions Committee at the close of the last session—that any action was taken. I am very happy to have the Senator from Nevada introduce the measure and take charge of it, and particularly happy to have it introduced as an administration measure; but I submit that if it had not been for the filibuster started by members of the Munitions Committee in the last days of the last session, probably that legislation never would have come into this body.

Mr. PITTMAN. I did not know the Senator from Missouri had that idea. I knew the Senator from North Dakota [Mr. NYE] had it because the night we adjourned, when he spoke over the radio, he said the Munitions Committee had forced the Foreign Relations Committee to act. I wish to say that before the filibuster took place the Foreign Relations Committee had already directed me to report that measure. I am perfectly confident that members of the Munitions Committee knew it had been ordered to be reported and started the filibuster for the purpose of getting credit for having done something that they did not in fact do.

Mr. CLARK. I desire to absolve myself of any such purpose. The Senator from North Dakota and I appeared before the Foreign Relations Committee on several occasions. It was understood Congress was going to adjourn in the next 2 or 3 days, which was the occasion for the filibuster. I have no desire whatever to rob the Foreign Relations Committee or the distinguished Senator from Nevada of any credit for neutrality legislation. I hope he will ask to have it taken up at a very early date and push it to a final conclusion.

Mr. PITTMAN. I am sorry the Senator from Missouri said that, because if we report that bill during the coming week he will charge us with having been forced to that action by his statement.

Mr. CLARK. If it will interfere with the Senator from Nevada taking prompt action in reporting an administration measure of that sort, I will withdraw the statement, because I would not have the Senator from Nevada have any reason not to report such an administration measure and push it to a successful conclusion.

Mr. PITTMAN. I have never attacked the Munitions Committee. I realize that their work in investigating war profits and investigating the munitions question has been quite pertinent and quite valuable. I have not believed that it was within their jurisdiction to go into a great many matters which they have investigated. As I have said, I cannot quite see how the evidence which the Senator has just put in the RECORD is at all material or how it will aid him in the formulation of any legislation to be proposed to this body.

So far as the Foreign Relations Committee is concerned, I wish to speak for the members of the committee and not for myself. A bill was introduced by the Senator from Missouri and the Senator from North Dakota [Mr. NYE]. It was considered by the President of the United States when the Senator from Missouri and the Senator from North Dakota

and myself were present. It was fully discussed there. There were some questions which were not definitely agreed upon, but in substance it was agreed upon. At that time I introduced in behalf of the administration, as I have at this session, a bill which contained some of the important provisions of the other bill. The committee proceeded immediately to the consideration of both bills. I think the Senator knows that we were in session nearly every day for 2 weeks—at least every other day. The Senator from Missouri complimented us upon our energy in the matter.

Mr. CLARK. I repeat that compliment.

Mr. PITTMAN. We took the Senator's bill and the administration bill and wrote another bill embracing the ideas of both bills as nearly as we could.

Mr. CLARK. That is entirely correct.

Mr. PITTMAN. There was no delay in the committee. Even those who opposed it did not delay its consideration. The Senator from Illinois [Mr. LEWIS] opposed it, but he did not delay its consideration. He attended every meeting, and we met every day until we had other committee meetings to attend, and then we met every other day, and inside of 2 weeks we reported the bill. We have other bills for consideration in the same way now. We have already had four meetings. We are to have another meeting tomorrow morning.

It is the intention, already expressed, of every member of that committee, whether he agrees with the bill or not, to report it at the earliest possible moment. I do not want the Senator to think that the committee is delaying the matter in any way. I am not speaking for myself because the Senator knows I favor this kind of legislation. I am speaking for those on the committee who do not favor it. They have never yet attempted in any way whatever to obstruct a report on the bill.

Mr. CLARK. I intended no such suggestion as that. Everything the Senator from Nevada says in that regard is entirely correct. My suggestion as to the filibuster went merely to the point that it had been announced that adjournment would be had in 2 or 3 days, without any suggestions, so far as the program of the Senate was concerned, of consideration of neutrality legislation.

I had no thought then, nor have I now, of reflecting on the Foreign Relations Committee, and certainly not on its distinguished chairman, with reference to the consideration which was given to that legislation. As the chairman suggests, I personally appeared at four or five hearings before the Foreign Relations Committee while the matter was under consideration.

Mr. PITTMAN. I wish to say, however, because possibly it is not generally known, that on the morning of the filibuster—which started at noon and lasted 2 or 3 hours—before the filibuster, the committee had voted to report the bill, and I was authorized to make certain corrections in it which the committee desired made. Those corrections were being typewritten, and when some of the members of the Munitions Committee were filibustering the report on the bill was being finally drafted, and the bill was reported to the Senate while the filibuster was going on.

Mr. CLARK. The Senator from Nevada undoubtedly is aware of the fact that the filibuster started because of the statement to the newspaper men at large, out here in the President's room, by a very high ranking officer of the majority of the Senate, that there would be no neutrality legislation at that session of Congress.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Illinois?

Mr. CLARK. I yield to the Senator from Illinois.

Mr. LEWIS. I seek information, not only as a member of the Foreign Relations Committee but as a Member of the Senate.

I observe in the discussions between the Senator from Texas and the Senator from Missouri, each eminent in his place, that the resolution under which the munitions committee are acting, among other authorizations, gives them authority to investigate existing treaties. May I ask the able Senator from Missouri whether the munitions committee regards or treats the treaties which connected us with the war and its operations as still existing treaties, despite the assumption that those treaties were dissolved in the peace treaty at Versailles and the general peace arrangements between our country and the Allies and the enemies?

Mr. CLARK. Certainly not, Mr. President. The only references to treaties which bound the United States to its Allies have been in connection with the study of the war itself, and the steps leading up to it. So far as I am advised, nobody contends for a moment that the treaties to which the Senator refers are still in force and effect.

I may say that a typical illustration of the study of treaties which has come up in connection with the munitions investigation had to do with the treaty which we found with one South American country, for instance, which prevented the President of the United States from imposing an embargo on the exportation of arms to that country when he so desired to do, simply because of a provision to that effect in a treaty some 70 years old. As a result of that investigation, the Munitions Committee now has pending in this body a resolution authorizing the President to denounce that treaty.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CLARK. I yield to the Senator from Kentucky.

Mr. BARKLEY. This discussion was precipitated by the Senator from Texas [Mr. CONNALLY] because of an article in a newspaper this morning attributing to the chairman of the Munitions Committee the statement that Woodrow Wilson had lied. The recollection of the Senator from Missouri is that the chairman of the committee did not say that. I should like to inquire if the chairman of the committee at the session today called attention to any misquotation on the part of the press and asked that it be corrected?

Mr. CLARK. Not so far as I am advised.

Mr. BARKLEY. Let me ask another question, purely for information, because the statement has been dropped in here in connection with the amount of money expended by the committee that after the $125,000 had been exhausted, or was approaching exhaustion, some arrangement was made by which a relief project of the State of New York was made available for the investigation of the committee. Does the Senator know about that?

Mr. CLARK. I will say to the Senator from Kentucky that I am not very familiar with that; but I am advised that during the past winter a Work Relief project for clerical workers was established in the city of New York, and that certain persons from the Work Relief project were turned over to the investigator of the Munitions Committee simply for the purpose of copying records, and that sort of thing.

Mr. BARKLEY. Were they persons who were in New York or in Washington?

Mr. CLARK. They were persons who were in New York, and were already engaged on the Work Relief project.

Mr. BARKLEY. Does the Senator know what their employment cost?

Mr. CLARK. I have no information whatever about that; but I was advised that certain clerical assistance had been rendered by the Work Relief Administration to the munitions investigation.

Mr. CONNALLY subsequently said: Mr. President, it developed in the discussion this afternoon that the Munitions Committee has only $400 left in its treasury. I wish to serve notice here and now that the Senator from Texas and quite a number of other Senators are going to take whatever action is possible to see that no deficits are created by that committee. I wish to give public notice now that the Munitions Committee had better not spend any more money than they have been authorized to spend, because, if we can prevent it, they are not going to get any more.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. CLARK. I take it the Senator from Texas has a right to take any action on legislation he pleases as an individual Senator, but not to speak for the Senate of the United States.

Mr. CONNALLY. I did not undertake to speak for the Senate. I am speaking for myself and several other Senators with whom I have consulted; and I serve notice now that if the Munitions Committee comes here with a great big wad of deficits under the plea that "these poor workers" have to be paid, if we can prevent it they are not going to be paid. The committee have $400. Let them spend that $400.

Mr. CLARK. Mr. President, that remark on the part of the Senator from Texas is entirely uncalled for. The Munitions Committee has never turned up here with a great big deficit. That is entirely a gratuitous remark on the part of the Senator from Texas.

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

The Senate resumed the consideration of the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

Mr. GORE. Mr. President, I should like to ask the Senator from Oregon [Mr. McNARY] if he thinks, in the light of the debate which has just taken place, the Senate is ready to vote on the pending bill at this time?

Mr. BARKLEY. I will say to the Senator from Oklahoma that the Senator from Oregon is not on the floor at the moment.

Mr. McNARY entered the Chamber.

Mr. GORE. In view of the return of the Senator from Oregon, I desire to renew my request for unanimous consent that the unfinished business may be temporarily laid aside and its consideration resumed and pursued to final disposition when the bonus bill shall have been disposed of. I will say to the Senator from Oregon that I am sure the debate will not last very long. There are three Senators on the other side who desire to be heard briefly and one or two on this side. I wish to dispose of the bill.

Mr. McNARY. Mr. President, that carries out the purpose I suggested earlier in the day. It throws the discussion over until another day. I shall make no objection to a unanimous-consent agreement that we may temporarily lay aside the unfinished business until we shall have concluded the discussion of the bonus bill and had a vote upon it.

Mr. BARKLEY. Mr. President, I suggest that the language of the unanimous-consent agreement be such that it will not carry a mandatory requirement that we shall take up the Panama Canal bill on the same day on which the consideration of the bonus bill shall be completed.

Mr. McNARY. Oh, no; that would not follow.

Mr. BARKLEY. It might be late in the day.

Mr. COSTIGAN. Mr. President, reserving the right to object, it would be a convenience to the sponsors of Senate bill 3398, and it is our understanding that it would also be a convenience to the Senators from Illinois who are opposed to that measure, if the special order which appears on the face of the printed calendar of business for today may be made the second order of the Senate's unfinished business. It is developing that one unanimous-consent agreement after another is pushing the special order of the Senate further and further down the parliamentary line on the face of the printed calendar.

So far as the sponsors of the bill are concerned, there is, of course, no objection to laying aside the special order if more pressing public business requires that course; but it does appear unfair to have an unintended displacement of the special order. The Senate is never consciously unfair in such matters, nor are the able Senate leaders on either side. Therefore, it is suggested that if we may have an understanding now that the special order may follow the unfinished business relating to the measure of the Senator from Oklahoma [Mr. GORE], as a second and similar unanimous-consent agreement for unfinished business, it will prove a convenience, I think, to all concerned.

Mr. GORE. I have no objection to that.

Mr. LEWIS. Mr. President, as the Senator from Colorado has stated, the Senators from Illinois are opposed to this measure; but as the Senator from Colorado desires that some formal postponement of it be made under some order of the Senate, and intimates that he assumes such a course would not be objected to by the Senators from Illinois, I desire to say, as to myself, that I am willing to have an indefinite postponement of the matter or to have the whole measure laid on the table. Since neither course is proposed by the Senator from Colorado, however, I desire to have him understand that I shall gladly cooperate in whatever will meet the convenience of himself and his colleague and conform to the order already entered.

The PRESIDING OFFICER. The Chair suggests that some Senator state the terms of the proposed unanimous-consent agreement, so that it may be submitted to the Senate.

Mr. BARKLEY. Mr. President, reserving the right to object, I desire to make a statement.

The PRESIDING OFFICER. The Senator from Oklahoma has the floor. Does he yield to the Senator from Kentucky?

Mr. GORE. I yield.

Mr. BARKLEY. In the absence of the Senator from Arkansas [Mr. ROBINSON], let me say that the Senator from Colorado mentioned the status that might be assumed by his bill in the event the agreement already suggested about the bill of the Senator from Oklahoma should be entered into. Subject to any contingency that may arise some time next week with respect to emergent or more important legislation, I think it is entirely desirable that following the bill of the Senator from Oklahoma unanimous consent be given to take up the bill of the Senator from Colorado; and such an arrangement is entirely satisfactory to me. I do not believe the Senator from Colorado made the request. I will make the request in addition. Probably it should not be complicated with this other matter. We can agree on the pending matter and then submit the other request.

Mr. GORE. The suggested arrangement will be entirely satisfactory to me. My purpose is to arrive at some sort of understanding with regard to the unfinished business.

Mr. McNARY. Mr. President, when the Senator from Oklahoma presented his bill on Monday I objected to a final vote on that day, but asked that consideration of the measure might be carried over until Thursday, which is today. The lateness of the hour now will prevent a full discussion of the bill, and, speaking, I think, for the Republican Members of the Senate, I am willing that we start in tomorrow with the bonus bill, and at the conclusion of the consideration of the bonus bill that the unfinished business may follow, in turn to be followed by the special order, the bill sponsored by the Senator from Colorado. I am willing that that sort of an agreement be made.

Mr. BARKLEY. I submit the following request for unanimous consent, that the unfinished business be temporarily laid aside, to be resumed as the next legislative business to be considered by the Senate following the disposition of the bonus bill, and following the disposition of the unfinished business to which I have adverted, that the measure referred to by the Senator from Colorado may be taken up for consideration.

Mr. GORE. Mr. President, the request is satisfactory to me, and I hope it will be agreed to.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. DUFFY in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported adversely the nomination of Charles O. Yelverton to be postmaster at Bay Springs, Miss., in place of F. C. Shoemaker.

He also, from the same committee, reported favorably the nominations of sundry postmasters.

He also, from the Committee on Appropriations, reported favorably the following nominations:

Victor F. Ridder, of New York, to be administrator in the Works Progress Administration for the city of New York, the office to which he was appointed during the last recess of the Senate;

Denis J. O'Mahoney, of New Jersey, to be State engineer inspector for the Public Works Administration in New Jersey;

Andrew H. Peterson, to be director of the Public Works Administration for Massachusetts, the office to which he was appointed during the last recess of the Senate;

Robert M. Van Petten, of North Dakota, to be State engineer inspector for the Public Works Administration in North Dakota and South Dakota, the office to which he was appointed during the last recess of the Senate;

Leslie D. Gates, of Iowa, to be State engineer inspector for the Public Works Administration in Iowa;

Julian Montgomery to be director of the Public Works Administration for Texas, the office to which he was appointed during the last recess of the Senate;

Cal A. Ward, of Kansas, to be a regional director of the Resettlement Administration, the office to which he was appointed during the last recess of the Senate; and

E. A. Pynchon, of Florida, to be State administrator in the Works Progress Administration for Florida, to which office he was appointed during the last recess of the Senate.

Mr. COPELAND, from the Committee on Commerce, reported favorably the nominations of sundry officers in the Coast Guard.

Mr. JOHNSON, from the Committee on Naval Affairs, reported favorably the nomination of Brig. Gen. Louis McC. Little to be a major general in the Marine Corps from the 27th day of July 1935; and also the nominations of sundry other officers in the Marine Corps.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the calendar is in order.

THE CALENDAR

The legislative clerk proceeded to read Executive E, the international convention of the Copyright Union as revised and signed at Rome on June 2, 1928.

The PRESIDING OFFICER. Under a previous agreement, the treaty will go over.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the nominations of postmasters are confirmed en bloc.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. SHEPPARD. I ask unanimous consent that the Army nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

BOARD OF TAX APPEALS

The legislative clerk read the nomination of John A. Tyson, of Mississippi, to be a member of the Board of Tax Appeals.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

NATIONAL EMERGENCY COUNCIL

The legislative clerk read the nomination of Lyle T. Alverson, of New York, to be Acting Executive Director of the National Emergency Council.

Mr. COPELAND. Mr. President, may I ask by what committee this particular nomination was reported?

The PRESIDING OFFICER. The Chair is advised that it was reported by the Committee on Finance.

Mr. COPELAND. I ask that the nomination go over temporarily. I am not advised about it.

The PRESIDING OFFICER. Without objection, the nomination will go over.

BUREAU OF INTERNAL REVENUE

The legislative clerk read the nomination of Milton E. Carter, of Missouri, to be assistant to the Commissioner of Internal Revenue.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

CUSTOMS SERVICE

The legislative clerk read the nomination of Leo A. Ivory, of Pennsylvania, to be collector of customs for customs collection district no. 12.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Thomas F. Mulcahy, of California, to be comptroller of customs in customs collection district no. 28.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the Public Health Service.

Mr. COPELAND. I ask that the nominations in the Public Health Service be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

That completes the calendar.

RECESS

Mr. BARKLEY. Under the order previously entered, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 25 minutes p. m.) the Senate, in legislative session, under the order previously entered, took a recess until tomorrow, Friday, January 17, 1936, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 16, 1936

MEMBER SECURITIES AND EXCHANGE COMMISSION

William O. Douglas, of Connecticut, to be a member of the Securities and Exchange Commission for the remainder of the term expiring June 5, 1939, vice Joseph P. Kennedy, resigned.

UNITED STATES ATTORNEY

Ralph L. Emmons, of New York, to be United States attorney, northern district of New York, vice Oliver D. Burden, whose term expires February 27, 1936.

UNITED STATES MARSHAL

John E. Hushing, of the Canal Zone, to be marshal, district of the Canal Zone, vice John T. Barrett, term expired.

MUNICIPAL JUDGE, DISTRICT OF COLUMBIA

Robert E. Mattingly, of the District of Columbia, to be a judge of the municipal court, District of Columbia. (A reappointment, his term expiring June 16, 1936.)

CONFIRMATIONS

Executive nominations confirmed by the Senate January 16, 1936

MEMBER BOARD OF TAX APPEALS

John A. Tyson to be a member of the Board of Tax Appeals.

ASSISTANT TO THE COMMISSIONER OF INTERNAL REVENUE

Milton E. Carter to be assistant to the Commissioner of Internal Revenue.

COLLECTOR OF CUSTOMS

Leo A. Ivory to be collector of customs for customs collection district no. 12, with headquarters at Pittsburgh, Pa.

COMPTROLLER OF CUSTOMS

Thomas F. Mulcahy to be comptroller of customs in customs collection district no. 28, with headquarters at San Francisco, Calif.

PUBLIC HEALTH SERVICE

TO BE PASSED ASSISTANT DENTAL SURGEONS

Joseph J. Dunlay
Walter J. Pelton

TO BE PASSED ASSISTANT PHARMACISTS

Carl Stier
Raymond D. Kinsey
Walter H. Keen
Clarence H. Bierman
Thomas C. Armstrong

TO BE PASSED ASSISTANT SURGEONS

Victor H. Haas
Clifton K. Himmelsbach
Ralph R. Braund
Hollis U. Maness
Kenneth E. Gamm
John W. Oliphant
Seymour D. Vestermark
Leroy E. Burney
Harold L. Lawrence
Charles R. Mallary
Don S. Cameron
Bert R. Boone
Gerald M. Kunkel

TO BE ASSISTANT SURGEONS

Dr. John W. Kennedy
Dr. Havelock F. Fraser
Dr. Wilson T. Sowder
Dr. Edward C. Lutton

APPOINTMENTS IN THE REGULAR ARMY

Maj. Gen. Malin Craig to be general while holding office as Chief of Staff of the Army.

Brig. Gen. Andrew Moses to be major general.

Brig. Gen. William Edward Cole to be major general.

Brig. Gen. Edgar Thomas Conley to be The Adjutant General with the rank of major general.

Col. Walter Lawrence Reed to be Inspector General with the rank of major general.

Brig. Gen. Oscar Westover to be Chief of the Air Corps with the rank of major general.

POSTMASTERS

ALABAMA

Bryan Whitehurst, Abbeville.
Harry E. Marshall, Orrville.

GEORGIA

Thomas W. Dalton, Alto.
Lucius Hannon, Atco.
Elizabeth H. Quinn, Barnesville.
Evelyn W. Simpson, Buford.
Jesse S. Weathers, Cairo.
Ivie B. Owen, Concord.
John Marvin Gillespie, Demorest.
Mae W. Dukes, Gibson.
Sara B. Fox, Harlem.
W. Vaughn Rice, Hiawassee.
Charlie T. Hightower, Hogansville.
Victor H. Carmichael, Jackson.
Clifton O. Lloyd, Lindale.
Walter E. Schilling, Marietta.
J. Stanley Newton, Norman Park.
Wilbur N. Harwell, Oxford.

HAWAII

Alfred K. Smith, Kealakekua.

IDAHO

Ernest W. Myers, Avery.
Iva F. Madden, Cascade.
Byron E. Harris, Headquarters.
Henry B. Jones, Wilder.

INDIANA

Lawrence M. Slough, Bourbon.
Mel M. Carter, Greensburg.
Alton C. Reeves, Hope.
Frank G. Trinosky, La Crosse.
Albert Spanagel, Lawrenceburg.
Ruth D. Pommerehn, North Madison.
Millie E. Smith, Ray.
Walter H. Droege, Seymour.
Gordon O. Thurston, Shelbyville.
Charles F. Fisher, Speed.
Frank G. Sheviak, Wanatah.

MARYLAND

Kathryn T. Schaefer, Chesapeake City.
Clarence C. C. Thomas, Lilypons.
Louis E. Lamborn, McDonogh.
Katherine G. O'Donnell, Mountain Lake Park.
William D. Lovell, Jr., New Windsor.
Levin D. Lynch, Ocean City.
Mary W. Stewart, Oxford.
Maurice T. Truitt, Pittsville.
Victor F. Cullen, State Sanatorium.
John O. Crapster, Taneytown.
Philip E. Huntt, Waldorf.

MISSISSIPPI

James I. Pittman, Eupora.
Stella O. McGehee, Gloster.
John N. Truitt, Minter City.
Della A. Myers, Newhebron.
William G. Sloan, Northcarrollton.
Myra P. Varnado, Osyka.

NEW HAMPSHIRE

Ruth N. Ray, Chester.
Paul A. Richard, Hudson.

NEW YORK

Barthold C. Hadel, Amagansett.
Walter Longwell, Bath.
Thomas F. English, Elmsford.
Dennis J. Sullivan, Fort Plain.
Barbara J. Kelly, Frankfort.
James M. Dwyer, Geneseo.
Daniel F. Driscoll, Geneva.
James T. McLaughlin, Glen Head.
Jerry Burd, Greenwood.
William J. Riley, Hoosick Falls.
Thomas F. Carroll, Oriskany.
Victor S. Manchester, Petersburg.
Ethel M. Cole, Pleasant Valley.
Thomas E. Roeber, Port Washington.
Sarah C. Lounsbery, Stone Ridge.
Mabel G. Baldwin, Waverly.
Carl N. Marshall, Wellsville.
John J. Hoek, West Sayville.
Patrick A. Murphy, White Plains.

OHIO

John B. Kochheiser, Bellville.
Lee F. Beveridge, Butler.
William A. Cassady, East Columbus.
Thomas G. Smith, Glendale.
Florence Wilcox, Hilliards.
Cecil W. Briggs, New Holland.
James L. Crawford, Orient.
Robert W. Schocke, Oxford.
Hiram L. Basinger, Pandora.
Carl H. Caris, Ravenna.
Ray M. Cartwright, Sardinia.
John Daniel O'Sullivan, Sharonville.
Clarence A. Flenniken, Smithfield.
Goldie N. Stroup, Spencer.
Howard E. Smith, Vandalia.

OREGON

Irwin D. Pike, Grass Valley.
Fred L. Hartman, Pilot Rock.
Carl W. Fegtly, Vale.

SOUTH CAROLINA

Charles A. Potter, Cowpens.
Walter C. Kay, Honea Path.
Eunice B. Hiott, Pickens.

Foster Kreps, Jr., Ridge Spring.
Adoniram J. Nicholson, Saluda.
Thomas V. Derrick, Walhalla.

TENNESSEE

Park A. Carr, Harrogate.
George A. Lester, Hohenwald.
Ernest H. Gibson, Humboldt.
Ralph K. Godwin, Jefferson City.
Ralph M. Murphy, Sevierville.
Henry E. Hudson, Whitwell.

UTAH

Melvin Lind, Midvale.
Elaine S. Peterson, Moab.

VIRGINIA

Lewis N. Glover, Berryville.
Anthony G. Simmons, Fincastle.
Ross V. Martindale, Sweet Briar.
Edward G. Newell, Veterans' Administration Home.

WISCONSIN

Carroll R. Eaton, Adams.
Marie Freeman, Bayfield.
William E. Drossart, Casco.
Frank G. Dillon, Veterans' Administration.

WYOMING

Daniel C. Carson, Pinedale.
Frank Herrington, Powell.
Claude W. Anthony, Yellowstone Park.

HOUSE OF REPRESENTATIVES

THURSDAY, JANUARY 16, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Most gracious and eternal God, strengthening our weaknesses, stooping to our lowliness, and lifting us up, praises be unto Thy holy name. Impart unto us that spiritual power which is immortal, and open to us the source of Thy unsearchable riches. Let us receive at Thy hands the priceless blessing of an enlarged manhood, cutting through hard human molds, and thus be made clean at our hearts. O Thou who art the great Shepherd, lead us on o'er moor and fen, desert and torrent, into the pastures of unwithering reality. Help us this day to keep the eleventh commandment of our Lord. In the spirit of the Master. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

UNIVERSITY IN EXILE

Mrs. O'DAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to insert therein an article appearing in the New York Times, which incorporates a letter from the President of the United States to the president of the University in Exile.

The SPEAKER. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mrs. O'DAY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article from the New York Times:

ROOSEVELT HAILS UNIVERSITY IN EXILE AS SYMBOL OF AMERICAN FREEDOM—PRINCIPLES OF INTELLECTUAL LIBERTY ON WHICH IT IS FOUNDED ARE DEEPLY ROOTED IN OUR TRADITION, HE SAYS IN MESSAGE ON ITS SECOND ANNIVERSARY

President Roosevelt expressed hope last night for a brilliant future for the University in Exile, formally known as the Graduate Faculty of Political and Social Science. He characterized it as symbolic of American intellectual, religious, and racial freedom.

The President's statement was contained in a letter to Dr. Alvin Johnson, chairman of the University in Exile and director of the New School for Social Research, 66 West Twelfth Street, with which the university is affiliated. The letter was read at a dinner at the Hotel Waldorf-Astoria, at which about 300 persons interested in the institution celebrated its founding 2 years ago, after the first expulsion of Jewish and liberal scholars from Nazi Germany, and the successful completion of its trial period.

CALLED ONLY FREE GERMAN FACULTY

Prominent educators who spoke at the dinner endorsed the establishment of the university as a permanent American institution and the inauguration of a 5-year program of growth and creative work upon which it is now entering. They called it "the only free German faculty in the world." Support was asked for the financing of the 5-year program on a basis of $75,000 a year—a total of $375,000, of which $150,000 has been contributed or pledged.

Dr. Felix Frankfurter, of the Harvard Law School, was toastmaster. The speakers included Dr. Johnson, Dr. George E. Vincent, formerly head of the Rockefeller Foundation; Dr. Isaiah Bowman, president of Johns Hopkins University; Hamilton Fish Armstrong, editor of the quarterly Foreign Affairs; Ira A. Hirschmann, chairman of the board of trustees of the University in Exile, and Prof. Karl Brandt, a member of its faculty, who was formerly director of the agricultural college in Berlin.

THE PRESIDENT'S LETTER

President Roosevelt's message follows:

THE WHITE HOUSE,
Washington, January 14, 1936.

MY DEAR DR. JOHNSON: Public duties unfortunately prevent my attendance at the dinner to which you have kindly asked me. But I should like to congratulate you and the graduate faculty of political and social science upon the successful completion of your first 2-year period and to tender my best wishes for a brilliant future.

The principle which is symbolized by your graduate faculty, namely, freedom of scientific inquiry untrammeled by religious or racial restrictions, is deeply rooted in the American tradition. Ever since the beginning of our Republic we have welcomed many men and women of ability and character from other countries, who had found their usefulness cut off by conditions which are alien to the American system. Some of our most famous patriots, scholars, and scientists came to this country in 1848. The whole nation has been enriched, morally and materially, through the abilities which they placed at our service.

I am particularly gratified to learn that in your graduate faculty there are representatives of the three great religions, Protestant, Catholic, and Jewish. It is one of the fundamental principles of true Americanism that all religions are entitled to equal respect. Freedom for every man to worship God according to the mandates of his conscience implies the political, social, and intellectual freedom which is the very foundation of our national life.

Your graduate faculty represents American adherence to the principle of intellectual freedom. I wish it every success in carrying, as it does, the torch of truth-seeking for the good of mankind.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

CONVENTION OF THE NATIONAL ASSOCIATION OF POSTMASTERS

Mr. BEAM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to incorporate therein an address which the Honorable James A. Farley, Postmaster General, made before the convention of the National Association of Postmasters at Chicago, Ill., on Tuesday, September 24, 1935.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. RICH. Mr. Speaker, reserving the right to object, I would like to know whether Mr. Farley is going to continue to act as Postmaster General and as chairman of the Democratic National Committee at the same time, or whether he is going to give up one of these jobs?

Mr. BEAM. I may say to the gentleman that on September 24 he was Postmaster General.

Mr. BLANTON. Mr. Speaker, reserving the right to object, I may say to the gentleman from Pennsylvania that certainly the Postmaster General has the right to address postal organizations.

Mr. RICH. I do not object to his addressing postal organizations, but I do not want all of his speeches inserted in the RECORD.

Mr. BLANTON. They are very informative to the gentleman, if he will just read them.

Mr. SNELL. Mr. Speaker, reserving the right to object, this is one matter in which I do not entirely agree with the gentleman from Pennsylvania. I would be willing to have the gentleman's remarks extended to also include the speech at Westchester which Mr. Farley made at the delayed Jackson Day dinner.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. FITZPATRICK. Mr. Speaker, reserving the right to object, if the gentleman from New York [Mr. SNELL] will read the RECORD of yesterday he will find that speech in there. I may say it would be well to also put in the RECORD the speech that was made by an Assistant Postmaster General in 1932 when he ordered all of the postmasters to get out and work for the Republican ticket.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BEAM. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by the Postmaster General, Hon. James A. Farley, before the convention of the National Association of Postmasters, Chicago, Ill., September 24, 1935:

It is, indeed, a pleasure to have this opportunity of again meeting with you in your national convention. I congratulate you on your splendid organization, which is most helpful to the postmasters and to the Postal Service.

We postmasters must be great believers in organization. It was by organization under efficient leadership that this great Government of ours was established. The effectiveness of the Government since its inception has reflected the character and ability of its many leaders. It is my proud privilege to bring to you the personal greetings of our great leader, President Franklin D. Roosevelt, whom history will record as one of the most humane and most understanding of all of our Presidents.

Many of you here received your appointments at his hands. It is my feeling that you should, and I am quite sure that you do, cherish the oportunity to serve under such capable leadership. The President has a keen personal interest in the affairs of the Post Office Department. He fully appreciates the great service that is being rendered by this, the largest and most far-reaching in its influence, of all of the Government departments.

Because the Postal Service touches the lives of all of our citizens vitally and affects the business of the Nation, it must be maintained at a high degree of efficiency, must function with clocklike regularity, and yet, must be intensely human in its management. There is no other business, public or private, that to such a great extent renders personal service. Everything that is done in the Postal Service, all of the work that is performed, is personal service to individuals.

In private business the result of efficient performance is listed among the assets as good will. It is a matter of great satisfaction to me that your efforts have earned for the Department the good will of our people.

When I was given charge of the Post Office Department I firmly resolved that its affairs would be handled in a businesslike manner; that the public would be promptly and efficiently served; that the employees would receive fair treatment; and that insofar as it was possible of accomplishment, the Department would live within its income. Thanks to the loyal cooperation and assistance of my official staff in Washington, and the faithfulness of the postmasters and postal employees, I am pleased to report that much has been accomplished in the improvement of service and in the betterment of conditions of the personnel.

At the outset we were confronted with a diminishing mail volume, decreasing postal revenues, and an excess of personnel such as had never before existed in the history of the Department. Surveys were made which resulted in the discovery of the amazing condition that there were approximately 15,000 more people on the rolls of the Department than were needed. Something had to be done about it. Obviously but two courses were open for me to follow. One was the easy way of arbitrarily dropping from the service those last appointed, thereby depriving them of a means of livelihood for themselves and their families. Such action, if taken, would have been entirely within the law and in accordance with practices that had been followed in the Post Office and in other Departments in the past. The other course, which I adopted, was to spread employment during the emergency by means of enforced furloughs and by retiring those who had grown old in the service whose efficiency was impaired and who had earned the right to an annuity. I have had no occasion to regret the decision made to follow the more humane course and I am confident that all postmasters and all postal employees were glad to do their part.

About 18 months ago there began a decided upturn in the business of the Department, and therefore furloughs were discontinued, salaries were restored, and additional benefits were provided for the workers in the Postal Service. When it seemed proper to do so, and in keeping with policies of efficient management, I recommended to the Congress and secured approval for the restoration of administrative and automatic promotions. A generous and businesslike policy has been followed in granting such promotions. This has caused an additional expenditure of several millions of dollars; it is worth it. Following this same general principle and in keeping with the objectives of the President in spreading employment, on July 3, 1935, I gave my approval to the 40-hour-week bill, which, as you know, was approved on August 14, to be effective October 1. This measure was approved just as soon as I was satisfied that the increase in postal revenues was sufficient to care for all reasonable service requirements, and a surplus was indicated justifying increased expenditures in the interest of service and the welfare of the employees. In the administration of this new law it is my wish that the postmasters and supervisory officials in the field service exercise the same careful supervision that has been shown during the past several years. I want no waste of public money; and, above all, I want no impairment of existing Postal Service. I do feel, however, that if those of you who are charged with the responsibility of managing the post offices will give this matter careful thought you will find it possible, to a large extent, to grant the employees what was obviously intended by the law—a 5-day week. I know that it is not going to be possible to place all employees on a 5-day-week schedule. Efficient service must be continued, and, of course, we are not going to close the post offices on Saturday or any other week day; but I do want to urge you to do everything you can properly do to give the employees the full benefit of the shorter workweek.

It is also my wish that in all cases where such action is not contrary to the public interest that replacements for the compensatory time required for Saturday service be by the employment of additional regulars. The problem of the substitute who has been waiting for years for an opportunity to have a regular job is one that has given me much concern. I am convinced that our substitute problem will be solved by a proper application of the 40-hour-week law. I urge your earnest cooperation to that end.

During the last year and a half we have completely reorganized our mail transportation schedules. At this time we have the most efficient air-mail service in the world. More miles are flown daily on regular schedules, more cities are reached by the present air-mail system than at any time since air mail was established. The schedules are faster; improved equipment has been provided by the contractors, which operate at speeds that would have been considered unbelievable and fantastic a few years ago. I am proud, indeed, to have had the opportunity to take part in that development. You will be interested to know, I am sure, that this vastly improved service is being operated at a great deal less cost than an inferior service was operated for several years ago.

During the last session of Congress authority was secured for the expansion of our foreign air-mail service which will enable the Department to maintain transoceanic service. Tests have been made proving that trans-Pacific air transport service is feasible. Therefore the Department has advertised for bids for the establishment of an air line connecting California with China, with stops at Honolulu and the Philippines. This service will be established just as soon as the necessary bids can be secured and the rigid requirements of the advertisement can be met. The next step in foreign air-mail transportation, I hope, will be the establishment of such a line to connect New York with important European centers. We are living in a great age. Nothing seems to be impossible of accomplishment, and you may be assured that the Post Office Department is not going to lag, but will take full advantage of the most expeditious means of transporting the mail.

In this same connection we have also secured the approval of the Congress for the extension and improvement of the rather limited air service now operating in Alaska. So wherever a citizen of the United States may live, we will extend air-mail service to him just as soon as it is found feasible to operate air transport lines with safety and with reasonable assurance that the patronage will justify the establishment.

The support that the Post Office Department is giving to the air lines is not only for the purpose of expediting the movement of the mails, which in itself is important, but it is also for the purpose of fostering and developing air transport systems in this country and to foreign countries.

Aside from the transportation of the mail, the Post Office Department maintains the largest bank in this country—the Postal Savings—having 2,598,433 depositors doing business with 8,106 post offices and branches. The total amount on deposit is in excess of $1,204,598,498.

We are the sales agents for the Treasury of United States savings bonds, and during the past 5 months more than one hundred and sixty million in bonds have been sold.

The Post Office cooperates with the Commissioner of Internal Revenue by the sale of documentary stamps. During the past year the collections from that source have amounted to $2,765,226.09.

The social security law, which was approved by the President on August 14, provides that the Post Office Department shall assist in the collection of the moneys to be used for old-age pensions, etc.

Then there is the public-building program. On June 19, 1934, the Congress authorized $65,000,000 for the acquisition of sites and the erection of Federal buildings, the entire program being placed under the jurisdiction of the Treasury and Post Office Departments acting jointly. Three hundred and sixty-one projects have been authorized under this program. In those cases where the acquisition of sites was necessary, advertisements were immediately issued and thorough investigations and reports covering all properties offered, were promptly made. These reports were carefully reviewed and selections made without delay. Within a few months after the Congress had approved this expenditure, many of the authorized projects were under construction, and plans for a large percentage of the remaining places were well under way. Within a year after the legislation was approved, plans had been completed for more than 80 percent of the projects selected, and of this number, more than 80 percent were under contract or on the market for bids.

In all the remaining cases, with but a very few minor exceptions, sites have been selected and plans are nearing completion.

Most of the projects in this group will be placed on the market for construction bids in a very short time.

Under date of August 12, 1935, a $60,000,000 public-building program was authorized by act of Congress, under which 351 building projects will be consummated. In 285 of these cases, the acquisition of new sites was involved. The remaining projects contemplate construction on property already owned, supplemented in some instances by the purchase of additional land. By August 16 advertisements had been issued in all of the 285 cases in which new sites were necessary, and the Post Office and Treasury Departments are now engaged in the selection of properties offered in response to the advertisements.

The first site selection under this new program was made within 21 days after the passage of the legislation, which means that during that period advertisement had been issued, examination had been made of the sites offered or available by the Government agent, report had been submitted, reviewed, and acted upon. This is believed to be a record in the handling of work of this character.

Selection of sites in additional cases is proceeding expeditiously. This work, as well as that involved in the preparation of plans and specifications, will proceed with the greatest possible speed with a view to having a large percentage of the projects under the new program under construction during the coming fall and winter.

The postal income has increased since the advent of the Roosevelt administration from $588,000,000 for the fiscal year ending in June 1932, to upward of $630,000,000 for the past fiscal year. In this connection it should be borne in mind that the reduction in the rate for local postage from 3 cents to 2 cents has resulted in a loss of income to the Department of approximately $21,000,000 a year. Notwithstanding this curtailment of income, the revenue of the Department for the past fiscal year, which ended June 30, 1935, shows an increase of more than $44,000,000 over the receipts of the previous year.

Postal receipts have always been a reliable barometer of business conditions throughout the Nation. Since June 30 of this year our receipts everywhere have continued to hold their upward trend. The revenues for July and August of this year show an increase over July and August of last year of more than 8 percent. In the 12 largest cities of the country the revenue of the Department from September 1 to September 15 of this year shows an increase over the same period of last year of more than 10 percent. In my own city of New York for the first 2 weeks in September there was an increase of more than 15 percent over the corresponding 2 weeks of September of last year, while here in Chicago for the first 2 weeks of September there was an increase of more than 8 percent over the same period of last year.

This steady increase in postal receipts, of course, is gratifying to all of us in the administration. It is evidence not only of returning prosperity but also that the Department is being run on a business basis. The satisfaction we feel over the surplus indicated by the excess of the postal receipts over the expenditures for purely postal purposes is not the important thing.

I describe the surplus in this way because whenever anybody says that the Post Office Department is more than paying its way, the critics of the administration immediately declare there is an actual deficit instead of a surplus. By this they mean that if I should include among the regular post-office expenses the expenditures which the Government is making in air mail and merchant marine subsidies and the cost of free mail privileges of Congress and the various Government departments we would be in the red. Actually, of course, the air-mail subsidy is for the purpose of developing aviation. It might be properly chargeable to the War and Navy Departments or the Department of Commerce. The steamship subsidies are declaredly for the upbuilding of the merchant marine in order to afford this country adequate ships to transport its commerce and to give the Navy an adequate supply of transport and reserve vessels in the event of war. As to the free mail, I as Postmaster General have no more control of it than I have of the winds and tides. The Department is required by law to carry without charge whatever official mail the several departments of the Government choose to send. When I speak of a surplus I mean a surplus calculated under the same system of bookkeeping that was followed by my immediate predecessor.

What I was talking about was the real importance of the increase in postal receipts. It means an increase in a definite ratio of the Nation's business. You have all seen the graphs and charts that the statisticians use to illustrate the course up and down of commerce and industry. Well, let me tell you that the curve of postal receipts almost exactly parallels the up-curve of prosperity during the past 3 years. For example, the net income from farm products during the calendar year 1932 was $4,377,000,000. During the year 1934 the farmers' net income was $6,267,000,000. I dare say the statisticians could figure out for you just what percentage in the Post Office business was the result of the farm prosperity. Industry shows the same trend. For example, I recently read that the General Motors Corporation sold more cars during August 1935 than in any previous August since that of 1929, which was the height of the boom period. During the first 8 months of this year the Ford production was up about 53 percent. I could cite statistics of the sort until you wearied of hearing them. But I am not going very far. I do want to mention that the sales of machinery, which is, of course, the basis of all manufacture, were 263 percent greater during the first 6 months of this year than they were last year. And, for a general summary, I read that nearly 400 major companies in all branches of industry were more than 13 percent over what they were a year ago.

I know a good many of our critics will suggest that the increase in receipts by business, the billion dollar accretion in bank deposits, etc., were in a measure accounted for by the emergency Government expenditures in the form of relief. I think it would be rather difficult, however, to ascribe to that source the increase in sales of cigarettes and cigars, or the circumstance that Americans this year spent $400,000,000 more on vacations than last year, and established the greatest summer travel record since 1929, when everybody was either going somewhere or had just come back.

I have no doubt that you all have been reading a great deal about the alleged breaking down of the New Deal and the alleged unconstitutional characteristics of the legislation passed by the Congress just adjourned. You will read a great deal more of the same sort of stuff between now and election day a year hence. This sort of matter is just plain politics. You know and I know, and I think the whole country knows, that when the present administration came in our country was almost a derelict ship. Factories were idle from the Pacific to the Atlantic, farms were being lost under foreclosure proceedings in huge numbers in every State, banks were tumbling at the rate of 15 a day, credit had almost ceased to exist, and nobody saw anything but further calamity ahead.

President Roosevelt took command of the derelict craft and pulled us off the reef. The figures I quoted a little while ago tell you how far we have progressed on the road to recovery. Things are looking so fine that the old crew, in business and in politics, that led us into the shipwreck are now straining every nerve to get back in power. That is the real meaning of all the assaults on the New Deal. That is the reason that the man and corporations who begged Roosevelt to save them by any process 3 years ago are now assailing him and the methods he pursued to get them and to get all of us out of the hole. They did not worry then about the constitutionality of what he was attempting. They had nothing to say about the so-called invasion of State rights, and they were not hiring high-priced lawyers to pick flaws in the laws that meant the salvation of their enterprises.

I believe history will record this as one of the greatest, most constructive, and most successful administrations in our history. All of us have reason to be proud that we are members of this administration.

PERMISSION TO ADDRESS THE HOUSE

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. SNELL. Mr. Speaker, reserving the right to object, as I understood the plan of the majority, it was that we would immediately go into the Committee of the Whole House on the state of the Unión for discussion of the pending bill. I do not want to interfere with the majority program, but it seems to me if we start general debate again there will be others who will want to speak, as well as the gentleman from Texas.

Mr. WOODRUM. I may say to the gentleman from New York that our colleague the gentleman from Texas spoke to me about getting 10 or 15 minutes. I informed him of the arrangement and he reduced his request for time. He stated he had a subject that was of some importance to discuss.

Mr. SNELL. If it is satisfactory to the majority over there, it is agreeable to me. If someone on this side wants some time, I hope the gentleman will not object.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAVERICK. Mr. Speaker, today I introduced a House resolution and a bill. The House resolution is very unique in that it provides for the appointment of a select committee of seven members to make an investigation for constructive purposes. No reputations will be destroyed and no one's name will be ruined. There will be no flaming headlines, such as "Congress probes" this or that. No one will hide out, because everybody will be glad to cooperate.

In England for a great many years after the war Parliament had partisan debates with reference to home-building and house-building programs. After some 10 or 15 years they have established a nonpartisan program of house building of all kinds and slum clearance, and England is going ahead much faster than the United States. It is a distinct reflection on the United States that we are not building more homes in our country; and, moreover, if we intelligently apply ourselves, we can correct the situation.

This House resolution provides for the appointment of a select committee of seven members and it is authorized and directed to conduct a constructive investigation and to make

a study and analysis of the problems of urban, suburban, and agricultural houses, slum clearance, and to further study the matter of conservation.

HOUSE OF REPRESENTATIVES CAN MAKE CONSTRUCTIVE INVESTIGATION

I want to call attention to the fact, not for the edification of the Republicans present but for common-sense reflection, that we are voting millions and hundreds of millions, and even billions of dollars, and turning these dollars over to the administrative branches of the Government, sometimes without much study or reflection. They spend the money to suit themselves; and we are always complaining that Congress has given away its rights and has abdicated its legislative functions. Here is a chance for a select committee of the House of Representatives, with four members who are Democrats and three members who are Republicans, to make an impartial, nonpartisan investigation and to accomplish something intelligent and constructive for the people of the United States.

ENGLAND AHEAD OF UNITED STATES OF AMERICA IN BUILDING

Today, in England, they are building 350,000 houses a year, 85 percent out of private capital and 15 percent out of capital of the Kingdom. In this country we are building something like 40,000 houses a year. We should build a million houses or home units a year for the next 10 years. But on the basis of our population we are building about 4 percent of what they are building today in England, which is about the size of Illinois. Therefore, it is important that the Congress should give its attention to this as a matter of grave national concern.

In the United States Government today there are something like 37 different agencies working on the problem of housing. I do not say that all of them ought to be put in one unit, but at least there should be some unification and some coordination of purpose.

I have also introduced a bill which provides for the establishment of a National Resources Board. Of course, I know that some people are going to say that this means another bureau and more salaries, but this National Resources Board will be one of the greatest things in our Government for Congress, because information can be given the Congress at all times on what this body wants to know, without having to write to 25 different departments. This National Resources Board will lead to the coordination of many bureaus and in addition to development of housing by private and public endeavor will mean the saving of money first by elimination of useless bureaus and overlapping agencies, and by promoting conservation of public resources.

WILL AMERICA WASH AWAY?

We have 1,000,000,000 acres of land in this country that is suffering from man-made erosion, and whether you are a Republican or a Democrat, you want to conserve the resources of your country and you want the people to have houses to live in. If our country washes away, or if we have no homes to live in, it will not make much difference what party you belong to.

So I ask the Congress to consider the appointment of this select committee which will not cost over $10,000 or $15,000, and with this money we can get valuable information concerning housing and conservation; more important, we can do the work ourselves, understand these important problems ourselves, and then legislate intelligently on the subject.

Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to put in certain documents with respect to a National Resources Board, together with a copy of the resolution and the bill to which I have referred.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAVERICK. Mr. Speaker, in submitting copies of the House resolution and bill, I will omit the formal portions, including only those sections which are important. The numbers of the bills are shown, in order that copies may be obtained from the House Document Room.

FIRST. HOUSE RESOLUTION 395, FOR SELECT COMMITTEE (SECOND PARAGRAPH OR SECTION), REFERRED TO RULES COMMITTEE

The committee is authorized and directed to conduct a constructive, comprehensive investigation, study, and analysis of the problems of urban, and suburban, and agricultural housing, slum clearance, and conservation of natural resources of the United States, and the existing Federal policies and laws on such subjects, and the agencies of the Federal Government administering such laws, with the view to the development of a sound coordinated program of Federal activity through the fullest utilization of private and public enterprise in these fields, and the preparation of legislative recommendations to carry out such program.

SECOND. A BILL (H. R. 10303), FOR CREATING NATIONAL RESOURCES BOARD (FIRST SECTION), REFERRED TO THE PUBLIC LANDS COMMITTEE

That the National Resources Board (hereinafter established) is authorized (a) to investigate, examine, study, analyze, assemble, and coordinate, and periodically to review and revise basic information and materials appropriate to plans or planning policies for the conservation and development of the land, water, natural, human, and other resources of the Nation, and on the basis thereof to initiate and propose in an advisory capacity such plans and planning policies; (b) to consult with, cooperate, and participate in the work of any existing or future agencies of the Federal Government and of any State or local government, as well as with any public or private planning or research agencies and institutions; (c) to prepare and submit studies, reports, and recommendations upon matters within its jurisdiction under this act whenever the President may request a study, report, or recommendation from the Board upon any such matter; and (d) to set up a special advisory council and to constitute such other agencies as the Board may deem necessary or appropriate to assist in the carrying out of its works.

REPORT OF THE COMMITTEE ON COORDINATION OF HOUSING ACTIVITIES OF THE FEDERAL GOVERNMENT

Mr. Speaker, I desire to call attention to the fact that the National Resources Board, now known as the National Resources Committee, was originally created by Executive order. I consider the work they have done as of utmost national importance, so I offer a report of the Committee on Coordination of Housing Activities of the Federal Government.

INTRODUCTION TO REPORT—EXPLANATORY NOTE

The studies and recommendations which this present report covers had their origin in the 1934 report of the National Resources Board to the President. The 1934 report called attention to the number of Federal agencies interested in housing and to the need of coordinating their activities; also to the number of private organizations in the housing field with whom the housing movement had originated and on whose continuous support its ultimate success depended.

Following the publication of the 1934 report, the American Civic Association, through its president, Mr. Frederic A. Delano, took the initiative in calling a conference of representatives of housing interests, public and private. As a result of this and a subsequent conference of Federal officials alone, a committee of seven representatives of Federal agencies was recently appointed to study and report on the possibilities of coordination within the the Federal Government. The report and recommendations which follow are the unanimous report and recommendation of that recently appointed committee. It is submitted through the chairman, who initiated the conferences, for the information of the general group of housing officials of the Federal Government and for action by the responsible heads of the departments and of those independent establishments which, either directly or indirectly, are concerned with housing.

REPORT OF SEVEN REPRESENTATIVES OF FEDERAL AGENCIES ON HOUSING
REPORT OF 37 REPRESENTATIVES OF FEDERAL AGENCIES ON HOUSING

Hon. FREDERIC A. DELANO,
Vice Chairman National Resources Board;
President American Civic Association;
Chairman General Conference of Federal Housing Officials.

SIR: Your committee appointed to study the activities of all Federal agencies concerned with housing and to devise ways and means of coordinating their activities, submits the following report and recommendations:

At the present time there is in the Government service no one agency attempting to study housing for the benefit of all Federal agencies, and no definite responsibility exists for formulating a unified long-range program of housing for the United States.

The agencies now at work represent great resources of experience, accumulated information, and trained personnel. Some of their resources are entirely unknown and unused by other Federal agencies. All of them recognize the need of coordination.

Your committee has studied the activities, methods, objectives, legal authority, accomplishments, and interrelations of the agencies created to deal with housing in its manifold phases of technical research, economic and social research, planning, construction, credit, finance, taxation, insurance, and maintenance without attempting to evaluate any program, to redefine purposes, or to suggest any alteration in functions or procedure. None of the recommendations contained herein will restrict in any way the legal authority or functioning of any Government agency.

A total of 37 agencies of the Federal Government in Washington have been found to have definite responsibilities in housing. A complete list of all of these Federal agencies classified by activity is given in exhibit A attached.

Twelve are giving their exclusive attention to the construction, reconditioning, modernization, and financing of family dwellings or to the refinancing and encouragement of home ownership. In addition, four are giving a major portion of their attention to some phase of housing. Twelve are making important contributions, although devoting only a part of their time, personnel, and resources to housing activities. Nine have only an incidental interest in housing.

Of those units or divisions having an important interest in housing, 14 are dealing with design, planning, and engineering; 9 with appraisal, evaluation, and purchase; 4 with the initiation of projects; 9 with credit and finance; 13 with materials, labor, and construction; 9 with legislation, zoning, and regulation; 6 with ownership, supervision, and management; 24 with the accumulation and dissemination of information; and 26 with economic and social research or with the analysis of statistical information about building construction, home ownership, and housing finance.

Here is what your committee, as a result of individual interviews and numerous group conferences, has learned:

1. There is a general lack of information among executive officers of Federal agencies interested in housing as to what other agencies in the same field are planning or doing.

2. There is a vast amount of unused general and technical information and experience which has been accumulated at public expense whose translation into more fruitful accomplishment is dependent upon new avenues of release and cooperative action.

3. There is an eager desire among executives of housing agencies to understand the work of kindred agencies and to exchange useful information.

4. There is a noteworthy absence of selfish considerations, ulterior designs, and of organizational or professional jealousies. On the contrary, there exists an open-handed readiness to give and take freely as a means of accomplishing greater results in the interests of public service.

No present procedure exists which is designed to unify the activities of Federal agencies concerned with housing or to correlate and capitalize the results of their labor in research, planning, and administration. Your committee is persuaded that by taking the proper steps much expense can be saved, efficiency can be increased, overlapping and wasteful duplication largely eliminated, serious gaps filled, and unused resources put to work, all without disturbing or restricting the work of any existing department or independent establishment.

The Federal Government in its housing programs is engaged in a creative effort of the first magnitude. If its agencies, with their expanding vision of housing possibilities, prove unequal to their tasks, it will be due in a large part to a serious lack of coordination and cooperation. The need of coordination is recognized, the opportunity is apparent, the spirit of desire is aroused—what is needed now is a clear program, a simple flexible organization, and an intelligent leadership that will ensure a free exchange of the information obtained at public expense and a proper unification of plan and objective. The creation of such a procedure will develop a new conception of public service, open new vistas of opportunity, and present a united front of attack on our common problems.

To attain these objectives your committee unanimously recommends:

1. That a central housing board be appointed by the President to coordinate the activities of all Federal agencies interested in housing; that a continuous study be made of the operating problems, policies, and objectives of each, both in their individual spheres and in their effects upon other housing agencies of the Government, and upon existing housing and general economic conditions; and that such housing board be provided with funds and a secretariat sufficient to carry out a program of coordination and cooperation along the following general lines:

A. Creation by outline and definition of a clear distinction of purpose and division of responsibility among the Government's housing agencies that will preserve independent initiative and resources, but will avoid, on the one hand, overcentralization and, on the other hand, prevent overlapping, duplication, misunderstandings, and confusion.

B. Establishment of representative coordinating committees to continue the free exchange of information concerning departmental activities, experiences, and results, with provision for regular conferences of executives engaged in kindred work as a means of encouraging coordination and active cooperation.

C. Maintenance of a central clearing house for collecting and disseminating information about what is being planned and done by public and private housing agencies in the United States and abroad.

2. That the organization and activities of such agencies as the National Resources Board, Central Statistical Board, United States Information Service, Public Health Service, National Bureau of Standards, and Bureau of Home Economics be enlarged to provide more helpful assistance to agencies of the Federal Government concerned with housing.

3. That every effort be made to enlist and facilitate the cooperation of public, semipublic, and private groups interested in the improvement of housing standards and conditions and to work with them in spreading information about housing needs and the various programs designed to improve housing.

4. That the specific proposals enumerated in exhibit B be given consideration by the Central Housing Board as soon as it is created and ready to function.

Attached to and by reference made a part of this report are the minutes of each meeting of your committee and the minutes and detailed reports of its subcommittees. These contain more complete information on what facilities are available, how they may be put in more profitable use, and in general how the various agencies may be more closely knit so as better to serve the public.

Respectfully presented.

Miles Colean, representing Federal Housing Administration; Thomas Hibben, representing Federal Emergency Relief Administration; Arthur W. Dubois, representing Division of Subsistence Homesteads, Department of the Interior; Horace W. Peaslee, representing Housing Division, Federal Emergency Administration of Public Works; E. B. Schwulst, representing Reconstruction Finance Corporation Mortgage Co.; George N. Thompson, representing National Bureau of Standards, Department of Commerce; Ormond E. Loomis, chairman of the committee, representing Federal Home Loan Bank Board; Ormond E. Loomis, for the committee.

MAY 24, 1935.

The following are agencies mentioned:

Group I. Largest Federal agencies interested in housing: Federal Emergency Administration of Public Works, Housing Division; National Emergency Council; National Resources Board; Works Progress Administration; Resettlement Administration; Reconstruction Finance Corporation; Federal Home Loan Bank Board (1) Federal Home Loan Bank System, (2) Federal Savings and Loan Division, (3) Federal Savings and Loan Insurance Corporation, (4) Home Owners' Loan Corporation; Farm Credit Administration; Federal Housing Administration.

Group II. Other governmental agencies interested in housing: Tennessee Valley Authority, Housing Division; United States Housing Corporation, Department of Labor; Bureau of Home Economics, Department of Agriculture; Bureau of Agricultural Engineering, Department of Agriculture; Construction Division, Veterans' Administration; Construction Division, War Department; Central Statistical Board; Bureau of Foreign and Domestic Commerce, Department of Commerce; Federal Reserve System; Bureau of Agricultural Economics, Department of Agriculture; Comptroller of the Currency, Treasury Department; National Bureau of Standards, Department of Commerce; Federal Deposit Insurance Corporation; Division of Research and Planning, National Industrial Recovery Administration; Bureau of Labor Statistics, Department of Labor; Forest Products Laboratory, Department of Agriculture; Division of Labor Standards, Department of Labor; Forest Products Division, Treasury Department; Procurement Division, Treasury Department; Public Health Division, Treasury Department; Bureau of Yards and Docks, Navy Department; Bureau of Lighthouses, Department of Commerce; Interstate Commerce Commission; Bureau of Internal Revenue, Treasury Department; Bureau of Reclamation, Department of the Interior; National Park Service, Department of the Interior; Office of Indian Affairs, Department of the Interior.

LEAVE OF ABSENCE

Mr. RANSLEY. Mr. Speaker, I ask unanimous consent for leave of absence for my colleague the gentleman from Pennsylvania [Mr. FOCHT], who has been called back to his district.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 1277. An act to amend section 24 of the Judicial Code by conferring on district courts additional jurisdiction of bills of interpleader.

S. 2434. An act for the relief of George W. Hallowell, Jr.

INDEPENDENT OFFICES APPROPRIATION BILL, 1937

Mr. WOODRUM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 9863) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1937, and for other purposes; and pending that motion, I ask unanimous consent that at the conclusion of the remarks of the gentleman from Ohio [Mr. BOLTON], the gentleman from Massachusetts [Mr. WIGGLESWORTH], and the gentleman from Virginia, which shall be confined to the bill, general debate shall be closed and the bill read under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. BOLAND in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill, of which the Clerk will read the title.

The Clerk read the title of the bill.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. BOLTON].

Mr. BOLTON. Mr. Chairman, I have asked for a few minutes to discuss with the Members of the House the bill we have before us. I want to say at the outset that it has not been possible for me to attend all the hearings of the subcommittee preparing this bill. That has been caused because of conflict between two subcommittees of the Appropriations Committee of which I am a member.

We were notified during the holidays that we should draft the appropriation bills as promptly and rapidly as possible. Because of that, being a member of the subcommittee on the independent offices bill and the subcommittee on the War Department bill, I had to divide my time between the two committees.

But I want to say that the work in the independent offices meetings which I have been able to attend has been most interesting. The chairman, with his usual courtesy, has put up with my absence, and in this connection I want to express my admiration for the chairman's knowledge of the various subjects which comprise the independent offices bill, and that my appreciation of it has been greatly magnified. Our chairman has had a very splendid understanding of the many intricate subjects which we have had before us, and with his usual ability has carried on the hearings in a splendid manner. [Applause.]

The independent offices appropriation bill is one of the great supply bills of the Government and covers many of the activities of the Government, primarily those not designated in the regular departments.

Yet I want to call attention to the fact that 20 of the various agencies of the Government, independent offices and commissions and bureaus, which were suggested in the Budget message of the President for transfer to Budget control, are not in the bill. Perhaps their fiscal requirements may be submitted to Congress later, but such activities as the T. V. A. are not carried in this bill under discussion.

Before discussing the bill I want to again compliment the chairman and the secretary for the able manner in which the report accompanying the bill is presented.

From that report you will see that the bill as presented is $125,000,000 greater than the appropriation bill last year, but it is only fair to say in that connection that the actual increase in appropriation is approximately $75,000,000 greater by reason of reappropriations and appropriations made last year for special items.

On the other hand, it is interesting to note that of the increase a large percentage covers appropriations for agencies created by this Congress last session, a total of $48,500,000-odd, covered by specific appropriations—$175,000 for a Central Statistical Board, $735,000 for the National Labor Relations Board, and $47,645,000 for the Railroad Retirement Board, upon all of which I wish to comment briefly a little later.

There are, in addition to these three new activities, appropriations for activities which were created by the preceding Congress. In other words, increased activities of the Federal Communications Commission, increased activities called for under the Federal Power Commission, increased activities of the Interstate Commerce Commission, the National Archives, and the Securities and Exchange Commission, totaling in all, $8,900,000; so that, taking those figures into consideration, together with the figures for those activities of 1936 to cover the original appropriations for these new activities, we find that the actions of Congress in new legislation during the past 2 years have added to our ordinary expenditures of Government about $61,000,000, to which must be added another million dollars for activities for these departments which are to be carried in the deficiency appropriation bill soon to come before us.

In addition to that, there are certain items which I think it well to call to the attention of the Congress, which are not covered in the appropriation bill. I am frank to admit that I was very much surprised to find that in the employees' compensation fund there were items for employees of Civil Works Administration, the old C. W. A., disability compensation items, as well as compensation for those in the C. C. C. camps. When those activities were first started a fund of $25,000,000 was set aside from the emergency fund to compensate men working under relief or in the C. C. C. camps who suffered disabilities while carrying on their work.

It was found that fund was much too large, and $10,000,000 was returned to the general fund, but during the year 1936 there was appropriated from that fund and expended for C. W. A. workers, the sum of $2,081,000 and this year we have authorized additional expenditures of $805,000 for the activity, making in all an expenditure of nearly $3,000,000 for the C. W. A. workers during 1936 and 1937. In the C. C. C. camps in 1936 a fund of $1,056,000 was authorized from this special fund. This year we are authorizing additional expenditures of $915,000. Of course, there is a great difference between the workers of the C. W. A. and W. P. A. and those in the C. C. C. camps. In the C. C. C. camps the enrollees are given a strict medical examination when they enter and another one when they are discharged, with the result that today we find on the C. C. C. records 500 enrollers on the disabled list and subject to compensation, and during the period that the C. C. C. camps have been in operation, 300 fatalities, a record which I think is commendable when we consider the large number of enrollees that have attended those camps.

As to the three new activities for which we are appropriating money this year, let us consider, first, the Central Statistical Board, a Board which has been set up as a more or less general staff of our various statistical agencies in the Government. I wonder how many of you realize that today we have approximately 180 various agencies in our Government gathering, collecting, and publishing statistics. It is because of the confusion that has resulted in this activity that this Central Statistical Board was suggested and authorized by the Chief Executive and has been put into effect, and I think from the testimony that was given our committee, from the activities which these gentlemen are carrying on, that it is one of the best activities of our Government today. I might say that 3 years ago, I believed when we began our economy activities, when the fund was cut down for the collection of statistics, this activity was recommended and, in fact, grants were made

by private agencies, to collect and correlate data that should be and was being published.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. BOLTON. Yes.

Mr. REED of New York. There was a great deal of duplication, was there not?

Mr. BOLTON. The duplication has been tremendous. Further than that, statistics have been given out from time to time by one bureau which conflicted with those given by other bureaus and were misleading—not from the figures given out but from the import they might have.

Mr. REED of New York. Have they eliminated these various commissions that have been collecting data and having it done by this central bureau?

Mr. BOLTON. No. The Central Statistical Board acts in an advisory capacity, but not with actual authority. It is more or less a planning board to suggest the type of statistics to be given out, to collect statistics that are given out, and instead of having new statistics furnished, to be a source of information for other boards or commissions that may desire the same type of statistics.

Mr. REED of New York. I want to get this clear. Does this central Board plan the type of statistics they are to prepare?

Mr. BOLTON. Insofar as possible.

Mr. REED of New York. And eliminate the duplication?

Mr. BOLTON. That is their purpose and intention. I may say in that connection that our attention was called to various Works Relief projects that were suggested along statistical lines, and this general statistical board has been surveying and considering those, recommending some in part and disapproving others.

Mr. BLANTON. Will the gentleman yield?

Mr. BOLTON. I yield.

Mr. BLANTON. I am glad to hear the gentleman from Ohio give his encomium on this Board, and to see that it has his approval and that he speaks of its good work. Was it not our good friend from New York, Mr. TABER, who, in his always able and forceful style, made such an indictment against this Board at the time it was created? I think it was his speech that inveighed against it so forcibly.

Mr. BOLTON. I am not certain of that.

Mr. TABER. Will the gentleman yield?

Mr. BOLTON. I yield.

Mr. TABER. And I have not changed my mind in the least. I am not satisfied that this Board is doing what could be done. It is just another board.

Mr. BLANTON. I would suggest to the two great leaders of the great minority party that they get together on these fundamental matters. [Laughter.]

Mr. BOLTON. I do not think the views of the gentleman from New York [Mr. TABER] and my own views conflict in the slightest. I see in this Statistical Board an organization which will do away with many of the 180 statistical agencies I spoke of, and act as a general statistical organization of the Government.

Mr. RICH. Will the gentleman yield?

Mr. BOLTON. I yield.

Mr. RICH. We fought hard to have that Board established. There is only one trouble with it, and that is that we did not give the Board the power to eliminate a great many of these 180. If we would do that, we would have it all right.

Mr. BLANTON. The power of elimination is for a higher-up authority.

Mr. DONDERO. Will the gentleman yield?

Mr. BOLTON. I yield.

Mr. DONDERO. On page 4 of the report I notice the increase in the Civil Service is $266,000. I supposed that the work of the Civil Service Commission had been somewhat curtailed, because nearly every act we passed contained a provision that appointment might be made under that act without regard to the civil-service laws. Why this increase?

Mr. BOLTON. That is not quite correct. I will touch on that in just a moment, if I may.

To proceed with the next agency which has been created by us, the National Labor Relations Board, I do not think there is any need of going into the details of that activity, because I believe we are all familiar with it. It is a continuation of the old Wagner Labor Board. It is a Board to attempt to settle difficulties that may arise between employer and employee, particularly with reference to collective bargaining. The Board anticipates setting up regional offices throughout the country to the extent of 21 or 22. While the Board is new in its activities, I believe it is impressed with the desirability of keeping its expenditures as low as possible. To be frank, as a court to which labor that is dissatisfied may apply, I think it will serve a useful purpose.

The third great activity, and the largest of our new activities, insofar as appropriations are concerned, is the railroad retirement fund, which, of course, calls for $46,500,000 of the $47,000,000 appropriation to build up a fund for the retirement of railroad employees. Last year, at the same time we passed this bill, we passed a companion bill to cover revenue which will be required for this fund. Of course, that revenue goes into the general revenue fund but, at the same time, its purpose was very apparent.

So much for the three new activities.

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield the gentleman from Ohio 5 additional minutes.

Mr. BOLTON. I want to comment very briefly on the matter the chairman has brought out in the report on the bill, but which I think should be very carefully considered by Congress. I suggest its consideration by the Ways and Means Committee.

I have reference to the activities of the Civil Service Commission and the activities of the Federal Communications Commission. The gentleman from Michigan [Mr. DONDERO] has spoken of the increase in appropriations for the Civil Service Commission. This is caused, in part, because of the increase in the various agencies or bureaus of our Government, many of which are calling for additional civil-service employees. It is true that the employees in the Government who are not under civil service have increased by leaps and bounds during the past 3 years. I think there are approximately 300,000 who are outside of the civil service today. It is true that the Civil Service Commission has many additional demands made upon it for certification of people satisfactory to work in these new agencies. I may say that revenues to offset these examinations which the Civil Service Commission is called upon to make have been suggested by our committee as a proper function of the Civil Service Commission. In Canada and Great Britain fees are charged for taking civil-service examinations. You may say it is wrong to debar any man or woman from taking these examinations, but still I believe a small fee would keep many from taking examinations without doing any difficulty or any damage to the Civil Service list or working any undue hardship. Today we have about 400,000 applicants for examinations that desire to be put on the Civil Service register. If I am not mistaken, the estimate was that by the end of the year the applicants would be over 600,000. It is easy to see the great amount of work that is required. Further than that, I recall an instance which indicates the added expense to which the Civil Service is being put. The Post Office Department called for an examination for railroad clerks, which necessitated a new examination being held at a very great cost to the Civil Service at the time, approximately $175,000. The question was raised in our committee as to whether it would not be proper to make some interdepartmental charge against the department calling for those examinations. The question was further raised as to the propriety of more or less standardizing the registry and the type of examinations that are being given today by the Civil Service Commission and thereby reduce expenses.

The other question had to do with the Federal Communications Commission. You will notice in the report, particularly in the hearings, the activities which that Commission is carrying on, particularly the expense of its great monitoring system, where it has not only monitoring equipment

that is probably the best in the world but through it keeps the channels clear for its licensees. The question has been very properly raised, I believe, as to whether those licensees, those who hold licenses under this service rendered by the Government, should not pay for that privilege. Certainly the radio is in the interest of the public. Certainly it might be termed a great public utility. If that is correct, certainly that utility should pay the same licenses or fees which other public utilities in the country are accustomed to pay, and be subject to similar regulations and taxes. I believe from this a large revenue might be derived, and in these times of lack of revenue, I think, it is a subject which the Ways and Means Committee might well look into.

Mr. MAIN. Mr. Chairman, will the gentleman yield?

Mr. BOLTON. I yield.

Mr. MAIN. In using the term "monitor", does the gentleman intend to imply in any sense a censorship?

Mr. BOLTON. No. The Government has a large monitoring system in the Middle West which can listen in on every wavelength used throughout the country and thus see that time is properly used; in other words, that there is no interference with the wavelength granted to its licensees.

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 2 additional minutes to the gentleman from Ohio.

Mr. BOLTON. A few days ago I saw, and I dare say others saw, a resolution introduced by a great gentleman at the other end of the Capitol, calling for an investigation of our various independent agencies with a view to coordinating their activities and, if necessary, doing away with many of these agencies. It is very true that in the activities of these individual bureaus and commissions there is a considerable amount of overlapping. Let me give you an example with reference to electrical energy. Power companies are examined as to one phase of their activities by the Federal Power Commission. The power companies are examined by the Federal Trade Commisison as to another phase. The power companies are asked to furnish data by the Securities and Exchange Commission. In all this, of course, there is considerable overlapping. There is considerable extra expense to the Government and certainly to the industry. I believe it is highly desirable to go into this subject thoroughly to see if many of these activities cannot be combined to prevent this duplication. I hope the resolution may receive the attention it deserves, and I trust something may come of it.

In conclusion, and on this subject, may I refer you to a very interesting letter in the testimony from the Central Statistical Board with reference to the many questions asked of industry by the various departments of Government, both National, State, and local? I think a reading of this letter will give you an idea of what industry today must put up with from governmental agencies in order that the Government may gain information, some of which may be necessary, but much of which is nothing more or less than duplication. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. WOODRUM. Mr. Chairman, I yield myself 40 minutes.

Mr. Chairman, at the outset I should like to ask permission to revise and extend my remarks and to include such charts and statements as I may use in the presentation of the bill.

The CHAIRMAN. Without objection, it is so ordered.

Mr. WOODRUM. Mr. Chairman, I want to reciprocate the pleasantries of the gentleman from Ohio [Mr. BOLTON], my colleague on the committee, and say to the gentleman and also to my colleague the gentleman from Massachusetts [Mr. WIGGLESWORTH], the two minority members on the subcommittee, that I believe the Congress and the country owe them a debt of gratitude for their splendid and careful consideration of this important measure and their duties on this committee.

This is one place we meet, gentlemen, in this committee, where there is no politics. Undoubtedly we have found varieties of subjects on which we have had differences of opinion. We have, oftentimes, a difference of opinion about these appropriation bills, but there is no partisanship in it; and I am not going to make a political speech today. I should like some time before long, perhaps, to make a few remarks on the state of the Union at which time I hope to make my political adversaries as uncomfortable as possible, if it is possible to make them any more uncomfortable than they are now; but I shall not do so today. [Applause.]

I want today seriously to engage your attention in the consideration of one of the largest appropriation bills that comes before Congress. I want to ask the young gentlemen to help me shift the scenery here to present this long chart and hold it up for a few moments. This chart, Mr. Chairman, shows the major items in this bill graphically, and I want to comment on it as I proceed, feeling that when I set the figures before you, you will be better enabled, perhaps, to follow my presentation.

In the first place I want to clear the atmosphere somewhat. I want to give you a little accurate information about some figures. My good friend the gentleman from New York [Mr. TABER], the ranking minority member on the Appropriations Committee, I am sure with good intentions, made an inaccurate presentation of the budgetary estimates and appropriations, and especially in connection with this bill which, of course, comes nearer to our hearts. In his presentation yesterday he had the amount carried in the independent offices appropriation bill for 1937 as $375,000,000 more than it was in 1936.

Mr. TABER. Mr. Chairman, will the gentleman yield at that point?

Mr. WOODRUM. With pleasure; yes.

Mr. TABER. I did not say that, if the gentleman will pardon me. I said that the Budget estimates that were sent here showed that. If the gentleman will examine the Budget estimates he will find that my statement was exactly correct.

Mr. WOODRUM. I have examined the gentleman's remarks, and I have also examined the Budget; and I have found that his statement is not correct, with deference to my friend.

Mr. TABER. If the gentleman will pardon me, I will have the Budget estimates here in a few moments for the gentleman's information.

Mr. WOODRUM. I have just spent some time on them, I may say to the gentleman from New York, and I am entirely content to make my presentation and let it stand against my friend's presentation which he put in the RECORD day before yesterday.

To be accurate, I will quote what the gentleman said. In the CONGRESSIONAL RECORD of January 14, page 400, the gentleman made the following statement:

> The independent offices appropriation bill, which is now under consideration by the House, shows total estimates of $1,221,598,000 for regular activities, as against $846,033,000 appropriations in 1936, an increase of $375,565,000.

The impression which that statement conveys to the House and to the country is that this bill now before the House is based upon estimates which show an increase over the 1936 appropriations of more than $375,000,000, which is decidedly not the fact.

The gentleman has included in this total of estimates the items considered in this bill with estimates totaling $927,345,766. He has also included in this total items for several independent offices or establishments, which are not in this bill at all and were not considered in connection with it. Among these is the Emergency Conservation Work item of $246,000,000, which is not in this bill but which was submitted in the independent offices chapter of the Budget for 1937. It will be considered in connection with the deficiency bill. He has also included permanent appropriations (exclusive of trust funds), which are not included in any annual appropriation bill. He has also included the Farm Credit Administration with budget estimates of $4,000,000, which is customarily carried in the agricultural appropriation bill and is so submitted in this year's Budget. He has included the Tennessee Valley Authority, for which $43,000,000 is submitted under the general Public Works chapter of the Budget and which, as the gentleman well knows, has never been carried in the independent offices bill. All of these figures of estimates reach the total of Budget estimates which the gentleman

stated of $1,221,000,000, but to leave the impression that such is the total of the independent offices bill is not correct. The total of the estimates for items considered in that bill is $927,000,000 and not $1,221,000,000. So much for that.

The gentleman makes a comparison of all these Budget estimates I have mentioned with the 1936 appropriations and says there is an increase of $375,000,000. He has taken as his total of 1936 appropriations a stated amount of $846,033,000. He has taken that total from a supplementary statement in the 1937 Budget on page A–30. He ignored the whole total of 1936 appropriations stated on that page, namely, $4,846,033,109, by confining his statement to "regular activities."

There is a very sound reason why he should have analyzed the whole total. It consists of $846,033,109 for general purposes and $4,000,000,000 for emergency relief. It is true that this latter item is not a regular activity. But out of it for the present fiscal year there is an estimated expenditure for Emergency Conservation Work of $495,164,000, which the gentleman has evidently not considered. When Emergency Conservation Work is changed, as it has been, from an emergency activity financed from emergency funds in 1936, to a regular activity with a Budget estimate of its own of $246,000,000 for 1937, he should have given credit in the 1936 appropriations for its expenditures from the $4,000,000,000 in order to make a fair and just comparison. Taking these 1936 estimated expenditures into account with the 1936 appropriations, there is a reduction under Emergency Conservation Work of approximately $249,000,000 instead of an increase of $246,000,000, as the gentleman persisted in stating.

In order that the estimates and appropriations for the independent offices chapter of the Budget, and the independent offices for which estimates are submitted but included in other chapters of the Budget, may be set forth clearly to show the distinction between them and this bill, I shall insert a table showing the totals divided among those activities. From this table it will appear clearly that instead of an increase of $375,000,000 which the gentleman says is occurring, there is an actual decrease. The total Budget estimates for 1937 for all independent offices, including those in this bill and elsewhere, accepting the gentleman's figure, amount to $1,221,598,341. The total for 1936 appropriations, including estimated expenditures for emergency conservation work of $495,164,000, is $1,341,197,109. These figures show a decrease of estimates of $119,598,768 for 1937 under 1936 appropriations, instead of an increase of $375,000,000, as he claims. His statement of an increase of $375,000,000 when actually and fairly there is a decrease of $120,000,000 is only a matter of approximately $500,000,000 wrong.

Comparison of 1936 appropriations and 1937 Budget estimates for independent offices

	1936 appropriations	1937 Budget estimates	Increase (+) or decrease (−)
Activities in the independent offices chapter of the Budget:			
Those carried in the independent offices bill now pending (including $4,000,000 for Veterans' hospitals under "General public works")	$805,234,158	$927,345,766	+$122,111,608
Emergency Conservation Work (to be carried in deficiency bill)	[1] 495,164,000	246,000,000	−249,164,000
Total, independent offices chapter of the Budget, less trust funds	1,300,398,158	1,173,345,766	−127,052,392
Activities for independent offices carried in other chapters of the Budget:			
Farm Credit Administration (agricultural appropriation bill)	4,000,000	4,000,000	
Tennessee Valley Authority and District of Columbia Alley Dwelling Authority (to be carried in deficiency bill)	36,000,000	43,300,000	+7,300,000
Total, independent offices in other chapters of the Budget, less trust funds	40,000,000	47,300,000	+7,300,000
Permanent appropriations, exclusive of trust funds, under above activities	798,951	952,575	+153,624
Grand total	1,341,197,109	1,221,598,341	−119,598,768

[1] Estimated expenditures in 1936 from $4,000,000,000 appropriated for 1936 for emergency relief.

There is the record, and you gentlemen may verify and pass upon it.

Let us look at the appropriation bill, because, after all, that is what we are concerned with. This chart which I have before me shows at the bottom that the gross total for 1937 is $929,362,766 as against $805,234,158 for 1936. I propose to show and demonstrate to you that for comparable items, and we are considering now whether the costs of these bureaus for the same things that they have been doing is growing or expanding like a mushroom, as has so frequently been charged, there is a reduction of $21,000,000.

Mr. DITTER. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Pennsylvania.

Mr. DITTER. Will the gentleman clarify what he means by the word "comparable"?

Mr. WOODRUM. For the same activities.

Mr. DITTER. Does the gentleman mean that the activities materially increased and that a larger work is being done which justifies these increases?

Mr. WOODRUM. There are increases in any number of the departments. Those increases are brought about because this Congress, every session, passes new laws and places them upon the statute books increasing the duties and activities of the Government departments, then they come back here next year and complain about the growth of bureaucracy.

Mr. DITTER. Then we can agree that so far as the increased cost of operations is concerned it is caused by the increased personnel of the present administration and the increased cost is due to the present administration?

Mr. WOODRUM. No; we cannot agree to anything of the kind, I may say to the gentleman. We can agree that the increase in these bureaus is due to increased duties, which this Congress has placed upon these various bureaus. Many of those additional duties were voted upon by the gentleman and his colleagues on that side of the aisle, as well as the Members on this side of the aisle.

Mr. DITTER. But that program of increase was under the administration presently in power?

Mr. WOODRUM. Yes; of course, it is under the present Democratic administration, just as other programs in the past were under other administrations.

Mr. DITTER. And these increased costs and appropriations are directly chargeable to the present administration?

Mr. WOODRUM. The gentleman can put that construction on it if he desires.

Mr. DITTER. It is a fair construction?

Mr. WOODRUM. I do not want to engage in a political debate with the gentleman just now. At some other time I will take great delight in crossing swords with the gentleman, or anyone else on that side of the aisle on that question. [Applause.] Of course, there has been increase in the cost of government. May I say this and pass from the matter. There has been an increase in the cost of government. If anyone was ever insane enough to think that this country could be lifted out of the abyss into which it had been driven without somebody paying something for it, then that person would indeed be a fit subject for the insane asylum and should not have been elected to Congress. [Applause.]

I want to get back to the appropriation bill and talk about it. We have here $805,234,158 carried in the independent offices bill for 1936. This does not represent, however, all of the appropriations for those items for 1936, because there are deficiencies amounting to $32,192,100 which will presently be brought before you for consideration. The major item in those deficiencies is an item of $28,000,000 which is carried for 1936 for the payment of reinstated Spanish-American War pensions. We have added to the $805,000,000 in the bill this year these pending deficiencies amounting to $32,192,100, which raises the total for 1936 to $837,426,258.

Now, there were some items in the bill last year which ought to come out of the calculation, because they are nonrecurring items of appropriation:

Federal Home Loan Bank Board	$264,043
George Washington Bicentennial Commission	103,600
Thomas Jefferson Memorial	15,000

United States-Texas Centennial	$3,000,000
Protection of interests of the United States in matters affecting oil lands in former naval reserves	36,000
	3,418,643

This makes a total of $3,418,643 of nonrecurring items which we should deduct from this gross total in order to find the actual appropriations for these activities for 1936.

Mr. MAIN. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. MAIN. Why is the Federal Home Loan Bank Board omitted?

Mr. WOODRUM. The Federal Home Loan Bank Board finances itself through assessments of member banks which are available to the Board by reason of a permanent appropriation.

This leaves us a net total for 1936 appropriations of $834,007,615. Now let us come to 1937. We have in this bill $929,367,766 of gross appropriations. The actual amount of the bill is not that much, because we have reduced the actual appropriation by reappropriating unexpended balances; but this is a bookkeeping transaction and this committee does not undertake to come before Congress or the country and claim that this $49,618,861 which is reappropriated is a saving. We think it is the correct way to appropriate, but we do not claim that there is any actual saving.

Now, in the $929,000,000 that we have this year, we have new activities that Congress has established. Let us look at them for a moment:

Central Statistical Board, $104,000.
National Labor Relations Board, $435,000—

This is the Board established under the Wagner bill.

Railroad Retirement Board, $47,045,000.

We have these new activities added to our bill which were not there before, and it is not fair to say that our bill has increased or that the cost of Government for comparable activities has increased unless you make allowance for these activities.

Mr. TABER. But the item for independent offices has increased.

Mr. WOODRUM. Oh, yes.

Mr. TABER. And if the gentleman would turn to pages 30a and 31a of the Budget, he would see that the Budget estimates for 1937 are $1,221,000,000, while the appropriations stated in the Budget are $846,000,000, a difference of $375,000,000, exactly as I have stated it.

Mr. WOODRUM. The gentleman did not take all of the essential factors into consideration in making his comparisons.

Mr. TABER. My figures are certainly correct.

Mr. WOODRUM. I shall put my remarks and my position in the RECORD and the gentleman can look at it and see if it is right or wrong.

Now, to proceed. In addition to these new activities in the bill, we have new duties given to some of the established organizations by laws which we have passed.

For instance, we put air mail under the Interstate Commerce Commission, motor-transport regulations, and we gave new duties to the Federal Power Commission and the Securities and Exchange Commission when we passed the utility holding company bill. We increased Spanish War pensions, which necessitates another $6,000,000. This bill also has $60,000,000 more than last year to go into the retirement fund for the payment of adjusted-service certificates.

This makes a total of $116,516,098 of new activities in this bill because of the enactment of new laws which were not provided for in the 1936 bill. Subtracting the latter figure from the gross total recommended in the bill leaves $812,846,668, and this amount deducted from the $834,007,615, leaves a net decrease for comparable activities of $21,160,947; and I will put this statement in the RECORD, and you gentlemen can examine it more carefully at your leisure.

1936 appropriation (total)	$805,234,158
Add pending deficiencies:	
A. Supplementing old activities—	
Civil Service Commission	548,700
Federal Trade Commission	172,800
Federal Power Commission	660,000
Securities and Exchange Commission	765,000
B. New activities occasioned by new legislation—	
Central Statistical Board	70,600
National Labor Relations Board	300,000
Railroad Retirement Board	600,000
Motor-transport regulation	1,075,000
C. Pensions (increase on account of Spanish-American War legislation)	28,000,000
Total deficiencies, 1936	32,192,100
Total appropriations, 1936	837,426,258
Deduct nonrecurring items:	
Federal Home Loan Bank Board	264,043
George Washington Bicentennial Commission	103,600
Thomas Jefferson Memorial	15,000
United States-Texas Centennial	3,000,000
Protection of interests of the United States in matters affecting oil lands in former naval reserves	36,000
Total, nonrecurring items	3,418,643
Net total, 1936 appropriations	834,007,615
Recommended for 1937 (including all reappropriations)	929,362,766
Deduct the following:	
Increases in new establishments over the amount of pending deficiences for same:	
Central Statistical Board	104,820
National Labor Relations Board	435,000
Railroad Retirement Board	47,045,000
Increases in old establishments occasioned by new legislation:	
Interstate Commerce Commission:	
Air mail	160,000
Motor-transport regulation	625,000
Federal Power Commission	752,400
Securities and Exchange Commission	1,215,506
Pensions (further increase in 1937 on account of Spanish-American War legislation)	6,178,372
Increase of adjusted-service certificate fund	60,000,000
Total deductions	116,516,098
Net, 1937	812,846,668
Decrease, 1937, under 1936	21,160,947

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. RICH. I am very much interested in the gentleman's statement and in his portrayal of Government expenditures. The gentleman made the statement that estimates are one thing and what Congress appropriates is another. I wish to state that what Congress appropriates is one thing and where you are going to get the money is another. I am sincere about this, and I should like to ask the gentleman this question: In his judgment, for which I have great respect, if Members of Congress, at the time they were providing for these activities, had to provide for raising the money, would not this cause us to stop a lot of unnecessary appropriations?

Mr. WOODRUM. Undoubtedly.

Mr. RICH. And would it not make the Members of Congress think more about authorizing appropriations?

Mr. WOODRUM. The gentleman is undoubtedly correct about that.

Mr. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. BOLTON. In other words, does not $60,000,000 of increase in our appropriation bill for new activities indicate that when we pass this legislation in the first instance we do not realize the cost that is going to result from such activities?

Mr. WOODRUM. Exactly so; and I may say to my friend, and to you gentlemen here, many of you just in the last few days—some did and some did not—decided to pass a bill and saddle $2,000,000,000 on the Government and did not think very much about it or put in the bill anything about where

the money was going to come from. You cannot lay that at my door, but at the door of a great many on both sides of the aisle.

Mr. MOTT. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. MOTT. Although it is true that many independent offices have been given more work by reason of new legislation, is it not a fact that several independent bureaus will be relieved of that additional work through the invalidation of laws by the Supreme Court, like the A. A. A., which will be relieved of a considerable amount of work, estimated at $95,000—extra work put on?

Mr. WOODRUM. The Tariff Commission claims that they will have additional work which had been diverted to the A. A. A.; that having been invalidated, it will go back to them; and they have put on new additional duties.

Mr. MOTT. I notice that they have called for $95,000 by reason of the work that was done by the A. A. A. As a general rule, new work imposed on these bureaus by reason of new legislation will be taken away from the bureau when and if the legislation is invalidated.

Mr. WOODRUM. If something else is not put in place of it.

Mr. MOTT. If the public utility holding bill should be held unconstitutional, the amount now appropriated for the Securities Exchange Commission would not be necessary.

Mr. WOODRUM. If something else was not put in place of it, but as it is now we have to appropriate for it.

Mr. SNELL. Will the gentleman yield?

Mr. WOODRUM. Certainly.

Mr. SNELL. The gentleman speaks about the amount carried in the deficiency bill in addition to regular appropriations. If the gentleman knows, I wish he would state the amount that will be carried in those deficiency bills.

Mr. WOODRUM. No one can estimate that. There will be a number of deficiencies for bureaus due to new activities.

Mr. GIFFORD. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. GIFFORD. The gentleman has not commented upon the reduction of Foreign Service pay, which you have reduced.

Mr. WOODRUM. We have provided the full amount of the estimate by reappropriating some unexpended balances of former years. The State Department says that it needs the money that we appropriated. There was a balance of something like $2,000,000 left out of the 1935 and 1936 appropriation, which is reappropriated.

Mr. GIFFORD. Then our dollar has not quite reached the respectable position that we hoped it would.

Mr. WOODRUM. Oh, we all respect the dollar, no matter what position it is in.

Mr. GIFFORD. It seems quite necessary to make good our dollar still. The gentleman says that means $3,800,000 for Foreign Service alone. It does not seem that our dollar has approached a respectable position.

Mr. WOODRUM. The gentleman is getting on the state of the Union and I do not want to discuss that at this time.

Mr. GIFFORD. Somebody has to do it.

Mr. WOODRUM. I shall do it some time, but I want to talk about this appropriation bill now.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield.

Mr. WOODRUM. Yes.

Mr. CHRISTIANSON. I understood the gentleman to say that when certain functions were invalidated the departments would find other activities that demanded the use of the money so paid. Would it not be possible for Congress to prevent the departments from expanding their activities because there happened to be money released which they could spend otherwise?

Mr. WOODRUM. Certainly, Congress can do anything it pleases, but it does not usually do that.

Mr. CHRISTIANSON. Does not the gentleman think it would be a good thing for this Congress to do?

Mr. WOODRUM. Certainly, it would.

Mr. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. BOLTON. In connection with the gentleman's remarks on the deficiency, do I understand that under the general law the independent offices have the right to incur indebtedness in amounts not appropriated?

Mr. WOODRUM. No.

Mr. BOLTON. In the Army and the Navy they have that right for certain purposes.

Mr. WOODRUM. They do not have that right, but in many of these agencies the Congress appropriated sums, some of which were carried in the deficiency appropriation bill which failed of passage, and, after a consultation with the Budget, the executive branch of the Government, and the General Accounting Office, these agencies were given permission to proceed, with the understanding that Congress would provide the necessary funds.

Mr. BOLTON. Even before the amount was appropriated?

Mr. WOODRUM. Yes.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. GIFFORD. I have carefully read the entire hearings I think on the Securities and Exchange Commission. One thing I wanted to find out is this: There have been $5,000,000,000 or thereabouts of new registrations. I wondered why somebody did not ask the question, or if they did, how much of the $5,000,000,000 registration before that Commission was for new activities, rather than for refinancing. I ask that question because I have said so many times before that the Securities and Exchange Commission might be a great deterrent to new business, and yesterday on the floor of the House I said that because of the personnel of this Commission I thought that we had gotten along pretty well, but I should like to have that question answered. How much of that $5,000,000,000 was for new business and construction?

Mr. WOODRUM. The gentleman's question, of course, is an interesting question and would be pertinent if the Committee on Appropriations had been inquiring about whether or not it is proper to have a Securities and Exchange Commission vested with those powers, but we were not making that inquiry and we could not go into the wide diversified field of inquiry and speculation as to the effect of that. Congress has passed a law and this Commission has duties to perform. Our inquiry was how much money it was necessary to appropriate to have that duty performed?

Mr. GIFFORD. Is it not a very pertinent question, when a new commission is organized, which so many said might be and probably would be a deterrent, to ask that commission whether it had been a deterrent to business?

Mr. WOODRUM. I am sure a telephone call from the gentleman to the Commission would bring that information from the Commission if he wanted it. The Committee on Appropriations certainly has to limit its inquiry into such things. We were not particularly concerned. We did ask a great many questions about the work of the Commission, if the gentleman had taken the trouble to read them.

Mr. GIFFORD. Oh, I read it all, but I thought that was a pertinent question in view of the worry of the entire Nation on the set-up of that Commission.

Mr. WOODRUM. The gentleman can make his inquiry to that Commission, and I am sure he would get the answer.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. DONDERO. Under the foreign-pay adjustment, I notice the amount recommended is $1,800,000. Was that recommended in the Budget of the President?

Mr. WOODRUM. The amount recommended in the Budget was $3,848,611. We appropriated this amount and appropriated the difference by reappropriations.

Mr. Chairman, the chart which I have in front of me now shows the major activities in the independent offices appropriation bill. Some of the items are increased and a number of them show practically the same appropriation. In addi-

tion to these major activities there were some dozen or half dozen lesser activities which I have in another chart but which could not be added to this one before us, and I shall insert that in the RECORD.

It includes the Battle Monuments Commission, the Board of Tax Appeals, the Federal Power Commission, The National Archives, the Capitol Park and Planning Commission, the Mediation Board, the Smithsonian Institution, and the Tariff Commission, and so forth. I desire now to comment on one or two of these activities. First, the civil service. The gentleman from Ohio [Mr. BOLTON] called attention to the large increase in the appropriations for the Civil Service Commission for 1936. Of course, if gentlemen will read the report, they will find it is because of the great many examinations they have had to hold. If the administration had undertaken to fill all of these temporary appointments in these emergency organizations from the civil service, then there would have been a great many more figures on this chart than you see now. It would have been impossible, and I do not think desirable. I do think this is true. I believe it is practically the unanimous opinion of our subcommittee that a fertile field for the activities of the legislative committee on the matter of the civil service is the Civil Service Commission.

I believe in the merit system. I wish that every position in the Government could be filled through the civil service, and that it would be a violation of law for a Member of Congress to recommend anybody for a position. I would be willing to have that. [Applause.] Politically, I do not think it helps anybody to get jobs for people. When people are in distress we like to help them when we can. We like to help them get jobs, and we like to help our friends, but as far as the merit system is concerned, I believe in it. I think we have a splendid Commission, individually and collectively. They are able, industrious, and sincere. But I think they are bound up and tied up by archaic, illogical rules and regulations under which they operate.

Let us just look for a moment at the situation. Because of the 40-hour law that was passed, there were 2,000 positions to be filled in the Railway Mail Service. They called a Nation-wide examination, and there were 200,000 applications which they received and had to look over carefully. Thousands of them were thrown out because the people did not have a shadow of qualification for that particular service.

Mr. DONDERO. How many jobs were there to be filled?

Mr. WOODRUM. Two thousand jobs. There were 200,000 applications in 8 days. They cut the time for filing down to 8 days, and there were 200,000 applications filed before the Board. That, of itself, of course, shows that there ought to be some way in which the citizens of the country generally might be given an opportunity for these positions, and yet not such a terrific expense placed upon the Government.

The same is true of the stenographic and typing examination which they had a few years ago, and when some 50,000 or more took the examination, and before the registry could be established, much of it was out of date. There ought to be some way to standardize these examinations. That is, have at least one standard examination and then perhaps reexamine on other special qualifications.

Another thing that has been called to my attention—and I expect every Member has had his attention directed to it—is the much-discussed mental tests which the Civil Service Commission is using under their rules and regulations for qualification of applicants. If I understand what "civil service" means, it means that the idea is to try to select people especially qualified for particular duties. I will give you a leaf out of my personal experience, probably matched by many of your own. In my home town we opened a Veterans' Administration facility. In the opening of that home it was necessary to have three or four switchboard operators—"P. B. X. operators", as they are called. They had no registry at the Civil Service Commission for that position, and an examination was called. It was what they call a localized examination; that is, for the particular area which might be adjacent to that facility. Several hundred people took the examination. Of course, pending the establishment of that register they had to have someone to operate the switchboard, so they appointed a young lady who had had 5 years' experience with the Chesapeake & Potomac Telephone Co. She went out when they put in the dial system. She was a high-school graduate, a very lovely and attractive girl personally. She was an unusually intelligent girl. They appointed her temporarily. She went in there and helped to establish and set up the switchboard. They appointed to help her the wife of a disabled veteran who has a service-connected disability; a woman who was a graduate of a business college and had had some 7 or 8 years' experience in operating switchboards in offices and manufacturing and industrial plants.

They held this civil-service examination, and neither of those ladies could make a passing grade. One failed on the mental test; the other on experience. Why not? Why could they not make it? Have any of you ever seen this mental test that they have? It consists of a lot of funny catch questions that have absolutely nothing on the face of the earth to do with the qualifications of a person for the particular job. Here was a young lady with 5 years' experience with the Chesapeake & Potomac Telephone Co., a portion of that time in charge of the night long-distance board in a city of 75,000 people, a high-school graduate, who had one of the finest letters of endorsement from a manager that I ever saw, and they say she is not qualified to run a switchboard which she has operated, which she helped establish and set up, and which she had been operating for 6 months. There were a few catch questions that she could not answer.

Let me say, in justice to the friends down at the Civil Service Commission, they undertook very feebly and unimpressively to defend that mental test. They only gave 40 percent credit for experience and 60 percent for this mental qualification.

Mr. TABER. Will the gentleman yield for a question?

Mr. WOODRUM. I yield.

Mr. TABER. I should think the gentleman would have sufficient influence with the Civil Service Commission to have them revise their mental examinations.

Mr. WOODRUM. The gentleman so far has not had that much influence, I may say, although I do want to say they are tied up with a system of rules and regulations, and the legislative committee should take charge of this. I hope they will do it. I hope what has been said will precipitate that.

In addition to that, there should be a fee charged. There is no reason why there should not be a reasonable fee charged for a civil-service examination. That will have the effect of greatly limiting the number of applicants. It will stop people from indiscriminately going into a post office and getting an application blank and sending it in here for some position for which they have no earthly chance to qualify.

Mr. MAY. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. MAY. As I understand this very important bill, the total appropriation for the 2 years is $1,729,161,281. That is a vast sum of money. I want to ask the gentleman from Virginia if the committee, in making up its estimates for the various departments, is not confined almost exclusively to testimony coming directly from the particular department concerned, and whether or not he has observed any disposition on the part of the heads of those departments to try to cut down rather than enlarge?

Mr. WOODRUM. The gentleman's question, of course, is very interesting. Maybe some of you will recall that when I presented this bill a year ago or 2 years ago I made the observation that the Appropriations Committee of Congress is in the attitude of a jury trying a case with no lawyers except the lawyers for the plaintiff and no witness except witnesses for the plaintiff, and that if it is to make any defense to the case it has got to dig it out itself. This may not be literally true, because my observation has been that most of the Government departments are operated by men

of integrity, patriotism, and usually men of high standing; but it is just human, it is just naturally human, that a bureau or a department wants to protect itself and its personnel to secure as much additional power, personnel, and appropriations as it can. I said then, and I say now, that if the Appropriations Committee of this House had its own staff of highly trained experts who could go into these departments in the interim between sessions of Congress and carefully audit and carefully examine, item by item and activity by activity, these various requests for large appropriations, that we could greatly and vastly reduce the amounts of appropriations as well as cut out, oftentimes, overlapping and duplication.

Mr. MAY. Mr. Chairman, will the gentleman yield further?

Mr. WOODRUM. Just briefly.

Mr. MAY. I have been thinking of introducing a bill to provide a joint committee of Congress, three Members to be chosen from this body and two from the other body, three from this body because the House is the appropriating body, to do just this. If the gentleman thinks it is advisable, I wish he and his committee would consider such legislation.

Mr. WOODRUM. I do not think that would be advisable, because a Member of Congress has not the time or the disposition to do it, and he ought not to be charged with the duty of doing it. But I may say to the gentleman from Kentucky that in the Appropriations Committee of the House we have one of the most efficient set-ups in the way of clerical assistance I have ever seen in the Government service, headed by Marcellus Shield, this young man who sits here assisting me, and these other young gentlemen who handle these bills. They work day and night on them. They have a great deal to do; they do not have the time, and we could not put on them the duty of going out into the field as our representatives to sit by our side and give us some evidence for the defense when a department comes in.

Mr. MAY. Something like that ought to be done.

Mr. WOODRUM. It would not be an expensive set-up, and it would more than pay for its maintenance.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield myself 10 additional minutes.

Mr. DARDEN. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. DARDEN. I agree with the gentleman in what he says about the Civil Service Commission. I had an experience quite similar to his within the last 3 months.

I want, however, to direct his attention to another phase of the bill. Prior to the Economy Act there were hospital facilities for the veterans to the extent of 502 beds in the Portsmouth naval hospital at Portsmouth, Va. The pending bill carries $1,939,062 to cover transfers to other governmental departments. Since the Economy Act we have not been able to get any space in the naval hospital at Portsmouth, and we have been able to secure only 103 beds at the public-health hospital in Norfolk. Would it be possible to utilize any of these funds for the purpose of making again available 502 beds at the naval hospital in Portsmouth, or a reasonable number of beds if 502 cannot be provided for?

Mr. WOODRUM. My colleague called this matter to my attention this morning. I requested information from the Veterans' Administration and learned the following: Prior to the Economy Act a great many beds were used in naval hospitals other than Veterans' Administration facilities. The policy since the Economy Act has been to put the veterans in Administration facility homes and hospitals wherever it could be done. This has greatly reduced the number of veterans who were using outside facilities, because we have been able to get additional facilities and to enlarge and expand existing facilities.

With reference to my colleague's particular problem I will call his attention to the fact that there has already been approved, and there is now being proceeded with as fast as possible, the expenditure of $750,000 for the erection of a new 500-bed general hospital, which the Veterans' Administration feels will be sufficient to take care of needs in that vicinity. In the meantime the Veterans' Administration told me they will be very glad to cooperate with the gentleman and the people in that district in taking care of needy cases.

Mr. DARDEN. It is the meantime with which I am particularly concerned.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. COCHRAN. Did I understand the gentleman to say he felt that a reasonable charge should be made to anyone desiring to take a civil-service examination?

Mr. WOODRUM. The gentleman correctly understood me; yes.

Mr. COCHRAN. I do not agree with the gentleman's view. I have a very important question. Does not the gentleman think it would be more important to place some kind of limitation upon this appropriation for the Civil Service Commission that would prevent them from using any of this money to hold examinations where they place an age limit so low that a man or woman of 35, 40, 45, or 50 years of age is denied the right, as he is in many instances, of taking the examination? I feel if the Government sets a low age limit it will be followed as a standard by corporations. It is a very serious thing to say that a man or woman of 35, 40, 45, or 50 years is no longer able to hold a position or should be denied the right to take a Government examination.

Mr. WOODRUM. The gentleman raises a very interesting sociological question. I agree with the gentleman that a man reaching the age of 45, 50, or 55 is just beginning to blossom into the bloom of life.

Mr. COCHRAN. Look at the gentleman himself.

Mr. WOODRUM. Yes; and look at the gentleman from Missouri.

Mr. COCHRAN. I am not quite as good as I used to be. A year ago I was pretty good, but I am not quite as good as I was then; but I am coming back fast.

Mr. WOODRUM. The gentleman looks very good, and we are very happy to see him in such excellent condition. I may say he is a most useful Member of Congress. All of us look forward to many more years of association with the gentleman.

Mr. COCHRAN. I thank the gentleman. While I am on my feet let me say that I fully agree with what the gentleman says with reference to the Committee on Appropriations getting some information to offset the information which the department head gives. The gentleman handles the appropriation for the General Accounting Office for the Comptroller General. That is an agency of the Congress, not an agency of the executive branch of the Government, although the President does appoint the Comptroller General. Does not the gentleman from Virginia believe that we could arrange with the General Accounting Office to have a force of men do the very work he has suggested being done? Mr. McCarl has never denied one request that my committee has ever made of him with reference to getting information for the committee along the lines that the gentleman from Virginia has suggested.

Mr. WOODRUM. I think that would be helpful, but I believe the personnel ought to be answerable only to the Appropriations Committee of the House. Those people should be the confidential informants of the Appropriations Committee. That is what I have in mind. There should not be an agency mixed up in it. The personnel ought to be the agents of the Appropriations Committee of the House only.

Mr. COCHRAN. If the information is made confidential it will not get to the public, and the only way to get things working properly is to let the public know what is going on.

Mr. WOODRUM. But let the Appropriations Committee throw light on it. Let them get the information and then throw the light on it.

Mrs. ROGERS of Massachusetts. Will the gentleman yield to the gentlewoman from Massachusetts.

Mr. WOODRUM. I yield.

Mrs. ROGERS of Massachusetts. Is there any provision for 60 beds for the Chelsea Naval Hospital? The ex-service men in Massachusetts are very much in need of the surgical care which that hospital provides.

Mr. WOODRUM. I may say to the gentlewoman from Massachusetts that it is impossible for me to keep in mind all the individual cases; however, I have a chart I shall be glad to show the gentlewoman, which shows the existing beds, the vacancies, and so forth. She might be interested in looking at this chart, and perhaps this will give the information desired.

Mrs. ROGERS of Massachusetts. Would the gentleman agree to an amendment to take care of that situation if it is not already taken care of?

Mr. WOODRUM. I should be glad to discuss the matter with the gentlewoman.

Mr. LAMBERTSON. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Kansas.

Mr. LAMBERTSON. I am a member of the Appropriations Committee and should like to make a statement. With reference to this responsibility of the Appropriations Committee, I emphasized last year the very matter to which the gentleman refers. It is my belief that it is an error that these high-class men connected with the Appropriations Committee are not permitted in vacation, when they do have time, to visit the various departments and bureaus and have the power of inspection and visitation. Further, they ought to have the power to sit in on the hearings of the Budget. I think those are two constructive suggestions.

Mr. WOODRUM. I thank the gentleman.

Mr. WHITE. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Idaho.

Mr. WHITE. With reference to the item of $5,363,476 for Foreign Service pay adjustment, does this result in increasing the pay of those in the Foreign Service?

Mr. WOODRUM. Not at all. Congress passed a law authorizing the reimbursement of our representatives in foreign countries where, because of an appreciation of the currency, their salaries have been reduced. They have to take the money that we send them and convert it into foreign exchange. In many instances, because of a disparity in exchange, their salaries were cut almost in half, and this brings them up to the equivalent of what we paid them before devaluation.

Mr. WHITE. Does it take into account the change in the monetary units of the different countries and the decrease in the value of the foreign monetary units?

Mr. WOODRUM. Certainly.

Mr. WHITE. This does not operate to increase their pay at all?

Mr. WOODRUM. This does not operate to increase anyone's pay.

Mr. CURLEY. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from New York.

Mr. CURLEY. I have listened very attentively to the gentleman's explanation of this matter. I was very much surprised to learn that the Appropriations Committee has not this personnel which the gentleman says is needed to provide the information necessary for an intelligent conclusion as to the amount required to defray the expenses of the various departments in our great Government. I may say to the gentleman that that system is now in effect in the great city of New York. The executive budget has such a personnel provided. The budget director has a staff of inspectors, or examiners, as they are called, and they are in touch with the various heads of the departments throughout the city from the time the tentative budget is received by the budget director to the time final report is made.

Mr. WOODRUM. I thank the gentleman.

Mr. Chairman, I want to comment upon one or two new activities in this bill.

We carry here an appropriation for The National Archives in the sum of $617,000. This is not one of the new agencies that has grown up under this administration, though I am sure the present administration would be quite willing to share in the responsibility or the credit. I think it is more of a credit than a responsibility so far as the establishment of that great department is concerned. I have in my hand a very interesting set of photographs which I desire to pass among the Members, if it is not dramatizing too much what I am trying to say.

I should like the Members to see what the agents of the National Archives found when they went into some of the great departments of our Government to locate important papers and documents connected with those departments. In many instances these papers and documents vitally concerned not only the history of the country but the activities of the several departments. I will have these photographs passed around in order that you may see what the subcommittee saw and what we found to be the situation in so many instances. These various bureaus and departments of the Government had valuable records, which could not be replaced, stored in barns and cellars. They constituted not only a fire hazard but were subject to decay and disintegration, and these records were in such condition in many instances that it would certainly embarrass the Government in years to come if we had occasion to find those records.

[Here the gavel fell.]

Mr. WOODRUM. I yield myself 10 additional minutes.

Mr. Chairman, I hope the Members will take occasion to visit The National Archives, a new organization, which inhabits a nice new building down here on Pennsylvania Avenue. Go down and look it over.

I think it is a credit to the country. It was started under another administration and has been carried on since. It is not a partisan activity but is an institution which will not only perform a useful service but for which every Member of the Congress may feel perfectly justified in having voted reasonable appropriations. They are engaged now in going through the departments and segregating the important papers which should be preserved, taking them to The National Archives, cataloging them, and putting them away for the benefit of future generations.

Mr. DUNN of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. DUNN of Mississippi. I ask this question as a matter of information. Is there any committee connected with the gentleman's work that contemplates asking for an additional $3,000,000 to be used in connection with the Archives Building?

Mr. WOODRUM. I have never heard of it.

Mr. DUNN of Mississippi. I ask this by virtue of certain information which my committee, the Committee on Expenditures in the Executive Departments, has had recently.

Mr. WOODRUM. So far as I know, no such estimate or request has been made. The estimate for The National Archives, which the committee has allowed, is $617,000, which is very much less, I will say to the gentleman, than the estimate which was made when the Archives Building was originally contemplated, both as to cost and personnel.

Mr. DUNN of Mississippi. Is there any proposition with regard to providing any additional equipment or adding any extension to the standing Archives Building?

Mr. WOODRUM. None that I have ever heard of, and I may say to the gentleman that there will have to be an authorization for any such appropriation.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. CRAWFORD. Referring to civil-service work, I am informed by the President of the Civil Service Commission that when these people take an examination he refers those having the three highest grades to the head of the department interested. Now, let us assume that these three people belong to or support three different political parties. Is it not possible for the party in charge to select from that list of three any particular one he desires to put on the job and thus make it a matter of political appointment?

Mr. WOODRUM. The head of the department has always had, under this and other administrations, the right to choose between the three, and I may say to my friend I think he ought to have a larger right than that. A civil-service register is established without reference to political considerations, and I think the department head, if he is trying to select a person for a particular job, ought to have sufficient latitude to be able to get the person who the Civil Service Commission has said is qualified and the one he thinks is suitable for his particular work.

Mr. CRAWFORD. Under that procedure the one having the highest grade may lose out and the one having the lowest grade may be selected.

Mr. WOODRUM. That is true, but the difference between the highest and the lowest grade in such cases would be so small as not really to affect their qualifications.

Mr. RICH. There is another thing involved, if the gentleman will permit. Sometimes a man may not stand so high in his examination, but he may have personal qualifications that fit him for the position a great deal better than one who may have been able to answer the questions correctly.

Mr. WOODRUM. Exactly.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to my friend from Indiana.

Mr. LUDLOW. Has it come to the gentleman's notice that the Civil Service Commission also is perhaps running somewhat to seed in requiring scholastic degrees of applicants? I may say that it was brought to our attention in connection with the work of another subcommittee that scholastic degrees are required, for instance, of Secret Service agents, although the head of this activity very positively testifies that this should not be a leading factor in the equation at all and that it is not necessary to hold a scholastic degree in order to be an effective Secret Service agent. I am informed that more than ever before the Civil Service Commission is requiring scholastic degrees in connection with civil-service examinations and I am wondering if the gentleman knows about this. I am one of those who believe that there are many highly efficient persons who do not happen to have scholastic degrees.

Mr. WOODRUM. I would not like to subscribe to the gentleman's observation that they are running to seed, but I think there is a little "brain trust" down there somewhere or a group of Ph. D.'s or D. D. S.'s or some other kind of alphabetical designation that ought to be broken up and a little more common sense put into the examinations.

Mr. GOODWIN. Mr. Chairman, will the gentleman yield for a question?

Mr. WOODRUM. I yield.

Mr. GOODWIN. What has the Archives Building and its equipment cost us up to the present time?

Mr. WOODRUM. Between $12,000,000 and $13,000,000.

Mr. GOODWIN. I presume it is one of the functions of the Archives Department to prevent duplication of work, and may I ask the gentleman whether, in the appropriations for this year a reduction in the appropriations of such departments has been contemplated?

Mr. WOODRUM. I may say to my friend I do not understand that it is in any sense the function of the Archives Department to reduce duplication of work. I do not know what the gentleman means by that.

Mr. GOODWIN. The Federal Register.

Mr. WOODRUM. The Federal Register is a new function for which we provided in the last Congress and put under the Archivist.

The Federal Register is for the purpose of publishing rules and regulations of Government departments which have the force and effect of law. I remember that my friend from New York, Mr. BACON, and many Members of Congress were interested in that. You will recall that many agencies have authority to issue rules and regulations which have the force and effect of law, and they will be published in that register.

Mr. GOODWIN. The appropriation of $617,000 contemplates the publishing of the Federal Register?

Mr. WOODRUM. Yes.

Mr. GOODWIN. May I ask if all the edicts, rules, and regulations issued by heads of departments are going to be published in the Register?

Mr. WOODRUM. The basic law provides for a committee consisting of a representative from the Justice Department, and others, with the Archivist, who may decide which rules and regulations of the heads of departments will be published in the Federal Register. It is not contemplated that all the rules and regulations, some of which are purely local, shall be published. That would be a task beyond the purpose of the publication.

Now, I should like to say something more—I do not wish to consume any more time, and I see that my time is about up. I do not like to take the time of the House, but I should like to have unanimous consent to conclude my remarks, which I will do very soon.

Mr. MORAN. Mr. Chairman, I ask unanimous consent that the gentleman from Virginia may conclude his remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. WOODRUM. Now, as to the General Accounting Office. I do not believe the average Member of Congress or the average citizen appreciates the importance of the General Accounting Office.

The Comptroller General is a representative of the legislative branch of the Government. In my judgment, the present Comptroller General has performed his duties well. It is his duty to see that the Government bureaus and agencies spend their money only for the purpose that the legislative branch of the Government has given them the power to do. It is the safety valve of the Government.

All money given a bureau should go through the General Accounting Office. If you do that, you will have to double the appropriation, and it will be the best insurance that you could possibly have. They have a wonderful organization—lawyers, clerks, and everything connected with it. If you are interested, you ought to inform yourself about it. It has recovered for the Government large sums which bureaus and organizations had no authority to pay.

Mr. RICH. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. RICH. Many items have been held up because the General Accounting Office thought that they were not authorized.

Mr. WOODRUM. Yes; it even tells members of the Cabinet what they cannot do and what they can do.

Another activity to which I call your attention is the Federal Power Commission. The Federal Power Commission is one of the self-supporting agencies of the Government, prior to the time we put new duties on them in the last Congress. The appropriation in 1935 was $321,000. They collected in fees more than that amount of money. There is an opportunity in the bureaus and departments of this Government to charge reasonable service fees to citizens and agencies and units and organizations that use the facilities of the Government, which would bring into the Treasury untold millions of dollars and which would not be seriously complained of. The Communications Commission is another place where that ought to be carried out.

I call attention now to the largest item in the bill, the Veterans' Administration. The total appropriation for the Veterans' Administration carried in the bill is $753,727,000. That is an increase of something like $60,000,000 over the appropriation for last year. That increase is covered by something like $40,000,000 for Spanish-American War veterans that we reinstated, and the rest of it is accounted for by the bringing in of something like 10,000 more beds in hospital and domiciliary facilities for the Veterans' Administration. When there is so much talk about inefficiency in the Government, I call to your attention the largest organization in our bill, and hold it up to you as an example of efficiency. Under this first item of salaries and expenses, $86,500,000 for 1937, let us see what it includes. It includes all personal services, all supplies and materials, including food and everything, supplies, salaries for doctors, and transportation, and

so forth. The Government gives to every veteran that dies a new flag costing four or five dollars, and approximately 50,000 of them were given away last year. Something like 34,000 burials were paid for last year by the Government, amounting to $3,400,000. All of that is in that item. Then there are transportation, rent, repairs, alterations, equipment, furniture. Something like $2,000,000 in that item is for furnishings for new hospitals being brought in. Business is increasing with the Veterans' Administration. On the chart over to the left there will be found hospitals and domiciliary beds. In 1936 we had 66,600 available hospital and domiciliary beds in the Veterans' Administration. For 1937 it goes up 10,000. The estimate for 1938 is about 4,000 more than that, bringing it up to 77,000. I call attention particularly to the fact that between 1936 and 1937 there is an increase of 10,000 available beds for veterans in homes and hospitals. Not only that, but let us look at the increase in beneficiaries, shown by this chart under pensions. I wish I could take all afternoon and analyze this chart on veterans' benefits, which all of us ought to know when we talk to our veterans' organizations at home.

Mr. RICH. Mr. Chairman, will the gentleman yield at that point?

Mr. WOODRUM. Yes.

Mr. RICH. In reference to hospitals, is it the purpose of the Federal Government or the Veterans' Administration to continue the building of hospitals for additional beds, or is the Veterans' Administration going to utilize more beds that are now in public hospitals, which can be had for the use of veterans, which would help the hospitals as well as the veterans?

Mr. WOODRUM. There are two reasons why the Government has never used beds in private hospitals any more than it has. The first is that the veterans themselves do not want them. They want to be in hospitals and homes where their buddies are. The second is that the average cost in a general hospital is $7 and some odd cents per day while in the Government hospital, where he gets exactly the same treatment, and, the Government thinks, a little better, a more personal treatment, it is $3 and some odd cents per day. Of course, the gentleman knows that when you go to a private hospital, you have not only the cost per day for bed and board, but you have physicians', surgical, and medical fees.

Mr. RICH. Does that figure in in the cost of the Government hospital all of the overhead cost?

Mr. WOODRUM. No. Not if you consider as overhead the initial cost of construction.

Mr. RICH. Then it costs the taxpayers of the country a whole lot more in the veterans' hospitals than if they were taken care of in private hospitals.

Mr. WOODRUM. That is not so. The increasing load will be confined more especially to mental cases. They are increasing the load, and the reason that we are having to increase the facilities is on account of mental cases, and the private hospitals do not want those cases.

Mr. RICH. I was not thinking so much of that.

Mr. WOODRUM. Those cases constitute from 75 percent to 80 percent of the problem.

Mr. HEALEY. By domiciliary beds does the gentleman mean treatment of the veterans in their own homes?

Mr. WOODRUM. No; I mean veterans' homes. I am not speaking about patient treatment. There is not only an increase of 10,000 beds, but in 1935 there were 838,938 beneficiaries of all descriptions drawing compensation from the Veterans' Administration. In 1937 there will be 899,485, or an increase of 60,547 beneficiaries. There we have an increase of 10,000 hospital cases and an increase of 60,000 beneficiaries, but at the same time a decrease in the administrative cost in the total. How is that made possible? I want to be fair, I do not want to give the Veterans' Administration credit for anything to which it is not entitled. There are one or two places where this figures in. One is in the military and naval insurance, the old war-risk insurance.

Some of the veterans tell us that on the original policies they paid for all that insurance. They think they did, but they did not. The Government has paid so far one and one-third billion dollars, and the veterans have paid $454,000,000. The Government has paid about 75 percent. The veterans have paid $454,000,000, to be exact, and the Government has paid one and one-third billion of the cost of that war-risk insurance. The Government has a potential obligation of some $600,000,000 before that old contract is wiped out. The new policy which is issued, of course, is self-sustaining, and the veteran is paying for it. There is a reduction in this total cost of the Veterans' Administration. Here is a department whose activities are greatly increased, whose load is increasing, yet its administrative cost is being held down to the minimum. The veterans' organization is the largest activity in the Government.

Mr. REECE. Will the gentleman yield?

Mr. WOODRUM. Certainly.

Mr. REECE. Are the veterans paying the entire cost on the present insurance policies, or is some of the cost chargeable to the Government?

Mr. WOODRUM. None of it is chargeable to the Government except the administrative cost of handling it. The veteran is paying the entire cost of the policy, except that there is no charge made against the life-insurance fund for the clerical and administrative cost of handling it, which is not a great item because it is handled in connection with other affairs in the Bureau.

Mr. REECE. So that when dividends are paid to the policyholders, those administrative items are not taken into account and charged against the policy?

Mr. WOODRUM. Not at all; no, sir.

Now, I want to mention one other activity and then I will yield the floor.

Mr. SEGER. Will the gentleman yield right there?

Mr. WOODRUM. Yes; I yield.

Mr. SEGER. Will you say again what the number of deaths was last year? Did you say it was 50,000?

Mr. WOODRUM. I said they gave out approximately 50,000 flags.

Mr. SEGER. That would mean that 50,000 veterans passed away in that year?

Mr. WOODRUM. That is my understanding. It sounds like a great many, but that figure includes veterans of all wars. Now, I exhibit to you the latest model of a Douglas transport, with 17 or 18 passenger accommodations, and a cruising speed of 200 miles an hour. I am not definite, although I am reasonably sure of it, that that is the type plane which recently crashed in Arkansas. We have in our bill the National Advisory Committee for Aeronautics, which we think is one of the most useful activities of the Federal Government. That is a company of highly trained scientists and specialists who devote their time and energy to research and experimentation in airplanes and their problems. This particular Douglas plane, which is built very similar to the Martin clipper, has on it two notable improvements in aviation which were a direct result of the activities of the National Advisory Committee on Aeronautics. There is simply no way of placing a financial value on the work which that commission has done.

You may recall, in the first place, that in some of the older planes, and perhaps some of them are still in use, the engine was suspended over the fuselage. On some of them it was under the fuselage. It has been found by this commission, after careful investigation, that by placing the engine as you see it placed here, on the leading edge of the wing, not only do they get additional power but less interference, and they are able to get a higher speed and get decreased fuel consumption. It is because of that that these high-power planes are able to make a speed of 200 miles an hour. Now, they say that commercial transports are asking for planes that will go at least 300 or 350 miles an hour. That is going pretty fast.

Another development that this commission has brought to the field of aviation is this little hood which, in aviation parlance, is called a cowling. It is a little cap that goes over the edge of the motor. It is an air-cooled motor. It permits enough air through the propeller to cool the

engine, yet it prevents interference or resistance which retards the speed of the planes and causes an increase or acceleration in fuel consumption.

Those two propositions have been adopted by the manufacturers of airplanes all over the country now. The latest planes have them. This little wing that you see on the bottom of the plane which is controlled by the pilot and is lowered or put up at his desire is used when the plane comes down to a stop. That balances or equalizes the plane and permits a high-powered heavy plane to land with much more safety than it could have done otherwise.

The National Advisory Committee for Aeronautics was organized principally to serve the Army and Navy; to do their research and experimental work, but the benefits of their discoveries and research are made available for commercial aviation. I mention that just now because it seems to be so appropriate, right at a time when this great industry is growing; yet, with all of the precautions for safety which have been thrown around it, we find a few days ago such shocking things happen, as brought sorrow to the hearts of all of us.

Now, you have been very kind and patient and I want to leave the floor. I dislike to leave these charts without going into them much more in detail. I want to commend this to you, that you take the hearings and look them over, and especially look over the statement of General Hines on the Veterans' Administration, because every Member here is vitally concerned with that. This will give you accurate information of what we are doing for our veterans, so that when we go back home we can tell them the real story of what the Government is doing for their health.

Mr. SUTPHIN. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. SUTPHIN. Is it not a fact that the National Advisory Committee for Aeronautics played a prominent part in the development of the retractible undercarriage?

Mr. WOODRUM. Yes. I neglected to mention that.

I want to thank you very much for your kind patience and attention. My colleague from Massachusetts, Mr. WIGGLESWORTH, will have something to say on this bill, and then we hope that, after such long debate, it will be the pleasure of the committee to permit us to proceed as expeditiously as possible with the reading of the bill. [Applause.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield myself 25 minutes.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include two short tables I have prepared and several letters which I have written to or received from agencies covered by this bill.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. WIGGLESWORTH. Mr. Chairman, at the outset I want also to express my appreciation of the courtesy which has been accorded me by the majority members of this subcommittee. I have had the pleasure of working on this bill for a number of years with the distinguished chairman of this subcommitee the gentleman from Virginia [Mr. WOODRUM]. He is one of the outstanding Members of this House. It is always a pleasure and a privilege to serve with him. I am indebted to him and the other majority members of the subcommittee for their consideration at all times.

There has been some discussion as to the totals involved in this bill. When we brought this bill on the floor a year ago, we provided for total appropriations amounting to about $777,000,000, an increase of about $160,000,000 over the previous fiscal year. During the year this total was increased by deficiency items until it reached the sum of $805,000,000, or thereabouts.

The total made available by the bill before us today amounts to approximately $927,000,000, or an increase of about $122,000,000, as compared with the total for the present fiscal year. If we take into consideration five items to which the chairman has referred appearing in the bill for the present fiscal year but not included in the bill under consideration, if we also take into consideration one or two items of reappropriation which are not reflected in the table at the end of the committee report, I think it is fair to say that the increase made available for the next fiscal year as compared with the present fiscal year amounts to well over $127,000,000.

There are 22 items in the bill. Of these items seven reflect a decrease.

As has been pointed out, the increase is reflected in large measure both in the direct cost and in the indirect cost of new Federal activities set up under the present administration. It is also reflected in the items for the Veterans' Administration.

The principal item in the bill, of course, and one in which we are always greatly interested, is the item the chairman has just discussed dealing with the Veterans' Administration. This item amounts for the next fiscal year to about $794,000,000, an increase of about $67,000,000 over the present year. This increase is explained in three ways: First, by the liberalization, with which we are all familiar, in respect to Spanish War veterans who were so drastically cut under the terms of the Economy Act; second, by the increase of $60,000,000 in respect to the adjusted-service certificate fund, an increase which seems to be largely academic; and, third, by an increase in respect to hospital facilities, to which the chairman has already made reference.

It will be recalled that last year emphasis was placed on the absolute necessity for additional hospital facilities, particularly for neuropsychiatric cases, of which there are today, unfortunately, no less than 21,000, and of which General Hines tells us we must ultimately expect a total approaching 44,000. If the construction program contemplated in this bill is carried through, it will make possible the expenditure of some $12,000,000 in the present year, and some $17,000,000 in the next fiscal year, providing an increase in the number of beds of about 12,000. To be exact, it is anticipated that we shall have a total of 55,858 hospital beds as compared with 44,793 as of June 30 last, and 21,216 domiciliary beds as compared with 20,073 on June 30 last. Four new units are included in the program, one at Reno, one at Detroit, one at White River Junction, and the fourth either in Alabama or Tennessee. The committee questioned General Hines as to the adequacy of this hospital program and was assured by him that in his judgment it should be adequate for all foreseeable needs during the next 5 years.

Turning now to the new activities carried in the bill, I call attention, Mr. Chairman, first, to the appropriation for the Interstate Commerce Commission.

Mr. MITCHELL of Tennessee. Mr. Chairman, will the gentleman yield before he leaves the subject of hospital facilities?

Mr. WIGGLESWORTH. Gladly.

Mr. MITCHELL of Tennessee. I am pleased to state that the subcommittee having charge of the location of a neuropsychiatric hospital are now making investigations in Tennessee and Alabama looking to the location of this facility. They are on the ground at this time through appointment by General Hines.

Mr. WIGGLESWORTH. I thank the gentleman for the information.

In the item for the Interstate Commerce Commission the committee will find provision for two additional activities, $160,000 for air-mail regulation and $1,700,000 for motor-transport regulation. Both of these, of course, result from recent legislation. I call attention to the fact that the Commission has decided that it is desirable, insofar as motor-traffic regulation is concerned, to organize an independent unit under the supervision of those having motor-carrier experience, exercising control over the hundreds of thousands of carriers brought under the jurisdiction of this unit through an extensive field force, the country being divided into 16 districts, the work being carried on in cooperation with the several States. The Commission feels that the peak in the work of this activity will be reached almost immediately because of the necessity of issuing cer-

tificates of public convenience and because of the necessity of the determination of tariffs.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. MARTIN of Colorado. Before he leaves the subject of motor-truck transportation, can the chairman give us any explanation of the very considerable difference between the amount asked by the Commission and the amount allowed by the Budget and the Appropriations Committee?

As I understand it, the Commission asked for $3,000,000. The amount carried in the bill is only $1,700,000. Yet the peak of the work will be reached immediately. I wonder if, in the gentleman's opinion, the amount carried in the bill is sufficient to meet the situation?

Mr. WIGGLESWORTH. The committee did not feel justified in raising the amount. I may say to the gentleman that in several cases in this bill he will find that the amounts requested, particularly by the newer activities, have been very materially slashed by the Bureau of the Budget.

For the Railroad Retirement Board there is carried a total appropriation of $47,645,000, all of which, with the exception of $1,025,000, is for the payment of annuities estimated as payable during the next fiscal year. The Board estimates that there will be some 40,000 persons who may be expected to apply for annuities as of the 1st of July next. Annuities are payable at the age of 65 or at the completion of 30 years of service. The maximum monthly payment is $120, one-half of that sum being paid in the event of death to the widow or next of kin. The Members of the House will have in mind the companion tax measure, which was passed along with this bill. The tax measure is effective until February 28, 1937. The Board estimates the yield from this tax at between $135,000,000 and $140,000,000 and makes the further estimate that if continued in effect the receipts from this tax should about balance estimated annuity payments as of the year 1950.

I commend to the members of the committee the testimony of the Federal Power Commission and the Securities Exchange Commission for some idea of the enormous additional duties that have been placed upon the shoulders of those two agencies under the public-utility holding company legislation. The bill carries $1,325,000 additional for duties devolving upon the Power Commission and $1,223,400 additional for duties devolving upon the Securities and Exchange Commission.

The National Labor Relations Board is, of course, another new agency provided for in the bill.

Mr. CONNERY. Will the gentleman yield?

Mr. WIGGLESWORTH. I yield to my colleague from Massachusetts.

Mr. CONNERY. With reference to the National Labor Relations Board, I understand the amount allowed by the committee is sufficient for the coming fiscal year. However, I understand that unless the amount is raised considerably in the deficiency appropriation bill, the Board will not be able to function between now and July 1. I call the attention of my colleague and the members of the committee to that fact.

Mr. WIGGLESWORTH. I think the Board is one of the agencies that feels it has been severely cut at the hands of the Budget Bureau.

The Board as at present constituted consists of three members, with a total personnel of 146, functioning through 21 regional offices. Three hundred and seventy-four cases have been received by the Board since September 14. Of these 105 have been definitely closed.

The Central Statistical Bureau has been referred to, and I shall not dwell upon it at length. One hundred seventy-five thousand four hundred and twenty dollars is provided in the bill. There is a maximum statutory limitation of $180,000. Just to show the conditions confronting the Board, I call attention to the fact that the testimony in this connection indicates the existence of about 180 statistical agencies in Washington. There are more than 20 Federal agencies engaged in collecting statistical data pertaining to electricity, almost identical information being required by a number of these agencies.

The testimony indicates that the Board recognizes "a rapidly increasing resentment on the part of the public against the number of statitsical inquiries"; also that "a chaotic situation" resulted in 1933 from the discontinuance of long-established statistical services under the Economy Act, while new agencies, particularly under the N. R. A., were springing up, proposing to do with newly organized forces the same sort of work that old agencies were being compelled to discontinue; also that the Board believed at that time that unless coordination could be brought about "the burden upon respondents would be intolerable"; also the fact that the Board has "disagreed violently with some of the philosophy of the Works Progress Administration and its predecessor organization", leading to the disapproval of projects that "would have harassed the public * * * and produced statistics that might have been worse than useless."

The Board cited in this connection the placing of enumerators on station platforms "to interview commuters going to New York upon their breakfast habits." This testimony, I think, gives some idea of the maze of uncoordinated effort, the duplication of effort in this field of work as between the many Federal agencies. The Board hopes to contribute to bringing some order out of existing chaos and, incidentally, to realize the saving of substantial sums of money.

Mr. RICH. Will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Pennsylvania.

Mr. RICH. There was something suggested this morning I should like to comment upon. If the Statistical Board had the power to eliminate a lot of this duplication, it would accomplish a whole lot more in doing away with the work that one department is doing in duplication of that of another. Does the gentleman not believe it would be wise for Congress to adopt the policy of giving this Board the power to make these adjustments?

Mr. WIGGLESWORTH. I think the Board should be given a chance to see what it can do. I think it has paved the way for helpful action, and, for my part, I am willing to give it a chance. It is confronted by a chaotic situation, and I hope it may accomplish something of real value.

One other new activity has been referred to, and that is the Federal Register set up as a branch of The National Archives. The Members of the House are familiar with the impossible situation which has arisen during the past 34 months as a result of the issuance and cancelation of Executive orders, proclamations, rules, and regulations by this and that Executive agency, having the force of law, as a result of authority delegated or surrendered by the Congress. It has been impossible to know what orders have been issued, what orders have been withdrawn, or where to find applicable orders. It is the aim of this new activity, as I understand it, to collect, compile, and publish all orders, rules, regulations, and other documents of this kind having general applicability.

The publication is to be made first through a daily register which it is planned to publish about five times a week; and, second, through a supplement which it is estimated will require from 10 to 20 volumes. The purpose is to provide in this way a register which may be turned to and used as a reference book just as the volumes containing the laws enacted by the Congress are used today. It is hoped in this way to mitigate to some extent the trials of government by Executive order by which we have been confronted during the last 3 years.

Mr. RICH. Mr. Chairman, will the gentleman yield for a question?

Mr. WIGGLESWORTH. I yield.

Mr. RICH. When the gentleman started his discourse this afternoon he stated there was an increase in this bill of $127,000,000 in the 22 items which it carries, but the report states the increase is $74,509,747.

Mr. WIGGLESWORTH. If the gentleman will add to this figure the amount of $47,600,000, or thereabouts, appearing

as a saving realized by the committee, but in fact a saving through the medium of reappropriation of unexpended balances, he will arrive at the approximate total which is made available through the medium of this bill.

Mr. RICH. Does not the gentleman think in enlightening the Members of the Congress these savings taken from other appropriations should be included in the totals, so we would be properly informed of the total amount of increases in the appropriations of the departments from one year to another?

Mr. WIGGLESWORTH. I think the committee has been very frank as to what the savings actually are. The chairman made it very clear in his remarks.

Mr. RICH. I should also like to ask the gentleman this question: In the last several years when we had the reports of the Appropriations Committee on these various department bills, we have found out that funds have been delegated from various channels and reappropriated to the various departments. Does the gentleman now know whether funds of the Federal Government from any other source are going to be applicable to these bureaus and establishments during the year 1937?

Mr. WIGGLESWORTH. I cannot assure the gentleman, of course, as to the future. I can say, however, that the committee has endeavored, consistently, to check up on each and every activity appearing before it as to funds which it has received in the past, and the gentleman will find a statement by each agency as to what funds, if any, have been received from emergency appropriations.

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield myself an additional 20 minutes.

Mr. DONDERO. Mr. Chairman, will the gentleman yield for a question?

Mr. WIGGLESWORTH. Yes; I am glad to yield to the gentleman from Michigan.

Mr. DONDERO. Can the gentleman tell the House how much more the present bill carries by way of appropriation than the bill of last year?

Mr. WIGGLESWORTH. I stated at the outset of my remarks that the total amounts to approximately $127,000,000, explained in part by the direct cost of additional activities, in part by their indirect cost, and in part by an increase in the item for the Veterans' Administration.

I want to say a word about the indirect cost of some of these new activities, because I think that a glance at the appropriations for such agencies as the General Accounting Office, the Civil Service Commission, and the Employees' Compensation Commission makes this indirect cost very apparent.

Let us take the General Accounting Office just for a moment. You will find a total appropriation of over $5,300,000, or an increase of over $336,000, as compared with the present fiscal year. This appropriation takes care of a force of about 2,400 employees; but in addition to this amount there is the sum of approximately $3,000,000 provided out of emergency funds taking care of a further force of 1,700 employees on a temporary status. Some idea of the increase in work devolving upon this Office is found, I think, in the fact that normally, before this administration, the Office was called upon to audit about 31,000,000 checks each year. This number has now risen to about 90,000,000; and in addition to this the Office testifies that there are from 7,000,000 to 8,000,000 checks each month coming in in respect of the $4,800,000,000 lump-sum appropriation made available to the President during the last session. The testimony indicates that even if there should be curtailment in the spending activities of the departments and agencies during the fiscal year 1937 the effect would not be felt by the General Accounting Office for at least a year thereafter. I quote from the testimony:

> There is only one ray of hope—that agencies may become more proficient and thus make our work less difficult. * * * As yet, however, there has been little to justify encouragement in this regard.

For the Civil Service Commission, Members will find a total appropriation of $48,885,000, an increase of about $6,255,000. Of this sum $6,050,000 is in respect of the civil-service retirement fund, resulting, in large measure, from work in connection with the 30-year retirement law.

For the Federal Employees' Compensation Commission the bill provides an appropriation of about $5,300,000—$4,750,000 being for the employees' compensation fund, an increase of half a million dollars over the present fiscal year. The increase, of course, is the result of the increased number of civil employees in Federal agencies, including administrative personnel for relief agencies.

The Commission reports 34,325 compensation cases, an increase of 25 percent during the fiscal year 1935.

I want to emphasize that this is only a beginning insofar as compensation cases are concerned. In addition to the employees' compensation fund there are three special funds set aside applicable respectively to the C. W. A., the C. C. C., and the W. P. A. workers.

Eleven million dollars is available for the C. W. A. workers. There have been 168,855 cases, with expenditures to date of about $4,000,000, and an estimated total of $28,000,000.

For the C. C. C. there is a fund of $5,200,000 available. There have been reported to date 16,797 cases, with a total expenditure of $300,000.

The W. P. A. fund is $28,000,000. A supplemental estimate will be submitted in this connection. Between 450 and 500 applications for compensation are being received each day.

Mr. BOLTON. Will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. BOLTON. Those are for compensation alone. Will the gentleman call attention to the fact that medical treatment is also given the W. P. A. and the C. C. C. workers, in addition to the compensation fund, which means an expenditure of millions of dollars.

Mr. WIGGLESWORTH. That is correct. The additional cost is, of course, impossible to estimate.

Mr. GIFFORD. Will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. GIFFORD. I was hoping that the gentleman would go into the Securities and Exchange Commission as to the indirect cost. I presume there was no estimate made before the committee as to the indirect cost to the people of the country.

I thought when the gentleman talked about indirect costs, that probably it might be a matter of some interest.

From the testimony offered—and I read the hearings in entirety—it seems to me many pertinent questions were not asked by the committee. Now, I wish to ask if the type of reports for purposes of registration that are required are not proving very costly to the corporations and individuals?

Mr. WIGGLESWORTH. I was not attempting to cover the whole field of indirect cost but merely to state two or three instances where it seemed to me to be obvious.

Mr. GIFFORD. What I wanted to bring out is this: It has constantly been stressed that when we placed these new activities with power to make corporations or individuals make just the exact statement the particular activity required, it is very costly to the particular company. Take the income tax. It costs the people of the United States $400,000,000 to make returns and recover taxes illegally collected. In every instance when we add to these activities I would like to see real justification and results from such activities. I should like to know whether it has been a deterrent, whether registrations to date have been asked for just for the sake of refinancing at present low rates of interest, and why new activities fear to register.

I see the chairman of the Committee on Interstate and Foreign Commerce present. I want to know whether I am correct in my supposition. The registrations for new business and new activities have been extremely small—$30,000,000 out of a billion and a quarter the first 6 months of 1935, as I recall it, and before that even less. The Appropriations Committee is the only committee having opportunity to question the Commission. I am interested. I am on the Committee on Expenditures. We cannot get a single activity of the Government before my committee to ask them to justify their expenditures, and that is why I have

asked these general questions of this committee. When you are appropriating this money they should justify their activities. The gentleman will pardon me, but that is not a criticism of his committee. But this is the information we desire.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. Yes.

Mr. TABER. I wonder if the gentleman can tell us anything about the number of employees assigned from different bureaus and departments to other bureaus and departments in this bill. For instance, I know that there is a very large amount of that sort of thing going on, and it makes it almost impossible for the congressional committees to tell what is going on in these executive bureaus and departments if we do not know just how many employees are paid out of particular funds, who are doing work in these different bureaus and independent offices.

Mr. WIGGLESWORTH. It is difficult to answer that question in a general way. I think there has been some of that which has been reflected in the bill, but, on the other hand, the committee has tried to check up in each instance. I recall that certain of those carried on the rolls of the National Recovery Administration, for instance, were made available, I think, to the Trade Commission, and, of course, a great many temporary employees have been made available in some instances out of emergency funds.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. Yes.

Mr. RAYBURN. Noting the interrogation of the gentleman from Massachusetts [Mr. GIFFORD] with reference to the Securities Commission and the administration of the Securities Act, it has been my definite impression for the last 18 months that whatever the gentleman calls the burdens placed upon companies that desire to float a new issue of securities, it has not been deterred by the act. I am speaking of those companies of the better type. Of course, there are companies in the country that in the past, without the people knowing the facts called for in these questionnaires, have issued securities and sold them to the public that were practically entirely worthless. I call the gentleman's attention to this fact. During the years from 1922 to 1932 there were issued in this country by various corporations $50,000,000,000 in new securities.

The Department of Commerce, over which Mr. Hoover presided for 8 years, made an investigation of those securities and gave it as his deliberate judgment that $25,000,000,000 of those were not worth the paper on which they were written. It was to discourage things of that sort that the securities act was passed, and that called for the facts with reference to a company, its financial condition, its history, its prospects, and so forth, so that the Commission, if an inquiring prospective investor asked the question, could give him the facts with reference to that company. The securities act was not passed to stop or prohibit a company from issuing securities and it does not do that. It simply says that in order to float their securities in interstate commerce they must register with the Securities and Exchange Commission and give all the facts that that Commission asks for.

Mr. GIFFORD. Does the gentleman recall the company that I have just referred to which was put to an expense of a million dollars to do that—a very respectable company?

Mr. RAYBURN. It was a far-flung company, which, as I remember, had not had an audit or made an accounting to its stockholders for more than 10 years. It was a far-flung company. It owned businesses in many States of the Union, and in my opinion the Securities Commission did, not only that company but all of its stockholders, a very great favor in bringing its business up to date.

Mr. GIFFORD. Will the gentleman yield that I may put one more question?

Mr. WIGGLESWORTH. I am always glad to yield to my colleague from Massachusetts.

Mr. GIFFORD. This is an important matter. The Commission appeared before the gentleman's committee and justified their existence by telling how many crooked stockbrokers they closed out of business in Boston, but I can get the figures, I think I have them partially. Does the gentleman from Texas [Mr. RAYBURN] not know that very few registrations have been made before that Commission for new activities?

Why is it? Has this proved a deterrent and an expensive proposition, and has it justified putting out of business a few crooked stock brokers?

Mr. RAYBURN. Not at all, for the reason that the gentleman must know the country has not been in shape to launch new business. It has been difficult enough to refinance the business we have, and a great deal of that has not been refinanced. What we try to do in this act, and I hope the gentleman from Massachusetts will pardon me, so far as I am concerned, with this statement I am through—what we tried to do in this act and in the administration of it was to hold up the good company that has not in the past issued spurious securities, that has conducted a good business. In other words, we tried to take the desperado out of business, who in the past has been disgracing the man who tried in the same line of business to do a decent, high type and fair type of business.

Mr. GIFFORD. Closing my remarks, Mr. Chairman [laughter], if, to catch a few crooks, this enormous expense and this real deterrent to business is justified we should be informed. The gentleman speaks about this not being a good time to launch new business. There has not been any degree of confidence in launching new business. We insist that this has been a deterrent to new business.

Mr. RAYBURN. Of course, I deny that it has been a deterrent to the proper kind of business.

Mr. GIFFORD. Of course, I am wrong [laughter], but I think these questions might bring some results, and I again ask why we are appropriating all this money simply to catch a few crooks in Boston.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. WIGGLESWORTH] has expired.

Mr. WIGGLESWORTH. Mr. Chairman, under the rules of the House I have only a few minutes left. I wonder if I may have the same privilege as the gentleman from Virginia [Mr. WOODRUM] and ask unanimous consent to proceed until my remarks are concluded.

The CHAIRMAN. Without objection, the gentleman may proceed.

There was no objection.

Mr. TREADWAY. Will the gentleman yield for one further inquiry?

Mr. WIGGLESWORTH. I yield.

Mr. TREADWAY. I should like to call the gentleman's attention to the appropriation made in this bill for the maintenance of the Tariff Commission in the sum of $941,000. In the hearings I do not find any reference to how that is divided, but I do find a table on page 16 of the committee's report showing the reciprocal trade agreement amendment to the Tariff Act of 1930, wherein $178,000 is set aside out of the $945,000 for reciprocal-trade agreements. May I ask the gentleman whether in the Organic Act establishing the Tariff Commission, there is any provision for an appropriation of that sort, in order to give the Department of State the power to investigate reciprocal-trade agreements, so-called? I personally do not see why that item should be included in the needs of the Tariff Commission for the purpose for which we suppose the Tariff Commission acts.

Mr. WIGGLESWORTH. I will say to my colleague that I cannot answer his question as to the organic act establishing the Tariff Commission. I am informed that the gentleman is correct in stating that the sum of $178,000 was allocated by the Bureau of the Budget for reciprocal-tariff work in determining the total appropriation for the Tariff Commission.

Mr. TREADWAY. The gentleman makes a very illuminating reply. May I ask the gentleman's opinion as to the value of the work done by the Tariff Commission in looking up reciprocal trade treaty matters?

Mr. WIGGLESWORTH. I had intended to go into that before concluding my remarks, if allowed to conclude them.

I may say, however, that in my judgment the value of the work done by the Commission in this connection has certainly not been established by the testimony before the subcommittee.

I do not want to presume on the time of the Members unduly, but I do want to make three or four observations of a general character before concluding my remarks.

The first observation I would make is this: Yesterday my colleague from Massachusetts, Mr. CONNERY, introduced a resolution of investigation with reference to the work of the Federal Communications Commission. I was particularly interested in this resolution and in the remarks which the gentleman made in connection with it, because it seems to me that our minds have been running along similar lines in this connection. As a matter of fact, under date of January 4, as a result of the hearings and developments incident to those hearings, I addressed a letter of inquiry to the Communications Commission. I have just received a reply to that letter. Under the authority already accorded me, in view of the interest of the matter at this time, I shall insert at this point in my remarks a copy of my letter and the reply.

JANUARY 4, 1936.

Hon. A. S. PRALL,
Chairman Federal Communications Commission,
Washington, D. C.

DEAR MR. CHAIRMAN: With further reference to your testimony before the subcommittee on appropriations for the independent offices, and in light of questions raised since that time, I should appreciate it if you would be good enough to furnish me with answers to the following questions:

1. How many of the high-powered, clear-channel radio stations (about 40 in number, I believe) are owned or operated by those independent of and not affiliated with any of the three major networks?

2. To what extent evening time, between 8 and 10, has been sold during the past year to agencies acting for national advertisers?

3. The extent of control, if any, exercised by your Commission over leases or assignments by licensed stations.

4. The foundation, if any, for the assertion that licensed stations have in fact concluded leases for long periods of time (5 to 10 years, for example)?

5. The foundation, if any, for the assertion that one license was issued without cost to the licensee, the licensee with or without approval of your Commission having concluded a 10-year lease calling for a payment of several million dollars?

6. Extent to which leases by licensees, when approved by your Commission, are a matter of public record and open to inspection?

7. Whether or not it is the intent of your Commission to give any further consideration to the petition addressed to you under date of April 5, 1935, bearing the signatures of 16 Members of the House of Representatives in the light of affidavits said to have been filed with your Commission.

8. Whether or not in such inquiry as was made in this connection the parties or any one of them making the affidavits referred to were examined and, if not, the reasons for nonexamination.

9. Whether or not your Commission has ever ascertained how the trade publication, Broadcasting, happened to publish on or about May 1, 1935, the statement in regard to the activities of the Commission in this connection.

10. The basis for revoking or refusing to renew the license of the Meyer Broadcasting Co.

11. The steps taken by your Commission, if any, to secure compliance with "cease and desist orders" issued by the Federal Trade Commission.

12. In what instances, if any, has compliance proved difficult or impossible.

13. The foundation, if any, for the assertion that in at least one instance 22 months have elapsed before final briefs are presented after case is before your Commission.

14. The length of time that your Commission has had under consideration the question of issuing an additional license to the Shepard Broadcasting Co. or one of its subsidiaries.

15. A list of radio stations owned, controlled, or operated by the Shepard Broadcasting Co. in New England and the percentage which those in Masachusetts bear to the total number in Massachusetts.

An early response would be greatly appreciated.

Sincerely yours,

———— ————.

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D. C., January 13, 1936.

Hon. RICHARD B. WIGGLESWORTH,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: In response to your letter of January 4, 1936, there are presented herewith answers to your questions as follows:

(1) Five high-powered, clear-channel radio stations are owned or operated by those independent of, and not affiliated with, any of the three major networks.

(2) The records of the Commission do not disclose to what extent evening time between 8 and 10 has been sold during the past year to agencies acting for national advertisers, and I am, therefore, unable to give you this information.

(3) Section 310 (b) of the Communications Act of 1934 provides:

"The station license required hereby, the frequencies authorized to be used by the licensee, and the rights therein granted shall not be transferred, assigned, or in any manner either voluntarily or involuntarily disposed of, or indirectly by transfer of control of any corporation holding such license, to any person, unless the Commission shall, after securing full information, decide that said transfer is in the public interest, and shall give its consent in writing."

Pursuant to this section, the Commission has promulgated its rule no. 103.18, which provides:

"An application for consent to assignment of a construction permit or license, or for consent to transfer of control of a corporation holding a construction permit or license, shall be filed with the Commission at least 60 days prior to the contemplated effective date of assignment or transfer of control.

"If the assignment of property of a station, or transfer of control of a licensee corporation is voluntary, the appropriate application shall be fully executed by both assignor and assignee and, if involuntary, by assignee only.

"In support of each such application affecting a radio station there shall be submitted under oath or affirmation, in addition to the information required by the forms furnished by the Commission, in properly marked exhibits, the following information:

"A. If the application is for transfer of license:

"(1) A complete detailed list of all the items of property and assets of the station, including intangibles; real property must be listed separately showing both the buildings and land. If no real property is involved, applicant must so state.

"(2) A similar list showing with reference to the items of property and assets given: (a) The original cost to the licensee, when and from whom purchased; (b) the present depreciated value and method of computing depreciation, and the replacement value and method of determining same.

This information may be given on one sheet in different columns, and the total of each column must be given. Applicant must show the latest tax assessed value, separately of buildings and land, together with the date of assessment. If the real estate has not been recently assessed or has not been assessed at full value, applicant must submit a report of independent appraisal of the realty, showing date said assessment was made, together with the name of the assessor.

"(3) A profit-and-loss statement of the assignor showing receipts and disbursements in detail and also profit or loss for a period of 6 months preceding the filing of the application;

"(4) A financial statement of the assignee showing in detail the items of assets and liabilities and assignee's financial ability to continue the operation of the station in the public interest, together with the date of said statement.

"(5) Where the assignment is voluntary, an executed copy of the contract or lease agreement which must provide (a) that assignee shall have complete control of the station, its equipment and operation, including unlimited supervision of programs to be broadcast; (b) transfer shall be subject to the consent of the Commission; and (c) the price, whether paid or promised, and all the terms and conditions of the proposed sale or transfer.

"(6) Where assignment of property of the station is involuntary, a certified copy of the court order or other legal instrument effecting the transfer, showing all the terms and conditions under which the transfer is made, including the consideration therefor.

"(7) A copy of the articles of incorporation of the assignee, if a corporation, showing its power to engage in radio broadcasting, certified by the secretary of state of the State in which the assignee is incorporated.

"(8) A list of names, nationalities, and addresses of incorporators, directors, and officers, and of all stockholders owning 5 percent or more of the stock of said assignee corporation and all corporations controlling said assignee.

"(9) Applicants for the Commission's consent to the transfer of a license from one licensee to another must join in a statement under oath as to whether there are contracts, agreements, or understandings (other than the one submitted under subparagraph 5 above), whether written or oral, which may in any wise affect or concern the transfer contemplated, the financial arrangements between the parties, the equipment of the station, or its operation or supervision. If there are no such contracts or understandings, the statement should clearly evidence this fact; if there are any such contracts, full and complete copies thereof properly executed must be submitted. Action will not be had on any such application until this information is fully supplied.

"B. If the application is for transfer of control of a licensee corporation:

"(1) A complete detailed list of all the items of property and assets of the station, including intangibles.

"Real property must be listed separately, showing both the buildings and land. If no real property is involved, applicant must so state.

"(2) A similar list showing with reference to the items of property and assets given: (a) The original cost to the licensee, when and from whom purchased; (b) the present depreciated value and method of computing depreciation, and the replacement value and method of determining same.

"This information may be given on one sheet in different columns, and the total of each column must be given. Applicant must show the latest tax assessed value, separately of buildings and land, together with the date of assessment. If the real estate has not been recently assessed or has not been assessed at full value, applicant must submit a report of independent appraisal of the realty, showing date said assessment was made, together with the name of the assessor.

"(3) A financial statement of the licensee corporation, control of which is to be transferred, showing in detail the items of assets and liabilities, together with the date of said statement.

"(4) A profit-and-loss statement of said licensee corporation showing the receipts and disbursements in detail and also profit or loss for a period of 6 months preceding the filing of the application.

"(5) If control of the licensee corporation is to be transferred by contract, a fully executed copy thereof, showing the date and all the terms and conditions, including the exact consideration paid or promised, with a condition that the transfer be subject to the consent of the Commission.

"(6) If control of said licensee corporation is to be transferred by involuntary means, a certified copy of the court order or other legal instrument affecting the transfer of control, showing all the terms and conditions thereof, including the consideration therefor.

"(7) If control is to be transferred to a corporation, a copy of the articles of incorporation, properly certified by the secretary of state of the State in which the corporation is incorporated;

"(8) A list of names, nationalities, and addresses of incorporators, directors, and officers, and of all stockholders owning 5 percent or more of the stock of said assignee corporation and all corporations controlling said assignee; and

"(9) Applicants for the Commission's consent to the transfer of control of a licensed corporation must join in a statement under oath as to whether there are contracts, agreements, or understandings (other than the one submitted under subparagraph 5 above), whether written or oral, which may in any wise affect or concern the transfer contemplated, the financial arrangements between the parties, the equipment of the station, or its operation or supervision. If there are no such contracts or understandings, the statement should clearly evidence this fact; if there are any such contracts, full and complete copies thereof properly executed must be submitted. Action will not be had on any such application until this information is fully supplied."

On August 21, 1934, the Broadcast Division promulgated its order no. 2, whereby, pursuant to the provisions of section 310 (b) of the Communications Act, it was ordered that the licensee of every radio station was required to file with the Commission on or before September 1, 1934, verified statements showing the following information as of July 15, 1934:

"1. If the licensee is a corporation—

"a. A list of the stockholders of record, together with the address and the amount of stock held by each;

"b. Whether the stock is voted by a person other than the record holder, and, if so, a copy of the agreement or other instrument authorizing same;

"c. A list of the officers and directors of said corporation, together with their addresses and the amount of stock held by each;

"d. Any other arrangement or agreement with any person or corporation which may affect the conduct or control of the business of the licensee corporation.

"2. If the licensee is a partnership, association, organization, or company (other than a corporation)—

"a. A list of the persons or corporations owning any interest therein, the amount of interest held by each person or company, and their addresses;

"b. A list of the officers and directors, and their addresses."

The licensee was further required to inform the Commission of any changes subsequent to July 14, 1934, in the ownership of stock in the licensee corporations or of the issuance of additional shares of stock and to whom issued, or any changes in the ownership of the licensee partnerships, associations, organizations, or companies. Appropriate forms for the furnishing of this information were supplied by the Commission.

Attention is particularly invited to paragraph 1 (d), which requires "any other arrangements or agreements with any person or corporation which may affect the conduct or control of the business of the licensee corporation." This of necessity includes leases or contracts for control of the station in whole or in part. The Commission has kept careful check to see that full compliance with this order was made by every licensee.

Every contract and agreement filed with the Commission under Broadcast Division order no. 2 or under section no. 103.18 is carefully scrutinized, and, if any doubt exists as to the legal effect thereof, the application is designated for public hearing, after notice to the applicant and other interested parties.

(4) The records of the Commission disclose that there are several licensed stations which have, in fact, concluded leases for periods of time from 5 years or longer. Where such contracts appeared the Commission required such licensees to file applications for permission to voluntarily assign the station license in question. You will understand, of course, that the act does not require licensees to be the owner of the station, and lessees may be licensees; but wherever a licensee executes a lease of its station to another, thus relinquishing control of the same without consent of the Commission, this constitutes a violation of the Communications Act of 1934.

(5) I have no knowledge or information with respect to your fifth question sufficient to form a belief, and therefore cannot answer the same. No approval has been requested, and none has been given, to any licensee for a 10-year lease calling for the payment of several million dollars. It is my belief that this statement is without foundation in fact.

(6) Rule 100.6 of Practice and Procedure of the Commission provides:

"Subject to the provisions of sections 4 (j), 412, and 606 of the act, the files of the Commission shall be open to inspection as follows:

"(a) Tariff schedules required to be filed under section 203 of the act and annual and monthly reports required to be filed under section 219 of the act.

"(b) Hearing dockets, only as to applications, licenses, and other instruments of authorization, notices, appearances, motions, petitions, and other pleadings, depositions, transcripts of testimony, exhibits, examiners' reports, exceptions, and orders of the Commission.

"(c) Other files, in the discretion of the Commission, upon written request describing in detail the document to be inspected, and the reasons therefor."

(7) After thorough investigation and detailed consideration of the charges contained in the petition of Representative CONNERY and others on April 5, 1935, the opinion of the Commission was that the charges were not sustained by the evidence, and the matter was therefore closed. The Commission felt constrained, on the basis of the limitations of the act under which it functioned and under legal precedent, to arrive at this conclusion. It is not the present intention of the Commission to give the incident further consideration.

(8) The Commission called upon the licensees involved to submit the continuity in question. This was done. The Commission caused a translation by one of its own employees to be made of the Spanish program alleged to be obscene, and also requested a translation to be made by the licensee. The two were then compared. A careful examination of the whole program disclosed nothing which could be determined "obscene" within the meaning of section 326 of the Communications Act of 1934. (See *Knowles* v. *U. S.*, 170 Fed. 409, and *Duncan* v. *U. S.*, 48 F. (2d) 128.)

(9) No.

(10) Violation by the licensee of the terms of its existing license.

(11) The Federal Communications Commission is not the enforcing agency for cease-and-desist orders issued by the Federal Trade Commission. However, the fact that a cease-and-desist order has been issued by that body is an important consideration to this Commission when action is taken upon any station's application for renewal of license. In other words, the Commission considers the fact that any station licensee may be broadcasting programs against which cease-and-desist orders of the Federal Trade Commission have been issued, as an important element in determining whether its continued operation will serve public interest.

(12) No instances.

(13) There has been no instance where any length of time even approximating 22 months has elapsed between final submission of a case to the Commission and the filing of briefs.

(14) Consideration of the Sheppard Broadcasting application has been delayed because it involves a request for an allocation of facilities contrary to existing regulations of the Commission. By reason thereof, the Commission, at considerable expense, directed the conduct of a survey through its engineering department, of the entire broadcast structure. This survey has not yet been finally completed, and no action can be taken on the Sheppard application until the Commission has before it the results of this investigation.

(15) The following stations are owned, controlled, or operated by the Sheppard Broadcasting Co., as follows:

WEAN, Rhode Island (licensee).

WNAC, Massachusetts (licensee).

WICC, Connecticut (owns 95 percent of the stock of licensee corporation).

WAAB, Massachusetts (owns 100 percent of the stock of licensee corporation).

There are 15 stations in Massachusetts. Of these, two are owned or controlled by the Sheppard Broadcasting Co.; in other words, the Sheppard Broadcasting Co. owns or operates 13.33⅓ percent of the stations in Massachusetts.

Trusting this information meets your requirements, I am,

Very sincerely yours,

ANNING S. PRALL, *Chairman.*

I want to say that I agree with the point of view expressed by my colleague [Mr. CONNERY], namely, that a full, impartial, nonpartisan investigation into the entire field of work covered by this Commission would be in the national interest at this time. There is so much smoke that it is not surprising that many are led to believe that there must be some fire. If there is no fire, then it seems to me the best way to establish the fact is by dispelling the smoke. I hope it will be possible for an investigation to be conducted. I think it ought to cover the whole field of work, including specifically the allocation of channels; the leases and assignments made by licensees; the allotment of time; the control exercised by the Commission; the cooperation with the Federal Trade Commission; the taxes, if any, which may be

fairly imposed on licensees in accordance with the testimony of the chairman of the Commission; and, in general, all matters bearing on the regulation or operation of radio subject to the jurisdiction of the Federal Communications Commission.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. Gladly.

Mr. CONNERY. I have read the hearings before the Appropriations Committee in respect to which the gentleman refers. The gentleman's reference now has nothing to do with whether President Roosevelt had a certain amount of time or Governor Landon or anybody else had a certain amount of time. The gentleman agrees with me, though, there is something in the Radio Commission that ought to be looked into, does he not?

Mr. WIGGLESWORTH. I agree. I think the whole situation should be looked into thoroughly in view of the importance of this great means of communication.

Mr. CONNERY. Mr. Chairman, will the gentleman yield further?

Mr. WIGGLESWORTH. Certainly.

Mr. CONNERY. I was just informed by telephone that there is at the present time a delegation of veterans from Brooklyn, N. Y., waiting in my office to see me to protest against their station, which was used to support disabled veterans, being taken away from them and given to the Brooklyn Eagle, which did not need the facilities at all.

Mr. WIGGLESWORTH. There have been complaints, as the gentleman knows, all along the line from many sources and from various angles. I hope the gentleman succeeds in carrying through his resolution.

The second observation which I wish to make is in respect to the Tariff Commission. A great many complaints have, of course, been made in respect to the general field of tariff regulation since the reciprocal trade agreement policy went into effect.

A great many of these complaints have come my way in connection with these hearings. I am not going to set them forth at length, but I may mention in passing a letter received from a man in New York protesting bitterly against the reduction in the tariff on hay, presumably on the findings of the Tariff Commission. The writer stated that this action in his judgment has jeopardized one of the great crops of central and western New York as well as of Michigan and Ohio. I have endeavored to ascertain from the Tariff Commission what, if any, recommendations the Commission made in this connection, but to date have received no response in the matter.

I may also mention the case of lumber interests in our Northwest, and the apparent failure to give proper consideration to the difference in transportation costs as between lumber shipped to Atlantic and Gulf ports from the Canadian Northwest and from our own Northwest. The result of the slash in the protection of lumber there, presumably on the findings of the Tariff Commission, has apparently been to set up a handicap of $1.75 on every 1,000 feet of sawed lumber for the lumber industry in our own Northwest.

I may mention also the case of potato interests, and the apparent failure to give proper consideration to the difference in transportation costs as between potatoes shipped from Canada to New York on the one hand and potatoes shipped from Maine or our own West to New York on the other hand. Many similar complaints could be cited.

There have been, of course, countless complaints in regard to importations from Japan. In the hearings you will find some discussion of the charge that importers of pottery from Japan have admitted under oath that pottery has been imported by them on a false basis. It appears that this charge is well founded; that the facts were turned over to the Treasury Department over a year ago, and that to date no effective action has been taken to meet the situation.

The committee also attempted to investigate the charge that Japanese swordfish has been landed both on the Pacific and the Atlantic coasts at transportation rates serving to reduce the protection afforded by law by 50 percent and more. The Commission is supposed to have made a special investigation of this item. Questioning at the hearings and an inquiry since that time has failed to yield satisfactory response either as to whether or not this is a fact or as to what recommendations, if any, have been made with a view to meeting the situation.

Under the reciprocal trade agreement policy, so much power has been delegated to the President that it is difficult to know just what is expected of the Tariff Commission. I confess that in spite of inquiries made at the hearings it still is not clear in my mind just what the functions of the Commission are in this connection or just how far the Commission has lived up to the functions it is expected to perform.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. Gladly.

Mr. CULKIN. Has not the State Department now its own fact-finding committee on these tariffs and relative costs?

Mr. WIGGLESWORTH. I am not sure as to that. I may say to the gentleman that the so-called Committee on Reciprocity Information is primarily responsible, as I understand it, for this new policy.

Mr. CULKIN. Is that under the Tariff Commission or the State Department?

Mr. WIGGLESWORTH. It was organized as an interdepartmental committee, the Tariff Commission having one out of six members composing the committee.

Mr. CULKIN. But it is a fact that the Tariff Commission has been definitely relegated to the rear by the activities of the State Department.

Mr. WIGGLESWORTH. I may say to the gentleman that I think as a result of the hearings that were conducted it was shown that the duties and responsibilities of the Commission have been materially reduced. I think it appears, for example, that only one change has been made under the flexible provision throughout the entire year. It also appears, as I have said, that the Commission has only one vote in six on the Committee on Reciprocity Information. The representative of the Commission testified, I think, that bringing the tariff summaries up to date was the most important work carried on during the year. The Commission had some work under the N. R. A. and subsequently under the A. A. A. This work, of course, has now terminated. It appears, as I have said, that the work of the Commission has been materially reduced.

Mr. CULKIN. The Tariff Commission with its shortcomings, nevertheless, had the merit of operating in the open as distinguished from the present in camera performance of the State Department. Is not this true?

Mr. WIGGLESWORTH. I think it is very difficult to find out just what the situation is now, and I think it would be highly instructive if we could have a further inquiry into the entire field of tariff regulation with a view of determining the basis upon which agreements have been reached in trade agreements and what steps, if any, should be taken with a view to protecting American labor, agriculture, and industry against the tremendous importations which have been coming into this country recently.

Mr. CULKIN. And if the gentlemen will pardon the interjection of this further observation, the only effective way this can be brought about is by a change of administration, the election of a Republican President and a Republican Congress. [Applause.]

Mr. MILLARD. It would help a lot; yes.

Mr. WIGGLESWORTH. I may say to the gentleman that this would certainly be conducive to that end. [Applause.]

Mr. GRAY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I will yield for a brief question.

Mr. GRAY of Pennsylvania. It will be brief. Is it not a fact that complaints are coming from manufacturers' associations throughout the country against the importation of Japanese products where the importation does not amount to anything on certain classes of goods? Is this correct or not?

Mr. WIGGLESWORTH. I think the increase in importation of commodities from Japan, taken as a whole, has been

tremendous. There may be instances such as the gentleman refers to; but, taken as a whole, I think the increase has been very great. Only today the junior Senator from North Carolina said, "Japan will shortly capture the Philippines, commercially."

Mr. GRAY of Pennsylvania. Does the gentleman have any idea of the proportionate value of the importations from Japan?

Mr. WIGGLESWORTH. No; I cannot give the gentleman any exact figures right now. I commend to the gentleman's attention the hearings and report of the Commission on Japanese pottery, with particular reference to subsidies said to be made available by the Japanese Government to the Japanese Pottery Manufacturers' Association.

Mr. Chairman, I have just two more observations to make and then I shall be through. The first is in regard to the civil service of the Government.

The figures show that we have today about 800,000 people on the Federal rolls, not counting legislative, judicial, or military personnel. This is an increase of 225,000 since 1933. The record also indicates that about 220,000 of these workers are totally exempt from civil-service requirements, a very high percentage of all appointments made last year being exempted. It is alleged that the spirit, if not the letter, of the civil-service law is being violated by the interpretation given the word "expert" in many instances, and, further, by an abuse of temporary appointments, these temporary appointments being made in many cases at rates of pay which are out of line as compared with the rates of pay of those on a permanent basis, and also for periods apparently in excess of those authorized by law. I have endeavored to obtain accurate information in this connection. I have not received it as yet, but I have received assurance recently from the Civil Service Commission that it will be furnished. I hope it will be available in the near future.

In a recent report, the National Civil Service Reform League states:

> That at no time since the enactment of the civil-service law has the merit system faced such a test as now. We may well ponder how much longer our Government can be administered effectively with its civil service recruited half on merit and half on patronage.

As one who believes in the merit system, as one who believes that the adoption of the Civil Service Act took us out of intolerable conditions existing before its adoption, I urge a thoroughgoing investigation of conditions prevailing in the field of civil service. Inefficiency, destruction of morale, and increase in the cost of government are inevitable if the civil service of this Government is to be undermined. The Nation is entitled to know what the real situation is.

One more word and I am through. This is in reference to a matter referred to by my colleague the gentleman from Ohio [Mr. BOLTON], a matter which I stressed in my remarks on this bill a year ago.

This bill emphasizes the direct and indirect cost of certain of the new agencies. It does not begin to emphasize the cost of all of the new agencies, many of which are classified by the Bureau of the Budget as independent establishments. On the contrary, the bill emphasizes by omission the utter lack of normal control over a great many of these new agencies. Under the authority accorded me I insert at this point two tables, the first prepared by the General Accounting Office, showing 23 agencies which are not required at this time to submit to the General Accounting Office for audit; the second showing some of the agencies, at least, which have been financed out of lump-sum appropriations or other allocations or through the use of the public credit and which have never up to this time been required to justify expenditures to the appropriating committees of either Senate or House.

LIST OF ACTIVITIES WHICH DO NOT SUBMIT ACCOUNTS TO GENERAL ACCOUNTING OFFICE FOR AUDIT

Agricultural Credit Corporation (under F. C. A.).
Alien Property Custodian.
Central banks for cooperatives (F. C. A.).
Corporation of Foreign Security Holders.
Comptroller of Currency (assessments and insolvent, etc., banks).
Federal Deposit Insurance Corporation.
Federal Farm Mortgage Corporation (F. C. A.).
Federal savings-and-loan associations.
Federal Reserve Board.
Gorgas Memorial Institute (field audit).
Home Owners' Loan Corporation (offers to account).
Hospitals of various services.
Inland Waterways Corporation.
Insular governments' funds in Treasury, except Virgin Islands.
Merchant Fleet Corporation (local audit).
Panama Railway Co.
Panama Steamship Co.
Perry's Victory Memorial Commission (collections).
Reconstruction Finance Corporation.
Smithsonian Institution (funds, etc.).
Tennessee Valley Associated Cooperatives, Inc.
Various special deposits.
Virgin Islands (partial).

Agencies financed through lump-sum appropriations or other allocations or through the use of the public credit

	Name	Total disbursements
(1)	Commodity Credit Corporation	$309,510,555
(2)	Federal Deposit Insurance Corporation	2,500,000
(3)	Federal Home Loan Bank Board	1,159,000
(4)	Federal Savings and Loans Insurance Corporation	167,000
(5)	Home Owners' Loan Corporation	263,371,256
(6)	Federal Housing Administration	7,260,000
(7)	Renovation and Modernization Loans and Insurance	30,000,000
(8)	Mutual Mortgage Insurance Fund, F. H. A.	5,082,491
(9)	Federal Prisons Industries, Inc	216,300
(10)	Puerto Rican Reconstruction Administration	516,521
(11)	Railroad Administration	30,405
(12)	War Finance Corporation	51,200
(13)	Reconstruction Finance Corporation	515,472,290
	Total disbursements	1,135,336,518

In his Budget message the President told us that in the last few months 20 agencies not heretofore under the control of the Director of the Budget had been brought under that control. He further urged legislation with a view to bringing all agencies, including Government-owned and Government-controlled corporations, under the control of the Director of the Budget. I commend this progress. I hope the legislation recommended will be speedily enacted. I submit, however, that the recommendation does not begin to go far enough. I submit as a general rule that the disbursement of all public funds should be subject to the control not only of the Director of the Budget but also of the Comptroller General and the appropriating committees of both the Senate and House. I had not heard of the resolution which the gentleman from Ohio [Mr. BOLTON] states has been introduced by the junior Senator from Virginia. I do not know its exact terms. I sincerely hope, however, if I understand its purport correctly, that it will prevail and prevail promptly. It seems to me that there should be a thorough investigation at the earliest possible moment of all agencies of the Government, including corporations owned or controlled by the Government, which have not been required to justify their expenditures to Senate and House. I submit that this investigation is advisable from the point of view of coordination and elimination of duplication. I submit that it should be for the protection of any administration. I submit that it is essential in the national interest.

Mr. Chairman, I thank the members of the Committee for their attention. I am sorry to have presumed so much on their time and good nature. [Applause.]

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

OFFICE OF THE PRESIDENT

Salaries: For personal services in the office of the President, including the Secretary to the President, and two Assistant Secretaries to the President at $9,500 each; $125,982: *Provided*, That employees of the executive departments and other establishments of the executive branch of the Government may be detailed from time to time to the office of the President of the United States for such temporary assistance as may be deemed necessary.

Mr. TABER. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman of the committee a question.

I wonder if the gentleman in the hearings went into the question of how many employees of other bureaus or departments of the Government have been detailed to the Executive Office under this provision.

Mr. WOODRUM. We did not. We have never made that inquiry of the White House. It has always been the custom under all administrations to draw some personnel, especially emergency personnel, from other departments, and since I have been a member of the committee, both as a minority and majority member, that inquiry has never been made.

Mr. TABER. It has always been the practice to draw personnel from different bureaus and departments of the Government?

Mr. WOODRUM. That is my understanding.

The pro-forma amendment was withdrawn.

The Clerk read as follows:

Traveling expenses: For traveling and official entertainment expenses of the President of the United States, to be expended in his discretion and accounted for on his certificate solely, $25,000.

Total, Executive Office proper, $294,032.

Mr. MITCHELL of Tennessee. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MITCHELL of Tennessee: Page 3, line 5, after the figures "$294,032", insert "*Provided*, That the President shall not appoint anyone related to him by blood or marriage within the third degree to perform the duties provided for in this said appropriation."

Mr. WOODRUM. Mr. Chairman, I make the point of order that the amendment is legislation on an appropriation bill and, I think, is an insinuation against the Chief Executive of the United States as well.

Mr. MITCHELL of Tennessee. I hope my colleague will withdraw the point of order.

Mr. WOODRUM. I will not withdraw the point of order, and I insist upon it, Mr. Chairman.

Mr. MITCHELL of Tennessee. I just want to make an explanation.

Mr. WOODRUM. No. I do not think there ought to be any debate on it, and I insist on the point of order.

The CHAIRMAN. The Chair is ready to rule. The point of order is well taken, and the Chair sustains the point of order.

Mr. MITCHELL of Tennessee. Mr. Chairman, I should like to be heard on the point of order.

The CHAIRMAN. The Chair has ruled and has sustained the point of order.

Mr. MITCHELL of Tennessee. You do not permit me to make myself understood.

Mr. WOODRUM. I will permit the gentleman to withdraw his amendment, if he would like to do that.

Mr. MITCHELL of Tennessee. I will not insist on the amendment.

Mr. WOODRUM. Regular order, Mr. Chairman.

The Clerk read as follows:

For all printing and binding for the Civil Service Commission, including all of its bureaus, offices, institutions, and services located in Washington and elsewhere, $85,900.

Mr. MARTIN of Colorado. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I got a letter this morning from an old farmer out in my district in Colorado that had something in it which I think is too good to be buried in the files of a Congressman's office. His orthography was not Websterian, but he said the best thing I have heard thus far on the Supreme Court decision on the Triple A, or that I expect to hear, and it was this. He said, "They amended the Constitution to give us something to drink; now, why can't they amend it to give us something to eat?" [Laughter and applause.]

The Clerk read as follows:

CANAL ZONE RETIREMENT AND DISABILITY

For financing of the liability of the United States, created by the act entitled "An act for the retirement of employees of the Panama Canal and the Panama Railroad Co., on the Isthmus of Panama, who are citizens of the United States", approved March 2, 1931, and acts amendatory thereof (U. S. C., Supp. VII, title 48, sec. 1371n), $500,000, which amount shall be placed to the credit of the "Canal Zone retirement and disability fund."

Total, Civil Service Commission, $48,879,000.

Mr. MITCHELL of Tennessee. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I regret that my distinguished colleague from Virginia saw fit to make any reference to a proposed amendment that would indicate for one moment that what the author of the amendment had in mind could, by any means, be construed as a reflection upon the great President of the United States. Certainly nothing could be more foreign to my intention or motive. Some precedent exists for my amendment. Without any effort whatever to reflect upon the Chair, heretofore a similar amendment, at the first session of the Congress, to the Guffey coal bill was permitted by a distinguished Presiding Officer, and the amendment offered by me was made a part of the bill. This amendment was similar to the one I am here and now proposing. What was in mind then and what is in my mind now with reference to this proposed amendment is that it is the beginning of legislation that I think is wholesome and would be helpful; and I am quite sure that my distinguished colleague from Virginia must be in accord with the purpose. I am proposing a similar amendment to every section of this bill, if the Chair will permit and holds it in order.

I simply wish to say to the House that at the first session I proposed a bill, H. R. 8617, which I am assured will be given consideration by the Committee on Expenditures in the Executive Departments, and in this bill it is provided that no Federal officer, including the President, the Vice President, the members of the Cabinet, the members of the Supreme Court, all district courts, and all Federal officials, shall be permitted to appoint his next of kin to any position or office under him as such appointing power.

Mr. Chairman, I have no disposition to undertake to impugn the motives of anyone who has a different conviction on this bill from what I hold, but I make the observation that nothing could be more wholesome or helpful than to clarify criticism that comes to Members of the House and comes to all the appointing powers when they continue, as is frequently done, especially in the different bureaus that are set up here from time to time, to pad the pay roll and put on their next of kin and have the taxpayers settle the bill. We are entitled to clean government. I do not mean to say that everyone on the pay roll may not be earning his compensation, but it leads to flagrant abuses in the public service.

What I have in mind is the principle. We as the lawmaking power owe it to ourselves to live above suspicion, beyond any criticism that may arise because of appointing our next of kin. Surely, it was not in my mind or thought to criticize the President of the United States or the Vice President or anyone else.

I am talking about the principle. We as the legislative branch of the Government are expected to enact such bills and measures as will help to make living conditions better in America.

I know, and you know as Members of this House, that many are placed on the pay roll by some relative who is temporarily at the head of a bureau or agency of the department without regard to merit.

Mr. WOODRUM. Mr. Chairman, whatever merit the amendment had as a fundamental proposition, the gentleman's remarks have nothing to do with the point of order I made against it.

No one approves of people being put on the pay roll with a salary that they do not earn. I can recall two distinct former Speakers of this House whose wives were their secretaries. The country was better off because these distinguished women helped perform the service.

There may be Members of Congress who may have their relatives on the pay roll. I do not have. They earn their money. I do not wish to discuss the merits, but, it seems to me, passing strange that the gentleman, without any contact with the committee on my side of the House, should

endeavor to put restrictions on the President of the United States, which I still say is a reflection on his high office.

Since I have been a Member of this House there has never been any question as to the expenses of the Executive branch of the Government. No President, as far as I know, has ever abused the privilege. I cannot conceive of any man who could arrive at the high office of President abusing the privileges of that high office. That, I say, is an insinuation against the office of the President of the United States, I do not care by whom it is made or against which President it is made.

Now, my friend from New York a moment ago asked whether employees of other departments were detailed to the Executive Office.

The organic law provides that—

Employees of the executive departments and other establishments of the executive branch of the Government may be detailed from time to time to the office of the President of the United States for such temporary assistance as may be deemed necessary.

The Clerk read as follows:

FOREIGN SERVICE PAY ADJUSTMENT

Foreign service pay adjustment of officers and employees of the United States in foreign countries due to appreciation of foreign currencies: For the purpose of carrying into effect the provisions of the act entitled "An act to authorize annual appropriations to meet losses sustained by officers and employees of the United States in foreign countries due to appreciation of foreign currencies in their relation to the American dollar, and for other purposes", approved March 26, 1934, and for each and every object and purpose specified therein, $1,800,000, together with $2,048,611 of the unexpended balances of the appropriations for this purpose for the fiscal years 1934, 1935, and 1936.

Mr. TABER. Mr. Chairman, I move to strike out the last word. Would the gentleman tell us how much it is expected will be spent in this fiscal year for that particular purpose?

Mr. WOODRUM. The estimate as I recall it is a million dollars which they expect to be necessary to use this year.

Mr. TABER. Why should we need $3,800,000 for 1937 if we only need a million dollars this year? It strikes me that this is a good case where we might be able to save a little money.

Mr. WOODRUM. The gentleman will find that on pages 388 and 389 of the hearings. They estimated for 1937 that it would require $3,848,000.

Mr. TABER. I know, but they expect to spend a million dollars in the year 1936.

Mr. WOODRUM. No; I am mistaken. The amount was $5,383,476.

Mr. TABER. That was the appropriation. There was a total of $3,848,000, and I understood the gentleman to say the expenditures this year would be only a million dollars.

Mr. WOODRUM. I was in error on that. The table the gentleman will find on page 389 of the hearings.

The Clerk read as follows:

Motor-transport regulation: For all authorized expenditures necessary to enable the Interstate Commerce Commission to carry out the provisions of the Motor Carrier Act, approved August 9, 1935 (49 Stat., pp. 543–567), including one director at $10,000 per annum and other personal services in the District of Columbia and elsewhere; traveling expenses; supplies; services and equipment; not to exceed $1,000 for purchase and exchange of books, reports, and periodicals; contract stenographic reporting services; purchase (not to exceed $3,250), exchange, maintenance, repair, and operation of motor-propelled passenger-carrying vehicles when necessary for official use in field work, $1,700,000, of which amount not exceeding $75,000 may be expended for rent in the District of Columbia provided Government-owned facilities are not available.

Mr. RAYBURN. Mr. Chairman, I move to strike out the last word. This motorbus law that was passed last year is, like all transportation laws, a somewhat complicated matter; and the original set-up, of course, is pretty hard to arrive at. The first thing the Commission has to do, I am informed, is to register all of these thousands of busses and trucks that operate in interstate commerce, something like 200,000, I am informed. It is my understanding that those in responsible positions believe the sum of $1,700,000 is wholly insufficient with which to set up the machinery and bring about all the rules and regulations that will not only do justice to the public but also to the men who operate these motor vehicles, busses, and trucks in interstate commerce. It appears to me and to those who have been dealing with this whole thing, trying to get it going, that the first year in the administration of the act will be the most expensive, for the reason that all of these matters are to be set up. I understand that the committee has followed the lead of the Budget. It is also my understanding that the Interstate Commerce Commission thinks it will need $3,000,000 for the first year for the administration of the act. Could the gentleman from Virginia give us any information in that respect?

Mr. WOODRUM. Mr. Chairman, the gentleman from Texas [Mr. RAYBURN] has stated the situation. We are giving the Interstate Commerce Commission something like $1,000,000 in the deficiency appropriation bill which will be here in a few days to carry them through the rest of this present fiscal year. The Interstate Commerce Commission, as the gentleman from Texas says, feel they ought to have $3,000,000 for the fiscal year 1937, and the Budget recommended $1,700,000. Our committee appreciates the large task ahead of the Interstate Commerce Commission in setting up this new agency, but we feel that if they can intelligently and efficiently use $1,700,000 during 1937 they will be doing a good job. An organization of that kind cannot be set up overnight. They will have to have civil-service examinations to get a highly specialized group of people to look after the law. It is a big job. There is no disposition on the part of the Committee on Appropriations to unduly hamper the Interstate Commerce Commission in its administration, but we feel that $1,700,000 will start them off. If it can be shown to our committee, and to the Congress later, that the law is being poorly administered or that they are not having enough funds to get along, we will lend an attentive ear.

Mr. RAYBURN. Does the gentleman mean next winter?

Mr. WOODRUM. Oh, we will be here. It is my experience that you cannot cut these amounts down. You can build them up, but you cannot build them down. The Budget and our committee desire to compel all of these agencies to go slowly and build efficiently. They must show absolute need for more appropriations before we give them, and we feel we have given the Interstate Commerce Commission a fund that will enable it to start off in an adequate manner, and if they need more money, we will be here.

The Clerk read as follows:

NATIONAL CAPITAL PARK AND PLANNING COMMISSION

For each and every purpose requisite for and incident to the work of the National Capital Park and Planning Commission necessary toward carrying into effect the provisions of the act entitled "An act for the acquisition, establishment, and development of the George Washington Memorial Parkway along the Potomac from Mount Vernon and Fort Washington to the Great Falls, and to provide for the acquisition of lands in the District of Columbia and the States of Maryland and Virginia requisite to the comprehensive park, parkway, and playground system of the National Capital", approved May 29, 1930; personal services, including real-estate and other technical services, at rates of pay to be fixed by the Commission and not exceeding those usual for similar services and without reference to civil-service rules and the Classification Act of 1923, as amended; travel expenses; expenses of surveys and searching of titles, purchase of options, and all other costs incident to the acquisition of land, $400,000, to remain available until expended, including $200,000 for the acquisition of lands as authorized in section 1 (a) "For the George Washington Memorial Parkway" and $200,000 for advances and contributions to the Maryland-National Capital Park and Planning Commission as provided for in section 1 (b) of the act.

Mr. SNELL. Mr. Chairman, I move to strike out the last word to ask the chairman of the committee a question with reference to the situation that exists at the present time in connection with the Washington Memorial Parkway. How much money have we spent there, and can the gentleman from Virginia tell us what we are obligated to spend in the future?

Mr. WOODRUM. The appropriation this year is to buy a little strip of land up near the Key Bridge. It is a continuation of the parkway project. The authorization calls for the purchase of land on both sides of the Potomac all the way up to Great Falls, as the gentleman remembers.

Mr. SNELL. I recall that; but I was wondering how far we had gone and what proportion we had expended, and so

forth. This must be a fairly good-sized parcel of land if it is going to cost $200,000.

Mr. WOODRUM. This is to purchase some strips of land in the neighborhood of the Francis Scott Key Bridge on the Virginia side. The State of Virginia must match dollar for dollar with the Federal Government before this can be expended.

Mr. SNELL. I see a provision here for $200,000 to purchase land for the Maryland National Capital Park.

Mr. WOODRUM. That is a continuation of the extension of Rock Creek Park under a different authorization. It is under a different act. The State of Maryland also has to match those funds and has been matching them by the issuance of bonds.

Mr. SNELL. Does the gentleman have at hand how much additional we are obligated to spend on this parkway?

Mr. WOODRUM. They have never estimated how much it is going to cost. The gentleman will recall that the original authorization for the purchase of this land was on both sides of the Potomac as far as Great Falls.

Mr. SNELL. I remember it; and I opposed it.

Mr. WOODRUM. Now they have come in from time to time with requests for appropriations, just as they have here. Of course, it will depend on the price they are able to get the land for at that particular time.

Mr. SNELL. It will go on indefinitely in an indefinite amount?

Mr. WOODRUM. Yes; so long as this Congress is in a mood to appropriate for it until it is completed. They asked the Bureau of the Budget for a very much larger sum. They wanted to get a great deal more land.

Mr. SNELL. Is there any limit to the amount of land they can buy? How far back can they go?

Mr. WOODRUM. The limit is a territorial limit and not a limit of funds. It authorizes the purchase of land for the creation of this park going up the Potomac on both sides to Great Falls.

Mr. SNELL. For instance, out in Maryland, how far does that go?

Mr. WOODRUM. We are just providing $200,000 for a certain area. If there is more area to be gotten in, they will come back for further appropriations.

Mr. SNELL. Do the hearings show what they are paying per acre for that land?

Mr. WOODRUM. Yes. We have that information. It is around $600 an acre.

The pro-forma amendment was withdrawn.

Mr. TABER. Mr. Chairman, I offer an amendment, which I have sent to the desk.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 25, line 22, strike out all down to and including line 22, on page 26.

Mr. TABER. Mr. Chairman, I have offered this motion to strike out the whole of this paragraph, because it seems to me it is about time that we stopped making large expenditures for this purpose. We must come to a head sometime and come to the point where we will stop spending the people's money. I know of no better way to begin than to begin. For a long time we have been going on, and as near as I can figure, upon this entire project we have probably spent fifty or seventy-five million dollars. I do not think that within the District of Columbia we are subject to so much criticism, but when we go outside of the District with our parkway system at national expense, it seems to me we are going further than the Congress of the United States ought to go. Having that in mind and having in mind that we have an authorization for the purchase of 600,000 acres of land outside of the District, over which this Congress, as such, would have no more than joint control, and having in mind that it is an unlimited authority for expenditures that can run into millions and millions of dollars, I believe this would be a good point to begin to retrench. For that reason I have offered this amendment to strike out the appropriation for this particular purpose. Sometime we are going to come to the point where the people of the United States will wake up and will realize that we cannot stop a mounting debt and a mounting deficit unless we stop appropriating money. The way to start is to throw out those appropriations that we can possibly throw out as we go along. I hope this amendment will prevail.

Mr. WOODRUM. Mr. Chairman, the appropriation, of course, is a very small amount, $400,000. The National Park and Planning Commission, carrying out the mandate of Congress, has proceeded with a plan to build this parkway, which, as the gentleman will remember, was authorized in the Cramton bill. The gentleman from Michigan, Mr. Cramton, devoted a great deal of time and a great deal of study to the development of this parkway, and in my judgment it is a wonderful contribution, not only to the District of Columbia, but to the Nation as well.

Now, very little has been done in the past few years in the development of that parkway plan. The National Park and Planning Commission wanted to go forward this year with it, but, with the exception of this small amount of $400,000, the Bureau of the Budget refused to permit them to do it; but it did seem the part of wisdom and the part of ultimate economy to get control of this little parcel of land at the end of the Francis Scott Key Bridge, which will be so necessary for the continuation of that parkway. There are only $200,000 involved and a like amount is to be matched by the State of Virginia. That will connect up these links in Rock Creek Park while the land can be secured. It is a very small matter, and the Budget committee and all of us have gone into it, and we share the opinion of the gentleman that it is not any time to launch into big expenditures, but it is a small matter and a necessary link in this ultimate plan, and we feel that it will be ultimately economical for the Government to do it now.

Mr. TABER. Mr. Chairman, will the gentleman yield for a question?

Mr. WOODRUM. Yes.

Mr. TABER. I should like, if I might, in the gentleman's time, to call his attention to page 567 of the hearings and to the fact that there is an authorization of $4,500,000 for the Cabin John and Rock Creek development, $7,500,000 for the George Washington Parkway, and $16,000,000 for the District, a total of $28,000,000 that is ahead of us. Now, it would seem to me that the Congress ought to be rather careful about embarking on these large expenditures, and this is a start toward it.

Mr. WOODRUM. I thank the gentleman for his contribution. I think he bears out what I said—that we are not embarking on it; we are practically standing still; but we are now confronted with the necessity of acquiring two little connecting links in this program. If Congress wants to go further with this development, it will need this land, and we are merely getting these two small parcels that will permit us ultimately to go forward and not tie our hands.

I hope the amendment will not prevail.

Mr. GRAY of Pennnsylvania. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not want anyone to feel that in what I am about to call to the attention of the committee I am criticizing the Appropriations Committee. I heard the gentleman from Virginia a moment ago refer to $400,000 as being a very small item. In the sense the gentleman means it and in the connection it bears to this bill I realize that it is a small item, but I want to bring to the attention of this committee the fact that during the last session of Congress I introduced House Joint Resolution 353 to rehabilitate several mine rescue cars. This bill would have called for the expenditure of some $27,000 by the Bureau of Mines to rehabilitate several mine rescue cars for use in the bituminous and anthracite coal fields of this Nation. The bill did not get through the Appropriations Committee because of the principles of economy that seemed to govern at least some of the members of that committee.

Mine rescue work is important. It is more important than building highways, because it has to do with the saving of human life. These mine rescue cars were to be made available for location at various parts of the mining districts

of the country, from time to time, to train not only operators but the miners, who bring the coal from the earth for the use of the people, in the prevention of accidents and of mine disasters and the best methods of rescue and salvage when such things occur. I think the Appropriations Committee could well look into the real necessity for rehabilitating some of the cars that have been put out of use. Recently there were only two of these mine rescue cars in operation under the Bureau of Mines. The results accomplished by these cars while they were in operation certainly justifies the rehabilitation of several more. I have had numerous requests from safety associations and those engaged in mine rescue work in the coal regions to present this matter to the Congress in the hope that some provision can be made by which they may once again have the facilities of a sufficient and adequate number of such cars.

Let me briefly present some facts for your consideration. Because of the very bad safety record of the mines in the United States, and because of the occurrence of mine explosions prior to 1910, the Bureau of Mines was organized that year. For the 5-year period ending in 1910 there were 84 major coal-mine disasters, with total fatalities from explosion from gas or dust of 2,388, an average of about 478 per year. The total fatalities from all causes in the mines of the country in that period were 13,288, or an average of 2,658 per year.

In the year 1922 there was an explosion in one of the coal mines at Spangler, Pa., almost at my doorstep, resulting in the death of 77 coal miners, nearly all of whom were personal acquaintances and friends of mine. This terrible tragedy causes one to realize most acutely the tremendous importance of safety work. A number of other somewhat similar disasters have occurred in that territory.

Coal mining is a most hazardous occupation. Not a day goes by in the coal fields but we can expect to hear of some fatality. Unquestionably there has been a reduction in the number of deaths and disabilities since the operation of mine rescue cars. It is probably true that coal mining can be made comparatively safe if sufficient effort is put forth, but this cannot be done by stingy restricting of funds that should be made available for first aid and mine rescue-training work.

Whether it is railroad cars that are to be used for the purpose or whether it is automobile trucks is only a matter of policy which the Bureau of Mines could decide as the most workable instruments for the purpose. Previously 10 all-steel railroad mine rescue cars were provided for. Lately but two have been in operation. The result has been that the work of education and training, not only of those directly concerned in the production of coal but also of the general public, has been seriously neglected. The Bureau of Mines is of the opinion that, if given adequate support in its safety efforts, accident occurrence in our coal mines can be reduced 75 percent.

Mr. Chairman, I appeal to this Congress to have thought of the lives, of the limbs, and of the families of the men who tunnel through dark passages in the interior of the earth and bring forth that basic commodity—coal. Every dollar wisely expended in safety work will return tenfold into the Treasury of the United States. It would be a blot on the strenuous efforts of the Roosevelt administration and of this Congress, who have extended themselves in a great humanitarian endeavor to save our people and rebuild the economic and social structure of our Nation, if a few paltry thousand dollars were refused for the work about which I have spoken.

The CHAIRMAN. The question is on the amendment of the gentleman from New York.

The amendment was rejected.

The Clerk read as follows:

Total, Railroad Retirement Board, $47,645,000.

Mr. TABER. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman of the subcommittee a question.

I wonder if the chairman of the subcommittee could tell us how much revenue the Government expects to derive from the tax which has been placed upon the railroads and their employees in this connection during the fiscal year 1937?

Mr. WOODRUM. The estimate—and it was just a sheer estimate, I may say to the gentleman—was about $150,000,000.

Mr. TABER. Is $47,000,000 a fair estimate of what it is expected this Board will require for its operation?

Mr. WOODRUM. That is what we understood it to be; yes.

Mr. TABER. And the revenue is expected to be $150,000,000?

Mr. WOODRUM. Over a period of years they figure the best they can actuarily, and there is very little of an actuarial basis they can go on, that after 15 years it will be self-containing from the tax.

The Clerk read down to and including line 16, page 31.

Mr. WOODRUM. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLAND, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 9863, the independent offices appropriation bill, 1937, had come to no resolution thereon.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—REPORT OF THE DIRECTOR OF EMERGENCY CONSERVATION WORK

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, with accompanying papers, referred to the Committee on Labor:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, the report of the Director of Emergency Conservation Work, embracing the activities of that organization, which includes the group popularly known as the Civilian Conservation Corps, for the period April 5, 1933, through June 30, 1935. Text and tables are included, showing in considerable detail the extensive activities of this organization in relieving unemployment, providing for the restoration of the country's natural resources, and assisting in the program of national recovery.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 16, 1936.*

THE CONTRIBUTION OF THE RECONSTRUCTION FINANCE CORPORATION TO THE RECOVERY PROGRAM OF PRESIDENT ROOSEVELT

Mr. KENNEDY of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address made by the Honorable Jesse Jones in Baltimore on January 11.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KENNEDY of New York. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of Jesse H. Jones, Chairman of the Reconstruction Finance Corporation, at the Concord Club Jackson Day dinner, Lord Baltimore Hotel, Baltimore, Md., January 11, 1936:

Mr. Chairman, ladies, and gentlemen, I appreciate the honor of dining with and addressing so important a body of men and women. I have been your neighbor now for 4 years and have come to know a good many of you, both personally and in a business way. I see a number of friends of much longer standing.

It has been a privilege to be of some assistance to Baltimore and Maryland during the trying period from which we are just emerging. I am also glad to say that every investment and every loan that we have made here has proven to be thoroughly sound, notwithstanding that Baltimore was hard hit, as was the entire United States.

We at the R. F. C. have seen and had dealings with people from all sections of the country. Most of them were in distress—many confronted by failure; some of them worse—besides seeing the savings and accumulations of a lifetime slipping away under the grinding juggernaut of depression and fear.

It was as impossible to protect one's self against the depression as against the infuriated elements. Baltimore was no exception, and you have cause to feel a just pride in the recovery thus far attained.

Reasonably good conditions prevail throughout the country, and we are now in such a comfortable state that we forget how distressed and how really miserable we were in the spring of 1933.

This I understand to be your annual dinner given in honor of that great statesman and patriot, Andrew Jackson. There has been so much said about him in the past few days that there is little I can add.

I have pride aplenty in his memory, because I, too, hail from Tennessee—the grand old Volunteer State. He was a great character, Andrew Jackson—with great courage, great understanding, and great determination. He was of and for the average man, and, with all his virtues, had many human weaknesses.

I love and admire him for those weaknesses as much as for his great strength. They enabled him to better understand human nature and to fight for the rights and liberties of men.

He was known to swear at times, and even to take a drink. He owned race horses and fought game chickens. He even fought a duel and killed his antagonist. He seized Florida from Spain before the National Government had authorized such action, and our diplomats had quite a job backing him up. So you see he was quite a man, and sometimes even obstreperous.

I have often wondered what Jackson would have done in this particular period, as I have also wondered what Jefferson would have done.

We Democrats—and I believe all true Americans—hold these two great characters very high, and the further time takes us from them the greater are their statures. They stand out as guides and signposts to the course the American people, as a people and as a Government, should follow.

While wondering what either of these might have done during the several crises we have had during the past 50 years, I feel assured that either would in the main have followed the course Cleveland followed, and Wilson and Franklin Roosevelt. That is, they would have met the problems that confronted these three Democratic Presidents in much the same spirit and with the same determination insofar as the preservation of human liberties is concerned.

Those of us who lived during Cleveland's administration would not have done everything just as he did it, and that applies with equal force to Woodrow Wilson and Franklin Roosevelt. The same would have been true of Thomas Jefferson and of Andrew Jackson. But I believe we would have tackled their problems, had it been our responsibility, with as great determination. Few of us do anything exactly alike, or take the same route for a given destination. The object is to get there, or to accomplish the purpose.

The responsibility for the welfare of a great nation is one thing—especially when millions are out of employment, with no way of making a living or taking care of their families. Criticizing the course taken by the leaders who have that responsibility is quite another.

Because of the unusual unemployment situation and the utter despair in which President Roosevelt found the country at his inauguration, there have been more opportunities for error in efforts to extricate the country from that despair than was perhaps true ever before.

Looking back 3 years is much like looking down into a deep valley resembling oblivion, from which we have climbed by extreme effort and under a leadership that has had but one purpose in mind. If at times we have felt that leadership was veering too far to one side or the other, we should not falter or turn back, any more than the army should fail to follow the general or the field marshal.

While out of danger, we are not entirely up the hill and will not be until there is work for all who want work. We can get along—and very well—with a goodly number out of employment, but business and industry—and those with jobs—will have to support the unemployed. None can escape this responsibility and none should want to. Certainly no one must suffer for life's necessities.

I have no desire to make a political speech, even at a Jackson Day dinner, but am glad to talk with you men and women about the serious side of our daily lives—about business.

I speak as a businessman, as much interested in the welfare of business as any of you, or as in any business.

The word "business" encompasses almost every phase of human activities. We are a country of business. We are a country of free people who want the privilege of engaging in business, large and small, for a livelihood and for a profit, whether that business be agriculture, industry, merchandising, banking, or what not.

And upon the whole, business is now very good. Certainly it is greatly improved over the past few years. Most people made some money in 1935. From the viewpoint of business, much ground has been regained, and we should feel good about it and very hopeful.

I am aware that there is fear about what is ahead of us, but do not believe the fear justified. I have confidence in the wisdom of the American people to preserve our freedom and our liberties.

Certainly we do not want to go back, even to the days of 1929, because we would be sure to fall again. And it goes without saying we do not want to go back to 1930 and 1931 and 1932 and 1933.

I am not one of those to fix the responsibility for our depression troubles entirely upon a political party. I have felt, however, that we would not have gotten so far out of line if the three preceding administrations had taken a different course.

But none of us calls the doctor until he is sick.

There is much talk to the effect that business, industry, and banking are against the present administration. I do not believe in the final analysis this will prove to be true. Why should it? We are doing very well in business, and much lost ground has been regained.

It is doubtful if we could have gotten a start back without the bank holiday and without the assistance given to banking, business, and industry through the R. F. C.

Home-loan activities and farm credits were very helpful, but it was absolutely necessary to repair the banks and to get a sound banking system before a start or any progress could be made.

Probably the billion dollars capital stock invested by the R. F. C. in 6,000 banks did more good than any Government activity. It gave us a strong banking system. Our banks are now stronger in deposits, excess reserves, and in capital than they have ever been.

Rebuilding the banks was like putting a new foundation under the house. It was absolutely necessary to prevent the house falling down.

Another billion loaned for distribution to depositors in closed banks also helped greatly and reached perhaps 20,000,000 depositors. The additional $1,200,000,000 loaned to going banks, over 85 percent of which has been repaid, was a very great benefit.

Over 70 percent of our loans to closed banks have been repaid. One hundred and forty million dollars of our bank capital investment has been retired, although maturing over a period of 20 years and payable only from a part of earnings.

We have authorized loans of all character, including investments in banks and insurance companies, in the aggregate amount of $7,923,000,000; $1,007,000,000 of these authorizations were canceled, the borrowers finding that they did not need the money. But the fact that it was available to them, and that the loans and the security had been approved, made it possible for these borrowers to go about their affairs with confidence.

Approximatey $1,072,000,0000 of these authorizations are yet undisbursed, but still available to the borrowers. Much of this will not be taken, as recovery continues and private credit becomes operative.

We have actually disbursed on these loans authorizations, including investments in banks and insurance-company stocks, slightly less than $6,000,000,000, $5,873,000,000 to be exact, and our repayments have been $3,258,000,000.

We have bought $296,452,321.92 par value of securities from P. W. A. and have sold $147,205,200 of these at a premium of $4,870,000 above cost. We are authorized by Congress to buy P. W. A. securities and to have invested in them as much as $250,000,000 at any one time. By buying and selling these securities, we create a revolving fund for relending by P. W. A. for self-liquidating projects, greatly aiding employment and at no cost to the Government.

Our interest rates are approximately 1 percent more than we pay the Treasury for the money we borrow to lend, and our operating expenses approximately one-half of 1 percent.

This affords an operating reserve of approximately one-half of 1 percent to cover losses. This reserve, to date, is over $116,000,000, which, in the opinion of our directors, will cover all our losses, from the creation of the Corporation, so that the operations of the R. F. C., extensive as they are, will not result in any loss whatever to the taxpayer.

We have tried to be prudent as well as helpful, realizing it is the taxpayers' money we are trustees for.

The R. F. C. is the original alphabetical agency and, as you know, was started under the former administration. It has been expanded many times under the Roosevelt administration, and we have endeavored to be of assistance to the President in his efforts for recovery. Without a doubt R. F. C. activities have been helpful to every person in the United States.

I have said on many occasions, and here repeat, that I should like to see the Government out of the lending business, but not until credit is available from private sources at interest rates and upon terms that can be met without placing too great a burden upon borrowers.

It is the money borrower that feeds most of us.

Interest rates have been too high and terms too exacting. I am convinced that potential borrowers will need to be encouraged to borrow. While depositors in closed banks have suffered, borrowers as a rule have had a tougher time.

We will not get back to normal conditions until the average citizen—the little fellow—can borrow within reason, at fair rates, and on more liberal terms of repayment.

The big fellow with unquestioned credit borrows on his own terms and at very low rates. But credit for the average man, the average business, is too sparingly given, and at much higher interest rates.

And remember that there are millions in this class, and that they constitute the great majority. They must be built up. They must be encouraged. They must be welcome in the big banks and in the little ones. In the language of Amos 'n Andy, they must be members of the lodge.

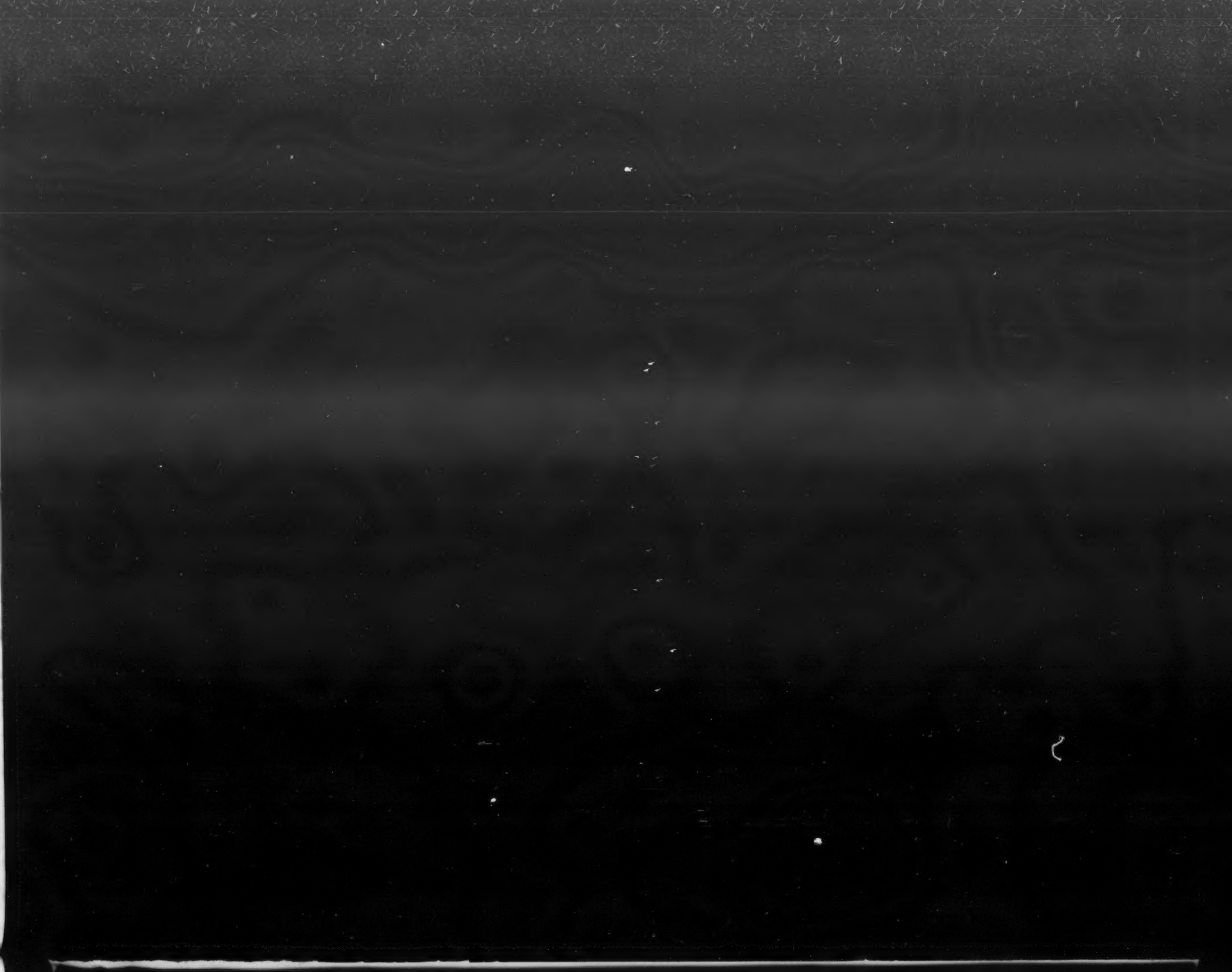
I believe Jackson would subscribe to these principles.

Some of my banker friends and others in that environment, including some of our financial writers, are all hot and bothered about our efforts to reduce interest rates.

We are not only trying to help the average man—the small borrower—but we should like to help the railroads in getting lower interest rates. This is one way the Government can help the railroads, without loss to the Government.

I should like to repeat here, with emphasis, statements I have heretofore made, to the effect that too many of our railroads are dominated by bankers whose principal interest in them is to make money out of their financing.

This is within the law, but should not be.



The Great Northern—one of the best systems in the country, never having defaulted in its 57 years of existence—has been paying 7 percent on a $115,000,000 issue of bonds imposed by its bankers 15 years ago. And what is more, the bankers only paid the road 91½ for these 7-percent bonds—a discount of nearly $10,000,000.

These bonds mature next July, and it is our purpose to help them renew them at 4 percent, a saving to the road of more than $3,000,000 a year. This will pay the cost to that road of the social-security tax and leave a handsome balance.

The bankers agreed to a 5-percent rate plus an underwriting charge of a million dollars and an additional 1 percent on such bonds as they might buy. Except for the R. F. C., this, or even a greater rate, would have been imposed upon the road. Incidentally, the bankers thought the deal was buttoned up, and the proposed 5-percent bonds were quoted on the New York market at a premium of 9 percent, or $10,000,000 more than the road was to get for them.

We tried to prevail upon the bankers to underwrite these bonds at 4½ percent, with a half-million-dollar underwriting charge instead of a million dollars, R. F. C. agreeing to buy up to one-half of the issue if not taken by the road's stockholders and by private investors.

If a bond is good enough for a banking house to recommend to its investors at 5 percent, I fail to understand why it is not a better investment at 4 percent. Certainly the borrower has a better chance of meeting his payments at the lower rate than the high.

This applies with equal force to the small-business man—the man who does not enjoy Triple A credit and cannot dictate terms to his bank.

We will save the Great Northern more than $11,000,000 on this one issue under the best terms the bankers offered, and that $11,000,000 will give many a man a job and, incidentally, improve the railroad.

Getting back to bank credits:

The Bank Act of 1935 allows national banks to lend on improved real estate for as long as 10 years, and on unimproved real estate for 5 years. It allows loans to industry by national banks up to 10 years.

Such loans are available for borrowing or rediscount by the banks at the Federal Reserve, and there is no reason why commercial banks should not meet the legitimate requirements of real estate, business, and industry in proper proportions to their lending funds, as provided in the 1935 Bank Act.

And there is no longer any valid argument for extreme liquidity, especially since approximately 98 percent of all depositors are insured by Federal deposit insurance, which makes bank runs extremely unlikely.

There should be a change in the lending policies of many banks so that all deserving borrowers may be accommodated.

I say this with due appreciation of the responsibility which bankers feel for the funds of their depositors and their stockholders and notwithstanding that many banks got in trouble by lending on security that was not readily convertible into cash.

That experience was not a fair test, because of the unprecedented economic avalanche.

Business cannot be carried on without a free flow of credit, based upon a going country, and bankers must adopt that policy if the Government is to quit lending, for as long as banks confine their lending to the Government the Government will be forced to provide private credit.

I do not favor unsound banking in any sense, but most of our bankers have reached a stage where the only loan they are willing to make is one that can be collected practically on demand, or so secured that the collateral can be sold upon short notice. The borrower is given little freedom and little confidence.

Character and confidence are at a low ebb as a basis of credit, and in my opinion, with few exceptions, every man and every woman should have some credit—maybe $50, maybe much more—but character, confidence in our country and in each other are our greatest assets.

That is why we are talking about Jackson at this time—his character, his principles, and his faith in the country and in the people.

Those that believe with Jefferson, Jackson, Cleveland, Wilson, and Roosevelt, in my opinion, interpret the spirit of America.

The responsibility of government is with the President and the Congress, all duly elected by the people. It is for you and me to support them while in office and to register our approval or disapproval at the polls.

CONGRESSIONAL SUBSERVIENCY

Mr. BOLTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address which I delivered over the Columbia Broadcasting System on October 2 last.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BOLTON. Mr. Speaker, in accordance with the permission given me, I wish to insert in the RECORD a radio address delivered by me from station WJSV, Washington, D. C., over the Columbia Broadcasting System, Wednesday, October 2, 1935, on the subject of Congressional Subserviency.

President Roosevelt once more is making promises to the American people in the hope of reviving a lost confidence in the New Deal. The President does this in the face of a past record of shattered pledges that makes his new assurances unconvincing. Again it is obvious that he takes for granted that a subservient Congress will do his bidding. But the fact is that proper legislative functioning, impossible under the present New Deal majority in Congress, is one of the great needs confronting the country.

Three sessions of Congress have been held under the New Deal. They had certain characteristics in common. All three were distinguished by the headlong speed and abandon with which questionable and controversial legislation was enacted, by the absence of debate worthy of the name, and by the absolute dominance of the executive branch of the Government. The session which closed late in August was, with the least justification, the most abject and servile of all.

The conduct of the New Deal Congress in this last session, the record of which is fresh in our memories, has caused more apprehension than anything that has gone before in all our long legislative history.

It will be borne in mind that in the earlier stages of the New Deal the gravity of the emergency was such that President Roosevelt was given almost unanimous support of press and public in his demand for action. He had stated with seeming frankness that the measures he proposed were largely emergency measures, and for the period of the emergency only. He had stated further that if these experimental measures failed in their purpose he would be the first to acknowledge it. He had just been elected by an overwhelming majority and the disposition of the country was to trust to his judgment in unprecedented degree.

The country and the Congress did not then appreciate the far-reaching and disastrous effects of the measures he proposed—the radical changes they were to bring about in our national life. The country then had confidence that the President would not go too far with his experiments and innovations. It relied on him to have that appreciation of the consequences of his own acts that is an essential attribute of statesmanship.

To a large extent, therefore, the support given in Congress to the earlier New Deal measures demanded by the President was spontaneous. It may be argued in the light of subsequent events that the people had a right to look to their chosen Representatives to exercise seasoned judgment in meeting the demands of the Executive. But the point is, that the sinister and unsavory aspects of the situation which obtained in the last session of Congress were not then in evidence. A gigantic political machine, which has been turned over to the spoilsmen, had not then been set up to enforce administration demands. Unlimited public funds had not been provided to fill to overflowing what has become, in effect, the most gigantic political pork barrel of all time, operating and influencing public opinion and public men after the insidious manner of all other pork barrels, and with the same ultimate disastrous effect on the taxpayer.

In those early days of the New Deal many still nursed the hope that the cost of government was to be reduced and the Budget was to be balanced. Mr. Roosevelt pledged that as a candidate. He agreed to carry out 100 percent the promises in the Democratic platform on these points. It was not then foreseen that, as President, Mr. Roosevelt would repudiate these pledges in the Democratic platform 100 percent.

But all of this was forcefully brought to the attention of Congress in the last session. It was clearly understood by those who wanted to understand. The situation was changed to a marked degree, if not almost entirely reversed. An aroused press and public, including leading Americans of both parties, were demanding that Congress resume its deliberative functions in lawmaking and its rightful place in the control of the finances of the Government to the end that further fruitless experimentation be ended and the orgy of spending and waste be checked. Yet in the face of this Nation-wide demand, and in the light of the alarming situation which had caused it to arise, a pliant and servile New Deal majority, who had power to punish and favors to bestow, put through in its practical entirety, largely under gag rule, an administrative program but little understood, and in the opinion of a great body of the American people, more destructive in its potentialities than anything that had gone before.

This shows the inevitable goal to which such a flagrant disregard of the plain intent of the Constitution leads.

Thoughtful Americans agree with the sentiment recently expressed as that of the President by a New Deal spokesman in a magazine article, purporting to interpret the Presidential mind, that the Constitution was not "intended to stand as a barrier against social and spiritual progress." But they emphatically disagree with the theory that the Constitution may be changed by subterfuge and indirection to conform to the ideas of any political group, however powerful, of what constitutes social and political progress. The Constitution stands in the way of nothing that the American people, in their seasoned judgment, decide that they want to do. It may be changed to meet changed conditions, but only after the whole people have had an opportunity to pass upon the change proposed. Any other method of changing it strikes at the basic theory and form of our Government.

Even the New Dealers now appear to appreciate the force of public opinion aroused against them on this point. Secretary Roper, in what had all the earmarks of an authoritative New Deal utterance, in his speech on Constitution Day, gave us a pretty

strong hint of what is in the New Deal mind when he asked this question. I quote:

"If there is not sufficient constitutional authority for the Federal Government to deal properly with a Nation-wide economic and social crisis, is it the will of the American people to amend their Constitution so that the Government, in times of acute national distress, may, by bold, direct action, avoid utter chaos?"

In the light of the "bold and direct action" taken by the New Dealers, without regard to constitutional authority, vast numbers of the American people shudder to think of where they would be now if there had been no constitutional barriers. The New Dealers desire a change in the Constitution to make the New Deal constitutional. I say let them propose such an amendment and make concrete the issue before the American people. The inevitable trend of the New Deal has been away from our form and theory of government. Do the American people want this?

The American people have the undoubted right to change their Constitution through the orderly processes provided for in the instrument itself. They have the right to remove from the Constitution the safeguards that have protected them in their individual liberties since the birth of the Nation. They have the right to emasculate their Constitution so as to change the essential spirit of their form of government to make it conform to the New Deal theory and philosophy of government. They have the right to make constitutional dictatorship in time of stress. Do you want to do it? Do you want this Nation to proceed on an uncharted course, without limitations of political and Executive action, or do you favor real progress under prescribed limitations, based on fundamental and proven truths?

How clearly Calvin Coolidge foresaw the danger of centralizing power in the Executive when, nearly 10 years ago, he said:

"No plan of centralization has ever been adopted which did not result in bureaucracy, tyranny, inflexibility, reaction, and decline * * *. Unless bureaucracy is constantly resisted it breaks down representative government and overwhelms democracy."

Let us consider how truly he predicted the inevitable result of such an experiment as the N. R. A., a typical example of the New Deal legislation, resulting from legislative surrender to Executive dictation.

When the N. R. A. was passed in the House, under a drastic gag rule, limiting debate to only a few hours, it was frankly stated by its sponsors that it made the President of the United States a dictator over industry for the time being, but that it would be a benign dictatorship. Under the stress and urgency of the occasion the measure was hurried through the Senate, despite its ominous aspects.

It was not long before the American people were to find that it provided, in fact, for a dictatorship, and that the effects of this dictatorship were not benign.

Such was the clamor of public opinion against it, there was general relief when the Supreme Court declared it unconstitutional. Whatever there was of good in it was so outweighed and overborne by the arbitrary, burdensome, and oppressive methods of its administration that this attempt at a benign dictatorship was thoroughly discredited before the Supreme Court gave it the finishing blow. The N. R. A. was so thoroughly discredited, in fact, that it now would be scarcely worth while to mention it but for one thing. Though its body lies mouldering in the grave, its meddlesome spirit goes marching on in the New Deal ranks.

This spirit was exemplified in the last session of Congress by the insatiable appetite of the New Dealers for further control over the activities of American citizens. It lurks in the cautious inquiry of Secretary Roper, which I have quoted. It was unmistakably evident in President Roosevelt's irritation shown at the historic press conference following the announcement of the Supreme Court's decision declaring the N. R. A. unconstitutional. You remember his "horse and buggy" comment.

This spirit of control dominated most of the important legislation the New Deal Congresses enacted. Consider the many acts dealing with industry, agriculture, banking, and labor, all tending to centralize control in the hands of the Chief Executive. Think of the general terms employed in the authorization for administrative initiative and activity in public works and relief, even social reforms, all centered in the hands of the President. Does this correspond to our ideas of a representative form of government, under which the legislative branch is expected to express its definite intent in legislating?

Consider the financial record of these three New Deal sessions, with authorizations for expenditures of over $30,000,000,000—greater than the entire cost of government from 1789 to 1913, inclusive, and greater than the direct cost of American participation in the World War for fighting and demobilization. Compare these figures with the promises of President Roosevelt. This vast authorization of expenditures was demanded by the New Deal Executive and driven through Congress without regard to the burden to be placed upon the country and its people in the future. A large part of this sum was placed in the hands of the Chief Executive for expenditure at his direction. Does this conform to our understanding of legislative functions and the duty of Congress to determine how the revenue of the country, derived from its people, together with the huge sums borrowed by the New Deal administration, is to be spent?

Even the President seems finally to have realized that American business had had enough for the time being, having announced in his recent letter to publisher Howard that business was to have a "breathing spell." Of course, you remember that was what Max Baer got in the fight the other night between the third and fourth rounds. Doubtless, during that brief "breathing spell" his anticipation of what he was likely to receive in the fourth round was not made more pleasant by his recollection of what he had received in the preceding three. It is not a pleasing duty to remind you of this, but the President will be back soon, and the New Deal Congress will be here again for a fourth round in a few short months.

I believe the American people now realize what has happened and will continue to happen unless our legislative branch of government resumes the duties and responsibilities originally intended. Reassumption of legislative responsibility, clear-cut and well-defined, would not be a backward step. It would be a mighty step forward. It would make possible progress and cooperation to a far greater degree than buck passing and placing in the hands of the President powers and resources never before dreamed of in a democracy—powers greater in many respects than are at the command of the dictators in Europe. Let us return to our representative form of government. Let us return to sanity.

HOSPITALIZATION OF DISABLED VETERANS

Mr. HAINES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HAINES. Mr. Speaker, I want to discuss the bill that is before the House rather than enter into any political discussion. I want to discuss only one section of the bill, which has to do with hospitalization of our sick and disabled veterans. I am pleased, indeed, to note that the committee has recommended an increase of almost $5,000,000 for hospitalization purposes and that a part of the increase will be for additional hospital beds.

Surely these beds are necessary, for I am quite certain that every Member of Congress is familiar with the great need for additional beds. We have a modern new naval hospital located in Philadelphia which has a capacity of between 900 and 950 beds and at the present time the capacity is rated at 650 beds. The Veterans' Administration in Philadelphia have been most considerate of me in my desire to aid the sick veterans in my congressional district, but unfortunately they have been unable to give me the service that I need for my district due to the fact that they have a limit of 200 beds after March 31 of this year. Up until that date they have available 250 beds, but this will not begin to take care of the applications that come to them from the area in the Philadelphia district.

Upon orders of the medical director, the Veterans' Administration is only permitted to accept applications from metropolitan Philadelphia, which does not include the counties in my congressional district. I find it most difficult at times to have veterans residing in my district admitted, and let me say that it is through no fault or disposition on the part of the Veterans' Administration in Philadelphia.

All applications from my district are then forwarded to the Veterans' Administration facility, Bronx, N. Y., but only to learn that the latter could receive no further applications due to their crowded capacity and long waiting lists for admission from metropolitan New York. All Pennsylvania veterans are entitled to just as much consideration as those who reside in the metropolitan areas, but it is most evident to me that little consideration has been given to that group who do not reside in these metropolitan areas. I stated that the full capacity of this hospital is 900 to 950 beds. This maximum could be made available if the placing of the beds were arranged in such a way as to not overcrowd the hospital. At the present time the beds are placed on 9-foot centers between beds, which is more than is necessary, and if this were reduced, and which would not be causing an overcrowding condition, you could place three beds where you now place two.

Mr. Speaker, I believe it to be our duty to care for these sick and disabled men. I believe that the citizens of our great country expect us to do this. I have the daily census report of this naval hospital as of December 3, 1935, and I shall insert it as a part of these remarks for the information of the House.

This report, subtracted from the estimated capacity of the hospital, clearly indicates a vacant bed capacity of well over 500, available if the budget of the Veterans' Administration

were sufficient to allow the Veterans' Administration to reimburse the Navy Department as per the diem rates in effect.

And yet, notwithstanding all of this, the veterans I represent must wait for weeks and months before given the treatment and care a grateful people want them to have. I am reliably informed that at the present time there is a waiting list for the naval hospital of more than 400 applications which have been reviewed medically and approved for admission if and when the beds become available. With this great new modern hospital built to care for 900 or more patients and then to know that about 200 are being cared for, I am sure we want this additional appropriation used to take care of that long waiting list. If this is true in the Philadelphia area, I believe it must be true also with other districts.

The American Legion in its State convention last year sent me copy of a resolution adopted by the convention asking for an increase in the new naval hospital in Philadelphia to full capacity and that Aspinwall Hospital, in western Pennsylvania, be increased 250 additional beds for mental patients, and that Coatesville Hospital be increased 500 beds for mental patients, and that a hospital be built in northeastern Pennsylvania for general medical cases.

These men are familiar with the needs and are to be commended for their interest in their buddies, and I sincerely hope that very sympathetic consideration be given to the necessity for additional hospital facilities and that immediate action will be taken by those authorized to act. I believe it to be the sentiment of this body to give this hospital care to our veterans, for it is an honest debt the Nation owes those unfortunates who were willing to sacrifice for country and now suffer by reason of their patriotism and service. We can do no less.

Census report for the naval hospital for Dec. 3, 1935, Philadelphia, Pa.

	Admitted	Discharged	Removed
Officers, Navy	0	1	5
Officers, Navy, retired	1	2	4
Officers, Staff	0	1	0
Officers, Navy Reserve Act	1	0	1
Officers, Marine	1	0	3
Enlisted, Navy	0	2	17
Enlisted, Navy, retired	0	0	8
Fleet Navy Reservist	0	0	10
Enlisted, Marine	4	1	20
Enlisted, Marine, retired	0	0	1
Enlisted, Army	0	0	1
Enlisted, Army, retired	0	0	1
Nurse, Navy	0	0	1
Nurse, Navy, retired	0	0	1
Veterans' Administration patients	10	1	253
Beneficiaries	1	1	8
Enlisted, Staff	0	1	7
Pensioners	0	0	1
Employees Compensation Commission	0	0	1
Civilian Conservation Corps	0	0	8
	18	10	351

NEW DEAL EXPENDITURES DENY YOUTH OPPORTUNITY

Mr. TABER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address which I made.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which I delivered over the radio on October 30, 1935:

I wish to express my appreciation to the Columbia Broadcasting System for the privilege of talking over the radio tonight.

For 32 months now, Mr. Roosevelt has been President. During that time we have drifted far away from sound principles of government, from the Constitution of the United States, and have given up a large portion of the liberties which have been handed down to us through the ages.

For 3 years prior to the Roosevelt administration the appropriations for each year had run between $4,500,000,000 and $5,000,000,000, with a considerable downward trend indicated in 1932. The appropriations to be spent in the fiscal year 1934 aggregated a total of $8,791,000,000. The appropriations supposed to be spent in the fiscal year 1935 aggregated $11,534,000,000, and the appropriations of the last session of Congress just closed aggregated $10,256,000,000. For the fiscal year ending June 30, 1934, the expenditures of the Roosevelt administration were $7,105,000,000, and the deficit for the year was $3,989,000,000. The expenditures for the year ending June 30, 1935, were $7,375,000,000, and the deficit was $3,575,000,000. The national debt on March 4, 1933, was approximately $22,000,000,000. At the present time it is $34,000,000,000, including the guaranties and the bonus, all of which the President leaves out in his statement.

There is now appropriated and unexpended $11,000,000,000. All of this, except perhaps a very small amount, has been allocated by the President for one purpose or another. All of it will be spent with the possible exception of $2,000,000,000 of R. F. C. funds. This leaves total expenditures in sight of $9,000,000,000 in the year ending June 30 next. The total revenue in sight, including Post Office revenues, processing taxes, and everything else, does not exceed $3,250,000,000. With the probability that $9,000,000,000, or at least $8,500,000,000, will be spent, with a revenue of $3,250,000,000, this would leave a deficit of upward of $5,000,000,000 for the balance of the fiscal year 1936. This will make a net public debt of $39,000,000,000. The President told us on September 30 that he was going to reduce the deficit to $3,281,000,000 for this year. This can only be done by cutting down the expenditures which he is now planning to make, and the big item with which he proposes to reduce his borrowings is $158,000,000 of reduction in the General Treasury balance.

So far this year the deficit is way ahead of last year. The 1st of October—for the first 3 months of the fiscal year—it ran $911,000,000, as against approximately $600,000,000 for the same period last year. On the 15th of October it showed a more marked increase. The revenue does not show the increase which was anticipated by the President.

PROGRAM MEANS TROUBLE

I have no desire to destroy the confidence of the people, but I cannot see how we can go on with the present spending program and not get into trouble. The President has had appropriated to him for direct relief, without including the R. F. C. appropriations, and without including any other capital stock of Government corporations, or any other items which are called "emergency appropriations", approximately $12,000,000,000. Of these funds for relief, for emergency conservation work, and for the C. W. A. there has been used approximately $5,000,000,000. For the promotion of rackets and pet hobbies of the President there has been allocated $7,000,000,000. You will remember that the President insisted upon an unconstitutional appropriation of money for relief which gave him the authority to use the money as he wished and which did not require him to use it for a particular purpose that Congress should specify.

Under this, upward of a billion dollars has been allocated, and most of it spent on reclamation projects, to bring into cultivation desert land to drive our farmers out of business at the same time that processing taxes were levied for the purpose of taking good land out of cultivation.

RELIEF?

Millions upon millions of dollars have been allocated under the "Chic Sale division" of the United States Public Health Service for the purpose of building sanitary toilets in the mountains of Tennessee, Kentucky, North and South Carolina, Georgia, and Alabama; and then, so that they may be properly embellished, rambler roses have been planted around them at Government expense. And they call this relief!

Even now the President is spending about $50,000,000 of relief money for the so-called national youth movement, and under this he is using the taxpayers' money to teach young people to act in plays and to dance and to teach them how to make puppet actors and conduct puppet shows and make dolls and all that sort of thing. Imagine, using money that had been entrusted to you for relief for such a purpose.

If only legitimate demands for relief were taken care of by the Federal Government instead of using or allocating $12,000,000,000 and fooling away the billions which the President has fooled away, we could have provided adequate relief for those who needed it if it had been administered by local organizations with $2,500,000,000 or $3,000,000,000. And we would have eliminated the waste which has so demoralized and corrupted the American people.

DEBT AND TAXES

This mounting public debt has reached the stage where the present generation will never be able to meet it. We are going to have inflation to meet the governmental expenditures, we are going to have repudiation, or we are going to have taxes.

Inflation to meet a deficit cannot be controlled and would bring unquestionable disaster.

Repudiation, to me, is impossible.

The only recourse, if we are to permit the President to continue the spending program, is taxes, and this is what taxes mean:

1. In England a man with a family with a $1,000 income pays $30 per year income tax. In the United States he is exempted up to $2,500. On the other hand, the man with a large income in England pays a much smaller tax than we do here. With surtaxes and direct taxes, and the New York State taxes, the tax on the large income has already reached a point where it is 90 percent of the income. That these large incomes cannot be taxed much farther is manifest. We are driving people out of productive enterprises into tax-exempt securities, where they pay no income tax, and there are outstanding $50,000,000,000 to $60,000,000,000 of these bonds. These taxes will bear heaviest on people with small incomes.

2. A sales tax on all sales of 2 percent, which might yield $1,500,000,000 if it was made without exemptions.

3. An increase in the gasoline tax to 10 or 12 cents, whereas the Federal tax is at present only 1 cent.

I do not advocate these taxes, but they are what the continuation of the Roosevelt spending program means.

PEOPLE ENSLAVED

By the A. A. A., by the N. R. A., by the Guffey coal bill, by the social-security bill, and by the direct appropriation to the President of all these funds for his allotment, an attempt is being made through legislation to regiment and enslave the people and tell them what they can raise or produce. By those same bills, the liberty of the American people is destroyed and their opportunity to earn a living is destroyed. The young man of the future is the one who must bear the brunt of the Roosevelt measures. He will be tax-conscious all through his life.

The young man will not have the opportunity to make something of himself as we did in our day, but his course will be mapped out for him by a dictator with supreme power. The policies of President Roosevelt are heading us for financial ruin and for a dictatorship, in which I believe he desires and expects to be the dictator.

Socialism, fascism, or communism—and there is little difference between them except in name—are the goal of the Roosevelt administration. Unless the people wake up and throw the Roosevelt administration bodily out of office, we are going to get into a situation where the Constitution is destroyed, the liberty of the American people is destroyed, the opportunity of youth is destroyed, and business recovery is prevented by terrible taxes.

My idea is to wake the people up before it is too late. The only recourse is the election of a Republican President and a Republican Congress in 1936, and as a preparation for that important event we should lay the foundation by electing our Republican tickets everywhere this year.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1016. An act to empower the health officer of the District of Columbia to authorize the opening of graves and the disinterment and reinstatement of dead bodies in cases where death has been caused by certain contagious diseases;

S. 2013. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Pak Chue Chan;

S. 2434. An act for the relief of George W. Hallowell, Jr.; and

S. 2939. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Ronald A. Cox.

ADJOURNMENT

Mr. WOODRUM. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 6 minutes p. m.) the House adjourned until tomorrow, Friday, January 17, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

596. A letter from the Secretary of Labor, transmitting a report in accordance with a resolution of the House of Representatives of August 23, 1935 (H. Doc. No. 392); to the Committeee on Immigration and Naturalization and ordered to be printed.

597. A letter from the president of the Board of Commissioners of the District of Columbia, transmitting, pursuant to the requirement of section 12 of "An act providing a permanent form of government for the District of Columbia", approved June 11, 1878 (20 Stats. 108), a report of the official operations of that government for the fiscal year ended June 30, 1935; to the Committee on the District of Columbia.

598. A letter from the Secretary of the Navy, transmitting a report of a case of relief granted under the authority of the Naval Act, approved July 11, 1919; to the Committee on Expenditures in the Executive Departments.

599. A letter from the chairman of the Mount Rushmore National Memorial Commission, transmitting the seventh annual report of the Mount Rushmore National Memorial Commission, as provided by the act of February 25, 1929 (H. Doc. No. 336); to the Committee on the Library and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. JONES: Committee on Agriculture. H. R. 10213. A bill to provide for loans to farmers for crop production and harvesting during the year 1936, and for other purposes; without amendment (Rept. No. 1915). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 10044) for the relief of Lt. Col. Fernand H. Gouaux; Committee on Military Affairs discharged, and referred to the Committee on Claims.

A bill (H. R. 8718) for the relief of William Blakeley; Committee on Claims discharged, and referred to the Committee on War Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FERGUSON: A bill (H. R. 10302) to provide for the control of flood waters in the Mississippi Valley, to improve navigation on the Mississippi River and its tributaries, to provide for the irrigation of arid and semiarid lands, and for other purposes; to the Committee on Flood Control.

By Mr. MAVERICK: A bill (H. R. 10303) to provide for the establishment of a National Resources Board and the organization and functions thereof; to the Committee on the Public Lands.

By Mr. LUDLOW: A bill (H. R. 10304) to establish the neutrality of the United States; to the Committee on Foreign Affairs.

By Mr. COSTELLO: A bill (H. R. 10305) to amend the Emergency Relief Appropriation Act of 1935, with reference to the employment of labor; to the Committee on Appropriations.

By Mr. GREEVER: A bill (H. R. 10306) authorizing the Secretary of the Interior to patent certain land to the town of Wamsutter, Wyo.; to the Committee on the Public Lands.

By Mr. WITHROW: A bill (H. R. 10307) to amend the Agricultural Adjustment Act so as to include cattle as a basic agricultural commodity, and for other purposes; to the Committee on Agriculture.

By Mr. O'LEARY: A bill (H. R. 10308) to amend article 3 of the "Rules concerning lights, and so forth", contained in the act entitled "An act to adopt regulations for preventing collisions upon certain harbors, rivers, and inland waters of the United States", approved June 7, 1897; to the Committee on Merchant Marine and Fisheries.

By Mr. BREWSTER: A bill (H. R. 10309) to repeal the authority to enter into certain foreign trade agreements and to terminate agreements heretofore concluded; to the Committee on Ways and Means.

By Mr. ELLENBOGEN: A bill (H. R. 10310) to create a Foreign Debt Commission to negotiate with debtor governments for the prompt payment of the debts and obligations due to the United States of America, and for other purposes; to the Committee on Ways and Means.

By Mr. KRAMER: A bill (H. R. 10311) to authorize an appropriation for a survey of beach erosion in the counties of San Diego, Orange, Los Angeles, Ventura, and Santa Barbara, in California; to the Committee on Rivers and Harbors.

By Mr. IGLESIAS: A bill (H. R. 10312) to amend section 40 of the act of March 2, 1917, entitled "An act to provide a civil government for Porto Rico, and for other purposes"; to the Committee on Insular Affairs.

By Mr. MANSFIELD: A bill (H. R. 10313) to provide for hurricane control in the Gulf of Mexico and environs during the hurricane season; to the Committee on Merchant Marine and Fisheries.

By Mr. McLAUGHLIN: A bill (H. R. 10314) to amend subsection (i) of section 4 of House roll No. 9806 of the

Seventy-first Congress of the United States, the same being Public Document No. 330; to the Committee on Interstate and Foreign Commerce.

By Mr. SISSON: A bill (H. R. 10315) to regulate the appellate jurisdiction of the Supreme Court and the jurisdiction of inferior Federal courts and of State courts of cases and proceedings involving statutes enacted to carry out certain powers of Congress; to the Committee on the Judiciary.

By Mr. SMITH of Connecticut: A bill (H. R. 10316) to legalize a bridge across Poquetanuck Cove at or near Ledyard, Conn.; to the Committee on Interstate and Foreign Commerce.

By Mr. SOUTH: A bill (H. R. 10317) providing for a change in the design of the 50-cent pieces authorized to be coined in commemoration of the one hundredth anniversary of independence of the State of Texas; to the Committee on Coinage, Weights, and Measures.

By Mr. AYERS: A bill (H. R. 10318) to provide for the granting of public lands, including the minerals therein, to the States in which they are located, subject to certain terms, conditions, reservations, and exceptions, and also subject to acceptance by each individual State; for the elimination of lands from national forests, parks, reservations, and withdrawals in connection with such grants; for changes in the collection and expenditure of moneys for the United States reclamation fund, and other changes relating to the Reclamation Service, and for other purposes; to the Committee on the Public Lands.

By Mr. GEARHART: A bill (H. R. 10319) to provide for the construction of a post office and Federal office building at Fresno, Calif.; to the Committee on Public Buildings and Grounds.

By Mr. MEAD: A bill (H. R. 10320) to revise air-mail laws; to the Committee on the Post Office and Post Roads.

By Mr. WEST: A bill (H. R. 10321) to amend section 4 of Public Act No. 286, Seventy-fourth Congress, approved August 19, 1935, as amended; to the Committee on Foreign Affairs.

By Mr. PIERCE: A bill (H. R. 10322) for the relief of veterans of the Spanish-American War, including the Philippine Insurrection and Chinese Boxer Rebellion; to the Committee on Pensions.

By Mr. HEALEY: Joint resolution (H. J. Res. 458) to declare the 12th day of October of each year, commonly celebrated and known as Columbus Day, to be a legal public holiday; to the Committee on the Judiciary.

By Mr. LANHAM: Joint resolution (H. J. Res. 459) to amend the joint resolution entitled "Joint resolution providing for the participation of the United States in the Texas Centennial Exposition and celebrations to be held in the State of Texas during the years 1935 and 1936, and authorizing the President to invite foreign countries and nations to participate therein, and for other purposes"; to the Committee on Foreign Affairs.

By Mr. JONES: Joint resolution (H. J. Res. 460) authorizing an appropriation to enable the Secretary of Agriculture to meet commitments and obligations, including administrative expenses, incurred under the provisions of the Agricultural Adjustment Act, as amended, and for other purposes; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARRY: A bill (H. R. 10323) for the relief of Mary Brunjes; to the Committee on Claims.

By Mr. BOEHNE: A bill (H. R. 10324) for the relief of William E. Rich; to the Committee on Military Affairs.

Also, a bill (H. R. 10325) granting an increase of pension to Sarah A. Bays; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10326) granting an increase of pension to Lyda Powell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10327) for the relief of Claud Gregory; to the Committee on Military Affairs.

By Mr. BURNHAM: A bill (H. R. 10328) granting a pension to Harriet A. Ward; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10329) granting an increase of pension to Ella G. Munhall; to the Committee on Invalid Pensions.

By Mr. CARLSON: A bill (H. R. 10330) for the relief of the estate of John E. Callaway; to the Committee on Claims.

By Mr. CHAPMAN: A bill (H. R. 10331) for the relief of J. E. Kearney; to the Committee on Naval Affairs.

By Mr. EVANS: A bill (H. R. 10332) to confer jurisdiction on the Court of Claims to hear, determine, and enter judgment upon the claims of contractors for excess costs incurred while constructing navigation dams and locks on the Mississippi River and its tributaries; to the Committee on Claims.

By Mrs. GREENWAY: A bill (H. R. 10333) for the relief of Dorothy White, Mrs. Carol M. White, and Charles A. White; to the Committee on Claims.

Also, a bill (H. R. 10334) to credit the account of Charles C. Stemmer, postmaster at Cottonwood, Ariz., with a sum of money representing the loss by robbery of the post office at Cottonwood, Ariz.; to the Committee on Claims.

By Mr. HALLECK: A bill (H. R. 10335) for the relief of Crawford Miller; to the Committee on Claims.

By Mr. KENNEDY of Maryland: A bill (H. R. 10336) for the relief of May Howard Bloedorn; to the Committee on Claims.

By Mr. RAMSPECK: A bill (H. R. 10337) granting a pension to Fannie A. Ott; to the Committee on Pensions.

Also, a bill (H. R. 10338) for the relief of Clarence D. Schiffman; to the Committee on Claims.

Also, a bill (H. R. 10339) for the relief of Hooper Alexander, Jr.; to the Committee on Military Affairs.

By Mr. RANSLEY: A bill (H. R. 10340) for the relief of certain purchasers of properties in the city of Philadelphia, Pa.; to the Committee on Claims.

By Mr. REECE: A bill (H. R. 10341) granting a pension to David C. Norris; to the Committee on Pensions.

Also, a bill (H. R. 10342) granting a pension to William W. Ingle; to the Committee on Pensions.

Also, a bill (H. R. 10343) granting a pension to Lou Satterfield; to the Committee on Pensions.

By Mr. ROMJUE: A bill (H. R. 10344) granting a pension to Sarah Jane Clutter; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10345) granting a pension to Harry E. Duffield; to the Committee on Invalid Pensions.

By Mr. SNYDER of Pennsylvania: A bill (H. R. 10346) granting a pension to Grace Alberta Schrock; to the Committee on Pensions.

Also, a bill (H. R. 10347) granting an increase of pension to Ella N. Herwick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10348) granting an increase of pension to Emma Duncan; to the Committee on Invalid Pensions.

By Mr. WADSWORTH: A bill (H. R. 10349) for the relief of Capt. Francis W. Perkins; to the Committee on Claims.

Also, a bill (H. R. 10350) for the relief of Col. J. P. Barney; to the Committee on Claims.

Also, a bill (H. R. 10351) for the relief of Capt. George W. Martin; to the Committee on Claims.

Also, a bill (H. R. 10352) granting a pension to Arta A. Hunn; to the Committee on Invalid Pensions.

By Mr. WOLFENDEN: A bill (H. R. 10353) granting an increase of pension to Elizabeth Cavanagh; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9529. By Mr. BIERMANN: Petition of L. S. Meier, Mrs. J. M. O'Brien, and other citizens, of Allamakee County, Iowa, asking for legislation embodying the principles of the Townsend old-age pension plan; to the Committee on Ways and Means.

9530. Also, petition of P. N. Payne, county agricultural agent of Howard County, Iowa; Dewey Roberts; and others, asking for immediate legislation for the payment of all

remaining current corn-hog benefit checks and for legislation for a suitable adjustment program for agriculture; to the Committee on Agriculture.

9531. By Mr. ANDREW of Massachusetts: Petition of Benjamin Kray and other residents of Newburyport, Mass., protesting against the holding of the next Olympic Games in Germany, and against any appropriation of funds by Congress purposed toward the participation of athletes of the United States in these games unless they are withdrawn from Germany; to the Committee on Foreign Affairs.

9532. Also, petition of Mildred Solomon and other residents of Salem, Mass., and nearby places, protesting against the holding of the next Olympic Games in Germany, and against any appropriation of funds by Congress purposed toward the participation of athletes of the United States in these games unless they are withdrawn from Germany; to the Committee on Foreign Affairs.

9533. By Mr. CULKIN: Petition of 100 residents of the Thirty-second Congressional District of New York, urging Congress to pass House bill 8739, a bill to restore to the District of Columbia its prohibition law; to the Committee on the District of Columbia.

9534. Also, petition of 10 residents of Lowville, Lewis County, N. Y., and of Oneida, Madison County, N. Y., urging passage of House bill 8739; to the Committee on the District of Columbia.

9535. By Mr. CRAWFORD: Petition of 16 citizens of the Eighth Congressional District of Michigan, patrons of star route 37293, urging enactment of legislation to extend existing star-route contracts and increase the compensation thereon; to the Committee on the Post Office and Post Roads.

9536. By Mr. HALLECK: Petition of patrons of star route no. 33301, operating between the cities of Akron and Plymouth, in the State of Indiana, urging compensation for star-route carriers equal to that paid in connection with other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9537. By Mr. DUFFY of New York: Petition of citizens of Rochester, N. Y., protesting against American association with League of Nations sanction activities, and cooperation with the schemes of the British Government as regards sanctions and embargoes; to the Committee on Foreign Affairs.

9538. Also, petition of Monroe County, N. Y., requesting favorable action on House bill 8739; to the Committee on the District of Columbia.

9539. By Mr. GOODWIN: Petition of 75 citizens of Liberty, N. Y., and vicinity, urging the restoration to the District of Columbia its prohibition law by passing House bill 8739; to the Committee on the District of Columbia.

9540. Also, petition of Patriotic Order Sons of America, regarding the registration, deportation of aliens, and their interference in the affairs of the United States of America; to the Committee on Foreign Affairs.

SENATE

FRIDAY, JANUARY 17, 1936

(Legislative day of Thursday, Jan. 16, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

ROBERT R. REYNOLDS, a Senator from the State of North Carolina, and BURTON K. WHEELER, a Senator from the State of Montana, appeared in their seats today.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, January 16, 1936, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

CALL OF THE ROLL

Mr. HARRISON obtained the floor.

Mr. ROBINSON. Mr. President, will the Senator from Mississippi yield?

Mr. HARRISON. I yield to the Senator from Arkansas.

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Holt	Pittman
Ashurst	Coolidge	Johnson	Pope
Austin	Copeland	Keyes	Radcliffe
Bachman	Costigan	King	Reynolds
Bailey	Couzens	La Follette	Robinson
Bankhead	Davis	Lewis	Russell
Barbour	Dickinson	Logan	Schwellenbach
Barkley	Dieterich	Lonergan	Sheppard
Benson	Donahey	McAdoo	Shipstead
Bilbo	Duffy	McGill	Smith
Black	Fletcher	McKellar	Steiwer
Borah	Frazier	McNary	Thomas, Okla.
Brown	George	Maloney	Thomas, Utah
Bulkley	Gerry	Minton	Townsend
Bulow	Gibson	Moore	Trammell
Burke	Glass	Murphy	Truman
Byrd	Gore	Murray	Vandenberg
Byrnes	Guffey	Neely	Van Nuys
Capper	Hale	Norbeck	Wagner
Caraway	Harrison	Norris	Walsh
Carey	Hastings	Nye	Wheeler
Chavez	Hatch	O'Mahoney	White
Clark	Hayden	Overton	

Mr. LEWIS. I announce that the Senator from Washington [Mr. BONE] is absent in attendance on the funeral of Hon. WESLEY LLOYD, late a Representative in Congress from the State of Washington. I also announce that the Senator from Maryland [Mr. TYDINGS] and the Senator from Nevada [Mr. MCCARRAN] are necessarily detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Rhode Island [Mr. METCALF] is necessarily absent.

The VICE PRESIDENT. Ninety-one Senators have answered to their names. A quorum is present.

THIRTY-THIRD ANNUAL MEETING OF UNITED STATES GROUP OF INTERPARLIAMENTARY UNION

Mr. BARKLEY. Mr. President, I desire to give notice that on Monday, January 20, at 10:30 a. m., the thirty-third annual meeting of our group of the Interparliamentary Union will be held in the Senate Committee on the Library, on the Senate floor, west side. Every Senator and Representative is ipso facto a member of this group and, as such, entitled to participate in the meeting. The program will include the reading of the minutes of the last meeting, announcements and communications, the report of the Thirty-first Conference of the Interparliamentary Union, held on July 26–31 last in the city of Brussels, Belgium, the election of officers, and other business.

Mr. President, in connection with the notice given by me relative to the forthcoming Thirty-third Annual Meeting of the United States of America Group of the Interparliamentary Union, I ask unanimous consent to have printed in the RECORD the minutes of the last meeting, held in 1935.

There being no objection, the minutes were ordered to be printed in the RECORD, as follows:

The minutes of the last annual meeting having appeared in the CONGRESSIONAL RECORD, Friday, January 18, 1935, it was voted upon the motion of Mr. Carter, seconded by Mr. Eaton, that the minutes be approved without reading.

The permanent executive secretary called attention to certain rules and regulations of the Interparliamentary Union, under the terms of which it is the duty of the United States group to keep the Congress informed, through its committee or through one of its members, of resolutions adopted at the conferences which call for parliamentary or governmental action.

Again, the Interparliamentary Union expects its members to do their utmost to see that the work of the Union is made known in their respective countries, in order to obtain as large a measure of support as possible. The members of all groups are invited "to assist to the best of their ability in the maintenance of peace amongst the nations."

In article 17 of the Regulations for Conferences it is provided that "at the close of each conference the president shall enumerate the principal resolutions adopted which it will be the duty of the groups to present to their respective governments

and parliaments (Stat., art. 5) in the shape of bills, motions, questions, or under any other form suitable to the circumstances."

We are notified from Geneva that:

"In view of the importance of promoting the work in favor of peace and international cooperation pursued by the Interparliamentary Union by putting into execution the resolutions passed by its conferences;

"In view of the fact that it lies with the national groups of the Union to secure the application of those resolutions in the political life and in the legislation of their respective countries, as also in international life;

"In view of the fact that, if positive results are to be obtained in this respect through the action of the groups, it is indispensable that those groups, as autonomous members of the Union, should exercise a permanent and continuous influence within their respective parliaments."

As set forth at the Twenty-eighth Inter-Parliamentary Conference at Bucharest, the following measures are recommended to the national groups:

"1. That two regular group meetings at least should be called in the course of the year, one of which should discuss the actior to be taken in connection with the resolutions passed by conferences. (See art. 17 of the Regulations for Conferences.)

"2. That detailed information should be given in the annual reports of the groups (Stat., art. 3) as to the steps taken in connection with the resolutions of preceding conferences and especially as to the motives which may have led a group to refrain from action with regard to any particular resolution.

"3. That debates on questions placed on the agenda of the union should be instituted within the groups. Such debates might be opened by national or foreign experts, parliamentary or nonparliamentary, invited by the groups."

With regard to resolutions of conferences recommending the ratification of international conventions, the conference asks our group "to see that the steps taken with the Government with a view to ratification should be renewed until the group has achieved its ends."

The resolutions of the Istanbul Conference were summarized by your executive secretary in his statement printed in the CONGRESSIONAL RECORD of January 18, 1935, page 690. It remains for our group to take action in accordance with article 5 of the statutes of the Union, which lays upon each group the duty of "keeping its parliament informed, through its committee or through one of its members, of resolutions adopted at the conferences which call for parliamentary or governmental action."

No group is asked to act in support of a resolution which has not been favorably received by a majority of its members. The resolutions adopted at Istanbul were passed unanimously by the delegates present, excepting those on security and the reduction of armaments.

It is readily apparent from a reading of the resolutions that the Interparliamentary Union has the single aim of promoting the solidarity of all states through the maintenance of peace through justice. In his book Le Droit constitutionnel et l'organisation de la paix, Professor Mirkine-Guetzévitch, secretary general of the Institute of Public Law and coeditor of L'Annuaire Interparlementaire, points out that it was the Union which first had the honor of launching the principle of "harmonization of national legislations with the new principles of international law."

The resolution adopted at Istanbul advising the adoption of a universal system of security, providing for a consultative body with power to express its opinion on any violation of the prohibition of recourse to force and to define the aggressor state, and for the application of sanctions of force was not approved by the American delegates.

After having defined the contents of a universal pact of security, the Istanbul resolution recommends the signature of continental pacts (such as the European draft security pact, or the Saavedra Lamas Treaty signed in Rio de Janeiro in 1933 by several American states), culminating in a system of regional treaties, which may be either multilateral or bilateral. These treaties must be in accordance with the rules of existing regional pacts, such as the Paris Pact, and must not be directed against any power or group of powers.

From Geneva our attention is also called to the fact that at the present time diplomats appear to prefer regional treaties. It may be recalled in this connection that a Balkan pact has already been concluded, and that efforts are being made to draw up an eastern pact of nonaggression.

We of America may have occasion to study the drafts of other regional pacts which may be drawn up within the next few months, and profitably to consult the Istanbul resolution, which is the fruit of several years of thorough study.

The Istanbul Conference made a point of declaring the faith of the Union in the cause of the reduction of armaments, despite the repeated failures of the disarmament conference and the general pessimism. To this declaration it also added the list of measures which the Union has long advised and which are known to all its members.

For the first time the Union was called upon in Istanbul to deal with social questions.

* * * * * * * *

The resolution relating to the evolution of the representative system and technical problems is worth consideration for several reasons.

In the first place it fixes in its preamble the method which the Union should adopt in the study of the representative system. This method, if adopted, would open up sources of useful knowledge to all members of the Union, especially of the evolution of political institutions in the different countries, and ought to result in courteous exchanges of opinion. Thus the members of the Union are asked to give their experiences in regard to their respective parliaments, without criticizing the systems in use abroad. The Union can in this way remain faithful to its wise policy of respect for the convictions of all its members in a sphere which is particularly delicate.

The resolution then gives several suggestions in respect of the passing of the budget, remedies for the imperfections of parliamentary procedure, governmental stability, the separation of the political and judicial powers, finally, the independence of parliaments. These suggestions give an echo of discussions which have taken place in all countries on current problems, which are sometimes of burning interest. They prove that in many parliaments almost similar solutions have been considered, a sure proof that the ills from which the representative system is suffering are widespread, and that international consultations on the matter, as offered by the Interparliamentary Union, should be nothing but profitable. Our group will, therefore, find in the resolution adopted at Istanbul a valuable contribution to the study of the evolution of political institutions.

Attention was called to the fact that the permanent executive secretary had received a receipt from the secretary general of the Union for $7,500 which, because of the depreciation of the dollar, represents a depreciation of approximately 15,000 Swiss francs, something over $1,800, in the net value of the grant of the United States to the Interparliamentary Union for the year 1934–35. The executive secretary called attention to a statement by President MONTAGUE upon this point, reading as follows:

"I have learned that our contribution to the Bureau of the Interparliamentary Union last year of $7,500 would have been normally 38,500 Swiss francs; but because of the drop of the dollar the Bureau was only able to realize 24,750 Swiss francs, a reduction of about 37 percent. For the coming year the following drop in the dollar will mean that our appropriation to the Bureau will drop from 38,500 to 23,000 francs, a loss to the Bureau of 15,000 Swiss francs."

Under date of November 24, 1934, the executive secretary wrote to Dr. Boissier, secretary general of the Union, saying: "I see no way by which we can make up the loss to the Bureau due to the depreciation of the dollar, except possibly by getting the appropriation for next year increased." To this statement Dr. Bossier replied that it seemed to him "an excellent suggestion."

The members were reminded that President MONTAGUE had urged the Congress to appropriate $10,000 to the Bureau of the Interparliamentary Union at Geneva; and that he had also urged that an authorization act be passed by the Congress authorizing an appropriation not to exceed $20,000 per annum, $10,000 of which should be for the contribution of the United States to the maintenance of the Bureau at Geneva, and $10,000, or so much thereof as may be necessary, to assist in meeting the expenses of the United States of America Group of the Interparliamentary Union. It appeared to be the opinion of all the members present that both these suggestions by President MONTAGUE should be approved by the Congress.

REPORT OF THE TREASURER

Treasurer BLOOM submitted the following report:

Jan. 19, 1934. Balance on hand		$408.23
Disbursements:		
Jan. 24, 1934. Secretarial service	$50.00	
Feb. 24, 1934. Secretarial service	50.00	
Mar. 24, 1934. Secretarial service	50.00	
Apr. 24, 1934. Secretarial service	50.00	
May 24, 1934. Secretarial service	50.00	
Jan. 12, 1935. Judd & Detweiler, printers	16.80	
Jan. 12, 1935. Western Union Telegraph Co	13.33	
Total disbursements		280.13
Jan. 21, 1935. Balance on hand		128.10

It was voted that the report be accepted and filed.

ELECTION OF OFFICERS

Upon the motion of Mr. CARTER, it was voted that Senator ALBEN W. BARKLEY, of Kentucky, be elected president.

Upon the motion of Mr. EATON, who called attention to the great services and high character of Mr. ANDREW J. MONTAGUE, Mr. MONTAGUE was elected vice president of the group.

Upon motion of Mr. BLOOM, Senator WALLACE H. WHITE, of Maine, and Representative SAM D. MCREYNOLDS, of Tennessee, were elected vice presidents.

It was voted that Representative SOL BLOOM, of New York, be reelected treasurer, and that Representative CHARLES A. EATON, of New Jersey, be reelected secretary.

The executive committee was elected as follows: Senator ALBEN W. BARKLEY, ex-officio chairman; Representative ALBERT E. CARTER, California; Representative EVERETT MCKINLEY DIRKSEN, Illinois; Representative WILLIAM BACON OLIVER, Alabama; Senator TOM CONNALLY, Texas; Senator JOSEPH T. ROBINSON, Arkansas; Senator MILLARD TYDINGS, Maryland; Senator ARTHUR H. VANDENBERG, Michigan; Representative A. PIATT ANDREW, Massachusetts; Representative ROBERT L. BACON, New York.

Representative ANDREW J. MONTAGUE and Senator JOSEPH T. ROBINSON were elected members of the Council of the Interparliamentary Union.

Dr. Arthur Deerin Call was reelected permanent executive secretary for the fifteenth consecutive year.

Under the head of new business the executive secretary called attention to the six permanent study commissions of the Interparliamentary Union and asked if any wished to volunteer for services upon them. The permanent study commissions are:

1. Commission for the study of political and organization questions.
2. Commission for the study of juridical questions.
3. Commission for the study of economic and financial questions.
4. Commission for the study of ethnic and colonial questions.
5. Commission on the reduction of armaments.
6. Commission for the study of social and humanitarian questions.

It was voted that appointments to these commissions be left to the executive committee with power to act.

It was voted that Representative CHARLES A. EATON be asked to draft a letter, expressing the regrets of the group that Mr. ANDREW J. MONTAGUE had found it necessary to end his fine services as its president, and thanking him for his long-continued devotion to the high purposes of the Interparliamentary Union.

The meeting adjourned at 12 o'clock noon.

ARTHUR DEERIN CALL,
Permanent Executive Secretary.

CLAIM OF MRS. M. N. SHWAMBERG

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Relations, as follows:

To the Congress of the United States:

I transmit herewith a report by the Secretary of State recommending the enactment of legislation authorizing an appropriation in the sum of $500 in settlement of the claim presented against the Government of the United States on behalf of Mrs. M. N. Shwamberg, nationality indeterminable, as compensation for personal injuries sustained by her as the result of a collision between a public jinrikisha in which she was riding and a United States Marine Corps ambulance on Seymour Road, Shanghai, China, on January 31, 1935.

I recommend that Congress enact legislation authorizing an appropriation in the amount mentioned, in accordance with the recommendation of the Secretary of State.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,
January 17, 1936.

[Enclosure: Report from the Secretary of State.]

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate resolutions adopted by the Greenville (S. C.) Trades and Labor Council, favoring the prompt enactment of legislation in place of the Agricultural Adjustment Act, which were referred to the Committee on Agriculture and Forestry.

He also laid before the Senate a resolution adopted by a mass meeting of farmers and businessmen of Mayes County, Okla., favoring the adoption of measures whereby farmers may receive payments due them for 1935 corn-hog and cotton programs and also for the portion of the 1936 wheat program already complied with; also the enactment of legislation to continue the A. A. A. in a constitutional manner or some substitute therefor, which was referred to the Committee on Agriculture and Forestry.

He also laid before the Senate resolutions adopted by the League of Young Democrats of the State of Oklahoma, assembled in Mayes County, Okla., expressing their faith and confidence in and loyalty to the President of the United States and to the Congress in efforts to alleviate and improve the economic condition of farmers, which were referred to the Committee on Agriculture and Forestry.

He also laid before the Senate a memorandum on the relief situation submitted by the executive committee of the United States Conference of Mayors, being recommendations based on resolutions adopted at the last annual meeting of that conference, which was referred to the Committee on Appropriations.

He also laid before the Senate resolutions adopted by the first annual meeting of the American Indian Federation, assembled at San Diego, Calif., reaffirming the stand taken by the American Indian Federation assembled in constitutional convention at Gallup, N. Mex., in 1934, asking for the removal of the Commissioner of Indian Affairs and condemning the program and policies of the said Commissioner, and also favoring the repeal of the so-called Wheeler-Howard Act, relative to Indian affairs, which were referred to the Committee on Indian Affairs.

He also laid before the Senate a letter in the nature of a petition from Mrs. J. M. Smith, of Shrewsbury, Pa., praying for the adoption of the so-called Townsend old-age-pension plan, which was referred to the Committee on Finance.

REPORTS OF MILITARY AFFAIRS COMMITTEE

Mr. SHEPPARD, from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 3646. A bill to repeal an act of March 3, 1933, entitled "An act to provide for the transfer of powder and other explosive materials from deteriorated and unserviceable ammunition under the control of the War Department to the Department of Agriculture for use in land clearing, drainage, road building, and other agricultural purposes" (Rept. No. 1469); and

S. 3647. A bill to repeal certain provisions of the act of February 25, 1929, entitled "An act to authorize appropriations for construction at military posts, and for other purposes", and the act of July 3, 1930, entitled "An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1930, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1930, and June 30, 1931, and for other purposes" (Rept. No. 1470).

ENROLLED BILL PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on January 16, 1936, that committee presented to the President of the United States the enrolled bill (S. 430) for the relief of Anna Hathaway.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GUFFEY:

A bill (S. 3724) for the relief of A. D. Cummins & Co., Inc.; to the Committee on Claims.

By Mr. McGILL:

A bill (S. 3725) granting a pension to Marion A. Phelps; to the Committee on Pensions.

By Mr. CAREY:

A bill (S. 3726) to provide suitable rank for the Deputy Chief of Staff, United States Army; to the Committee on Military Affairs.

By Mr. STEIWER:

A bill (S. 3727) making unclaimed deposits in national banks subject to the escheat laws of the States; to the Committee on Banking and Currency.

By Mr. BLACK:

A bill (S. 3728) to increase the lump-sum payment made under the Workmen's Compensation Act in cases of death or of permanent total or permanent partial disability suffered prior to February 12, 1927; to the Committee on Education and Labor.

By Mr. JOHNSON:

A bill (S. 3729) to extend the time for applying for and receiving benefits under the act entitled "An act to provide means by which certain Filipinos can emigrate from the United States", approved July 10, 1935; to the Committee on Immigration.

A bill (S. 3730) authorizing the Secretary of the Navy to convey a right-of-way over certain lands situated in Solano County, Calif., to the State of California for State highway purposes; to the Committee on Naval Affairs.

By Mr. BURKE:

A bill (S. 3731) to amend section 4 of the act approved June 10, 1930, authorizing the construction of a bridge over the Missouri River at South Omaha, Nebr.; to the Committee on Commerce.

By Mr. MURRAY:

A bill (S. 3732) for the relief of Mike Chetkovich; to the Committee on Finance.

A bill (S. 3733) authorizing the issuance of a patent to certain lands in the State of Montana to Florence Kerr Facey; to the Committee on Public Lands and Surveys.

By Mr. HAYDEN:

A bill (S. 3734) for the relief of George Stoll and the heirs of Charles P. Regan, Marshall Turley, Edward Lannigan, James Manley, and John Hunter; and

A bill (S. 3735) to credit the account of Charles C. Stemmer, postmaster at Cottonwood, Ariz., with a sum of money representing the loss by robbery of the post office at Cottonwood, Ariz.; to the Committee on Claims.

By Mr. SHEPPARD:

A bill (S. 3736) authorizing and directing the appointment of Joseph W. Harrison as a captain in the Chaplain Reserve Corps; and

A bill (S. 3737) to authorize the Secretary of War to acquire by donation land at or near Newburgh, in Orange County, N. Y., for aviation field, military, or other public purposes; to the Committee on Military Affairs.

A bill (S. 3738) to amend the act approved June 18, 1934, authorizing the city of Port Arthur, Tex., or the commission thereby created, and its successors, to construct, maintain, and operate a bridge over Lake Sabine, at or near Port Arthur, Tex., and to extend the time for commencing and completing the said bridge; to the Committee on Commerce.

By Mr. NORBECK:

A bill (S. 3739) providing the number of Justices of the Supreme Court who shall concur in holding an act of Congress unconstitutional, and for other purposes; to the Committee on the Judiciary.

By Mr. THOMAS of Oklahoma:

A bill (S. 3740) granting a pension to Elizabeth Jane Catron Mills Young; to the Committee on Pensions.

By Mr. TRAMMELL:

A bill (S. 3741) authorizing the Reconstruction Finance Corporation to make loans to municipalities and political subdivisions of States to aid in refinancing their outstanding indebtedness; to the Committee on Banking and Currency.

A bill (S. 3742) for the relief of Hamilton Fish Scudder (deceased); to the Committee on Naval Affairs.

A bill (S. 3743) to provide for a customs and appraisers stores building at Tampa, Fla.; to the Committee on Public Buildings and Grounds.

By Mr. WHEELER:

A bill (S. 3744) to amend the act creating the Federal Trade Commission, to define its powers and duties, and for other purposes; to the Committee on Interstate Commerce.

By Mr. CONNALLY:

A bill (S. 3745) to aid in the control and disposition of the surplus of agricultural commodities, to provide for the issuance of export debentures, and for other purposes; to the Committee on Agriculture and Forestry.

THE ROOSEVELT ADMINISTRATION—ADDRESS BY THE ATTORNEY GENERAL

Mr. MALONEY. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Hon. Homer Cummings, Attorney General of the United States, at New Haven, Conn., on November 9, 1935, his subject being the achievements of the Roosevelt administration.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

When President Roosevelt took the oath of office on the 4th day of March 1933 he confronted a nation discouraged and defeated. Every effort that the outgoing administration had made to stem the tide of adversity had proved to be either inadequate or futile. We were steadily drifting toward lower standards of civilization and were upon the verge of a great economic catastrophe. The leaders of finance, who in the old days had seemed to possess such supernatural wisdom, were in a state bordering upon abject terror. They had given up hope and saw nothing ahead but universal bankruptcy and the liquidation of assets under conditions so terrible that they could not have been endured by any free people.

The captains of industry were turning appealing eyes to Washington. The managers of every bank in America, sound or unsound, were looking for help. Such was the strain upon our financial institutions that even the best of them were in serious danger. The gold reserves of the country were being rapidly depleted, universal hoarding was the order of the day, and foreign trade had been brought to a standstill. Price levels were falling and industries were closing. Failures and bankruptcies had reached enormous and, indeed, unparalleled proportions. Farmers and their families were being evicted from their homes at the rate of 200,000 a year, and millions of people were out of work. The hopes and the prayers of the whole country turned to the man who was taking his oath of office at Washington.

Did he lack vision? Did he lack courage? Did he lack resourcefulness? Did he lack devotion to the public service? Did he lack the power of leadership, or the capacity to guide in a great national emergency? The united voice of America testifies to the contrary. His wisdom, his courage, and his buoyancy of spirit brought hope and confidence to our people. He restored the forgotten man; gave hope to the desperate man; courage to the fearful man, and bread to the hungry man.

His first proclamation, closing the banks of America until they could be reopened under happier auspices, was a courageous act of the highest statesmanship. He set in motion manifold agencies designed to restore the broken life of America.

Why do I advert to the desperate experiences of those dark days? Because the memory of man is very short. We have made so much progress since that time that there are people who have either forgotten, or want to forget, or want others to forget, so that they may restore the conditions that, in large part at least, produced the perils from which they so narrowly escaped.

Let it not be forgotten that this recovery legislation, which is now under attack in many quarters, was conceived in a nonpartisan spirit and supported by Members of the Congress of all political parties. That the Nation is recovering is too obvious for serious debate. The evidences of it are upon every hand.

Who is it that is dissatisfied with the work of the administration? Not the farmers who have been rescued by the Agricultural Adjustment Act. Not those whose farms have been saved by the Farm Credit Administration. Not those whose homes have been saved by the Home Owners' Loan Corporation. Not the stockholders of banks, insurance companies, and railroads that have been saved by the Reconstruction Finance Corporation. Not those who have found work through the Public Works Administration. Not the 300,000 boys who were taken from idleness and given an opportunity in the Civilian Conservation Corps. Not the 52,000,000 American citizens whose deposits in the banks of the country are made secure by the act creating Federal deposit insurance. Not the laboring groups, in whose interest the National Recovery Administration established collective bargaining, improved working conditions, outlawed the sweatshop, abolished child labor, and gave to industry leadership and a breathing spell. Not those whose humanitarian instincts approve of the Social Security Act, which provides for old-age insurance for the industrial population of the country; and, in cooperation with the States, old-age benefits for people who have now reached an age which makes it impossible for them to take advantage of the insurance plan; and which further provides for a Nation-wide system of unemployment insurance to be operated in cooperation with the States; and for grants to States for the purpose of widows' pensions, child welfare, and public-health service. Not those who recognized the need of abolishing holding companies formerly connected with the banks of our country which made it possible to gamble with the funds of the depositors. Not those who favor stock-market regulations such as have been established under the Securities and Exchange Act, and the provisions of the securities act, whereby the public is protected in connection with sales literature which, now under penalty of law, must state not only the truth but the whole truth and nothing but the truth in connection with securities offered for general sale.

Not those who wanted to see the price level restored and take satisfaction in the fact that, by the devaluation of the dollar, and other measures of financial relief, the debt burden of the country has been made bearable. Not those who realize that the finances of the Government are upon a sounder basis than ever before; and that the outgoing tide of gold withdrawals has not only been checked, but has set the other way, and behind every dollar issued by the Government there is a larger gold and silver reserve than at any time in the history of this or any other nation.

Who then are these critics? Who is there that would reverse these processes?

There are, of course, ultrapartisans whose devotion to a party shibboleth is so intense that they are psychologically incapacitated for independent judgment. There are, also, many powerful groups in this country who have an intense distaste for the present administration. In these instances it is well to ask the previous question. It is well to ascertain the motives which actuate such groups. You will usually find a fear of the permanent loss of political power, or a deep resentment at the revocation of special advantages or a conservatism so deep and unreasoning that all change is looked upon as undesirable or revolutionary. Those who benefit by special privilege, and those who believe in a controlled government, have never been our friends and never can be, and when criticism emanates from groups of this kind, who stand upon the side line and criticize the great forward march of America, I cannot help but remind them that they have had their day. The world has passed them by. No matter what may be said of the defects of the Government at Washington, it cannot be said that it is in the hands of selfish interests, or that it is controlled from great financial centers, or that any ulterior purpose is being served by it, or that it owes any allegiance except to the people of America as a whole.

I undertake to suggest that it would be an act of unparalleled folly for the American people to take any steps that would tend

to check America in her progress to better things. Those who, at this hour, seek for selfish purposes to sabotage the program of recovery are assuming a heavy responsibility.

That administrative mistakes have been made is, of course, not for a moment denied in any responsible quarter. These things are inherent in any great and successful program. The essential thing, however, is that we are moving forward and that we are moving forward triumphantly.

But they tell us that we are spending too much money. What would they have us do? Would they have us reverse the record of the last 2 years and erase from the statute books all of this constructive legislation? Would they have us recall the boys from the conservation camps and turn them loose in the streets again? Would they deny food and lodging to the starving and homeless? America would never consent to such a program.

Of course, recovery has cost a great deal of money, but it has not cost as much as unfriendly critics assume. During the world conflict we spent nearly $26,000,000,000 for the direct and destructive purposes of war. We have appropriated less than $14,000,000,000 for the constructive purposes of peace. Of this sum only about $10,000,000,000 have thus far been spent, and about half of this sum is recoverable.

From the 4th day of March 1933 to the present time, a period of a little more than 2½ years, there has been added to the value of the assets of the American people an amount many, many times in excess of the sum thus spent. This increase is estimated by some authorities to be as high as $100,000,000,000.

The national income for 1935 is about $9,000,000,000 more than the national income for 1933. The expenditures the Government has made are in reality national investments fully justified by their rich returns.

The case for the administration is overwhelming and the discouraged leaders of the old order cannot stay this great movement by a resort to ancient epitaphs or discredited phrases, nor by simulated anxiety about the safety of the Constitution.

In no land on earth are the people and the press so free as they are right here in the United States. I have but recently returned from abroad and I have a deep sympathy for the people there in their effort to deal with questions far more serious than ours. It is with no feeling of exultation, but rather with a sense of gratitude, that I reflect upon the state of my own country. We have our troubles, of course. Many things yet remain to be done, but the spirit is here with which to do them. The means are here. The leadership is here. The courage is here. Nowhere in our skies is there any dark cloud threatening the peace of our people. We are moving up the slopes of progress and are destined to advance to constantly higher planes of civilization and to wider fields of happiness and prosperity than we have thus far known.

ADDRESS OF POSTMASTER GENERAL FARLEY BEFORE LINCOLN MEMORIAL UNIVERSITY

Mr. BACHMAN. Mr. President, I ask unanimous consent to have printed in the RECORD the address delivered by the Postmaster General, Hon. James A. Farley, before the Lincoln Memorial University, Cumberland Gap, Tenn., on Monday, November 18, 1935.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is with grateful humility that I accept the honor Lincoln Memorial University has extended to me. I will cherish it beyond any other distinction for it comes from an institution based on a clearer ideal and with a mission more definite than those of the older, bigger colleges. The great metropolitan institutions of learning naturally draw their philosophy from their environment. Theirs is the philosophy of the big city—a rather cynical psychology for the most part—and prone to run in a pattern of conservatism by reason of traditions consequent on their long history. Their student body is largely made up of the scions of prosperous families, whose advent in the halls of higher education is almost automatic. Naturally their school of thought is that of particularly contented people who, having fared well themselves, are hesitant at entertaining the idea of any change, however slight, in the existing order of things. Of course, this is a generalization. Nobody knows better than I that a bold spirit may develop anywhere, and our history is studded with brilliant examples of progressive men and women rising amid the most conventional surroundings to lead the world to higher aims and greater welfare.

The world is steadied by the staid conservatism of the majority, but any advance must proceed from the occasional liberal, whether in the faculties, the student bodies, or from the mass of the people who never saw the inside of a university—like the immortal Lincoln, to whom you owe this fine enterprise among the Tennessee mountains.

When I speak of liberalism I do not mean radicalism. Progressive thought is the motor that makes humanity a moving and not a static body. But, like every other motor, it must not speed beyond the margin of safety. If it runs wild, it will wreck the machine The Communist, and those political sects kin to him, at this stage of the world's progress, are even more distinctly a menace to the advance of social well-being than the rock-ribbed reactionaries who denounce every step as tending to the chaos of the extremists.

Government is not a motionless science. It must keep pace with the aspirations and instincts of the people. All through history we find that the dynasties that have failed to realize this have perished. There is not an absolute monarchy in the Caucasian world today. The dictatorships that have been established in certain nations are merely a passing phase, born in tumult and brought into being as one of the consequences of the inability or unwillingness of arbitrary or incompetent rulers to meet the needs of their subjects. The successful governments are those that have moved in unison with changing conditions, as our own has done. Our Government is not that of the early days of the Republic, admirable as it was when our country consisted of 13 States on the Atlantic shore, far scattered geographically, according to the communication facilities of that time, with varying interests and only a few simple questions—either domestically or in relation to each other. The problems of yesterday are not the problems of today or tomorrow. As our Nation expanded and developed, as the great corporations displaced the small individual or community enterprises in supplying the necessities and luxuries of the American people, as distances vanished until now it is only an overnight flight from one of our boundary oceans to the other, our Government met the new conditions. It met them carefully but courageously and fearlessly. It preserved intact the principles laid down by the makers of our Constitution, but it amended that Constitution 21 times as the welfare of citizens called for the amendments. And who is there that will say that we are not better off, that we have not added to the comfort of our people by these changes?

You here breathe in liberty with your mountain air. There has never been a national crisis that has not found you in the front rank of those who were meeting the emergency. No people in all our Nation have been as ready to fight for the principles they believed to be righteous. It would not be possible for men and women with your background to be otherwise than independent in thought. The folks from whom you spring lived their own lives, followed their own ideals. If there has been isolation, it was isolation of their own choosing. This university has given the people of this section an opportunity of value not to be estimated—not only to the student body for your own advantage but the opportunity for service, for I see in you a band of missionaries whose work will be of inestimable value to the whole country.

I have spoken of the ultra conservatism of some of the larger universities and have prophesied a less stringent adherence by you to old methods than is the case with so many of your brother and sister collegians in more conventional institutions. It is because of this contrast that I welcome the hail from the hills that brings me to Cumberland Gap. I think it is one of the finest compliments that has ever been paid me.

Perhaps there is another reason that makes your favor even more appreciated. We are already in the midst of a political campaign. As part of that campaign, because of the political position I hold, I have been kicked around a good deal recently by the folks on the other side. That, of course, is only to be expected. It is part of the mechanics of politics, and I ought to be used to it. Nevertheless it is a relief to receive a pleasant word from such an institution as this, and I can never fail to thank you for it.

Washington owes much to the State of Tennessee for the men it has sent to represent it at the National Capital. You gave us Andrew Jackson and Sam Houston, and that much misunderstood President, Andrew Johnson. No man stands higher today in the national estimation than Secretary of State, Cordell Hull, who came into the administration after notable service in the National Legislature. And let me also pay tribute to the skill and sense of duty with which Senators MCKELLAR and BACHMAN are discharging their senatorial functions. Nor should the effective work of the men you sent to the House of Representatives be overlooked. And let me also take off my hat on this auspicious occasion to your gracious Governor, Hill McAllister.

Tennessee is much in the public eye today by reason of the Tennessee Valley project. Muscle Shoals, Norris Dam, and the other sections of that great work are in the newspaper headlines every day. The project is a magnificent experiment; and as long as the rivers flow to the sea the beneficent results of this harnessing of the great water power will pay untold dividends in comfort, convenience, and more material returns to the people of this whole section. In such a period of depression as that from which we are now issuing, the employment it has given to many of your people, the prosperity of the business houses that have supplied the materials, and the incidental aid to industry and business have been a great factor in reducing unemployment. You know the statistics of this vast enterprise better than I do. And you know the benefits that will accrue from it far more accurately than I.

Here is really a great public work, nonpartisan, nonsectional, nonpolitical. I do not know whether the devoted men who are handling it are members of my party or of the other party, nor does it make any difference. It is enough to know that this magnificent work is being splendidly done. It is good to think that an enterprise in which the Government had invested many millions of dollars, originally as a war measure, is being pushed to completion and that the war purpose has become at most only a minor incident to the peacetime uses that mean so much to this and neighboring States. A great natural force that was running to waste now becomes a vital aid to industry as well as making life easier for millions of individuals.

In your political economy courses the undergraduates of this university have learned to appraise accurately the advantages of this use of natural resources in the interest of the whole people. I dare say they have already debated the vexed question of how far the Government is justified in entering the field which has so

long been monopolized by utility companies for their own profit. The question the Government had to decide was where its duty lay; whether it was better to let this wonderful source of power and light lie fallow, when its development would give better and cheaper service to a multitude than was being afforded by private corporations, or to keep its hands off and trust to private enterprise to treat the people fairly.

I know that the Tennessee Valley project has been severely attacked, but I also know that its development was motivated by no hostility to existing corporations. Its output and service charges have been described as a "yardstick" by which a legitimate price for light and power could be measured. Under such a system no private corporation could have a right to complain. There can be no rate war as between the Government-owned plants and the private plants, because all the Government will seek to do will be to keep prices below the extortion plane. I do not know that the local corporations have been exorbitant in their charges, but I do know that in many cities dependent on a private monopoly the prices they have to pay are beyond all reason; far in excess of a legitimate return on the investment represented.

Tennessee Valley is an experiment, the influence of which will be felt all over the United States. Its success implies that extortion in every section will be checked. What is being done in Tennessee can as well be done elsewhere, not necessarily by the Federal Government, but by the States themselves, and even counties and municipalities. And that, it seems to me, is in itself full justification for the enterprise.

I have read, of course, the dramatic story of the founding of this university. I have seen in your literature that the greatest of our Presidents since Washington said to a great general, while the Civil War was raging, as he pointed to these mountains, "These people are loyal and true, General Howard. I know all about them. They are my people. Their tragedy is lack of opportunity. They haven't any better chance than I had. Something must be done. I want you to promise me, General, if you come out of this horror alive—and I pray God you may—that you will provide them educational opportunity."

This great university is the outcome of Lincoln's dream. It was made possible by the patriotism of men of wealth, and it is no more a monument to Abraham Lincoln than it is to those whose public spirit and interest in education led them to contribute their millions to its foundation. We have heard a great deal in recent years of the fierce greed of certain individuals and the dubious means they took to pile up their great fortunes. It is a heartening thing to set up against this background of selfishness and callousness the example of men like Du Pont, Sieberling, John Hays Hammond, Proctor, Governor Lowden, of Illinois, and others who have immortalized themselves with you by creating the Lincoln Memorial University. I note among those who played a conspicuous part in this great work one of my predecessors as Postmaster General, Dr. Hubert Work. I can imagine no better use to which men of wealth can put their fortunes than to devote their millions to the cause of education. I can imagine no greater satisfaction than must come to the survivors among these benefactors than to stand here on the Boone trail and note the wonderful campus and the adequate buildings that have risen among these mountains.

Their names will be affectionately remembered by the graduates of this college because of this performance long after their achievements in the business and professional world have been forgotten. The men and women who go out into the world after finishing their courses here will retain throughout their lives their appreciation of what has been done for them. We know, of course, of undaunted spirits who accomplished great things without the help of a college degree. The picture comes to mind of Lincoln in his humble home reading law by the light of the fireplace, dragging out an education with the hardest sort of labor. Amid tremendous odds, genius may be able to accomplish these things, but it is far beyond the capacity of most of us. The general run of men upon whom must depend the ordinary progress of civilization need all the help they can get, and such an education as is afforded by this institution implants the knowledge they require. It cannot, of course, take the place of experience, but it can and does supplement experience and given two people of equal capacity the college student will outstrip the other.

We have progressed far during the last generation away from the point when the college man was the exception, and the education of a great majority ceased at the high school or even earlier. Such establishments as this have made the route to knowledge comparatively easy. Private help and public scholarships have made it possible for nearly every boy or girl with the thirst to know to slake that thirst at one or another of the numerous universities. It has been said, and it is undoubtedly true, that the idle and the indolent gain nothing from the veneer of a college course. But every man and woman who takes such a course with the actual desire to learn gains something beyond price. The average college graduate takes the great advantage he has as a matter of course. It is the man who has not been to college who is sensitive of what he has lost. I know that for a fact, because I am one of those men. I wish I could tell you how often, and how keenly, I have felt the lack of the training that you members of the student body are receiving. The rest of the world must learn to concentrate, while concentration instilled in your classrooms is a mere matter of habit with you. The rest of us try to make up by reading in the sparse moments of the busy life of an adult for what we have missed in our youth. This moves me to say to you in closing that you will never realize how fortunate you have been. It is not mere pride of accomplishment in the future that will repay you for the effort you are making here, for if I have learned one thing it is that the more a man learns as he goes through life the wider is the vista of the things he feels he ought to learn in addition. Every grain of knowledge, whether obtained out of a book or through experience, is an additional asset, and he who is without wisdom—which is just another name for learning—is the poorest person in the world.

In taking leave of you here let me reiterate my feeling of gratitude for the compliment you have paid me. Let me extend my thanks to Dr. McClelland, president of this university, and to the devoted members of his faculty. Actually, I believe that the educator is the most consistently useful person in the body politic.

Most of us work with inanimate things to attain success. The teachers take the raw material in the shape of boys and girls and process them into the men and women who will guide our country. Their material rewards may be meager, but I can conceive of nothing that could give such gratification as the knowledge that you have taught your students to be honest, courageous, patriotic, and industrious; to maintain through their lives a high moral standard and to realize that a true man's duty is not only to himself but to his fellow men. For your teachers I have the utmost admiration, and for you students I cannot escape a feeling of envy.

My best wishes to all of you.

PORTRAIT OF THE LATE SENATOR CUTTING—PRESENTATION ADDRESS BY HON. HARRY B. HAWES

Mr. BURKE. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Hon. Harry B. Hawes, formerly a Member of this body from the State of Missouri, at the Malacanan Palace, Philippine Islands, on November 16, 1935, on the occasion of the presentation by the congressional delegation to the Philippine Government of an oil portrait of the late Senator Bronson Cutting.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. President, this palace nearly 100 years ago was first occupied by a Spanish Governor General appointed by the King of Spain.

A little more than a generation ago America assumed possession, and it has since then been occupied by American Governors General appointed by the President of the United States.

The last of these is Gov. Frank Murphy, who, with his tactful sister, has been with you for the past 3 years. During his administration all the fine traditions of his predecessors were preserved and, in addition, he has secured your entire confidence as well as your affection.

Yesterday, for the first time, a native-born Filipino took possession of this edifice as Chief Magistrate of the new Commonwealth. He came into possession of this office by a popular vote so conclusive and overwhelming that we in America would have termed it a political landslide.

In the early days, when Philippine independence was discussed by your Commissioners and by the distinguished commissions which were sent to the United States, American curiosity always introduced the inquiry, "Who will the Filipino people select for their first President?"

As my mind reverts to those times, I find that without exception your able Commissioners GUEVARA and Osias without hesitation replied it would be Quezon.

When your brilliant commission with whom I was associated in framing the Hawes-Cutting Act visited our Congress, the same inquiry was made, and I remember particularly the answers from Osmeña, from Roxas, and from all others that the first President would be Quezon.

Speaker Roxas was your outstanding brilliant advocate. He won congressional committees by his eloquence, his logic, and grasp of the vital needs of your country. I do not exaggerate when I add that no other witness before a congressional committee made a more profound and lasting impression than he.

The prediction that Mr. Quezon would be your first President was always accompanied by the statement that Senator Osmeña would be the first Vice President.

Senator Osmeña brought to America a balanced judgment, a logical mind, and a fine patriotism. He knew how to stand for the vital things and let the smaller issues pass for later solution. He was your Filipino Benjamin Franklin, courteous but persistent, and ably abetted by his brilliant wife. He and Roxas wrote a flaming page in Philippine history.

Time will not permit the individual mention of the names of the other able Commissioners, whose cheerful temper, whose kindly activity finally secured the first great charter of your liberty, but you Filipinos know their names. They are written in the hearts of your countrymen where they will remain in the same historic position as the signers of our Declaration of Independence.

It was no surprise to me, nor was it a surprise to anyone here or in the United States, that your people should, in what we in America would have described as a peaceful and orderly election, have fulfilled this prophecy of many years by your selection of Manuel L. Quezon.

Mr. President, it was your thought that originated the plan of a visit from the Vice President, the Speaker of our House of Representatives, and the distinguished Senators and Congressmen.

It must be gratifying to you to know that, with the possible exception of a few, those Members of Congress who served with you and who remember you with affection as Commissioner to the United States are here in this room. What a fine tribute from all these associates and friends of men who knew, respected, and loved you!

The American delegation on its way to your inauguration stopped for a while in Canada, in Japan, in China, in the great British outpost at Hong Kong.

Since arriving here, again under the Stars and Stripes, I observe a change. There is a serious note of inquiry, the beginning of a feeling of responsibility; there is a desire to know, and under the surface, in the heart of this delegation, is a sincere desire to be helpful.

It is unfortunate that all of your guests could not deliver addresses, but 44 speeches would have been too many, and I have noted with some amusement the expressions of relief from nearly all of those who have been omitted from the program.

The eloquent voices of your friends, of Senator KING, one of the first for independence; of Senator TRAMMELL, head of our great Naval Affairs Committee; of Senator ASHURST, the dean of the delegation; of Congressman DOUGHTON, of Congressman TREADWAY, and of some 40 others, would, if time permitted, be heard in speeches of force and brilliance.

Mr. President, on this occasion your guests are not Democrats nor Republicans; your guests are just American statesmen, who desire to be helpful and to know first hand and by individual inquiry what is best to be done for your country and our country. Their opinion will be world-wide in significance. That opinion may not only affect your 14,000,000 people and our 130,000,000 people, but it may affect the future political philosophy of the world.

The delegation did not come here upon an adventure of pleasure; it is composed of earnest men seeking the facts and the truth. And it is only on secure facts that the Congress will in the future express its mind.

Mr. President, probably the greatest of your many achievements was to secure from President Roosevelt the promise of the creation of a joint commission to report to our Congress at an early date upon changes necessary for economic stability and reciprocity between our two countries. This achievement offers a fair and practical plan for preserving the economic life of the Filipino people.

It must have been gratifying for you to have heard the approval of this plan by the Vice President of the United States and the Speaker of our House of Representatives.

You must be pleased to know that what might be termed the Roosevelt-Quezon plan meets with universal approval, and I believe with you that it prepares the way to work out an equitable solution of the present economic uncertainties.

Mr. President, we brought with us as a token of good will the portrait of Senator Bronson Cutting, whose brilliant senatorial career was cut short by an airplane accident.

His loss was profoundly regretted throughout the United States. Expressions of sympathy came from various portions of the world, and especially from the Philippines.

The congressional delegation believes that this oil painting will be accepted as a testimonial of good will, that it will be appreciated by your people.

It will interest you to know that the portrait was made from a photograph selected by the Senator's wonderful mother, that the colorings were furnished the artist by an intimate friend, and that the completed painting was submitted to the Senator's mother and family for inspection before acceptance.

His mother is what my wife calls a "grand dame." All the Senators and their wives know and love her.

I can only regret that his other intimate friends in Congress like Senators LA FOLLETTE, BORAH, JOHNSON, NORRIS, and others, are not here to do honor to him and you on this memorable occasion.

Bronson Cutting was a statesman. He made few speeches, but all that he made were effective. He was a man who, as we say in America, was born with a silver spoon in his mouth, but his whole career was devoted to the welfare of those not so fortunate. I hope that my friend, the able Congressman from New Mexico, Mr. DEMPSEY, will tell you more of the philanthropic side of his character.

If Divine Providence permitted Bronson Cutting to look down upon the scene of yesterday, it would fill him with happiness.

It is true that neither Senator Cutting nor myself were satisfied with the Hawes-Cutting bill as it was finally enacted. We believed that the transition period should have been 15 years. We believed that the plebiscite should have been placed at the end of this period and not at the beginning.

Neither one of us thought that any tariff should be levied prior to the end of the 10-year period. But as the bill was finally enacted there was a limitation placed on Philippine free exports to the United States during the transition period and an export duty on such goods after the expiration of the first 5 years.

You must know, Mr. President, as do all experienced legislators, that sometimes compromises have to be made in order to secure the passage of a bill.

Senator Cutting and I both knew that the Filipino people could not live with only 5 years within which to work out their world-wide destiny. We knew this, because a strait jacket had been placed upon both the exports and imports of your islands by our Congress. World trade cannot be secured in 5 years.

In conclusion, may I state with some degree of certainty that efforts to curtail the 10-year period of the Tydings-McDuffie Act will fail. I have been informed by the very highest authority in the United States that this period will not be changed.

America, through its Congress, made an offer for independence to the Filipino people to be consummated in 10 years. The Filipino people have accepted that offer. It is in the nature of a contract signed and sealed. It is unthinkable that the contract would be broken.

The time and efforts of your people and my people could be more profitably directed to those events and issues that will occur within the 10-year period.

As both the great Vice President of the United States and the Speaker of the House of Representatives have said, now is the time for unity; for harmony; for loyal support of the first President of the Commonwealth. Now is the time to put aside all personal ambitions and give the best that each one has for the benefit of his country.

Mr. President, knowing you to have a heart filled with grateful sentiments, I know that the photograph of every man who has come upon this pilgrimage of good will will ultimately find its way in Malacanan.

They will be seen with the portraits of past American administrators and those of JOHN GARNER, JOSEPH BYRNS, and the leaders who are here from both parties.

When they are upon your walls, visitors from many portions of the world, seeing them, will say: "This is like a man's home or his office. He has the pictures of his friends." Among those standing out conspicuously, historically and otherwise, will be the portrait of a statesman, a friend of the Filipino people, one of the ablest advocates of Philippine freedom—Bronson Cutting.

Mr. President, on behalf of the members of the congressional delegation who came to witness the inauguration of your Commonwealth, as an expression of their acknowledgment for the kindnesses they have received from you and your people and as proof of their continued interest in your welfare, I have the great honor of presenting to the Philippines this painting of a man for whom you feel sincere affection.

I return to my native land a happy man—an optimist regarding the future of your people. Trials and troubles you will have. But under your able leadership, wisdom, and patriotism I know you will overcome them.

Mr. President, "Mabuhay."

WHY NOT A PLEBISCITE?—EDITORIAL FROM WASHINGTON DAILY NEWS

Mr. SCHWELLENBACH. Mr. President, I ask unanimous consent to have printed in the RECORD a brief editorial from a leading daily newspaper of Washington, D. C., the Washington News, entitled "Why Not a Plebiscite?"

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News of Thursday, Jan. 16, 1936]

WHY NOT A PLEBISCITE?

The will to power is inherent in human nature and in government.

That fundamental fact was recognized when our Nation was created on a check-and-balance concept. The tendency toward concentration of power was thoroughly understood by the founding fathers. Hence, the principle of three branches—executive, legislative, and judicial—coordinate and coequal.

As our history has unfolded there have been times when this, that, or the other branch has pressed for power to the point of unbalance, sometimes executive, sometimes legislative, sometimes judicial. In the emergency of 1933 the weight of power listed sharply in the direction of the Executive. As the emergency became less acute charges of attempted dictatorship began to be heard. Charges that Congress had become a rubber stamp, etc.

Now the Supreme Court is having its inning and complaints against that arise—talk of judicial autocracy.

Later it may be against the legislative branch.

But always, when there is a real or an apparent lack of equilibrium, the American people become alarmed, and with good reason. They are jealous of the power that they have delegated. For the idea of balance is essential to a democracy's survival.

But in the basic conception of democracy there is one spot where concentration of power is not dangerous but, on the other hand, is desirable; the original source of all power; not legislative, judicial, or executive. That source is the people. From the people democracy gets life. To them, if the theory of democracy is sound in the first place, it is safe to transmit for final decision any question.

We believe that with all the faults and frailties that characterize human beings as individuals the people as a whole, acting in their composite capacity, will come nearer to arriving at absolute right than any other authority, than any individual, legislature, or court.

We believe, therefore, that final power should be reposed in no other hands than those of the people.

And we believe further that in our constitutional democracy, if machinery could be devised for a speedy plebiscite on any great public issue that has reached an impasse, we would solve the problem of undue concentration of power.

We do not presume to suggest how that machinery should be constructed. That is a job for constitution makers and for law makers.

We merely contend that, if we are seeking perfection in democratic government, the idea of the people having the last say is sound.

Might it not be possible for any question of great national importance to be sent back to the people as a whole after it has arrived at stalemate; such, for example, as to A. A. A. or the N. R. A.? Suppose that each of those could be voted on as a separate referendum in the next general election. What would be wrong with that? Wouldn't that be simpler, more direct, fairer, and more in keeping with the very fundamentals of the democratic idea than any other way?

We consider it self-evident that if you can't trust the people you can't trust democracy. Equally, we believe that if such issues as those mentioned were passed on by the final power and the veto sustained or overruled there could be no complaint left in a democracy.

We may, in all this, appear to be groping. We are. But we sincerely believe that we are dealing with an idea that is basic and one which, if it could be practically applied, would solve a governmental difficulty which is becoming more and more puzzling and onerous and hazardous as our society becomes more and more complex.

We foresee that the first contention will be that we already have the plebiscite in the constitutional amendment method. Theoretically, yes. Practically, no—in some situations—because of the time element; because the patient dies while you are going for the doctor.

SANCTIONS AND NEUTRALITY—ADDRESS BY BERNARD M. BARUCH

Mr. ROBINSON. Mr. President, I ask that there be printed in the RECORD an address by Mr. Bernard M. Baruch, a well-known economist, statesman, and financier, on the subject Sanctions and Neutrality, in a broadcast over the Columbia network on Thursday, November 7, 1935. Mr. Baruch was Chairman of the War Industries Board during the World War and later a member of the Supreme Economic Council of the Paris Peace Conference.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, much talk is to be heard these days of economic sanctions, of neutrality, and of related subjects. These are matters fraught with deep importance to all the world and especially to America. I shall here attempt briefly certain definitions, on the principle that we cannot act intelligently without being first intelligently informed. My experience as Chairman of the United States War Industries Board during the great conflict, and my preoccupation with kindred subjects, such as "taking the profit out of war", since then, may qualify me for this discussion. Let me add this thought at the outset: The definitions I lay down do not imply their advocacy; I submit them for such value as they may have in building a background before action is taken.

What happens to a nation and its people when economic sanctions are enforced such as are about to be leveled against Italy by members of the League? What happens to the trade and commerce of the nations engaged in the boycott? Economic sanctions are in effect a stoppage of all trade and finance between Italy and those in the boycott against her. Many question the ability to force an economic boycott without such nations as Germany, Switzerland, Austria, and others contiguous to Italy. But the boycotting nations can enforce their regulations by allowing those nations not in the boycott only such things as they were used to buying under normal conditions.

In other words, a system of quota is applied to those countries not joining in the boycott. Otherwise materials would flow into Italy from those nonboycotting countries in almost as great volume as that which had previously been sent from all the other countries together. The one country that could break down this boycott is the United States, which could sell to Italy, or to a country like Germany (which is not associated in the boycott), enough things to prevent an effectual application of the economic sanctions.

Let us try to visualize what happens in a boycotted nation. To be practical, let us discuss what would happen to Italy. Remember, there is no buying, selling, or moving of materials into or out of the country by land, sea, or air. It must, like a beleaguered city, live upon itself. Each person within the nation must adjust himself to the changed condition as if the nation were cut off entirely from the rest of the world, as it would be. Italian ships would have no place to sail to. There would be no cargoes coming in or going out. Ships could be used only as transports. Fishing could go on only within her own waters. An economic boycott engaged in by every country in the world would be as completely effective as an absolutely tight blockade by warships.

The state will have to take over and deal out everything. The more self-contained a nation is the less the privation, but even a nation like the United States would feel any blockade undertaken by the rest of the world. What, then, happens to a country like Italy, without adequate resources or any supply of the necessities of life to keep up the standards of living? She produces no coal, no copper, no cotton, no rubber, no tin, no oil, no gasoline, practically no raw materials, no coffee, no tea. She must import large quantities of wheat, meat, sugar, etc. The condition of her citizens in 90 days would commence to be pitiable. And all the time the supplies for some 300,000 troops over 2,000 miles away through unfriendly seas and countries would have to go on. In these circumstances, only by extreme sacrifice and complete militarization could Italy expect to hold out.

When a state takes over the rationing of supplies it must immediately put restrictions upon their use and endeavor to increase substitutes. If a nation is wise, it will plan in advance and certainly take every step to lay up as many supplies as she can before the blockade. Every available space must be used for the planting of food and raw materials must be as jealously husbanded as gold or precious stones, for they mean life itself—and victory.

Not only must the rationing of food, clothing, and raw materials go on but the price of everything must be carefully controlled. Improper hoarding must be watched. All belts would have to be tightened to the last notch.

There are two primary objectives to be gained: First, the feeding and arming of the soldiery; and, second, the feeding and care of the civilians—for without home morale there can be no fighting at the front. The plight of Italy will make plain again the necessity of an organization which will prevent profiteering on civilians, which is even more important than profiteering in armament, although the Senate munitions committee, which recently was sitting, placed most of its emphasis upon the latter danger. The prevention of profiteering against the government appears simple, but preventing profiteering against civilians is just as easy of accomplishment and is a very important part of winning a war.

Even in the World War, with our almost unlimited resources, we found it necessary to restrict the uses of labor, capital, and materials. We found it necessary to draw a line between the essential and less essential industries. We even made regulations limiting the styles and prices of shoes. We called on the makers of men's and women's clothing to discuss the standardization of all forms of dress in order to save materials as well as transportation and labor. It was the needs of the civilians that prompted many of the recommendations I made as a witness before the Senate committee.

With careful planning much can be done to prolong the ability of a nation to sustain itself against the world, provided it has within itself:

a. The elements of water and food in sufficient quantities.

b. Materials for defense purposes.

Scrap and second-hand materials assume great importance. Many materials can be used, recovered, and used over again.

A country which cannot look after its civilians will find itself faced by revolt at home. It is because of this that such stress is laid upon the creation of an organization to regulate the prices civilians would have to pay for things they need, and to see that there was the largest possible production of necessities in order to prevent a break-down in standards of life. It is also necessary to see that common sacrifices are made and that no one shall have more than another.

When a nation realizes that by flying in the face of the good opinion of the rest of the world it may have economic sanctions forced upon it, we may have better prospects for peace in the world. If Italy can be brought to terms by economic pressure, so also can Germany; so also can Japan. Germany is a little more self-contained than Italy, but not much more. Japan is somewhat more self-contained than Germany since her absorption of Chinese territory. Japan must hesitate and must fail in her conquest of China if the rest of the world placed an absolute boycott upon her to the extent of neither buying from nor selling to her. The most important factor in that action would be the United States.

The economic sanctions applied to Italy are the concrete expression of world disapproval. I do not now discuss the soundness of the verdict. I am concerned with its effect. It is a definite test of organized society. It is a cruel, a very cruel, punishment of the Italian citizens. If the sanction principle succeeds, the world will have found a new way to keep peace without the bloodshed that seemed necessary before this was attempted. Only the wholly mad will fly in the face of world opinion; will ignore treaty obligations; will assert the selfish right of the one against the enlightened good of the many. Behind the present diplomatic moves lies more than merely the Italo-Ethiopian dispute. Britain and France see the shadow of European conflict; they see a new and powerful Germany threatening the peace of the world.

And now we come to the second phase: Neutrality. Economic sanctions are part of the program of the League of Nations, to which we do not belong. Our role will be that of a neutral, not participating, at least not officially, in the application of the sanctions. But we have already a formula of action, tending to show a sympathetic attitude toward the movement against Italy, in the President's proclamation on neutrality.

Once more that which all men swore should never happen again is happening. Once more war is here.

Once more our beloved America is facing the ever-present danger of involvement.

But this time we shall escape, which proved impossible 18 years ago.

We must finally, firmly, and unalterably make up our minds that we are to stay out. We must resist all blandishment and avoid all embarrassment. That is to be done, not merely by a declaration of neutrality but by creating a state of mind that shall be closed and immovable. That way lies our salvation.

The reason that neutrality is not enough is due to the fact that the word is hard to define and even harder to enact.

The difficulties attendant upon our adventure into neutrality are almost insurmountable. What is neutrality? How shall it be observed? What goods are to be listed as contraband? Should

we be content by proscribing the shipment of actual weapons of war or should we go full length and embargo the shipment of any single commodity that has a contribution to make toward the life of a belligerent? It is easy to say rifles, cannon, shot, and shell are to be embargoed, but what of cotton? What of oil? of copper? of food? I discuss these now from the standpoint of the nonbelligerent, while previously I considered them from Italy's position.

We have made a significant start toward our goal but I would not have you think that I am so completely a dreamer that I stand ready to urge our country into a complete neutrality regardless of the action of the other nations. I submit that such an action, which has as its purpose the attainment of justice and decency, should be participated in by every nonbelligerent. But I am sufficiently crass to say that if cotton is to be sold to a country from which it may find its way into the hands of a belligerent, then America should have the right to sell that cotton unless and until every other country agrees to withhold its supply. And so, too, with every other staple. Look at other countries who are selling, or who have sold, munitions and other supplies to both Italy and Ethiopia. Why should we continue to be the great international "fat boy", at whose stick of candy other nations take an unwelcome bite?

But we should always keep in mind the ever-present danger that strict neutrality carried to its ultimate end is almost certain to result in war because, in itself, it becomes an act of war. This may be questioned by the casuists but it is susceptible of easy and practical demonstration.

It would be best to avoid all danger of embroilment; for, once at war, the cost in the lives of our youth would be incalculable. It would be better to forego dollar profits and escape that cost. But if business of any sort is to be done by our people with a belligerent or with a neutral who is a cover for a belligerent, then it must be wholly at the risk of the individual, with absolutely no national protection to his enterprise. If the profits go to him, then he must risk all the losses. If we sell, let those we sell to come and get it. Let theirs be all the risk, since their action created the danger. Let us avoid the danger of embroilment; let us preserve peace, but—let us keep our powder dry.

PUBLIC HOUSING

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution on public housing adopted by the United States Conference of Mayors in annual conference in Washington on November 20, 1935.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Resolution on public housing adopted by the United States Conference of Mayors in annual conference, Washington, November 20, 1935

Whereas there has been a great deal of public attention to the question of a public housing program, though relatively little has been accomplished on such a program; and

Whereas an extensive housing plan on a Nation-wide scale would give strength and stability to the economic structure of the Nation; and

Whereas numerous surveys and studies of housing conditions throughout the country indicate the growing shortage and congestion in housing facilities; and

Whereas the disgraceful conditions in city slums and country hovels have a directly detrimental effect on the social well-being of these areas and the surrounding communities; and

Whereas it is obvious that the Federal Government must assume the financing of such self-liquidating projects through loans or investments and low interest rates: Now, therefore, be it

Resolved, That the United States Conference of Mayors does hereby urge upon Congress and the President the vital importance of this problem and the need for a well-coordinated and extensive housing program for the so-called low-income group, where desired and the need exists; and further

That the United States Conference of Mayors lend its assistance to the preparation and realization of such a program which will be substantially financed by the Federal Government, though in the interest of economy and efficiency the responsibility for the administration of the specific projects of the program be in the hands of the local authorities where so desired.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

The VICE PRESIDENT. According to the order of the Senate, the Chair lays before the Senate House bill 9870.

The Senate proceeded to consider the bill (H. R. 9870) to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes, which had been reported from the Committee on Finance with an amendment to strike out all after the enacting clause and insert the following:

That notwithstanding the provisions of the World War Adjusted Compensation Act, as amended (U. S. C., 1934 edition, title 38, ch. 11), the adjusted-service certificates issued under the authority of such act are hereby declared to be immediately payable. Payments on account of such certificates shall be made in the manner hereinafter provided upon application therefor to the Administrator of Veterans' Affairs, under such rules and regulations as he may prescribe, and upon surrender of the certificates and all rights thereunder (with or without the consent of the beneficiaries thereof). The payment in each case shall be in an amount equal to the face value of the certificate, except that if, at the time of application for payment under this act, the principal and unpaid interest accrued prior to October 1, 1931, with respect to any loan upon any such certificate has not been paid in full by the veteran (whether or not the loan has matured), then the Administrator shall (1) pay or discharge such unpaid principal and interest as is necessary to make the certificate available for payment under this act, (2) deduct such unpaid principal and so much of such unpaid interest as accrued prior to October 1, 1931, from the amount of the face value of the certificate, and (3) certify to the Secretary of the Treasury as payable an amount equal to the difference between the face value of the certificate and the amount so deducted.

SEC. 2. In the case of each loan heretofore made pursuant to law by the Administrator of Veterans' Affairs and/or by any national bank, or any bank or trust company incorporated under the laws of any State, Territory, possession, or the District of Columbia, upon the security of an adjusted-service certificate, any interest unpaid accrued subsequent to September 30, 1931, that has been or, in consequence of existing law, would be charged against the face value of such certificate shall be canceled insofar as the veteran is concerned, notwithstanding any provision of law to the contrary. Any interest on any such loan payable to any such bank or trust company shall be paid by the Administrator of Veterans' Affairs.

In the case of any such loan which is unpaid and held by a bank or trust company at the time of filing an application under this act, the bank or trust company holding the note and certificate shall, upon notice from the Administrator of Veterans' Affairs, present them to the Administrator for payment to the bank or trust company in full satisfaction of its claim for the amount of unpaid principal and unpaid interest, except that if the bank or trust company, after such notice, fails to present the certificate and note to the Administrator within 15 days after the mailing of the notice, such interest shall be paid only up to the 15th day after the mailing of such notice.

SEC. 3. (a) An application under this act for payment of a certificate may be made and filed at any time before the maturity of the certificate (1) personally by the veteran, or (2) in case physical or mental incapacity prevents the making or filing of a personal application, then by such representative of the veteran and in such manner as may be by regulations prescribed. An application made by a person other than a representative authorized by such regulations shall be held void.

(b) If the veteran dies after the application is made and before it is filed, it may be filed by any person. If the veteran dies after the application is made, it shall be valid if the Administrator of Veterans' Affairs finds that it bears the bona fide signature of the applicant, discloses an intention to claim the benefits of this act, and is filed before payment is made to the beneficiary. If the death occurs after the application is filed but before the receipt of the payment under this act, or if the application is filed after the death occurs but before mailing of the check in payment to the beneficiary under section 501 of the World War Adjusted-Compensation Act, as amended, payment under this act shall be made to the estate of the veteran irrespective of any beneficiary designation. If the veteran dies without making a valid application under this act, no payment under this act shall be made. If the veteran dies on or after the passage of this act without having filed an application under section 1, in making any settlement there shall be deducted on account of any loan made on an adjusted-service certificate only interest accruing prior to October 1, 1931.

(c) Where the records of the Veterans' Administration show that an application, disclosing an intention to claim the benefits of this act, has been filed and the application cannot be found, such application shall be presumed in the absence of affirmative evidence to the contrary, to have been valid when originally filed.

(d) If at the time this act takes effect a veteran entitled to receive an adjusted-service certificate has not made application therefore he shall be entitled, upon application made under section 302 of the World War Adjusted Compensation Act, as amended, to receive, at his option, under such rules and regulations as the Administrator may prescribe, either the certificate under section 501 of such act, as amended, or payment under this act.

SEC. 4. The amount certified pursuant to section 1 of this act shall be paid to the veteran or his estate on or after June 15, 1936, by the Secretary of the Treasury by the issuance of bonds of the United States, registered in the name of the veteran only, in denominations of $50 or multiples thereof having a total face value up to the highest multiple of $50 in the amount certified as due the veteran, and the difference between the amount certified as due the veteran and the face amount of the bonds so issued shall be paid to the veteran or his estate by the Secretary of the Treasury out of the fund created by section 505 of the World War Adjusted Compensation Act, as amended. The bonds shall be dated June 15, 1936, and shall mature on June 15, 1945, but shall be redeemable at the option of the veteran or his estate at any time, at such places, including post offices, as the Secretary of the Treasury may designate. Such bonds shall be issued under the authority and subject to the provisions of the Second Liberty Bond Act, as amended, and shall not be transferable, assignable, subject to

attachment, levy, or seizure under any legal or equitable process and shall be payable only to the veteran or, in case of death or incompetence of the veteran, to the representative of his estate. Interest on each bond issued hereunder shall accrue at the rate of 3 percent per annum from June 15, 1936, to date of maturity or payment of the principal of the bond, whichever is earlier, and will be paid with such principal: *Provided, however,* That no interest will be paid on any bond redeemed prior to June 15, 1937. The provisions of this section shall be carried out subject to regulations of the Secretary of the Treasury to be issued from time to time to effectuate the purposes of this act.

SEC. 5. The Secretary of the Treasury is authorized and directed to redeem from the United States Government life-insurance fund all adjusted-service certificates held by that fund on account of loans made thereon, and to pay to the United States Government life-insurance fund the amount of the outstanding liens against such certificates, including all interest due or accrued, together with such amounts as may be due under subdivision (m) of section 502 of the World War Compensation Act, as amended. The Secretary of the Treasury is authorized and directed to make such payment by issuing, to the United States Government life-insurance fund, bonds of the United States which shall bear interest at the rate of 4½ percent per annum. No such bonds shall mature or be callable until the expiration of a period of at least 10 years from date of issue, except that any such bond shall be redeemed by the Secretary of the Treasury and the principal and accrued interest thereon paid to the United States Government life-insurance fund at any time upon certification by the Administrator of Veterans' Affairs that the amount represented by such bond is required to meet current liabilities. Bonds issued for the purposes of this section shall be issued under the Second Liberty Bond Act, as amended, subject to the provisions of this section.

SEC. 6. The adjusted-service certificate fund is hereby made available for payments authorized by this act.

SEC. 7. Notwithstanding the provisions of Public Law No. 262, Seventy-fourth Congress, approved August 12, 1935, no deductions on account of any indebtedness of the veteran to the United States, except on account of any lien against the adjusted-service certificate authorized by law, shall be made from the adjusted-service credit or from any amounts due under the World War Adjusted Compensation Act, as amended, or this act.

SEC. 8. There is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

SEC. 9. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act and the application of such provision to other persons or circumstances shall not be affected thereby.

SEC. 10. This act may be cited as the Adjusted Compensation Payment Act, 1936.

Mr. HARRISON. Mr. President, I desire to make a brief statement explaining this bill and pointing out the differences between it and the bill recently passed by the House of Representatives, known as the Vinson bill.

The bill passed by the House provides for full cash payment of the adjusted-service certificates. It cancels all interest charges. The bill reported by the Senate Finance Committee, and now before the Senate, was substituted for the Vinson bill without a dissenting vote in the Finance Committee, the vote being 18 to 0.

The bill now before the Senate as a substitute for the so-called Vinson bill provides for the full payment of the adjusted-service certificates, but it differs from the Vinson bill in that it provides for the payment in bonds in denominations of $50 or multiples thereof, the bonds to be issued as of June 15 this year and to carry an interest rate of 3 percent. These bonds are collectible at any time after issuance at post offices in the United States or at any other convenient place, under such rules as may be prescribed by the Secretary of the Treasury. If a bond dated as of June 15, 1936, and maturing June 15, 1945, should be collected 1 year after date and the cash obtained thereon at full face value before June 15, 1937, no interest would be collectible thereon. If the bond should be collected after June 15, 1937, the interest accumulated on the bond would be collectible. That is one of the main differences between the two bills. If there should remain an odd amount, less than $50, over and above the face value of the bonds, the odd amount would be paid in cash by check.

The other difference between the bill passed by the House and the bill reported by the Finance Committee is with respect to interest. As I have said, the so-called Vinson bill passed by the House cancels all interest. The substitute reported by the Finance Committee cancels only the interest which has accrued since September 30, 1931.

It will be recalled that in the various bills which have been introduced—the so-called Patman bill and other bills before the Congress, that the interest charges to be canceled were those which had accrued subsequent to September 30, 1931. The Vinson bill passed by the House sought to or did cancel all interest charges accruing since the passage of the adjusted-service-certificate law.

There is only one other difference between the bill as it passed the House and the Senate substitute, and I believe these differences cover all the differences between the two measures. If an ex-sevice man holding an adjusted-service certificate owed the H. O. L. C. or the Federal land bank or any other agency of the Government any money, there is some doubt under the law whether, before the bond could be issued or the cash could be paid, the lien thus created against the certificate must be cleared up. That did not appear to the Senate Finance Committee to be fair, and we changed the text of the House bill in that respect, so that now only those liens where the adjusted-service certificates have been put up as collateral are to be paid off and cleared by the Government. In other words, if an ex-service man holding an adjusted-service certificate is indebted to the Federal land bank for $300 or to the H. O. L. C. for $400, that would have no effect at all on his getting his money on his adjusted-service certificate. But if he had put up his adjusted-service certificate as collateral security with this fund in the hands of the Government or at some bank, then that indebtedness must be cleared before he can obtain his bonds.

It is believed by the members of the Finance Committee who heard the testimony presented to us by the heads of the veterans' organizations that the Senate substitute is a better bill for the ex-service men than the bill as it passed the House. They do not believe, as others contend, that as soon as the veterans obtain their bonds they will cash them in full. They believe that this method will be an encouragement to the ex-service man to hold his bonds and to cash in only those which may be necessary for his living expenses, and so forth.

It is difficult to say how much money will be needed immediately because no one can tell how many of the ex-service men are going to take their bonds as soon as they get them and cash them in full. Of course, one person's guess is as good as another's on that question.

The heads of the ex-service men's organizations believe this plan will be an encouragement to the ex-service men to hold on to at least a part of their bonds, and that it will diminish the demands on the Treasury of the United States more than if provision were made for full cash payment at this time.

Mr. President, since the question has been before the Senate so often and so long, I hope that we may hurry along without other matters being injected to delay consideration and final disposition of the bill. Of course, we have no desire to stop anyone from speaking on the bill as long as he wishes and having free and full discussion on it, because that is an old democratic principle.

Mr. COUZENS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Mississippi yield to the Senator from Michigan?

Mr. HARRISON. I yield.

Mr. COUZENS. Is not the Senator going to tell the Senate what additional gratuity is granted to the veterans under this bill, and the additional obligation of the Government to the veterans? I thought that was a very important part of the bill.

Mr. HARRISON. I shall gladly answer any question the Senator wishes to propound to me.

Mr. COUZENS. I have asked the Senator if he would not tell the Senate what is the additional gratuity to the veterans under this bill, and how it differs from the existing law.

Mr. HARRISON. Of course, under the law as enacted in 1924 the adjusted-service certificates were given to these men. I thought all were familiar with that fact. That is why I did not desire to trespass on the time of the Senate by going into great detail in presenting the matter. Those certificates were based upon the length of service of the veterans at home and abroad. If a man served so many days at home, he got a certificate for $1 a day for that length

of time. If he served so many days abroad, he received a certificate on the basis of $1.25 per day. On that basis the calculations were made, and 25 percent was added. Some have said that was because of the delay in giving the soldiers their money and others contend differently.

On the basis just stated the adjusted-service certificates were issued, drawing 4 percent interest to be compounded annually, giving the veterans the safety of a life-insurance provision falling due some 20 years hence. If the certificates were issued in January 1925 they would fall due in 1945. It has always been my contention that the adjusted-service certificates were not now due and would not be due under the law until they reached their date of maturity. But we all know what the situation is, and accordingly, under the provisions of the bill now before us, provision has been made to take care of the veterans 9 years ahead of time to the extent of the full cash value.

Of course, the 4-percent interest has entered into the calculation. The veterans get that under this plan earlier than under the provisions of the law enacted in 1924. Under that act the maturity value of the outstanding certificates is $3,456,000,000. To that should be added the amount of the interest to be canceled, $263,000,000. The value of the adjusted-service-certificate fund as of June 15, 1936, is $1,482,000,000. At the present time the value of that fund is only $1,471,000,000. The amount due the veterans in bonds is, therefore, $1,836,000,000, and the amount due the veterans in cash would be $87,000,000 because of the bonds being issued in denominations of $50 or in multiples thereof. The amount due the United States Government life-insurance fund is $507,000,000, and the amount due the banks, where adjusted-service certificates have been deposited as collateral, is $60,000,000. The total amount is $2,491,000,000.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HARRISON. Certainly.

Mr. BARKLEY. Answering the inquiry of the Senator from Michigan [Mr. COUZENS], is it not true that the present bill, using his term of "additional gratuity", carries with it only an additional gratuity in the sense that a certain part of the interest chargeable to the ex-service man is remitted, and that those who hold their bonds until 1945 or until any other date subsequent to June 15, 1937, will draw 3-percent interest on the amount which they hold in deferred payments, except that they are paid now instead of having to wait until 1945, which may or may not be considered an additional gratuity?

Mr. COUZENS. If the Senator is answering the question which I propounded to the chairman of the committee I should like to ask what he considers the difference between the present-day value of the certificates and their value at maturity, which, of course, is a gratuity.

Mr. BARKLEY. Does the Senator ask me that question?

Mr. COUZENS. The Senator from Kentucky undertook to answer the question for the chairman, and I thought he might know more about it.

Mr. HARRISON. It is something over a billion dollars.

Mr. BARKLEY. Figuring it on that basis the present cash-surrender value of the certificates would be payable 9½ years from now. From that standpoint it might be considered a gratuity.

Mr. BLACK. Mr. President, will the Senator from Mississippi yield for a statement in that connection?

Mr. HARRISON. Let me give the Senator from Michigan the figures. It is the difference between $3,760,000,000 and $2,420,000,000.

Mr. BLACK. Now will the Senator yield?

Mr. HARRISON. Yes.

Mr. BLACK. I asked the Senator to yield because I think it is proper at this time to place in the RECORD and call attention to the fact that there is a difference, as the Senator from Michigan states, between the present value of these certificates and the amount which will be paid.

The original certificate, however, was based on payment about 7 years after the services were performed. At the last session of Congress I placed in the RECORD a table which had been prepared by the Veterans' Administration showing what would have been the actual value of the certificates if payment had been made at the time the services were performed. If the certificates had been issued on the basis of payment at the time the services were performed, and a reasonable rate of interest had been added on account of the deferred nature of the payments, the amount would have been such as to make these obligations now past due. So that it is not simply a question of the certificate as it appears at the present time; but if we go behind that, and consider that payment was due when the services were performed, it makes quite a different situation, and there is no gratuity in that connection.

Mr. COUZENS. Mr. President, will the Senator from Mississippi yield at that point?

Mr. HARRISON. I yield.

Mr. COUZENS. If Senators will look in the CONGRESSIONAL RECORD of April 19, 1924, they will find a letter addressed to the senior Senator from Arkansas [Mr. ROBINSON], signed by the legislative representatives of the American Legion, saying that they did not want cash; they wanted the bill to go through as proposed, providing for the adjusted-compensation certificates. The view I take is that if we enter into a contract with the veterans as agreed upon by themselves, and as stated in the records of 1922, when the matter was being debated and discussed, there is no reason for changing the contract at this time.

Mr. CLARK. Mr. President, will the Senator from Mississippi yield?

Mr. HARRISON. I yield.

Mr. CLARK. I do not wish to occupy the time of the Senator from Mississippi, but the remark has been made so often that the present adjusted-compensation certificate represents a contract that I cannot allow it to go unchallenged.

Of course, there was no contract between the Government and the veterans in the matter of these adjusted-compensation certificates. The Congress, on its own responsibility, enacted a bill not proposed by any veterans' organization or by any group of veterans. The Congress of the United States itself worked out a proposition. The veterans could either take it or leave it. They could either accept it or not accept it. Their acceptance did not constitute any contract. I agree entirely with what the Senator from Alabama [Mr. BLACK] has said—that this obligation, if it was an obligation, really accrued at the conclusion of the veteran's service, and if Congress at that time had paid a reasonable cash bonus to equalize the difference in the economic situation of a man who had gone into the service and a man who had stayed out of the service, it would have cost the Government very much less in the long run, and would have settled the question at that time.

The Government at that time, however, preferred to proceed to the immediate reduction of taxes, particularly by taking off the excess-profits tax, and did not see fit at that time to pay to the veterans of the World War an obligation which obviously ran to them. I submit that it is unfair at this late date to come in and say that when Congress on its own terms laid down an adjudication of that matter, which the veterans could either accept or not accept, it amounts to a contract.

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. HARRISON. I yield to the Senator from Delaware.

Mr. HASTINGS. Before the Senator takes his seat I desire to ask him to make some explanation, if he will, of the difference between this bill and the bill vetoed by the President in May last which makes the Senator from Mississippi feel justified in advocating this bill as against leading the fight on the floor of the Senate in support of the President's veto. If that will not embarrass the Senator, I think it might help the Members of the Senate to some extent.

Mr. HARRISON. Nothing ever embarrasses me. I have gotten used to embarrassment, I may say to the Senator from Delaware. I am very glad the Senator asked me the question, because the Senator is so astute, he is so smart, that he knows very well the great differences between the bill that was submitted to the President last year and the one now being considered.



The Senator will recall that the so-called Patman bill was an inflationary measure; and if the Senator will read the President's remarks he will see that one of the strong points made in the President's veto message was related to the inflationary character of that proposal.

The Senator knows that this is a very simple way of paying to these men their adjusted-service compensation, in the form of these bonds. The Senator must know that not all of the men will cash in the bonds; but the good wife will use her good offices to try to influence the husband to hold back, for a rainy day, many of these $50 bonds, in order to provide the family a sustenance, and so forth. The Senator knows that few men can get away from the wiles and the influences of a good wife and the children that will bring about that result, and that that will greatly aid the Government in financing this measure.

Mr. HASTINGS. Will the Senator yield further?

Mr. HARRISON. Certainly.

Mr. HASTINGS. In the first place, I desire to know whether that is the principal difference between the two bills. Secondly, let me call the attention of the Senator to this fact: I realize that many persons voted against the bill in 1935 because of its inflationary feature; but my clear recollection is that when we sought here to substitute the Vinson bill, which carried with it the ordinary method of financing, as against the Patman bill, the Senator from Mississippi voted for the Patman bill.

Mr. HARRISON. Yes. I do not recall how the Senator from Delaware voted on that question.

Mr. HASTINGS. So, while many Senators could explain the matter upon that ground, it seemed to me the Senator from Mississippi could not.

Mr. HARRISON. I desire to ask the Senator from Delaware how he voted when the issue was between the Patman bill and the Vinson bill.

Mr. HASTINGS. I voted to substitute the Vinson bill for the Patman bill.

Mr. HARRISON. So the Senator certainly will vote for this measure at this time.

Mr. HASTINGS. Not by any means. [Laughter.]

Mr. HARRISON. Would the Senator have voted, on the final passage of the bill, for the Vinson bill?

Mr. HASTINGS. I would not; no. I am not talking about whether or not I am embarrassed. I am asking the Senator from Mississippi to explain his position.

Mr. HARRISON. I am not embarrassed.

Mr. HASTINGS. No; I see the Senator is not, but it seems to me he ought to be. [Laughter.]

Mr. HARRISON. Well, I am not. I will say to the Senator that no question which has come before Congress during the past few years has given us all so much concern as has the question of the payment of these adjusted-service certificates. I have not believed that they should be paid until the time when they were due; but a great majority of persons, in my opinion—whether because of propaganda or change of opinion in some way or other, I do not know—now believe that the matter should be gotten out of the way.

I have worked hard to try to compose differences here, so that the President and the Senate and the House could all get together and get this question out of the way. I have never believed that the question ought to become a political one. I do not believe today it should become a political one; but I cannot for the life of me see why, at every session of Congress, this question should bob up. It has strength not only in the House but in the Senate and throughout the country; and in the interest of the country and of all concerned, I believe we should get together upon it.

In order to have that done, and get this matter behind us, I introduced at the last session of Congress a compromise bill which, in my opinion, would have received the approval of the President of the United States. I was sorry that the Congress did not at that time enact it. The Committee on Finance recommended it, but we could not secure its passage, and the whole proposal lost out because the President did not accept the bill which was finally passed by the Congress.

I do not know whether or not the President will sign this bill, if it should be presented to him. The President of the United States, in my opinion, has made no statement to anyone about it; but I know that there is a great difference between the bill now being considered by this body and the one which went to the President last time, and which he vetoed. I cannot let the occasion pass without offering my congratulations upon obtaining some reconciliation of this question to the distinguished Senators I see around me, all of whom, with rare exception, have tried to bring about some adjustment of this question.

The Senator from South Carolina [Mr. BYRNES], the Senator from Missouri [Mr. CLARK], and the Senator from Oregon [Mr. STEIWER] have worked in season and out of season with the ex-service organizations and others in order that we might become reconciled. The Senator from Arkansas [Mr. ROBINSON] and I have tramped our way to the White House and into the offices of our colleagues here in order that we might adjust differences on this question and get it behind us. I say to Senators today that in my opinion, whether or not the bill shall be signed by the President, it will become the law, because it is the best possible way for us to get out of the situation, it is in a great measure fair to the ex-service men, and it imposes a lighter and easier burden upon the Treasury.

Mr. HASTINGS, Mr. SHIPSTEAD, and Mr. COUZENS addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Mississippi yield; and if so, to whom?

Mr. HARRISON. I will yield to the Senators from Minnesota and Michigan, but first I yield further to the Senator from Delaware. I may not have answered his question.

Mr. HASTINGS. I wanted to inquire of the Senator whether he considers there is any very substantial difference between the pending bill and the bill passed in 1935, except the inflationary feature of it, which he mentioned a while ago.

Mr. HARRISON. The bond feature is the great difference. It is all the difference in the world, because the enactment of the so-called Patman bill would have started the printing presses to work. Its proponents said it was inflationary; others who stood for it said it was inflationary; and I wish to pause to say that the distinguished gentleman from Texas [Mr. PATMAN], even though he believed in his proposal, believes now that the pending bill ought to be passed, because he knows he cannot get the other one passed.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. HARRISON. I yield.

Mr. SHIPSTEAD. I have just now had opportunity to look at the pending bill. I notice the bonds will be due in 1945.

Mr. HARRISON. The bonds are to be payable at any time after they are issued, and they are to be issued as of June 15, 1936.

Mr. SHIPSTEAD. Can the Senator tell us what percentage of the outstanding Federal debt will be due within the next 5 or 10 years?

Mr. HARRISON. There are five and a half billion dollars to be refunded within the next 17½ months.

Mr. HASTINGS. Five billion eight hundred million dollars.

Mr. HARRISON. I was speaking in round figures; it may be the figure the Senator states.

Mr. SHIPSTEAD. About 50 percent of the outstanding Federal debt, short- and long-term securities, will be due within the next 10 years?

Mr. HARRISON. I think that is quite true.

Mr. SHIPSTEAD. Did the committee take that into consideration?

Mr. HARRISON. Yes; I think the committee took everything into consideration, and I may say that while there are other great committees in the Senate, I do not believe there is any committee that is any better, or composed of more conscientious men who look into every side of a question, than the Committee on Finance.

Mr. SHIPSTEAD. I agree with what the Senator says about the Committee on Finance; therefore I shall ask him another question: Is it the sense of the Finance Committee that the pending bill is not an inflationary bill?

Mr. HARRISON. It may be indirectly, of course. If $2,000,000,000 of the bonds shall be cashed in, or if a billion or five hundred million of the bonds shall be cashed in, to that extent, of course, it is inflationary.

Mr. SHIPSTEAD. All debts are inflationary, indirectly.

Mr. HARRISON. Yes; I think every time there is a spending of money, it has a tendency toward inflation.

Mr. SHIPSTEAD. In the opinion of the Senator, that is a perfectly orthodox doctrine?

Mr. HARRISON. In my opinion, the bill is a very sound bill, worked out in this way.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. HARRISON. I yield.

Mr. COUZENS. The Senator said he and the senior Senator from Arkansas [Mr. ROBINSON], the distinguished leader on the other side, tramped backward and forward to the White House many times to straighten out differences. Evidently the Senators went to the White House in order to get the President's approval of the bill. I do not ask the Senator to commit himself as to whether he did get the President's approval.

Mr. HARRISON. I stated that I did not know whether the President would approve it or disapprove it.

Mr. COUZENS. I say, the Senators made every effort to get his approval. Of course, in view of the President's statement before the meeting of the joint Houses of Congress, when he said, "We will not retreat", and the statement I heard him over the radio make at the Jackson Day dinner, that "We will not retreat", it seems to me that, taking the President's pronouncements in good faith, he cannot retreat on this bonus question and sign the bill.

Mr. HARRISON. That is the Senator's view, and I know he conscientiously entertains that view. I think the President can very easily sign the bill, and I hope very much that he will sign it. But if he fails to sign the bill, the bill, in my opinion, will become law, notwithstanding his veto.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 1016. An act to empower the health officer of the District of Columbia to authorize the opening of graves, and the disinterment and reinterment of dead bodies, in cases where death has been caused by certain contagious diseases;

S. 2013. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Pak Chue Chan;

S. 2434. An act for the relief of George W. Hallowell, Jr.; and

S. 2939. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Ronald A. Cox.

SECRET TREATIES DURING WORLD WAR

Mr. NYE. Mr. President, I regret that it becomes necessary for me to delay for a single moment the continued consideration of the so-called bonus bill, which I am hoping to see enacted into law at the first possible moment. But occurrences of yesterday make it rather necessary that I inflict myself upon the Senate to the extent of remarks which I feel are most emphatically called for.

For a matter of approximately 18 months a special committee has been conducting an inquiry for the Senate into the general munitions question. During these months when the committee has functioned earnestly along lines it believed were authorized by the resolution of the Senate, its field of study has been one in which many pitfalls at one time or another threatened the committee. It has been the surprise of my life that there has not been earlier concentration of effort in the direction of embarrassing or ending the committee's work. A committee cannot turn over such ground as our Munitions Committee has turned without expecting much bitter opposition and criticism. Yet, on the whole, I think we have been exceedingly fortunate in having encountered as little of this as we have.

Gun makers, poison-gas manufacturers, aircraft producers, shipbuilders, munitions salesmen, and powder makers have come and gone. Many of them were with large influence and were within themselves powerful, but their testimony was recorded without serious criticism from any quarter. I am not meaning to say that our committee is not accustomed to objections to our effort, for we are quite that. But as a general thing, there has not been that serious, centered opposition which every member of the committee at its inception contemplated would exist. But on Tuesday of last week the committee commenced hearings involving the files and testimony of the firm of J. P. Morgan & Co. Thus early one could sense, and did sense, a hostile spirit in some quarters. These quarters were rather confined to editorial rooms in certain of our daily press. As a general thing, the press was carrying from day to day impartial news reports of the developments before the committee, but the editorial pages were continuously affording a very false picture of the purpose and the intent of the committee in its immediate field of operation. Evidently in the minds of some editorial writers the committee was treading upon sacred ground; and where such loyal forces as the house of Morgan were concerned, mere congressional committees should not undertake to tread or to call it a field for their operation or their questioning. There was naught for the committee or its individual members to do but ignore this very evident hostility through all of last week and the early part of this week. Yet one could not help but feel that this hostility was only the signal for a larger outburst that might prove disquieting and that might threaten the continued work of the committee, which has been striving earnestly to bring its hearings to an end during the first week of February.

Yesterday, while a ponderous voice on the floor of this Chamber was demanding to know where the junior Senator from North Dakota was and why he was not present to feed upon the eloquence of the owner of that voice, I, concerning whom he was inquiring, was presiding at a hearing of the Munitions Committee over in the Senate Office Building. Word came to me there that the Senator from Texas was about to address himself to a subject in which I would certainly be interested. Finding myself alone of committee members at our hearing at the moment and knowing of the views of the junior Senator from Texas upon the general work of our committee by reason of earlier expressions by him on the floor of the Senate, I rather felt that the occasion was hardly one calling for adjournment of the hearings and dismissal of the witnesses who were here from New York at an expense that ought to be terminated as soon as the committee could make it possible. I concluded that if the Senator from Texas had things to say which required answer that opportunity to answer would be afforded on another day. Then came an additional urging to come on to the floor of the Senate. At the same moment my very good friend and colleague upon the Munitions Committee the Senator from Missouri [Mr. CLARK] was advised that his presence was needed on the floor of the Senate as well, and knowing that Missouri's senior Senator would be present on the floor, I could well be satisfied that whatever was said requiring explanation or answer would be amply met by him. May I say of him—the Senator from Missouri—at this time, that during these last few days he has had a large hand in the writing of history—history that may not be at once appreciated by America and Americans, but which another day will be basic to any intelligent undertaking looking to the recording of the facts prevalent during some of the most critical days of American history? The Senator from Missouri has contributed so emphatically in this making of history that there must in these hours be great rest and satisfaction in a certain grave where lie the remains of one who dared, back in those history-making hours, courageously uphold the finest traits and traditions which have entered into the making of America's finer historical pages. I have reference to the memory of the distinguished father of Missouri's able and courageous senior Senator.

"Where is the junior Senator from North Dakota; why is he not here?" Well, Mr. President, I do not know, in the light of several statements by my committee colleague, Senator CLARK, on the floor yesterday in answer to the Senator from Texas, why I should be, even at this hour, undertaking any answer to the Senator's argument, unless it be that I am wanting it clear that I am wholly unashamed of such course as has been mine and which appears to have invited the keen displeasure of the goliath statesman from Texas. More than that, I think there are things to be said which ought to be said to the Senate now, and with which the Senate should be thoroughly conversant.

I wish the Members of the Senate had been privileged to be observers in that hearing of the Munitions Committee on yesterday afternoon, at which Mr. Morgan and two of his partners were being heard, when information came that embarrassing speeches and statements were to be made which would probably disrupt and destroy the Munitions Committee.

When the word was flashed about the hearing room, notes began moving around among the witnesses—Mr. Morgan and his partners—notes announcing that there were to be embarrassing statements and embarrassing features which would be very disquieting to the committee. The Senate would have enjoyed, I am sure, the observation of keen and complete satisfaction which encompassed the faces and broadened the breasts of the witnesses. Some on yesterday should have won everlasting gratitude from some people by reason of their courageous course in striving to embarrass the committee. But while that hearing was in progress most eloquent language was being resorted to here in the Senate in a portrayal of one Senator's respect for another. In that eloquence I discern the phrases "coarse, common, insulting"; "puny pygmies"; "infamous." And then, again, I find the Senator from Texas assuming that my proper surrounding would be "some checker-playing, beer-drinking back room of some low house." I have no doubt but what the speech of yesterday containing this language will someday find itself recorded among the famous state papers of the Nation, and I realize that in undertaking to meet the eloquence of the Senator from Texas I am laboring under grave, if not insurmountable, obstacles and handicaps.

But for the moment, at least, I am going to overlook these choice titles and descriptions. Instead, I should like to deal seriously with what I assume were the serious charges and allegations contained in the Senator's long presentation. Aside from his many paragraphs of loud barking, I do find woven into his address the following four points:

First. That the committee was without right to accept any help in its labors from any of the Federal Government relief set-ups.

Second. That the Munitions Committee was wholly lacking in authority in certain recent avenues of investigation which it has pursued.

Third. That it is far too late and futile for anyone to be inquiring into the causes of our last war.

Fourth, and finally, that an unpardonable sin was that which found me saying during the taking of testimony before our committee on Tuesday that President Wilson and Secretary Lansing had falsified in certain information which they had given the Senate Foreign Relations Committee in 1919.

I desire to meet each of these points separately, distinctly and briefly. But before doing that, I wish to say to the Senator from Texas, and any others interested, that I have no apologies to offer for any comment that I have offered or any course that has been pursued by the Munitions Committee under my chairmanship.

At the outset, permit me to say that the munitions committee has pursued no avenue of investigation during its months of labor without first enjoying the approval of a majority of the members of that committee, consisting of three Republicans and four Democrats. There have been no confidences which I, as chairman, have not been glad and eager at all times to share with every member of the committee who was present at meetings or who made inquiry concerning plans of procedure respecting the many studies which the committee was undertaking. Any member of the committee could know from day to day what program and plan was ahead. Indeed, members of the committee have had opportunity to help shape that program and plan.

THE WILSON FALSIFICATION

Now, let me move to a discussion of what seems to have been the immediate cause for yesterday's eruption with its flow, flow, flow of lavas of brilliant gutter English. It would appear that there was uncompromising resentment over my having declared that certain statesmen falsified concerning a very vital matter. The Senator from Texas insists that I had used the word "lied." Let us look to the record for the exact language used and for the base of consideration. At page 12512 of the transcript of Wednesday's hearings before the Munitions Committee we find the Senator from Missouri conducting the examination of witnesses and building the case which the committee was undertaking to build concerning a matter which must be dealt with frankly and honestly if America ever wants to avoid such pitfalls as proved so inviting 20 years ago. In the course of his examination the Senator from Missouri reached a paper which was one of a very few that the State Department had requested the committee not to use, and reaching that paper and refraining, as obviously was our purpose, from offering it for the record, the Senator from Missouri said:

> At this point, Mr. Chairman, I may say that the committee has taken cognizance of information from official sources which has not yet been released for publication, which I am therefore unable to put into the record, which clearly indicates that before he departed from this country Balfour left with Lansing, Secretary of State, a statement which he had made on foreign policy to the British Imperial War Council. This statement referred at length to the terms of peace to which Britain was committed and the secret treaties.

At this juncture I interrupted the Senator from Missouri and said:

> Senator CLARK, the committee, of course, does have, and has had, access to this particular communication to which you have referred. It seems to me that for the sake of the record it ought to be noted here that by reason of that the committee is informed by the highest possible sources that Secretary Lansing and President Wilson were fully apprised by Balfour of the secret treaties to which Great Britain had been committed; and the record that has been made and is yet to be made will all clearly reveal that both the President and the Secretary falsified concerning this matter, and declared upon occasion that they had no knowledge prior to their visit to the peace conference in Paris—

Of these secret treaties.

To have thus spoken marks me, in the language of the Senator from Texas, as one who ought to be practicing in "some checker-playing, beer-drinking back room of some low house."

I hope the Senate may find interest in a further pursuit of this interesting question of what and when President Wilson and Secretary Lansing knew of the so-called secret treaties which were presented as being the surprise stumbling blocks to a good peace at Versailles. I am sure there can thereafter be knowledge that the committee was not the first to establish record that there had been falsification. By chance there were others in that "some low-down house" of which the Senator from Texas speaks in his usual modest, moderate, and measured language.

It will be accepted without question that the Secretary of State is the chief aide to the President in the conduct of the foreign relations of this country, and that when the Secretary of State speaks or acts on a matter of the foreign relations of the United States he does so in the name of the President of the United States.

The record in regard to the secret treaties which I am concerned in presenting before this body today, which testifies to the accuracy of the statement which I made concerning Wilson and Lansing on Wednesday, January 15, at the Munitions Committee hearings, is here set forth:

As early as May 8, 1915—and all this was before our entry into the war—Ambassador Walter H. Page in London called the attention of the Department of State to the following information concerning the bargain which England, France, and Russia were making with Italy in order to get Italy to

join the war on their side. From the volume Foreign Relations With the United States, in its 1915 supplement at page 386, a volume published by the Department of State, I quote from the language used by Ambassador Page in this report:

The foreign editor of the Times, a usually well-informed and trustworthy man, who knows all the principal European statesmen, is just returned from a week in France. He tells me in strictest confidence that England, France, and Russia made a bargain with Italy on April 30 agreeing to cede to Italy very large parts of Austrian territory, some of which has a Slavic population, if Italy comes into the war within a month. This was done without consulting Servia and against her wishes. Italy will soon come in if she keeps her agreement, to be followed by Rumania. I have heard unofficial confirmation of this agreement here.

Meaning, of course, in London. Does this make our Ambassador at London a resident or one who ought to be a resident of the "low down house" referred to by the Senator from Texas?

Early in 1917, when Russia as an ally began to crumble and revolution in Russia was in the offing, our Ambassador in Italy, Thomas Nelson Page, wrote to President Wilson, on January 22, 1917, in regard to the secret commitments which the Allies had made to Russia—remember, now, that this was all before our entry into the war. I quote from that letter:

* * * One thing, however, appears reasonably certain, that Russia has recently been on the verge of making some sort of separate accommodation, if not actually a separate peace, and the whole matter of the Dardanelles and Constantinople has come out in consequence of this fact. As my telegram of yesterday stated, Russia seems to be in a fair way of getting from the other allies a hand sufficiently free to give her a very preponderant position as regards not only eastern and southeastern Europe but even the Orient itself. I draw from this the conclusion that it was necessary to make large concessions to Russia, either to secure her continued cooperation or to make it appear worth while to her to face the conditions in which she finds herself and to put forth extraordinary efforts.

The quotation is from the State Department document known as No. 763.

On that same date, January 22, 1917, Ambassador Page, in Italy, wrote directly to Secretary of State Lansing similar information, which he asked Lansing to show to the President.

Understand the picture, Senators. Here was Europe, here was Great Britain, entering into an understanding with her early Allies and chopping up the map of Europe, dividing the spoils that were to accrue immediately following the end of the war. The point I want to make is that the United States entered that war knowing that those spoils had been agreed upon; and yet we are led to believe by the historians that at the Peace Conference in Versailles in 1919 the news that there had been secret treaties, so-called, came as a bombshell to destroy what appeared to be America's splendid chance to write a fair and reasonable and lasting peace. I now quote from the letter of January 22, written by Ambassador Page in Italy to Secretary Lansing:

* * * That when in the autumn of 1914 the conference of the Allies took place in London at the time, I think it was, when England secured the promise from the Allies that no one would make a separate peace, but that all would stand together to the end. Russia presented Poincare's written engagement—that she should have Constantinople and the Straits—and England had to yield—

England had to yield—

to secure her engagement not to make a separate peace.

This is from the State Department Document No. 763.

Will we classify Thomas Nelson Page as coming from that low-down house which was referred to yesterday by the Senator from Texas?

Prof. Charles Seymour, who has the custody of the House papers and is more familiar than is any other historian with the documents, papers, and diaries of Col. E. M. House, who was President Wilson's unofficial and confidential adviser in foreign relations and his peace emissary to Europe on various occasions during our neutrality period, has written in volume III of The Intimate Papers of Colonel House, at page 40, as follows:

Colonel House knew of the secret treaties. He had told the President of the Treaty of London before Italy entered the war, and Grey had told him of the demands of Rumania, so that he must have guessed the terms upon which she entered the war.

The Intimate Papers of Colonel House, edited by Professor Seymour, have been public for some years—since 1928, I believe—and the information about the secret treaties disclosed in volume III of that collection has been available to the Senator from Texas if he chose to read it. Because they wrote and consented to have published this work, are Mr. House and Mr. Seymour also to be addressed as coming from that "low-down house"?

Immediately after the entrance of the United States into the war Arthur James Balfour, British Foreign Secretary, headed a mission from England to this country to discuss with the administration problems of cooperation in regard to shipping, finance, and so forth, and at that time the secret treaties were fully discussed with Wilson, House, and Lansing. Colonel House recorded the following in his diary concerning his conference with Balfour:

"This led me to ask", House continued, "what treaties were out between the Allies as to the division of spoils after the war. He said they had treaties with one another, and that when Italy came in they made one with her in which they had promised pretty much what she demanded."

Further on:

"* * * Crossing the Bosphorus we came to Anatolia. It is here that the secret treaties between the Allies come in most prominently. They have agreed to give Russia a sphere of influence in Armenia and the northern part. The British take in Mesopotamia (and the region) which is contiguous to Egypt. France and Italy each have their spheres embracing the balance of Anatolia up to the Straits."

House's comment was:

"It is all bad, and I told Balfour so. They are making it a breeding place for future war * * *." (From The Intimate Papers of Colonel House, vol. III, pp. 44–45.)

A very few weeks following our entry into the World War, on the evening of April 30, 1917, Balfour had his conference with Wilson at the White House, at which Colonel House was also present. Colonel House has recorded the following as to that conference:

The ground we covered was exactly the same as Balfour and I had covered in our conference Saturday. (Intimate Papers of Colonel House, Vol. III, p. 48.)

What was that ground? It was a discussion of these so-called secret treaties dividing the spoils among Britain's allies.

Colonel House spoke of the desirability of giving copies of the Allies' treaties to President Wilson. Balfour agreed to do this, which is also revealed in the Intimate Papers of Colonel House, in volume III, at page 49.

Of this conference with Wilson, Balfour has himself written in his Chapters of Autobiography, page 239, as follows:

A social engagement of singular interest and importance that I fulfilled in Washington soon after my arrival was a dinner of four at the White House, the party consisting of the President, Mrs. Wilson, Colonel House, and myself. From this conversation no subject connected with the war was excluded. We were all absorbed in the problem of successful cooperation, and as this necessarily involved ranging over the immense field at our common interests, a singular unanimity brooded over our friendly discussions. I think the question of the secret treaties were raised by the President after we had left the dinner table. There were no secrets between us, then or afterwards, on any of the many subjects that came up for discussion.

So here is another, Lord Balfour, from that "low-down house."

Further, Balfour and Secretary of State Lansing, discussed for 3 hours every phase of the international situation. The Lansing appointment books in the Manuscript Division of the Library of Congress contain the following entry from May 6, 1917:

At Gunston Hall. Mr. Balfour and Sir Eric Drummond motored down for midday dinner. Spent 3 hours in afternoon going over nearly every phase of the international situation, such as Austria, Bulgaria, Russia, Turkey, China, the relations between the Allies, etc.

Lloyd George, who was Prime Minister of England during this period, has written of the Balfour mission to the United States and the discussion of the secret treaties, as follows:

Mention was made of the various secret treaties which had been concluded with Russia and Italy about territorial changes which it would be the allied purpose to effect if successful, and Mr. Balfour described in detail these agreements and offered repeatedly to supply copies of the treaties to the President. * * * He was obviously anxious not to be informed in writing of the details, as he did not wish to be embarrassed by being "affected with notice."

So Lloyd George, too, comes from that "low-down house", does he?

Mr. CONNALLY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Texas?

Mr. NYE. I yield.

Mr. CONNALLY. Does the Senator mean to say that Lloyd George was over here and conferred with President Wilson, or does he mean that Lloyd George purported to have made the statement second- or third-hand?

Mr. NYE. He stated what is very well confirmed by the record.

Mr. CONNALLY. What did the Senator mean to say?

Mr. NYE. I meant to say that, in addition to Balfour and others recording in their memoirs the fact that the President and Secretary of State did have knowledge of these secret treaties before and during the early days of our participation in the World War, in this case Lloyd George wrote, of course, of his contact with parties who were present at those conferences.

Mr. CONNALLY. The Senator knows that Balfour was not here until after we entered the war; he knows that Lloyd George was not here at all; and yet he quotes Lloyd George as authority for something the President said at a secret dinner at the White House.

Mr. NYE. What the Senator is saying of this particular exhibit is perhaps quite true, but it takes its place along with other exhibits, and any fair and open mind that can face the facts will have to acknowledge that the United States had knowledge of these secret treaties before our delegates landed at Versailles.

Mr. CONNALLY. The Senator said that what I said is "perhaps" true. Is it true or is it perhaps true?

Mr. NYE. Is the Senator asking whether Lloyd George was ever over here?

Mr. CONNALLY. I am asking the Senator from North Dakota this question: He said a moment ago that what I had said about what he has been reading was "perhaps" true. Is it "perhaps" true or is it true?

Mr. NYE. If I remember what the Senator said, he made the point that Lloyd George had never been to the United States. I am ready to agree that is true.

Mr. CONNALLY. And had not talked to Mr. Wilson or Mr. Lansing at the White House?

Mr. NYE. I think that is true.

Mr. CONNALLY. It is not "perhaps" true. It is true, is it not?

Mr. NYE. I do not know whether Lloyd George ever had a conference with President Wilson or Secretary Lansing prior to the peace conference at Versailles, and I have not said that he had.

The Munitions Committee has had access to a document which has not been released for publication or for entry in the official record, a document which was transmitted to Secretary of State Lansing on May 18, 1917, by a high British official. This document is available to any Member of the Senate who will ask the State Department for the privilege of seeing it. The document refers at length to the terms of peace and the secret treaties to which Great Britain and her allies were committed, and the document reveals that there were copies of secret treaties in the files of the State Department here in Washington from those early days.

On July 21, 1917, President Wilson wrote this very important letter to Colonel House.

Mr. GORE. What date?

Mr. NYE. July 21, 1917. The letter reads:

THE WHITE HOUSE,
Washington, July 21, 1917.

Mr. EDWARD M. HOUSE,
Magnolia, Mass.

MY DEAR HOUSE: Frankly, I see some very grave possibilities of danger in your plans for an interchange of views about peace between the World and the Tageblatt, particularly if Northcliffe and Tardieu are to be made counsellors in the matter. England and France have not the same views with regard to peace that we have by any means. When the war is over we can force them to our way of thinking, because by that time they will, among other things, be financially in our hands; but we cannot force them now, and any attempt to speak for them or to our common mind would bring on disagreements which would inevitably come to the surface in public and rob the whole thing of its effect. I saw all this too plainly in a conversation with Viviani. If there is to be an interchange of views at all, it ought to be between us and the liberals in Germany, with no one else brought in. Even at that, how is the State Department, or any official agency of the Government going to ask that the Tageblatt be allowed to print what the World says without any interference by the censor without its appearing that what is proposed is really an interchange of views between the German liberals and this Government? I do not think it possible to keep the hand of the administration concealed.

It seems to me that these are very real difficulties and disclose some real dangers. Our real peace terms—those upon which we shall undoubtedly insist—are not now acceptable to either France or Italy (leaving Great Britain for the moment out of consideration).

I have delayed writing you about this deeply important matter until I could think it out; and I must say that I have not been able to think myself on safe ground regarding it. You may have entirely satisfactory replies to make to my objections; but I cannot think of them myself. Will you not write me again? I have thought about it enough now, I think, to promise a prompt reply.

I am writing on the *Mayflower*, on which Mrs. Wilson and I are seeking a day or two of relief from the madness of Washington. A point is reached now and again when I must escape for a little.

With affectionate messages from us all,

Your grateful friend,

WOODROW WILSON.

I invite particular attention to this language in the letter:

Our real peace terms—those upon which we shall undoubtedly insist—are not now acceptable to either France or Italy (leaving Great Britain for the moment out of consideration),

I repeat the record is undeniably clear that there was knowledge of these secret treaties long before our delegates gathered at Versailles.

I have before me confidential notes from the Lansing memoranda and notes which are held in the Congressional Library in Washington under an arrangement which finds the Library a bit concerned lest any public use be made of the documents found there. I am not going to betray that confidence, but I am going to pass the document to the Senator from Wisconsin [Mr. LA FOLLETTE] and hope he will pass it on to the Senator from Idaho [Mr. BORAH], and that ultimately it may reach the Senator from Texas [Mr. CONNALLY] and that he may see a marked section which comes from Lansing's note dated August 7, 1919. After he has read that, if he can declare that Lansing did not falsify, I fail utterly to understand what would need to be done to prove the case.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. CONNALLY. The Senator has repeated now and here his statement that President Wilson and Secretary Lansing falsified?

Mr. NYE. I do. Without any malice whatsoever, I do repeat what I said.

Mr. CONNALLY. I did not ask about the malice. The Senator now in the Senate, on his responsibility as a Senator, states unequivocally that President Wilson and Secretary Lansing falsified. Is that correct?

Nr. NYE. Respecting the existence of these secret treaties.

Mr. President, compare this record which I have set forth with the testimony of President Wilson and Secretary Lansing at the hearings on the Treaty of Versailles before the Senate Foreign Relations Committee of the United States in August 1919, and let us judge, each one of us for himself, the testimony of Wilson and Lansing. I quote now from the transcript of that session:

Senator BORAH. * * * When did the secret treaties between Great Britain, France, and the other nations of Europe with ref-

erence to certain adjustments in Europe first come to your knowledge? Was that after you had reached Paris also?

The PRESIDENT. Yes; the whole series of understandings were disclosed to me for the first time then.

Senator BORAH. Then we had no knowledge of these secret treaties, so far as our Government was concerned, until you reached Paris?

The PRESIDENT. Not unless there was information at the State Department of which I knew nothing.

* * * * * * *

Senator JOHNSON of California. I think you answered to Senator BORAH the question I am about to ask, so pardon me if it is repetitive. It is this: Was the United States Government officially informed, at any time between the rupture of diplomatic relations with Germany and the signing of the armistice, of agreements made by the Allied Governments in regard to the settlement of the war?

The PRESIDENT. No; not so far as I know.

Senator JOHNSON of California. So far as you are aware, was it unofficially informed during that period?

The PRESIDENT. I would be more clear in my answer, Senator, if I knew just what you were referring to.

Senator JOHNSON of California. I am referring to the so-called secret treaties which disposed of territory among the belligerents.

The PRESIDENT. You mean like the Treaty of London?

Senator JOHNSON of California. Yes; like the London pact.

The PRESIDENT. No; no, sir.

* * * * * * *

Senator JOHNSON of California. These specific treaties, then—the Treaty of London, on the basis of which Italy entered the war; the agreement with Rumania, in August 1916; the various agreements in respect to Asia Minor, and the agreements consummated in the winter of 1917 between France and Russia relative to the frontiers of Germany, and particularly in relation to the Saar Valley and the left bank of the Rhine—none of these did we (and when I say "we" I mean you, Mr. President) have any knowledge of prior to the conference at Paris?

The PRESIDENT. No, sir. I can confidently answer that "no" in regard to myself.

Lansing, Secretary of State, also denied any knowledge of the secret treaties:

Senator JOHNSON of California. Let me ask you one more question while we are on the subject. You recall that Mr. Balfour was here and addressed the Senate at one time?

Secretary LANSING. Yes.

Senator JOHNSON of California. And that Viviani was here and addressed the Senate?

Secretary LANSING. Yes.

Senator JOHNSON of California. Did either of these gentlemen while here communicate to you any secret treaties that had been executed for the disposition of territory after the war?

Secretary LANSING. Neither of them.

Senator JOHNSON of California. Did either of them on any occasion, either when here or at any other time, communicate to the State Department of the United States any information concerning the treaties that disposed of territory in which the Allies were concerned, the disposition of which was to be made by the peace conference?

Secretary LANSING. None.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. NYE. I yield gladly. I wish, however, the Senator would defer his question until I conclude my presentation of the matter.

Mr. SHIPSTEAD. I merely wish to inquire the date of that hearing.

Mr. NYE. The hearing was in August 1919.

Mr. SHIPSTEAD. Can the Senator state the day of the month?

Mr. NYE. I am afraid I am unprepared to advise the Senator just now as to the exact date. It was in August of 1919, however.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. NYE. I am very happy to yield to my colleague from Missouri.

Mr. CLARK. Did the Senator from North Dakota have occasion to read in the newspapers of this morning what was evidently a release from the State Department—because it appeared in almost identical terms in several different morning newspapers not using the same press services—notice of release or publication by the State Department of a document called The Policy of the United States Toward Maritime Commerce in War, prepared under the direction of Mr. Carlton Savage?

Mr. NYE. I observed the newspaper reports this morning.

Mr. CLARK. The Senator therefore observed that the statement was made in these releases that while the documents put in the record by the Munitions Committee were authentic and accurate they were not complete, and that this document purports to be a more complete résumé of the documents during the war.

Mr. NYE. Yes; I observed that.

Mr. CLARK. Has the Senator had an opportunity of examining that document?

Mr. NYE. I have not; but I have asked that it be carefully examined.

Mr. CLARK. I may say to the Senator that I have had a very brief and cursory opportunity of examining the document; and such references to other official documents as I find are not in the slightest degree contradictory to the documents put in the record by the Munitions Committee in its hearings, but rather are cumulative, and tend to back up the documents put in the record by the Munitions Committee.

I fail, however, to find in that document, which is held out as a more complete set of documents than that presented by the Munitions Committee, any reference to the document of May 18, 1917, the letter of Arthur James Balfour to the Secretary of State of the United States, with enclosures. It does seem to me—and I ask the Senator's opinion about this—that if the State Department now purports to put out a complete documentation of those events, that document should be included in them. It is undoubtedly within the custody of the State Department. The Munitions Committee has had access to it, but has been unable, by reason of the prohibition of the State Department, to put it into the record. The Munitions Committee has brought no pressure to bear on the State Department to release it; but if the State Department is now releasing a document which it holds out to the public as being a complete documentation of those events, it does seem to me that it should include that all-important document.

Mr. NYE. There could not be any complete showing of that entire record of facts without including that particular document.

Coming back to the denial—the repeated denial—that Lansing and Wilson had knowledge of these secret treaties before they got to Versailles, are there those who hoped and expected that history never would catch up with the facts, or that the facts never would catch up with history? Was there expectation that the cover would forever be kept fast over the truth, and that history would go on falsifying the causes of the failure of the great American effort to win a fine, clean, and lasting peace at Versailles?

O Mr. President, I am hardly prepared, in light of this record, to regret having taken, with the committee, cognizance of this certain document, and helped to make note of it in the record, and certainly the occasion is hardly one calling for an apology for having termed this larger evidence proof of falsification.

It has been urged that irresponsible persons—perhaps "pygmies" was the expression—have been turned loose in the confidential files of the State Department. Let me say here that the only person to examine the State Department files was Miss Josephine Burns, of New York City, an instructor at Mount Holyoke College, who was unknown to the committee or to any of its staff before she came with highest recommendations from State Department officials and from the president of her college. Incidentally, she is a Democrat, and her family have been lifelong Democrats in New York. Every document put into the record was released by the Department of State.

Documents upon which the State Department has withheld permission to release have not found their way into the record of our committee except in one instance, when our error was followed by our most abject apology to the Secretary of State.

Mr. CONNALLY. Mr. President, will the Senator yield right there?

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Texas?

Mr. NYE. I yield for a question.

Mr. CONNALLY. The Senator says that none of the documents which the State Department requested the committee not to use were used. Is it not true that a document of that kind was submitted to the committee and that the committee did not print it, but that a Senator—either the Senator from North Dakota or the Senator from Missouri, I shall have to get the record to see which—made the statement that the committee had information from "reliable authority", and then, in substance, stated the contents of that document?

Mr. NYE. Yes; that is a statement of the fact.

Mr. CONNALLY. So the committee did use a document which the State Department asked the committee not to use?

Mr. NYE. The committee did take official note of the document.

Mr. CONNALLY. And put it in the record?

Mr. NYE. No.

Mr. CONNALLY. Not textually, but the committee put the substance of it in the record?

Mr. NYE. No; I will not agree with that.

Mr. CONNALLY. What did the committee put in the record?

Mr. NYE. Let the Senator read the record. He has it in his hand. I have read it this morning.

Mr. CONNALLY. I will read it when the Senator shall have concluded his remarks.

Mr. NYE. I hope the Senator will. By the way, has the Senator read the note of Mr. Lansing which I sent to him?

Mr. CONNALLY. I read what the Senator sent to me.

Mr. NYE. Did the Senator read the particular note to which reference was made?

Mr. CONNALLY. I read the one the Senator had marked. I suppose that is the particular one.

Mr. NYE. Very well. Can the Senator read that and feel that Lansing did not falsify before the Foreign Relations Committee?

Mr. CONNALLY. I will ask the Senator this question: These are the private diaries of Mr. Lansing. I understand that in his will he provided that these notes should not be published until 20 years after his death, and that they are now in the custody of some friend. Will the Senator tell me how he got them?

Mr. NYE. Yes; I think I can tell the Senator how we got them. We got them with the consent of the Library, after approval by the trustees of the Lansing estate.

Mr. CONNALLY. Did the Senator know that Lansing left the injunction not to publish them until 20 years after his death?

Mr. NYE. No; I did not know that. I have never been told that. Many of them have been published.

Mr. CONNALLY. They will all be published if the committee can get hold of them. [Laughter in the galleries.]

Mr. NYE. Many of them were published this fall in the volume entitled "War Memoirs of Robert Lansing." The work is particularly notable for the documents of which he had knowledge that do not find place in those war memoirs.

The Senate has been advised by great constitutional authority that the Munitions Committee has been without authority in its more recent studies in the field of war-making influences; and we hear for the first time that the committee had no right to investigate the Morgan institution.

Has the committee authority to delve into the financial ramifications of the munitions industry? I am not a lawyer, but I will dare to explain the steps by which the committee proceeded, in keeping, I am sure, with the resolution under which it operates.

The attorneys for J. P. Morgan & Co. are Davis, Polk & Wardwell. If John W. Davis, who sat with his witnesses virtually constantly throughout these 10 days of hearings, advised his clients to observe the committee's subpenas, we may take it that the most eminent legal opinion is to the effect that the committee has the necessary authority.

J. P. Morgan & Co. did a business of $3,000,000,000 with companies engaged in the manufacture, sale, and exportation of arms and munitions of war. The record shows that the financing of these munitions companies was such an essential part of the general financing of the belligerents that the belligerents had to meet the terms of certain rifle companies or give up hope of financing themselves here.

Our power, it seems to me, is quite clear.

Has the committee power to follow these financial ramifications further than the first parties to them?

I call attention to the power given to the committee, as shown in section (a), page 2, lines 12 and 13, to investigate "the methods used in promoting or effecting the sale of arms, munitions, and other implements of war."

We hold that no promoting or sale can be done without financing. American sales of arms to Bolivia and to other South American countries in recent years have been dependent upon the success of these countries in raising loans in the United States. Our record shows that European munitions manufacturers trying to get contracts from Poland, Greece, and other countries were dependent upon the fact that investors in their native countries were willing to lend money to the purchasing countries to finance these munitions.

During the World War the sales of arms and munitions were early made dependent—strictly dependent—upon American willingness to finance these sales by loans. The record is clear, beyond the shadow of a doubt, on that point.

The next question arises, How does this financing take place? It takes place by permission of our Government. Our Government saw no objection some years ago to loan to a South American country to pay an arms bill to Vickers, of Great Britain. That loan is now in default. Yet it could have been stopped by our Government.

Similarly, during the World War governmental objection to such loans would have prevented an abnormal boom in war supplies. The Government did object to loans, but allowed credits which Morgan witnesses have told us were practically no different from loans. A year after the war started our Government withdrew its formal objection to loans.

Why did it do so? Under the authority to investigate the methods used in promoting the sale of arms and munitions we found that the traffic had grown so great that our neutrality policy collapsed under the weight of that traffic. The testimony of the Secretary of State in a letter to the President is to that effect. Without that change in our policy to openly allow loans for arms and munitions sales the sale could not have been promoted beyond a certain point.

We have so far been clearly within the terms of our resolution. Arms traffic is dependent upon governmental permission for foreign loans.

Are we, then, at that point disqualified from asking what the effect on a government is of the arms traffic? The committee did not feel itself disqualified for this reason: First, there was on the books a law embargoing munitions to Paraguay and Bolivia. Second, there is on the books a treaty governing the control of arms. Third, there is on the books a law leaving it within the discretion of the President to embargo arms at any time after the beginning of a war. These are "existing legislation" upon which the committee has power to report. They are legislation for the regulation of the control and manufacture of and traffic in arms and munitions. The authority is clear to determine and report whether these measures are adequate or not.

How can we find out whether these measures are, or can in their nature, be adequate? There was an embargo voted by Congress against the two nations participating in the Chaco war. Was it adequate? The committee began an investigation. Shortly thereafter the Department of Justice interested itself, and the case is now before a grand jury in the southern district of New York. There was no question raised concerning our power there.

We went to history for guidance. The World War is still with us every day. We suffer from it in every hour of our lives. There was in the fall of 1916 a law on the books permitting the President in his discretion virtually to embargo arms and loans. In his discretion he did not use it, although he had approved the law. The experience there seemed very similar to the present law, which leaves much

to the discretion of the Executive. Is it forbidden to attempt to find lessons and guidance in the operation of that law, so similar to the present one? If we find that one of the most idealistic Presidents this Nation ever had was unable to stem a flood of munitions orders, is it improper to report on that fact? Is it beyond our powers to investigate that situation and report on it? The committee thought not. It was no reflection upon Woodrow Wilson. No human being could have, politically, dared to stop the war trade after it had been going 2 years.

Mr. SHIPSTEAD. Mr. President——

The PRESIDING OFFICER (Mr. MOORE in the chair). Does the Senator from North Dakota yield to the Senator from Minnesota?

Mr. NYE. I gladly yield.

Mr. SHIPSTEAD. Secretary of State Bryan never retracted his position on the question of neutrality and the question of loans as governing the neutrality policy.

Mr. NYE. Not to my knowledge. Never in any instance did he alter the position which he pronounced so clearly while he was Secretary of State upon the question of our neutrality.

Mr. SHIPSTEAD. As a matter of fact, he resigned.

Mr. NYE. He resigned because there was not an abiding by the terms of that neutrality policy.

Ours was an investigation not into motives but into mechanisms. If any member of the committee could suggest a better way to examine the probable effects of our present embargo law by our experience with the only other attempt which we left in the discretion of the President, he failed to suggest it to the rest of the committee.

THE SECRET TREATY RECORDS

But a further question still lies. By what authority did we produce the records indicating that the President and the Secretary of State knew of the secret treaties?

There is existing legislation—the neutrality law of 1935—which permits the President to delay an embargo against nations joining a war after the first two participants have done so—in other words, to delay an embargo on the League members in case League sanctions develop into war. There were those on the committee who thought that it might be possible that our joining in sanctions might involve us in war—that existing legislation, which we have the clear power to investigate and report on, or might, because of the looseness of its language, draw us into war.

And into what kind of a war? A war for justice, of course. A war against aggression, of course. But a war to preserve the status quo—a war to further whatever aims the European nations have, in accordance with whatever secret agreements they may have among themselves. There is a possibility that any war which is not of our own origination is somebody else's war. There is a possibility in existing legislation that we might be called upon to fight somebody else's war, not knowing that those other nations had war purposes and peace purposes different from our own. Is it not important to investigate that? Is it not important to report upon that? Is there any question but that it is important for the people of America to know that any war we may get into will confront this Nation with a set of secret war aims framed and fought for by other nations? Once we find that possibility in existing legislation we are authorized to report upon it. It is important and it is legal for us to bring out its importance.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. NYE. I yield to the Senator.

Mr. FLETCHER. I should like to ask the Senator whether or not these so-called secret agreements, which he has been mentioning, were in effect at the time of the closing of the war.

Mr. NYE. I hesitate to answer the Senator's question directly, but so far as I know they were all in effect at the close of the war.

Mr. FLETCHER. I follow that with the question whether or not the Versailles Treaty conformed to these alleged secret agreements in the settlement thereby made.

Mr. NYE. Very much; but that is a matter which another member of the committee, and which I understand members of the Foreign Relations Committee, will take up in proper order.

Mr. FLETCHER. I was asking the Senator whether or not the Versailles Treaty specified this apportionment which had been mentioned in the secret agreements, or whether the Versailles Treaty was made without regard to any possible agreements which might have been made before.

Mr. NYE. We have been told time and again how embarrassed our American delegates were, on reaching the conference, to discover the existence of these so-called secret treaties which prevented our delegation from furthering the kind of peace we had been talking about for many, many years.

Mr. FLETCHER. Does the Senator mean to say that there were other secret agreements besides those he has mentioned?

Mr. NYE. Not that I know of. If our Secretary of State, and one of the most idealistic Presidents this Nation has ever had, had known of the secret treaties, and had not immediately informed the American people that our war aims were different from those of the Allies, then we were winning the war and were losing the peace. Is it not important for the American people to know that? Is it not one fact to bring out to show the possible results of existing legislation? Mr. President, I find the course which has been pursued by our committee entirely in harmony not only with the language of the resolution under which we have been operating but in harmony with the highest and greatest interests of the people of the United States.

The whole record on the past war was developed in the course of the committee's study of the connection between financing and munitions. One Morgan witness was constantly stating that the abnormal war trade had no connection with war or with the neutrality policy of the country. He stated it was nothing but submarines. The Senator from Missouri [Mr. CLARK] interrupted to point out that our desire to ship war goods in abnormal quantities was at the heart of the submarine issue, a fact that none can deny in view of these last few days of history making.

T. E. R. A. HELP

Now, as to the contention that there was something out of order respecting the committee's use of help from the Federal Temporary Emergency Relief Administration. There should be no surprise in the Senate covering the use of this help. The RECORD of last summer contains references to it.

This committee early found the bulk of its investigative work centered in New York and vicinity in the summer of 1934. Committee investigators working out of the committee's offices at 441 Lexington Avenue learned that a shortage of worth-while projects faced the New York State T. E. R. A. Administration, and that the administration would look with favor upon a project to assist this committee in its great clerical, stenographic, and accounting labors. Consequently, after conference with the State authorities, a project was written and approved by State and Federal T. E. R. A. authorities—a nonrelief New York State project, 100 percent reimbursable from Federal funds. There can be no just criticism of the committee for making use of clerical and accounting assistance so offered and afforded.

If the Senator from Texas would criticize this assistance given to the Munitions Committee, let him address himself to the T. E. R. A. and W. P. A. authorities, for the responsibility for the project rests with them. As for myself, I shall never cease appreciating the consideration given by these authorities, nor will I cease being convinced that the projects upon which those helpers worked were projects of the greatest of merit, and I venture to say that no other T. E. R. A. project in all this land can be found on which those who were given employment by reason of it labored as long, as sincerely, and as earnestly as did the people upon this project in which our committee was interested.

This committee had supervision of the project employees, nothing more. It spent less than three-fourths of the funds allocated to it by the works authorities. No individuals were utilized in the project not certified to it by the Works Administration. The committee had clear understanding with the

works authorities that only the most trustworthy, the most efficient, and the most capable persons would be used on the project. The members of the project were drawn by the personnel division of the Works Administration from its rolls of applicants and in conjunction with various associations, such as engineering societies, cooperating in New York in the placing of applicants.

It has been charged that this committee hired relief workers. That is not true. The project was a non-relief-works project, and all its costs were to the Works Administration, not to the committee. I am reliably informed that many other similar projects were under way at the time of greater magnitude and at larger cost to assist various State and Federal agencies in pursuing their tasks. This project, which so largely assisted this committee, was regarded by the Federal and State works authorities as one of their most worthy projects, and it may be stated that it was of inestimable help to the committee.

As originally written and approved by the works authorities the project offered the committee the services of 15 accountants, 3 lawyers, 8 engineers, 19 stenographers, 1 messenger, 1 supervising stenographer, a total of 49 persons, and allocated approximately $80,000 to the project. Of this sum, less than $58,000 was spent and at no time did the project utilize the full number of people authorized.

Now, Mr. President, I desire to repeat I have no apologies to offer for any act of mine or the Munitions Committee in the investigation. I take away, I recall not one word of my expression to the effect that President Wilson and Secretary Lansing falsified when testifying in the presence of the Senate Foreign Relations Committee in 1919. The record in this respect offers no escape from facts.

If it be the will of a colleague to assert, as he has, that I have impugned the purposes of President Wilson, I can but answer that the record will have to speak for itself and that there is most positive evidence that Secretary Lansing is recorded as having stated purposes which were quite contrary to the purposes he was presumably following as custodian of America's neutrality in 1915 and 1916. I recommend to the Members of the Senate the reading of the War Memoirs of Robert Lansing to see how his thoughts were squaring off with what was his record in those trying hours of endeavored neutrality.

If it is a will to believe that there was malice and political prejudice in my expressed opinion concerning the failure of President Wilson and Secretary Lansing to speak truthfully to the committee of the Senate, which shared with the Executive treaty-making duties, I can only refer those believers to such colleagues as were present at the hearing of Tuesday and to newspapers files which found me publishing editorials in 1916 in support of the man who "kept us out of war."

Perhaps I err in my diligence in pursuing an investigation for which the Senate makes me in part responsible. If we have been too thorough, it is too late to correct it. But it seems to me that when we go in search of pertinent truths we ought not dodge them when we encounter them—we ought not let partisan prejudices blind us to those truths, however embarrassing they may be to a mere political party. And I want to give most emphatic notice that in the 15 remaining days of hearings which the committee plans in completion of its investigation I shall not alter my course of developing the facts which are pertinent to the inquiry. Whatever the degree of threat or intimidation, however slimy may be the language used in criticism of the course pursued, I shall pursue that course and know that I have done that which is right, especially when the course has such positive bearing upon the future well-being of 130,000,000 men, women, and children.

How can men ignore, as some seem to easily do, that only by experience can we build properly against repetition of costly and wrecking experiences? The very able Senator from Michigan [Mr. VANDENBERG] yesterday gave splendid voice to thought in that direction—a voice which I am sure will be repeated before the present debate shall be concluded.

Mr. President, I have spoken of continuation of the munitions investigation. Perhaps there is a will abruptly to end it, a power which most certainly rests with the Senate. The committee has 15 more days of hearings scheduled. The expensive ground work in preparation for those hearings has been completed. It remains but to record the findings in public hearings, close the record, write the final report, and be done—a day and an hour which cannot move upon me too fast. The question arises, however, as to the right of the committee to use documents which are not yet entered in the record through public hearings. The committee possesses these documents and these records. Can the committee use them without offering them in public hearings? If it cannot, of course the committee would be much embarrassed if its work were to be abruptly ended. It would be difficult to present in a record a full and complete picture of the facts upon which the Senate has asked for a report. On the other hand, if it is the committee's privilege and liberty to resort to these documents and these records which have been unearthed by reason of the investigation and to use them as a basis of a report, the question is quite another one.

But why would the Senate stop the inquiry thus abruptly? Because it is so costly?

The Senator from Missouri yesterday declared that the cost of the Munitions Committee inquiry is not so great as the cost of many other inquiries and that the results of the investigation have been worth many times the cost. In this statement I am sure the Senator from Missouri will find agreement on the part of a very large majority of the people of the United States.

The appropriations by the Senate to date for the inquiry have totaled $125,000. It is not true, as declared by the Senator from Texas, that we have pending a request for an additional $50,000 or for any lesser amount. We have been undertaking to measure what our needs would be to enable us to finish our work. We think they will not be more than from seven to, possibly, nine thousand dollars. In a few days the committee can estimate accurately its needs, and will then make request of the Senate for the amount. Naturally, there is a desire on the part of the committee to be able to round out its work and to present its report in a finished manner.

The committee, Mr. President, is quite accustomed to objections; it is quite accustomed to criticism; but 3 days before the committee under section (c) of the enabling resolution began hearings on the findings of the War Policies Commission to take the profits out of war, an announcement was made that another body, not authorized by Congress, had been set up for that purpose. It has held only one meeting. The Munitions Committee, after long hearings, proposed amendments to the so-called McSwain bill, being House bill 5529, and reported it. The bill was approved and reported by the Senate Committee on Military Affairs, and is now pending in the Finance Committee. On the day the Senator from Michigan [Mr. VANDENBERG] introduced for the committee the two bills to take the excess profits out of naval shipbuilding and to prevent collusion, an attack was made on the committee's chief investigator.

Now, when the investigation is completed and hearings are taking place on the part in the mechanism of war trade played by certain financial houses we again find ourselves subject to attack.

There are companies still to appear before the committee. Some of them are powerful and influential; some of them have friends—influential friends. Is there anything in the testimony of the large steel companies furnishing Army and Navy supplies to disturb anyone; or in the ramifications of the aviation companies; or in the facts about the company which has a monopoly of machine-gun manufacture for the Army; or in the practice of some companies in selling the latest American war inventions to those nations upon this earth that we hear from day to day are most apt to be our foes when we come to another war?

Again, Mr. President, what is it that men fear from the completion of the investigation? What truths are there, what truths can there be that they would have us run away from? Where and what is the power that moves to block,

to stop, to embarrass, and to cripple the work that has been undertaken?

Mr. President, not only am I not inclined in the least to fear criticism of the work of the Munitions Committee, but I am proud—and that exceedingly—of having had a hand in a work which, I am sure, will some day be recognized as having been done thoroughly, impartially, and to an objective that will mean much to my sons and my daughters and to the sons and daughters of every other American man and woman.

I cannot close my remarks today without at least one more reference to that colleague on the floor who yesterday took the bit between his teeth and started for Heaven only knows where. I cannot be unmindful of his pretensions and his lack of action to back those pretensions in at least one case.

The facts are that the munitions question has been eating upon the Senator from Texas for many months. A year ago this month members of the Munitions Committee reported verbally on the floor the findings of that committee as a result of its early investigations. We told about the war-profits bill; we told of our hope of accomplishing legislation to control in peacetime as well as in wartime the racketeering game in which munitions makers engage; and on January 14, while I was thus addressing myself to the Senate, the Senator from Texas moved into the debate and said:

> Let me say to the Senator from Missouri that my query was not prompted by any thought of criticism of the committee or anything the committee has done, but merely with the view of getting some legislation relating to the matter. * * *
>
> Let me suggest to the Senator that it is all very well to make speeches, but, after all, unless we are going to legislate in response to the investigation of this committee, we will have to make another similar investigation 2 or 3 years from now and go over the same ground again.

I have previously said in my remarks that the committee has taken the House McSwain bill, amended its war-profits proposal, reported it to the Senate, and the Senate in return referred it back to the Military Affairs Committee. The Military Affairs Committee, early last summer, reported that bill to the Senate with its favor, and then it was thought advisable to refer it to the Finance Committee of the Senate, where it went and where it still is. The man who was made chairman of the subcommittee to conduct that investigation and who has held but one meeting, and that last August, was none other than the Senator from Texas, who a year ago this month was insisting upon legislation and less talk.

Mr. CONNALLY subsequently said: I ask leave to have printed in the RECORD, at the conclusion of the remarks of the Senator from North Dakota [Mr. NYE], the message of President Wilson to the Congress of the United States on April 2, 1917.

The PRESIDING OFFICER (Mr. DUFFY in the chair). Without objection, it is so ordered.

The address is as follows:

ADDRESS OF THE PRESIDENT OF THE UNITED STATES DELIVERED AT A JOINT SESSION OF THE TWO HOUSES OF CONGRESS, APRIL 2, 1917

Gentlemen of the Congress, I have called the Congress into extraordinary session because there are serious, very serious, choices of policy to be made, and made immediately, which it was neither right nor constitutionally permissible that I should assume the responsibility of making.

On the 3d of February last I officially laid before you the extraordinary announcement of the Imperial German Government that on and after the 1st day of February it was its purpose to put aside all restraints of law or of humanity and use its submarines to sink every vessel that sought to approach either the ports of Great Britain and Ireland or the western coasts of Europe or any of the ports controlled by the enemies of Germany within the Mediterranean. That had seemed to be the object of the German submarine warfare earlier in the war, but since April of last year the Imperial Government had somewhat restrained the commanders of its undersea craft in conformity with its promise then given to us that passenger boats should not be sunk and that due warning would be given to all other vessels which its submarines might seek to destroy, when no resistance was offered or escape attempted, and care taken that their crews were given at least a fair chance to save their lives in their open boats. The precautions taken were meager and haphazard enough, as was proved in distressing instance after instance in the progress of the cruel and unmanly business, but a certain degree of restraint was observed. The new policy has swept every restriction aside. Vessels of every kind, whatever their flag, their character, their cargo, their destination, their errand, have been ruthlessly sent to the bottom without warning and without thought of help or mercy for those on board, the vessels of friendly neutrals along with those of belligerents. Even hospital ships and ships carrying relief to the sorely bereaved and stricken people of Belgium, though the latter were provided with safe conduct through the proscribed areas by the German Government itself and were distinguished by unmistakable marks of identity, have been sunk with the same reckless lack of compassion or of principle.

I was for a little while unable to believe that such things would in fact be done by any government that had hitherto subscribed to the humane practices of civilized nations. International law had its origin in the attempt to set up some law which would be respected and observed upon the seas, where no nation had right of dominion and where lay the free highways of the world. By painful stage after stage has that law been built up, with meager enough results, indeed, after all was accomplished that could be accomplished, but always with a clear view, at least, of what the heart and conscience of mankind demanded. This minimum of right the German Government has swept aside under the plea of retaliation and necessity and because it had no weapons which it could use at sea except these which it is impossible to employ as it is employing them without throwing to the winds all scruples of humanity or of respect for the understandings that were supposed to underlie the intercourse of the world. I am not now thinking of the loss of property involved, immense and serious as that is, but only of the wanton and wholesale destruction of the lives of noncombatants, men, women, and children, engaged in pursuits which have always, even in the darkest periods of modern history, been deemed innocent and legitimate. Property can be paid for; the lives of peaceful and innocent people cannot be. The present German submarine warfare against commerce is a warfare against mankind.

It is a war against all nations. American ships have been sunk, American lives taken, in ways which it has stirred us very deeply to learn of, but the ships and people of other neutral and friendly nations have been sunk and overwhelmed in the waters in the same way. There has been no discrimination. The challenge is to all mankind. Each nation must decide for itself how it will meet it. The choice we make for ourselves must be made with a moderation of counsel and a temperateness of judgment befitting our character and our motives as a nation. We must put excited feeling away. Our motive will not be revenge or the victorious assertion of the physical might of the nation, but only the vindication of right, of human right, of which we are only a single champion.

When I addressed the Congress on the 26th of February last I thought that it would suffice to assert our neutral rights with arms, our right to use the seas against unlawful interference, our right to keep our people safe against unlawful violence. But armed neutrality, it now appears, is impracticable. Because submarines are in effect outlaws when used as the German submarines have been used against merchant shipping, it is impossible to defend ships against their attacks as the law of nations has assumed that merchantmen would defend themselves against privateers or cruisers, visible craft giving chase upon the open sea. It is common prudence in such circumstances, grim necessity indeed, to endeavor to destroy them before they have shown their own intention. They must be dealt with upon sight, if dealt with at all. The German Government denies the right of neutrals to use arms at all within the areas of the sea which it has proscribed, even in the defense of rights which no modern publicist has ever before questioned their right to defend. The intimation is conveyed that the armed guards which we have placed on our merchant ships will be treated as beyond the pale of law and subject to be dealt with as pirates would be. Armed neutrality is ineffectual enough at best; in such circumstances and in the face of such pretensions it is worse than ineffectual; it is likely only to produce what it was meant to prevent; it is practically certain to draw us into the war without either the rights or the effectiveness of belligerents. There is one choice we cannot make, we are incapable of making: we will not choose the path of submission and suffer the most sacred rights of our Nation and our people to be ignored or violated. The wrongs against which we now array ourselves are no common wrongs; they cut to the very roots of human life.

With a profound sense of the solemn and even tragical character of the step I am taking and of the grave responsibilities which it involves, but in unhesitating obedience to what I deem my constitutional duty, I advise that the Congress declare the recent course of the Imperial German Government to be in fact nothing less than war against the Government and people of the United States; that it formally accept the status of belligerent which has thus been thrust upon it; and that it take immediate steps not only to put the country in a more thorough state of defense but also to exert all its power and employ all its resources to bring the Government of the German Empire to terms and end the war.

What this will involve is clear. It will involve the utmost practicable cooperation in counsel and action with the governments now at war with Germany, and, as incident to that, the extension to those governments of the most liberal financial credits, in order that our resources may so far as possible be added to theirs. It will involve the organization and mobilization of all the material resources of the country to supply the materials of war and serve the incidental needs of the Nation in the most abundant and yet the most economical and efficient way possible. It will involve the immediate full equipment of the Navy in all respects but particularly in supplying it with the best means of dealing with the enemy's submarines. It will involve the immediate addition to the armed forces of the United States already provided for by law in case of war at least 500,000 men, who should, in my opinion, be chosen

upon the principle of universal liability to service, and also the authorization of subsequent additional increments of equal force so soon as they may be needed and can be handled in training. It will involve also, of course, the granting of adequate credits to the Government, sustained, I hope, so far as they can equitably be sustained by the present generation, by well conceived taxation.

I say sustained so far as may be equitable by taxation because it seems to me that it would be most unwise to base the credits which will now be necessary entirely on money borrowed. It is our duty, I most respectfully urge, to protect our people so far as we may against the very serious hardships and evils which would be likely to arise out of the inflation which would be produced by vast loans.

In carrying out the measures by which these things are to be accomplished we should keep constantly in mind the wisdom of interfering as little as possible in our own preparation and in the equipment of our own military forces with the duty—for it will be a very practical duty—of supplying the nations already at war with Germany with the materials which they can obtain only from us or by our assistance. They are in the field and we should help them in every way to be effective there.

I shall take the liberty of suggesting, through the several executive departments of the Government, for the consideration of your committees, measures for the accomplishment of the several objects I have mentioned. I hope that it will be your pleasure to deal with them as having been framed after very careful thought by the branch of the Government upon which the responsibility of conducting the war and safeguarding the Nation will most directly fall.

While we do these things, these deeply momentous things, let us be very clear, and make very clear to all the world what our motives and our objects are. My own thought has not been driven from its habitual and normal course by the unhappy events of the last 2 months, and I do not believe that the thought of the Nation has been altered or clouded by them. I have exactly the same things in mind now that I had in mind when I addressed the Senate on the 22d of January last; the same that I had in mind when I addressed the Congress on the 3d of February and on the 26th of February. Our object now, as then, is to vindicate the principles of peace and justice in the life of the world as against selfish and autocratic power and to set up amongst the really free and self-governed peoples of the world such a concert of purpose and of action as will henceforth insure the observance of those principles. Neutrality is no longer feasible or desirable where the peace of the world is involved and the freedom of its peoples, and the menace to that peace and freedom lies in the existence of autocratic governments backed by organized force which is controlled wholly by their will, not by the will of their people. We have seen the last of neutrality in such circumstances. We are at the beginning of an age in which it will be insisted that the same standards of conduct and of responsibility for wrong done shall be observed among nations and their governments that are observed among the individual citizens of civilized states.

We have no quarrel with the German people. We have no feeling toward them but one of sympathy and friendship. It was not upon their impulse that their Government acted in entering this war. It was not with their previous knowledge or approval. It was a war determined upon as wars used to be determined upon in the old, unhappy days when peoples were nowhere consulted by their rulers and wars were provoked and waged in the interest of dynasties or of little groups of ambitious men who were accustomed to use their fellow men as pawns and tools. Self-governed nations do not fill their neighbor states with spies or set the course of intrigue to bring about some critical posture of affairs which will give them an opportunity to strike and make conquest. Such designs can be successfully worked out only under cover and where no one has the right to ask questions. Cunningly contrived plans of deception or aggression, carried, it may be, from generation to generation, can be worked out and kept from the light only within the privacy of courts or behind the carefully guarded confidences of a narrow and privileged class. They are happily impossible where public opinion commands and insists upon full information concerning all the nation's affairs.

A steadfast concert for peace can never be maintained except by a partnership of democratic nations. No autocratic government could be trusted to keep faith within it or observe its covenants. It must be a league of honor, a partnership of opinion. Intrigue would eat its vitals away; the plottings of inner circles who could plan what they would and render account to no one would be a corruption seated at its very heart. Only free peoples can hold their purpose and their honor steady to a common end and prefer the interests of mankind to any narrow interest of their own.

Does not every American feel that assurance has been added to our hope for the future peace of the world by the wonderful and heartening things that have been happening within the last few weeks in Russia? Russia was known by those who knew it best to have been always in fact democratic at heart, in all the vital habits of her thought, in all the intimate relationships of her people that spoke their natural instinct, their habitual attitude toward life. The autocracy that crowned the summit of her political structure, long as it had stood and terrible as was the reality of its power, was not in fact Russian in origin, character, or purpose; and now it has been shaken off and the great, generous Russian people have been added in all their naive majesty and might to the forces that are fighting for freedom in the world, for justice, and for peace. Here is a fit partner for a league of honor.

One of the things that has served to convince us that the Prussian autocracy was not and could never be our friend is that from the very outset of the present war it has filled our unsuspecting communities and even our offices of government with spies and set criminal intrigues everywhere afoot against our national unity of counsel, our peace within and without, our industries, and our commerce. Indeed it is now evident that its spies were here even before the war began; and it is unhappily not a matter of conjecture but a fact proved in our courts of justice that the intrigues which have more than once come perilously near to disturbing the peace and dislocating the industries of the country have been carried on at the instigation, with the support, and even under the personal direction of official agents of the Imperial Government accredited to the Government of the United States. Even in checking these things and trying to extirpate them we have sought to put the most generous interpretation possible upon them because we knew that their source lay, not in any hostile feeling or purpose of the German people toward us (who were, no doubt as ignorant of them as we ourselves were), but only in the selfish designs of a Government that did what it pleased and told its people nothing. But they have played their part in serving to convince us at last that that Government entertains no real friendship for us and means to act against our peace and security at its convenience. That it means to stir up enemies against us at our very doors the intercepted note to the German Minister at Mexico City is eloquent evidence.

We are accepting this challenge of hostile purpose because we know that in such a government, following such methods, we can never have a friend; and that in the presence of its organized power, always lying in wait to accomplish we know not what purpose, there can be no assured security for the democratic governments of the world. We are now about to accept gage of battle with this natural foe to liberty and shall, if necessary, spend the whole force of the Nation to check and nullify its pretensions and its power. We are glad, now that we see the facts with no veil of false pretense about them, to fight thus for the ultimate peace of the world and for the liberation of its peoples, the German peoples included: for the rights of nations great and small and the privilege of men everywhere to choose their way of life and of obedience. The world must be made safe for democracy. Its peace must be planted upon the tested foundations of political liberty. We have no selfish ends to serve. We desire no conquest, no dominion. We seek no indemnities for ourselves, no material compensation for the sacrifices we shall freely make. We are but one of the champions of the rights of mankind. We shall be satisfied when those rights have been made as secure as the faith and the freedom of nations can make them.

Just because we fight without rancor and without selfish object, seeking nothing for ourselves but what we shall wish to share with all free peoples, we shall, I feel confident, conduct our operations as belligerents without passion and ourselves observe with proud punctilio the principles of right and of fair play we profess to be fighting for.

I have said nothing of the governments allied with the Imperial Government of Germany, because they have not made war upon us or challenged us to defend our right and our honor. The Austro-Hungarian Government has, indeed, avowed its unqualified endorsement and acceptance of the reckless and lawless submarine warfare adopted now without disguise by the Imperial German Government, and it has therefore not been possible for this Government to receive Count Tarnowski, the ambassador recently accredited to this Government by the Imperial and Royal Government of Austria-Hungary; but that Government has not actually engaged in warfare against citizens of the United States on the seas, and I take the liberty, for the present at least, of postponing a discussion of our relations with the authorities at Vienna. We enter this war only where we are clearly forced into it, because there are no other means of defending our rights.

It will be all the easier for us to conduct ourselves as belligerents in a high spirit of right and fairness because we act without animus, not in enmity toward a people or with the desire to bring any injury or disadvantage upon them, but only in armed opposition to an irresponsible government which has thrown aside all considerations of humanity and of right and is running amuck. We are, let me say again, the sincere friends of the German people, and shall desire nothing so much as the early reestablishment of intimate relations of mutual advantage between us. However hard it may be for them, for the time being, to believe that this is spoken from our hearts. We have borne with their present Government through all these bitter months because of that friendship, exercising a patience and forbearance which would otherwise have been impossible. We shall, happily, still have an opportunity to prove that friendship in our daily attitude and actions toward the millions of men and women of German birth and native sympathy who live amongst us and share our life, and we shall be proud to prove it toward all who are in fact loyal to their neighbors and to the Government in the hour of test. They are, most of them, as true and loyal Americans as if they had never known any other fealty or allegiance. They will be prompt to stand with us in rebuking and restraining the few who may be of a different mind and purpose. If there should be disloyalty, it will be dealt with with a firm hand of stern repression; but, if it lifts its head at all, it will lift it only here and there and without countenance except from a lawless and malignant few.

It is a distressing and oppressive duty, gentlemen of the Congress, which I have performed in thus addressing you. There are, it may be, many months of fiery trial and sacrifice ahead of us. It is a fearful thing to lead this great peaceful people into

war, into the most terrible and disastrous of all wars, civilization itself seeming to be in the balance. But the right is more precious than peace, and we shall fight for the things which we have always carried nearest our hearts—for democracy, for the right of those who submit to authority to have a voice in their own governments for the rights and liberties of small nations, for a universal dominion of right by such a concert of free peoples as shall bring peace and safety to all nations and make the world itself at last free. To such a task we can dedicate our lives and our fortunes, everything that we are and everything that we have, with the pride of those who know that the day has come when America is privileged to spend her blood and her might for the principles that gave her birth and happiness and the peace which she has treasured. God helping her, she can do no other.

Mr. GLASS obtained the floor.

Mr. CONNALLY. I make the point of no quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Holt	Pittman
Ashurst	Coolidge	Johnson	Pope
Austin	Copeland	Keyes	Radcliffe
Bachman	Costigan	King	Reynolds
Bailey	Couzens	La Follette	Robinson
Bankhead	Davis	Lewis	Russell
Barbour	Dickinson	Logan	Schwellenbach
Barkley	Dieterich	Lonergan	Sheppard
Benson	Donahey	McAdoo	Shipstead
Bilbo	Duffy	McGill	Smith
Black	Fletcher	McKellar	Steiwer
Borah	Frazier	McNary	Thomas, Okla.
Brown	George	Maloney	Thomas, Utah
Bulkley	Gerry	Minton	Townsend
Bulow	Gibson	Moore	Trammell
Burke	Glass	Murphy	Truman
Byrd	Gore	Murray	Vandenberg
Byrnes	Guffey	Neely	Van Nuys
Capper	Hale	Norbeck	Wagner
Caraway	Harrison	Norris	Walsh
Carey	Hastings	Nye	Wheeler
Chavez	Hatch	O'Mahoney	White
Clark	Hayden	Overton	

The PRESIDENT pro tempore. Ninety-one Senators having answered to their names; there is a quorum present.

Mr. GLASS. Mr. President, it is with great reluctance that I venture to trespass upon the time of the Senate today, particularly in view of the fact that the real issue before this body is one of so great importance as to closely affect the interests of millions of our fellow citizens. It occurred to me, and the thought was confirmed by suggestions from my colleagues, that, as a more or less intimate friend of the late Woodrow Wilson and as a former member of his official family, it would be pertinent if I should briefly respond to the shocking assault made upon his character and the attempted impeachment of his integrity and his veracity. This I shall do in unmistakable terms and, but for the limitations of the rules of the Senate, in phraseology which I am not accustomed to use.

If it were permissible in the Senate to say that any man who would asperse the integrity and veracity of Woodrow Wilson is a coward, if it were permissible to say that his charge is not only malicious but positively mendacious, that I would be glad to say here and elsewhere to any man, whether he be a United States Senator or not, because the charge would be not only destitute of decency but it would be such a shocking exhibition as never has happened in the 35 years I have served in the Congress of the United States. In that period no President of the United States, however bitter his adversaries, however uncompromising their antagonism, has ever been charged on the floor of the Senate with having deliberately falsified in a matter of importance.

When the question is reduced to its last analysis what do we find is the basis of the charge? When, may I ask, was the Senator from North Dakota transferred from the room to which the Senator from Texas [Mr. CONNALLY] assigned him to the British Embassy? When did his intimacy with Mr. Balfour become so great as to warrant him in standing here and saying, because Mr. Balfour thought he said something to President Woodrow Wilson, therefore his thought, his supposition, is to be taken as a verity and Woodrow Wilson charged with falsification? I would accept the word of Woodrow Wilson rather than that of Balfour and of Seymour and of the Senator from North Dakota put together. [Laughter.]

What a subtle and mean attempt to have it appear that Woodrow Wilson was compelled by the House of Morgan to drag this Nation into the World War and to sacrifice the lives of our boys! No one who ever associated with Woodrow Wilson, no one who ever had any access to the man's thoughts, would ever have the audacity to suggest that his sympathies were with the great banking interests of this country, and that he took us into the war in order to save the paltry dollars of the Wall Street interests. And yet, Mr. President, those who have noted the newspaper accounts of this investigation have seen question after question asked the plain implication of which was that the house of Morgan influenced Woodrow Wilson to alter his policy of neutrality and to precipitate this country into war. I resent it, as every American citizen who knew Woodrow Wilson would resent it, as an infamous libel, whether suggested or whether directly made.

Woodrow Wilson did not declare war. The Constitution confides that business exclusively to the Congress of the United States. The President came before the Congress and stated his reasons why there should be a declaration, and the Congress responded, and the country responded, with applause and appreciation of the manhood of their President. That approval and that applause were different from the applause in another country that greeted the sinking of the *Lusitania*; and it now would be appropriate for the Senator from North Dakota to offer, for the consideration of the Senate, a resolution of apology to Germany for our declaration of war.

From time to time it has been suggested in the newspapers that the members of this committee were going to present to the country shocking revelations. It remained until day before yesterday to present anything of a shocking nature; and that was the unspeakable accusation against a dead President—dirt-daubing the sepulcher of Woodrow Wilson.

What has been presented; what of an imperative nature has been disclosed that was not already known; what that is relevant to this discussion and to this investigation?

Every intelligent American citizen knew that the banking interests of this country were loaning large sums of money to the Allies; and why not? We were selling the warring nations our cotton. We were selling them our wheat. We were selling both the Allies and the Central Powers our produce of every description so far as delivery could be made. Why should we not have sold them our credit? It was not a war of our making. For 3 years it was their war. Why should we have shut down our industries? Why should we have refused to the producing farmers of this country the right to sell the products of their farms? And why should we have prevented, if we could have prevented, the banking interests from selling their credit abroad?

Everybody who came in contact with the then President of the United States knows perfectly well that he wanted to be neutral. To some of us he was vastly too neutral, and was bitterly assailed by men of the type of Theodore Roosevelt and others for not taking this country into war 2 years before we entered the war. There were millions of American citizens with boys whose lives would be risked who felt the same way about it. But "there were secret treaties"; and what relationship that has to this matter is beyond my power to determine. What has that to do now with the sale and manufacture and export of munitions?

Suppose there were secret treaties—and there were: Were we to sit idly by and permit German submarines to sink our merchant vessels and other vessels upon which our nationals traveled on the high seas? Whether Wilson knew or did not know—and he did not know—of these secret treaties, was that a justification for brigandage on the high seas? Should he have made it a condition of our entrance into the war that the European nations should abrogate all secret treaties, whether or not he knew of them?

Everybody knows, except the Senator from North Dakota, that Woodrow Wilson came near wrecking his life at Versailles in his protestations against carrying out the terms of certain secret treaties; but, after all, what has that to do with this question? What has that to do with legislation

designed to keep this country out of useless war? What has that to do with the manufacture and exportation of munitions of war?

If we let the United States of America segregate itself in all of its trade relations whenever war shall occur, we literally wreck the economic status of this country.

Think of it! Some great European nation or nations manufacturing munitions and exporting their products to the belligerents of Europe or Asia, and the United States isolating itself, pretending to be purer and more humane than any other nation, and denying the right of its own nationals to produce and to sell!

It has been asserted here that the Government had an unrestricted right to refuse to permit the banking interests of this country to sell their credit abroad during the early stages of the World War. I have not had time to examine the statutes on the subject, but to me it seems an incredible assertion. As a matter of practice, the Government of the United States never has done that so far as I know; quite the contrary. In the post-war period, under the three administrations succeeding that of Woodrow Wilson, the Government not only permitted but encouraged the sale of private credits to the enormous extent of $12,000,000,000 in South America alone, and practically put the endorsement of the State Department upon every one of these transactions. Yet now the country is to be "shocked" with the revelation that Mr. Wilson did not put a stop to the sale of private credits to belligerent nations abroad; and, worse than that, as I have indicated, questions propounded to witnesses before this committee carried the plain implication that the interrogators believed that Woodrow Wilson was prevailed upon to take his Nation into war in order to secure the loans of these private banks.

Oh, the miserable demagogy, the miserable and mendacious suggestion, that the house of Morgan altered the neutrality course of Woodrow Wilson. As a matter of fact, the President was appealed to by some influential people to declare war against Great Britain for intercepting our commerce and injuring our trade relations. As a matter of fact, everybody intimate with Mr. Wilson knows that he was excessively impatient with Ambassador Page because of the Ambassador's frequent and incessant partiality to Great Britain. And when an extract is read here from some letter from Ambassador Page in confirmation of the miserable charge that Woodrow Wilson is a liar, I begin to wonder if that was one of the letters from Ambassador Page which Wilson did not read at all. And when extracts are read here from Professor Seymour, who is a romanticist, to insist that Wilson knew what Wilson said he did not know, and serious United States Senators are asked to take that testimony as a confirmation of the outrageous assault upon the integrity and the veracity of the dead President of the United States; that is the most shocking thing that has emanated from this committee.

Mr. President, I admit with some degree, if not of shame, of intense regret, that as a member of the Committee on Appropriations of the Senate and as its chairman I voted funds for this exploitation. I will never vote another dollar to anybody or any committee, any one of whose members is so insensible to every consideration of decency as to stand on the Senate floor and bitterly assail two dead men who are honored by this entire Nation. Not another dollar will I vote to that committee.

It may be pardoned to its members to think and to say that they regard their work as of inestimable value. So far as I have been able to appraise it, I think it is $125,000 of the Senate's funds wasted, and given over by at least one member of that committee to the exploitation of himself, to a desperate and constant effort to figure on the front pages of sensational newspapers; but even the sensational newspapers are tired of it.

Then, in the last desperate moments to be figured, he asperses the character and the veracity of Woodrow Wilson, and alleges in evidence that Lord Balfour and Professor Seymour and Colonel House and Lloyd George surmised that Mr. Wilson knew what Mr. Wilson said he did not know.

Oh, I need not take the time of the Senate, or of any group of decent citizens in the United States, to insist that Woodrow Wilson was a great patriot and that his soul shrank from war, and that for a long period of time he was in grave doubt as to which of the belligerents merited greater criticism and profounder sympathy from the American people.

But the Senator from North Dakota has discovered, because, forsooth, there were secret treaties abroad, that Mr. Wilson was rushed into the war to save the credits of the House of Morgan. Did ever argument descend to that depth before in the history of the United States Senate?

Now, Mr. President, lest I should infringe those rules which I always obey, perhaps I should better desist, because what I feel like saying here or anywhere else to the man who thus insults the memory of Woodrow Wilson is something which may not be spoken here, or printed in the newspapers, or uttered by a gentleman. [Applause.]

Mr. GLASS subsequently said: I ask unanimous consent to insert in the RECORD, immediately following the brief speech that I made, a speech delivered by Woodrow Wilson some time before we entered the war, which is so in contrast with the imputations that have been made upon his character that it clearly shows just what type of man he really was, and falsifies the estimates of him that have been made recently.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

ADDRESS BY PRESIDENT WOODROW WILSON AT JEFFERSON DAY DINNER, UNDER AUSPICES OF THE COMMON COUNSEL CLUB OF WASHINGTON, AT NEW WILLARD HOTEL, APRIL 13, 1916

Mr. Toastmaster, ladies, and gentlemen, it is a spirit that we assemble to render honor to tonight, and the only way we can render honor to a spirit is by showing that we are ourselves prepared to exemplify it. The immortality of Thomas Jefferson does not lie in any one of his achievements or in the series of his achievements, but in his attitude toward mankind and the conception which he sought to realize in action of the service owed by America to the rest of the world.

One of the things that has seemed to me most to limit the usefulness of the Republican Party has been its provincial spirit, and one of the things which has immortalized the influence of Thomas Jefferson has been that his was the spirit of humanity exemplified upon the field of America. Thomas Jefferson was a great leader of men because he understood and interpreted the spirits of men. Some men can be led by their interest; all men can be led by their affections. Some men can be led by covetousness; all men can be led by the visions of the mind. It is not a circumstance without significance that Jefferson felt, perhaps more than any other American of his time, except Benjamin Franklin, his close kinship with like thinking spirits everywhere else in the civilized world. His comradeship was as intimate with the thinkers of France as with the frontiersmen of America. This rather awkward, rather diffident man carried about with him a sort of type of what all men should wish to be who love liberty and seek to lead their fellow men along those difficult paths of achievement.

The only way we can honor Thomas Jefferson is by illustrating his spirit and following his example. His example was an example of organization and concerted action for the rights of men, first in America and then by America's example everywhere in the world; and the thing that interested Jefferson is the only thing that ought to interest us. No American who has caught the true historic enthusiasm of this great country that we love can be proud of it merely because it has accumulated great material wealth and power. The pride comes when we conceive how that power ought to be used.

As I have listened to the speeches tonight the great feeling has come into my heart that we are better prepared than we ever were before to show how America can lead the way along the paths of light. Take the single matter of the financial statistics, of which we have only recently become precisely informed. The mere increase in the resources of the national banks of this country in the last twelvemonth exceeds the total resources of the Deutscher Reich Bank; and the aggregate resources of the national banks of the United States exceed by three thousand millions the aggregate resources of the Bank of England, the Bank of France, the Bank of Russia, the Reich Bank in Berlin, the Bank of the Netherlands, the Bank of Switzerland, and the Bank of Japan. Under the provincial conceptions of the Republican Party this would have been impossible. Under the world conceptions of those of us who are proud to follow the traditions of Thomas Jefferson it has been realized in fact. The question we have to put to ourselves is this: How are we going to use this power?

There are only two theories of government, my fellow citizens. One is that power should be centered in the control of trustees, who should determine the administration of all economic and political affairs. That is the theory of the Republican Party. A carefully hand-picked body of trustees. The other theory is of gov-

ernment and responsive servants of the great body of citizens, able to understand the common interes's because in direct and sympathetic touch with the common desire and the common need. The peculiarity of those who think in terms of trusteeship is that their thinking always squares with the preferences of the powerful and never squares with the lessons of history.

I was talking one day with a gentleman who was expounding to me the very familiar idea that somebody—I dare say he would have preferred to name the persons—should act as guardians and trustees for the people of the neighboring Republic of Mexico. I said, "I defy you to show a single example in history in which liberty and prosperity were ever handed down from above." Prosperity for the great masses of mankind has never sprung out of the soil of privilege. Prosperity for the great masses of mankind has never been created by the beneficence of privilege. Prosperity and liberty have never come by favor; they have always come by right, and the only competent expounders of right are the men who covet the opportunity to serve the right. When I see the crust even so much as slightly broken over the heads of a population which has always been directed by a board of trustees, I make up my mind that I will thrust not only my arm but my heart in the aperture, and that only by crushing every ounce of power that I can use shall any man ever close that opening up again. Wherever we use our power we must use it with this conception always in mind, that we are using it for the benefit of the persons who are chiefly interested and not for our own benefit.

By such processes and by such processes alone can we illustrate and honor the spirit of Thomas Jefferson. You cannot draw example merely from the deeds of Thomas Jefferson, who presided over a little Nation only just then struggling for recognition among the nations of the world, without material power, without the respect of foreign nations, without the opportunities of wealth, without the experiences of long periods of trial. There is no parallel in the circumstances of the time of Thomas Jefferson with the circumstances of the time in which we live. My pride is that in the 3 years in which we have been privileged to serve this great and trustful people we have devoted ourselves to the constructive execution of the promises we so solemnly made. Mr. GLASS, with the pleasing modesty which has always characterized him, sought to show that his was not the statesmanlike mind that conceived one of the great achievements of the last 3 years. There is not going to be any quarrel as to where the credit belongs. The thing that is going to strike the imagination of the country is that the Democratic party, without picking out the men or discriminating the praise, produced constructive statesmanship such as the Republican Party has not in long generations produced. The Republican Party has spent its time harking back to a single outworn economic error, to which its intellectual armory apparently is limited, while we have gone forward in the spirit of a new age to conceive the methods by which the new necessities of civilization shall be met. We have conceived them in such spirit and in such method that for the first time since the Republican Party and their predecessors destroyed the merchant marine of the United States we have turned the thoughts and the energies and the conquering genius of the businessmen of America to the great field of the business of the world at large. We have struck the trammels of provincialism away from them, and they are beginning to see that great world in which their genius shall henceforth play the part that other nations have hitherto usurped and monopolized.

Frankly, gentlemen, I am not interested in personal ambitions. May I not admit even in this company that I am not enthusiastic over mere party success? I like to see men generations strong take fire of great progressive ideas and, banding themselves together like a body of thoughtful brothers, put their shoulders together and lift some part of the great load that has depressed humanity. This country has not the time, it is not now in the temper, to listen to the violent, to the passionate, to the ambitious. This country demands service which is essentially and fundamentally nonpartisan. Some gentlemen will learn this soon, some will learn it late, but they will learn it so thoroughly that it will be digested. This country demands at this time as it never did before absolutely disinterested and nonpartisan service. I do not now refer merely to foreign affairs, where everybody professes to be nonpartisan; I refer just as much to domestic affairs, for, in saying "nonpartisan", I do not mean merely as between parties and political organizations, but also and more fundamentally as between classes and interests.

One of the things that it has been just as interesting to prove as anything else that we have proved in the last 3 years is that we are not partisan as against any legitimate business interest, no matter how great; that we are not fighting anybody who is doing legitimate business, but that we are fighting for everybody who wants to do legitimate business. We are not partisans as between the rich and the poor, as between the employer and the employee, but if it be possible we are partisans of both and would if we could in our thinking draw them together to see the interests of the country in the same terms and express them in the same concerted purposes. Any man who fights for any class in this country is now fighting against the interest of America and the welfare of the world. We are nonpartisans as between classes, as between interests, as between political ambitions, as between those who desire power and those who have it; for power will never again in America, if I know anything of its temper, long be entrusted to those who use it in their own behoof.

Gentlemen, are you ready for the test? God forbid that we should ever become directly or indirectly embroiled in quarrels not of our own choosing and that do not affect that which we feel responsible to defend; but, if we should ever be drawn in, are you ready to go in only where the interests of America are coincident with the interests of mankind, and to draw out the moment the interest centers in America and is narrowed from the wide circle of humanity? Are you ready for the test? Have you the courage to go in? Have you the courage to come out according as the balance is disturbed or readjusted for the interests of humanity? If you are ready, you have inherited the spirit of Jefferson, who recognized the men in France and the men in Germany who were doing the liberal thinking of their day as just as much citizens of the great world of liberty as he was himself, and who was ready in every conception he had to join hands across the water or across any other barrier with those who held those high conceptions of liberty which had brought the United States into existence. When we lose that sympathy, we lose the titles of our own heritage. So long as we keep it we can go through the world with lifted heads and with the consciousness of those who do not serve themselves except as they conceive that they have purified their hearts for the service of mankind.

These are days that search men's hearts. These are days that discredit selfish speech. These are days that ought to quiet ill-considered counsel. These are solemn days, when all the moral standards of mankind are about to be finally tried out. The responsibility is with us, gentlemen, * * * because the power for the time being is ours to say whether America under our leadership shall hold those eternal balances even or shall let some malign influence depress one balance and lift the other; the responsibility and the time to look around and ask, "Who stands for the old visions of liberty and whose eyes are still open to those spiritual images conceived at our birth?"

Mr. CLARK. Mr. President, I ask unanimous consent to place in the RECORD, immediately after the extract just placed in the RECORD by the Senator from Virginia, an extract from the War Memoirs of Secretary Lansing, at page 23.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

Many Americans were deeply incensed at the interference of Great Britain with our sea-borne commerce and with the detentions and seizures by British naval ships of American vessels and cargoes destined to neutral ports. Under the accepted rules of international law these detentions and seizures were illegal and indefensible, as were the lists of contraband issued from time to time by the British Government, which included numerous commodities lacking entirely in the qualities which are usually supposed to impress articles with contraband character. Many more Americans were directly affected by these British practices than were affected by the activities of the German submarines.

Thus, while I was convinced that this country would ultimately become a belligerent because of the peril to the world if autocratic Germany were victor, and while my ideas as to foreign policies were based upon this conviction, I, like some other believers in active support of the cause of the Allies, realized that the sensible thing to do was to defer action until, by a gradual process of education and enlightenment, the American people had been brought to a full understanding of the design of the German Government to become overlord of the world.

* * * The notes that were sent (to Britain) were long and exhaustive treatises which opened up new subjects of discussion rather than closing those in controversy. Short and emphatic notes were dangerous. Everything was submerged in verbosity. It was done with a deliberate purpose.

Mr. CONNALLY. Mr. President, after the very admirable and devastating remarks of the Senator from Virginia [Mr. GLASS], I would not trespass upon the time of the Senate were it not for the fact that the Senator from North Dakota [Mr. NYE], in the course of his remarks, suggested certain things which to my mind require that I make a brief reply.

The Senator from North Dakota paid the Senator from Texas a great compliment. He termed him the "Goliath from Texas." When I contemplate that implied compliment, I do so with feelings of melancholy, because I realize that Goliath was finally slain, and perhaps the Goliath from Texas will be slain now by the little David from North Dakota with his sling and a single stone.

Mr. President, the Senator from North Dakota comes back on the floor of the Senate today to reiterate and reaffirm the statement that Woodrow Wilson and Robert Lansing falsified. I wish to point out in the record here the grounds upon which he makes that statement.

The Senator quotes a statement from Lord Balfour. Lord Balfour does not make the categorical statement that the treaties were ever discussed at the White House dinner between himself, President Wilson, Mr. House, and Mrs. Wilson. He says, "I think the secret treaties were mentioned after the dinner." He "thinks."

The Senator also quotes Lloyd George. Lloyd George was, of course, not present, and whatever Lloyd George may have said was from the recollection of something which perhaps was conveyed to him by Balfour and not his own testimony.

Yet it is testimony like that, which would not be accepted before any justice of the peace in North Dakota, which is accepted by the Senator from North Dakota. He rises here and elects to take the hearsay testimony of Lloyd George and the mere expression of opinion of Mr. Balfour against the solemn statement of Woodrow Wilson and Robert Lansing before a committee of the Senate. He chooses to do that because he wants to do it.

Mr. President, the Senator from North Dakota in the course of his remarks here today said that Wilson and Lansing had knowledge of those treaties before we entered the war. I remind the Senate that the dinner at the White House to which Balfour referred and to which Lloyd George referred was a dinner after we had entered the war, and if the information was conveyed to them at that time it could not have been conveyed to them before we entered the war.

Mr. GLASS. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. GLASS. What difference does it make whether it was before or after we entered the war?

Mr. CONNALLY. That is exactly the point I am making.

Mr. GLASS. Before we go to war to defend the lives of our nationals, men, women, and children, must we ask every European power whether it has made a secret treaty with some other European power?

Mr. CONNALLY. I was coming to that very point, let me say to the Senator from Virginia. Whether President Wilson and Secretary Lansing knew about the secret treaties after we got in the war makes no difference. We were in the war. We were an ally with the other allies. The Senator from North Dakota says that as we were one of the allies the President of the United States should have divulged and made public to all the people of the United States these secret treaties, which would not only have embarrassed the cause of the Allies but it would have embarrassed our own cause.

Though the Senator from North Dakota may not know it, there are certain standards of ethics as between nations as well as between individuals, and when we were in the war with the Allies their cause was our cause. Yet the Senator from North Dakota would have had us destroy that cause.

As suggested by the Senator from Virginia [Mr. GLASS], whether they knew of these secret treaties before we entered the war or after we got into the war, why should it have been our duty or why was it in our interest to divulge them to the enemy, thereby giving strength to his arm and causing weakness to our own? But the Senator from North Dakota seems to think it strange that they did not divulge this information. I quote a newspaper article wherein the Senator from North Dakota says that we had no business in the World War. Here is the language. I shall not read it all:

> Senator NYE pointed out that 20 years ago there was as much sentiment against war as there is today and that the election of 1916 was fought out on the issue of neutrality, but that less than a year after the election the Nation was entering a war which was none of our business.

Of course, one who thought that we had no business in the war, that we had no business to defend American rights, would not quibble about the President or the Secretary of State revealing the secret treaties if they knew them.

Mr. President, of course there were secret treaties. Where was there in all this world a sharper voice of protest against secret treaties than came from the throat of Woodrow Wilson? He denounced them before the world. He denounced them in messages to the Congress. He denounced them at Versailles. As was well suggested by the Senator from Virginia, the great labors, the toil, the hardships of Woodrow Wilson at Paris were largely occasioned by reason of his struggle against carrying into execution the secret treaties made before we entered the war.

Yet in the face of such a record the Senator from North Dakota makes the sort of charge he does. President Wilson did more than any single figure in the world to keep us out of the war so long as the patience of the American people would endure it. In 1916, before we entered the war, who was it that lifted up his voice in an appeal to the warring nations to discuss peace, to try to arrive at some basis for the settlement of the world struggle? It was Woodrow Wilson. I have here before me his message to the warring nations, delivered through our Ambassadors. Yet the Senator from North Dakota would have us believe that Woodrow Wilson was secretly conspiring to drive us into a war when he was wrestling as no man ever wrestled in the history of the world——

Mr. NYE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Texas yield to the Senator from North Dakota?

Mr. CONNALLY. Just a moment, Mr. President. Let me continue—when he was wrestling to maintain neutrality and to bring about peace as no man ever wrestled since the diplomatic chapters in the history of the world were written.

Mr. NYE. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. NYE. I desire here and now most emphatically to deny that I today or at any time suggested that Woodrow Wilson was wrestling with or by any other method trying to lead the United States into the war.

Mr. CONNALLY. All right. Let us see.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CONNALLY. I should like to reply to the Senator from North Dakota.

Mr. CLARK. I should like to add to what the Senator from North Dakota has said, on our behalf as well as on behalf of the Munitions Committee, that the record of President Wilson's offer of peace to the Allies, as well as the offer of peace to Germany, was put into the record of the Munitions Committee, together with the very gruff refusal of the Allies to even take under consideration the proposal of the United States.

Mr. CONNALLY. And did Germany reply?

Mr. CLARK. Yes.

Mr. CONNALLY. Why did the Senator mention only the gruff reply of the Allies?

Mr. CLARK. Because Germany was apparently very anxious to enter into such an arrangement, according to the record, but the Allies, much to the chagrin of President Wilson and Colonel House, refused to enter into the proposal. I will say to the Senator that the record has been made as complete as the documents can make it complete.

Mr. CONNALLY. All right. The Senator from Missouri says that the refusal of the Allies to consider peace communications was very displeasing to President Wilson. Very well. Yet when he was disagreeing with the Allies the Senator from North Dakota would have us believe that he was secretly planning to drag us into the war. Here is what the Senator said, according to a newspaper account:

> Who led us into war?

I hold in my hand and I ask to print it in the RECORD following the address of the Senator from North Dakota, the message of President Wilson delivered in person to the joint session of the Houses of Congress on April 2, 1917. He there does lead us into the war, but he does lead us into war as the spokesman of an outraged people. He leads us into war as the President of a Republic whose rights had been violated upon every sea where our flag floated. He did lead us into war. But the Senator from North Dakota does not say that Wilson led us into war. He says—

> The bankers—

Look at the headlines—

> The bankers forced the United States into war, says NYE.

The bankers forced us into the war. In other words the bankers dictated the message of Woodrow Wilson of April 2, 1917. These cold, heartless bankers write his message for him as some people have their speeches written for them here in the Senate.

Mr. NYE. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. NYE. Now, I beg the Senator's indulgence to the extent of asking him to agree with me——

Mr. CONNALLY. I thought the Senator was about to say, "I ask the Senator's pardon."

Mr. NYE. I beg the Senator's indulgence to the extent of agreeing that I had no hand in writing that headline. Will not the Senator read the story on which the headline is based?

Mr. CONNALLY. All right. I shall not read the whole story. The Senator did not write the headline, but he sought the headline. [Laughter.] I do not have what the Senator wrote. None of it appears to have been written except some quotations, and I do not have time now to worry the Senate with all that the Senator from North Dakota has written or said.

Mr. NYE. The facts are, Mr. President, that the article under the headline contains no such language as to war as he has quoted.

Mr. CONNALLY. All right. Let the Senator point out where he asked the newspapers to correct the headline.

Mr. NYE. O Mr. President, if I were going to ask the newspapers to correct headlines of paragraphs every time I saw one that was displeasing to me or every time every one was displeasing was called to my attention, I should have time for absolutely nothing else.

Mr. CONNALLY. Mr. President, the Senator says that he does not have time to correct headlines and misrepresenting newspaper reports. If he had devoted as much time to keeping his own record straight as he had to besmearing and besmirching the record of Woodrow Wilson there would be more verity in the actions of his committee.

The Senator is talking about headlines, he is talking about war profits. He attacks the Senator from Texas because he says that the Senator from Texas is chairman of a subcommittee of the Committee on Finance which has pending before it a bill to prevent war profits, and he charges the Senator from Texas with having neglected his duty. I have here a transcript of a hearing held before this subcommittee at which the Senator from North Dakota was present, and it was there agreed that we would not pursue that inquiry until the present session of the Congress, as I remember it. I quote:

Senator NYE. Mr. Parker—

Mr. Parker is the expert tax man working with the committee—

we asked Mr. Brown and Mr. Oliphant and had assurances from them that the time between now and January 1 would be ample to whip this legislation into that shape that you and the Treasury Department would like to have it in before action was taken by the committee. Do you think that is possible?

Mr. PARKER. I think so.

And so on. It was then agreed that we would not take action until we got that study, and the Senator from North Dakota was present and agreed to it.

Now, Mr. President, we are talking about war profits. I want to ask the Senator from North Dakota how much profits he has made out of Chautauqua lectures exploiting himself as the chairman of the Munitions Committee?

Mr. NYE. Mr. President, I suppose the Senator from Texas is seriously propounding that question. I certainly will not deny that I have been the recipient of honorariums for addresses I have made. I should not be prepared at this time to say how much, but I am prepared to say——

Mr. CONNALLY. Is the Senator's income so large that he does not know how much he has received?

Mr. NYE. O Mr. President, I wish the Senator would permit me to answer his question.

Mr. CONNALLY. I am trying to get an answer. I shall wait upon the Senator.

Mr. NYE. I shall be quite happy to prepare myself to advise the Senator, if he is really anxious to know what income has been mine as a result of speaking engagements. In that connection, I wish to say to the Senator that I have filled many more engagements without pay than I have filled engagements with pay.

Mr. CONNALLY. Just tell us of the ones with pay; we shall leave the others out.

Mr. NYE. Nor have I sought a single engagement anywhere in this country or a single opportunity at which to speak. I will confess there have been many more invitations than I have been able to begin to comply with.

Mr. GLASS. Mr. President, will the Senator from Texas yield to me?

Mr. CONNALLY. I yield to the Senator from Virginia.

Mr. GLASS. May I ask the Senator from Texas if it is the custom of Senators who head committees conducting investigations to go abroad throughout the country and discuss the testimony before the investigation is concluded?

Mr. CONNALLY. I have never observed that to be the custom in the Senate.

Mr. GLASS. It seems to me that the question of propriety transcends the question of profit.

Mr. CONNALLY. I shall say to the Senator from Virginia that there is an old-fashioned theory that members of committees and Members of the Senate who have before them legislative and other matters are supposed to reserve judgment until they have received the evidence, heard whatever arguments may be made, and obtained whatever information may be conveyed before they go out over the country barnstorming for profit. I shall be very glad to have the report of the Senator from North Dakota, and I am sure that the Internal Revenue Service will also be glad to have that report.

Mr. NYE. Mr. President, the Senator from Texas can be assured that any income that is mine will be known to the Internal Revenue Service.

Mr. CONNALLY. We, too, should like to know it.

Mr. NYE. The Senator will have no difficulty in ascertaining it there if he seeks the opportunity.

Mr. CONNALLY. Will the Senator give us assurance that he will put it in the RECORD tomorrow, we will say?

Mr. NYE. Will the Senator from Texas offer at this time to insert his 5-year average of income in the RECORD?

Mr. CONNALLY. I should have no objection whatever to doing so.

Mr. NYE. Would the Senator do it?

Mr. CONNALLY. The Senator from Texas has no private income that he objects to the world knowing about.

Mr. NYE. Nor has the Senator from North Dakota any private income that he objects having the entire world know about.

Mr. CONNALLY. I say, in answer to the Senator's implication, that the Senator from Texas would not be afraid or would he hesitate to put into the RECORD his annual income. It would be embarrassing to the Senator from Texas to have to do it; it would embarrass his creditors much worse than it would him [laughter], but he would not hesitate to do it.

Mr. President, the Senator from North Dakota said that on yesterday he could not come here and be present in the Senate when the discussion on this subject was going on because he had before the committee some witnesses from New York, Mr. Morgan and others; that they were on their expenses, and he could not afford to have them incur the expense. Think of Morgan and Lamont not being able to pay another day's expenses! But that grinds on the conscience of the Senator from North Dakota, and he does not want Mr. Morgan and Mr. Lamont to spend 1 day's expenses in order that he may be here in the Senate. Then he goes over to the Federal Relief Administration and gets $80,000 relief funds for the Munitions Committee. Those relief funds——

Mr. ROBINSON. Mr. President, will the Senator from Texas yield to me?

Mr. CONNALLY. I yield.

Mr. ROBINSON. Does the Senator from Texas state that the Munitions Committee, created by the Senate, for whose use large appropriations were made by the Senate, actually secured relief funds for the purpose of carrying on an investigation?



Mr. CONNALLY. My authority is the Senator from North Dakota. He said in the Senate a while ago that they were allotted $80,000 but have only spent $68,000 of the W. P. A.—Works Progress Administration—funds made available for a New York project.

Mr. ROBINSON. Mr. President——

Mr. NYE. I am not going to permit the Senator from Texas——

Mr. ROBINSON. Mr. President, will the Senator from Texas yield to me?

Mr. CONNALLY. I yield to the Senator from Arkansas.

Mr. NYE. Mr. President——

Mr. CONNALLY. I do not yield to the Senator from North Dakota.

Mr. ROBINSON. Mr. President, it is a most astonishing statement to me, and I think to the Senate, that funds which have been appropriated for the relief of persons in distress should be sought by a committee created by the Senate of the United States, and the Senate should be put in the attitude of going on relief. [Laughter.] In the name of conscience, has this country and has the Senate come to a condition when committees representing the Senate will disgrace it in such a manner?

I thought the Senator from Texas must be mistaken when he made the declaration, and that no committee of the Senate and no agency of the Senate would think of asking for funds, appropriated by Congress to feed the hungry and clothe the naked, for the purpose of conducting an investigation under the jurisdiction of the Senate, when the Senate had made large appropriations for that purpose and had not refused any considerable sum for which the committee had asked.

Mr. NYE. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield to the Senator from North Dakota.

Mr. NYE. The Senator will find, with very little effort, that other committees of the Senate and agencies of the Government have enjoyed the same degree of help and benefit from the so-called relief agencies that the Munitions Committee has enjoyed.

Mr. ROBINSON. Mr. President, that only makes it worse; it only adds to the humiliation and disgrace of the Senate of the United States to say that it is a somewhat common practice for the Senate or agencies of the Senate to ask relief funds in order to carry on investigations. I trust we have not descended to that level as yet, and, for my part, I think the Senate ought to express not its disapproval but its condemnation of the practice, no matter by whom indulged in.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. CLARK. I simply desire to say that it seems to me to be entirely uncalled for and unnecessary for the Senator from Arkansas to undertake to tear passion to tatters about the manner in which that money was spent.

Mr. ROBINSON. I am not talking about the "manner" in which the money was spent; I am talking about such a practice on the part of a Senate committee.

Mr. CLARK. I understood the Senator from Texas yielded to me.

Mr. ROBINSON. Very well.

Mr. CLARK. If he has yielded to the Senator from Arkansas, I will take my seat and speak in my own time.

Mr. CONNALLY. I yield to the Senator from Missouri; in fact, I shall yield to both Senators at the same time, if I can.

Mr. CLARK. I merely desire to explain that that money, as I understand, was spent for precisely the purpose contemplated by the Works Progress Act. It was to provide employment for "white collar" clerical assistants and provide projects on which they could be employed by the Works Progress Administration. The suggestion was made that there were in the city of New York a large number of "white collar" employees who could be used in clerical work, in copying various documents, and the suggestion was made if the Munitions Committee had work of that sort to do that men might properly be taken from the relief rolls for that purpose. The committee merely acceded to that suggestion.

Mr. ROBINSON. Mr. President, will the Senator from Texas yield further to me?

Mr. CONNALLY. I yield.

Mr. ROBINSON. I merely desire to add to what I have said the declaration that I am astonished that the Senator from Missouri should rise on this floor and defend the practice of putting the United States Senate or its committees on relief.

Mr. CLARK. Mr. President, will the Senator from Texas yield?

Mr. ROBINSON. We may be "hard up"; we may be in difficult circumstances; but, thank God, we have not as yet come to that pass.

Mr. CLARK. Mr. President, will the Senator from Texas yield for just one more remark? Then I will not interrupt him further.

Mr. CONNALLY. I yield briefly.

Mr. CLARK. I dare say that the Senator from Arkansas would much prefer a Works Progress project which would consist in "white collar" employees taking papers off one desk and putting them on another and then taking them off of the second desk and putting them back on the first desk, to have such employees engaged in useful projects in doing work which would otherwise be a matter of expense to the Government in any event.

Mr. ROBINSON. Mr. President, will the Senator from Texas yield?

Mr. CONNALLY. I yield.

Mr. ROBINSON. The Senator from Missouri has been driven into a declaration which I am sure he does not intend and which I am sure his judgment and conscience will not support. I do not think the Senator from Missouri honestly and in good faith believes that the Senator from Arkansas prefers a waste of public money to its provident use. If, however, the Senator from Missouri intends that implication, if the Senator from Missouri has made his mind up to that conclusion, I can only say that, in my opinion, it reflects on his own judgment rather than on the good faith of the Senator from Arkansas.

Mr. CONNALLY. Mr. President——

Mr. CLARK. I promised the Senator from Texas not to interrupt him further, but I will reply to the Senator from Arkansas in my own time.

Mr. BYRNES. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Texas yield to the Senator from South Carolina?

Mr. CONNALLY. I yield.

Mr. BYRNES. I merely wish to say to the Senator from Texas that, as chairman of the Committee to Audit and Control the Contingent Expenses of the Senate, it is my understanding that the last appropriation that was reported to the Senate for the Munitions Committee would enable the committee to wind up the investigation being conducted by it. I did not know, nor did any other member of the Committee to Audit and Control the Contingent Expenses of the Senate know, that anyone had an idea of putting the Senate upon relief. When the statement was made to me I was so shocked that I called upon the Director and asked for an explanation of it. I learned from Mr. Hopkins that it had come from the city of New York. The result is that the Senate of the United States is in the position of having its work carried on by funds not only of the United States Government but $23,000 of the amount comes from the State of New York and the city of New York to carry on an investigation for the Senate of the United States.

I can think of nothing worse. I intended, whenever the request should be made by the committee for additional funds, as I was advised a few weeks ago it would be made, to present to the Senate the information I had received as to this "project" of the United States Senate, and ask the Senate whether it was willing to vote further funds for the committee. So far as I am concerned, I am opposed to it. I am opposed for the additional reason that when the Sen-

ator from North Dakota last presented a request for funds he had on the statement itemizing the amounts needed an amount which he said would represent the cost of writing the final report. The only reason why I then favored the appropriation was that his statement included an amount for the writing of a final report.

Mr. ROBINSON. What was the amount included for writing the report?

Mr. BYRNES. My recollection is that the Senator from North Dakota had estimated it would take $5,000 to write the final report. I thought it a lot of money, but I think at best it would have been about the most valuable expenditure that could have been made by the committee. Had the final report been written we would not have this work-relief project from New York State with the city of New York and the State of New York helping to pay the expenses of a Senate investigation.

Mr. CONNALLY. The report evidently was going to be written in longhand to have cost that much money. [Laughter.]

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. BARKLEY. I should like to ask the Senator from South Carolina, or the Senator from Missouri, or the Senator from Texas, or the Senator from North Dakota, or any other Senator what project it was which was originally contemplated in New York to cost $80,000 to put men to work, and which was abandoned in order that the $80,000 might be turned over to the Munitions Committee?

Mr. CONNALLY. I call on the Senator from New York [Mr. COPELAND] to answer that question if he can.

Mr. COPELAND. Mr. President, as one of the Senators from New York, I am entirely ignorant of any such abuse of funds given for the relief of the poor in my State and city. I should like to ask the Senator from South Carolina if he will not be more specific. I want to know how the funds came to be given over for this investigation when we have so many distressed people in my community who need help.

Mr. BYRNES. I do not know who induced the city of New York to ask for the approval of a relief project for the employment of "white collar" workers.

Mr. COPELAND. I do not know, but I am going to find out.

Mr. CONNALLY. Does the Senator from South Carolina mean to imply that the Munitions Committee has a secret treaty with New York? [Laughter.]

Mr. BYRNES. Oh, no; I do not mean to imply that at all. I am simply stating the facts.

Mr. ROBINSON. Mr. President, will the Senator from Texas yield to me that I may ask the Senator from South Carolina a question?

Mr. CONNALLY. I am glad to yield for that purpose.

Mr. ROBINSON. I desire to inquire of the Senator from South Carolina, in view of the statements made by the Senator from North Dakota that other committees and other agencies of the Senate were on relief, whether the Appropriations Committee of the Senate has been placed on relief? [Laughter.]

Mr. BYRNES. No; but I may state to the Senator that I heard that statement made a few moments ago. I had never before heard of any such action by any committee. Because the statement was made I have sent a message to the headquarters of the Federal Emergency Relief to ascertain, because if it is true I am in favor of stopping it now, as I believe other Members of the Senate are. Whatever money must be paid for our investigations should be paid by the Senate itself if we can afford to pay it, and if we cannot we should not undertake the investigation.

Mr. COPELAND. Mr. President, will the Senator yield further?

Mr. CONNALLY. Certainly.

Mr. COPELAND. Even at the risk of being charged with falsifying the record, I am not aware of this secret treaty with the city or State of New York, and if there is such a treaty I want to have it terminated right now. [Laughter.]

Mr. CONNALLY. I thank Senators for their interruptions. They are illuminating and have contributed to the enlightenment of the Senate. In other words, the Senate authorized $125,000 to this committee and not one dime more. The committee then, on its own responsibility, obtained $68,000 from some other source.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. BYRNES. I think it should be said for the sake of accuracy that the resolution does provide that the committee may call upon a department for assistance. That has been a customary provision in other resolutions of a similar nature. It has been intended to permit a committee to call upon the Department of Justice, for instance, to assign lawyers to advise the committee, or to permit other departments to assign clerks in the department for certain duties in connection with the work of the committee; but no one ever dreamed that that power would be construed as authorizing a committee to put a Senate investigation in the category of a relief project in the city of New York.

Mr. CONNALLY. If there be a relief project under the Public Works Administration, under the Executive order the funds must go to people who are on the relief rolls.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CONNALLY. Not at this moment. I want to use a little of my own time, and then I shall be glad to yield.

The Senator from North Dakota said they had used "white collar" workers. The Senator from North Dakota referred to some lady who had done work in the Department of State, and that she was a professor from some university or college. Is she on the relief roll? Was there any occasion for taking her from a university or a college under the pretext that she was on the relief roll, and putting her on this W. P. A. project? I should like to know how many people got good jobs out of the so-called W. P. A. fund in that way.

I yield now to the Senator from Missouri.

Mr. CLARK. I wish to ask the Senator from Texas if he has any information that has led him to believe that the money taken from the W. P. A. was not expended in accordance with the rules of the W. P. A.?

Mr. CONNALLY. Oh, no.

Mr. CLARK. In other words, the money was expended for relief purposes?

Mr. CONNALLY. Oh, I suppose so.

Mr. CLARK. It was expended in the State of New York for relief purposes.

Mr. CONNALLY. Yes; it brought relief to the Senator from North Dakota and possibly to the Senator from Missouri.

Mr. CLARK. Let me say that it brought no relief to the Senator from Missouri, and so far as I know not one person profited to the extent of a penny who was not taken from the relief rolls.

Mr. CONNALLY. Oh, no; the plain intimation of the Senator from Texas was nothing of the kind. I assume the relief people carried out the provisions of the law. I do not know, but I assume they did. When I said "relief of the Senator from Missouri" I did not mean financial relief. I meant mental relief, relief of anguish on his part and on the part of the Senator from North Dakota. [Laughter.] A man with a pain loves to be relieved. [Laughter.]

Mr. President, we are discussing the expenditures of this committee. It was developed here in the discussion of the matter that $400 is all that remains in the committee treasury. The Senator from North Dakota rose in the Senate today and, with a boldness unprecedented, announced that his committee has 15 days more of hearings, which, of course, will involve the expenditure of more than $400, and that he is going to proceed with the work of that committee. Is the Senate the master of its own affairs or is the Munitions Committee the master of the Senate? By what right does the Senator from North Dakota say, "Regardless of the fact that the Senate has told us we can spend only $400, we shall create a deficit and we shall come back to

the Senate and wring from the pockets of the people all we want. We got $125,000 in the open and we got $68,000 on the side. Now we shall get some more whether the Senate wants us to or not."

Mr. President, I desire to close. I have detained the Senate much longer than I had intended. Something was said by the Senator from Virginia [Mr. GLASS] about the dead men of importance with whom this committee has been dealing. I wish to state for the RECORD the names of the men who now are dead and whose affairs are being investigated by the Munitions Committee.

First of all is Woodrow Wilson. Then follow Robert Lansing and William Jennings Bryan. They are investigating Mr. Bryan's activities. Everyone knows that, like Woodrow Wilson, though not so great, he was an outstanding apostle of peace.

Dwight Morrow. They are dealing with his records and his reputation.

H. P. Davison, partner of Morgan.

Edwin R. Stettinius.

All these men are dead; and if any more dead men can be found their reputations probably will be before the committee.

Benjamin Strong, Governor of the Federal Reserve Board.

French Ambassador Jusserand.

Jacob H. Schiff, of Kuhn, Loeb & Co.

Senator William J. Stone, of Missouri.

Herman Harjes, a partner of Morgan in Paris.

French Minister of Finance Ribot.

Mr. Bonar Law, of Great Britain.

Sir Cecil Spring-Rice, British Ambassador.

Prime Minister Asquith.

This, Mr. President, is the solemn list of the honored dead whom the Munitions Committee would gladly disinter and reveal to the amused gaze of a coarse and common headline-reading public!

Mr. President, I desire to set down briefly in the RECORD a few excerpts from President Wilson's message to the Congress of the United States, setting forth the causes of our entering the war, if the Senate will bear with me:

On the 3d of February last I officially laid before you the extraordinary announcement of the Imperial German Government that on and after the 1st day of February it was its purpose to put aside all restraints of law or of humanity and use its submarines to sink every vessel that sought to approach either the ports of Great Britain and Ireland or the western coasts of Europe or any of the ports controlled by the enemies of Germany within the Mediterranean.

That was one of the causes that President Wilson said gave us the right to fight. That is one of the causes that the Senator from North Dakota says made the war one which was no concern of ours.

President Wilson further said:

The new policy has swept every restriction aside. Vessels of every kind, whatever their flag, their character, their cargo, their destination, their errand, have been ruthlessly sent to the bottom without warning and without thought of help or mercy for those on board, the vessels of friendly neutrals along with those of belligerents. Even hospital ships—

Oh, that the Senator from North Dakota would give ear! I ask him to lend me his ear. It is all I ever expect the Senator to lend me, but I ask him to lend me his ear. [Laughter.]

Even hospital ships and ships carrying relief to the sorely bereaved and stricken people of Belgium, though the latter were provided with safe conduct through the proscribed areas by the German Government itself and were distinguished by unmistakable marks of identity, have been sunk with the same reckless lack of compassion or of principle.

That was one of the grounds for a war that the Senator from North Dakota says was no concern of ours and which he is industriously seeking to besmear and besmut all over with shame and with infamy.

President Wilson said:

This minimum of right the German Government has swept aside under the plea of retaliation and necessity and because it had no weapons which it could use at sea except these which it is impossible to employ as it is employing them without throwing to the winds all scruples of humanity or of respect for the understandings that were supposed to underlie the intercourse of the world.

Listen to this. Lend me your ears, Committee on Munitions! You are concerned with little children and women who must first feel the pinch, the misery, and the agony of war. What does Wilson say?—

I am not now thinking of the loss of property involved, immense and serious as that is, but only of the wanton and wholesale destruction of the lives of noncombatants—men, women, and children—engaged in pursuits which have always, even in the darkest periods of modern history, been deemed innocent and legitimate. Property can be paid for; the lives of peaceful and innocent people cannot be. The present German submarine warfare against commerce is a warfare against mankind.

Here are the ringing words of Woodrow Wilson, saying that it is not the money for which we fight—that can be compensated—it is not Mr. Morgan for whom we fight, but saying that Germany's course is a warfare upon humanity itself, upon the lives of men and women and defenseless little babes; and yet the Senator from North Dakota, if he knows anything, knowing that message, says that Wilson did not enter the war for these causes, but that the bankers' foot pushed us into the war.

Mr. President, I desire to set down by the side of the speech of the Senator from North Dakota these imperishable words of Woodrow Wilson. Let them illuminate the RECORD alongside of his coarse impeachment of the integrity and the purity of character of Woodrow Wilson and Robert Lansing. He need have no fear what the judgment of history will be, the judgment of our grandchildren and their children's children, when they come to peruse that parallel of the language and the life and the labors and the endeavors of Woodrow Wilson, and then observe the coarse insult offered his memory by the Senator from North Dakota.

I am willing, Mr. President, to lay that responsibility of judgment, not only upon the present generation but upon those who are to come after us.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 1277. An act to amend section 24 of the Judicial Code by conferring on district courts additional jurisdiction of bills of interpleader, and of bills in the nature of interpleader;

H. R. 1299. An act giving jurisdiction to the Court of Claims to hear and determine the claim of the Cherokee Fuel Co.;

H. R. 1550. An act for the relief of Douglas B. Espy;

H. R. 4436. An act conferring jurisdiction upon the United States District Court for the Western District of Washington to hear, determine, and render judgment upon the claims of Alta Melvin and Tommy Melvin; and

H. R. 4799. An act to provide for the reimbursement of certain officers and enlisted men or former officers and enlisted men of the Navy and Marine Corps for personal property lost, damaged, or destroyed as a result of the earthquake which occurred at Managua, Nicaragua, on March 31, 1931.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

The Senate resumed the consideration of the bill (H. R. 9870) to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes.

Mr. THOMAS of Oklahoma. Mr. President, now that we have settled the causes of the World War, I trust the Senate may give some attention to the matter of paying some of the expenses incident to that war.

Last summer an agreement was entered into in this body whereby the so-called "bonus" bill should have consideration by the 15th of January. That agreement has now been carried out, or is being carried out; and I wish to congratulate the leader on our side, and likewise the chairman of the

Finance Committee, and the committee itself, for having the bill now before the Senate of the United States.

Mr. President, I have been for the payment of our soldiers ever since the war was concluded. As a Member of the House of Representatives, I voted for the payment of this debt to them at that time. I helped pass the original bill over the veto of the President. This, I think, is the fourth time a proposed bonus-payment bill has come before the Senate of the United States. I have supported each of them. When my name is called upon the passage of this bill—and I hope I shall be present—I shall cast my vote in the affirmative; yet before that time comes I shall take whatever time I think is necessary to point out what the bill means. The great chairman of the Finance Committee used 40 minutes in an explanation of the bill, and yet I doubt if strangers know what the bill really means. I doubt if Senators know what the bill really means, and my remarks this afternoon will be addressed to the business judgment of the Senate of the United States.

Mr. President, this bill is the Patman bill reincarnated. It is the same bill as the Patman bill so far as the soldiers are concerned, except that it is a better bill for the soldiers than even the Patman bill was. This bill out-Patmans PATMAN so far as the soldiers are concerned.

The Patman bill provided for the full payment of the adjusted-service certificates, and the bill before us grants full payment. The Patman bill provided that all interest should be refunded and rebated. The pending bill would refund and rebate all interest save in a minor capacity, one little item of no particular significance on the floor of the Senate of the United States. My reason for making that statement is that nothing that is worth less than a billion dollars can have the ear of the Senate of the United States.

The bill grants four and possibly five different, distinct bonuses. I am honored to have the attention of the distinguished senior Senator from Michigan [Mr. COUZENS]. There is at least one Senator in this body who knows what a million dollars is. There may be others; I do not know. I have drawn on my imagination somewhat, and yet my imagination is not sufficient, I fear, to advise me just what a million dollars is.

Mr. President, according to the viewpoint of the Senator from Michigan, the bill before us carries bonus no. 1, in the sum of about $800,000,000, the difference between what the certificates are worth now and what they would be worth in 1945. That is bonus no. 1, from the standpoint of the Senator from Michigan. I have stood for the payment of that bonus. I am for the payment of that bonus now, so I will disregard this particular bonus, but it might be called "bonus no. 1."

Bonus no. 2 in this bill is a bonus in favor of the well-to-do, fortunate soldiers of the United States, I will call them. The bill grants a bonus and an additional gratuity to such soldiers on our rolls as have not heretofore made loans upon their certificates, a bonus to those who hereafter may not see fit to cancel and collect on their second bonds, which they are soon to receive, if this bill shall become a law. That is bonus no. 2.

The Congress has never committed itself to the payment of that bonus. It will not commit itself to the payment of that bonus until this bill shall be enacted; but with the enactment of the bill a second bonus will be granted to those fortunate soldiers who can afford to carry their bonds from now until 1945.

Four hundred and ninety-five thousand of our soldiers have not borrowed on their certificates. It is to be presumed that those 495,000 will not cash the bonds which are soon to be issued to them. If they do not cash the bonds, beginning on the 15th day of next June, these 495,000 soldiers will have new bonds, drawing 3 percent interest from June 15, 1936, until they see fit to cash them, or until 1946, 10 years hence. There is a commitment in this bill of a new bonus to the fortunate soldiers of the Republic. I want Senators to know, when they vote for this bill, that they are voting for a new tax, a new mortgage, a new bonus to the fortunate soldiers of the United States. That might be termed "bonus number 2."

Bonus number 3 is the bonus to the United States life-insurance company. Under the terms of the bill we owe the United States life-insurance company—I will call it that so that we will understand—the sum of $507,000,000. The bill proposes a bond issue in favor of that department or bureau in the sum of $507,000,000, and on those bonds the taxpayers must pay the rate of 4½ percent. That is bonus number 3.

Then, if the bill shall be enacted, we must raise the money somehow to cash bonds under bonus number 1. We have to sell those bonds to bankers. Those bonds must be issued, and they must be sold to someone who has the money, who will buy them, in order to raise the money to cash bonds under bonus no. 1, the bonds the soldiers get. A little bit later in my discussion I will go into these items in detail, and I should be glad to have questions suggested as I proceed. Perhaps in that way we can get a better understanding of what the bill really means. So there are to be three or four different and special distinct issues of money in the form of bonuses to take care of the payment of this amount.

Mr. President, the bill provides for the raising of $2,237,000,000 of new money, and to pay that new money the taxpayers of the Nation are to be taxed, under the bill, more than $4,000,000,000 in order to raise the amount necessary.

In order that I may place the figures in the RECORD upon which I will draw my conclusions, I will give the following: At the present time, from the latest reports I have, there are soldiers in the country, still alive, to the number of 3,518,191. There are not that many soldiers alive now. The record shows that 80 soldiers are dying daily. The period between now and the 15th of June will cover approximately 150 days. Multiply 150 days by 80, and what do we get as a result? Thousands of soldiers alive at this moment will never see these certificates. Eighty are dying every day. One hundred and fifty days hence ten or twelve thousand of these boys who now know the money is coming to them will not be here themselves when the bonds are delivered on the 15th day of June 1936.

Mr. President, I estimate that there are 500,000 soldiers who will not cash the certificates. They have made no loans to date, and the amount of their certificates is approximately a thousand dollars apiece. If 500,000 soldiers do not cash the certificates, and if each of the soldiers has a certificate worth a thousand dollars, there are $500,000,000 that will not be called for immediately, so we will give these 500,000 soldiers 500,000 bonds, each in the sum of a thousand dollars, on which they draw 3 percent from the 15th day of June until they cash them. Inasmuch as they have not up to the present seen fit to cash their certificates in order to make loans, it is presumed that they will have no occasion to cash the bonds for the next 10 years, and that is the bonus I spoke of a while ago as being bonus no. 2.

It will cost the taxpayers of the United States the sum of $173,000,000 to pay the interest on these new bonds which we are not now obligated to pay. We do not have to pay this sum. A different kind of financing can be suggested and arranged to get rid of the payment of this sum of $173,000,000.

It is estimated by some that there are 250,000 soldiers who have made loans who are not now in financial distress. When they get the new bonds drawing 3 percent they will keep them for 10 years, presumably. That will make a total of 750,000 soldiers who will take the new bonds and hold them and draw 3 percent from the 15th day of this coming June until 10 years hence.

Mr. President, that leaves 2,768,191 soldiers who probably will cash their bonds the moment they get their hands on them, and just as soon as they can get the bonds and find the post office or find the bank that will cash the bonds, they will take the bonds to the post office or take the bonds to the bank and get the money on them.

Mr. President, in addition to the bill granting as many as four separate bonuses, it provides for the issuance of three sets of bonds: First, bonds to each soldier of the Nation, 3,518,191, less those who may die between now and the 15th

day of June. Bond issue no. 1 will be of the bonds issued to the soldiers of the Nation who are alive.

It is proposed, if I understand the bill correctly, that these bonds shall be issued in $50 denominations. The average amount due the soldiers is $650, approximately. That means that every soldier will get thirteen $50 bonds. Multiply the number of soldiers with whom we have to deal by the average number of bonds each soldier will receive, 13 bonds to the soldier multiplied by the number of soldiers, and we find that the printing office must print forty-five million $50 bonds to be delivered to the soldiers of the country.

I heard this morning about the printing presses starting to run; that if we paid the bonus in one way, it would open up the printing presses. The moment this bill shall become a law, the printing presses must start and print 45,000,000 $50 bonds. But that is not all. If the bill shall be enacted, before the veterans can even think about getting the bonds, they must fill out application blanks. Such blanks will be printed and furnished the soldier as a sort of identification. The soldier will place on the blank his name and his record, the time of entry into the service, his term of service, and the amount of his certificate, how much he has borrowed on it, and where his certificate may be. It will take more than 3,000,000 of those blanks to serve the soldiers in the first instance.

Then, in the second instance, they will get the 45,000,000 bonds, each one of $50 denomination.

Then, when these bonds are issued to the soldiers, more than two and one-half million of them will immediately take the bonds to the post offices or to the banks to cash them. The bill is not clear where they are going to take the bonds. It mentions post offices. It may mean banks. Over 2,000,000 of the veterans, according to the estimates in the report, will take the bonds, probably before they have had them an hour, if during business hours, over to the post offices to get the money on the bonds. Of course, the post offices will not have the money. There is only about $700,000,000 in circulation in the banks of the Nation. These bonds will necessitate for cashing about a billion and one-half dollars in money It will take about a billion and one-half dollars to cash the bonds of the veterans who want the cash. As I have said, there is only about $700,000,000 in all the banks of America. There is not one-half enough currency and silver, all kinds of money that one can spend, in all the banks of America to cash one-half of the amount of bonds provided for in the bill under consideration.

What is going to happen? Well, the banks will anticipate that, and they will send notice to the Federal Reserve banks and will have a great influx of new money, or the post offices will have a great influx of new money.

Where are they going to get this money? It will come from the printing offices. It will have to come from the printing offices. There is no place else to get it. One may think that it will be obtained from the Federal Reserve banks in the various districts. In my section of the country the banks will send to the Federal Reserve bank in Kansas City for the extra money, and in other districts the banks will send to their Federal Reserve banks for the money, because if the bonds are all delivered on the 15th day of June 1936 there will be something over two and a half million soldiers who as soon as they get their envelopes will open them and take the bonds just as quickly as they can take them to some place where they can get them cashed, for they will want the money.

Printing presses, Mr. President! That is only bond issue no. 1.

After the bonds have been issued and put in the hands of the soldiers they will take the bonds to banks or post offices in order to cash them. Where is the money coming from to cash the bonds? The Treasury Department must go into the open market and issue more bonds and sell those bonds to someone in order to raise the money with which to pay the bonds given the veterans. That means that the Treasury Department will be forced to float a new issue of bonds to the extent of about $2,000,000,000 to be sold somewhere on the market to raise the money with which to cash the bonds of the soldiers after they once get them into their hands. That is bond issue no. 2. Several millions of those bonds will have to be printed.

Bond issue no. 3 represents the bonds which the Treasury Department will have to issue to take care of the life-insurance policies in the United States Government life-insurance fund to the amount of $507,000,000.

The first bond issue represents the bonds to be given to the soldiers, the bonds being actually about 45,000,000 in number, each one of $50 denomination. That is bond issue no. 1.

Bond issue no. 2 represents the bonds the Treasury must issue and sell to get the money to cash the soldier's bonds when he comes to the post office or comes to the bank to get his money. That is bond issue no. 2.

Bond issue no. 3 is the 4½-percent issue, issued by the Treasury to be placed in the hands of the United States life-insurance company to make good the policies of the veterans of the Nation which it now holds.

Then, Mr. President, when these bond issues are all out the Treasury must issue a fourth series of bonds to raise the money to pay the interest on the bonds it has now issued. I desire to see if I can make that clear.

There are at least four bonuses. The first bonus is the bonus we are all voting for, the bonus which the veterans are going to receive and the bonus that I am in favor of paying—a bonus in the sum of $2,237,000,000. That is bonus no. 1. Bonus no. 2——

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. LEWIS. I am sure there are on the floor many Senators like myself who are interested in the Senator's reference to the large amount of money to be paid to what the able Senator calls the life-insurance companies. If it does not intrude too much upon his time, will he make a definite explanation of what he meant by that statement?

Mr. THOMAS of Oklahoma. I understand we have a fund to take care of the veterans who have life-insurance policies. During the war, life-insurance policies were issued to the soldiers. I think they were forced to take out life-insurance policies of $10,000 against the event of death, and if they became totally disabled their policies became due immediately and began to be paid. We paid into that fund a large sum of money.

Mr. LEWIS. The Senator means to say, I take it, in order that we may all understand, insurance issued by the Government and not insurance issued by private insurance companies?

Mr. THOMAS of Oklahoma. I called it United States life insurance.

Mr. LEWIS. Very well.

Mr. THOMAS of Oklahoma. The first bonus is the soldier's bonus for which we all are going to vote, and which we all want to pay. The second bonus is to the fortunate soldiers who will not cash their bonds but who will commence drawing interest on the bonds from the time they get them until they shall cash them. They can hold them for as long as 10 years. These bonds cannot be called for 10 years. The average amount held by the soldiers who have not made loans is about $1,000. Three percent on a thousand dollars is $30 a year. In 10 years it is $300. If this bill shall pass, the Senate will grant the lucky soldier, the fortunate soldier, the soldier not in need, a bonus of $300 more than the Congress committed itself to pay him in 1925.

I am not against the fortunate soldier, but I am not in favor of paying him a bonus of $30 a year on the bonds which he can keep. Under the present law he must keep his bonds until 1945 to get any money whatever, unless he makes a loan. Under the pending bill the total amount of his certificate becomes due, and when he gets the bonds on June 15, 1936, he can keep the bonds for the amount not due until 1945 under existing law, but by the pending bill made due now, and commence drawing interest on those bonds of $30 a year for 10 years. So Senators who vote for that provision of the bill commit the taxpayers of America to pay that added interest. Many of the soldiers

pay taxes now. It will not be long until those soldiers will own a vast amount of the property of the Nation, so they will pay a great portion of the taxes of the Nation.

Mr. REYNOLDS. Mr. President——

The PRESIDING OFFICER (Mr. DUFFY in the chair). Does the Senator from Oklahoma yield to the Senator from North Carolina?

Mr. THOMAS of Oklahoma. I yield.

Mr. REYNOLDS. The Senator from Oklahoma has just made a statement in regard to those soldiers whom he referred to as the fortunate ones; that is to say, those soldiers who will receive bonds, and, not being in financial straits, will hold the bonds for the period of 10 years, the duration of the life of the bonds, during which time they will be drawing 3 percent; and at the expiration of the period of 10 years they will have drawn $300 each in interest, which $300 must necessarily be paid by the taxpayers of America. I should like to inquire of the Senator as to the total amount that he anticipates the taxpayers of America will be called upon to pay in interest to the fortunate soldiers?

Mr. THOMAS of Oklahoma. My estimate, Mr. President, is $173,000,000.

Mr. REYNOLDS. I should like further to inquire as to the total amount of the principal on which that interest will be paid.

Mr. THOMAS of Oklahoma. Let me itemize it. I estimate that there will be 500,000 soldiers holding certificates of $1,000 each who will not cash the bonds. That makes $500,000,000, at 3 percent for 10 years. Figuring that 3 percent on $500,000,000, that would be $15,000,000 a year, and for 10 years will be $150,000,000.

Then I estimate that there are 250,000 soldiers who are not now in distress, who have heretofore borrowed on their certificates. The average amount due them is about $525. I figure they will keep their bonds and they will draw 3-percent interest on them. So, taking the interest which will be paid the veterans who have borrowed and are not now in distress, but who will keep the bonds, and the interest which will be paid to the 500,000 veterans who have not borrowed, that makes $173,000,000 which we are committing ourselves to pay in interest—something which, in my judgment, we have no just right to do.

Mr. REYNOLDS. In that connection, Mr. President, I believe that according to the statement of the Senator from Oklahoma, if baby bonds shall be issued and in turn shall be handed to the fortunate soldiers to the extent of $500,000,000, we will find $500,000,000 being held by the fortunate soldiers. As the result thereof, $500,000,000 will not be put into circulation. That is correct; is it not?

Mr. THOMAS of Oklahoma. That is correct.

Mr. REYNOLDS. It is my understanding, Mr. President, that many of us who have argued on the floor of the Senate for the payment of the bonus have insisted upon its payment with a view to putting money into circulation throughout the 3,200 counties of the United States in order to help the Nation in this emergency.

I thank the Senator from Oklahoma.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. ADAMS. I rise because I understood the Senator really was anxious to have questions asked; but I gathered from his statement that he seemed to feel that the United States Government was going to be put to additional expense to the amount of $30 per year, or 3 percent, by reason of every so-called fortunate soldier who kept his bonds.

It seems to me that is not quite accurate, because a bond will also be issued to the soldier who cashes his bond. To pay him, the Government issues a bond for which it will pay practically 3 percent.

In other words, the Government is going to pay 3 percent to the soldier who keeps his bond; or, if he cashes it, the Government will have to borrow the money from some other place and pay practically the same amount in order to get the money to pay the bond which is cashed.

Mr. THOMAS of Oklahoma. Mr. President, let me answer that question by asking the Senator from Colorado a question. Soldier A has a thousand-dollar bond; he has not borrowed on that bond up to date; how long will he have to keep that bond in order to get his $1,000 under the present law?

Mr. ADAMS. Until 1945.

Mr. THOMAS of Oklahoma. Exactly so. Under this bill, on June 15 this year, he gets a new bond for $1,000, which begins to draw interest on that date, and it cannot be callable for 10 years. Then——

Mr. ADAMS. May I add——

Mr. THOMAS of Oklahoma. Wait a moment. In 1945 or 1946 how much will Soldier A receive from the Federal Government?

Mr. ADAMS. He will have received the compounded interest, really, because in his thousand-dollar certificate is included interest to 1945, and then, in addition, he will get interest on the interest and on the principal.

Mr. THOMAS of Oklahoma. Mr. President, it cannot be denied that Soldier A in 1945, under the present law, would get his $1,000. If this bill passes, it cannot be denied that that same soldier in 1946 will get not a thousand dollars but will get $1,300. Three hundred dollars' interest on that $1,000 bond is payable by the terms of this bill in the event the bill passes.

Mr. ADAMS. The cost to the Government will not be different——

Mr. THOMAS of Oklahoma. Oh, yes, Mr. President.

Mr. ADAMS. Because the Government pays the veteran the interest in one case, and in the other case it pays the man who bought the bond from whom money was raised to pay it.

Mr. THOMAS of Oklahoma. Under existing law Soldier A has to wait until 1945 to get his $1,000. If this bill passes, the same soldier, lucky man that he is—for he has not had to borrow; he is not in distress—gets a new bond, draws $30 a year interest, amounting in 10 years to $300, and so the Government in 1946 must pay Soldier A—the lucky fellow, fortunate man, I am glad we have them—not $1,000 but $1,300.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. The only alternative to that is not to pay the bonus at all.

Mr. THOMAS of Oklahoma. Oh, no, Mr. President.

Mr. BARKLEY. Because it can only be paid——

Mr. THOMAS of Oklahoma. Oh, no.

Mr. BARKLEY. Just a moment. It can only be paid by either borrowing money from somebody on the part of the Government and paying at least that much interest on it, or by printing more money. I do not know of any other way in which it can be done except by taxation and raising it all at once, which, of course, is an impossibility.

If I may reply to a suggestion made by my friend from North Carolina [Mr. REYNOLDS] a moment ago, that permission to the more fortunate soldiers who have not borrowed on their bonus certificates to carry their bonds over to 1945, or any other year subsequent to 1937, and to draw interest to that extent does not put money into circulation, let me say that there has never been a bonus bill passed by the Congress that compelled any soldier to cash his certificate; it was only permissive; and the 500,000 soldiers who have not borrowed on their certificates would not be required to cash their certificates even if we should pass a straight-out cash-payment bonus bill to be paid out of the Treasury. They could still continue to hold their certificates and not put that money in circulation. So, it seems to me that there is no difference between offering the inducement of 3 percent interest to those who need not cash their bonus certificates, thereby relieving the Government of that much immediate strain, and continuing the present situation whereby they cannot cash them and thus keep the money out of circulation.

It has never been contemplated that Congress should compel the veterans to cash either their bonus certificates or the bonds which will be issued to them under this bill. I agree with the Senator from Colorado [Mr. ADAMS] that it makes very little difference whether the Government pays 3-percent interest to the ex-service men or pays it to some bonding

house or banking house that buys the bonds issued by the Government in order to raise the money with which to provide the cash.

Mr. THOMAS of Oklahoma. Mr. President, that is a commitment that the Senate has not yet made; that is a charge upon the taxpayers of America the Senate has not as yet authorized, involving a tax bill in the next 10 years of approximately $173,000,000 that must be raised in order to pay the interest on the bonds of the more fortunate soldiers of the Nation.

Mr. President, while one class of our soldiers are getting benefits that the Congress has not heretofore granted, another class are being deprived of interest, and another class have had the interest refunded.

Mr. BARKLEY. Mr. President, will the Senator yield there?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Kentucky?

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. Assuming the Senator to be correct, that there is a fortunate class who do not need their money now and will hereafter draw interest on the deferred payments, that in no way lessens the benefit to those who do need it under this or any other bill who can cash their certificates immediately at face value.

Mr. THOMAS of Oklahoma. I agree with the Senator from Kentucky, and I am not complaining about the veterans who may take these bonds and hold them. I would be glad if conditions were such that the entire 3,000,000 of our soldiers could get the bonds bearing 3-percent interest and hold them for 10 years. I am laying the foundation for an amendment which I shall offer later, and I am trying to show to what we are obligating ourselves if this bill passes.

The facts I want to place in the RECORD as the basis for my amendment are something like as follows: There are 3,518,191 soldiers to whom we have to pay the bonus. There are that many soldiers who will receive these bonds, less those who will not be with us when the bonds are to be delivered. However, the figure I have given is the number of veterans, according to the latest estimate I have. In order to pay this debt to these 3,518,191 soldiers, we have these figures from the committee report: It will take $1,836,213,950 in the form of bonds to meet the obligation we are about to vote upon the Government. Then an adjustment will have to be made with the veterans because of the difference between the face value of the bonds and the amounts which may be due them. For example, a soldier has coming to him $1,047. He will get a thousand dollars in bonds and $47 in cash. If he has coming to him $515, he will get $500 in bonds and $15 in cash. In order to provide the amount of currency or cash we must pay these soldiers to make up the difference between the face of the bonds and the amount we owe them, it is estimated we must raise $87,786,050.

Then the Government life-insurance fund has a claim against the soldiers in the total sum of $507,000,000. We must pay that; and that will be done by a third bond issue. Then we must pay the banks that hold certificates and for the interest chargeable against them, an estimated sum of $60,000,000. These four sums make a total we must raise to pay the bonds and the necessary cash of $2,491,000,000. That is what we are going to vote for when we vote for this bill—a total expenditure of $2,491,000,000. Luckily, however, we have in the adjusted-service certificate fund a balance of $254,000,000 already assembled. For 10 years Congress has been appropriating money to be placed in a fund to retire these certificates in 1945. We have appropriated about $112,000,000 a year for 10 years; the fund has exceeded $1,000,000,000; but from that fund we have drawn to make loans to the soldiers according to laws passed heretofore by the Congress. So even with the loans made we still have in that adjusted-service certificate fund a sum of approximately $254,000,000. So we start with that nest egg, so to speak. Of the total required amount, namely, $2,491,000,000, we have on hand $254,000,000. That leaves a total sum of $2,237,000,000 which must be raised in some way in order to meet the obligation we are about now to vote upon the people of the country. So, Mr. President, if this bill passes the taxpayers must raise in some form a total sum for the bonus proper of $2,237,000,000.

Item no. 2: As I have explained heretofore, some of the veterans can get along without cashing their bonds. If they do not cash them, we do not have to raise immediately, the money to pay them. I estimate that 500,000 of the veterans will not cash their bonds. That will save us raising immediately something like $500,000,000. Then I estimate that 250,000 veterans who have heretofore made loans on their certificates, but who are not now in distress, will carry their bonds, drawing 3-percent interest. If that is true, we can add what is due them on an average certificate of about $575, which makes a total of $643,000,000 in bonds which will be carried by what I term the fortunate soldier class. Instead of cashing their bonds now they will keep them to draw 3-percent interest. If my figures are correct that will mean an additional outlay from the Treasury of $19,230,000 a year. In 9 years' time it will mean a total interest charge of $173,600,000 which we are now obligating ourselves in this bill to pay, which the taxpayers are not now at this moment obligated to pay.

Item no. 3 is the interest on the bonds which we must issue to raise the money to cash bond issue no. 1. When the veterans receive their bonds they will go to a bank and cash them. We must issue bonds in order to raise the money to enable the banks to get the funds with which to cash the bonds. According to the figures of the report, it will take $1,836,000,000 of bonds to be sold on the open market to raise the money with which to cash the bonds given to the veterans in the first instance. We have to pay interest on that money.

The bill does not mention any second bond issue. The bill does not even carry an appropriation. There is not a penny provided in this bill for any veteran in the United States. There is an authorization in the bill so that hereafter we may appropriate the money, but the bill itself does not carry a single penny of real money, save out of the adjusted-service-certificate fund, to pay any of the veterans.

To raise the money the Treasury must issue bonds. The money is not provided in the bill. It is implied in the bill that hereafter the Congress will make an appropriation in some appropriation bill of $2,237,000,000. When that appropriation is made the Treasury must finance the appropriation. How will it be financed? The Treasury will issue bonds in the sum of $2,000,000,000 and sell those bonds on the open market or place them in the banks in order to raise the $2,000,000,000 necessary to cash the first bond issue. In the meantime we have to pay interest on the second issue of bonds in the sum of $60,000,000 a year—interest alone to be paid on the bonds which must be issued to raise the money to cash the baby bonds.

Mr. President, I am wondering what the term "baby bond" means? I shall be glad to yield to some member of the committee to define what is meant by the term "baby bond."

Mr. BARKLEY. Mr. President, I suppose the Senator realizes that is a colloquialism applied to the bond because it is of a small denomination. The term has been applied to bonds heretofore issued in denominations of $50 or $100, which have been referred to as small bonds.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BYRNES. In this bill there is nothing characterizing the bonds or describing them as baby bonds. That is a phrase which has been coined by the gentlemen of the press. I believe they should be called thrift bonds, and at a later time I hope to explain the reason why I think they should be called thrift bonds instead of baby bonds.

Mr. THOMAS of Oklahoma. If that is all the reason we are to be given as to why the bonds are called baby bonds, I will let it go at that. I see nothing in these bonds any different from the bonds which we voted and issued in war time to finance the war.

Mr. BARKLEY. That is true, and the committee is not responsible for any nickname which has been given to any bonds issued by the Treasury.

Mr. THOMAS of Oklahoma. It happens in the first instance that 45,000,000 of these bonds in number, totaling $2,237,000,000 in $50 denominations, will be exactly of the nature of the Liberty bonds issued and sold to the people of the country during the World War to finance that terrible conflict. A baby bond, as I understand it, is a bond which started small and the older it got the bigger it got. That is not true of these bonds. That is a misnomer. I do not know why some people choose to call these baby bonds. There is no semblance of a baby about them. When they are born they are full grown.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. Does the Senator know of any bonds issued by the Government that grew in denomination after they were issued?

Mr. THOMAS of Oklahoma. Yes. A man can go down to the post office and buy a baby bond and pay about $9.75 for a bond which ultimately will pay him $10. That is a baby bond.

Mr. BARKLEY. That simply involves the inclusion of the interest in the bond itself. That is true of all bonds. If we do not collect the interest as it becomes due, then the amount due on the bond at any time thereafter is more than the face of the bond.

Mr. THOMAS of Oklahoma. I can see one element of babyhood in these bonds. Each bond is for $50. A soldier gets a bond that begins to draw 3-percent interest on the 15th day of next June. The soldier cannot cash that bond before a year passes and draw any interest. If he cashes it at once he gets only the face of the bond. If he keeps the bond for a year and cashes it, he gets the face of the bond plus 3-percent interest, or $51.50. If he keeps the bond for 5 years the interest is added to it from time to time. He cannot collect the interest separately, according to the terms of the bond, but must wait for the interest until he cashes the bond. When he cashes it he gets the full face value plus the accrued interest. He cannot get the interest at the end of 12 months or at the end of 18 months. It is not paid semiannually or annually. I have no objection to that plan. That might be some excuse for calling it a baby bond, because the older it gets the bigger it gets. A bond of $1,000 in 10 years increases to $1,300. A $500 bond in 10 years increases to $650. To that extent perhaps the term "baby bond" is justified.

But that is the second bond issue. We must have a second bond issue, and sell that bond issue to the public in order to raise the money with which to cash bond issue number 1. Is not that true, may I inquire of the Senator from Michigan [Mr. COUZENS]?

Mr. COUZENS. Mr. President, I think that is true. I fail, however, to see any inducement in the bill for the veteran to retain the thousand-dollar certificate for 10 years because the interest is not compounded. If he has any financial wisdom at all, he will cash his bond and get the $1,000 and invest it, and have his interest compounded and paid semiannually.

Mr. THOMAS of Oklahoma. According to my understanding of the bonus bill, if Uncle Sam is back of the bill he ought to be put in the insane asylum until he recuperates. If many of our soldiers, when they get their thousand-dollar bonds, should keep the bonds for 10 years in order to get $300 more, those veterans likewise should be placed in St. Elizabeths. They would have to keep the bonds 10 years in order to get the interest. What is the dollar going to be worth in 10 years? Who knows? The dollar is worth less today than it was worth 3 years ago; and if the present trend should be followed, in 10 years' time, while they will get $1,000 all right, dollars, measured in food and clothing and property, will not be worth what they are worth today. The wise soldier who gets his bond will take it to the bank or the post office and cash it as soon as possible, while the dollar is high, and invest his money in property or in something that will not go down in value as the years go by.

Mr. President, we are going to have to issue $2,000,000,000 in bonds, and sell them, in order to enable the Treasury to raise the money to cash bond issue no. 1. We must pay interest on those bonds—3 percent, perhaps. Three percent interest on $2,000,000,000 of bonds is $60,000,000 a year that the Senate of the United States is about to impose in the form of a mortgage upon the backs of the taxpayers of this country. Sixty million dollars a year of interest on bond issue no. 2 to raise the money to cash the first bond issue that we are going to give to the soldiers. Sixty millions dollars a year in 10 years will amount to $600,000,000. If the bonds run 20 years, it will amount to $1,200,000,000 of interest alone upon the bonds the Government must issue and sell to raise the money to cash the baby bonds in the hands of the soldiers.

If I am mistaken in my analysis of the bill, I trust the committee will call me to account. I know the distinguished Senator from Michigan [Mr. COUZENS] knows what the bill means. He may not see fit to take the floor and explain the bill to us, for reasons best known to himself. He knows what the bill means; and if I misinterpret the bill I shall be glad to yield to the Senator from Michigan to put me right, because I do not wish to be wrong.

Then we are proposing to issue under this bill $507,000,000 in bonds bearing 4½-percent interest to pay the life-insurance fund. That is a governmental agency; but why should we tax the people on bonds to the extent of 4½ percent to give the money to a life-insurance company, even though the life-insurance company is a Federal agency? We could pay them the money, $507,000,000, and satisfy the bill. Then the life-insurance company management would take the money and invest it as they saw fit. I should like to have someone explain the occasion for issuing $507,000,000 in bonds drawing 4½ percent—at least 1½ percent more than what might be termed a fair rate now—for the benefit of this fund.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I am glad to yield.

Mr. COUZENS. I will state to the Senator from Oklahoma that the reason is that this fund is invested by the Treasury Department for the purpose of paying off its insurance obligations; and to meet those obligations it is necessary to make an annual return of approximately four and a quarter to four and a half percent. The fund would not pan out in an amount sufficient to pay the insurance policies if it did not have that return for that purpose.

Mr. THOMAS of Oklahoma. Mr. President, the explanation is that we have a fund that simply has to draw 4½ percent in order to protect the obligations against the fund. It is a Federal fund. It is a public fund. The people are back of it. This fund, as I understand, has to draw 4½ percent in order to protect the policyholders. Is that correct?

Mr. COUZENS. That is my understanding.

Mr. THOMAS of Oklahoma. That is a charge upon the people; and, if that is the case, I presume we might just as well put it in this bill and saddle this tax in the form of bonds upon the people for 10 or 20 or 30 years at 4½ percent, because if that is not done it will come before us in some form of appropriation that will have to be met and paid in some other way. Is that correct? If so, Mr. President, here is what this bill means. Let me call it to your attention again.

The first item we are going to have to pay is the bonus bill for which we have all been fighting, the bonus bill we desire to pay, in the sum of $2,237,000,000. That is the amount which the bill commits the country to pay to the soldiers.

Item no. 2: The bill commits the country and the taxpayers to pay a yearly total of $173,600 in interest to which they are not now committed, to be paid to the fortunate soldiers because they do not have to cash in their certificates. They may carry them for 9 or 10 years yet. That is $173,000,000 more.

Item no. 3: We have to borrow money from the banks, have to issue bonds to raise the money to cash the bonus of

possibly $2,000,000,000 and pay 3-percent interest a year upon it, amounting to $60,000,000 a year. In 20 years that will be $1,200,000,000 which we are going to have to raise in the form of interest to be paid on the bonds necessary to raise the money to pay the baby bonds.

Item no. 4: We are going to have to raise 4½-percent interest on $507,000,000, perhaps for 30 years. If that is true, the interest at 4½ percent is over $22,000,000 a year. For 30 years' time the total interest would be $684,000,000. Of course, if these insurance policies run for 30 years, we must keep up the fund. That is going to be a charge upon the people. That computation shows that in 30 years we are going to have to pay, in the form of interest, more than the total bond issue amounts to.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. COUZENS. The Senator's mathematics is in error.

Mr. THOMAS of Oklahoma. I shall be glad to be corrected.

Mr. COUZENS. The certificates run for approximately 9 to 10 years only, and the issuance of bonds is a substitution for the adjusted-compensation certificates; so the Senator should not figure on a 30-year period.

Mr. THOMAS of Oklahoma. Then I shall modify my figures. The Senator from Michigan says I have no justification for inferring that these insurance bonds will run for 30 years. He says they will run for 9 or 10 years only.

Mr. COUZENS. I wish to correct the Senator in that respect. I did not say the life-insurance policies run for that time. I said the adjusted-compensation certificates, which the bonds are to supplant, run for that time.

Mr. THOMAS of Oklahoma. That is correct. Make the new computation, and it will show that this bill commits the taxpayers of the country to raising, over a period of years, a sum of money approximating $4,000,000,000 to pay a debt of $2,237,000,000. If there is no way to do it except to issue bonds along this line, well and good; but what are the facts?

We have in the Federal Treasury at this moment $10,150,000,000 in gold. We have in the Federal Treasury at this moment silver of a monetary value of one and a half billion dollars. Add those two figures, and they make approximately $12,000,000,000 of gold and silver in Uncle Sam's strongboxes, located in various places in the United States. The fact is that at this moment there is only about $5,600,000,000 of real money in circulation. I can give you the figures exactly at 4 o'clock yesterday afternoon by looking in my brief case; but, for my purposes, the total amount is about $5,600,000,000 of money in circulation against gold and silver with an estimated value of around $12,000,000,000.

Mr. President, we can now issue more than $6,000,000,000 of new currency against our surplus gold and our surplus silver and have more than a dollar of gold or silver back of each dollar of the new currency. I am not advocating that we issue $6,000,000,000 of new currency. I have advocated, and am now advocating, the issuance against the surplus of gold and silver of a sufficient sum of new currency to take care of this debt. If that could be done, we could liquidate this debt for $237,000,000 of money. If we do not follow that policy, we are going to saddle upon the taxpayers of America an additional mortgage in the sum of approximately $2,000,000,000.

What would you think, Senators, of some old relative of yours, perhaps in his dotage, of whom you hoped to be a beneficiary, having millions of dollars of property he could sell and millions of dollars in the bank, and having some debts, if that ancient relative of yours should go down to the banks and begin to borrow money on his notes and pay 3- or 4-percent interest on it in order to pay an obligation? You would conspire with your prospective heirs-to-be to see if you could not get that ancient relative put over in St. Elizabeths Asylum for the Insane; and that is where he ought to be.

With the Nation having in its Treasury $12,000,000,000 of gold and silver, with only five and a half billion dollars issued against it, what would Senators think of a proposal to obligate the people of the United States to pay $4,000,000,000 in bonds in order to retire an obligation of scarcely more than half that amount?

Mr. President, these soldier boys will be taxpayers some of these days. They are going to get their money now all right, but if this bill shall be enacted it will place upon the backs of these future taxpayers and the present soldier taxpayers this obligation. Every time they get a dollar they must pay $2 back in taxes over a period of years. These things are not exactly accurate; they are approximately so. If they are not, I yield to my good friend from Michigan, an acknowledged business man, to point out my error—and I think I could see it—and if I do I shall gladly make correction in my address.

Mr. President, there is no occasion for issuing all these bonds. There is no occasion for granting all these useless bonuses. They have not been asked for. Let me now inquire of the members of the Committee on Finance—who came before the committee and asked for a second bonus in favor of the fortunate soldiers of the Nation in the sum of approximately $300 per soldier? I pause for a reply, and I hear none. The committee proposes now to grant bonuses to 500,000 soldiers, and they have not asked for it.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. The Senator realizes that the bill now under consideration is a substitute for the bill which passed the House. The Senator from Oklahoma could make the same criticism against the bill which passed the House which he makes against the substitute, because that bill provides that on all the adjusted-service certificates which are not cashed there shall be 3-percent interest paid to the holder for the time during which he defers cashing his certificate.

Mr. THOMAS of Oklahoma. The Senator from Kentucky is absolutely correct, and I had fully intended to offer an amendment to strike that out, if the House bill should come before the Senate.

Mr. BARKLEY. I will say to the Senator, in reply to his question as to whether anyone came before the committee and asked for the so-called second bonus, as he has seen fit to term it, that I do not know that anyone particularly came before the committee and asked for it; but those who represent the ex-service men's organizations advocated the pending bill as a substitute for the House bill. They made no particular request, but the bill was satisfactory to them, and in some respects even more favorable to the ex-service men.

Mr. THOMAS of Oklahoma. I am not criticizing the Committee on Finance; I am complimenting them, because they have done a good job.

Mr. BARKLEY. In that connection I will say that there was no general hearing. We did not feel that it was necessary, since the whole question of the bonus has been gone into time after time. We did have before the committee, as the Senator will see by the report of the hearings, the officers of the Treasury and of the Veterans' Administration, and we called the representatives of the service men's organizations before the committee and had them make the statements to which I have referred.

Mr. THOMAS of Oklahoma. Mr. President, I am not criticizing the committee; I am complimenting the committee on their efficiency in carrying out the agreement made in the Senate last year. They have gotten this bill out into the Senate. If we cannot understand the bill, that is no fault of the committee. Forty minutes were consumed by the chairman of the committee in explaining the bill.

Mr. President, the committee held executive hearings. I offered an amendment several days ago and had it referred to the committee. I should like to know whether my amendment was even considered by the committee in executive session. Can someone inform me?

Mr. COUZENS. It was not.

Mr. THOMAS of Oklahoma. Then I am justified in taking some time here to consider my amendment, since it was not considered by the committee.

I was not advised of the hearings. I saw in the press that some hearings were being held, and I am glad they

were held. I had no chance to go before the committee to explain my amendment, and these veterans had no chance to go before the committee and explain their desires. But after the bill was prepared it was such a fine bill for the soldiers that, of course, they endorsed it. This is the most favorable bill, from the standpoint of the soldier, that has ever come before the American Congress in a serious way. They get more benefits out of it. They are going to get them now. They will get the payments in full, and they will get the interest rebated, and those who can afford it can take their new bonds and put them away and draw 3 percent on them as long as they do not need the money. No such bill has ever come before the American Senate since I have been a Member of it.

Of course the soldiers were glad to endorse this bill, so far as the money is concerned. But had these same soldiers' organizations the business acumen of the distinguished Senator from Michigan they would not have approved the bill. I do not think they considered how the money was to be raised. They did not consider the taxes that are to be levied upon themselves in future years to pay the dollars they will get now.

It will be only a few years before these soldiers will own the property of the country. They are going to pay the taxes necessary to raise the money to retire these bonds in 2 or 3 years, so that when they get a dollar now they cannot escape paying their part of the $2 to retire that $1 in the future. They did not understand that. I do not know who did understand it. I have seen no analysis of the bill. The press has not carried a very full analysis of it. There is no analysis in the committee report, and I have read the report carefully. It does not explain the details of the bill.

As I said awhile ago, the bill carries four separate and distinct bonuses, and may carry four separate and distinct bond issues. Does anyone dispute that statement? Bond issue no. 1 is in the shape of 45,000,000 papers like the one I hold in my hand, each bond in the sum of $50. The Government must print 45,000,000 sheets like this, each in the sum of $50, and then distribute these bonds to 3,518,191 soldiers. That is bond issue no. 1.

In order to pay these bonds the Treasury must issue a new series and sell them to the banks or someone else in order to get the money to pay the bonds, because these bonds are never going to stop. The soldiers will, when they get the bonds, go down to the post office or to the bank, hoping they can cash the certificates.

Bond issue no. 3 is the bond issue in favor of the Government life-insurance company, the sum of $507,000,000, at 4½ percent. That is bond issue no. 3.

When they get all these bonds in circulation drawing 3 percent and 4½ percent the Treasury must get out a special issue of bonds in order to raise the money to pay the interest on the bonds which are now proposed to be issued under the terms of the pending bill.

There are to be four bond issues and four bonuses. A peculiar coincidence is, as I look upon the committee report, that I find the names of four distinguished Senators there. The committee report on one of the pages contains an analysis of the bill by the Senator from Mississippi [Mr HARRISON], the Senator from South Carolina [Mr. BYRNES], the Senator from Missouri [Mr. CLARK], and the Senator from Oregon [Mr. STEIWER], four distinguished Senators. I presume each Senator in preparing the bill had to have his own bonus and each one had to have his own bond issue, because the bill carries four bonuses and four bond issues, and that gives them a bonus apiece and a bond issue apiece. It is lucky that there were only four Senators' names on the report. If there had been more Senators, there would have been more bonuses and more bond issues in all probability. If it were not so serious, it would be ridiculous.

I am caught in a place where I will have to vote for the bill. I will not like to do so. I am glad the soldiers are to be paid the $2,237,000,000, but when I am compelled to vote a tax upon my people in the sum of $4,000,000,000 in order to pay them the full $2,237,000,000, I am going to cringe, it is going to hurt, and it is all uncalled for. There is not a Senator upon this floor—at least I hope there is not—who, if he had $12,000,000,000 in gold and silver, and had notes out against that sum of only five and one-half billion, so that he could issue notes to the extent of $6,000,000,000 more and have a dollar of gold and silver back of the notes, would issue bonds carrying 3-percent interest to pay that obligation, with all this gold and silver money in the bank. I do not think that any Senator would take it upon himself. He should not do it. Then why should we vote to place such an obligation upon the people of the United States?

Someone says, "It will be inflationary." The newspapers have scared the people of America to within an inch of their lives with the one word "inflation." What is inflation? Mr. President, inflation, according to the dictionary, means an unwarranted and useless and unjustified printing of irredeemable paper money. That is what inflation means. Who is in favor of that kind of inflation? Who is in favor of inflation at all? Senators have never heard me advocate printing money unless we have gold and silver back of it to the full amount.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. COUZENS. Will the Senator please indicate to me from the United States daily Treasury statement who owns this gold?

Mr. THOMAS of Oklahoma. It is owned by the Treasury of the United States, which means the people of the United States.

Mr. COUZENS. Will the Senator look at the left column and say what that is there for?

Mr. THOMAS of Oklahoma. Mr. President, I know what the Senator is talking about. It is allocated actually or theoretically on the basis of the $10,150,000,000 in gold; that is true. The Federal Reserve banks have certificates called gold certificates. From their standpoint they are receipts for gold in the sum of six or seven billion dollars of their money; but the money belongs to the Treasury, and all they have are certificates, which they think sometime they will cash and that they will get that gold back. My friend from Michigan is a young man, and I prophesy he will see the time during his life, and not in the far distant future, when the Federal Reserve banks will cash those certificates and take the gold back to their vaults in their banks in Chicago and Kansas City and Denver and other Federal Reserve cities in the United States. It is not theirs now. It is the property of the United States. All they have is a sort of theoretical and flimsy claim upon the gold, which they hope will be a good claim, a claim which they hope later on will materialize. Does that explain the situation to the Senator from Michigan? There is some more of that money hypothecated in addition to that hypothecated to the Federal Reserve banks. There is money hypothecated totaling five or six billion dollars.

Mr. COUZENS. Seven billion dollars.

Mr. THOMAS of Oklahoma. The Senator from Michigan is correct. The Congress has allocated $2,000,000,000 of that money, gold, to the stabilization fund. That makes $9,000,000,000 of the gold which, in the opinion of some of our citizens, is theoretically or actually allocated. There we have a total of $9,000,000,000. There is a billion dollars and $150,000,000 additional that no one has any claim on. It is that money I am asking to be set aside in the special fund to guarantee sufficient new currency to pay the soldiers and get rid of the four separate and distinct bond issues.

Mr. President, I desire to take up another feature before I submit my amendment. I have tried by the hour to convince some of my friends that there is a distinction between currency and credit. They tell me there is no distinction. Friends of mine tell me that the banks are full of money, and they cannot understand that the banks are really not full of money, but that the banks are full of credit and full of deposit money. They think credit, deposit money, is the same as gold and silver. Tonight the banks when they close will have, say, approximately $50,000,000,000 of deposit money on their books, but tonight when the banks close, 15,000 of them alto-

gether will not have $300,000,000 of real money in all the vaults of the United States. There will not be $1,000,000,000 of real money in all the banks, money of the kind that one can cash a check for and take his money to the railroad station and buy a ticket to his home. That is the kind of money I mean. When I say money I mean cash. When I say cash I mean greenbacks, currency, or silver. Of course there is no gold in circulation.

There is a difference between cash and credit. I have tried by the hour to make my friends understand the difference. I could not so state it that they could understand. Luckily, however, the Wall Street Journal a few days ago came out with an explanation which I can understand, and I am going to read part of it in the hope that perhaps Senators can understand it, if they care to. The Wall Street Journal of a few days ago in an editorial under the title "Ways to Pay the Bonus" explained the way I have suggested, and I will just read one or two lines. They first speak about credit money and cash money. Then they say:

> The essential thing involved in the issue of more currency is that it increases the supply of price-measuring money units.

When more money is put into circulation, more currency, more gold and silver, so says the Wall Street Journal, that increases the supply of price-measuring money units. It takes money to be placed in circulation to increase the number of price-measuring money units. We may place all the bonds in circulation we care to and we will not increase the price-measuring monetary unit a single atom. In 1930 we had $60,000,000,000 of credit money in banks. However, we had only $4,000,000,000 in actual circulation. The dollar was worth 167 cents measured in terms of commodities. I read further from the Wall Street Journal:

> Therein lies the fundamental difference between currency and bank credit. Both function as media of exchange, but only one kind measures prices.

Does anyone have to have an interpreter to understand that statement of the Wall Street Journal? We may place all the deposits in the banks we care to; we may issue all the bonds the printing press can print, but unless we put actual money in circulation we do not increase the price-measuring unit. Conversely, if we issue a few real dollars in currency and put that money in circulation we increase the number of price-measuring units, and as we increase the amount of price-measuring units dollars come down and prices go up. That is what I have been contending for.

Mr. President, the monetary program of the present administration has brought about all which is good which has come from this administration in the way of economic recovery. Devaluation of gold and the wider use of silver has placed more money in circulation. There is about $300,000,000 more money in circulation than there was 3 years ago. As a result, money is more plentiful and prices are higher. Look at the stock reports. The stock reports show the price of hogs as having gone up. Look at the reports on the price of cotton. Look at the price of wheat. Look at the price of pork. The trend is upward. Why? Because we are placing in circulation a few more price-measuring units. Yet yesterday I received from one of the bureaus in Washington a statement to the effect that the dollar on that date, I think, still had a purchasing power of $1.24. So even though we have cheapened the dollar somewhat the dollar tonight in terms of commodities is worth $1.24. That means that the farmers and the miners and the lumbermen and the fishermen and the dairymen, and all others who produce, must produce $1.24 of commodities on an average in order to get a dollar. That is the reason the Budget has not been balanced.

We cannot balance the Budget with high-valued dollars. It is more nearly balanced now than it was 3 years ago, but it is not balanced yet. It cannot be balanced by the high-valued dollar. That is impossible. The only way the Budget will ever be balanced is by cheapening the dollar, raising prices, and letting the people make more money with which to commence paying taxes. If we cheapen the dollar, there will be more profit in raising cotton, there will be more profit in raising wheat and livestock, and when profits increase the taxpayers will have more money with which to pay their taxes, because they will earn more money on which to pay income taxes.

Take, for example, a corporation. It pays no tax unless it earns an income on which to pay it. If conditions are made such that the corporation will begin making money, then the corporation will return an income tax on the money earned. Let us bring about such conditions that people can earn money, and when they earn money they will pay an income tax. We will never balance our Budget until we get the dollar down so that it will be sufficiently plentiful so the people will make money in this country. That is the reason banks are not making loans. Banks are not making many loans in my part of the country. I do not know about other places. The reports show we have less bank loans now than we had sometime ago. The largest single bank in the United States, the Chase National Bank, has less loans today than it had a year ago. Many banks are in the same condition. With the return of prosperity, banks have less loans in their portfolios today than they had 12 months ago.

Why should not the banks make loans? I am not criticizing the banks. The banks do not lend their own money. They lend other people's money. Unless they have a borrower who can show them that a loan to him will make some money for the bank the bank does not care to lend. Unless we get the farmers and the corporations on a prosperous basis, unless we get the people of America on a prosperous basis, they cannot obtain loans at the banks, and we cannot expect the banks to make loans to them under other circumstances. Our good friend Jesse Jones, head of the Reconstruction Finance Corporation, is recommending that the banks make loans, and by implication he criticizes the banks for not making loans; but the banks do not dare to make loans until the borrower convinces the bank that it can not only get the principal back but can make some interest, because it is through the interest that the bank makes its profit.

Mr. President, I shall not take very much more time, but some of these facts I must get into the RECORD. These facts are incontrovertible and thoroughly coincide with a theory which I have been trying to present on the floor of the Senate for many years.

When we have plentiful money money is cheap, property is high. When we have a scarcity of money money is high and property is cheap. I want to place in the RECORD some figures from the United States Department of Agriculture relating to the income from farm production in the United States for 1934. I place these facts in the RECORD for the information of Senators. In 1919 money was plentiful, money was cheap, prices were high. One is a corollary of the other. When money is plentiful and cheap prices are high. When money is scarce and high property is low. Money was plentiful, money was cheap, wheat was selling for $2.50 a bushel, and other farm products in proportion. At that time the farmers of the United States had an income of $16,000,000,000 a year. With plenty of money—cheap money—high prices, the farmers had an income in these United States in the sum of $16,000,000,000.

Then the trend changed. Money was taken out of circulation, money became scarce, money became high, prices became low, and in 3 years' time the farm income had fallen from $16,000,000,000 in 1919 to $9,000,000,000 in 1922. The income of the people of the country diminished 50 percent because in that time one-third of the money of the Nation was taken out of circulation. As money became scarce money became high, and the higher went the dollar the lower went property, so in 1922 the farm income was only $9,000,000,000 less than one-third the income of the agricultural class in 1919. That was due to the sole reason that money was taken out of circulation. We had one-third less money in circulation in 1922 than we had in 1919.

Mr. ADAMS. Mr. President——

The PRESIDING OFFICER (Mr. MINTON in the chair). Does the Senator from Oklahoma yield to the Senator from Colorado?

Mr. THOMAS of Oklahoma. Certainly.

Mr. ADAMS. The Senator said money was taken out of circulation. Was the actual currency taken out of circulation, or was it a matter of reduction of credits? The Senator was drawing a distinction awhile ago. I ask merely for information.

Mr. THOMAS of Oklahoma. It was money. It was the kind of money the Senator must have in his pocket when he goes to the railroad station to buy a ticket to Colorado.

Mr. ADAMS. What was the occasion for taking the money out of circulation?

Mr. THOMAS of Oklahoma. April 1, 1921—that is as far back as I have gone—we had in circulation a total of $6,207,000,000 according to the report of the Treasury. Then we began to take money out of circulation. The Senator knows how that is done. The Federal Reserve Board served notice on the banks that they had too many loans. Instead of urging the making of more loans they served notice on the banks to collect the loans outstanding. The banks followed instructions and served notice on their borrowers that they could not extend more credit, but that the borrowers must pay the amounts which they owed, or curtail the indebtedness if they could not pay it in full. In 2 or 3 years' time people had paid loans to the banks to such an extent that the banks were enabled to send back to the Federal Reserve bank what they had borrowed. In 2 years' time the amount of money in circulation had been reduced from $6,200,000,000 to $4,300,000,000. In a little more than 2 years' time we actually lost from circulation actual money in the sum of over $1,800,000,000. One-third of the money was taken out of circulation. Money became scarce, money became high, and prices began to fall. Here is the report of the Department of Agriculture.

Mr. ADAMS. Does the Senator have the figures to show how the money supply in that year compared, for instance, with the money supply 1929, 1930, 1932, and 1933?

Mr. THOMAS of Oklahoma. I do not have all the figures, but I have many of them. I can give some at random. In 1932, when prices were the lowest under Mr. Hoover, we had about the smallest amount of money in circulation we had had for many years. Actual money was not to be had. When the crisis came in the latter part of 1932 the banks saw that they were in a shaky condition, and they began to urge the Federal Reserve Board to put more money into circulation. When the present administration came into office in 1933 the banks had the largest sum of money in their vaults they had ever had, but they were guarding that money with all the zeal they could command. They would not permit it to go into actual circulation. It was out of the Federal Reserve System, it is true, but it was not in circulation where anybody could get it. For practical purposes it might as well have remained in the Federal Reserve banks except for the additional assurance it gave the member banks that in case of a run they could meet it and would have the money with which to pay their depositors.

Mr. President, it is 5 o'clock. I wish formally to offer my amendment. It was offered the other day for the RECORD and was ordered printed, and the original copy was referred to the Finance Committee, but the Finance Committee apparently have never discovered it in their files. Because of that fact I am forced to take a little time to explain it so the members of the Finance Committee, at least, may know what it contains, and that other Members of the Senate may know.

I am not complaining. I know how the committee members are rushed, and I compliment them for having the bill reported. I know the psychology here. I have used a good deal of time on the floor of the Senate. Senators know my views. Any time I take a position the Finance Committee say "that position is not tenable", and they do not give it any consideration. They did that for 4 or 5 years on the money question, and finally we got a bill through that has done about all the good that has been accomplished by this administration. I suggest to those who saw fit to criticize me that my amendment is the only one that has been sustained by the Supreme Court of the United States. The others are all in the graveyard.

Under my amendment we have already made a profit of $2,800,000,000, which is in the Treasury. If the dollar were revalued now, as it could be revalued, 10 percent further, that would be another billion and a half dollars in profits that could be made, and still the dollar would be higher than it will be a few years from now. This is prophecy. I cannot prove it. It is my assertion. Time will tell.

Mr. President, there is a way to pay the bonus without issuing $45,000,000 bonds in the first instance—not $45,000,000 in bonds, but 45,000,000 actual pieces of paper, printed on one side with pink and on the other side with green. Then, if you follow my amendment, it will not be necessary to have bond issue no. 2, in the sum of $2,000,000,000, to raise money to cash the first bond issue. If you will accept my amendment, you will not have to have bond issue no. 3 to the life-insurance fund. You can pay the life-insurance officials in cash, and let them invest the money as they see fit. Then, if you accept my amendment, you will not have to issue any bonds in the future to raise money to pay the interest on these bonds—four bond issues, perhaps. It will get rid of them.

We have the gold and silver. It is not being used. We may issue currency against it. That is not inflation. Nobody contends that that is inflation. If that would be inflation, Mr. President, if my good friends from the West—Colorado, Utah, or Nevada—should strike gold mines in some of the mountains out there, and bring into the market, say, $100,000,000 in gold and have it coined into gold dollars and $2½ pieces and $5 and $10 and $20 gold pieces, and if they saw fit to put those gold pieces in circulation, that would be inflation. Issuing currency against gold and putting the currency in circulation is no more inflation than coining gold or $5 or $20 pieces and putting them in circulation; but the public have been scared. I do not know whether they know the facts or not. I think some of them do not. I know that most of the newspapers do not know. Some of them do. The Wall Street Journal knows; but here is a secret about the matter:

The bondholding class, the big-banker class, are not willing that the public shall know how they can finance their Government. They are not willing that the public shall know that we can issue money against the gold and silver in our Treasury and pay our bills, and that that would not be inflation. They are trying to make it appear that it would be inflation if we should issue paper money against our surplus gold and silver and place that currency in circulation.

But, Mr. President, my amendment does not direct the administration to issue paper money against our surplus silver. It does not even direct the administration to issue paper money against our surplus gold. It gives them the power to do it. If my amendment should be adopted, the Treasury Department could issue new currency against the surplus of about seven hundred millions of our billion and a half of silver. The Treasury Department could issue currency against the billion and a half of surplus gold. They would not have to do it. It is discretionary under the amendment; but there is another provision in the amendment that in the event they do not see fit to issue currency against that surplus gold and silver they can issue bonds—only one issue of bonds. There would be no bonds to go to the soldiers, 45,000,000 in number; there would be no bonds issued to raise money to cash bond issue no. 1; there would be no bonds issued at 4½ percent to go into the life-insurance fund; but the Treasury Department could issue bonds and place them in the 12 Federal Reserve districts, putting enough bonds in Kansas City to pay the soldiers of the Kansas City district, putting enough bonds in New York to pay the soldiers in the New York district, and so throughout the other 10 districts. Instead of selling these bonds to the banks and paying them 3-percent interest, we could put those bonds in the banks on a contract basis.

Mr. Morgenthau said a couple of days ago that he is now borrowing money for three-eighths of 1 percent for a year, even though the terrible amendment passed in 1933 was going to "wreck the credit of the Government." It passed;

it has operated; and after 3 years of operation under that terrible amendment offered by myself in collaboration with the Senator from Texas [Mr. CONNALLY], and others on this floor, the credit of the Government is so good that we can now borrow money for three-eighths of 1 percent a year, and the call rate in New York is only three-fourths of 1 percent.

The Federal Reserve banks are presumed to be agencies of the Government. If not agencies of the Government, they are certainly agencies of the public. My amendment makes these 12 banks agencies of the Federal Government; and the only purpose for which I want the banks to operate is to take the public credit as a machine, run this credit through the machine, and make it available to the Treasury to pay the soldiers the amounts due them.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. CLARK. So far as the credit of the United States Government is concerned, is it not a fact that at the present time no Government security is selling below par? Some Government bonds are selling as high as 114; and is it not a further fact that as late as 1932 some Government securities were selling as low as 82?

Mr. THOMAS of Oklahoma. The Senator is exactly right. I think 82 was about the minimum figure. At that time I remember that some of the banks that had Government bonds up as security were being called upon by the Government to put up more bonds to secure deposits, and the Treasury Department made a ruling that inasmuch as these bonds were Federal bonds, they should be held at par as security; but I remember that they were down 15 or 17 points below par.

So, Mr. President, the credit of the Government now is not impaired. This so-called money that we are going to get does not exist, except in imagination. The banks take the bonds of the United States and put them in their portfolios or in their vaults. Then they write on their books a credit of the amount of the bonds, and they serve notice on the Treasury that "you may draw on this bank for that amount of credit." There is no money back of the bonds; but the bank, if it so desires, may take the bonds to the Federal Reserve bank and get dollar for dollar on the bonds.

So, Mr. President, my amendment provides an alternative plan discretionary with the Treasury. First, the Treasury could issue silver certificates if it wished to do so. It would not have to do it. The Treasury could issue gold certificates if it wished to do so. It would not have to do it. It could resort to bonds, print $2,237,000,000 in bonds, put those bonds in the 12 Federal Reserve banks, and the banks would take the bonds and give the Government credit for the amount of the bonds.

Then, instead of paying the banks 3-percent interest, $60,000,000 a year—they would be using the public credit, not their own; they would not have any money; it would be only a credit—instead of paying them 3-percent interest, we could pay them a service charge. It might be as low as three-eighths of 1 percent. That is the service charge on which the Treasury is getting its money at this time. That is not only a service charge but it is interest in addition. The institutions that loan the Government money today at three-eighths of 1 percent have been paying the cost of loaning that money out of the three-eighths of 1 percent, and if there be any profit they get the profit. So it is presumed that the banks can loan money today at three-eighths of 1 percent and get cost first, and a profit second. Otherwise the banks would prefer to keep the money in their vaults and take no chance whatever.

If we can borrow money today at three-eighths of 1 percent for a year, why can we not place these bonds in the Federal Reserve banks, and secure credit against those bonds, and use that credit to pay the soldiers? That is what we are going to pay them with anyway. The only question is a matter of interest.

The present law provides for our appropriating $112,000,000 a year, putting that into a fund, and at the end of 10 years the fund will be enough to pay the face of the certificates. We can let that law stand; we can cut the annual appropriation from $112,000,000 down to $100,000,000, and appropriate $100,000,000 a year for 10 years. That will be a smaller annual appropriation in the next few years than there has been in the past 10 years—$100,000,000 a year. In 20 years that would be twenty hundred million dollars, or two billions, the full amount of the necessary appropriation. We can pay these certificates through this process with an appropriation of $100,000,000 a year, less than the interest we are going to pay on the multitude of bonds that this bill is placing upon the backs of the taxpayers of America.

Somebody may say, "The banks may not accept such a proposition on the basis of a service charge." The administration has the power to issue currency against the silver and against the gold in the Treasury; and with that power in the hands of the administration, the Federal Reserve banks will be glad to get some profit on the bonds in order to make this credit available. We should have to pay a rather heavy service charge the first year, perhaps, because they would have to furnish this twenty hundred million dollars. Subtracting $100,000,000 for the first year leaves nineteen hundred million dollars. In 10 years we should have paid off ten hundred million dollars, and the service charge would be cut in half. At the end of 19 years there would be only $100,000,000 left, and the service charge would be nothing.

This is the cheapest possible plan by which to pay the soldier bonus, and if this plan should be accepted, the taxpayers of the United States would be saved approximately $2,000,000,000 in taxes during the next 10, 15, or 20 years.

Mr. President, I am for the bill, so far as the soldiers are concerned, but I am certainly against the bill so far as the taxpayers are concerned. But having been an advocate of the soldiers' bonus for 10 years in the House and Senate, as I said a while ago, I am caught with this terrifically unjust and unfair and burdensome bill, so far as the payment is concerned, and I may have to vote for it.

We do not have to do this. The United States Senate is supposed to be a Senate of businessmen. That may be a violent presumption, but I will not concede it as yet. I know there are some businessmen here. There may be some Members of the Senate on relief, but they certainly are not all on relief as yet. If I thought the Senate was on relief, I would not take an hour of its time to explain a business proposition, but I am not convinced that any of the Senators are on relief, notwithstanding what has been said here this afternoon. I think the Senate can pass upon this matter from a fairly sane, conservative, business standpoint.

I am surprised to see the large income-tax payers and the large corporation-tax payers in favor of the issuance of more bonds, settling additional mortgages upon their property, necessarily increasing the income taxes upon the corporations and necessarily increasing the income taxes upon the individuals of the Nation. It is not necessary, and it should not be done.

Mr. President, I submit the amendment. I do not know whether the Senate desires to remain in session longer this afternoon. If not, I will not ask that the amendment be read today, but I want it offered, and I ask that it be printed in the RECORD at the close of my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

Amendment proposed by Mr. THOMAS of Oklahoma to the bill (H. R. 9870) to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes, viz: On pages 11 and 12, strike out section 4 and insert the following:

TITLE II—APPROPRIATION AND FINANCING

SECTION 4. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $2,237,000,000, or so much thereof as may be necessary, to pay the balance due on the adjusted-service certificates as authorized in section 8 of this act.

SEC. 5. In order to supplement the amounts in the adjusted-service certificate fund, which are hereby appropriated and made immediately available to the Administrator of Veterans' Affairs for making the payments authorized in this act, the President may, in his discretion, direct the Secretary of the Treasury to use any

one or more of the following methods for the purpose of providing funds for making such payments:

(1) The issuance of silver certificates as provided in section 6.

(2) The issuance of United States notes as provided in section 7.

(3) The issuance of bonds of the United States as provided in section 8.

SEC. 6. (a) The Secretary of the Treasury is authorized to issue additional silver certificates in an amount sufficient to bring the amount of such certificates outstanding up to the full amount of the monetary value of all silver bullion heretofore or hereafter acquired by the United States.

(b) The silver certificates issued pursuant to this section shall be made available to the Administrator of Veterans' Affairs in such manner and under such regulations as the Secretary of the Treasury shall prescribe, and the certificates so made available shall be used by the Administrator solely for the purpose of making the payments authorized in this act.

SEC. 7. (a) The Secretary of the Treasury is authorized to issue United States notes in such denominations as he may prescribe against any free and unpledged gold in the Treasury of the United States to the extent that the President directs that such notes be issued for the purpose of making the payments authorized in this act.

(b) The United States notes issued pursuant to this section shall be made available to the Administrator of Veterans' Affairs in the same manner and shall be used for the same purpose as the silver certificates issued pursuant to section 6.

SEC. 8. (a) The Secretary of the Treasury is authorized to issue from time to time bonds of the United States which shall be delivered to the Federal Reserve banks as hereinafter provided. Such bonds shall be payable on or before 20 years from their respective dates of issue, and shall bear interest at a rate per annum to be agreed upon by the Secretary of the Treasury and the Federal Reserve bank to which such bonds are to be delivered, but such rate shall be based upon a reasonable charge for the services to be performed by such bank in connection with the payments authorized in this act. The total amount of such bonds shall not exceed the total amount of such payment that the President directs to be made by the method provided in this section.

(b) Upon the receipt by the Secretary of the Treasury of a statement from the Administrator of Veterans' Affairs containing an estimate of the amount of such payments to be made in any Federal Reserve district, the Secretary shall deliver to the Federal Reserve bank of such district bonds issued pursuant to subsection (a) of a face amount equal to such estimate. Upon the receipt of any such bonds the Federal Reserve bank shall credit to the account of the United States an amount equal to the face amount of the bonds so received and the Secretary of the Treasury shall notify the Administrator of Veterans' Affairs that such credit has been established and the Secretary shall make such credit available to the Administrator of Veterans' Affairs under such rules and regulations as he may prescribe. Thereafter such payments within such Federal Reserve district may be made by the Administrator by check drawn against such account. Such estimates may be revised from time to time, and if the amount of bonds so delivered to any Federal Reserve bank shall exceed the amount of the payments required to be made by the method provided in this section in the Federal Reserve district in which such bank is located, bonds in the amount of such excess shall be returned to the Secretary of the Treasury for cancelation.

(c) For the purposes of this section, each Federal Reserve bank is hereby made a special financial agent of the Government.

(d) Bonds issued for the purposes of this section shall be issued under the Second Liberty Bond Act, as amended, subject to rules and regulations to be promulgated by the Secretary of the Treasury and subject to the limitations of this section.

(e) There is hereby authorized to be appropriated for each fiscal year, beginning with the fiscal year ending July 1, 1937, such amounts as will, within a period of 20 years from the date such bonds are issued, be sufficient to provide for the payment of the principal of such bonds and the interest or service charge thereon as provided in this act. All amounts appropriated for the purposes of such payment shall be set aside in a special fund in the Treasury and shall be allocated and prorated immediately among the several Federal Reserve banks on the basis of the amount of such bonds held by such banks. As soon as practicable after the making of any such allocation, the amount in such fund allocated to each such bank shall be used to pay for the bonds held by such bank, and the bonds so paid for shall be retired and canceled under such regulations as the Secretary of the Treasury shall prescribe.

Mr. HARRISON. Mr. President, I feel quite sure that we cannot make any further progress this afternoon, many of the Senators having left the Chamber, and being anxious to dispose of the pending legislation as soon as possible, I submit the following request for unanimous consent.

The PRESIDING OFFICER. The clerk will read.

The legislative clerk read as follows:

I ask unanimous consent that when the Senate concludes its business today it take a recess until 12 o'clock noon tomorrow; and that after the hour of 2 o'clock p. m. tomorrow no Senator shall speak more than once or longer than 15 minutes on the pending bill, or more than once or longer than 30 minutes on any amendment to or motion relating to the bill.

Mr. McNARY. Mr. President, I think I may speak for the Republican Members of the Senate. I hope the request will be agreed to.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. MINTON in the chair) laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

He also, from the Committee on Appropriations, reported favorably the nomination of Martin E. Kelly, of Montana, to be State engineer inspector for the Public Works Administration in Idaho and Montana.

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably the following nominations:

John Van A. MacMurray, of Maryland, now Envoy Extraordinary and Minister Plenipotentiary to Estonia, Latvia, and Lithuania, to be Ambassador Extraordinary and Plenipotentiary to Turkey, vice Robert P. Skinner;

Arthur Bliss Lane, of New York, now Envoy Extraordinary and Minister Plenipotentiary to Nicaragua, to be Envoy Extraordinary and Minister Plenipotentiary to Estonia, Latvia, and Lithuania, vice John V. A. MacMurray; and

Boaz Long, of New Mexico, to be Envoy Extraordinary and Minister Plenipotentiary to Nicaragua, vice Arthur Bliss Lane.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, calendar is in order.

NATIONAL EMERGENCY COUNCIL

The legislative clerk read the nomination of Lyle T. Alverson, of New York, to be acting executive director of the National Emergency Council.

Mr. COPELAND. Mr. President, I ask that this nomination go over for the day.

The PRESIDING OFFICER. Without objection, the nomination will be passed over.

RESETTLEMENT ADMINISTRATION

The legislative clerk read the nomination of Cal. A. Ward, of Kansas, to be regional director of the Resettlement Administration.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

WORKS PROGRESS ADMINISTRATION

The legislative clerk read the nomination of E. A. Pynchon, of Florida, to be State administrator for Florida.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Victor F. Ridder, of New York, to be administrator for the city of New York.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

PUBLIC WORKS ADMINISTRATION

The legislative clerk proceeded to read sundry nominations in the Public Works Administration.

Mr. McKELLAR. I ask that these nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

POSTMASTERS

The legislative clerk read the nomination of Charles O. Yelverton to be postmaster at Bay Springs, Miss., which had been reported adversely by the Committee on Post Offices and Post Roads.

Mr. McKELLAR. Mr. President, there is an adverse report on this nomination, and I ask that it be not confirmed.

The PRESIDING OFFICER. The question is, Shall the Senate advise and consent to the nomination? [Putting the question.] The noes have it, and the nomination is rejected.

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters for Minnesota, which the Senator from Nebraska [Mr. BURKE] has asked go over, be passed over, and that the other nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations will be confirmed en bloc, with the exception of the nominations relating to Minnesota, which will be passed over.

COAST GUARD

The legislative clerk proceeded to read sundry nominations for promotions in the Coast Guard.

Mr. COPELAND. I ask that these nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

MARINE CORPS

The legislative clerk proceeded to read sundry nominations for promotions in the Marine Corps.

Mr. ROBINSON. I ask that the nominations for promotions in the Marine Corps be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc. That completes the Calendar.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 15 minutes p. m.) the Senate, under the order previously entered, took a recess until tomorrow, Saturday, January 18, 1936, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 17 (legislative day of Jan. 16), 1936

PUBLIC HEALTH SERVICE

Dr. Thorburn S. McGowan to be assistant surgeon in the United States Public Health Service, to take effect from date of oath. (This nomination is to correct an error in spelling of given name as previously submitted.)

Assistant Sanitary Engineer Joseph M. Dalla Valle to be passed assistant sanitary engineer in the United States Public Health Service, to rank as such from December 3, 1935.

PROMOTION IN THE COAST GUARD

Lt. Comdr. Henry Coyle to be commander in the Coast Guard of the United States, to rank as such from January 1, 1936.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO ADJUTANT GENERAL'S DEPARTMENT

Lt. Col. Russell Brown Patterson, Cavalry, with rank from August 1, 1935.

TO QUARTERMASTER CORPS

Maj. Harry Russell Evans, Field Artillery, with rank from August 1, 1935.

TO CORPS OF ENGINEERS

Second Lt. William Jack Holzapfel, Jr., Field Artillery, with rank from June 12, 1934.

Second Lt. Nathaniel Macon Martin, Field Artillery, with rank from June 12, 1935.

TO ORDNANCE DEPARTMENT

Capt. Robert Kelsey Haskell, Field Artillery, with rank from August 1, 1935.

TO AIR CORPS

Second Lt. Marshall Bonner, Corps of Engineers, with rank from June 13, 1935.

PROMOTIONS IN THE REGULAR ARMY

MEDICAL ADMINISTRATIVE CORPS

To be first lieutenants

Second Lt. Louis Felix Williams, Medical Administrative Corps, from January 14, 1936.

Second Lt. Frank Randle Day, Medical Administrative Corps, from January 14, 1936.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 17 (legislative day of Jan. 16), 1936

RESETTLEMENT ADMINISTRATION

Cal A. Ward to be a regional director of the Resettlement Administration.

WORKS PROGRESS ADMINISTRATION

E. A. Pynchon to be State administrator for Florida.

Victor F. Ridder to be administrator for the city of New York.

PUBLIC WORKS ADMINISTRATION

Andrew H. Peterson to be director for Massachusetts.

Julian Montgomery to be director for Texas.

Leslie D. Gates to be State engineer inspector, Iowa.

Denis J. O'Mahoney to be State engineer inspector, New Jersey.

Robert M. Van Petten to be State engineer inspector, North Dakota and South Dakota.

PROMOTIONS IN THE COAST GUARD

TO BE CHIEF BOATSWAINS

Nels Johnson	William Gardner
Jens B. Krestensen	John E. Wilson
William A. Goldbeck	Peder M. Pedersen
Peter T. Johnson	William T. Murphy
Charles Petersen	Clarence W. Whitney
Philip Lehrman	John L. Wilson
Harry Funk	Howard F. Culver
Chester L. Jordan	Russell W. Thresher
Maurice D. Jester	Aubrey C. Stewart
Charles M. Feddersen	Ralph G. Jenkins
James H. Snydow	John M. Gray
Thomas Noland	Kenneth C. Tharp
William A. Skeen	William E. Schweizer
Andrew Johansen	

TO BE CHIEF BOATSWAINS (LIFE SAVING)

John A. Midgett	Kent M. Redgrave
John A. Olander	Beryl W. King
Edward B. Andrews	Fred L. Wells
George F. Morin	William E. Preston
James S. Fletcher	John J. Glynn
Solomon Nedeau	Harold L. Carter
Oscar Smith	Leslie V. Barnett
Ernest Pointer	Earl W. Suydam
Theodore Roberge	John M. Richardson
Eugene C. Colbeth	Walter C. Etheridge
Albert F. Jones	Charles R. Peele
George M. Schellenger	Charles O. Peel
Alodph A. Rohdin	Fred E. Stebbins
John O. Anderson	Roy Robinson
Charles H. Wroton	Ira Andrews
Clarence E. Peckham	Sands E. Littlefield

TO BE CHIEF RADIO ELECTRICIANS

Earle S. Fletcher	Ole Friis
William B. Dawson	Meredith H. Griffith
Arthur G. Descoteaux	Clyde T. Solt

TO BE CHIEF MACHINISTS

Christian O. Hekleberg
Hermann Becker
Arthur Anderson
John Van Heuveln
William C. Dryden
Elden G. Wigle
Tyre Moore
William W. Gorman
Samuel J. Clifford

TO BE CHIEF ELECTRICIANS

Charles F. Geiss
Harry E. Rowand
Conrad W. Bilz

TO BE CHIEF CARPENTERS

Morris Pierson
Charles Hansen

TO BE CHIEF PAY CLERKS

Louis J. Armstrong
Carlin L. Brinkley
George A. Scott
George A. Brownley
Luther W. Cartwright
Sumner Chisholm
Nelson N. Ard

TO BE CAPTAIN

Edward D. Jones

TO BE COMMODORES

William E. Maccoun
Randolph Ridgely, Jr.

TO BE DISTRICT COMMANDER

Eugene T. Osborn

TO BE LIEUTENANTS

William Schissler
William E. Sinton
Henry S. Sharp
George A. Knudsen
Carl U. Peterson
John R. Stewart
Arthur J. Hesford
Joseph D. Harrington
Sidney F. Porter
Charles E. Toft
William L. Maloney
William L. Clemmer
Ralph R. Curry
Harold J. Doebler
Kenneth C. Phillips
George C. Lindauer
Edmund E. Fahey
Spencer F. Hewins
Clifford R. MacLean
Henry F. Stolfi
John F. Harding
True G. Miller
Herman T. Diehl
Leonard T. Jones
Harold A. T. Bernson
Henry F. Garcia
Searcy J. Lowrey
Samuel L. Denty
George W. Dick
Peery L. Stinson
Russell J. Roberts
Luke Christopher
John S. Merriman, Jr.

TO BE LIEUTENANTS, JUNIOR GRADE

William H. Snyder
Richard D. Schmidtman
James D. Craik
Theodore J. Harris
Anthony J. DeJoy
Loren H. Seeger
George D. Synon
Robert L. Grantham
Irvin J. Stephens
Edward T. Hodges
Donald T. Adams
Theodore J. Fabik
Garland W. Collins
John R. Henthorn
Emil A. Pearson
Hollis M. Warner
Walter B. Millington
Reinhold R. Johnson
Walter W. Collins
John P. German
Karl O. A. Zittel
Gilbert I. Lynch
George R. Leslie
Joseph A. Bresnan
Carl H. Stober
John R. Kurcheski
Frederick G. Wild
Alvin H. Griffin
Joe G. Lawrence
James A. Alger, Jr.
Robert S. Lecky

TO BE CONSTRUCTOR

Charles Edward Brush

TO BE LIEUTENANT COMMANDERS

Norman M. Nelson
Carl E. Guisness

TO BE CAPTAIN (ENGINEERING)

Robert B. Adams

PROMOTIONS IN THE NAVY

MARINE CORPS

To be major general

Louis McC. Little

To be colonel

Charles J. Miller

To be majors

Oliver P. Smith
Thomas R. Shearer
Jesse L. Perkins
Robert E. Mills
Blythe G. Jones
George T. Hall
Robert C. Kilmartin
Edward A. Craig
Bernard Dubel
Leland S. Swindler
Howard N. Stent
Ford O. Rogers
Walter G. Farrell
Ralph R. Robinson
Hamilton M. H. Fleming

To be captains

Guy B. Beatty
Robert J. Straub
Philip L. Thwing
Robert G. Hunt
Lewis B. Puller
Ernest E. Shaughnessey
Herbert P. Becker
William C. Purple
Perry K. Smith
George H. Bellinger, Jr.
Raymond A. Anderson
Charles F. Cresswell
Walter J. Stuart
Charles G. Meints
Alexander W. Kreiser, Jr.
Lenard B. Cresswell
Thomas J. McQuade
St. Julien R. Marshall
Tilghman H. Saunders
Kenneth B. Chappell
Walter I. Jordan
Arthur W. Ellis
Wilburt S. Brown
Theodore B. Milliard
Samuel S. Ballentine
James P. S. Devereux
David K. Claude
Edward J. Trumble
Harold D. Harris

To be first lieutenants

Claude I. Boles
George Corson
Clarence O. Cobb

To be second lieutenants

Donald J. Decker
Michael Sampas
William E. Boles
Arthur A. Chidester
James M. Clark
Wendell H. Duplantis
Clyde R. Huddleson
Edwin A. Law
James S. O'Halloran
Harry O. Smith, Jr.
Alexander A. Vandegrift, Jr.
Joseph L. Winecoff

To be chief quartermaster clerks

Ray O'Toole
Oswald Brosseau

POSTMASTERS

ALABAMA

Walton P. LeMay, Joe Wheeler Dam.
Rawley F. Hall, Prichard.
William A. Coleman, Samson.

ALASKA

May Kennedy, Palmer.

ARIZONA

Nott E. Guild, Florence.

CALIFORNIA

Eugene F. Morris, Agnew.
Alfonse M. Hamann, Balboa.
A. Dewey Newburn, Carlsbad.
Frederick K. Smith, Crestline.
Dino L. Ceccarelli, Dos Palos.
Maud W. Wilson, Fall River Mills.
W. Sinclair Head, Garden Grove.
Dorathea Dooley, Hopland.
Clarence A. Acton, Inglewood.
Henry P. Sartain, Lincoln.
Edgar M. Bandy, Lindsay.
Alexander Main, Lompoc.
Sidney E. Henking, Niland.
Vera Wettlin, Orange.
John E. Alfors, Parlier.
Josephine Zucca, Selby.
Bess Morabe, Sutter Creek.
Mary A. Black, Terminal Island.
Edith M. Kennedy, Weimar.

CONNECTICUT

Albert C. Santi, Ivoryton.
George S. Clark, Milford.

Albert H. Buckingham, Roxbury.
Nelson E. Welch, Somers.
Frank Buonocore, Torrington.
Warren A. Mansfield, Woodbury.

FLORIDA

George P. Farnall, Belle Glade.
Charles W. Pierce, Boynton.
William T. Graves, Cottondale.
Charles W. Stewart, Naples.
Edgar Drew Padgett, Ponce de Leon.
Henry A. Drake, Port St. Joe.
Leonard F. Stewart, Jr., Zellwood.

ILLINOIS

Nancy Michael, Argo.
Rupert R. Barkley, Casey.
Leslie B. McCaffrey, Fort Sheridan.
Elsie Irene Minier, Sheldon.
Homer G. Ingram, Zion.

INDIANA

Harry L. Korner, Star City.

IOWA

Edward J. Kooreman, Alton.
Henry D. Butterbrodt, Bennett.
Samuel J. Gray, Blencoe.
Estelle Coon, Brooklyn.
Edson L. Glau, Charter Oak.
Donald D. Mead, Cresco.
Mary A. Waters, Delmar.
Lester T. Quasdorf, Dows.
Daisy V. Farrell, Fonda.
Martin C. Fitzpatrick, Greeley.
Hubert E. Liming, Ida Grove.
Howard E. Reichard, Knoxville.
Noah T. Nixon, Lorimor.
Marie B. Henderson, Minburn.
Albert S. Barry, Muscatine.
Philip J. Carolan, Ridgeway.
Florence Gilman, Rock Rapids.
Herbert B. Heyer, Sumner.

KENTUCKY

Rex A. Logan, Bowling Green.
Henry Boyd Stiles, Cecilia.
Maude Heltsley, Drakesboro.
Minnie Heflin, Ewing.
James A. Usher, Farmington.
Fanny L. Scott, Florence.
Lester Jeter, Hustonville.
Elizabeth L. Arnold, Lewisburg.
Morgan B. Johnson, McRoberts.
Lynn B. Wells, West Liberty.

MAINE

Gladys C. Thurlow, Buckfield.
Geneva B. Haley, Cornish.
Charles A. Robbins, Lincoln.
Paul Archambault, Madawaska.
Fred W. Allen, Pownal.
Orrin J. Bishop, Presque Isle.
Alice S. Fitzgerald, Smyrna Mills.

MASSACHUSETTS

Thornton S. Swift, Bourne.
Marguerite H. Mallahy, Fiskdale.
John V. Malone, Lancaster.
Carl R. Rowe, Marlboro.
Samuel L. Wildes, Montague.
Dorothy T. Swift, North Falmouth.

MICHIGAN

Frederick H. Smith, Jr., Arcadia.
Esse S. Martin, Honor.

MISSISSIPPI

Georgia A. Humes, Crosby.

MISSOURI

Michael Streib, Affton.
John A. Byler, Ethel.
Harold S. Bradley, Hickman Mills.
Harry E. Ball, Montgomery City.
William G. Nunnelly, New Florence.
Alethea S. Williams, Silex.
William H. McIntire, Vandalia.
John P. Cunningham, Wentzville.

NEBRASKA

Chris A. Andersen, Benkelman.
Renald A. Tobey, Gresham.
Lafe Simonson, Palmer.

NEW HAMPSHIRE

Wilfred J. M. Tremblay, Lebanon.

NEW MEXICO

Helen Anna Childers, Jal.
Joseph J. Considine, Mesilla Park.
Henry A. Harber, State College.
James B. Martin, Tatum.

NEW YORK

Dorris E. Boss, Dalton.
Ward Kilpatrick, Windsor.

OHIO

Howard M. Stanley, Albany.
Charles U. Read, Upper Sandusky.
Julius A. Stark, Wooster.

SOUTH CAROLINA

Robert A. Deason, Barnwell.

SOUTH DAKOTA

James L. Manion, Keystone.
Minnie Boschker, Pollock.
Lysle T. Dartt, Wall.

TENNESSEE

Claude G. Taylor, Mountain Home.
Herman C. Mantooth, Newport.

WEST VIRGINIA

Levi Gay, Eccles.
Joseph L. Dorsett, Minden.
George A. Brooks, Pineville.
Ottis F. Swiger, Salem.

WYOMING

William G. Haas, Cheyenne.

REJECTION

Executive nomination rejected by the Senate January 17 (legislative day of Jan. 16), 1936

POSTMASTER

MISSISSIPPI

Charles O. Yelverton to be postmaster at Bay Springs, in the State of Mississippi.

HOUSE OF REPRESENTATIVES

FRIDAY, JANUARY 17, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We thank Thee, O loving Father, that we are not alone praying and longing for a better world. We praise Thee that love is a divine power; O let it be destined to fill the whole earth with its kind. While it is loveless in so many places, we entreat Thee to give us patience to labor on. With triumphant faith strengthen us in the spirit of self-forgetfulness that we may spill it over in the lives of others in good works and good cheer, always keeping our lips clean and our hearts pure. Blessed Lord God, may we aspire to a life so simple, so natural, and so brotherly that we shall

be able to enter into sympathetic relations with man everywhere. Do Thou equip us for the gladsome and effective discharge of our duties this day. In the name of our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 1299. An act giving jurisdiction to the Court of Claims to hear and determine the claim of the Cherokee Fuel Co.;

H. R. 1550. An act for the relief of Douglas B. Espy;

H. R. 4436. An act conferring jurisdiction upon the United States District Court for the Western District of Washington to hear, determine, and render judgment upon the claims of Alta Melvin and Tommy Melvin; and

H. R. 4799. An act to provide for the reimbursement of certain officers and enlisted men or former officers and enlisted men of the Navy and Marine Corps for personal property lost, damaged, or destroyed as a result of the earthquake which occurred at Managua, Nicaragua, on March 31, 1931.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4178. An act for the relief of the International Manufacturers' Sales Co. of America, Inc., A. S. Postnikoff, trustee.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1162. An act to regulate the business of making small loans in the District of Columbia, and to amend an act to regulate the business of loaning money, etc., approved February 4, 1913;

S. 2424. An act to provide for the establishment and maintenance of a central research and experiment station of the Bureau of Mines at Salt Lake City, Utah;

S. 2804. An act to authorize the payment of retired pay to William Mitchell;

S. 2953. An act to provide for the inspection, control, and regulation of steam boilers and unfired pressure vessels in the District of Columbia:

S. 3093. An act to provide funds for cooperation with Sanish School District No. 1, Mountrail County, N. Dak., for extension of public-school buildings to be available for Indian children;

S. 3284. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Dexter P. Reynolds; and

S. 3467. An act amending the Shipping Act, 1916, as amended.

ADJOURNMENT OVER

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent that when the House adjourns after the consideration of the bill now before the House we adjourn to meet on Monday next.

The SPEAKER. The gentleman from Alabama asks unanimous consent that when the House adjourns today it adjourn to meet on Monday next. Is there objection?

There was no objection.

CATHERINE A. LEICH

Mr. WARREN. Mr. Speaker, I offer a privileged resolution from the Committee on Accounts and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 392

Resolved, That there shall be paid out of the contingent fund of the House to Catherine A. Leich, daughter of John W. Leich, late an employee of the House, an amount equal to 6 months' compensation, and an additional amount, not to exceed $250, to defray funeral expenses of the said John W. Leich.

The resolution was agreed to.

ORDER OF BUSINESS

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 4 minutes.

Mr. MONAGHAN. Mr. Speaker, reserving the right to object, what does the gentleman want to talk about?

Mr. RICH. I should like to talk about the enforcement of the Sherman antitrust law.

Mr. MONAGHAN. I am constrained to object, Mr. Speaker. The gentleman should get time under general debate.

NEUTRALITY AND ESSENTIAL COMMODITIES

Mr. FADDIS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. FADDIS. Mr. Speaker, during these days, when the attention of the world is being attracted toward the question of neutrality and its consequent embargoes of commodities essential to war, it would be well if we were to examine critically, our own situation in respect to some of those essential commodities, of which we may some day be in dire need. What is going to be the ultimate result of neutrality upon the armament of the world?

Since the fundamental law of human nature is that of self-preservation; it will naturally follow that each nation will exert itself to the utmost to perfect its own internal system of national defense. It is barely possible that neutrality, universally applied, may promote world peace, for a short time; but it will not result in a reduction of national armaments—the opinions, hopes, or promises of pacifists, communists, or exponents of world-wide brotherhood, notwithstanding—but it will certainly result in increasing them. To hope for anything else would only admit an ignorance of human nature—the most unchangeable factor in the world since Genesis.

Each nation will make every effort to become as nearly self-sufficient as possible, because they will realize that a war will interrupt normal trade to such an extent that they will be denied commodities essential to the life of the Nation both industrial and militaristic in time of peace or in time of war. This they will do by developing internal resources, or by storing, or by both. The result of a policy, such as the above, upon commerce and industry in general, will be more far reaching and more serious than we are calculating upon. The puny attempts of man to interfere with the natural economic laws of the world have more often than not been failures and have been followed by dire consequences. It is entirely possible that neutrality may prove to be too high a price for peace.

In these days of modern armaments who can define a munition of war? Certainly the term cannot be limited to lethal weapons alone. Many commodities essential to peacetime needs are just as essential to wartime needs, either converted or not. Then, too, a nation can be reduced commercially as well as by the force of arms. Indeed, the commercial reduction is usually a necessary preliminary to the reduction by force of arms, and is usually accomplished by a blockade, which is nothing more than an embargo. Commercial warfare is quite often carried on in a far more ruthless manner than is lethal warfare and its results are more permanent.

Contrary to popular belief, we are by no means a self-sufficient nation. Far from it. A survey of our national resources shows that we are dependent upon importation of much raw material necessary to our industrial life during time of peace and essential to the very life of the Nation in time of war. Time and space do not permit me to discuss all of these commodities at this time; but I do wish to discuss one of the most important of them—tin.

Tin is a metal which, in the virgin state, is not produced in this Nation. We do have within our borders small de-

posits of low-grade tin ores; but the extraction of tin from these ores is so expensive as to be prohibitive. Since we have been a Nation we have produced less than 1,500 tons of virgin tin. Our normal requirements are about 67,000 tons a year, or nearly 200 tons per day. From all present indications, it does not appear as if we can ever become self-sufficient in this commodity and must continue to rely upon foreign sources. If for any reason we are ever denied the freedom of the seas, or denied tin because of an embargo, we will be forced to rely upon our domestic sources, or do without. Commercially or economically it is unpleasant to contemplate either of these contingencies. We are precariously situated in respect to this most essential commodity, which contributes so much to our industrial life; because, while producing none, we consume about one-half of the output of the world, but the supply and the price are fixed by a production-control foreign cartel, in which we have no voice.

We obtain our principal supply of virgin tin today from four sources: The Federated Malay States, the Dutch East Indies, Nigeria, and Bolivia; mostly, however, from Malay. Bolivian tin must be obtained from Great Britain, where it is smelted. Great Britain controls 52 percent of the world's tin deposits and has had commercial control over 82 percent. It is believed that Great Britain, alarmed at its own critical position, recently exerted pressure upon the cartel to permit increased-quota mine production. At any event, the needs of those nations controlling supplies would naturally be given preference in a crisis.

As an example of the power of this production-control foreign cartel to fix prices I cite the following: At the end of 1931 the visible warehouse stocks of tin in the United States were 6,254 tons, and the price was 21 cents per pound. By November 1935 these stocks had dropped to 265 tons (about 1½ days' supply), and the price was 53 cents per pound. The price had been boosted by a process of starvation. Only the eastern silver situation prevented the price from going much higher. On January 1, 1932, the total world's visible supply of tin, including stock held in the Straits Settlements, was 58,336 tons. On January 1, 1936, this total was but 15,318 tons, of which 10,205 tons was afloat; 1,023 tons was stocked in the Straits Settlements, and the stock in United States warehouses, available for immediate use, was but 120 tons.

Since adjournment of the last session of Congress the costly and dangerously dependent position of the United States with respect to its supply of tin has been well demonstrated. Some conception of the gravity of the situation can be had from the following excerpts from the American Metal Market, a New York daily publication, and recognized authority on metals statistics:

TENSE SITUATION ON TIN FOR PROMPT AND OCTOBER DELIVERIES

Consumers * * * who have been buying from hand to mouth and who need tin for prompt and early October requirements are in a very uncomfortable position. (Issue Oct. 8, 1935.)

PRESSING DEMANDS AND SCARCITY OF SUPPLIES CAUSE FURTHER SHARP ADVANCE IN TIN PRICES

Very few of the dealers, importers, or, for that matter, producers and smelters * * * have * * * spot stocks. The November position is not at all comfortable. (Issue Oct. 11, 1935.)

ACUTE SCARCITY FORCES SPOT TIN TO YEAR'S PEAK

The tin situation, particularly as it relates to prompt, October and early November deliveries, has become still more acute. There seems to be no prospect of early relief for there is no surplus tin in England or on the Continent that can be obtained for prompt shipment to New York. (Issue Oct. 12, 1935.)

TIN MARKET TAKES ANOTHER JUMP UPWARD

The spot-tin situation both in London and New York seems to be getting more acute every day. (Issue Oct. 15, 1935.)

MARKET STRONG WITH NO RELIEF IN SPOT AND NOVEMBER SITUATION

Buyers have actually got to hunt for even 5- or 10-ton lots. (Issue Nov. 1, 1935.)

STOCKS IN ENGLAND AND UNITED STATES LOWEST ON RECORD—FURTHER INCREASE IN SPOT PREMIUM

Stocks are * * * the lowest they have been at any time during the present century. (Issue Nov. 2, 1935.)

There is no telling from one day to the next what quantities of spot and November tin can be had, and at what prices. (Issue Nov. 9, 1935.)

SHORTAGE ON TIN SUPPLIES AGAIN CAUSES INCREASE IN SPOT PREMIUM

The pinch in spot supplies has again become very acute in the London market. The spot premium has jumped to £21 10s., which is about as bad as anything that we have seen in the past. (Issue Nov. 13, 1935.)

Although so far no mine has been located or developed in this country to produce substantial quantities of tin ore, we have the equivalent of a mine in the refuse material of our large industries making and using tin plate, which refuse is commonly called tin-plate scrap. Years ago, before the present reclaiming industries were developed, this refuse material was always a source of great annoyance to the producers, especially when the plants were located in cities where it was not always easy to find a dumping ground for the refuse which accumulated and had to be removed. Several detinning enterprises were started to accumulate the tin-plate scrap and to separate and recover the tin from the steel base, but most of them went out of business after a short time.

The detinning plants which are operating in this country today are producing annually several thousand tons of tin, as pure as the best tin imported into this country from abroad. Since 1919 reclaimed tin has averaged 27 percent of our consumption, and in 1928 it rose to 48 percent. The quantity of tin produced in this country by this industry is large in proportion to the total tin consumed; it can, in case of emergency, easily be increased when the used tin cans are collected systematically, which latter in ordinary times are rotting away on the city dumps.

The can-making industry, which is the largest producer of this refuse called tin-plate scrap, has always been interested in having the material moved away from its plants. Thirty-five or forty years ago the producer often had to pay to have the material moved, but during the last 25 or 30 years he invariably was able to find a market where he could sell his refuse.

Up to about 4 years ago nearly all the tin-plate scrap produced in this country found its way to domestic detinning plants, although from time to time certain quantities were exported to foreign detinners, especially in times when prices for tin were high, whereas in times of low prices these exports always stopped entirely.

A few years ago the price of tin dropped to very low levels, such as we had not seen since the last decade of the last century, and they fluctuated for a long time below 20 cents per pound. At this price for tin and at the very low prices for steel scrap prevailing at the same time in this country and in other countries, no foreign detinner was in the market for tin-plate scrap in this country; however, the domestic detinners, although they could not possibly handle the material at a profit, continued to buy the refuse material from the can manufacturers. Today, with tin at 46 cents and steel scrap several dollars higher than it was at that time, these prices would appear very low. However, at that time, the cost of recovering the tin and the steel scrap, in many cases, was in excess of the value of the tin and steel scrap recovered.

Afterward, when the international tin pool was formed under the guidance of the large tin producers in British East India, and when, as a result, the tin price in a short time went from 18½ cents per pound to 30 and 40 cents, and then to 50 cents, foreign detinners appeared in the market, especially along the seacoast, and purchased large quantities of tin-plate scrap for export. Most of this exported material was shipped to Japan, some was shipped to China, and some to Italy—all countries of very much lower wage standards than prevail in this country, where common labor earns much more per hour than the same class of labor earns in east Asia per day.

We are primarily interested in keeping a strong detinning industry alive in this country, so that we can produce substantial quantities of tin, if there ever should be a war with a maritime power or powers which could shut off our supply of tin from the Far East and from Bolivia. During the World War, Germany succeeded, through its well developed detinning industry and by having school children, and so forth, collect all old tin cans for the detinning plants, in meeting the most important requirements of the army for

tin, although imports of tin were cut off for 4 years. Since the war, exports of tin-plate scrap from Germany are prohibited by law because the last war demonstrated to Germany the importance of its detinning industry. Similar considerations in France and Italy led to similar measures, and today we are the only industrial country, with exception of England, that allows any tin-plate scrap to be exported. England is in an entirely different position. It practically controls the tin industry and the tin market. It has considerable tin deposits in Cornwall, which always are operated when tin prices are high and can, in a pinch, meet the most important demands of the country. Furthermore, England has the advantage of a large smelting industry, which always has considerable quantities of tin and tin ore on hand. The only other large industrial country that has no restriction on the export of tin-plate scrap is Japan, but Japan has an import duty on pig tin without having a duty on tin-bearing material like tin-plate scrap.

It was brought out, before the tin investigating committee, that the main interest of the can manufacturers is to have a steady, uninterrupted outlet for their refuse material. This is much more important than is a difference of a dollar or two per ton in the prices which sometimes existed between material for export and material for domestic detinners. It can be figured that the weight of the tin-plate scrap—that is, the refuse—amounts to about one-tenth of the tin plate used, so that 1 ton of scrap results from 10 tons of tin plate. Ten tons of tin plate, as a rule, have a value of over $1,000, whereas with tin at 50 cents per pound, tin-plate scrap has a value of perhaps twelve to fifteen dollars per ton, which is equal to from 1 to 1½ percent of the cost of the raw material. A difference of even $2 in the price of the scrap would amount to only one-fifth of 1 percent of the value of the raw material.

So far, most of the can manufacturers are either under contract with the domestic detinners or continue to sell their refuse to them because they are interested in keeping the domestic industry going in order to be assured of a steady outlet for their tin-plate scrap. But what will happen if the foreign detinning plants are developed in course of time to the same high standard as that of our domestic plants? If the foreign plants located in countries of very much lower standards of living further increase their purchases of tin-plate scrap, taking away the only raw material of our domestic plants, their costs of operation will continue to rise and the time may come when they will have to shut down. That means not only loss of work for a great many men, not only in the detinning industry but also in the industries supplying this industry with raw materials like chlorine, caustic soda, coal, and so forth, but what is most important to us is that an industry would be destroyed which was found very essential to us in the last war when the oceans were open to us, and would be much more important to us if we ever should be involved in a war with a maritime power that would try to cut off our oversea supply of tin.

That is of paramount importance, and other countries have realized this, as stated before, and therefore have placed embargoes on the exportation of this refuse, which may be so very important in case of war. During the last war, the Navy purchased millions of pounds of tatrachloride of tin from the detinning industry, to be used for smoke screens, and with the great development of airplanes since the last war, we may expect that smoke screens will be used much more in the future.

A few years ago there were seven or eight detinning plants operating in this country; today there are only four. If these plants are kept alive, they easily can be expanded in case of need to handle millions of tons of old tin cans, in addition to the tin-plate clippings they handle at present, but if they shut down and the highly technical and specialized organizations are disbanded, it would take years to develop new plants and form new organizations. Nearly all manufacturing industries in this country are protected against competition from countries of lower living standards by an import duty on their products. The logical way to help and save the detinning industry is by an embargo on its raw material—tin-plate scrap.

THE FEDERAL HOUSING ACT

Mr. KRAMER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an interview with Capt. W. G. Bingham, associate director of the southern California district of the Federal Housing Administration, on December 18, 1935, over the radio through station KNX in Hollywood, Calif.

Mr. RICH. Reserving the right to object, Mr. Speaker, I could not understood whose address this is.

Mr. KRAMER. It is a radio interview between myself and Capt. W. G. Bingham, associate director of the Federal Housing Administration at Los Angeles, Calif.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. KRAMER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio interview, Station KNX, at Hollywood, Calif., 3 p. m., Wednesday, December 18, 1935, between Hon. CHARLES KRAMER, Representative, Thirteenth Congressional District, California, and W. G. Bingham, associate director, southern California district, Federal Housing Administration, Los Angeles:

Mr. BINGHAM. What in your opinion, Congressman KRAMER, was the most important reason for the passing of the National Housing Act by the Seventy-third Congress?

Mr. KRAMER. Well, Captain Bingham, there were many economic reasons why the act was necessary. Which was the most important I am not prepared to say. However, to me it seemed unbelievable that with a home shortage of over a million homes that one of our major industries—the building trades—should be for all practical purposes unemployed.

Mr. BINGHAM. Was it then primarily to revive and rehabilitate the building trades' industries?

Mr. KRAMER. Yes; and at the same time make home ownership available on a safe and sound basis for those who wanted them and must of necessity borrow money to get them. Along with putting men back to work, in order to fill our housing need, the act contemplates the reemployment of money on a safe and profitable basis as well.

Mr. BINGHAM. Do you see, Congressman KRAMER, in the National Housing Act, any attempt to put the Government into business or into competition with private enterprise?

Mr. KRAMER. Absolutely and positively not, Captain Bingham. This is not Government money which is being loaned. It's not tax money either. The Government merely acts as an insuring agent—protecting both the borrower and the lender when the loan is made under the act's regulations. This is private capital and private money that is being loaned by qualified and approved lending institutions, and upon which the F. H. A. puts the stamp of insurance—the absolute guaranty that the loan will be repaid to them.

Mr. BINGHAM. Was there any feeling among the Congressmen that the insurance or guaranty provisions would result in a loss to the Government?

Mr. KRAMER. Not to any great extent. The monthly payment plan of credit extension has proven the best form of obligation with most everything—essential or not. Why should it fail when applied to the purchase of lasting things, such as the average home, its repair, or its equipment? No charge is made to either the borrower or the financial institution for the insurance protection of modernization loans under title I. Whatever loss is made upon them the administration expects to absorb. The last report, I noticed, anticipated a loss of not over one-tenth of 1 percent from title I operations. Title II with the Mutual Mortgage Insurance principle is, of course, self-sustaining—the borrowers pay the cost of insurance, and get back whatever is saved over and above the cost of administration.

Mr. BINGHAM. Do you anticipate, Congressman KRAMER, that the next Congress will extend title I insurance beyond the present limitation of April 1, 1936?

Mr. KRAMER. That, of course, Captain Bingham, will depend upon the showing of title I operations from every State in the Union as well as the demands of the building trades and the manufacturers of heavy machinery and equipment. It was originally anticipated, and I believe the experience of the past 15 months will justify the contention, that banks and financial institutions probably will continue to make modernization and repair advances even without the insurance provisions. They are proving both safe and profitable.

Mr. BINGHAM. Do Government reports, Congressman KRAMER, show that the building trades and the manufacturers of durable goods have benefited by the title I modernization operation?

Mr. KRAMER. Most decidedly so. The income of all the allied building trade industries is "up", and they all give credit to the

National Housing Act for a very definite stimulation to their business. Work and employment has been furnished to the artisans normally employed in the construction industry. Sales and distribution agencies have also been able to rehabilitate their business, and in doing so have likewise rehabilitated many white-collar workers. On every hand is ample evidence that this substantial return of purchasing power to the building trades industries is being reflected in improving general business conditions.

Mr. BINGHAM. Tell me, Congressman KRAMER, had the effect of the old mortgage system been as difficult to home owners in the eastern part of the United States as it was in southern California?

Mr. KRAMER. It most certainly had. All of the foreclosures were not held in California by any means. The second mortgage had the same ill effects back there. Home owners in the East were experiencing the same difficulties of securing proper financing for their residential properties as we were here. The state of modernization, the condition of repair, was much worse in the larger eastern metropolitan centers than it was here. Money for mortgage financing had become quite tight.

Mr. BINGHAM. To your knowledge, Congressman KRAMER, were bankers, building and loan men, realtors, and builders consulted in the framing of the act?

Mr. KRAMER. Yes; they were. The act sprang from a recognized need for a sound and practical home-mortgage structure. The men of high caliber engaged in the mortgage-lending business, and those men of high standards in the real-estate or building business were the first to suggest a halt on the old antiquated, home-ownership procedure under which we had been operating. Each party to a home-ownership transaction was willing to give every other party absolute security and protection provided he himself were given security and protection as well. And incidentally, I think, therein lies the strength of the National Housing Act.

Mr. BINGHAM. Do you know, or are you familiar, Congressman KRAMER, with what England has done for her people in regard to housing?

Mr. KRAMER. Yes; to some extent, Captain Bingham. During my recent visit to Europe I was impressed with the amount of new home construction that was going on in England and other foreign countries. I was told that England solved her depression difficulties by the stimulation of housing and construction. They have been building new homes, 50 or 60 times as many as we have in this country. They have also used the mutual-insurance principles. It has proven very successful.

Mr. BINGHAM. What has been your reaction to the results of the F. H. A. work in southern California since you returned from Congress?

Mr. KRAMER. I was thoroughly surprised. I had heard reports that southern California was leading the Nation in both title I and title II activities. The home-town newspapers had told me of the increase in building permits and the revival of construction business. I have been more convinced than ever that the National Housing Act is one of the best pieces of legislation ever passed by any Congress, and am proud to have had a part in it. I am pleased as well that the people of southern California have so adequately taken advantage of the protection and benefits which this act offers to them. Please extend to Mr. F. W. Marlow, district director, F. H. A. and your staff my personal congratulations for a job being exceedingly well done.

Mr. BINGHAM. Thank you, Congressman KRAMER, we appreciate the support that you have given to this measure, and may we all thank you for the pleasure and knowledge offered through this interview to the people of the Pacific coast?

Thank you, station KNX.

REFORM TRAGEDIES

Mr. EATON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a radio address which I delivered recently.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. EATON. Mr. Speaker, in accordance with the permission given me, I wish to insert in the RECORD a radio address delivered by me from the N. B. C. studios in New York over the N. B. C. system, Thursday, October 31, 1935, on the subject Reform Tragedies:

When President Franklin D. Roosevelt took office in March 1933, the stage was set for him to render the American people and the world a public service of importance and distinction unparalleled in our entire peacetime history since the days of George Washington.

For years the United States had stood among the nations an island of prosperity in an ocean of adversity. The tides of world distress had beaten upon our shores almost unheeded until our gigantic financial folly and indifference to dangerous social maladjustments developing everywhere in these United States culminated in the crash of 1929.

In the summer of 1932 there were signs of the beginning of economic recovery by the operation of natural forces resident in our economic system. But reaction followed the election of November and by March of 1933 the whole country was in the grip of a devastating panic.

In the first days of his administration Mr. Roosevelt faced these appalling conditions with such courage and assurance that the Nation hailed him almost as a second Messiah. In Congress, he had the support of a huge Democratic majority. Republican Members of both Houses gave him their backing on the ground that he had received a mandate from the people and it was their duty as good citizens to help him in his announced program of relief and recovery. The issues of that hour transcended, as they do today, all partisan considerations. For even then a great new alinement was taking form between American-minded people on the one side and alien-minded people on the other.

Our economic and social structure was shaken to the foundation. It was clear that unless American-minded people hung together it was only a question of time when we would all be hung separately. No President ever faced a more dangerous or challenging peacetime situation. No President ever seemed so sure of himself and his program. No President in times of national crisis ever had back of him so unanimous and favorable a public opinion.

There were solid grounds for this feeling of public confidence. In his campaign speeches, Mr. Roosevelt had outlined his policies in great detail and had given many solemn pledges of his adherence to sound and tested American principles of action. The people believed that he meant and would do exactly what he said.

On October 19, 1932, at Pittsburgh, Mr. Roosevelt said: "Before any man enters my Cabinet, he must give me a twofold pledge of (1) absolute loyalty to the Democratic platform and especially to its economy pledges, and (2) complete cooperation with me looking to economy and reorganization in his department. I regard reduction in Federal spending as one of the most important issues of this campaign. In my opinion, it is the most direct and effective contribution that government can make to business."

On September 29, 1932, Mr. Roosevelt in a speech at Sioux City made this further solemn covenant with the people of this country: "I shall use this position of high responsibility to discuss up and down the country, in all seasons, at all times, the duty of reducing taxes, of increasing the efficiency of government, of cutting out the underbrush around our governmental structure, of getting the most public service for every dollar paid by taxation. This I pledge you, and nothing I have said in the campaign transcends in importance this covenant with the taxpayers of this country. I accuse the present administration of being the greatest spending administration in peacetimes in all our history—one which has piled bureau on bureau, commission on commission, and has failed to anticipate the dire needs of reduced earning power of the people."

In his speech of acceptance on July 2, 1932, Mr. Roosevelt said: "As an immediate program of action, we must abolish useless offices * * * we must merge, we must consolidate subdivisions of government."

Not only did the people believe implicitly what Candidate Roosevelt told them in his speeches, but they pinned their faith as well to the declarations set forth in the Democratic platform of 1932 upon which Mr. Roosevelt was elected, and which was judged to be one of the sanest and most constructive platforms ever adopted by the Democratic Party.

That platform adopted at Chicago on June 29, 1932, pledged candidate and party alike to "the maintenance of the national credit by a Federal Budget annually balanced on the basis of accurate executive estimates within revenues raised by a system of taxation levied on the principle of ability to pay." It promised "an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance to accomplish a saving of not less than 25 percent in the cost of Federal government." With great unction it condemned the administration then in power for "its refusal to curtail the extravagant expenditures of the Government."

Mr. Roosevelt made the following public declaration with reference to that Democratic platform: "The platform is a promise binding on the party and its candidates. I have accepted the platform without equivocation and without reserve. Let us have the courage to stop borrowing to meet continuing deficits."

In the early days of his administration, President Roosevelt acted in accord with the platform of his party and in accord with his own solemnly reiterated pledges to the people. Backed by the approval of all parties and sections, he grappled with the immediate problem of relief to the millions of unemployed and financially distressed. He took steps which, in his judgment, would restore confidence in banking and business as the basis of a real economic recovery. He developed an ambitious program for the economic rehabilitation of agriculture; and he held in abeyance until better times should return, the problem of neecssary reforms in our economic set-up which had become so sharply outlined against the black background of the depression.

A few short months after his inauguration there developed an ominous change in Mr. Roosevelt's policies, objectives, and methods. The essence of that change was, and is, that Mr. Roosevelt ceased to be a Democrat as defined by the Democratic platform of 1932, and became a New Dealer as defined by Professor Frankfurter and his intellectual soulmates and satellites. The essence of the New Deal program which he then adopted and has since relentlessly followed was, and is, to abandon recovery as our first national objective and to put in its place a weird, wasteful, unworkable, and un-American program, miscalled reform.

That change in the policy and program of Mr. Roosevelt constitutes one of the major personal and political tragedies of our

history. Its evil consequences will afflict our people for generations to come.

One of the most abhorrent features of the New Deal program is the fact that it has been foisted upon the American people by indirect, devious, and often unconstitutional methods. The record of the New Deal for 2½ years makes bad reading.

Instead of promised economy, the New Deal administration has increased the public debt by some $10,000,000,000. At this moment it is plunging our Nation into debt at the rate of $10,000,000 a day. It has fastened a millstone of taxation upon the necks of our children and our children's children. It has added 160,000 employees to the pay roll of the Federal Government. It has piled bureau upon bureau and commission upon commission. It has practically wrecked our established civil-service system. Although the New Deal administration has spent $24,000,000,000, we still have 20,000,000 of our people on relief and more than 10,000,000 unemployed.

Gen. Hugh Johnson is authority for the statement that under the New Deal unemployment is not being relieved; not now even being attacked, and the PWA-WPA program is a complete flop.

The wastage of public money by irresponsible bureaucrats and demagogues in their effort to establish European collectivism and kill American individualism is almost beyond belief. The rights of our citizens have been invaded as never before by the Federal Government. For the first time in our history a conscious proletariat has been created in this country, an unfailing symptom of a dangerous and devastating moral decay. The Budget has not been balanced, nor is there any immediate prospect that it will be.

Our currency has been debased. Business is still haunted by uncertainty and fear. Our banks have been loaded with Federal Government obligations until they now hold half of the national debt. Fundamental constitutional duties of Congress have been surrendered to the Executive by his obedient majority. At his demand Congress has handed him nearly $5,000,000,000 of the taxpayers money in one lump to use exactly as he pleases. He has been clothed with authority to force farmers to plant only such quantities and kinds of crops as he, the President, may dictate. He has authority to make criminals of those who disobey his decree and to punish them by fine or imprisonment, or both.

Through a board of his own choosing, Congress has clothed the President with authority to regulate hours of work, rates of wages, quantity of production, and method of distribution in the coal industry. Through another board, appointed by him, the President may now determine employer and employee relations in all industries and business as affecting interstate commerce. Through a Federal Communications Commission he can control radio and other forms of communication. Through the Securities and Federal Power Commissions, he now has a strangle hold on electrical power, light, and gas industries; and, worse still, has the authority to destroy many of these utilities in which the taxpayers have billions invested. He can control the flow of credit and its operations in banking and business throughout the country. He now has the authority to change the tariff and, under this New Deal set-up, foreign nations are placed in a position to dictate what our tariff shall be on commodities which they desire to market here. Through a Federal Coordinator, the Executive now has a grip on the railroads which constitutes a long step toward Government ownership and operation.

This amazing hodgepodge of wasteful, un-American experimentations, exploded alien theories, and embryonic dictatorship which calls itself the New Deal has actually retarded recovery or made it impossible. It has led our distracted people far afield into the bogs and fogs of economic futility and failure. And all this in the name of reform which the Roosevelt administration has substituted for recovery as its prime objective.

This New Deal program of reform breaks up into two or three subsidiary objectives, often artfully camouflaged and sugar-coated, but always persistently and ruthlessly advanced. The first objective is to take American industry and agriculture away from private operation and place it under control of the Federal Government. The second objective is to subject money and credit to Federal control. When these objectives are reached, the next and final step will be to establish here a new social economic and political order in place of that tested American system which has for 150 years been the inspiration and hope of the world.

Until it is rejected by an aroused and informed public opinion, the triumphant advance of this New Deal program of so-called reform is blocked by only one obstacle—that is the Constitution of the United States interpreted by the Supreme Court. Mr. Roosevelt, of course, knows that this obstacle is there and he has given public expression to his annoyance that it should block his New Deal program of reform. His coterie of New Deal advisers and yes men—the Frankfurters, Cohens, Corcorans, Tugwells, Lilienthals, and their ilk—are irked by the functioning of so old-fashioned and outworn an instrument as the Constitution. And they propose to get round the difficulty by pushing through Congress a series of palpably unconstitutional New Deal laws; have them disallowed by the Supreme Court, and then agitate for an amendment to the Constitution taking away from the Supreme Court those functions and powers granted by the Constitution which for long generations have made the Supreme Court the sheet anchor of our liberties and rights as against encroachment by the Executive on the one hand and the legislative branch of the Government on the other.

This audacious scheme will fail as has every other attempt to disturb the deep foundations of our American plan of life. Our American social and economic ills can never be cured by the injection of imported poisons. There is reliable evidence that the American people are beginning to snap out of the hypnosis which has made them in recent years the helpless subjects of alien-minded experimenters. Next year American-minded citizens will unite to elect an American-minded government whose program will be to stop reckless spending, balance our National Budget, cut out the cancerous growth of bureaucracy, maintain a sound currency, establish confidence in business and banking, and restore to each coordinate branch of government its proper constitutional functions.

Then, and not until then, can we summon all our forces of mind and character; educational, political, industrial, agricultural, financial, to a united and a really American-minded attack upon unemployment which is the supreme central problem of modern civilization.

The Russian answer to this problem is communism. The Italian answer is fascism. The German answer is Hitlerism. And in every one of these cases the people have surrendered the last vestige of liberty in the vain hope of thus achieving economic security.

The American answer to this problem must be found in principles of American liberty expressed in intelligent free cooperation of all classes and interests for the common good. The New Deal has not only failed to solve the problem of unemployment, but it has made the problem more difficult and complicated.

The time has come to clean the slate and try a newer New Deal which shall insure to every American his rights and liberties and at the same time open for him full and fair opportunity to earn his own living by productive work, free from the shackles of political or economic despotism.

PERMISSION TO ADDRESS THE HOUSE

Mr. STACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute on a much needed appropriation.

Mr. RICH. Mr. Speaker, reserving the right to object, they would not permit me to have 4 minutes, and I shall have to object to this request.

Mr. STACK. This will interest the gentleman, the same as it will everyone else.

Mr. RICH. I do not like to interfere with the gentleman, but that side of the House refused to grant me a similar request.

Mr. STACK. This is for deserving veterans.

Mr. RICH. I cannot help that. My request was for the benefit of the country at large. I am interested in everybody. I object, Mr. Speaker.

GEORGE WASHINGTON'S FAREWELL ADDRESS

Mr. SNELL. Mr. Speaker, I ask unanimous consent that on February 22 next, after the reading of the Journal and the disposition of business on the Speaker's table, the gentleman from New Jersey [Mr. McLEAN] may be granted time to read George Washington's Farewell Address.

Mr. MONAGHAN. Mr. Speaker, reserving the right to object, I would like to know why the gentleman cannot get that in under general debate. Last week I tried——

Mr. SNELL. Regular order, Mr. Speaker.

Mr. MONAGHAN. Last week I tried to get in the RECORD a little article that would take about 3 minutes with respect to the Supreme Court, but Members on the other side of the aisle have refused consistently to let me get that in the RECORD.

Mr. TREADWAY. Regular order, Mr. Speaker.

The SPEAKER. The regular order is demanded. Is there objection to the request of the gentleman from New York?

Mr. MONAGHAN. Mr. Speaker, reserving the right to object——

The SPEAKER. The regular order has been demanded.

Mr. MONAGHAN. I object, Mr. Speaker.

NAVAL HOSPITAL, PHILADELPHIA

Mr. STACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a letter that I got from the Jewish World War Veterans, asking for an appropriation for beds in Philadelphia, so that veterans may be properly hospitalized.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. STACK. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter. I hope the Appropriations Committee of the House will see to it that sufficient funds will be appropriated for this purpose—beds for sick veterans.

JEWISH WAR VETERANS OF THE UNITED STATES

NEW YORK, N. Y., *January 16, 1936.*

Hon. M. J. STACK,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: At the last meeting of Post No. 54 of the Jewish War Veterans, in Philadelphia, a motion was passed urging that you, as Congressman for that district, see that a larger appropriation is made to the Veterans' Administration so that additional beds may be made available for more than 300 veterans who are unable to obtain admission to the naval hospital in Philadelphia.

The Medical Director of the Veterans' Administration states that these beds may be made available if a larger appropriation is granted him.

May we have your consideration of this appeal so that we may give it the publicity it deserves?

Very truly yours,

IVY A. PELZMAN,
National Liaison Officer.

GEORGE WASHINGTON'S FAREWELL ADDRESS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that the Speaker may appoint some Member of the House to read George Washington's Farewell Address on February 22.

Mr. BANKHEAD. Mr. Speaker, reserving the right to object for the moment, of course, I shall not object, I was very anxious that the request of the gentleman from New York might be complied with.

Mr. RANKIN. So was I.

Mr. BANKHEAD. I trust that my friend from Montana [Mr. MONAGHAN] will not insist upon his objection. I may state that this is the usual ceremony we have on George Washington's Birthday and we alternate between the two sides in the honor of having the privilege of reading the address.

Mr. MONAGHAN. Mr. Speaker, reserving the right to object, I should like to explain to the House my reasons for objecting.

The regular order was demanded.

Mr. RANKIN. Mr. Speaker, I do not yield for that purpose. If the gentleman wants to object, let him do it.

The SPEAKER. The gentleman from Mississippi asks unanimous consent that the Speaker may be authorized to request some Member of the House to read George Washington's Farewell Address on February 22, next, immediately after the reading of the Journal and the disposition of business on the Speaker's table. Is there objection?

Mr. MONAGHAN. Reserving the right to object——

The SPEAKER. Objection is heard.

Mr. RANKIN. Mr. Speaker, we are going to have Washington's Farewell Address read on February 22 if Congress is in session, whether gentlemen object or not. [Applause.] I desire to propound a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RANKIN. Would it be in order to move that the Speaker be permitted to appoint someone to read Washington's Farewell Address on February 22 next?

The SPEAKER. It would not be in order if anyone should make the point of order.

Mr. RANKIN. Mr. Speaker, I move that the Speaker may be authorized to appoint someone to read Washington's Farewell Address on February 22.

Mr. MONAGHAN. I make the point of order that the gentleman's motion is out of order.

The SPEAKER. The point of order is well taken.

FARM SITUATION AS THE RESULT OF THE SUPREME COURT DECISION ON THE A. A. A.

Mr. CARPENTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a letter I wrote to the president of the Woodson County Farm Bureau, Yates Center, Kans.

There was no objection.

Mr. CARPENTER. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following letter written to the Farm Bureau of Woodson County, Kans., discussing the farm situation in relation to the recent Supreme Court decision holding the Agricultural Adjustment Act invalid.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., January 8, 1936.

Mr. A. G. BEINE,
President Woodson County Farm Bureau,
Yates Center, Kans.

MY DEAR MR. BEINE: I wish to acknowledge receipt of your telegram in behalf of the farm bureau members of Woodson County, in which you urge me to use all my influence and every honorable means to secure such needed legislation at this session of Congress, as will secure for the farmers of the United States parity prices for their products, and in reply thereto, will say that it will be my principal aim to work in behalf of agricultural interests in the future as it has been in the past, and I will be only too happy to comply with your request.

The decision of the Supreme Court invalidating the Agricultural Adjustment Act is considerable of a set-back to the progress being made by the agricultural industry. However, I fear that the result of the decision is even graver than any effect it has on the Agricultural Adjustment Act, as it goes much farther and holds that the Federal Government does not have the constitutional right to in any manner whatsoever control agricultural production, and that any or all contracts so entered into by the farmers with the Government are invalid.

A constitutional amendment may be suggested to meet the situation, but the difficulty arises in that it would take some time for such an amendment to be adopted by the various States, during which time the farmers would be suffering; and then, in addition to this, I fear with the opposition in the East that we would have difficulty in obtaining the adoption of such an amendment by the required number of States.

It is hard to understand how the Federal Government can grant subsidies for other lines of business and give tariff benefits to them and not have the same right to grant similar benefits to the farmer. It is a difficult matter to try and work out at this time, and it seems that the only relief that the farmers have ever received has now been taken away from them.

I conferred with Congressman JONES, of Texas, chairman of the Agricultural Committee, this morning. While no definite legislation has yet been determined on, he expects, together with members of his committee and others of the Congressmen who are interested in the farmers, to attempt to figure out some legislation to fill the breach at this time; and it is hoped that the Federal Government can assume its obligation on the present contracts and make the necessary appropriation. However, there is some question as to whether that can be done under the Supreme Court decision.

I have always been in favor of the bill, known as the cost-of-production bill. However, I fear that it might even have less chance being held constitutional than the Agricultural Adjustment Act.

The price of farm products may not be reduced much in the immediate future, but with the loss of our foreign markets due to competitive foreign tariffs, I fear it will be hard for us to regain the markets we once had and that within 3 or 5 years we are liable to have a large surplus of agricultural products in this country which will consequently reduce the price of farm products to the ruinous point where they were 4 years ago.

However, I know the President, together with the Agricultural Department and the friends of the farmers in Congress, will do everything within their power to try to save the farming situation upon which, in my judgment, the welfare of the rest of this country relies.

With best wishes, I beg to remain,

Yours very truly,

RANDOLPH CARPENTER.

THE JIGSAW PUZZLE

Mr. HANCOCK of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a speech made by me over the radio.

There was no objection.

Mr. HANCOCK of New York. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which I delivered over the radio on November 14, 1935:

THE JIGSAW PUZZLE

NEW DEAL'S PATERNALISTIC PATTERN IS NOT AMERICAN

The adroit Mr. Farley pretends to see an endorsement of the Roosevelt-Farley partnership in the elections of last week. The simple truth is the Republicans made gains almost everywhere against the biggest political machine, with the most money to spend and the most jobs to hand out this country has ever seen. However that may be, before next November, the people of this country must be aroused to the dangers confronting them. The country can't stand four more years of reckless waste and socialistic experimentation. We ought at least to have as much sense as that flock of geese which alighted on Niagara River a few weeks ago but flew to safer waters before they were swept over the falls.

The performances of this administration are like the queer, shapeless pieces of a jigsaw puzzle. Let us try to put them together and see what the picture would be if it is finished.

The Federal Government is launched on a program of building a half dozen or more gigantic power plants in different parts of

the country from the Grand Coulee Canyon in the State of Washington to Passamaquoddy Bay in Maine, to generate and sell electric energy in competition with privately owned plants.

The P. W. A. invites the municipalities of the country to go into the business of retailing electric power and, as an inducement, offers a 40- or 50-percent grant of the cost of building, the necessary facilities, and a loan at low interest rates for the balance.

The Rayburn-Wheeler Act was passed to destroy—not to regulate—large public-utility holding companies. One sure result of this act will be to throw many of the weaker units in these systems into bankruptcy, thus facilitating Government or municipal ownership and operation.

In the Tennessee Valley the Federal Government is now generating and selling power below cost for the purpose of setting up a false yardstick to arouse prejudice against private companies and encourage public ownership.

RAILROADS HINDERED

Federal legislation and regulation has added so much to the cost of running the railroads, while rates are controlled and while the competition of other forms of transportation is encouraged—even subsidized—that over three-quarters of the first-class railroads of the country cannot earn their fixed charges. A number of the President's professors favor federalization of the railroads, and that question must soon be answered.

There are millions of honest, thrifty, self-reliant, and self-respecting people in this country who have invested their savings in the securities of public utilities. There are tens of millions who have insurance policies or retirement benefits or are interested in colleges, hospitals, and other beneficent institutions whose funds are likewise invested in public utilities. They ought to weigh the evidence carefully.

Under the vague and almost unlimited authority given him by emergency appropriation acts passed hurriedly, without debate and under the whip and lash of Executive power, a number of business corporations have been formed and financed by the Government. In this category we already have the Commodity Credit Corporation, with a perpetual charter; the Federal Surplus Relief Corporation, with a perpetual charter; the Public Works Emergency Housing Corporation, with perpetual existence; the Electric Home and Farm Authority, incorporated in Delaware with a 7-year charter; and the Tennessee Valley Associated Cooperative, Inc.

THE COMPETITIVE SIDE

Funds appropriated for emergency relief are diverted to provide capital for Government-owned corporations with perpetual charters to engage in every conceivable form of business. They have unlimited borrowing powers and Government agencies are set up to lend them unlimited funds. The Government is going into big business on its own account. It is doing it through corporations so that the experimenters, with unlimited money belonging to the American taxpayer, can go into competition with him without being responsible for losses, without having to come to Congress for appropriations or authority, without having to submit their accounts to the Comptroller General of the United States for auditing.

It's a pretty raw deal when the intelligent, experienced, practical business men of the country are taxed to support Government corporations competing with them. It's like paying the fee of your executioner.

That isn't half the story. The Federal Government has established lending agencies which hold the notes and mortgages of citizens and institutions amounting to $9,000,000,000. When the old-age insurance fund is in full swing there will be $32,000,000,000 in the United States Treasury, all of which must be invested in Government bonds or bonds of agencies of the Government bearing 3-percent interest.

The Treasury of the United States will also have the reserve funds for unemployment insurance and Federal employees' retirement benefits and the postal savings accounts. It will have over $40,000,000,000 of the savings of the country permanently removed from the channels of private business and enterprise. The only business for which this gigantic sum can be used is business operated by the Government.

Put these jigsaw pieces into the picture.

The Roosevelt Administration is constantly reaching out for more power. It has tightened its grip on railroads, busses and trucks, radio, securities, exchanges, telegraph and telephone companies, banks.

BRIBING STATES

States are being bribed into surrendering their rights and responsibilities by accepting Federal contributions for highways, education, rehabilitation, welfare, and numerous other things on condition that the moneys be expended in accordance with orders from Washington.

The N. R. A. was an attempt to embezzle the police powers of the States to regulate hours, wages, and conditions of labor.

The A. A. A. seeks to control the free action of the farmer by telling him what he can produce and how much he can sell. It started with a few crops and has extended to many. The farmer was paid to violate the instincts of every man who loves old mother earth, to destroy livestock and crops, so there might be a scarcity of food and prices of necessities would go skyrocketing. With the aid of the drought the experimenters were successful. The price of food is high and we are paying it at an increasing rate to foreign farmers because we now haven't enough to go around. We pay for the food we don't grow and we pay for the food we eat. But it isn't this preposterous situation I wish to emphasize. The New Dealers originally attempted to gain control over the farmer's business by paying him to reduce production. They have gone from bribes to penalties. It is coercion now. We have reached the point where a farmer cannot sell a single potato without permission from a man sitting at a desk in Washington. If he sells more than his allowance he must pay a prohibitive tax. If there is a violation, the farmer is a criminal. He may be fined and sent to jail. And so may the housewife who buys an illicit potato and the people who know of any such shocking crime and fail to squeal.

Put that one in the picture.

The President has demanded and obtained powers no former President ever had. We are being governed more and more by rules and regulations which may be changed overnight without notice, but they have the force and effect of penal statutes.

VOTER IN DARK

All of these revolutionary measures were passed as temporary expedients without the knowledge of his majesty, the American voter, without proper discussion and deliberation in Congress, but under gag rules and strong-arm, steam-roller methods which only a ruthless majority can employ, and which only a supine, ring-in-the-nose, rubber-stamp Congress will tolerate. Temporary emergency powers, seized in an emergency, are now being made permanent. Recently the President, in speaking of the A. A. A., said that no one ever intended that the power over agriculture granted by the act should be temporary, and yet the act commences with a declaration that an emergency exists and ends with a section that the law shall cease to be in effect when the President finds the emergency is ended.

Think for a moment of the type of men with whom the President has surrounded himself. Are they the leaders of the Democratic party who inspire public confidence? Were practical, experienced men of affairs selected to manage the biggest business in Christendom? Few of them ever did anything to fit them for their jobs; many of them are not even Democrats, but radicals, socialists, and parlor pinks. The two strongest influences at the White House, according to a general report, are Frankfurter and Tugwell, both professors, both theorists, and both nursing their pet theory of planned economy, which means nothing more nor less than that bureaucrats sitting in Washington should take over the business of managing our individual lives.

TUGWELLIAN GEMS

Mr. Tugwell does more talking and writing than Mr. Frankfurter. I'm going to take the time to give you a few gems of the Tugwellian philosophy:

"Planning will necessarily become a function of federal government; either that or the planning agency will supersede that government, which is why, of course, such a scheme will eventually be assimilated to the state rather than possess some of the powers without its responsibilities. Business will logically be required to disappear. This is not an overstatement for the sake of emphasis, it is literally meant."

Tugwell intends that private business shall disappear.

Again—"We have a century and more of development to undo. And it will require the laying of rough, unruly hands on many a sacred precedent, doubtless calling for an enlarged and nationalized police force for enforcement." Tugwell preaches revolution by force in this passage.

Here is another quotation—

"The difficulty of attaining the experimental habit of mind toward social and economic arrangements arises largely from an emotional attachment to the instruments of social life. An illustration of such feeling is the unreasoning, almost hysterical attachment of certain Americans to the Constitution."

In this quotation the professor makes it clear that he thoroughly disapproves of the form of government, the traditions, the ideals, and the principles to which the United States is dedicated and under which we have outstripped the world.

PRESIDENTIAL CONTEMPT

I have quoted the words of the high priest. In this connection consider some significant statements of the President himself. Surely you remember his contemptuous remark, when the Supreme Court declared the N. R. A. unconstitutional, that the decision took us back to the "horse and buggy" days, and his peremptory order to his party leaders in Congress to pass the Guffey coal bill despite doubts they might have as to its constitutionality, however reasonable.

I ask you to study that incomplete picture closely. You may look with approval on parts of it, but put them all together and then study it.

The paramount issue in the next Presidential campaign will not be the profligate waste of billions of dollars, the foolish costly experiments of the professorial staff, the destruction of the merit system in government, the mounting debt, the high cost of living, the broken promises, or any of the other issues that can be raised. They will be issues, but Americans must decide before it is too late whether we are willing to submit to a despotic paternalistic form of government now being set up in Washington which asserts the right to control the labor, the property, the habits, the activities of the citizens, or whether we will preserve for ourselves and our children a government in which public officials are public servants, and not masters, a government which encourages effort and rewards accomplishment, a government under which the door of opportunity is open to every boy and girl in any legitimate field of useful endeavor, the government which represents the dream of the common man come true.

EXTENSION OF REMARKS

Mr. BLANTON. Mr. Speaker, I got permission the other day to extend my remarks in the RECORD on the Townsend plan. I ask that that be extended to be dated on Monday next.

The SPEAKER. Is there objection?

There was no objection.

INDEPENDENT OFFICES APPROPRIATION BILL

Mr. WOODRUM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 9863, the independent offices appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. BOLAND in the chair.

The CHAIRMAN. The Clerk will resume the reading of the bill.

The Clerk read as follows:

International exchanges: For the system of international exchanges between the United States and foreign countries, under the direction of the Smithsonian Institution, including necessary employees, and purchase of necessary books and periodicals, and traveling expenses, $44,260.

Mr. O'CONNOR. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes and possibly out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. O'CONNOR. Mr. Chairman, I would not presume, as a Representative in Congress from the East Side of New York, to reply seriatim to the very interesting address made by ex-President Hoover last night. I have read it carefully, but any reply would take considerable time.

My main purpose in rising at this time is to supplement some remarks I made the other day in reference to Mr. Hoover's talk about "balancing the Budget." Of course, his speech, boiled down, contains the sole suggestion of aiding the farmer by means of subsidies.

As I recall it, during his term of office, which began on March 4, 1929, several propositions which might be cataloged as "subsidies" to agriculture, which was in dire distress when he took office, were submitted to him, but he showed no concern about it.

The other day I said on the floor that the deficit during the last 2 years of Mr. Hoover's administration amounted to $5,000,000,000, which was almost exactly equivalent to every dollar which we have spent to this moment on relief. At the suggestion of several Members I have secured the exact figures as to the deficit during Mr. Hoover's administration, although he continues to talk about "balancing the Budget" as though he had balanced the Budget during his last 3 years. The answer is he did not.

In the fiscal year ending June 30, 1931, the deficit under Mr. Hoover's administration was $902,716,845. In the fiscal year ending June 30, 1932, the deficit under Mr. Hoover's administration was $3,153,097,507.

Up to March 3, 1933, when Mr. Hoover's term of office expired, the deficit to that date, or about 8 months during the fiscal year ending June 30, 1933, was $2,163,760,084.

The total deficit therefore during the last 2 years and 8 months of Mr. Hoover's administration was $6,219,574,436, or about $1,200,000,000 more than this administration has spent on relief to this date.

Mr. CARPENTER. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. CARPENTER. I listened to Mr. Hoover's speech on the radio last night, and the theme of that speech, as I gathered it, was, Let the farmer wait.

Mr. O'CONNOR. In reply to the gentleman from Kansas, I might say that the distinguished ex-President again announced his laissez faire doctrine when he said:

There is at least one hopeful aspect of these war causes of the farmers' difficulties. They do not last forever. Many of our measures can be of emergency character. Recovery will cure many difficulties.

He still sticks to that same old laissez faire doctrine of "letting nature takes its course"—the twin sister of "rugged individualism."

Mr. FITZPATRICK. It is a just-around-the-corner wait.

Mr. O'CONNOR. Well, there was not any corner left at the end of Mr. Hoover's administration.

The Clerk read as follows:

TARIFF COMMISSION

For salaries and expenses of the Tariff Commission, including personal services in the District of Columbia and elsewhere, purchase and exchange of labor-saving devices, the purchase of professional and scientific books, law books, books of reference, gloves and other protective equipment for photostat and other machine operators, rent in the District of Columbia and elsewhere, subscriptions to newspapers and periodicals, and contract stenographic reporting services, as authorized by sections 330 to 341 of the Tariff Act of 1930, approved June 17, 1930 (U. S. C., Supp. VII, title 19, secs. 1330–1341), $941,000, together with $4,000 of the unexpended balance of the appropriation for this purpose for the fiscal year 1935, of which amount not to exceed $2,500 may be expended for expenses, except membership fees, of attendance at meetings concerned with subjects under investigation by the Commission; and not to exceed $7,500 for allowances for living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (U. S. C., Supp. VII, title 5, sec. 118a), but not to exceed $1,700 for any one person: *Provided*, That the Commission may procure supplies and services without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) when the aggregate amount involved does not exceed $50: *Provided further*, That no part of this appropriation shall be used to pay the salary of any member of the Tariff Commission who shall hereafter participate in any proceedings under sections 336, 337, and 336 of the Tariff Act of 1930, wherein he or any member of his family has any special, direct, and pecuniary interest, or in which he has acted as attorney or special representative.

Mr. CULKIN. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. CULKIN: Page 34, line 6, after the figures "1341)", strike out "$941,000" and insert in lieu thereof "$763,000."

Mr. CULKIN. Mr. Chairman, this amendment strikes from the appropriation for the Tariff Commission $178,000, which, on page 16 of the report, is shown to be appropriated for the use and purposes of the reciprocal trade agreements. Congress has made fatal delegations of power in the past several years but none more fatal, in my judgment, than the delegation of power to make these so-called trade agreements. The President, disregarding his campaign pledges to leave agricultural tariffs in status quo, delegated to Secretary Hull, an avowed, unashamed free-trader, the right to make these trade agreements, and he, in turn, delegated this power to Francis B. Sayre, a free-trade professor. Under this power 10 treaties have been made. Most of them are injurious to American industry. All of them are destructive of agriculture, and especially destructive of the interests of the dairymen. There are 4,000,000 dairymen in America who will speak in thunder tones this fall on election day. They with their dependents constitute a group numbering 16,000,000 people. Under this administration the unhappy condition of the dairyman has been ignored. Dairy products were included in the A. A. A. legislation. Secretary Wallace first proceeded to ignore their condition and then attempted to destroy what solidarity they had gained through cooperative groups. I have said that 10 trade treaties had been made. Those 10 trade treaties apply to all the rest of the World except Germany. Professor Sayre, to whom this power has been delegated, was known to the President of the United States when his appointment was confirmed, to be an avowed free-trader. Professor Sayre made these trade agreements with Canada and The Netherlands, which will ultimately destroy the dairymen. You gentlemen here who have had longer service than I remember that in the Tariff Act of 1913, the Underwood Act, agricultural interests were in the main left open to the world. Then in 1922 under Republican auspices the Fordney-McCumber Act was passed, which gave some measure of protection to agricultural interests. In 1930, under the Smoot-Hawley Tariff Act those tariffs were increased,

and those were the tariffs that the President in his preelection speeches promised would be left untouched. Today under this Canadian treaty the duty is cut below the level of the Fordney-McCumber Act, which was inadequate, more particularly on the item of cheese. Canada is also given a quota on cream.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CULKIN. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CULKIN. May I say to the Members of the House that in Canada, where living costs are hardly more than half of what they are in the United States, already 6,000,000 pounds of Cheddar cheese, which is the American type of cheese, has been purchased? It is estimated that twenty or thirty million pounds of this cheese will annually be brought into America. This will destroy the price structure not only of American cheese but of butter, cream, and of fluid milk. The price of these various products are interdependent. All this is in definite violation of the pledge which the President made to the people in his campaign for election.

I desire to bring these facts before this committee at this time. I desire to urge upon the Members of the House on either side of the aisle to register their disapproval of this procedure; to register their disapproval of the violated pledges of the distinguished President of the United States and the destructive internationalism of the men who represent him in the office of the Secretary of State.

Mr. FITZPATRICK. Will the gentleman yield? I agree with the gentleman.

Mr. CULKIN. I yield, if the gentleman agrees with me.

Mr. FITZPATRICK. What is the difference in the price of dairy products now as compared to what it was before the agreement was made?

Mr. CULKIN. Does the gentleman mean the retail price?

Mr. FITZPATRICK. The retail price of dairy products now compared with that previous to the time the agreement was made.

Mr. CULKIN. I will say that prices have a shifting base, but at the present time it is inadequate to give the dairymen of the United States a decent living. The dairymen are not a vocal group, as the gentleman knows. They have not made a track to the Treasury. Today their farms are being sold for taxes and they are not getting a living wage. They have been definitely betrayed by this trade-agreement procedure, and Secretary Wallace, who is their technical adviser, the man who is supposed to rally their support when their interests are threatened, is himself an avowed internationalist and approves of these trade agreements. I infer from his acts that he is more concerned about the welfare of the farmer in The Netherlands and in Switzerland and elsewhere, if you please, than he is in the welfare of the American dairyman. I repeat that if the Congress does not act now this vast army of producers, who represent the highest type of farmer, men who are sound Americans, who educate their worth-while child and make a substantial contribution to this civilization, will speak in thunder tones on election day. So I suggest to the Members of the House who are present that they join in my motion to strike this item from this appropriation bill before American industry and the American farmer is further betrayed by these international economists.

Mr. FITZPATRICK. Will the gentleman yield further?

Mr. CULKIN. I yield.

Mr. FITZPATRICK. I said I would agree with the gentleman providing it had the effect he has said it would. It has not had that effect, because it has increased prices greater than they were previous to the agreement.

The CHAIRMAN. The time of the gentleman from New York [Mr. CULKIN] has expired.

Mr. CULKIN. I ask unanimous consent, Mr. Chairman, to proceed for 1 additional minute.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. CULKIN. These agreements are just going into effect, so the statement of the gentleman has no bearing on the situation. Moreover, the gentleman from New York [Mr. FITZPATRICK] loses sight of the fact, and I want to impress it on him, that the prosperity of America and the prosperity of his constituents who work in the shops depends in large part upon the prosperity and buying power of these dairymen. When that is reduced, his constituents will walk the streets.

Mr. Chairman, I ask that this amendment prevail, not on the ground of politics but on the ground of sound nationalism and in the interest of the dairymen who are now in difficult straits. [Applause.]

Mr. MORAN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York [Mr. CULKIN].

The Appropriations Committee, of course, is the servant of the House, and does not feel that it has the prerogative or function of determining the policy of the House. This is a question of policy which does not properly come before our committee. It is a question upon which the House has already acted. We feel it our proper function, in carrying out the wishes of the House, to provide what we believe to be a fair and reasonable appropriation for carrying out the expressed will of the House, which we have done in this particular instance. It seems to me that the proper course for the gentleman from New York [Mr. CULKIN] to follow, to attain the purpose which he seeks, is not by an amendment to this appropriation bill but by attempting to repeal the reciprocal trade agreement law itself.

Mr. TREADWAY. Will the gentleman yield?

Mr. MORAN. I shall be glad to yield.

Mr. TREADWAY. Would the gentleman be kind enough to inform the House what evidence was submitted to the Committee on Appropriations as to the manner and for what purpose $178,000 would be expended by the Tariff Commission in this investigation? How do you reach the figure of $178,000? I am not questioning the statement about keeping to the policy; but what has been done in the past year, for instance, with $382,752, and what will be done with $178,000 next year?

Mr. MORAN. The gentleman is fully aware of the fact that the Tariff Commission must collect reciprocal trade information. The gentleman is familiar with the organization and its membership. I know from the gentleman's standing on the Ways and Means Committee that he is fully informed of the various trade-agreement hearings that were held before the committee on reciprocal trade information and knows of the voluminous reports required of the Tariff Commission. The gentleman also knows that the Tariff Commission, in connection with these reciprocal trade agreements, does not make recommendations of any sort. It simply compiles all the facts and figures as requested. The gentleman also knows the Tariff Commission has placed upon it the huge burden of compiling all of the oral and written testimony that is submitted at those hearings. The gentleman knows also that in connection with these hearings, before the reciprocal trade agreement is even advertised for hearing, voluminous reports are called for in connection with the existing trade facts, such as production, consumption, percentage of importations, and all that sort of thing.

Mr. BLANTON. Will the gentleman yield there?

Mr. MORAN. I yield.

Mr. BLANTON. And the gentleman should know, should he not, that this total of $956,000 is within the Budget estimate approved by the President? Is that not true?

Mr. MORAN. That is true.

Mr. LAMBETH. Will the gentleman yield?

Mr. MORAN. I yield.

Mr. LAMBETH. The gentleman from New York [Mr. CULKIN], who offered the amendment, stated that this policy had been fatal to agriculture, if I correctly quote him.

Let me ask the gentleman from Maine if he thinks this is fatal to American agriculture: During the first 12 months of the trade agreement with Cuba exports of lard increased

97.9 percent, and exports of potatoes, in which the gentleman from Maine, as well as my colleague from North Carolina are interested, increased 274 percent. Is this fatal to American agriculture?

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. MORAN. Gladly.

Mr. CULKIN. I do not know how the gentleman will answer the categorical questions of the last speaker.

Mr. MORAN. Let me first answer the questions of the gentleman from North Carolina, and then I shall be pleased to yield to the gentleman from New York.

The trade agreement with Cuba, particularly in the case of the seasonal trade between Cuba and our country on potatoes, has developed a marked increase of our export trade, and in lard also. One thing that I think, in all fairness, should be said about agreements of this kind is that we should look at the policy in a nonpartisan and purely impartial manner. No one can really judge how these treaties are going to work out until we have had experience under them. A year from now we will know better how they operate on American trade than we do now, and if later, in the light of facts developed by such actual experience, we wish to change our policy, we can do so. Until and unless we do, the appropriation should be made to carry out the law.

[Here the gavel fell.]

Mr. CULKIN. Mr. Chairman, I ask unanimous consent that the gentleman from Maine may have 2 additional minutes that I may ask him some questions.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CULKIN. The gentleman from Maine knows, of course, that the vegetable growers who have millions of dollars invested in large and small farms in the State of Florida have protested in thunderous tones against turning over the vegetable market to Cuba. Does the gentleman know that?

Mr. MORAN. I am, of course, informed that there have been complaints. There have been complaints from many sections of our country in connection with various parts of our reciprocal trade agreements.

Mr. CULKIN. Is the gentleman familiar with the seasonable vegetables which formerly came into the metropolitan markets, which market used to be enjoyed by Florida? Does the gentleman realize that these markets have now been usurped largely by vegetables grown in Cuba? Is not that the claim, the definite claim? Has not the gentleman heard from these people, heard their protests; has it not come over his desk since this Cuban trade agreement was made?

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. MORAN. I yield.

Mr. BUCK. Is the gentleman aware of the fact that, despite his claim and despite the importations of Cuban tomatoes and other vegetables, the winter vegetable market in New York and other eastern seaboard cities was higher last winter and continues to be higher than it ever was before or during the administration preceding this?

Mr. CULKIN. California is defending Florida!

[Here the gavel fell.]

Mr. SNELL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is a matter in which the people of my section of the State of New York are very vitally interested. The meal ticket of northern New York is the products of the dairy farms. These are things we depend on for our real livelihood.

The dairy farmer has been especially hit under these various control programs, the A. A. A., and so forth, because it has raised the price of the feed that he necessarily must buy for his livestock to produce milk, cream, and other dairy products, anywhere from 10 percent to 20 percent, not to say anything about the other increases they have had to pay for essentials of life, on account of the New Deal legislation. They do not see, and I do not see, any special benefit they have ever received from these laws.

I remember very well the condition that existed when we passed the Emergency Tariff Act in 1921 and 1922. If I remember, that tariff adjustment came about entirely to take care of agricultural interests. Before the passage of the Hawley-Smoot tariff bill the imports of milk, cream, and butter from other countries were coming into this country in larger quantities, and these imports materially affected our home market prices, but the raise of duty in this bill has practically shut out these imports, and the dairy farmer has received the benefit; and I can see no reason why at this time we should take off any part of that tariff which is so essential to these people and give the benefit to the Canadian farmers.

My friend from New York asked if the price of butter and dairy products had been affected by these reciprocal agreements. Let me say to him that this is the time of year when there is a natural rise in the price of butter, cheese, and milk, coming about from the fact that production is very low and cost of production is exceptionally high.

Mr. FITZPATRICK. How does it compare with the price a year ago?

Mr. SNELL. Wait a minute until I get through and answer your question, or do you want to both ask it and answer it?

Mr. FITZPATRICK. I do not suppose I do.

Mr. SNELL. Then wait until I get through. At this time of the year production of milk and cream in Canada is just as low as it is in northern New York. The great importations will come later in the year when they have surpluses and we also have an oversupply here at home, and that will materially affect our market. But there is no surplus now to come in, unless it might be of cheese, and that would have a material effect on prices at the present time. But later in the season if they send large quantities of cream into this country, as is allowed under this treaty, it will seriously affect the dairy farmer, and he is not in condition at this time to stand the shock of lower prices. Why is this administration so much more interested in the market for the Canadian farmer than it is in preserving the home market for our own farmers?

Mr. FITZPATRICK. How does the price of butter compare now with a year ago?

Mr. SNELL. I could not tell the gentleman, but the last time I looked at the butter market it was one-half cent per pound under a year ago.

Mr. FITZPATRICK. Is it not higher today than it was a year ago?

Mr. SNELL. I think not. The statement is made by those on the other side that all agricultural products are higher. Some of them are and I want to keep them at least at the present price, and ultimate effect of these reciprocal agreements on agricultural products cannot fail to lower them.

Mr. FITZPATRICK. When the gentleman says it is seasonal, can it be a seasonal question?

Mr. SNELL. If the gentleman knew anything about the butter, cheese, and egg market, he would know it is a seasonal proposition, and prices vary with the season of the year. In the spring and summer we produce more milk and cream, and in fall and winter less. Production affects market price.

Mr. FITZPATRICK. But it is higher today than a year ago.

Mr. SNELL. I am just informed that today butter is one-half cent per pound less than 1 year ago. However, prices are generally higher at this time of the year.

Mr. FITZPATRICK. But under the gentleman's theory, prices should be lower.

Mr. SNELL. Well, it is hard to make a man understand something with which he has never had any experience.

Mr. FITZPATRICK. I have been paying for these things and that is a great experience as far as the consumer is concerned.

Mr. SNELL. If anyone wants to discuss the question with me who knows something about it, I will discuss it, but I do not want to discuss longer this situation with one who does not have any knowledge about the problems of the

production of milk and has only the consumer's point of view. I am talking from the standpoint of the producer of milk, who needs more rather than less protection.

Mr. FITZPATRICK. I know something about it all right.

Mr. BANKHEAD. Will the gentleman yield?

Mr. SNELL. I yield to the gentleman from Alabama.

Mr. BANKHEAD. Regardless of the controversy about the present price of dairy products, as a matter of legislative policy, does the gentleman think it proper for the House of Representatives to absolutely strike out an appropriation to effectuate an existing law and policy, thereby indirectly seeking to legislate? Does not the gentleman concede that the proper way to take the matter up is not by seeking through this left-handed method to emasculate the appropriation, but rather through an effort by the Members of the House to repeal the law?

[Here the gavel fell.]

Mr. SNELL. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SNELL. Mr. Chairman, the gentleman from Alabama [Mr. BANKHEAD] has asked a perfectly fair question and I will answer it. I admit that in the usual way and under the ordinary procedure it should be done by way of legislation. I will not argue with the gentleman on that proposition. But always when these authorizations are made, we are met with the statement on the floor by the people who are proposing the authorization that this is simply an authorization, and if Congress does not want to appropriate, it can pass upon that question when the appropriation is asked for. You are now asking for an appropriation to carry out an act that is destructive to the dairy interests of the country, and we who are specially interested in the dairy farmer are asking you not to do it. I think that is perfectly proper at this time. This is so vital to our people that I do not want to vote money for those people who are making these reciprocal-tariff agreements which are so vitally affecting the dairy farmers of northern New York.

Mr. WOODRUM. Will the gentleman yield?

Mr. SNELL. I yield to the gentleman from Virginia.

Mr. WOODRUM. Does the gentleman realize the fact that if the motion offered by the gentleman from New York should prevail it would not accomplish all the gentleman seeks to accomplish?

Mr. SNELL. I cannot answer that question.

Mr. WOODRUM. Just a moment and I think the gentleman can answer it. The gentleman by his motion merely reduces the total amount of the bill, which just cripples the whole work of the Tariff Commission and does not in any respect place a limitation on them by which they could not do reciprocal-trade work.

Mr. SNELL. I take it from what the gentleman says that he agrees that my premise is right, and that I am arguing the question along correct principles, but am powerless under the present conditions.

Mr. WOODRUM. I say that if the gentleman's motion should prevail it would not accomplish the purpose sought.

Mr. SNELL. But the gentleman admits that the purpose is right?

Mr. WOODRUM. No; I do not admit anything of the kind.

Mr. SNELL. I know this is very important to our people, and I think it should be brought to the attention of the farmers that we are simply trying to protect the dairy interests of the country.

Mr. WHITE. The gentleman mentioned the fact that dairying is the meal ticket of the people of northern New York. Is it not a fact that the big distributing and processing interests of New York have profited exorbitantly at the expense of the dairy interests?

Mr. SNELL. That may account for some of it, but that is not the main trouble. The co-ops handle a large part of our milk.

Mr. TABER. If the gentleman will yield to me, the dairymen in northern New York are thoroughly organized into a dairymen's league, a cooperative organization?

Mr. SNELL. A large number of them are.

[Here the gavel fell.]

Mr. LAMBETH. Mr. Chairman, I rise in opposition to the pro-forma amendment.

Mr. Chairman, I certainly would not undertake to discuss with the distinguished minority leader, the gentleman from New York [Mr. SNELL] the dairy situation. It so happens that I have involuntarily fallen into the dairy business within the last 2 years and sometime off the floor of the House I should like to have some observations from the gentleman with respect to the best manner of breeding cattle, and so forth. The controversy evoked by the other distinguished gentleman from New York [Mr. CULKIN], who offered the motion to reduce this appropriation, causes me to do something which I rarely do here, and this is, take the floor of the House in order to make a few observations.

In the first place, I have given some thought to this subject, although I am not an expert and never will be. In the second place, I sincerely believe in the policies of this administration relative to reciprocal-trade agreements. In this connection I wonder if I might trespass upon the time of the Members of the House to quote briefly from a statement which I gave to the press at the time of the adjournment of Congress in 1934, soon after this act became a law. It will be recalled that that memorable session of Congress enacted many far-reaching measures affecting the lives of our people. The statement I made to the press at that time is as follows:

> One of the most constructive achievements of this administration is the act providing for reciprocal-trade agreements. It is the only practical means of restoring the once golden argosy of our foreign trade. When international commerce is reestablished on a fair and mutually profitable basis, we shall be able to trade our surplus products, including cotton and tobacco, with those of other nations instead of having to continue present measures of restricting production.

Mr. CULKIN. Will the gentleman yield?

Mr. LAMBETH. I will yield to the gentleman later if I have time.

Mr. Chairman, the very people who have opposed the policy of this administration in its attempt to control production, particularly of agricultural products, in order to keep them in line with the demand so that tremendous surpluses would not pile up are the people who oppose this attempt by one of the greatest statesmen in the world, the present Secretary of State, to reopen our foreign markets so that we may produce and sell more of our products.

This is the fundamental inconsistency in the attitude of my friends of the minority.

Furthermore, about the only remedy the Republican Party has ever offered for any of our economic ills has been to raise the tariff, and when we first got into the depression and your then President, Mr. Hoover, called you here in extra session, you began what? You began to revise the tariff for the benefit of agriculture. You tried to put agriculture on an equal basis with industry, and when you got through with it you had passed the iniquitous Hawley-Smoot tariff bill, and President Hoover signed it over the protests of a thousand of the best economists in this country, who were not motivated by any political or partisan reasons in their protests.

Speaking not as a partisan Democrat at all, in my opinion, when the history of this period has been written it will be said that that one act contributed more to prolonging and deepening the depression then settling over our country and the world than any other act of government.

[Here the gavel fell.]

Mr. LAMBETH. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

Mr. CULKIN. Reserving the right to object, Mr. Chairman——

Mr. COOPER of Tennessee. Mr. Chairman, I ask for the regular order. The gentleman from New York had about 15 minutes.

Mr. LAMBETH. I am going to yield to the gentleman if he will permit me to make my statement and get further time.

Mr. CULKIN. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. LAMBETH. Now let me discuss the larger aspects of this question. I am a member of your Committee on Foreign Affairs. We have been very seriously considering for the past 2 weeks a most important piece of legislation—the proposed neutrality bill—which will probably be on the floor of this House during the coming week. This is an attempt to keep our country from becoming involved in war, because all of us fear that a great war is all but inevitable within the near future. We cannot pass a neutrality act which will be an absolute guaranty of peace. It is not within the ingenuity of man to legislate so that we can be assured we shall not become involved in a foreign war.

I think the best way to prevent war is to attempt to get rid of the causes of war, and the three countries that are threatening to disrupt the peace of the world—and two of them are now disrupting the peace of the world, namely, Italy and Japan—have a very small supply of raw materials and practically none of the fundamental raw materials. Italy has no oil, no coal, and no cotton. On the other hand, the United States, Great Britain, and Russia control three-fourths of the fundamental raw materials of the world.

It is my humble opinion that if the restrictions on trade between nations could be removed, this would be an important step, and the Honorable Cordell Hull is today doing more in this direction than any other man in the world. You can call him an "internationalist", you can call him a "free trader", but he is a reasonable man. He does not believe in free trade, and the gentleman from New York knows that as well as I do.

Mr. CULKIN. Mr. Chairman——

Mr. LAMBETH. Let me complete my statement. I am going to yield. I am not afraid to yield to the gentleman for his question, but I am trying to get over a thought here and I am not trying to evoke a controversy. I do not believe I misquoted the gentleman. If I did, I shall yield to him to correct any misstatement I may have made.

Mr. CULKIN. The gentleman did misquote me. I said he is an economic internationalist.

Mr. LAMBETH. All right; but do not take up any more of my time.

Mr. Hull believes it is wise to uphold our standards of living, but unwise to cut off all imports, and between these two policies there is a great gulf. On one side is the hog combine of special interests, which wrote the Hawley-Smoot tariff bill, and on the other side is sanity, a free movement of goods, greater employment, and consideration of the consumer. There is a difference between tariff policies which protect industry and labor against unreasonably low-cost production—example, cheap Japanese textiles—and a policy which stifles trade between nations and breeds monopoly.

Now, I believe if these countries could trade their products for ours; if commerce between nations moved freely, self-sufficiency would be unnecessary and the present tension in the world would be eased. Having initiated the tariff policy of the world which culminated in the monumental folly of the Hawley-Smoot Tariff Act of 1930, it is fitting that the United States take the lead in bringing the world back to sanity of trade.

During the period from 1925 to 1929 the world system of distribution was broken down by tariff barriers, the international debts, and the maldistribution of gold. Currency manipulation soon followed, and nations have been fighting not with guns and soldiers but with depreciated currencies and tariffs in deadly warfare.

At the risk of repetition, let me briefly review the result that was brought about by an unreasonable tariff policy. The excuse for the Hawley-Smoot Tariff Act, was the farmer needed higher tariff protection. As discussion got under way, logrolling began, with the result that there was pushed through Congress the highest tariff of our history. Other nations quickly and justly retaliated until world trade in comparison with what it had been was virtually stopped. International trade dropped from $68,000,000,000 in 1929 to $24,100,000,000 in 1932; by 1932 the number of unemployed in the world who had been engaged in occupations connected with foreign trade had reached 27,000,000; in the United States foreign trade dropped from $10,000,000,000 in 1929 to $2,500,000,000 in 1932. Coming to my own State, we find that in 1929 North Carolina exported goods to foreign countries valued at $99,500,000; in 1932, $32,948,000, a decrease of 66.9 percent. North Carolina exports of cotton dropped 88 percent and of leaf tobacco 63.2 percent in that period. These are our two most important exports. Per family the value of North Carolina exports dropped from $125.60 to $41.60. Is it any wonder that more families had to go on relief? It is true that much of the period I mention was during the depression, but it is equally true that much of the depression was caused by tariff policies.

The following table shows the North Carolina exports before and after the Hawley-Smoot Tariff Act was enacted:

Exports from North Carolina

[In thousands]

Classification	1929	1932	Percent of decrease (or increase) 1929 to 1932
Total exports	$99,525	$32,948	66.9
Leaf tobacco	60,339	22,231	63.2
Unmanufactured cotton	21,318	2,561	88.0
Cotton cloth, duck and tire fabric	3,824	2,013	47.4
Cotton yarn, thread and cordage	2,724	1,008	63.0
Cotton hosiery and other cotton manufactures	2,476	259	89.5
Cigarettes	2,195	2,364	[1] 7.7
Boards, planks, and scantlings	604	117	80.6
Cotton-mill waste	572	227	60.3
Machinery and vehicles	567	145	74.4
Paper, wood and manufactures	270	187	30.7
Smoking tobacco	209	124	40.7
Total above items	95,098	31,236	67.2
Percent of total exports	95.6	94.8	

North Carolina exports per family:

1929	dollars	125.60
1932	percent	41.60

[1] Increase.

Our tariff policies of a hundred years are being reversed and for the first time America is assuming the role of liberal leader in the matter of revising tariffs downward. Heretofore we have always led the world in carrying tariffs upward. The reason for this is that the United States has ceased to be a debtor nation and has become a creditor nation, and the more intelligent thought of the country realizes that a creditor nation must import or else inevitably lose its foreign markets for surplus products. Also, there are certain raw materials which we cannot produce. Among these are silk, rubber, tea, coffee, and tin. Furthermore, a century ago we were protecting infant industries, but infants have now grown to giants and giants are not noted for using their power for the best interests of the general public. In line with the policy of reducing tariffs we have already concluded trade agreements with Cuba, Brazil, Haiti, Belgium, Sweden, Colombia, Honduras, Netherlands, Switzerland, and, most important of all, Canada. The treaty with Brazil became effective January 1, 1936. We are now carrying forward negotiations with other countries, notably France, Spain, and the Central American countries, toward the reduction of tariffs. The trade with the countries with which we have concluded negotiations and with which negotiations are under way represents 42 percent of our volume of foreign trade. Our trade with all the countries with which we have completed trade agreements is increasing.

Our first trade agreement was with Cuba, and this has been in effect long enough to show the definite trend of trade. Since August 24, 1934, when this agreement was signed, our exports to Cuba have increased from $32,238,848 to $51,470,108, or an increase of $19,231,260, or 60 percent.

To give some specific examples, our export of lard to Cuba has increased 97.9 percent; potatoes, 274.1 percent; automobiles, 287.7 percent; radios, 141.1 percent; lumber, 35.4 percent.

This means that people have been put to work to produce goods shipped to Cuba, and if our trade agreement stands, as we have every reasonable right to suppose, they are permanently given work. This is the kind of reemployment that is needed to foster private initiative and give business a permanent stimulus. If our trade agreements already entered into and to be entered into with other nations are only partly as successful as that with Cuba, millions of our unemployed will be given work and we will be well on the road to a sound and permanent recovery.

That is the way out. Not by panaceas, not by economic quackery or political demagoguery, will recovery be brought about. The best index to recovery is not the stock market but the reemployment in normal work of men and women who are able and willing to work. Progress must come in an orderly manner. It must be constructive and sound and bring us safely into the port of a more peaceful and happy and prosperous world. We cannot prosper unless the world is prospering. Too much was expected of the N. R. A. It failed because it was looked upon as a panacea. Much within it was good, and much that it stood for will eventually be adopted. But this must be remembered: Human nature and institutions cannot be changed overnight.

International trade means more friendly relations. Between us and Canada we have built tariff walls which have made for unfriendly relations between the two countries. In discussing the trade agreement with Canada, let us bear in mind that we are Canada's second largest customer and Canada is our second largest customer, but exports from Canada to the United States dropped from $503,000,000 in 1929 to $232,000,000 in 1934, or 54 percent. Exports from the United States to Canada dropped from $899,000,000 in 1929 to $302,000,000 in 1934, a decrease of 66 percent.

The figures which I have just given are based on products which are duty-free as well as those which are affected by tariffs. If we segregate the products the sale of which was drastically affected by the Hawley-Smoot Tariff Act, we find the percentage of decline to be much greater. For instance, our exports of wheat dropped from $27,308,190 to $15,758, structural iron and steel from $11,997,187 to $345,391, radio apparatus from $10,784,156 to $994,635, textile machinery from $4,993,457 to $1,673,069, industrial-machinery parts from $16,385,085 to $1,479,421, wheel tractors from $13,808,340 to $119,221. I might give further examples, but this is sufficient to show the evils of unreasonable tariffs.

Let us also bear in mind that imports from Canada on the articles on which duties have been reduced were in 1929, before the Hawley-Smoot Tariff Act, 95 percent of the total imports of these commodities from all countries combined. This being true, we may have no fear that increased trade with Canada will result in decreased trade with other nations of the world.

The most important Canadian concessions to the United States provide for direct duty reductions on items named in what is known as schedule I of the agreement. The grant to the United States on all other commodities of the lowest rates now or heretofore paid by any non-British country in place of the higher general rates is commonly known as the most-favored-nation rate. Of greatest importance to the United States is the guaranty of relief by Canada with respect to the Canadian system of arbitrary valuations heretofore applied on many commodities. By arbitrary valuations, Canada raised the valuation on many American products to the point that their admittance into Canada was impossible, as no market could be found after inflated duties had been paid. The South was especially hard-hit by this system. Of particular interest to my own State of North Carolina is the reduction of Canadian tariffs on furniture by 40 percent.

Before 1930 the United States shipped to Canada furniture in the value of $4,667,000. This has fallen to $471,000, or a 90-percent decrease. Of like interest to this State is the reduction of the tariff on cotton yarns by 25 percent. I am informed that already cotton and furniture manufacturers are receiving inquiries as to the possibility of filling Canadian orders.

I might continue to name specific items which will be benefited by the Canadian trade agreement, but as time does not permit, I will not do so and will only add that American agriculture will likewise be benefited. The Canadian trade agreement has been attacked as being unfair to agricultural interests, but such, as a matter of fact, is not the case. The duty on wheat has been lowered from 30 to 12 cents a bushel. Cotton remains on the free list. The duty on our most important agricultural trade with Canada, consisting of fresh vegetables and fruits, has been greatly reduced. This is expected to benefit the vegetable and fruit producers of the Northeast States; and it will vitally affect the market of Florida fruit in that duties have been greatly decreased on all citrus fruits; oranges will be admitted duty free; the market of North Carolina peaches and berries will be benefited.

It is true that the duties on cattle entering this country from Canada have been lowered; but when we take into consideration the negligible quantity that is allowed to enter at lower rates under the quota basis, this is of very small consequence.

If we take more Canadian goods, they will buy more finished goods from us, and especially textiles. Because of prohibitory tariffs American manufacturers have gone into Canada and built their mills. American capital has gone over there and thrown American labor at home out of work.

On our side of the agreement we bind ourselves to continue free entry into this country of those products which were entering this country duty-free before the trade agreement, notably pulpwood, wood pulp, and newsprint paper. We reduce duties, but for specified quantities, on cattle, seed potatoes, and lumber and timber of Douglas fir and western hemlock. Also we reduce by half the rates on other lumber. Undoubtedly, the reduction of tariff rates on lumber will receive more criticism than any other part of the trade agreement, but when we consider the fact that previous to 1930, when the lumber business of the United States was at its best, there was no duty on lumber, we realize that this criticism is unjustified. Even with reduced duties Douglas fir and western hemlock are allowed to enter this country only in the amount of 5 percent of our total consumption of softwood lumber in the United States, or about 250,000,000 feet. Both countries have made concessions as is necessary when any agreement is reached. Both countries will be benefited. Much more could be said about the Canadian agreement, but I do not think it wise to go too far into technicalities.

If we do not hold these foreign markets, we have not yet seen the beginning of regimentation. The question is clear-cut. Shall we produce for the world market or shall we produce for purely domestic consumption? The inevitable sequence is further regimentation and restrictions, higher unit costs and prices, lower consumption, more unemployment, less purchasing power, twenty millions on the dole instead of ten, lower standard of living, social decay and political disintegration, dictatorship.

Mr. WOODRUM. Mr. Chairman, I think this matter has been fairly debated, and I should like to proceed with the consideration of the bill. I ask unanimous consent that all debate on this amendment do now close.

Mr. TREADWAY and Mr. WOODRUFF rose.

Mr. TREADWAY. Mr. Chairman, time has been taken on this amendment——

Mr. WOODRUM. The time has been equally divided and the gentleman from Massachusetts has spoken in general debate on it.

Mr. TABER. Mr. Chairman, reserving the right to object——

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

Mr. TREADWAY. Mr. Chairman, I object.

Mr. WOODRUM. Mr. Chairman, I move that all debate on this amendment and all amendments thereto do now close.

The question was taken; and on a division (demanded by Mr. SNELL) there were—ayes 75, noes 54.

Mr. SNELL. Mr. Chairman, I demand tellers.

Tellers were ordered; and the Chair appointed as tellers Mr. SNELL and Mr. WOODRUM.

The Committee again divided; and the tellers reported that there were 83 ayes and 69 noes.

So the motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. CULKIN].

The question was taken; and on a division (demanded by Mr. TABER) there were 52 ayes and 89 noes.

Mr. CULKIN. Mr. Chairman, I ask for tellers.

Tellers were ordered; and the Chair appointed as tellers Mr. WOODRUM and Mr. CULKIN.

The Committee again divided; and the tellers reported that there were 67 ayes and 100 noes.

So the amendment was rejected.

Mr. TABER. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 33, line 20, strike out the paragraph down to and including line 2, page 35.

Mr. TABER. Mr. Chairman, I have offered this motion because I feel that the House should understand exactly what this situation is and what the effect of this kind of operation would be.

The Tariff Commission was originally organized in order that after careful hearing and investigation tariffs might be adjusted up or down from the provisions of the Hawley-Smoot tariff bill. Many such hearings have been had where both parties interested have had opportunity to be heard.

After the passage of the reciprocal tariff act the Tariff Commission ceased to function intelligently. All that was done was in executive session on reciprocal agreements where the people affected were given no opportunity to be heard. Tariffs were put through affecting industry and farming without the least opportunity for those affected being heard.

Just in that way industry was destroyed. Just in that way the tariff reciprocal agreement with Canada, which opens the way for every other country in the world, except Germany, was put through, taking a crack at the dairy industry, the wheat farmer, and the cattle farmer, and the bean grower.

Now, it has been suggested that the market price of butter is better in New York than it was a year ago.

Just so the American people may know the truth of the situation, I have the quotations in front of me. The market price of butter at the present time is 33⅛ cents. A year ago it was 33⅝ cents, or half a cent more. It is going down day by day as a result of those operations, and unless this reciprocal tariff performance is dropped, the cheese, the butter, and the milk market will collapse when the spring milk flow comes in. With normal conditions in this country in May 1935 the price of butter dropped to 23 cents. We must not permit this sort of thing to go on. No longer are hearings held by the Tariff Commission. Its function has become practically useless, because they do nothing to protect the interest of the manufacturers and farmers of the country, and we might as well wipe out the whole thing. When an institution is functioning only for the purpose of destroying American industries and American farmers, it ought to stop functioning.

I hope this amendment will be adopted, and that a stop will be put to those organizations which are trying to destroy instead of build up American industry and farming.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that debate upon this section and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection?

Mr. WOODRUFF. Mr. Chairman, I should like to have 5 minutes.

Mr. TREADWAY. Mr. Chairman, I want also to be heard.

Mr. WOODRUM. Then I ask unanimous consent that debate close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WOODRUFF. Mr. Chairman, I move to strike out the last word. Much has been said here this morning in regard to butter. My district consists of 14 agricultural counties. Nearly every farm in my district has at least two or three dairy cows. The question of butter and a proper price for this product of American dairies is one that has been close to me all of the years of my service here. Year after year I have seen those dairy farmers in my district drop down the economic scale until year after year their dairies have been in the red, not due to the fact that those dairies have been improperly conducted but due to conditions over which they had no control.

Something has been said about the price of butter a year ago and the price of butter today. It is only a year ago that the price of butter in this country became such that the American farmer could see his way to a small bit of profit from his dairy herd. The price of this commodity traveled upward until about a year ago, when it reached a point where there was some hope that the American dairy farmer could get out of the red, at least, and perhaps find himself on a semiprosperous basis. What happened? He did not remain in that condition long, and it was because of the fact that during the month of January a year ago more butter was imported into this country than had been imported into the country for the 4 preceding years. Why was that? It was because the price of butter in the American market had become such that the foreign producers could produce the butter, ship it to this country, pay the 14-cents-a-pound duty on it, and still sell it at a profit in competition with the American farmer.

During the 3 years preceding 1935 at no time in no one of those years were there more than half a million pounds of butter imported into this country. During the first two and a half months of 1935 more than 23,000,000 pounds of butter were imported in competition with the American farmer. That is not a great amount of butter when you consider the butter consumed by the people of this country, but it was enough to drive down the price of that product until the American farmer could no more see even a fair hope of profit for his product.

What is happening now? The price of butter has again gone up to the point where the American farmer can see some hope for his dairy activities. Already there is an avalanche of butter on its way to this country. Four thousand five hundred boxes of butter have been sent here from the Argentine, and there are many, many other thousand boxes on the way here from other butter-producing countries. I prophesy it will not be a matter of weeks before the price of American butter will be driven to the point where the farmer can no longer realize a price that will give him the cost of production.

It has been disclosed in debate that the Canadian Reciprocal Trade Agreement Treaty reduced the tariff on dairy products. It perhaps would not be so serious a matter if reductions on these products were confined to the Canadian people, because there would be a limit to the amount that could be imported from that country. It seems, however, that the more vital question involved in this program of reciprocal-trade agreements has been entirely overlooked. During such of the debate as I have heard there has been no reference to the fact that any reductions in tariffs we give to any one nation is automatically granted to 38 other nations of the world with whom we have the most-favored-nation treaties, and who give us no preferential treatment whatsoever in the way of reduction of tariffs on our importations into those countries. In other words, we reduce the tariff on certain dairy products of Canada, who makes certain reductions in the tariffs we must pay on importing our products into that country, and immediately, without further action of any kind whatsoever, those reductions in the tariff on dairy products are extended to New Zealand, to Australia, to Argentina, to the Scandinavian countries, and to every

other nation in the world producing dairy products for export. They give us nothing in return, and as a result every time a trade-agreement treaty is put into effect by the President of the United States, it constitutes not simply a reduction of tariffs to a single country but it does constitute a general reduction in the tariffs on all products incorporated in that agreement.

Our Democratic friends have talked long and loud about what they were pleased to term the "iniquities" of the Smoot-Hawley Tariff Act. They must concede, at least, that the bill had as its object reserving the American market for the American producer, whether that American producer lived on a farm or in the cities and towns of this country. Incorporated in that act was what is known as the flexible clause, under which the President of the United States is authorized to raise or lower the tariff on any given commodity when, after an investigation by the Tariff Commission, he finds that such increase or decrease will bring about a customs duty amounting to the difference in cost of production here and abroad.

Surely President Roosevelt is thoroughly familiar with this clause in the Republican tariff act. Surely he knew that a year ago, when foreign butter began flooding this country and ruining the market for the American farmer. He must have known that he could remedy the situation very quickly by exercising the authority given him under the last tariff act and increasing the tariff on butter.

I think everyone within the sound of my voice will agree that, had this been done, the American dairy farmer would during the last year have been able to maintain a price which would have enabled him to at least secure the cost of producing this very necessary American food product, instead of finding himself again in the position where he is compelled to sell his butter at a price much below that figure. We may expect to see history repeat itself again, as I have heretofore pointed out. Those farmers who are able to sell their butter at the present price are exceedingly lucky, because I assure you, Mr. Chairman, that the present price will directly be reduced because of the importations of foreign butter now on the way here.

The Democratic Party has had control of this House since the election of 1930; they have had control of every committee of the House during this period. There has been no time when they did not have the power to bring forth from the Ways and Means Committee a tariff bill incorporating rates which would put an end to the "atrocities" in the Smoot-Hawley tariff law. From time to time this question has been debated in the House. We Republicans have challenged our Democratic friends to bring forth such a bill to let the people of the United States know just where they stand on this question of the tariff; to let the folks back home know just wherein they believe the American market should be reserved to the American producer, insofar as the American producer could supply that market. Of course, they have made no such attempt. There was no attempt on their part to amend the tariff laws; and, so far as I have been able to learn, there has never been one Democratic Member of this House who has arisen in his place on the floor and pointed out where the tariff on any one single article in the Smoot-Hawley Act was too high. Why was not this done? Why was it that our Democratic friends were not willing to place themselves on record on a matter as vital as this to the welfare of the people of the United States?

Reference has been made repeatedly by our friends on the other side of this Chamber to what they call our opposition to the importation of anything of foreign growth or manufacture. Surely they have not overlooked the fact that always, under Republican tariff acts, the free list, under which any nation in the world may import any article so listed without the payment of one penny's duty, has been a most extensive list. Mr. Chairman, during the last 10 years there has been brought into this country a much larger percentage of goods on the free list than ever before. Goods on the free list for which no duty whatsoever has been collected have constituted from 63 to 67 percent of all importations. That does not sound to me, Mr. Chairman, as though we were not willing to permit any foreign goods to come into this country; that does not sound to me, Mr. Chairman, as though we were unwilling to do any business whatsoever with foreign people. Surely, if we give to foreign nations a free market for hundreds of millions—yes; and at times billions—a year for their products without payment of any duty whatever, we feel that we have indicated to them and to the world in general that we believe in the spirit of the "good neighbor"; but we do not believe in the spirit of the "good neighbor" to the extent that we not only give to them a free market for everything they produce which we do not produce but a free market also to them for the things which we do produce.

In other words, Mr. Chairman, we believe that the American farmer, the American workingman, and the American manufacturer is entitled to have the American market to himself so long as he is willing to deliver the products of his labor and his investment to the American people at a fair profit.

Wrapped up in every package brought into this country is hours and days of human labor. Everything we buy, regardless of what it may be, represents in some degree the result of human toil and human employment—wages, opportunities for men to supply the necessities of life for themselves and their families. Why is it, Mr. Chairman, that in times like these, with 13,600,000 persons in this country still unemployed, that we continue to drop our tariff walls and import into this country foreign products in competition with the American products which, when they appear on the shelves of American stores and are disposed of to our people, rob the American workingman and the American farmer of their right to produce those things for his fellow citizens?

Just why is it that this is done, Mr. Chairman? Why is it that we persist in a policy of reducing American production in all lines of industry, including the agricultural industry, denying to our own people the right to produce those things, and then, by such methods as I am discussing, invite into this market commodities of like character?

I hope, Mr. Chairman, that the time is not far distant when the courts will have an opportunity to pass upon the validity of this iniquitous Reciprocal Trade Agreement Act. Section 8 of the Constitution states:

> The Congress shall have the power to lay and collect taxes, duties, imposts, and excises.

The court of last resort in this country has, within the past few months, ruled as invalid a number of legislative enactments of the New Deal. In view of their decisions and others in years gone by it is perfectly clear that this trade-agreement act does greater violence, both in letter and spirit, to the Constitution of the United States than any other act recently declared invalid by the Court. I prophesy, Mr. Chairman, that the next election will produce a most emphatic answer to the New Deal majority and that the American people will in no uncertain way register their demand for an immediate return to fundamental Americanism.

I ask unanimous consent to extend my remarks in the RECORD by printing a portion of a table showing the imports into this country for the last 10 years. I call the attention of the House to these figures and suggest to our Democratic friends that in the future in discussing this matter they, at least in part, cling to the facts.

The CHAIRMAN. Is there objection?

There was no objection.

The table is as follows:

Total imports, free and dutiable

	Free	Dutiable	Percent free
1926	$2,853,411,000	$1,577,477,000	64.4
1927	2,621,873,000	1,562,869,000	62.7
1928	2,616,239,000	1,475,205,000	63.9
1929	2,843,354,000	1,556,007,000	64.6
1930	2,051,210,000	1,009,798,000	67.0
1931	1,381,435,000	709,199,000	66.1
1932	879,043,000	443,731,000	66.4
1933	903,547,000	520,466,000	63.0
1934	991,161,000	644,842,000	60.0
11 months of 1935	1,004,499,000	765,259,000	58.8



Mr. COOPER of Tennessee. Mr. Chairman, there is no occasion for any misunderstanding of the issue presented to the House for consideration. It is the age-old tariff question that has long been considered here. All of these distinguished gentlemen on the minority side of the House, if they were Members of Congress at the time the Smoot-Hawley tariff bill was enacted, worked and voted for that measure. They have a great deal to say about the prices now being received by the farmers of this country. It is a matter of common knowledge, known to everybody who has taken the time to consider the matter at all, that after the passage of the Smoot-Hawley tariff bill the prices received by the farmers of America continued to go down. They steadily declined. It has only been under this administration and under the policies of the present Chief Executive of this Nation that the prices of the farmers of this country have begun to rise. [Applause.]

The purpose of the amendment offered by the gentleman from New York is to strike out the entire appropriation for the Tariff Commission. The gentleman argues that this Commission has ceased to fill any useful purpose in this country. In that he is grossly in error. It is performing every function today that it has ever performed, and in addition to that is performing the additional very vital and essential function of making the investigations and reports necessary under the Reciprocal Trade Agreement Act. Those of us on this side of the aisle well remember the long, hard fight we had in this House to secure the passage of the Reciprocal Trade Agreement Act, and I venture the assertion that when the pages of history are written they will reflect that more real good has come to American agriculture and the masses of the people of this Nation through the operation of that measure than most any measure that has thus far been enacted. [Applause.]

Mr. GIFFORD. Will the gentleman yield?

Mr. COOPER of Tennessee. I am sorry I do not have time. I hope the gentleman will excuse me.

Now, Mr. Chairman, the only purpose here is to do something by indirection that these gentlemen well know they could not even approach doing directly. The purpose of this amendment is to repeal the Reciprocal Trade Agreement Act and to remove the appropriation so as to cripple the functions that are being exercised under that measure. Certainly we are not deceived by this insidious effort to so cripple the machinery and agencies created under this administration as to destroy the effect of the trade-agreement act. Of course, it would take a long time to analyze all of those agreements and negotiations that have been conducted by this administration, but the fact stands out in bold relief that in every one of those negotiations every American interest that is in any sense affected has the full right and opportunity to be heard. Those agreements are considered on the basis of the welfare and interest of the whole American people. Of course, this amendment, which seeks to eliminate all appropriation for the Tariff Commission, should be voted down and defeated. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I agree with the statement made by the gentleman from North Carolina [Mr. LAMBETH], who I wish might address the House more frequently, as he is certainly an eloquent speaker, when he stated that this reciprocal-tariff arrangement completely changed the tariff policy of this country. We agree to that. The reciprocal-tariff procedure does completely change the tariff policy of this country, in that it is destroying the interests of the American people—farmers, workingmen, and manufacturers alike. That is not the Republican attitude toward the tariff.

The Republican Party, through the protective tariff, has enabled the industries of this country to be built up to their present state of efficiency, and it has given the farmer the richest home market, the workingman the highest wages, and our people the highest standard of living of any country on earth.

The reciprocal-tariff program, however, does just the reverse. Its purpose is to tear down, not to build up, and its natural effect will be to dilute our own strength with the world's weakness. Therefore I hope that the motion of the gentleman from New York [Mr. TABER] to do away with this useless Board, which is now helping to carry forward the reciprocal-tariff program, will be agreed to.

Now, what were the original functions of the Tariff Commission? They were to furnish scientific information to the President to enable him to carry out the mandate of Congress that tariff duties should be maintained at such a level as would always equalize foreign and domestic production costs, and thereby protect American agriculture, industry, and labor from unfair and destructive foreign competition. What is their function now? To provide information to a star-chamber board which is "stacked" to destroy the protective tariff. The administration has abandoned the difference-in-cost-of-production yardstick, and duties are now being lowered indiscriminately to please the foreign countries who want to ship their goods into our rich market.

Why change the policy? Or if you Democrats want to change it, why do you not come in here with a tariff bill and play the game fair and square? Vote out the so-called iniquitous Smoot-Hawley rates, if you see fit. You have never shown one of them that was iniquitous, but you keep on saying that you want to change them. Why do you not do it in a man fashion and come here and debate this question, rather than to proceed by this secret star-chamber procedure under the policy now adopted by this administration?

Now, let me call the attention of my friend from North Carolina, Mr. LAMBETH, to another detail. The gentleman says this star-chamber procedure, setting up a reciprocal tariff, has increased exportations from this country. It has increased exports from this country, yes; but the increased imports have been four times as much as the increased exports. In the case of Cuba they have been five times as much.

I quoted the figures the other day and I will repeat them here. According to the Department of Commerce figures released on January 10, our total exports in the 11 months ending November 1935 increased $96,000,000 over the same period last year. You Democrats will point to that with great pride, and the State Department will publish the information throughout the country as showing the great benefits to be derived from the reciprocal-tariff program. But wait! Let us see what the import figures show. Again quoting from the Department of Commerce, our imports in the 11-month period ending November 1935 increased $338,000,000 over the same period last year. Thus, we suffered a net loss of $242,000,000.

We have been hearing a lot about how the concessions which we make to foreign countries will be offset by increased sales to them, but the figures do not show it. They prove what I have always contended, that the reciprocal tariff would provide a one-way street into our rich domestic market.

I referred to the Cuban trade agreement the other day, and showed that in the first year of its operation our producers had to surrender an additional $103,000,000 of the domestic market in order to gain an additional $21,000,000 in the Cuban market. I might call attention, also, to the results under the Belgian agreement, which became effective last May. As a result of the first 6 months' operation of this agreement our exports to Belgium showed an increase over the previous 6 months of $1,500,000, but our imports from Belgium increased by $4,700,000, showing a 3 to 1 net loss to our own producers.

Since our concessions under the trade agreements negotiated with particular countries are extended generally to imports from all countries, Germany alone being excepted, it stands to reason that a large part of our large increase in foreign importations is due to this policy of horizontal tariff reductions. At the same time, our relatively small increase in exports demonstrates conclusively that on the whole we lose more than we gain by tariff reciprocity.

It is said that since we are a creditor Nation we must allow increased imports so that foreign countries may pay

us what they owe, but I have never understood that our concessions to these foreign countries have been conditioned upon their paying anything on the war debt. That is merely a convenient excuse, not a reason, for putting into effect the free-trade theories of the Secretary of State.

This reciprocal tariff is not only injurious to the farming interests of the country, the dairy interests, which have been so ably defended on this floor, but it is likewise destructive of every industry of the country. You do not need any better evidence of this situation than the statement issued last week by Mr. Peek. I have referred to it once on this floor, and it is worthy of requoting. Mr. Peek said:

The farmer is taking the rap.

He further said:

I do not feel that general tariff reduction is an appropriate policy at a time when 10,000,000 or more are out of work and we are trying to restore domestic economic balance.

There is testimony that is worth while, from a successful man, who endeavored to stomach the policies of the Democratic administration and found it gurgled up in his throat, and he could not stand for it any more than Lew Douglas could. There are a couple of men, if you want to follow good advice rather than that of college professors, whom you could well tie up to. But those men are thrown out in the discard.

Mr. Chairman, the gentleman from North Carolina referred to tobacco. He is interested in tobacco. I want to say that I am also interested in tobacco, as we produce a great deal up in the Connecticut Valley. Under the trade treaty with the Netherlands the President reduced the duty on wrapper tobacco by one-third. The principal imports of wrapper tobacco come from Sumatra, which, as you know, is one of the Netherland East Indies. This Sumatra tobacco is produced by forced and indentured labor, as was testified before the Ways and Means Committee a few years ago. My tobacco farmers pay American wages, but they have to compete with this product of slave labor. The tariff which was imposed on wrapper tobacco under the 1930 law enabled them to stay in business, but the reduction in duty made by the President may have the effect of wiping them out and giving the foreigners the whole market for wrapper tobacco in this country.

For one man to have the power to wipe out our industries at will is neither in keeping with the American tradition nor in the interest of our people. While the amendment offered by the gentleman from New York will not prevent the continuance of this policy, it will be a step in that direction, and I am, therefore, in favor of it.

[Here the gavel fell.]

Mr. GIFFORD. Mr. Chairman, may I be recognized for 1 minute?

Mr. WOODRUM. All the time has been allocated.

Mr. GIFFORD. Twenty minutes was allotted for debate on this amendment.

Mr. WOODRUM. Mr. Chairman, I yield to the gentleman from Massachusetts 1 minute of my own time.

Mr. GIFFORD. Mr. Chairman, I shall try not to take even a minute. We hear from the President of the United States so much about the devaluation of the dollar being the reason why agricultural prices have advanced, and we do know that cotton went immediately from 6 cents to 11 cents a pound because of it. Is it possible now that all credit is to be taken because of the reciprocal-tariff measures? Are you not going to talk about the results attained by the devaluation of the dollar, or do we want to forget about it? Is not devaluation really the reason for advanced prices?

Mr. WOODRUM. Is that what the gentleman wanted a minute of my time to talk about! [Laughter.]

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Virginia is recognized for 4 minutes.

Mr. WOODRUM. Mr. Chairman, I am not going to talk about the devaluation of the dollar.

Mr. GIFFORD. I hope the gentleman will.

Mr. WOODRUM. No; at the present moment I am interested in this appropriation bill and not the state of the Union.

Mr. Chairman, I think we understand pretty well just what the situation is. As has been very well said by the gentleman from Tennessee, there is the age-old traditional controversy between the two parties on the question of the tariff, and it comes up today in the consideration of this appropriation item. Our friends are very violently and outrageously complaining against reciprocal trade agreements. Now, I voted for the Reciprocal Trade Act, and I would vote for it again; but I do not wish to argue the merits or demerits of that. Let us look for a moment at the question which my friend from New York has apparently seriously made. I thought he was making the motion to get a chance to speak for 5 minutes longer.

Mr. TABER. Oh, no; the motion was serious.

Mr. WOODRUM. All right. What would he do? He undertakes to destroy a whole commission which has served not only the Nation but his own party, and which his own party, if and when they come into power again, would want to use.

Mr. TREADWAY. Next year.

Mr. WOODRUM. Well, certainly, the gentleman could not be sincere in wanting to destroy the Tariff Commission and dismember and disband this group of highly trained experts. I doubt if he does, because, if his party is so soon to be called into power, I think they will want it; but let us look a little further into the Tariff Commission. The furnishing of information for reciprocal-trade agreements is but a small part of the duties of this great Commission. As these gentlemen very well know, this Commission does not make reciprocal-trade agreements. The Tariff Commission has nothing to do with them, and nobody knows better than the distinguished gentleman from Massachusetts, a member of the Ways and Means Committee, that if you wiped out the Tariff Commission you would not wipe out the right to make reciprocal-trade agreements. They are not made by the Tariff Commission. The only thing the gentleman would do if he succeeded in his motion—and I cannot believe he is serious—if he succeeded in his motion he would destroy the Tariff Commission, would wipe it out. Would he destroy the President? Would he take away from the President the right to have the expert evidence and findings of the Tariff Commission in his consideration of reciprocal-trade agreements? If the Tariff Commission were wiped out entirely and all its funds taken away, the Reciprocal Trade Act would still remain upon the statute books, and the administration and the executive branch of the Government would continue to operate and continue to exercise the functions we have given them by organic law passed in this House.

We listened to these gentlemen in very eloquent protestation for several days, as I recall it, both in this body and in the other body, then passed the act.

Mr. Chairman, I hope the membership of the House will permit this appropriation bill to go to final enactment. We have all had our say.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Yes; if I have any time left.

Mr. GIFFORD. The gentleman recalls, of course, the famous statement of the Tariff Commission that the President could get a statement on either side he desired?

Mr. WOODRUM. Now, Mr. Chairman, I ask that the motion of the gentleman from New York be defeated.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

Mr. WIGGLESWORTH. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at this point and to include therein a very brief letter I received yesterday from the Tariff Commission bearing on the remarks I made yesterday.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. WIGGLESWORTH. In my remarks of yesterday, I stated that the subcommittee in charge of this bill had attempted to investigate the charge that Japanese swordfish had been landed both on the Pacific and Atlantic coasts at transportation rates serving to reduce the protection afforded by law by 50 percent and more, but that questioning at the hearings and inquiry since then had both failed to obtain a satisfactory response in this connection from the Commission.

On my return to my office, I found the following letter which had just been left for me by special messenger:

UNITED STATES TARIFF COMMISSION,
Washington, January 16, 1936.

Hon. RICHARD B. WIGGLESWORTH,
House of Representatives, Washington, D. C.

MY DEAR MR. WIGGLESWORTH: I have your letter of January 11 asking information as to the part transportation rates on frozen swordfish play in cutting the tariff protection on that product. We have telephoned your office several times about this investigation, which is more or less on the verge of a public announcement. We have been hesitant, therefore, to give out information concerning the details in advance of the public announcement.

However, in view of your interest in the transportation feature, I can say that our detailed study of costs indicates that the transportation and other charges of Japanese swordfish from Japan to Boston, which is the most important domestic market, is between 1.5 and 1.75 cents as compared with the unit value of Japanese swordfish entered in the Massachusetts customs district in 1934 of about 8.25 cents. As soon as the report on swordfish is issued by the Commission I shall be glad to see that a copy is forwarded to you.

You ask also for any evidence which the Commission may possess of instances of false classification by means of which the entry of commodities is effected on a basis that in effect conceals a violation of existing requirements. You have, I think, from the hearings before the Appropriations Committee, our comments on the methods by which certain importers in the United States dealing in pottery resorted to evasive practices. The Commission is not advised at the present time of other instances of false classification similar to that followed in the imported pottery trade. We, however, are not the recipients of such complaints regularly; the function of dealing with the improper declaration of merchandise belongs to the Customs Service, and I am sure they will be glad to advise you.

Very truly yours,

ROBERT L. O'BRIEN,
Chairman.

The Committee will note the statement by the chairman of the Commission to the effect that transportation and other charges of Japanese swordfish from Japan to Boston, which is the most important domestic market, is between 1.5 and 1.75 cents. If I am correctly advised, this statement confirms substantially the charge which has been made. I hope that appropriate steps will be promptly taken to deal with the situation.

The Clerk read as follows:

VETERANS' ADMINISTRATION

Administration, medical, hospital, and domiciliary services: For all salaries and expenses of the Veterans' Administration, including the expenses of maintenance and operation of medical, hospital, and domiciliary services of the Veterans' Administration, in carrying out the duties, powers, and functions devolving upon it pursuant to the authority contained in the act entitled "An act to authorize the President to consolidate and coordinate governmental activities affecting war veterans", approved July 3, 1930 (U. S. C., Supp. VII, title 38, secs. 11–11f), and any and all laws for which the Veterans' Administration is now or may hereafter be charged with administering, $86,500,000 together with $7,000,000 of the unexpended balance of the appropriation for this purpose for the fiscal year 1935: *Provided*, That not to exceed $3,500 of this amount shall be available for expenses, except membership fees, of employees, detailed by the Administrator of Veterans' Affairs to attend meetings of associations for the promotion of medical science and annual national conventions of organized war veterans: *Provided further*, That this appropriation shall be available also for personal services and rentals in the District of Columbia and elsewhere, including traveling expenses; examination of estimates of appropriations in the field, including actual expenses of subsistence or per diem allowance in lieu thereof; for expenses incurred in packing, crating, drayage, and transportation of household effects and other property, not exceeding in any one case 5,000 pounds, of employees when transferred from one official station to another for permanent duty and when specifically authorized by the Administrator; furnishing and laundering of such wearing apparel as may be prescribed for employees in the performance of their official duties; purchase and exchange of law books, books of reference, periodicals, and newspapers; for passenger-carrying and other motor vehicles, including purchase, maintenance, repair, and operation of same, including not more than two passenger automobiles for general administrative use of the central office in the District of Columbia; and notwithstanding any provisions of law to the contrary, the Administrator is authorized to utilize Government-owned automotive equipment in transporting children of Veterans' Administration employees located at isolated stations to and from school under such limitations as he may by regulation prescribe; and notwithstanding any provisions of law to the contrary, the Administrator is authorized to expend not to exceed $2,000 of this appropriation for actuarial services pertaining to the Government life-insurance fund, to be obtained by contract, without obtaining competition, at such rates of compensation as he may determine to be reasonable; for allotment and transfer to the Public Health Service, the War, Navy, and Interior Departments, for disbursement by them under the various headings of their applicable appropriations, of such amounts as are necessary for the care and treatment of beneficiaries of the Veterans' Administration, including minor repairs and improvements of existing facilities under their jurisdiction necessary to such care and treatment; for expenses incidental to the maintenance and operation of farms; for recreational articles and facilities at institutions maintained by the Veterans' Administration; for administrative expenses incidental to securing employment for war veterans; for funeral, burial, and other expenses incidental thereto for beneficiaries of the Veterans' Administration accruing during the year for which this appropriation is made or prior fiscal years: *Provided further*, That the appropriations herein made for the care and maintenance of veterans in hospitals or homes under the jurisdiction of the Veterans' Administration shall be available for the purchase of tobacco to be furnished, subject to such regulations as the Administrator of Veterans' Affairs shall prescribe, to veterans receiving hospital treatment or domiciliary care in Veterans' Administration hospitals or homes: *Provided further*, That this appropriation shall be available for continuing aid to State or Territorial homes for the support of disabled volunteer soldiers and sailors, in conformity with the act approved August 27, 1888 (U. S. C., title 24, sec. 134), as amended, for those veterans eligible for admission to the Veterans' Administration facilities for domiciliary care.

Mr. CONNERY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, my colleague the gentleman from Massachusetts [Mr. WIGGLESWORTH] yesterday placed in the RECORD a letter which he sent to Chairman Prall, of the Federal Communications Commission, and the answer he received from Mr. Prall to that letter.

Question no. 1, which the gentleman from Massachusetts propounded to Mr. Prall in his letter, was:

How many of the high-powered clear-channel radio stations (bout 40 in number, I believe) are owned or operated by those independent of and not affiliated with any of the three major networks?

Chairman Prall in answer said:

Five high-powered clear-channel radio stations are owned or operated by those independent of and not affiliated with any of the three major networks.

I have looked up this matter, and from accurate information which I have received, it appears that out of these 40 high-powered clear-channel radio stations, 21 are owned, operated, or affiliated with the National Broadcasting Co.; 14 are owned, operated, or affiliated with the Columbia Broadcasting Co.; and 3 of these stations are owned, operated by or affiliated with the Mutual Broadcasting Co. These are the three big chains, and there is a great question as to the remaining two stations being independent. Mr. Prall said there were five independent stations having this high power, clear channel. My information is that there are not over two, one at Albuquerque, N. Mex., and one at Los Angeles, Calif., and it is a question as to whether these two are independent. So here is another example of inaccurate information given by the Communication Commission to a member of the Appropriations Committee of this House.

Two years ago the Congress of the United States passed a resolution telling the Radio Commission to make an investigation with reference to the question of allocating 25 percent of all radio time to education, religion, labor, farmers, veterans, and other nonprofit enterprises and calling for a report as to what recommendation the Commission would make on this subject. About 4 weeks ago, after 2 years, the Radio Commission picked 40 men to investigate this question. These 40 men were supposed to be educators. These are the men who are to make an unbiased study of the

question as to what should be done about allocating time on the radio to education, labor, religion, veterans, farmers, and other non-profit-making enterprises. Of these 40, please notice, 18 of the men picked by the Radio Commission either own or operate commercial radio stations; 7 are affiliated with people who run the stations; 2 of the 40 belong to the Communications Commission; leaving 13 educators out of the 40 to whom the general public is supposed to look for relief on this question of allocating time. This is another example of the deceit practiced by that Commission on the Congress of the United States.

Mr. Chairman, first of all, they flouted the request of 16 Members of this House who asked for a hearing on the obscene matter which was broadcast in the Mexican Government program over the National Radio Broadcasting Co. network. Now, they are trying to deceive the Congress again in their answer to the request of the gentleman from Massachusetts [Mr. WIGGLESWORTH] with reference to the questions which he has propounded.

I bring this to the attention of my colleagues of the House at this time to show the absolute need of a thorough investigation according to the resolution which I offered requesting a full and thorough investigation of this Commission. In this morning's paper I note that four members of the Commission have rebelled against the action of Chairman Prall and his answers to the gentleman from Massachusetts [Mr. WIGGLESWORTH]. Evidently right in the Commission they know things are not right. That Commission should be haled before a special congressional committee of this House. Let us look into the matter of who owns the radio of the United States. Let us look into the matter of who controls it. Let us look into why the National Broadcasting Co. must be whitewashed for broadcasting obscene matter while small stations are penalized for minor infractions. Let us get to the bottom of this matter. If there is nothing wrong, we will so report. If there is something wrong—and I believe there is plenty wrong—we will rectify it. I sincerely trust that the Rules Committee will grant me the hearing which I have asked for today; that they will report out my resolution—House Resolution 394—and that this House will pass that resolution so that we may clean up a very bad situation which I feel exists in this Federal Communications Commission. The American people want to know all the facts. They are entitled to know the facts; so let us have speedy action on this resolution.

[Here the gavel fell.]

Mr. KNUTE HILL. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, in the four previous sessions of Congress there has been a provision in the independent offices appropriation bill for a small appropriation to take care of patients having Buerger's disease at Soap Lake, Wash. It was stricken out of this bill during an executive session of the committee at the request of General Hines. I did not know anything about this until just a few days ago, when it was too late to appear before the committee, as the hearings had closed. So Senator SCHWELLENBACH, the junior Senator from the State of Washington, and myself went down to the Veterans' Bureau and talked with General Hines and the medical director, Mr. Griffith. They contended that there was nothing to show that the patients were receiving any benefits from the treatment at Soap Lake. Senator SCHWELLENBACH and myself took issue with that statement. With all due respect to these two gentlemen, they live in Washington, D. C., while Senator SCHWELLENBACH and myself live out there. We have been there and we have seen with our own eyes, and seeing is believing.

Mr. Chairman, we know that the effects from the treatment there at Soap Lake are beneficial; that the disease known as Buerger's disease is arrested by treatment at Soap Lake; and therefore we would like to have the appropriation made. In talking to General Hines, he stated, as did the medical director, that they still had an open mind. They asked what we would suggest doing. I suggested that Dr. Bogard, who has had charge of these patients at Soap Lake, be called to Washington. They agreed to call Dr. Bogard here and have a full hearing and a full investigation. They have sent for him, and under those circumstances I agreed not to present an amendment to this appropriation bill at this time. However, I want to place before the Members here some material, if I may be permitted to do so in the 5 minutes which I have at my disposal, so that they may know just what this Buerger's disease means.

This proposed provision for a continuation of an appropriation is in keeping with Senate Joint Memorial No. 8 of the Washington State Senate passed unanimously on January 29, 1935, petitioning the President and the Congress of the United States to provide adequate facilities at Soap Lake for the care of all veterans afflicted with Buerger's disease.

It is in keeping also with the action of the Washington State American Legion convention and the National American Legion Convention at Miami.

It is possible that some Members of this House have not come in contact with those who are suffering from Buerger's disease. For the benefit of such Members, let me say that Buerger's disease is a gangrenous affliction of the extremities. A couple of years ago there were some 700 veterans suffering from this disease. I am informed that the number is not now so large. This decrease in the number of sufferers is due, not to the fact of a remarkable number of cures but rather of a great number of deaths.

The disease affects the extremities. It begins in the fingers and toes. The ordinary type of treatment is amputation—a joint or two at a time. Then there comes, if the patient is fortunate, a temporary arrestment with subsequent infection and further amputations. One Buerger's patient with whom I am personally acquainted has had 19 anesthetics, with from 1 to 5 amputations each time. Both legs have been amputated a little at a time, until now they are off well up to the knees. He has not a whole finger on either hand—they have been amputated a joint at a time. This veteran spent some $8,000—all that he had—in an attempt to find relief from his affliction.

He found this relief in the waters of Soap Lake. The stumps of his legs and his fingers are healed, and he no longer suffers the agonies which the disease brings with it. Other veterans and many nonveterans have had similar experiences.

One veteran told me that when he was sent to Soap Lake from one of the Veterans' Administration facilities his feet were in such a state of decay that the dogs followed him wherever he went because of the odor of the decaying flesh. Then he pulled off his socks and showed me the fine, healthy scar tissue which had resulted in only a few months of treatment in Soap Lake.

It is a significant fact that with one possible exception every veteran who has been treated there has improved in proportion to the length of the treatment.

[Here the gavel fell.]

Mr. KVALE. Mr. Chairman, I ask unanimous consent that the gentleman may have 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KNUTE HILL. Mr. Chairman, the Veterans' Administration has said in the past that chemical analysis of the water at Soap Lake shows no healing properties for this disease which cannot be obtained in other places. They attribute the success in combating the disease there to change of environment and diet. Perhaps they are right, but if the environment at Soap Lake brings results which are not achieved any place else, that is the proper place for the veterans to be sent for the treatment of this disease. I do not know what it is in the water of Soap Lake that brings relief to these sufferers, but I should like to take the Members of this House there with me to witness the arrestment of the disease which has brought relief to all the veterans who have gone there. I am not a doctor; I cannot diagnose these cases. I cannot prescribe cures for them. I can only see the results that have been achieved. Dr. Bogard, who has been in charge of the work at Soap Lake for the Veterans' Administration, told me a year and a half ago that when he went there to take charge he was frankly skeptical and did not believe that

any great amount of good would be accomplished. But he said that after supervising the treatment of those veterans for several months and watching the progress which they made he was convinced that there was something there that accomplished the desired results.

Mr. Chairman, I ask unanimous consent to include as a part of my remarks a letter written to me, together with a statement with reference to what has been accomplished at Soap Lake. This letter and statement is by one of the patients at Soap Lake.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

The letter and statement is as follows:

SOAP LAKE, WASH., *January 10, 1934.*

Hon. KNUTE HILL,
Member of Congress, Washington, D. C.

DEAR CONGRESSMAN: In answer to your telegram, sent to Will L. Williamson, am answering it, as "Bill" is working at the dam as reemployment man. "Bill", as you may know, has been cut off the Government pay roll for something or other and has to get out and try to make a living the best way that he can. And believe me, if "Bill" didn't have so much of what makes bugs stick on windshields, he would be just out of luck. It is a dirty shame, a man with the loss of both legs and six fingers, due to service, has to go out into the world against keen competition.

Enclosed find pictures that I think will explain themselves. And you have met all the men described in the letter, so you know that the conditions that I spoke about are the truth. You talked to each of them personally.

Kresser, the one with both legs and nine fingers off, you met and talked to after his last amputation. He is now very nearly healed up, getting lots of rest, free from that terrible pain.

Several have come here on their own hook and have received wonderful results and are going to stay here for a while as they have shown such a marked improvement that they refuse to go to a hospital and try the treatments that have been offered to them.

I hope that you will be able to get some wonderful results in your fight for a treatment station being located here.

Thanking you, and hope that you will let me know the results, I remain,

Yours very truly,

EARL MCKAY.

HISTORY OF BUERGER'S DISEASE AT SOAP LAKE, WASH.

Buerger's disease (thrombo angiitis obliterans) is the spasmodic contraction of the nerves governing the arteries. This contraction gradually closes the blood vessels, thus shutting off the blood supply to the extremities. After lengthy periods the blood is cut off completely and a fibrous growth appears in the artery. Gangrene sets in in the affected parts, the flesh sloughs off, leaving the bone and live nerves exposed, and causing the sufferer terrific pain at all times. Orthodox methods of treatment offer but temporary relief, and that by continuous amputation of the affected parts. Then the natural mineral-water treatment was discovered at Soap Lake. Brief histories of individual cases treated there follow:

ANDREW E. M'CAY

Diagnosed as Buerger's disease in 1921. Toes, feet, both legs and left arm, hand, and three fingers highly discolored. Faced amputation of all diseased members. Went to Soap Lake in December 1921 as a last resort. Daily baths and drinking the water from the lake was the only treatment. By June 1922 the diseased tissue had sloughed off and granulations appeared. Eleven months later, in May 1923, all the wounds had healed perfectly without any amputations except the removal of the honeycombed bone from the first joint of the left great toe. In the past 10 years Mr. McKay has enjoyed perfect health without a return of the disease in any form.

CARL A. TURNER

Diagnosed as Buerger's disease in 1928. Suffered the amputation of the left leg below the knee in March 1929 at the veterans' hospital in Walla Walla. Was confined there for a period of 16 months, as the wound would not heal and became highly gangrenous. Went to Soap Lake in July 1930 with the stump black with gangrene and the bone protruding an inch or more. Within a year the diseased tissue had sloughed off, new tissue had formed covering the bone, and healing perfectly. Has had no return of the disease in any form.

WILLIAM L. WILLIAMSON

Diagnosed as Buerger's disease in 1920—service-connected disability. Suffered 26 amputations, resulting in the loss of both legs below the knees and 6 fingers during the period from April 1921 until February 1929. Went to Soap Lake in October 1930 with both stumps affected and all fingers, as well as finger stumps. Was given 2 weeks to live by Veterans' Administration doctors. Condition cleared up within 1 year of Soap Lake treatments. Has enjoyed perfect health the past 2 years without a return of the disease in any way.

The above three cases pioneered these Soap Lake treatments with wonderful results, and because of these results concentrated their efforts in having the Government recognize the Soap Lake treatments as a means of bringing relief to all veterans suffering from Buerger's disease.

On December 3, 1932, the Veterans' Administration sent nine cases, gathered from three Veterans' Administration hospitals, to Soap Lake to test the waters as a relief for Buerger's disease. These cases varied from the first stages to severe anatomical and ulcerated stages of Buerger's disease. Brief histories of these cases follow:

OLIVER C. REITER

Anatomical loss of one arm above the wrist and one leg at the hip. Other hand affected with three fingers ulcerated to the bone. This condition cleared up, the fingers healing, and he was free from pain within 8 months. His condition generally and materially improved.

LOUIS KRESSER

Anatomical loss of both legs below the knees and five fingers. Other fingers and thumbs affected. The decayed bones had to be removed from three fingers. The wounds nearly completely healed within 8 months. Later he was called to Denver for presumptive-case examination, and two fingers broke out and he had to have them cut off. At present they are very nearly healed and the veteran is free from pain. There is a very small area that is draining.

"TONY" ZALER

Anatomical loss of one leg at the hip. Limbs were badly ulcerated. Completely healed when transferred to Denver.

FARISH L. DYER

Badly ulcerated condition in left great toe. Hands and other foot in the first stages. Condition cleared up materially and the ulcerated toe entirely healed when discharged.

THEODORE KEARIS

Anatomical loss of one leg below the knee, one finger, and great toe on other foot. Both hands affected. Condition cleared up so that man now enjoys life and is living in Soap Lake in preference to being in some hospital where the outcome is future amputations.

ALFRED FOUSHA

Early stages of Buerger's disease with two ulcerations on two toes. Entirely healed and stayed at Soap Lake until ordered discharged by Veterans' Administration.

EMERY NEIL

Case long standing; left limb shrunken and useless but had not reached the ulceration period. Affected limb took on new life, and a strong pulse developed where none could be found before Soap Lake treatment.

ROBERT SCHAAB

Legs and feet and hands affected. Had not reached the ulceration period. Condition improved, but was there too short a time to get good results, due to the fact that he was discharged.

CHARLES W. PATTERSON

Early stages of Buerger's disease in feet and hands. Condition substantially improved. Discharged at his own request after 8 months' treatment.

The above-named nine veterans were under the personal supervision of a Veterans' Administration doctor, Dr. Edward Bogard. See his reports for vertification.

Respectfully submitted.

ANDREW E. MCKAY.

Mr. KVALE. Will the gentleman yield?

Mr. KNUTE HILL. I yield to the gentleman from Minnesota.

Mr. KVALE. The statement which the gentleman has just read probably makes my question unnecessary, but I had hoped that he would point out the vital necessity of doing something to curb this creeping, crawling horror, to which he referred. It is one of the most vicious diseases known to mankind. If the doctor which the gentleman has in mind has some helpful means of combatting this diseases I surely hope the doctor may have the facilities furnished him to go forward and develop his research along that line.

Mr. KNUTE HILL. I hold no brief for Soap Lake. I have no personal interest in it whatever, but I do have an interest in what the gentleman stated in connection with this terrible disease and in trying to do something for these men. We have gone on record here as being in favor of spending $2,000,000,000 for adjusted compensation, and I am in favor of it, but I believe we should also take care of these men who are dying by inches if there is any possible way of doing so. This matter will be taken up in the Senate in the proper manner after Dr. Bogard comes here.

Mr. THOMASON. Will the gentleman yield?

Mr. KNUTE HILL. I yield to the gentleman from Texas.

Mr. THOMASON. Does the gentleman propose to offer an amendment to the pending bill?

Mr. KNUTE HILL. No. I am withholding that in view of the fact that Dr. Bogard is coming here and a full hearing will be had.

Mr. THOMASON. What does the gentleman have in mind so far as the appropriations to meet this situation are concerned?

Mr. KNUTE HILL. I am having this matter inserted in the RECORD so that the Members may read about the things that have been going on at Soap Lake and the treatment and arrestment of the disease at that place.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto do now close.

Mr. BLANTON. Mr. Chairman, before that is done I want to proceed for a short speech on the proposed Townsend plan, and I move to strike out the last two words.

Mr. WOODRUM. We are going to have some roll calls and I hope the gentleman will permit us to proceed. Mr. Chairman, I withdraw the request for the present.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to revise and extend and to proceed out of order and to insert some data and excerpts in my remarks.

Mr. RICH. Mr. Chairman, reserving the right to object, is this going to be a political speech?

Mr. BLANTON. No; not the kind my friend would object to.

Mr. RICH. No politics in it?

Mr. BLANTON. No; I intend to discuss some Townsend plan incidents.

Mr. RICH. Well, go ahead.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Chairman, our able and distinguished young colleague and friend from Montana, Mr. MONAGHAN, is one of the leaders on this floor for Dr. Townsend and the Townsend plan. When he delivered his Townsend plan speech here Wednesday, Dr. Townsend honored him by sitting in the gallery and listening to him intently. The gentleman from Montana [Mr. MONAGHAN] is a national authority on the Townsend plan, hence what he says about it is reliable and important.

RUIN TO INDEPENDENT BUSINESS

Our able colleague from Wisconsin, Mr. BOILEAU, on Wednesday of last week make his unanswerable argument against the Townsend plan, and stated:

> I want to predict that the use of a 2-percent transaction tax as a means of raising the money to pay this pension will ruin each and every small businessman in this country.

And he concluded his speech by saying:

> The few advocates of the Townsend plan in this body have never defended its principal provisions upon this floor, and I say with a firm conviction that there is not a man in this House who can or will attempt to defend the transactions tax embodied in this plan upon the floor of the House. [Applause.]

MOST DANGEROUS ADMISSIONS

My good friend from Montana, Mr. MONAGHAN, immediately took the floor in an attempt to reply to the Boileau challenge, but he did not even pretend to defend the transactions tax. The following colloquy occurred, and I quote from page 181 of the RECORD for Wednesday, January 8, 1936:

> Mr. BLANTON. Mr. Chairman, will the gentleman yield?
> Mr. MONAGHAN. Yes.
> Mr. BLANTON. Does the 2-percent sales or transaction tax the gentleman and Dr. Townsend propose in this Townsend measure apply to all commodities, or are the necessities of life excluded?
> Mr. MONAGHAN. As I understand it, I may say to the gentleman from Texas that the transactions tax applies to all commodities; in fact, to all transactions.
> Mr. BLANTON. It applies to all commodities?
> Mr. MONAGHAN. The transactions tax covers every transaction of whatever nature that might occur in the commercial or business world.
> Mr. BLANTON. Then the 2-percent transactions tax would cover the purchase of every bottle of milk and every loaf of bread?
> Mr. MONAGHAN. That is correct.

Vital statistics disclose that a majority of the people of the United States never reach the age of 60 years. Hence, even if such plan were constitutional, and clearly it is not, they are proposing to put a 2-cent tax on every bottle of milk bought for babies, and 2 cents tax on every loaf of bread that every poor person in America may buy to keep from starving. And this tax is to be placed upon all of the 120,000,000 people of the United States to benefit only those who have reached the age of 60 years, notwithstanding a majority of the people thus taxed will never in life benefit from it themselves, because a majority of the people will die before they reach the age of 60 years.

THE SOLAR-PLEXUS ADMISSION

But the following colloquy last Wednesday week, page 181, puts Brother MONAGHAN out of court:

> Mr. BLANTON. Will the gentleman yield?
> Mr. MONAGHAN. I yield to the gentleman from Texas.
> Mr. BLANTON. Under the Constitution the Congress has no power whatever to tax all the people for the benefit of a certain class. Nowhere in the Constitution is there power given to Congress to tax all the people in order to pay a gratuity to any particular class.
> Mr. MONAGHAN. I believe the gentleman has stated the proposition correctly.

Where does that admission leave Dr. Townsend? It puts him outside of the Constitution. For it will not be denied that the Townsend plan proposes to tax all of the people a 2-cent tax on every bottle of milk they buy, and a 2-cent tax on every loaf of bread they buy, and a 2-cent tax on every transaction of every kind, nature, and description, to pay a gratuity to a particular class, to wit: Only to those who reach 60 years of age, when, as heretofore stated, a majority of the people of the United States never reach the age of 60 years, and could never receive such gratuity themselves.

IN DAYS OF OLD, WHEN KNIGHTS WERE BOLD

Every day since Wednesday of last week, when the gentleman from Wisconsin [Mr. BOILEAU] issued his challenge "that there is not a man in this House who can or will defend the transactions tax embodied in this Townsend plan", we have been watching for some knight of the Townsends to take up the gauntlet and to make the defense thus challenged. Practically a week passed in silence. Knight MONAGHAN failed to make proper answer. We all began to wonder. What other Townsend knight would appear on the lists? Naturally we expected the lot to fall on our new colleague from Michigan, Mr. MAIN, who, it is said, came here on the platform, "If you will elect me to Congress I will go there and pass the Townsend bill for you."

So very naturally, when our distinguished friend from Michigan [Mr. MAIN] took the floor last Tuesday we expected him to defend the Townsend plan, but he then stood on this floor for 20 minutes in his maiden speech and never even mentioned the Townsend plan. He never even referred to the Townsend plan. [Laughter and applause.]

Mr. MAIN. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. In just a few minutes, after I finish my remarks.

And I happened to remember he comes from the most rock-ribbed Republican district in the United States, the Third District of Michigan, which for 40 years has never had a Democrat here in Congress. It has elected Republicans always for 40 years. It has a normal Republican vote of 45,000—45,000 normal Republican votes—and yet when our distinguished Townsendite was elected as a Republican against a Democrat he could muster only 25,000 votes. Twenty thousand Republicans laid down on him and would not vote. [Laughter and applause.] There were 20,000 votes missing in the Republican Party that he could not muster. Our good friend from Michigan [Mr. MAIN], being a Republican, would have been elected from that Republican Third District of Michigan if Dr. Townsend had never been born.

Mr. MONAGHAN. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I yield to the great Townsend leader on this floor, my able and distinguished friend from Montana. [Laughter and applause.]

Mr. MONAGHAN. I thank the gentleman, and I reciprocate the compliment.

Mr. BLANTON. Please be brief, because my time is fleeting, and the gentleman from Virginia has been most gracious in allowing me to interrupt his bill.

Mr. MONAGHAN. And I want to thank the gentleman for calling me a knight as well, and I wish to say that I have not defended the sales tax in any speech on this floor; I have condemned it. There is a vast difference between a sales tax and a transaction tax, the one proposed in the revised McGroarty bill.

Mr. BLANTON. I am sorry I cannot yield further. I would gladly yield to the gentleman, but I have not the time to yield further.

The gentleman's entire speeches here have been in favor of a transaction tax on every bottle of milk and on every loaf of bread. Here is what my friend admitted from this floor here on Wednesday, January 8, 1936:

Mr. BLANTON. Does the 2-percent sales or transaction tax the gentleman and Dr. Townsend propose in this Townsend measure apply to all commodities, or are the necessities of life excluded?

Mr. MONAGHAN. As I understand it, I may say to the gentleman from Texas that the transaction tax applies to all commodities; in fact, to all transactions.

Mr. BLANTON. It applies to all commodities?

Mr. MONAGHAN. The transactions tax covers every transaction of whatever nature that might occur in the commercial or business world.

Mr. BLANTON. Then the 2-percent transactions tax would cover the purchase of every bottle of milk and every loaf of bread?

Mr. MONAGHAN. That is correct.

I want to discuss a little further the maiden speech of our newly elected Congressman from Michigan [Mr. MAIN], whom the newspapers asserted was elected to Congress on the sole issue that he was a disciple of Dr. Townsend and would pass the Townsend plan if elected.

Yet not one word about the Townsend plan did our new colleague from Michigan [Mr. MAIN] utter. Apparently nothing concerning the Townsend plan was in his mind. He seemed to have left his Townsend speeches in Michigan. He used up every moment of his 20 minutes in a crude sophomoric attack on President Franklin D. Roosevelt.

Last Sunday's Washington Post stated: "Townsend leaders claim credit for the election of VERNER MAIN, of Michigan, on a Townsend platform." But the oath he took when becoming a Congressman seems to have made an impression on him, for, after introducing himself and saying he was glad to be here, the gentleman from Michigan [Mr. MAIN] had the following to say about President Roosevelt's message to Congress:

I am depressed at the reflection that on the very day I took the oath of office "to support and defend the Constitution of the United States against all enemies, foreign and domestic", a very distinguished gentleman, who had likewise taken an oath of office of equal or more serious import, saw fit to interpret the functions of his office in a manner tending, although perhaps not calculated, to demean and belittle the high office of which he is the present incumbent.

And before he concluded his maiden speech, wherein from its start to finish he did not mention the Townsend plan, the gentleman from Michigan [Mr. MAIN] said:

Even the President of the United States cannot deceive the people time without number.

When has President Roosevelt ever deceived the people? His whole heart and soul is wrapped up in the people's welfare. The only promising utterance in the speech of the gentleman from Michigan [Mr. MAIN] was his assertion:

For my part, I am interested, first, in the state of the Union; and my responsibility is to see what I can do at this time to protect, preserve, and promote the general welfare of the Nation.

And he concluded his speech by saying:

Let us, I say, have a government of laws, and not of men.

And that is what we have got, a government of laws, with a Constitution that protects the rights of the people. When Congress passes a law not authorized by the people's Constitution, the people's Supreme Court sets that unconstitutional law aside and annuls it. And when the great Townsend leader from Montana [Mr. MONAGHAN] admitted that under the Townsend plan every bottle of milk and every loaf of bread and everything else that all of the people of the United States bought or transacted would be taxed to pay this $200 per month to every person 60 years old or over in this particular class, and this Townsend leader further admitted that the Constitution does not authorize Congress to tax all of the people to pay one particular class, the gentleman from Michigan [Mr. MAIN] remembered the oath he took on the opening day of Congress, and this must have been why he could not find it in his heart to speak for the Townsend plan that is not authorized by the Constitution.

ALL CONGRESSMEN FAVOR OLD-AGE PENSIONS

Every Member of this Congress is in favor of old-age pensions. Every Member of this Congress has deep sympathy for the aged without proper incomes. Every Member of this Congress will do everything possible for the needy aged, which our Constitution authorizes, and which our Supreme Court will uphold.

NO TRUE FRIEND WILL DECEIVE

It would be absolutely futile to pass the Townsend Plan when every good lawyer in the United States knows that it would be unconstitutional, and that it would be annulled and set aside by the Supreme Court, and that under it not one dollar would ever be paid to any aged person in the United States. They would all be disappointed. They would be expecting something that would not be forthcoming. They would all then say that Congress had handed them a gold brick. They would say that we had misled them. They would say that we had fooled them. They would say that we had trifled with them. They would say that we had taken their votes and support under false pretenses. They would then turn against the Congressmen who had given them a worthless law that gave them nothing, but which had cost their Government a lot of expense in passing it and in forcing the matter to be brought before the Supreme Court to be declared unconstitutional.

THE MAIDEN SPEECH OF ANOTHER CONGRESSMAN

Let me cite my friend from Michigan [Mr. MAIN] to the maiden speech of another one of our splendid youngster Members of this House, Hon. CHARLES L. SOUTH, of Texas. Mr. C. T. Grant, of Ballinger, on behalf of himself and others, on December 13, 1935, wrote a letter to CHARLIE SOUTH, stating:

We noted in your maiden speech in Congress you opposed the Townsend Plan. Have you changed your mind in favor of it?

In reply, among other good reasons given for not supporting it, Congressman SOUTH said:

I believe this tax to be one of the most destructive and oppppressive taxes yet to be suggested, and one which would be extremely burdensome to those least able to pay. I am convinced the plan is unworkable, and would not be for the best interest of our country.

Our good friend and distinguished colleague from Cody, Mr. GREEVER, another youngster here, ably represents the entire State of Wyoming. I quote from the Wyoming Eagle of December 27, 1935, the following:

In Cheyenne, on his way to Washington, Representative PAUL R. GREEVER reiterated his belief that the Townsend old-age-pension plan is "unsound and impractical." He added: "Simple arithmetic shows the Townsend plan will cost the workingman half of what he is now earning."

DR. HENRY S. PRITCHETT

Every posted person will admit that Dr. Henry S. Pritchett is a reliable, conscientious, dependable authority on this question. I want to quote again the following from his analysis:

THE TOWNSEND RELIGION

For the Townsend plan is not a plan. It is a religion. It rests on a simple faith in the prophecies of the good Dr. Townsend, who, like many other prophets, brushes aside the plain facts that stand in the way of the realization of his faith. These facts can be simply stated, and they do not require a trained economist to understand them. What we once called "horse sense" is all that is needed.

Under the Townsend plan every 60-year-old man or woman will automatically go on the pension list and receive $200 a month, or $2,400 a year, from the Government of the United States. As there are about ten and a half million 60-year-old persons, these pensions will cost $25,000,000,000 a year, increasing as population rises. This tidy sum has to be paid out of the income of all the people, the payments to be effected by a sales-transaction tax that

will reach everybody. Every time a housewife buys a loaf of bread or a pound of bacon or a calico dress she will pay a sales tax to carry the Townsend pensions. Every man, woman, and child must contribute to the Townsend pensions in proportion to his annual expenditures.

Laboring men will be called on to pay the bulk of the Townsend pensions, because they receive and spend the bulk of the national income. It certainly looks a bit doubtful when the average man is asked to lay down half his income, collected by a sales tax, in order to pay the Townsend pensions.

After calling our attention to the fact, Mr. Chairman, that the laboring men will be called upon to pay the bulk of the Townsend pensions, even if it were constitutional, which it clearly is not, Dr. Pritchett says that it would be the greatest appeal to selfishness, and a corrupter of American life:

Under the terms of the plan every 60-year-old must spend the entire $200 by the end of the month in which he receives it. For example, the $200 received January 1 must all be spent by February 1. Not a dollar must be left in his hands at the end of the month. This provision furnishes the greatest appeal to selfishness to which our human weaknesses have ever been exposed. The swapping of payments between pensioners will be a temptation which few will resist. It will require an army of inspectors to make sure that the endowed brethren are not merely swapping payments. The Townsend plan would become in practice the greatest corrupter of American life ever devised.

We will all please note, Mr. Chairman, that in his conclusion Dr. Pritchett tells us that the Townsend plan will take away half of the income of 92 percent of the people, most of whom will then have very little money to spend.

And herein lies the fatal defect in the Townsend plan. It takes away from all the people (including the Townsend pensioners) over half their income, and thus makes it impossible for the 92 percent of the people not in the Townsend plan to spend any money. If good Dr. Townsend, the apostle of this faith, could get the twenty-five billions (plus expenses) from some outside source—perhaps the planet Mars—and hand it out to the ten and a half million 60-year-old persons to spend, his faith would be justified by his works. But there is no way to get the twenty-five billions except to take it away from the incomes arising from wages, salaries, and interest on investments. Mainly it would come from those living on wages and salaries—laborers, clerks, college professors, school teachers, and all who earn their livelihood by service in one form or another. The Townsend religion is based on a profound fallacy—the assumption that by taking billions away from all the people and giving it to a small minority to spend we can bring in prosperity. Townsendism is a sincere religion on the part of those who practice it. But sincerity is only one quality which a religion must have. It must not only feel; it must think straight. Neither religion nor economics can endure on a false foundation. The politicians who are flirting with the Townsend plan are playing with fire.

HENRY SMITH PRITCHETT.

ALL CONGRESSMEN THREATENED WITH DEFEAT

Dr. Townsend and his followers have threatened that all Congressmen who refuse to vote with them will be defeated. The main campaign slogan put on their propaganda postcards is, "Thank God for the ballot." Another is, "There will be a proper punishment for you on election day." Another is, "Be wise and stay in Congress." Another is, "Change your mind while there is time." Another is, "Vote against us and out you go." Another is, "Are you willing to lose your job?" If Members here were cheap politicians, who thought more of being reelected than being of service to their country they might respond to such threats.

THE PATH OF LEAST RESISTANCE

The easy way to be reelected would be to join them and keep silent; but that, probably, would be the last reelection, for there are thousands of good honest men and women all over the United States who have been deceived by this Townsend propaganda, and who sincerely believe that Congress could give them $200 per month simply by passing such a law, and if they voted for you believing that you would produce the $200, and after your election they found that they had been deceived, that such a law is unconstitutional and cannot be put into effect, they will turn against you, and see that you are never elected again. The path of least resistance does not always pay. It is duty well performed that always pays. I would rather have the confidence of my constituents and have them realize that they can depend upon me under any and all circumstances, than to gain a reelection at the expense of having them believe that I had deceived them.

INVOLVING THE CHURCH

The Washington Post last Tuesday, January 14, 1936, quotes Rev. James R. Cox, pastor of St. Patrick's Church, Pittsburgh, as saying, "no Member can be elected without pledging aid", and stated that he gave the warning:

That no man will get into the next Congress unless he endorses the Townsend plan.

The Texas delegation of 21 Members enjoys the reputation here of being an average delegation in Congress. Who will say that this delegation would deny justice to the aged? Who will say that this delegation is unsympathetic? Why are they not just as much interested in the problems of aged men and women as Dr. Townsend?

ONLY 56 VOTES

When the vote was taken on the Townsend plan during the last session, only 56 Members voted for it. Not a Congressman from Texas voted for it. All 21 of the Texas Congressmen were unanimous in their position against it.

DR. TOWNSEND HAD MY DISTRICT ORGANIZED

On January 21, 1935, I received a letter from Mr. J. B. Leath, president, and Mr. D. C. Dove, secretary, of the Townsend Club, Mineral Wells, Tex., stating they represent 1,500 voters in Mineral Wells, and have the signatures of 2,000 voters in Palo Pinto County, and of 40,000 of the best people of my congressional district, who demand that I support the Townsend plan or resign my position. I quote from my reply the following:

After taxing incomes, inheritances, gasoline, tobacco, liquors of all kinds, the nuisance taxes, the excise taxes, the 2-cent tax on bank checks, extra postal rates, and all other taxes, this Government last year could not raise but $3,700,000,000 in total revenues from all sources. Now compare that with the stupendous sum of $24,000,000,000 needed for the Townsend plan. Can't you see that it is simply out of the question? Can't you see that it is impossible? Can't you see that it is ridiculous? Can't you see that it is absurd?

You wouldn't have any respect for me if I voted for such a monstrosity. You would not have any confidence in me if I told you I would vote for it and help to pass it. Because if it were passed, it could not be executed. It would not be possible to raise the money. The Government could not make the payments. The people would not receive their $200. They would find out that Congress had handed them a gold brick. Don't you think that it is cruel and unpardonable for any person to attempt to fool and disappoint eight or ten million old men and women and lead them to believe that they will be paid $200 per month when there is no possible chance on earth to pay them? I am not going to fool my constituents. I am not going to mislead them. I am not going to disappoint them. I want them to have confidence in me. I want them to believe in me. I want them to know that they can depend on me. And they do know it.

As I have said many times before, I am in favor of a sane, possible old-age pension such as was outlined by the President the other day. I have been in favor of it for several years. We must care for our aged men and women. I am far more concerned about the aged men and women in my district than is Dr. Townsend. I know them. He doesn't. I am their Representative. He is not. I sympathize deeply with all of their many problems, about which he knows practically nothing. We would have passed an old-age pension in the last Congress, but the President wasn't ready for it. But he then promised us that he would approve it this session. He is ready for it now. And we are going to pass it this session. And we would pass it if Dr. Townsend had never been born.

Your friend,

THOMAS L. BLANTON.

PROMOTE THE GENERAL WELFARE

The Constitution nowhere provides for an old-age pension. That is why, for about a century and a half no Congress has ever attempted to pay one. As before stated, the Constitution prevents a tax being levied upon all the people to pay a gratuity to any particular class. But there are four words in the preamble of the Constitution, "promote the general welfare", which, from time to time, have been liberally construed by the Supreme Court in a way that leads us to believe that a law authorizing a reasonable payment to the needy aged matching a like payment by the States, might be construed to be authorized as a means to "promote the general welfare", and might be held to be constitutional.

CONGRESS HAS PROVIDED AN OLD-AGE PENSION

In the last session of Congress, a law was passed authorizing the payment of a Federal pension of $15 per month

to every needy person 65 years old or older, provided the State paid a like pension of $15 per month. Before Texas could pay such a pension it was necessary to pass a constitutional amendment. Texas voted on this change on August 24, 1935. I made a speech urging this change and, at my own expense, I had reprints made of same and mailed copies all over Texas and to each constituent in my district. From what I then sent to the people of Texas, I quote the following:

TEXAS IS A GREAT EMPIRE

Texas is one of the greatest States in the Union. It is rich with natural resources. Its potentialities are without limit. Why, of course, it can raise the needed money. It would be a reflection upon Texas if it could not. Texas can do anything any other State can do for its aged. There are 28 States and 2 Territories which have provided old-age pensions for their aged. They are: Arizona, California, Colorado, Delaware, Idaho, Indiana, Iowa, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Dakota, Ohio, Oregon, Pennsylvania, Utah, Washington, West Virginia, Wisconsin, Wyoming, Alaska, and Hawaii. The District of Columbia has just had it granted.

FAILURE WOULD BE A CALAMITY

Texas must not fail on August 24. Too much is at stake. The issue is the welfare and future of our needy aged. They have suffered too long. We can do this for them. It is constitutional. It is proper. It is needed. It really benefits everybody. It is for the good of all. Our State can finance it. Our Government can finance it. Let us do away with poorhouses. Let us do away with poor farms. Let us not make their last years sad. Let us not humiliate them longer. Let us make glad their declining years. I hope that unselfish Texans will go to the polls on August 24 and get real pleasure out of voting for the aged men and women of Texas.

SUPPORT OF INDIGENT PARENTS BY THEIR CHILDREN

Thirty-nine States have statutes which provide that the children of indigent parents may be required to support or contribute to the support of such parents. The citations to the laws are given below.

Alabama: Code (Michie), 1928, section 2806 (28).
Arkansas: Digest of the Statutes (Crawford and Moses), 1919, section 5881.
California: Statutes 1933, chapter 761, section 2; Civil Code (Deering), 1931, section 206.
Colorado: Compiled Laws, 1921, sections 8905–8906.
Connecticut: General Statutes, 1930, sections 1717, 1747.
Delaware: Laws, 1931, chapter 189, section 8.
Florida: Laws, 1935, chapter 17–77, section 17.
Georgia: Code, 1933, section 23–2302.
Idaho: Code, 1932, section 31–1002.
Illinois: Smith-Hurd Revised Statutes, 1933, chapter 107, sections 1–2, 7.
Indiana: Annotated Statutes (Burns), 1933, section 10–1410.
Iowa: Code (Whitney and Conlee), 1931, section 5298.
Kentucky: Carroll's Kentucky Statutes, 1930, section 331f.
Louisiana: Civil Code (Dart), 1932, section 229; General Statutes (Dart), 1932, section 2214.
Maine: Revised Statutes, 1930, chapter 33, section 15.
Maryland: Annotated Code of the Public General Laws (Bagby), 1924, article 27, sections 91, 93.
Massachusetts: General Laws (Tercentenary edition), chapter 117, section 6.
Michigan: Compiled Laws, 1929, sections 8209, 8212, 8224, 8226.
Minnesota: Mason's Statutes, 1927, section 3157.
Mississippi: Code of Public Statute Laws, 1930, section 5706.
Montana: Revised Code (Choate), 1921, sections 4522–4523.
Nebraska: Laws, 1933, chapter 118, section 1.
Nevada: Compiled Laws (Hillyer), 1929, sections 5138–5139.
New Hampshire: Public Laws, 1926, chapter 106, section 22.
New Jersey: Laws, 1931, chapter 373, section 48.
New York: Cahill's Consolidated Laws, 1930, chapter 49½, section 125; Laws, 1933, chapter 589.
North Dakota: Laws 1933, chapter 97, section 10.
Ohio: Throckmorton's Annotated Code, sections 12429, 12431.
Oklahoma: Statutes 1931, section 1691.
Oregon: Code 1930, sections 14–853, 27–1402, 27–1403, 33–301.
Pennsylvania: 1928 Cumulative Supplement to Digest of Statute Law, section 16811a–1012.
Rhode Island: General Laws 1923, sections 1514, 4231.
South Dakota: Compiled Laws (Hipple) 1929, section 191.
Utah: Revised Statutes 1933, sections 91–0–1, 91–0–2.
Vermont: Public Laws 1933, sections 3091, 3937.
Virginia: Code (Michie) 1930, section 1944a.
Washington: Pierce's Code 1933, sections 1694–1695.
West Virginia: Official Code 1931, section 9–1–16.
Wisconsin: Statutes 1931, section 49.11.

Mr. Chairman, as I have permission next Monday to discuss this subject at length, I will wait until then to show more fully just how this proposed plan would affect all the people of the United States and just how it will affect us Members of Congress in the coming primaries this summer. I am going to put some facts in this RECORD Monday that will help every Representative in this body in the approaching Townsend contest. [Applause.]

Mr. HOFFMAN. Mr. Chairman, coming from the Fourth Michigan District, I ask unanimous consent to proceed for 5 minutes on this Townsend plan question.

Mr. WOODRUM. Mr. Chairman, reserving the right to object, and I am not going to object, I simply wish to make the statement that I do not object because I feel that someone on this side of the aisle having spoken on the question, fair play dictates that someone on the other side should express himself on the same matter; but after this we are going to stick to the bill.

Mr. HOFFMAN. Mr. Chairman, the thing in the speech of the gentleman from Texas [Mr. BLANTON] to which I must object, coming, as I do, from this rock-ribbed Republican State to which he referred—and November next will give us a solid Republican delegation—there will be no Democrats here from that State, unless possibly it be from the city of Detroit—is, having these gentlemen, these so-called supporters of the Townsend plan, get out on this floor and sail their little boats around here under one flag, while back home they are flying an emblem which means an entirely different thing.

Mr. HOOK. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. No.

Mr. HOOK. You will yield in November.

Mr. HOFFMAN. You may not be here to ask me to yield, and I may not be here either. [Laughter.] You will not be here because the Republican ticket will sweep the State. I may not be here because the Townsendites may endorse a Democratic candidate in my district—they have been misled before—and they may win in my district.

Mr. HOOK. They will not win in mine.

Mr. HOFFMAN. We have talked about freedom from coercion—Democrats and Republicans alike resent being given orders, although sometimes—and we will try to forget it—those from the "brain trusters" have been followed.

Speaking of coercion, listen to this: I read from the Townsend National Weekly of December 30, 1935. On the first page, at the head of an article, this is printed:

A warning to Congress.

And, over on the third page, after calling attention to the spread of the Townsend plan, there is this command:

Now, you can take our orders or—get out.

How does my good friend from Texas, Mr. BLANTON, like that, he who is always ready to defend the privileges, the rights of the Members of the House—how do you like it? You, sir, from Texas; or, for that matter, the rest of you? Listen again:

Take our orders or get out.

This, Mr. Chairman, from an organization, sponsor of the plan whose originator appeared before the great Ways and Means Committee of this House in January and February of last year, with his experts, and who up to this time has failed to offer to this Congress for action any plan which follows his plan as outlined in his sworn testimony, or any plan which tells us how we can accomplish the result which he seeks.

Oh, yes; I know what you say. You want a $200 a month pension, raised by a general transactions tax, but never have you given us the faintest idea of the mechanics of such a plan; never have you told us how the money would be collected, how it would be disbursed, nor the cost of the collection and the disbursement.

What do you Townsend supporters here in Congress actually want? As the gentleman from Texas [Mr. BLANTON] said:

Why do you not tell us what you are for?

Mr. MONAGHAN. Will the gentleman yield? If the gentleman will yield, I will tell them what they are for—an adequate old-age pension.

Mr. HOFFMAN. The gentleman does not know where they stand. [Laughter and applause.] An adequate old-age pension, you say? That is not the proposition for which the Townsend supporters who have taken the floor speak.

The Townsend supporters have the blessing of Dr. Townsend. Their names are published in the issue of December 30, 1935.

Those who come from California, Washington, and Oregon have reason to support that plan. With them it is a matter of necessity. They are, so to speak, between the devil and the deep blue sea. Their constituents are at the present time in a frenzy, carried away by the thought that everyone can get something for nothing; that all, without effort on the part of anyone, can be healthy, wealthy, and wise; enjoy all of the luxuries, as well as the necessities, of life—even their wonderful climate cannot produce nor sustain such a Utopia. It rains at all Rose Bowl football games. And so the Representatives from those States, because of that peculiar situation which for the moment exists, are forced—and the force is as compelling as though it were physical—to bend the knee and bow the head before the storm and stress of the time, lest more ignorant and unworthy men come to represent their districts.

To these gentlemen our sympathy goes out. Of them we should have no criticism. They have our respect. For them we should hope and pray that soon will come the day when their constituents will recover, will shake off the mental fog which now beclouds their judgment, realize the true worth, the sound common sense, the good judgment of their present Representatives in this body, and permit those Representatives to use their own judgments, follow their own convictions.

To those self-styled crusaders, those knights in flashing armor, who march so proudly forth in this body to a great volume of sound, if not to clashing cymbals and the clarion call of trumpet, who on the floor of this House this week pledged their allegiance to the Townsend plan, I join in the challenge of the gentleman from Texas [Mr. BLANTON] and ask, What is inscribed on your Townsend banner?

Is it the slogan given by Dr. Townsend in his sworn testimony before the Committee on Ways and Means on the 4th day of February 1935, when the following occurred?

Mr. COOPER. You insist that the $200 a month to everbody over 60 years of age could not be changed?
Dr. TOWNSEND. Yes, sir.

And you will find it on page 754 of the hearings before that committee on H. R. 4120.

In the Townsend National Weekly, under date of December 30, 1935, in a box on the front page, there is this statement:

$200 PER MONTH STANDS

There has never been, nor will be, any compromise on the $200-per-month provision in the Townsend demands. All statements to the contrary are false.

Is that your battle cry?

Are those Representatives who are listed as Townsend supporters in the same issue of that paper still standing hitched to the doctor's snubbing post? If you are, then why do you not introduce a bill giving everyone $200 per month?

Why should a Representative tell his people back home that he is in favor of one thing; then, when he comes here, speak in favor of something else?

Another thing, back home the people are told that the pension is for the poor man. What does Dr. Townsend say? Turn again to the record, page 684:

Mr. HILL (reading). Section 2 names the individuals who may be eligible for pension under this bill.

* * * * * * *

Now, regardless of the income, from whatever source received, any citizen of the United States receiving that income who is over the age of 60 years would be entitled to the $200 per month pension?

Dr. TOWNSEND. Yes. I agree to that.

Mr. HILL. That would, of course, include the wealthy people as well as the classes of people all down the line, all the way down to those who are in a state of poverty.

Dr. TOWNSEND (p. 685). We agree that the plan shall be nondiscriminatory and applied to all citizens equally.

Mr. HILL. In other words, it would apply to John D. Rockefeller, Sr.; to Henry Ford; to J. P. Morgan, as well as to a man who has no means or income at all?

Dr. TOWNSEND. If they wish to acquire the pension under the provisions of the act.

Mr. HILL. That is, they would be eligible?

Dr. TOWNSEND. Yes.

Again, Mr. Hudson, who sat by Dr. Townsend's side, was asked—and you will find it on page 733 of that record:

Mr. VINSON. Is that correct? Would you not include Mr. Andrew Mellon as a beneficiary under this bill, he being past the 60 years of age?

Mr. HUDSON. Absolutely.

And that is what some of the Townsend organizers and lecturers are telling the people back home—$200 a month for everyone. But that is not the McGroarty bill. The McGroarty bill provides for a 2-percent transactions tax, the collection of what might be termed a "jack pot", and the division, after administrative expenses are deducted—and no one knows the amount of those expenses or whether there would be anything left—of what is left among those qualified to receive the pension.

And by the McGroarty bill you provide:

This annuity shall not be payable to any person who, directly or indirectly, receives from any source a net income of any kind or nature in excess of $2,400 per year.

Even the good doctor should realize the absurdity of taxing the bread, butter, milk, and meat, as well as the clothing and everything the poor man uses, for the benefit of Ford, Rockefeller, Morgan, and Mellon.

Yes; you slipped one over on the good doctor and his original plan. You come here now, and you back a bill which does not give any of those fellows I just named a nickel. [Laughter.] You just give it to the poor people. [Laughter.] You limit it to those who have a net income of $2,400 or less per year, and the major portion of the fund to pay it must come from those who earn less than $2,400 per year.

Bring out your plan. Tell us what it is. Do not wait until after election, until you have won support on the theory that you are for one proposition, while, as a matter of fact, you are for something else. Tell the people where you really stand. Tell us whether we are to follow the doctor and his 2-percent transaction tax, $200 a month for everyone over 60 meeting the other requirements of his plan, as testified to by him; to be spent, if the pensioner wishes, for whiskey—see the doctor's testimony, page 687—whether the plan is for something less than $200 and, if so, how much less. Tell us and tell us now; tell us next week when we have general debate, whether your flag is still nailed to the declaration on the first page of the Townsend National Weekly of December 30, which, let me repeat:

There has never been, nor will be, any compromise on the $200 per month provision in the Townsend demands. All statements to the contrary are false.

And when that is finished, tell us, are you heeding that statement contained on the first page of the same issue, A Warning to Congress, and are you following the concluding sentence of that article, found on the third page, which permit me to again quote:

Now, you can take our orders or—get out.

If Dr. Townsend and those who are threatening Members of this Congress with political execution, without trial, whose only test as to whether the death sentence shall be administered or not is the answer to the question, "Take our orders or get out", have the faith in this plan which they profess to have, let them be courageous about it. Let them stand by their convictions. If they win and the plan is successful, their's be the glory; if they lose, if the plan fails, let them go down with it. Let them organize their third party with Dr. Townsend as its Presidential candidate, with a congressional candidate in each district pledged to its support, and, like true soldiers, stand or fall on that issue.

Mr. MONAGHAN. Mr. Chairman, I move to strike out the last three words. Mr. Chairman, I should not have deigned to interrupt the discussion today were it not for the mighty fine speeches that have just preceded me, consisting of mere villification and abuse of men who have come to this Congress with the ardent hope and desire of establishing an

adequate pension system. To those who laugh at the arguments made, I say that he who laughs last laughs best.

Mr. WOODRUM. Mr. Chairman, I make the point of order that the gentleman must confine his debate to the bill.

Mr. MONAGHAN. Mr. Chairman, we are here considering the independent offices appropriation bill, and under that measure we are appropriating millions and millions of dollars for various offices in this Government that we could well afford to abolish, diverting the money into a pension in the interest of the aged people of this country. In consideration of this bill argument has been advanced which I should like to answer. It has been asserted here today that I defended a sales tax. In answer to the gentleman from Wisconsin [Mr. BOILEAU] the other day I stated that I was opposed to a sales tax, but favored income, inheritance, and gift taxes. I have so stated to my constituents, and I challenge the gentleman who preceded me to show in what particular sentence of any speech that I made in the State of Montana I varied my stand on the floor of this House.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. MONAGHAN. I refuse to yield. I deeply respect the gentleman from Texas [Mr. BLANTON] and his sincerity and ability and fighting spirit. I know when he takes this floor he takes it because he conscientiously believes that he is right, but I do not yield to obstreperous Republicans who take the floor merely for political purposes.

Mr. RICH. Regular order! [Laughter.]

Mr. MONAGHAN. Mr. Chairman, there will be a time when there will be a different laughter in this House. The reason that such abusive speeches are being made here against men who are for the Townsend plan or any other adequate pension is because of the fear, the dire fear, in the hearts of those men that the $800 a month they earn will not be forthcoming after next January 3.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. MONAGHAN. I refuse to yield, Mr. Chairman. The Townsend plan has been presented to this Congress just as any other bill. Because of the millions who are urging its enactment it should receive consideration at this session of Congress. If you do not believe in it, vote against it, but be men enough to allow us to vote publicly, and let the people know where you stand. I shall do it on any issue that comes up in this gagged, hog-tied, bound House, where anyone who has a fairly decent principle or opinion is so frequently prohibited from giving voice to it.

The CHAIRMAN. The time of the gentleman from Montana has expired.

The Clerk concluded the reading of the bill.

Mr. WOODRUM. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that it do pass.

The motion was agreed to.

Accordingly the Committee rose; and Mr. BOLAND, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 9863, the independent offices appropriation bill, 1937, and had directed him to report the same back to the House with the recommendation that it do pass.

Mr. WOODRUM. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. TABER. Mr. Speaker, I offer the following motion to recommit, which I send to the desk.

The Clerk read as follows:

Mr. TABER moves to recommit the bill to the Committee on Appropriations with instructions to that committee to report the same back forthwith with the following amendment: Page 34, line 6, strike out the figures "$941,000" and insert in lieu thereof the figures "$763,000."

Mr. WOODRUM. Mr. Speaker, on that I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. TABER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 91, nays 267, not voting 72, as follows:

[Roll No. 8]

YEAS—91

Allen	Ditter	Kinzer	Sauthoff
Andresen	Dondero	Lambertson	Schneider, Wis.
Andrew, Mass.	Eaton	Lord	Seger
Andrews, N. Y.	Engel	Lundeen	Short
Arends	Fenerty	McLean	Snell
Bacharach	Gearhart	McLeod	Stefan
Blackney	Gehrmann	Main	Stewart
Boileau	Gifford	Mapes	Taber
Bolton	Gilchrist	Marcantonio	Taylor, Tenn.
Buckbee	Goodwin	Marshall	Thomas
Burnham	Guyer	Martin, Mass.	Thurston
Carlson	Gwynne	Merritt, Conn.	Tobey
Carter	Halleck	Michener	Treadway
Cavicchia	Hancock, N. Y.	Mott	Turpin
Christianson	Hess	Perkins	Wadsworth
Church	Higgins, Conn.	Pittenger	Wigglesworth
Collins	Hoffman	Plumley	Wilson, Pa.
Cooper, Ohio	Hollister	Powers	Withrow
Crawford	Holmes	Ransley	Wolcott
Crowther	Hope	Reed, Ill.	Wolfenden
Culkin	Hull	Reed, N. Y.	Wolverton
Darrow	Jenkins, Ohio	Rich	Woodruff
Dirksen	Kahn	Rogers, Mass.	

NAYS—267

Adair	Eagle	Kvale	Rankin
Ashbrook	Eckert	Lambeth	Rayburn
Ayers	Edmiston	Lamneck	Reilly
Bankhead	Eicher	Lanham	Richards
Barden	Evans	Larrabee	Risk
Barry	Faddis	Lee, Okla.	Robertson
Beam	Farley	Lemke	Robinson, Utah
Beiter	Ferguson	Lesinski	Rogers, N. H.
Biermann	Fiesinger	Lewis, Colo.	Rogers, Okla.
Bland	Fitzpatrick	Lewis, Md.	Romjue
Blanton	Flannagan	Lucas	Rudd
Bloom	Fletcher	Luckey	Russell
Boehne	Ford, Calif.	Ludlow	Ryan
Boland	Ford, Miss.	McClellan	Sadowski
Boykin	Frey	McCormack	Sanders, Tex.
Boylan	Fuller	McFarlane	Schaefer
Brooks	Gambrill	McGehee	Schuetz
Brown, Ga.	Gasque	McGrath	Schulte
Buck	Gassaway	McGroarty	Scott
Buckler, Minn.	Gavagan	McKeough	Scrugham
Burch	Gildea	McLaughlin	Sears
Burdick	Gillette	McMillan	Secrest
Caldwell	Gingery	McReynolds	Shanley
Cannon, Mo.	Goldsborough	Mahon	Shannon
Carmichael	Granfield	Mansfield	Sirovich
Carpenter	Gray, Ind.	Martin, Colo	Sisson
Cartwright	Gray, Pa.	Mason	Smith, Conn.
Casey	Green	Massingale	Smith, Va.
Castellow	Greenway	Maverick	Smith, W. Va.
Chandler	Greenwood	May	Snyder, Pa.
Chapman	Greever	Mead	Somers, N. Y.
Claiborne	Gregory	Meeks	South
Cochran	Griswold	Merritt, N. Y	Spence
Coffee	Haines	Miller	Stack
Colden	Hamlin	Mitchell, Ill.	Starnes
Cole, Md.	Hancock, N. C.	Mitchell, Tenn.	Steagall
Colmer	Harlan	Monaghan	Stubbs
Connery	Hart	Moran	Sullivan
Cooley	Harter	Moritz	Sutphin
Cooper, Tenn.	Healey	Murdock	Sweeney
Costello	Hennings	Nelson	Tarver
Cravens	Higgins, Mass.	Nichols	Taylor, Colo.
Crosby	Hildebrandt	Norton	Terry
Cross, Tex.	Hill, Ala.	O'Brien	Thomason
Crosser, Ohio	Hill, Knute	O'Connell	Thompson
Cullen	Hill, Samuel B.	O'Connor	Tolan
Cummings	Hobbs	O'Leary	Tonry
Curley	Hook	O'Malley	Turner
Daly	Houston	O'Neal	Umstead
Darden	Huddleston	Owen	Utterback
Delaney	Imhoff	Palmisano	Vinson, Ky.
Dempsey	Jacobsen	Parks	Walter
Dies	Johnson, Okla.	Parsons	Warren
Dietrich	Johnson, Tex.	Patman	Wearin
Dingell	Johnson, W. Va.	Patterson	Weaver
Dobbins	Jones	Patton	Werner
Dockweiler	Keller	Pearson	West
Dorsey	Kelly	Peterson, Fla.	Whelchel
Doughton	Kennedy, N. Y.	Peterson, Ga.	White
Doxey	Kenney	Pettengill	Whittington
Drewry	Kerr	Peyser	Wilcox
Driscoll	Kleberg	Pfeifer	Williams
Driver	Kloeb	Pierce	Wood
Duffy, N. Y.	Kniffin	Polk	Woodrum
Duncan	Kocialkowski	Rabaut	Young
Dunn, Miss.	Kopplemann	Ramsay	Zimmerman
Dunn, Pa.	Kramer	Randolph	

NOT VOTING—72

Amlie	Corning	Hartley	Ramspeck
Bacon	Cox	Hoeppel	Reece
Bell	Creal	Jenckes, Ind.	Richardson
Berlin	Crowe	Kee	Robsion, Ky.
Binderup	Dear	Kennedy, Md.	Sabath
Brennan	Deen	Knutson	Sanders, La.
Brewster	DeRouen	Lea, Calif.	Sandlin
Brown, Mich.	Dickstein	Lehlbach	Smith, Wash.
Buchanan	Disney	McAndrews	Sumners, Tex.
Buckley, N. Y.	Doutrich	McSwain	Taylor, S. C.
Bulwinkle	Duffey, Ohio	Maas	Thom
Cannon, Wis.	Ekwall	Maloney	Tinkham
Cary	Ellenbogen	Millard	Underwood
Celler	Englebright	Montague	Vinson, Ga.
Citron	Fernandez	Montet	Wallgren
Clark, Idaho	Fish	O'Day	Welch
Clark, N. C.	Focht	Oliver	Wilson, La.
Cole, N. Y.	Fulmer	Quinn	Zioncheck

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Millard (for) with Mr. McAndrews (against).
Mr. Lehlbach (for) with Mr. Buchanan (against).
Mr. Hartley (for) with Mr. Quinn (against).
Mr. Maas (for) with Mr. Fulmer (against).
Mr. Cole of New York (for) with Mr. Celler (against).
Mr. Bacon (for) with Mr. Ellenbogen (against).
Mr. Doutrich (for) with Mr. McSwain (against).
Mr. Focht (for) with Mr. Vinson of Georgia (against).
Mr. Knutson (for) with Mr. Bulwinkle (against).
Mr. Robsion of Kentucky (for) with Mr. Dickstein (against).
Mr. Tinkham (for) with Mr. Oliver (against).
Mr. Fish (for) with Mr. Clark of North Carolina (against).
Mr. Reece (for) with Mr. Cary (against).

General pairs:

Mr. Corning with Mr. Brewster.
Mr. Montague with Mr. Ekwall.
Mr. Cox with Mr. Welch.
Mr. Lea of California with Mr. Englebright.
Mr. Ramspeck with Mr. Kee.
Mr. Berlin with Mr. Citron.
Mr. Smith of Washington with Mr. Crowe.
Mr. Wilson of Louisiana with Mr. Brennan.
Mr. Richardson with Mr. Creal.
Mr. Underwood with Mr. Fernandez.
Mr. Cannon of Wisconsin with Mr. Bell.
Mr. Kennedy of Maryland with Mr. Maloney.
Mr. Sandlin with Mr. Disney.
Mr. Deer with Mr. Clark of Idaho.
Mr. Thom with Mr. Binderup.
Mr. Duffy of Ohio with Mrs. O'Day.
Mr. Deen with Mr. Brown of Michigan.
Mr. Walgren with Mr. Sanders of Louisiana.
Mr. Taylor of South Carolina with Mr. Buckley of New York.
Mr. Montet with Mrs. Jenckes of Indiana.
Mr. DeRouen with Mr. Sabath.
Mr. Sumners of Texas with Mr. Zioncheck.

Mr. BOILEAU. Mr. Speaker, during the calling of the roll some Member answered to my name by mistake and voted "no." I desire to vote "aye."

The result of the vote was announced as above recorded.

The SPEAKER. The question now recurs on the passage of the bill.

The bill was passed.

On motion by Mr. WOODRUM, a motion to reconsider the vote by which the bill was passed was laid on the table.

NEW DEAL CURRENCY TINKERING

Mr. HOLLISTER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks to include a radio address I made on November 30.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HOLLISTER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which I delivered over the Columbia Broadcasting System, November 30, 1935, from New York City:

Do you know what currency is? Do you know what function it performs in our daily lives? It is a subject the elements of which are very simple, and yet one which has certain very complex aspects. In the few minutes allotted to me tonight I am going to tell you in as simple words as I can what our currency is, what function it performs, and what the New Deal has done with it and to it.

What is currency? Basically it is the medium which we use to exchange conveniently what we produce for something which is produced by others. Everyone who works supplies or helps supply certain goods or services which are valuable to others, and we support ourselves by exchanging the products of our labor for goods or services we need or want, which in turn are produced by others.

As society developed it became increasingly difficult to make this exchange directly. Even under primitive conditions it was hard to divide up in the desired amounts the articles which people wished to exchange. A hunter with a surplus of animal skins could exchange them for arrow heads, some of which he could use to exchange in turn for the grain he wanted, or could hold to supply his future needs. He was willing to dispose of his skins on this basis because he was sure that what he got in exchange would keep its value so that he might reexchange it again for something he might need later. He was sure the value of the exchange medium would be maintained, for it had a real value in itself. Little by little gold came to have a paramount position in the world as a medium of exchange simply because it satisfied better than anything else the necessary elements of convenience, permanency, and value. Later still, as a greater convenience, came the use of pieces of paper to represent the gold, which was stored in a safe place, available on demand whenever needed.

I have sketched in simple terms the orthodox history of currency, the principles of which are as sound today as thousands of years ago when primitive man used beads or arrow heads for the same purpose. The use of currency has become so prevalent, however, it has filled its functions so adequately for so many generations, our exchanges are so vast and intricate, that we are inclined to forget the simple principles which underlie the problem, and we have come to think that the pieces of paper, or the small coins which we carry around today are themselves of intrinsic value, whereas, as a matter of fact, they are of little or no real worth by themselves.

It may surprise many of you to know that most of the pieces of paper which we today pass about from hand to hand and call money, although they are the promises of the United States to pay, may not themselves be redeemed for anything of value. Let us see how the New Deal brought this about.

For many years prior to the Roosevelt administration the great bulk of our currency, made up either of Federal Reserve notes or of gold certificates, was redeemable in gold on demand. The gold could always be secured, and the paper it represented had value because of this fact.

The President took office on March 4, 1933, and 5 days later the Emergency Banking Act gave the Secretary of the Treasury the right to take all privately owned gold and gold certificates. Assuming that such a drastic step may have been necessary for a short time, as an emergency measure in connection with the general closing and gradual reopening of the banks, from that time on a series of absolutely unnecessary currency tinkering steps followed.

On May 12, 1933, as part of the Agricultural Adjustment Act, the President was authorized to issue $3,000,000,000 of United States notes, valueless pieces of paper without any metal backing whatsoever, greenbacks or printing-press money, whatever you wish to call them. Although this authority has never been exercised, it hangs today as a menace over our currency system and should be repealed instantly.

The same statute authorized the President to reduce the gold content of the dollar by 50 percent and to fix the weight of the silver dollar at a definite ratio to the gold dollar. This is the old unsound bimetallism theory which most of us thought had been repudiated once and for all in the Bryan campaign of 1896.

On June 5, 1933, the President approved the infamous joint resolution declaring invalid all contracts requiring payment of obligations in gold, notwithstanding the fact that his own Treasury Department had a few weeks before sold half a billion dollars in bonds to the public, carrying the solemn obligation of the United States to pay them in gold at maturity. A year later in the gold-clause cases eight of the nine members of the Supreme Court declared this repudiation of the obligations of the United States unconstitutional, but the statute still remains on the statute books, and the administration toward the end of the last session of Congress forced through an act making it impossible for any holder of Government bonds to sue the United States on the gold obligation in those bonds. The Supreme Court having stated that Congress had no power to take away the right, the administration insisted that the remedy be removed, a flagrant denial of a right which had existed for 80 years.

And then came the London Economic Conference. In our complicated world economic system the prosperity of one country depends greatly upon that of others. No nation can long prosper with the rest of the world in a depression, for the transfer of goods in world trade is necessary so that the surpluses of one nation may be consumed by others. All currency problems have therefore an international aspect.

The economic conference was called to accomplish the stabilization of the currencies of the chief nations of the world, thus establishing a fair exchange basis between them. A delegation was sent from this country with full promise of cooperation, but after a few weeks of work the whole thing was wrecked by the personal orders of the President. Our delegation returned not only with nothing accomplished but with the result that the other nations concerned have now cause to distrust any stabilization advances which we may make.

In addition to all this was the ill-advised Warren gold-buying policy of 1933. Professor Warren sold the President on the idea that this country should bid up the price of gold, thus reducing the value of the dollar commensurately, the purpose being to achieve a certain price level. All orthodox economists know that there is no particular value in a certain price level unless wages increase correspondingly, and there is such a development of busi-

ness as to maintain the situation without artificial means. But, even if a certain price level were desirable, the Treasury found out much to its surprise that prices did not go up correspondingly with the price of gold. After juggling his figures for weeks and becoming more and more hopelessly involved in commodity indexes and similar statistics, Professor Warren faded quietly from the scene, and the Treasury abandoned the gold-buying plan even more quietly, in extreme contrast to the blare of publicity with which it had been begun.

Having failed to achieve its object by its gold-buying policy, the administration laid plans to cheapen the dollar in other ways. On January 30, 1934, by the so-called Gold Reserve Act of 1934, the Government arbitrarily took over all the gold of the Federal Reserve banks, giving them gold certificates in exchange, that is, pieces of paper which were themselves valueless but which represented theoretically an equivalent amount of gold. The next day the President reduced the weight of the gold dollar by more than 40 percent, thus in 24 hours consummating a legal theft of more than $2,000,000,000 from the Federal Reserve banks of the country. One day they had gold. The next day they had gold certificates, which on their face gave the banks a call for less than 60 percent of the gold they had the day before, but they couldn't even get that, and cannot today. In the meanwhile the Treasury calmly set up as a profit on its books the gold it had thus stolen, and the New Deal speakers today regularly take this unconscionable profit into account when they estimate the resources of the Treasury. It would take only a few more thefts of this nature to wipe out all Treasury deficits, a kind of lifting yourself over the fence by your own bootstraps, which would put a private individual in jail.

Some of this so-called profit was set aside under the same January 30 legislation as a stabilization fund of $2,000,000,000 whose operations are secret, and entirely in the hands of the Treasury. No one can tell today how much of this has been used, or for what purposes.

On June 19, 1934, the disastrous Silver Purchase Act became law, under which the monetary stock of silver of the country was eventually to become one-fourth of the monetary value of the gold stock, unless in the meanwhile silver reached a price of $1.29 an ounce, more than twice as much as it then was. This act has resulted solely to the advantage of a few States where silver mining is carried on, and to the great profit of the silver speculator, who has reaped a rich harvest. On the other hand, it has completely disarranged the monetary system of several friendly countries, particularly China, which was on a silver standard. China has been drained of a large portion of its silver stocks and has therefore been forced off a metal standard, wrecking to a great extent its whole economic status and reducing trade with the United States by more than one-half in less than a year.

All this legislation and administration activity has resulted in making the American dollar less valuable. Because more dollars can be bought for gold, foreigners have shipped their gold over here to buy dollars, and we hold today more than half the world's gold, sitting unused in the Treasury vaults. In addition, we have accumulated a large amount of silver which is perfectly worthless, and have at the same time unsettled the interior economy of all nations in whose currency silver plays a major part. We have made it more and more impossible to effect world-wide stabilization of currency, and have therefore made it more and more difficult for international trade to go forward.

In the meanwhile the administration has carried on the greatest peacetime spending orgy in the history of the world, and there seems to be no let-up in the future. Each year the President postpones for another year or two the Budget balancing which he promised the year before. This vast expenditure in excess of revenue is closely allied with the currency problem because it brings closer and closer the danger of inflation.

Every depression brings out the disciples of unsound money as a hot spring day brings the snakes out of their holes. Forgetting the history of inflation in other countries, they urge experiment after experiment, all directed toward accelerating the decline in the value of the dollar. They keep saying that this can all be controlled, closing their eyes to the fact that real inflation never has been controlled, and when it once starts it is like a great torrent moving faster and faster until it reaches the brink of the precipice and plunges over with a roar, carrying everything into the abyss of bankruptcy and industrial stagnation.

It was so easy to devalue the dollar and thus give the Treasury a paper profit of several billion dollars. All that it amounted to was announcing to everyone who had a fixed amount of dollars that what they had would thereafter be worth just so much less. It is so easy to print just a little bit of worthless paper money and have the Government pay its debts with that money, always with the promise that it will stop at a certain point. But this kind of thing does not stop, unfortunately. One act of this kind begets another, until nothing can stop the juggernaut of destruction.

The New Deal record for currency tinkering is a disheartening one, but it is not too late to call a halt. We must reestablish a sound basis for our money. We must respect the sanctity of the promises of our Government. We must work toward international stabilization. We must set our faces like flint against the menace of inflation and all the horrors that accompany it.

MRS. M. N. SHWAMBERG

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Claims:

To the Congress of the United States:

I transmit herewith a report by the Secreary of State recommending the enactment of legislation authorizing an appropriation in the sum of $500 in settlement of the claim presented against the Government of the United States on behalf of Mrs. M. N. Shwamberg, nationality indeterminable, as compensation for personal injuries sustained by her as the result of a collision between a public jinrikisha in which she was riding and a United States Marine Corps ambulance on Seymour Road, Shanghai, China, on January 31, 1935.

I recommend that Congress enact legislation authorizing an appropriation in the amount mentioned, in accordance with the recommendation of the Secretary of State.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 17, 1936.*

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. BIERMANN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD to insert a telegram from Herbert S. Chittenden, of Burlington, Iowa, in which he sets out a system for paying the soldiers' bonus, which he thinks will not do any harm to the country.

The SPEAKER. Is there objection?

There was no objection.

Mr. BIERMANN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following telegram:

BURLINGTON, IOWA, *January 15, 1936.*

Representative FRED BIERMAN:

It would be well to divert the billions of dollars that are being spent on destructive "pork" river projects and pay the past-due war debt to the country's soldiers. Practically all of the work on these "pork barrel" projects is done by machinery and a very small percentage of the money goes for labor. The upper Mississippi 9-foot channel will endanger the lives of thousands of families and eventually drive them from their homes. It will destroy many thousands of acres of fine useful timber, also ruin clam beds and commercial fishing. The largest basket factories in the country will lose their chief source of timber supply. These projects are so insanely impractical that they will cost the taxpayers millions annually for their upkeep. The bonus would be a great stimulant to business and prosperity of the country. It would go 100 cents on the dollar where it was supposed to go and all "pork" would be eliminated.

HERBERT S. CHITTENDEN,
Burlington, Iowa.

THE BONUS—OLD AGE PENSIONS—AGRICULTURAL RELIEF

Mr. NICHOLS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. NICHOLS. Mr. Speaker, as the Seventy-fourth Congress runs into the second week of its second session we find the Congress with a heavy calendar before it, not heavy only by reason of the number of bills thereon which are demanding consideration, but heavy principally by reason of the problems confronting it. In my humble judgment, the most important of these are three in number, being:

The payment in cash of the adjusted-compensation certificates held by the veterans of the late war; the payment of an adequate old-age pension; and the enactment of legislation which will furnish much needed assistance to struggling agriculture in this country.

I would, Mr. Speaker, at this time, with the forbearance of yourself and the membership of the House, discuss briefly these problems as they appeal to me.

On last Friday, January 10, this body, by a vote of 356–59, passed a bill authorizing an appropriation to be made with which to pay the adjusted-compensation certificates in cash in full. Many of us voted for this bill with some misgivings, not misgivings because we were not eager and anxious to pay the certificates in cash, but misgivings because we were afraid that since the bill only authorized the raising of the money with which to pay the certificates, we were fearful lest the ex-service men would have to continue their wait over another extended period while the Congress battled in an effort to find a method of paying them what would either meet with the approval of the President, and thus dodge his veto, or one which we could pass over a Presidential veto in the event the method did not meet with his approval. Of course, as every Member of this House knows, I am one of

those who favor the plan of issuing currency against the gold and silver reserve in the Treasury of the United States, of which there is an unpledged balance of something in excess of $5,000,000,000, and use this money to pay our obligations to the World War veterans, holders of adjusted-compensation certificates. In my judgment this would have a twofold benefit: First, it would give the ex-service men cash for their certificates; and second, it would put additional new money in circulation in a sufficient amount that the purchasing power of the dollar would be reduced and commodity prices would be greatly increased. However, the method of raising the money is in my opinion secondary to the paying of the certificates. I shall therefore vote and support with every pound of my strength any plan to raise the money which in my judgment will get the ex-service men their money in the shortest length of time. I am hopeful that a plan will be agreed upon and a bill enacted into law that will get the cash in the hands of our ex-service men before the leaves bud in the spring.

I am not at all satisfied with the old-age-pension plan that we adopted at the last session of Congress, embodied in the social-security bill. My objections to it are twofold. In the first place, the Federal Government is not authorizing the payment of enough money to them, and in the second place, since the Government admits by the passage of that legislation that it has some obligation to the old men and women of this Nation, it should not say to them we will pay you this obligation provided you live in a certain State, and provided that State has certain laws which will permit them to first obligate themselves to pay you before we will fulfill our obligation to you. There are almost as many plans for the payment of an old-age pension now pending before the Congress as there are Members of the Congress. I sincerely trust that one of these plans will get far enough along the congressional hurdles that it will come on the floor of Congress for consideration before the end of this session, and I want to say to the membership here now that I will support any of these plans that propose to pay to the old people of this Nation, direct, some sum of money which will adequately take care of their needs, and which money will be paid to them irrespective of where they live or what laws are on the statute books of the State wherein they live.

The recent opinion of the Supreme Court of the United States dealt a telling blow to the agriculturalists of this Nation and, in my opinion, a blow below the belt. We have protected big business in this Nation through tariffs for years. We have protected other kinds of big business with subsidies. We have subsidized the railroads; we have subsidized the merchant marine; we have subsidized the schools of the Nation; we have even gone so far as to subsidize every State in the Union, provided it would meet certain requirements. I speak of those States which receive funds to be expended on the highways; which receive funds to be expended in the public-school system; which receive funds to be expended in certain universities and colleges, provided those universities and colleges use the money for the teaching of certain subjects. Therefore I say that there is abundant precedent for the Government to subsidize in some way the most important industry to civilization that there is in the United States. I can, of course, mean but one thing—that the Government should in some manner subsidize agriculture. I whole-heartedly favor an amendment to the Constitution which will make it possible for the Congress to pass legislation for the general welfare and to pass legislation which will give protection and assistance to agriculture; but it is well known that it would take a year or even more to accomplish this, even if it could ever be accomplished with the block of States in the industrial North and Northwest that would vote against any constitutional amendment which would be of benefit to the agriculturalists of the South, Southwest, Middle West, and Northwest. But are we to sit idly by while we attempt to amend the Constitution? I say not. I feel that we should pass legislation which will furnish protection and assistance for agriculture, pending the time that we are able to amend the Constitution.

There have recently been meeting in this city farm representatives from all over the United States. They have been diligently engaged in conferences from which they hope to evolve a plan that will give some lasting assistance to this struggling industry. Of course, the first thing that we must do is to come into this body and appropriate funds with which to carry out the contracts already entered into, and surely those which have been by the farmers executed, wherein they agreed to forestall the planting of certain crops with the understanding that the Government of the United States would reimburse them in cash payment for those crops which they had not planted. This, Mr. Speaker, I am confident, will surely be done, because it is a solemn agreement entered into in good faith by the farmers of this Nation, and I trust entered into in good faith on the part of our Government, which we boast is the greatest Government under the sun.

The plan which is now being very freely discussed by farm representatives and by the Secretary of Agriculture and by the President himself is one that would subsidize the farmers under a plan similar to this. It would be based on soil conservation, and might I say here that since it was myself who introduced the first two bills in Congress to set up as a permanent department of Government a soil-erosion service, and since it was myself who made the first speech on that subject that was ever made on the floor of this House, and since the bill which was adopted was taken almost entirely from the original bill which was introduced by me, I can certainly take unto myself, from recent developments, a great deal of satisfaction. The reason that these gentlemen feel that the plan which they have under consideration would be by the highest court in the land held constitutional is this: In the recent opinion the Court indicated that the Congress would have power to levy taxes and pay benefits for the public defense and for the general welfare.

Their reasoning is that since the soil is admitted by everyone to be the greatest natural resource within the possession of the citizens of the United States, that any law which would have for its purpose the protection of that great natural resource could not fail to be constitutional. It would work like this: By reason of the fact that the farmers of this Nation are so sorely in need of money, they have in the past been planting every available acre to make some cash crops. These basic crops have been cotton, corn, and wheat, all three of which drain the fertility from the soil and all three of which encourage erosion on the land, by reason of the fact that the land must be kept bare of vegetation and thus expose its nakedness to the elements and invite the rains that come intermittently to wash its fertile topsoil into the gulleys, the gulches, the creeks, and the rivers. This plan would therefore pay a farmer benefits for that land which he did not put into cultivation, provided that he would plant on that land some crop which would prevent its erosion and which would build back the fertility taken from that land, such crops as legumes.

Thus is explained what the President meant when he said that we are shipping the fertility of our soil to the foreign lands too cheap, his meaning being that when we punish our land to grow surplus crops, which force the price of those crops down to such a point that first they must be disposed of at a price so low that the farmer could not get from them cost of production, and, second, a price so low that we sold those crops at that ridiculously low figure to foreign lands. This plan is only as yet in the rough, and the details are now being worked out. I sincerely trust that those details will have in them benefits that will flow not only to the landowner but also to the tenant farmer. If this plan does in the end have such provisions, I shall certainly be one of those to heartily support the same, and, Mr. Speaker, if there is another plan or other plans evolved and presented to this Congress which will accomplish the purpose of giving substantial aid to the agriculturalists of this country, I shall be one of those who will support that plan or plans with every ounce of fighting strength that I possess, and I pledge myself here and now to an undying struggle to obtain for the ex-service men of this Nation, the old people of this Nation, and the farmers of this Nation those things to which they are so justly entitled; and until

these three battles have been won, Mr. Speaker, I will feel that my work here has not been accomplished.

THE LATE HON. CLYDE KELLY

Mr. MEAD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by inserting a tribute to the memory of Hon. Clyde Kelly, of Pennsylvania, by the American Indian Federation.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MEAD. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following tribute to the memory of Hon. Clyde Kelly, of Pennsylvania, by the American Indian Federation:

MEMORIAL

As we are gathered here in the first annual meeting of the American Indian Federation, it is fitting that we pause to render tribute to the memory of one who has but recently departed from this life and whose death has brought deep sadness among the Indians throughout the United States, the late Honorable Clyde Kelly, of Edgewood, Pa.

Clyde Kelly was a man among men. His record of service in the Christian Church, his record of service in the Congress of the United States, his record of service in many a cause for the betterment of all humanity—the Bible Class of the Chevy Chase Presbyterian Church which bears his name—all of these bear mute testimony to the high ideals of true Christian service which motivated him throughout his entire life.

For all of these things, the name of Clyde Kelly will remain in the hearts of those who knew him. But it is for his record of service in the cause of freedom for our race that the Indians will remember Clyde Kelly. He did not view the Indian as a problem, an inferior, nor as a curiosity. With the eyes of true Christianity, he looked upon the Indian as a human being, entitled to all the rights and privileges of freedom guaranteed to other human beings by the Constitution of this Nation. With deep and discerning wisdom he looked beyond the outward results to the real cause of the evils. He saw the Indian people as slaves in bondage suffering under the autocratic and demoralizing control of a bureaucracy.

His was not a passive sympathy. He was not content to sit idly by while such conditions existed. Actively, vigorously, and militantly, year after year, he carried forth his efforts within the Halls of Congress and among the people of the Nation in the cause of freedom for the Indians. And the words which he has spoken there will live on—a source of highest inspiration, hope, and encouragement to all Indians and friends of Indians. No one can measure the good that he has accomplished in this one cause alone. Just as a small stone cast into a pool causes an ever-widening circle of ripples—so too have been the thoughts, the words and the deeds of Clyde Kelly.

Marc Antony, standing at the tomb of Julius Caesar said: "The evil that men do lives after them—the good oft interred with their bones."

Let this not be true of Clyde Kelly. Let us catch up the torch which he carried aloft in the cause of freedom for our race, that his work may never die. Let us go forth today, reconsecrated and rededicated to that cause and with a strengthened determination within ourselves that this cause shall be carried forward to ultimate victory.

And with deep and sincere appreciation of the loss which has been suffered by the Indian race through his demise, with sorrowfully saddened hearts, let it be hereby

Resolved, That we, the American Indian Federation, in first annual meeting convened, do spread upon our records this tribute to his memory, so that all coming generations may know and be inspired by the name of Clyde Kelly. Of him let it be said that he was a true friend to the Indian people. To have known him was a rare and privileged blessing. Let us honor his memory as a Christian, for his high ideals of service to humanity; honor his memory as an American and the true principles of democracy for which he labored; honor his memory as a man for his great strength of character and his beautiful simplicity of spirit; and lastly, let us honor his memory as our friend, the best friend the Indian race has ever had within the Congress of the United States; and be is hereby

Resolved, That a copy of this memorial be transmitted to the bereaved family of the late Honorable Clyde Kelly, with expressions of our deep and sincere sympathy. May this testimony of our appreciation for the unselfish service he gave to our race and the high esteem with which we cherish his memory bring some measure of comfort to them. May the merciful tenderness and the gracious kindness of our Heavenly Father surround and sustain those who mourn.

CITY OF SAN DIEGO,
State of California,
July 26, 1935.

THE A. A. A.

Mr. TURNER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by inserting therein a resolution from the Hickman County Farm Bureau in regard to the Agricultural Adjustment Administration.

The SPEAKER. Is there objection?

There was no objection.

Mr. TURNER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following resolution from the Hickman County Farm Bureau in regard to the Agricultural Adjustment Administration:

HICKMAN COUNTY FARM BUREAU,
Centerville, Tenn.

Resolutions of the Hickman County Farm Bureau in session at Centerville, Tenn., January 11, 1936

Be it resolved, That we, the members of the Hickman County Farm Bureau, and other farmers of Hickman County, express our great indignation and regret over the action invalidating the Agricultural Adjustment Act. We unhesitatingly state that the throwing out of the A. A. A. is a death blow to our farmers who, under the benefits of the A. A. A., were beginning to recover from many years of low prices for their products and beginning to recover from the effects of the insecure position agriculture has had up to 1933.

Be it further resolved, That we solicit your efforts to make provisions to pay the remaining unpaid payments due under existing 1934 and 1935 adjustment contracts.

Be it further resolved, That we respectfully request that you urge action in Congress to require the processing-tax money, now held in escrow, be turned over to the Government to help pay the unpaid payments of 1934 and 1935 contracts or to require the processors to pay this money to the consumers from whom it was collected.

Be it further resolved, That we respectfully solicit your every effort to work with our farm leaders in supporting a control program for agriculture, so we as farmers of our county, State, and Nation may have a just and proportionate income for our labors; be it

Further resolved, That your efforts in our behalf will be carefully observed and we as a Farm Bureau organization in our county ask you as our Representative in Congress, to support our President, the Honorable Franklin D. Roosevelt, our Secretary of Agriculture, the Honorable Henry Wallace, our Farm Bureau President, Mr. Ed O'Neel, and Mr. O'Neel's representatives, who represent our county, State, and Nation, in their efforts for justice for agriculture and justice only; be it

Further resolved, That a copy of these resolutions be sent to our Senator, the Honorable K. D. McKellar, to our Congressman, the Honorable Clarence W. Turner, to Secretary of Agriculture, the Honorable Henry A. Wallace, and to the President of the United States, the Honorable Franklin D. Roosevelt.

Passed this the 11th day of January 1936, at Centerville, Tenn.

ROY BLACKWELL,
J. A. JONES,
ASHFORD PRINCE,
The Hickman County Farm Bureau by the Committee.

Whereas agriculture was in a deplorable condition prior to 1932, and in that year had sunk to the lowest level known in the history of our country, and farmers all over the land were faced with the then impossible task of saving their property and homes from bankruptcy on account of overproduction of agricultural products, and on account of unfair and impossible competition with industry, which had the benefits of an effective protective tariff, which agriculture did not have, and the lack of this effective tariff caused the price of agricultural products to be based on low world markets; and, as this condition of the farmer, as conceded by all people of fairness and good sense, brought all business to practically a standstill, closing banks and shutting down factories, throwing millions out of employment, and even jeopardizing the safety of the Republic; and

Whereas the Congress and leaders of our Government, recognizing the conditions and the causes thereof, enacted the Agricultural Adjustment Act for the main purpose of controlling production according to the needs of consumption, as a result of which the prices of farm products have risen to the point where despair on the part of the farmer had given way to renewed hope; and as the increased prices which the farmer had received for his products has brought about a big upturn in business and employment, and had removed from the horizon of our country the specter of a long-continued depression with general economic failure; and

Whereas the Supreme Court has seen fit to declare the A. A. A. unconstitutional and illegal (for causes known to it), and has thereby brought about the possibility of the return of the terrible conditions of 1932, and possibly even worse: Therefore be it

Resolved, That we, the farmers and businessmen of Williamson County, in mass meeting assembled, deplore the action of the Supreme Court in declaring the A. A. A. invalid, and that we do now call upon Senators MCKELLAR and BACHMAN and Representative TURNER to do all within their power as our representatives in the Congress to enact without undue delay such legislation as will give results comparable to the benefits and advantages comparable to those accruing to us through controlled production with living prices for our products, which the A. A. A. guaranteed us, and which we consider fair and just; and be it further

Resolved, That we petition the Congress, if it is necessary to bring about the above results, to enact legislation providing for an amendment to the Constitution limiting the power or the jurisdiction of the Supreme Court, so that the Court cannot pervert the will of the people in such legislation as we are asking for through our representatives in the Congress, thereby depriving the people of the United States the right and opportunity of removing from the future the causes of uncalled-for and unnecessary depressions with the attendant suffering and hunger and loss of life and property.

W. C. JONES,
Chairman.
By R. C. DEDMAN,
Secretary.

FRANKLIN, TENN., *January 11, 1936.*

Resolutions

Be it resolved by the Humphreys County Farm Bureau in session at Waverly, Tenn., on the 11th day of January 1936, respectfully petition the President, Franklin D. Roosevelt, our Tennessee Senators, K. D. McKellar and Nathan A. Bachman; our Congressman, C. W. Turner; and Secretary of Agriculture, Henry A. Wallace, to work in connection with the farm leaders of all sections of the country in working out and enacting into law some measures or plans whereby the farm products of the country at large may be as effectively controlled as under the A. A. A., just recently struck down by the Supreme Court as unconstitutional.

We also respectfully urge that action be taken as speedily as possible so that the benefits so far accomplished in behalf of the farming interests in general may not be entirely lost, and farm prices may not be allowed to get back to the 1931–32 level.

We urge that such legislations be enacted as to carry out and have the Government fulfill all unexecuted contracts heretofore entered into under the A. A. A.; be it

Further resolved, That a copy of these resolutions be forwarded at once to the President, United States Senators from Tennessee, Congressman, and Secretary of Agriculture.

Respectfully submitted. JNO. W. ANDERSON,
President of Farm Bureau.

As farmers, business and professional men of Maury County, Tenn., we have witnessed the vast benefits to agriculture in particular and to business in general accruing from the operation of the Agricultural Adjustment Act, and it was with deep regret that we learned that this act has been ruled invalid by the highest court in the land.

Firm in the belief that the welfare of the entire Nation, all classes and all sections, depends upon economic equality between those engaged in industry and those engaged in agriculture, we hereby go on record as petitioning Congress to act as expediently as possible to pass new and further laws, or take any other steps necessary, so as to insure for agriculture complete parity with industry and to give to the farmer benefits equal to those which accrue to industry under the tariff system.

We recognize the leadership of our President, Franklin D. Roosevelt, and appreciate his courageous stand for the best interests of agriculture and for the well-being of the American citizen, and stand shoulder to shoulder with him and other forward-looking leaders who are seeking a solution to the economic problems of the Nation.

In this connection we recommend that Congress and the Executive branch of the Government act at once to adopt a national program for agriculture that will come within all legal limitations and at the same time continue and extend the benefits which began with the A. A. A. the welfare of the Nation as a whole demanding speedy, effective, and permanent action.

PERMISSION TO ADDRESS THE HOUSE

Mr. RICH. Mr. Speaker, I ask unanimous consent that I may be permitted to proceed for 4 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. MONAGHAN. Mr. Speaker, reserving the right to object, I should like to ask the gentleman what he is going to talk about?

Mr. RICH. I want to talk about the consolidation of corporations against the Sherman antitrust laws, something that is vitally important to the welfare of every man, woman, and child in America.

The SPEAKER. Is there objection?

Mr. MONAGHAN. Mr. Speaker, I object.

Mr. RICH. Mr. Speaker, may I have unanimous consent to address the House for 10 minutes on Monday next, after the reading of the Journal and consideration of matters on the Speaker's desk?

Mr. MONAGHAN. Mr. Speaker, I object.

NATIONAL LOTTERY BILL

Mr. KENNEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a letter from State Representative Roth, of the Commonwealth of Pennsylvania.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. KENNEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter written to me by State Representative Roth, of the Commonwealth of Pennsylvania, regarding the lottery bill and Townsend pension plan:

COMMONWEALTH OF PENNSYLVANIA,
HOUSE OF REPRESENTATIVES,
Allentown, Pa., January 15, 1936.

(Frank L. Roth, 603 North Ninth Street, Allentown, Pa. Committees: Agriculture, cities, pensions and gratuities, printing, public utilities, corporations)

Hon. EDWARD A. KENNEY,
New Jersey Democratic Representative,
House of Representatives, Washington, D. C.

DEAR MR. KENNEY: On July 2, last, I wrote to you relative to your national lottery bill to provide revenues, to reduce Federal and State taxes, which you had up before the House Ways and Means Committee, which we people in our section of Pennsylvania are so very much in favor of to raise money for the purpose as aforesaid. On July 5 you answered my letter very kindly, with the hope that you would eventually be successful.

I again desire to call your very special attention to this, the most important matter, that the Members of the House and Senate should take an active part in at once, as the most important matter to be considered in your present session of Congress.

A national lottery is the only sure method to raise money without taxation for the purpose to raise money to pay the bonus, old-age pensions, and to reduce Federal and State taxes. Other countries are doing it. Why not do the same thing in America. The money is spent anyhow by playing the lottery game in other countries and the smaller beneficial drawings right at home. The churches are gambling right along on the smaller scale, who are only the few of the kickers. But if the said churches are gambling for a good cause, then why is it that the people in general throughout the United States shall not have the liberty and the privilege to do the same thing. We are overburdened with taxation and the lottery movement would greatly relieve the people of America by being further loaded up with tax obligations.

Also desire to call your very special attention to the fact that we Pennsylvania people are very much in favor of the so-called Townsend pension bill and ask you to support the said bill. We are not so much in favor for the $200 monthly payment plan but should be at least the amount of $100.

The old people who need help should receive first and immediate attention. In fact it is by far more important than the bonus bill for the younger class because they can much easier support themselves than the aged who are unable to work anymore and barred from getting employment. Therefore, we hope and put our trust in thee that you will use all your good efforts to help in pushing the above matters through and enact same into laws.

I wish to thank you a lot for whatever you may do in these matters and further ask you to cooperate with your other Members in the House and the Senate and get them to join in the movement. I again thank you. I remain,

Yours very truly,

FRANK L. ROTH.

THE LATE HON. HAMILTON FISH, SR.

Mr. CULKIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of Hamilton Fish, Sr., a former Member of this body, and to include therein a brief biography of his public service.

The SPEAKER. Without objection, the gentleman's request is granted.

There was no objection.

Mr. CULKIN. Mr. Speaker, I beg leave to call to the attention of the House the passing of Hon. Hamilton Fish, Sr., at Aiken, S. C., on Wednesday last.

Mr. Fish had a long and highly honorable public career in the service of both New York State and the Nation. He always served with distinction and fidelity. He was a publicist of note and did not hesitate to take a hand, even in his later years, when he believed that the cause of America could be served. Like his distinguished son, Hon. HAMILTON FISH, Jr., he was a Member of this body.

Pursuant to the consent of the House, I append hereto a biography of Mr. Fish, which is taken from the columns of the New York Herald Tribune.

HAMILTON FISH, 86, DIES; SERVED STATE AND NATION—IN ASSEMBLY AT ALBANY FOR 12 TERMS, WAS ASSISTANT UNITED STATES TREASURER—FATHER OF REPRESENTATIVE—OWN PARENT WAS GOVERNOR, SENATOR, SECRETARY OF STATE

AIKEN, S. C., January 15.—Hamilton Fish, former Assistant Treasurer of the United States, father of Representative HAMIL-

TON FISH, Jr., Republican, died at 4:15 p. m. here today at the winter home of his daughter, Mrs. William Lawrence Breese. Mr. Fish, who was 86 years old, contracted a cold several days ago, but his illness had not been considered dangerous.

Surviving, besides the son and Mrs. Breese, are three other daughters, Miss Janet Fish, of Washington; Mrs. John Cutler, of New York City, and Mrs. Henry Forster, of Garrison, N. Y. Funeral services will be held at noon Saturday in Garrison, where Mr. Fish lived.

IN POLITICS 50 YEARS

A member of one of this country's oldest families, Mr. Fish served 12 terms in the New York State Assembly, 2 terms as speaker of the assembly, 2 terms as Assistant Treasurer of the United States, and 1 term as Representative in Congress from the Twenty-first New York District. He had been mentioned for Governor of New York and was in the thick of politics for more than 50 years before advancing age caused his retirement.

Mr. Fish was the second son of Hamilton Fish, who won triple distinction as Governor of New York, United States Senator, and as Secretary of State for 8 years during the administration of President Grant. His mother was the former Julia Kean, of New Jersey, a relative of the late John Kean, United States Senator from New Jersey. Mrs. Fish also was a close relative of the Wadsworths, Kings, Duers, Livingstons, and other famous families.

GRANDFATHER FOUGHT IN REVOLUTION

Through these forebears Mr. Fish was related to several distinguished early American patriots. He was a grandson of Col. Nicholas Fish, who fought in the Revolution at Saratoga, Monmouth, and at Yorktown; who was a law student under John Morin Scott; who was the personal friend of George Washington and the confidant of Alexander Hamilton; and who married Elizabeth Stuyvesant, the great-great-granddaughter of Gov. Peter Stuyvesant and daughter of Margaret Livingston, cousin of Chancelor Livingston.

Mr. Fish was born at Albany on April 17, 1849, while his father was Governor. He was named Hamilton after his father, who in turn received the name from Nicholas Fish, who administered Alexander Hamilton's estate after the latter's duel with Aaron Burr. Since then the name Hamilton has been perpetuated in the Fish family.

ELDER BROTHER WAS DIPLOMAT

Mr. Fish's elder brother was the late Nicholas Fish, diplomat, who became Minister to Belgium and Switzerland and who died many years ago. His younger brother was Stuyvesant Fish, financier and president of the Illinois Central Railroad, who died in 1923.

Of the three brothers, Hamilton Fish was the only one to enter the hurly-burly of everyday politics. From his birth he grew up in a political atmosphere. When he was still a baby his father went to Washington as a Senator, and young Hamilton received his first education at a private school there. Later he attended school in Geneva, Switzerland, and other private schools in this country.

Mr. Fish was still in Columbia College, from which he received his B. A. degree in 1869, when he became private secretary to his father in the Department of State. Before he was graduated from Columbia Law School, from which he received a degree in 1873, he had been an aide on the staff of Gov. John A. Dix, of New York, and chairman of the Putnam County Republican Committee. In 1873, when he was admitted to the bar, at the age of 24, he was a delegate to the Republican State convention.

ELECTED TO ASSEMBLY AT 24

In the same year Mr. Fish, running in Putnam County on the Republican ticket, was elected to his first term in the assembly. It was the first time in history that Putnam had given a majority to the entire Republican ticket. He was reelected from Putnam 11 times.

WHO WILL PAY THE BILLS

Mr. CHRISTIANSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including a radio speech I made today.

The SPEAKER. Is there objection?

There was no objection.

Mr. CHRISTIANSON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address delivered by me today:

The people of the United States were shocked and alarmed some 20 years ago when the newspapers announced that for the first time in the history of the country a Congress had appropriated a billion dollars. Some of the Congressmen of that day sought to justify their extravagance by declaring that "this is a billion-dollar country."

This was a billion-dollar country. In fact, from the standpoint of ability to assume financial burdens, it was a richer country then than it is today. It had enjoyed two decades of almost uninterrupted prosperity; industry and agriculture had access to profitable foreign markets; the national debt was negligible; tax rates—Federal, State, and local—were low, measured by present standards.

Nevertheless, the reaction of the people to the announcement that Congress had called upon them to contribute $1,000,000,000 for the support of the Government and its activities was not one of complacency. Congressmen were sharply called to account, and some of them were elected to stay at home.

I wonder what the people of 20 years ago would have said if they could have gazed into some crystal and foreseen that in 1936 the interest on the national debt alone would amount to $800,000,000—almost as much as the total budget voted by the most extravagant Congress they had ever known. I wonder what they would have said if someone had predicted that the time would come—and come so soon—when a Congress would, after limited debate and perfunctory consideration, add $3,300,000,000, $2,000,000,000, $3,000,000,000, $4,880,000,000, and so on, ad infinitum, to the burdens already borne by a people that had recently been forced to shoulder a major part of the cost of the greatest war of history. I wonder what they would have said if they had been told that during 3 short years, when the people's ability to pay was at its lowest ebb, the United States Government would spend more money than it had spent in the 124 years beginning with the administration of Washington and ending with that of Taft.

How can the complacency of the American people toward the present orgy of spending be explained? Is it possible that they believe that the Government can continue forever to pay out two dollars for every dollar it collects; that debts can be incurred indefinitely without a reckoning; and that deficit can be piled upon deficit without disaster? Do they indulge in the wild imagining that money can be made to fall like manna from Heaven, or conjured forth by the hocus-pocus of economic miracle men? Or has the moral level sunk so low that a whole people is willing to borrow money without intending to repay, to issue bonds which it plans to repudiate or currency it does not expect to redeem? If such is the case, then the moral solvency of the Nation has sunk to an even lower level than its economic solvency.

I refuse to believe that there has been such an impairment of character. I believe that the average man is essentially honest, and that his indifference to unbalanced Budgets and huge public debts is due rather to the false notion, instilled by demagogues who care for nothing but votes, that it is possible by political leverage to shift the burden to a few.

If the national debt could be liquidated by confiscating Wall Street, it might be worth trying. It would be an easy solution, and most of us would probably be in favor of it. But, unfortunately, easy solutions generally don't work. Last year we "soaked the rich." We increased taxes in the higher brackets without mercy. We compelled those with million-dollar incomes to disgorge 75 percent of their "ill-gotten gains", in addition to what the States exact. Under the new rates, if a man lives, say in California, he pays a combined Federal and State income tax of 90 percent. The additional revenue from the higher taxes assessed against estates and against personal and corporate incomes will be, according to the President's Budget message, $220,000,000—a large sum, but not enough to keep the Federal Government going for 11 days! If the rate were 100 percent, we should get only a fraction of what is needed to cover current expenditures, and nothing for paying the national debt.

In fact, the expenditures of government in this country, Federal, State, and local, are $10,000,000,000 more than the total of the net incomes of all corporations, and of all individuals with a net income of $5,000 or more.

In 1934, the latest year for which figures are available, the total of incomes of $25,000 or more was only $1,500,000,000; of from five to twenty-five thousand, $3,500,000,000; of less than five thousand, $7,500,000,000.

Last year Congress authorized expenditures of $10,250,000,000. If the taxable income of every taxpayer in the country, including those in the lowest bracket, had been confiscated, leaving nothing, the amount collected would have exceeded the amount of authorized expenditures by only one-half enough to cover the deficit for the previous year.

These figures, and others that might be cited, prove that the idea that the rich can be made to bear the burden of the Federal Government and that the poor may view extravagance with complacency is without foundation. There are not enough of the rich, however large their individual incomes. Arithmetic is the best answer to demagoguery.

The truest thing that Roosevelt ever said was that "taxes are paid in the sweat of every man who labors." If that statement had been made the working formula of Congress and the administration, instead of being used merely as a vote-getting slogan, the record of the last 3 years would have been far different and we should today be on the road to real recovery.

The spending program is the present greatest bar to recovery, and there can be no return to prosperity until it is stopped. So long as one-fifth of the income of the people goes out in taxes there will not be enough left for normal spending to furnish employment for the 11,000,000 men who are out of work. So long as $4,000,000,000 of additional Government securities, exempt from State and local taxation and partially exempt from Federal taxation, are made available for investment every year, there will be no incentive or opportunity for the people to use their capital for the rehabilitation or expansion of industry. So long as the fear of the collapse of Government credit and of its aftermath of inflation hangs over the Nation, few will be rash enough to risk their capital in new business enterprises.

The burden of taxation falls most heavily on those who directly pay no taxes. They pay in higher prices and higher rents; the manufacturer, the merchant, and the landlord pass their taxes on—must pass them on or go out of business. High prices mean less consumption, and less consumption means less production and

less employment. Despite the increased use of machinery in industry, it is safe to assume that all the unemployed who are willing and able to work could have jobs again if taxes were reduced to what they were before the war. Most of them could have jobs if taxes were reduced to the extent permitted by the Government's present situation. The men who are most responsible for the continuation of the depression beyond the time when it would naturally have spent itself are those who have sought to cure the depression by "priming the pump" with money exacted from the people.

Only the other day Secretary Morgenthau made a startling statement before the Senate Finance Committee. He declared that in 18 months the Federal debt, already more than $30,000,000,000, would be $40,000,000,000. He stated that during that period the Treasury will face the problem of raising $6,000,000,000 for refinancing and $6,000,000,000 for new expenditures; and he might have said "an additional undeterminable number of billions for new financial adventures now contemplated by Congress."

Then he added these significant words: "Government credit is a delicate thing. One day there is confidence and the people who buy bonds are with you. Then overnight something happens, and they won't buy. The minute I cannot raise the money required to finance the Government, that minute you will have complete chaos."

From the Secretary's words it is apparent that we are sitting on top of a volcano. No one knows when the eruption will come, but it seems certain that it cannot be long averted unless we change our ways.

So in answer to the question, "Who will pay the bills?" I would say: We shall all pay, the poor more than the rich, the workingman more than his employer; but, most of all, those of the younger generation who will inherit debts where we inherited the countless wealth of a great and unencumbered nation, and whose portion will be an economic structure wrecked by the profligacy of the most reckless spenders of all time.

AT THE CROSSROADS

Mr. McLEOD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a radio speech I made on December 17.

The SPEAKER. Is there objection?

There was no objection.

Mr. McLEOD. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following speech by myself, under the auspices of the National Republican Congressional Committee, over the network of the National Broadcasting Co. from Washington, December 17, 10:15 to 10:30 p. m., eastern standard time:

President Roosevelt's New Deal administration which labors under the guise of being Democratic, but which has so consistently ignored Democratic Party principles, is floundering badly. Its failure is apparent on every side. Inconsistencies and cross-purposed, un-American and experimental policies in direct conflict with each other, have brought about a condition which is little short of a Government debacle.

It must be obvious to everyone that, as a Nation, we are now at the crossroads. We have to choose and we have to choose quickly whether we want sanity and soundness in Government or whether we are willing to continue on to ruin and destruction. We have tried experiments in Government which are alien to the American idea. We have tried them and found them wanting and disastrous. We are confronted with the necessity of decision.

I believe that now, more than at any time in the history of these United States, we, as citizens—if we have, as I know we have, the good of the country at heart—must analyze what has been going on, and correct it before it is too late.

If the New Deal deliberately had set out to confuse the American people, it could have done no better than it has done. Instance after instance piles up where the President announces one policy, and his closest advisors announce another in direct conflict with the President's. I think I have only to cite one or two of these to illustrate what I mean. You all remember when, not so long ago, President Roosevelt landed at Charleston, S. C., after a vacation trip which was in reality the opening of his 1936 campaign for reelection. He made a declaration at that time which should be analyzed by every individual in America. On that occasion, the President asserted that we are on our way back, and I quote: "Because we planned it that way." The President added that nobody should be allowed to tell you differently.

On a day less than 2 weeks ago, but somewhat later than the President's Charleston remark, we saw one result of that planning. A spokesman for his administration declared that more than 10,000,000 people were still unemployed, and that 22,000,000 were on relief rolls. He threatened industry with new taxes if it didn't take up the slack. But he didn't say that the New Deal has had more than $8,000,000,000 to remedy this situation, nor did he explain how impossible it is for industry, throttled by New Deal experimental legislation, to possibly take up all of the unemployment slack. Perhaps that was unnecessary. Our taxpayers are now realizing what they face because of the New Deal's squander lust. They know that unemployment has not been lessened to the extent that Government spending should demand. Yet the President says they planned it that way. If it was planned that way, then the admission of futility is an astounding one. It is so astounding as to compel the American people to demand that Congress investigate. But the President says it was all planned. Now, taking his word for it, I should like to ask you a few questions. Did he plan the greatest national debt in history? Did he plan the huge deficit? Did he plan an unbalanced Budget? Did he plan a monetary policy which probably as much as anything else has hindered and retarded recovery, and, together with his ideas of a tariff, has robbed the American farmer of his export market? Did he plan reform before recovery, a program which the courts are stopping in the greatest reversal of policy ever suffered by any national administration? Did he plan the tremendous waste of the people's money which is going on daily under his administration? Did he plan to change our very form of Government? He says he did. Did he plan all of the inconsistencies which have marked his administration so far?

Only recently we have had an illustration showing convincingly how little regard for consistency Mr. Roosevelt has. In his speech at Atlanta, on November 29 last, the President apparently concurred with what Republican leaders have constantly said, that the American people cannot borrow their way out of debt. This remark of the President's was made despite record-making borrowings by the Government. And 1 week after the President had made his declaration the New Deal borrowed an additional $900,000,000. I suppose Mr. Roosevelt calls this teamwork. What the American people will call it will be spelled out in votes next November. However, we will not have to wait that long to obtain another electoral repudiation of the New Deal, because final returns from today's special election in my own State will undoubtedly show the winner to be the Republican nominee who has attacked the New Deal.

These things which I have cited must give rise to the question, What can be expected of an administration which has brought a Nation to the crossroads through so many conflicting, cross-purposed, impossible, and unworkable policies? It must lead also to the question of what can be expected of an administration so prolific in promises, so sparse in fulfillment. However, in making our analysis we must not forget that another Presidental campaign is on. Nor must we forget that a man who has made so many promises and ignored them so easily can make still more promises and continue to ignore them just as easily, and we must judge them accordingly. I do not hestitate to say, in view of the past record of Mr. Roosevelt, that there will not be the same ready acceptance of promises from President Roosevelt as were accorded those of Candidate Roosevelt in 1932. Mr. Roosevelt's record of broken pledges precludes such a possibility. Our people have learned by sad experience that what were to be the sweet fruits of New Deal promises seem always to turn into the bitter ashes of empty realization.

The glamour of the New Deal has faded. Its veneer of Americanism has worn thin. The public has seen through the New Deal. It has weighed it and found the scales tilted. It has concluded that the term "New Deal" is simply a deliberate misnomer for a group headed by Franklin D. Roosevelt, who spurn our Constitution while working to set up a government in which American principles are conspicuous by their absence, and in which promises are made solely as a bid for votes. Our people have seen the growth of a Tammanyized political machine put together at heretofore undreamed-of expense to the taxpayer, and designed for one reason and one reason alone—the perpetuation of an administration whose policies are wholly alien to anything ever conceived as being American.

To some this may seem a severe indictment, but to those who doubt that the indictment is truly found I suggest only a fair, impartial, and temperate analysis of the Roosevelt record for the nearly 3 years in which the New Deal has dominated Government affairs.

No matter how you may wish to look upon it, the fact remains that conditions born of the New Deal are fading the white and blue and exposing the all-red color of the New Deal banner. Socialism, even communism, is the keynote of an administration which rode into power under the guise of the Democratic Party. I do not hesitate to say that if our citizens will evince the interest and take the time to make a cold-blooded analysis of what Mr. Roosevelt's New Deal has attempted to do to the American form of government the repudiation will be so complete as to rid Washington not only of the heads of this un-American movement but likewise of the greatest bureaucracy ever built up in any nation since the beginning of time, in a direct contradiction of a pledge to curtail governmental agencies. We have only to become awake to what must follow to cause an uprising of the electorate which will spell the doom of the potent but misleading little catch phrase, "New Deal."

Washington looks now as it did in war days. It is overrun by bureaucrats. From their luxurious offices in the mansions that once housed the Capital's social elite, and from hotels and apartment houses and new Government buildings they occupy, they issue decrees ranging from death sentences imposed on pigs and cows, to telling their own stenographers just how hard they should strike the keys of their typewriters. The control complex of the New Dealers is responsible for many actions which would be comic were it not for their destructive effects on many basic principles of Americanism. Their attempts to graft a hybrid policy of mixed communistic and socialistic ideas upon the tree of American Government would be ludicrous if they were not so harmful. In many instances, the harm was permitted because New Deal majorities in the House and Senate agreed to them.

Few, if any, of the New Deal schemes have assisted in our progress toward recovery. On the contrary, what recovery we have made has been accomplished in spite of them, and despite the shackles placed upon business by the New Deal. You do not extinguish a fire by pouring kerosene on it, nor do you get out of debt as a nation or as an individual by going deeper into debt. Mr. Roosevelt and his satellites have given us a costly exhibition of what can happen when dreamers of utopia are given the key to the Treasury. We are in the midst of a riot of senseless and extravagant waste. Our Government today is still spending a $2 bill for every $1 bill taken in. And, according to the most careful estimates, in the first 3 years of the Roosevelt administration the collegiate pilots of the New Deal will spend in actual and budgeted amounts a sum that falls but little short of the total expenses of the Federal Government from 1789 to 1913. This huge expenditure is money which belongs to the people of the United States, to you, your family, your neighbors, and friends. It doesn't belong to Mr. Roosevelt, nor does it belong to Professor Tugwell or Mr. Wallace or Professor Frankfurter, or that grand spender, Mr. Hopkins. They will not pay it back. You and your children and generations yet unborn will have to pay it back. They will have to pay for the squander lust of the Roosevelt era. They are the ones who will have to pay for the fantasies of the Roosevelt boondoggiers.

Mr. Roosevelt says there will be no new taxes imposed in the coming session of Congress. We have heard that before. And we have also seen a veritable orgy of indirect taxation through slashing of the value of the dollar, confiscating nearly $3,000,000,000 in gold and imposing better than $1,000,000,000 in processing taxes. And these things were wholly aside from the soak-the-rich proposal.

For the most part, as it is evident from the recital, taxes have been imposed under Mr. Roosevelt to a tremendous degree by the New Deal politicians who attempt to hide their various imposts by indirection.

The President only recently at Chicago branded as political profiteers those who criticized his policies. I am constrained to believe that the use of the phrase "political profiteers" by the President was ill-advised for the singular reason that the record discloses that no group seeks political profits to anywhere near the extent practiced by those who are so rapidly nearing the end of their domination of your Government. We are rapidly seeing through the New Deal's political standards, and it is a safe thing to say that the American people will not be a party to the vote-buying program of the New Deal. You and I—all of us—are at the crossroads, and the future of this country depends upon which road we choose to follow.

INTEREST PAID ON VETERANS' LOANS SINCE 1931 NOT REFUNDED

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to insert my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. PATMAN. Mr. Speaker, I have many letters from veterans complaining because the recently enacted law does not provide for the repayment of interest that veterans have paid on loans. The argument is made that it is penalizing the veteran who paid his interest and placing a premium on the one who was delinquent in his interest payments.

RESULT OF COMPROMISE

All major legislation is a result of compromise. Hardly a bill of major importance becomes a law that does not represent the sacrifice of view or compromise of opinion on the part of practically every Member of the House and Senate. It is a difficult matter for any particular Member of the House or Senate to obtain everything he desires in the form of legislation. Many factors enter into the making of laws. The policy of give-and-take is often resorted to and one who never compromises is at a disadvantage in lawmaking. A compromise caused the situation under discussion.

WHY DEBT DUE IN 1931 INSTEAD OF 1945

During the past 6½ years those of us who have endeavored to sell to the people the proposal that the adjusted-service certificates should be paid in cash used the following arguments:

First. The veteran was deprived of nearly 7 years' interest when the amount of his adjusted-service certificate was calculated.

Second. The veteran was allowed 4-percent interest on his adjusted-service credit of a dollar a day for home service and a dollar and a quarter a day for service overseas, whereas the veteran was charged 6-, 7-, and 8-percent interest on the loans obtained on his certificates.

Third. War contractors on deferred payments received 6-percent interest from date supplies furnished and more than $3,000,000,000 were refunded to income-tax payers after the war in one form or another, and on these refunds 6-percent interest was allowed from the time of the alleged overpayment.

Fourth. That $60 was deducted from a veteran's adjusted-service certificate which should not have been deducted. When a soldier entered the service he gave his civilian outfit to the Red Cross. It was sent to a foreign country to relieve distress over there. The $60 was given to every honorably discharged veteran when discharged to assist him in the purchase of a civilian outfit of clothing. The $60 was given to the officers who drew four, five, six, and eight thousand dollars a year, together with other allowances, as well as the private who was drawing $30 a month. The high-salaried officers were not required to pay their $60 back because they were not entitled to an adjusted-service certificate. Therefore, the men who served the longest for the lowest pay should not be required to pay their $60 back.

Fifth. Twenty-five percent was added to each adjusted-service credit for compensation for waiting from 1925 to 1945.

Sixth. That if the Adjusted Compensation Act is changed so as to give each veteran a dollar a day for domestic service and a dollar and a quarter a day for service overseas, as agreed upon by Congress in 1924, as of June 5, 1918, which represented the half-way period between the beginning and ending of the average veteran's service, 6-percent interest is allowed, the $60 is not deducted and the 25 percent is not added, each veteran was entitled to an amount equivalent to the full face value of his adjusted-service certificate October 1, 1931. According to our arguments used before the country the whole debt was not due until October 1, 1931, using our formula for computing the amount. Therefore we could consistently contend that no interest be charged on loans after October 1, 1931, but could not very well contend that interest should not be charged before that time.

REFUND OF INTEREST INSISTED UPON

In our efforts at this session to obtain the passage of a law for the full and immediate cash payment of the adjusted-service certificates, we insisted that no interest on loans be charged after October 1, 1931; that interest that has been charged and not collected be canceled, and that all interest paid since October 1, 1931, be repaid to the veteran who paid the interest.

The Vinson-Patman-McCormack bill, which originated in and passed the House, provided for cancelation of all unpaid interest even before 1931. Veterans were first permitted to obtain loans on their certificates January 1, 1927. From 1927 to 1931 there were millions of little transactions in which veterans would borrow a small sum on their certificates for a short length of time and redeem their certificates by paying the loans. From January 1, 1927, to date more than 10,000 banks closed their doors. Many of these small loans were made with these banks and the records necessary for a veteran to substantiate his claim for an interest-payment refund are no longer available. The House Committee on Ways and Means declined to permit a refund of interest paid on the theory that the proof would not be available to all the veterans and it would delay the payments in view of the millions of small transactions involved and the numerous calculations necessary. Furthermore, the Ways and Means Committee was persuaded, I am told, to decline on the ground that after the veterans received their money, many of them would later secure the evidence sufficient to place them in a position of being entitled to a refund of interest paid. This would cause numerous claims against the Government and a flood of private bills introduced in both Houses of Congress. It seemed to be the desire on the part of Members in both the House and Senate to bring this entire question to a close. The House passed a bill providing for cancelation of all unpaid interest clear back to 1927. The Senate made only a minor change when the date October 1, 1931, was inserted since all veterans who borrowed the

50 percent in 1931 were required to pay all past-due interest up to that time.

DISCRIMINATION

We were successful in accomplishing practically everything we desired except a refund of interest paid. It is true that this appears to be a discrimination against the man who paid the interest on his loan regularly. At the same time, it was insisted that if a veteran who had paid interest on his loan since October 1, 1931, was repaid that sum of money, all the veterans who had not borrowed on their certificates would likely have considerable support for their contention that they should be given interest since October 1, 1931, on the theory that if it is right to repay interest on loans since October 1, 1931, it is right to pay interest to those who did not obtain loans.

The number of veterans in the class who paid the interest is very small and if a sacrifice had to be made in order to obtain the passage of the legislation we could not have sacrificed a point that would cost the veterans generally so little as their loss on the sacrifice of this point. Practically all the veterans borrowed the limit allowed by law—50 percent after March 1, 1931. Practically all of them borrowed this money through governmental agencies and very few of them paid any interest at all. In fact, they were never notified that their loan was due or that a year or 6 months had expired or that they were expected to make interest payments. Many of them were not able financially to pay the interest.

PRACTICALLY EVERY POINT GAINED

We succeeded in convincing the country and Congress that although the adjusted-service certificates were payable in 1945, each veteran holding one was, as a matter of right and justice, entitled to an amount equivalent to the full face value of his certificate October 1, 1931. We gained practically every point; we yielded a small amount. I regret that it was necessary to yield anything, but for the reasons stated in the first part of this statement, it was necessary to yield as we cannot always get everything we want.

EXTENSION OF REMARKS

Mr. MONAGHAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point to include an article by Raymond Clapper that appeared in the Daily News on Tuesday, January 7, 1936.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

Mr. RICH. I am constrained to object, Mr. Speaker. I object.

Mr. BIERMANN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a petition by the junior committee of the National Economy League.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

Mr. McFARLANE. Mr. Speaker, I object. I object to anything going in from the Economy League.

THE INTEGRITY OF NATIONAL HONOR AND A NEW DIGNITY FOR THE HOUSE OF REPRESENTATIVES AND NEW PROBLEMS

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SHANLEY. Mr. Speaker, Members of the Seventy-fourth Congress in this the beginning of our second session, you will be shortly called upon to discuss and finally vote upon a new neutrality bill.

Last session you gave your stamp of approval to the law which later became Public Resolution 67 under a suspension of the rules. Today the six cardinal principles of that legislation are within the knowledge of every American schoolboy.

Quietly and profoundly that resolution enacted a new era in the legislative prestige of this House. Without equivocation, forthright, and dignified this lower House took the most important part in the handling of foreign affairs that has ever been its peacetime province. We began, set the limits, and in every legislative way played our part in enacting those laws whose far-reaching effects are only now being felt. On that 17th day of August of last year it can be said that the American people wittingly or unwittingly saw their chosen Representatives in the lower House accept a new but effective control over foreign affairs. From that day to this we have had that power, and so long as we have our Government I sincerely trust that we will never lose that privilege.

To be sure, the treaty-making powers are invested in the Senate and the President. To be sure, also, we only pass laws to effect the proper appropriations that may be necessary for those treaties, but in the legislation that is called neutrality legislation we rise to a vantage point in parliamentary prestige.

Our Nation has been immune from the charge of secret understandings and more hidden treaties. It was our war President who leveled his barrage of sensible ammunition at the secret pacts of Europe and forced them to remain under the cover of the peace-conference table, though in the unfortunate denouement of that conference much that was done was the direct result and purpose of those pernicious pacts. Equally vicious also were the secret understandings like the Grey-Campon correspondence, which misled our statesmen. It was no wonder that our delegation insisted upon "open covenants openly arrived at", and subject to the searchlight of popular inspection.

We are forging another link in that chain of popular checking of treaties and laws affecting foreign nations. With the House of Representatives taking an active and coordinate part in the affairs of nations—yes, actually proposing and more actually disposing—is it any wonder that we now feel that the American people may now have a more direct and incisive knowledge of what is going on in the realm of foreign affairs and indirectly foreign relations?

It is fitting that we should, therefore, look at the problem of new neutrality legislation with an understanding of the new dignity of our House and the even newer responsibility.

I wish to draw to your attention the fact that in dealing with all matters of foreign affairs we must ever retain in our memory the picture of all of our treaties. Those agreements, the most solemn expression of our national promises and covenants, are the most certain indexes of national faith and character in the armory of international law. They reflect the history of the gradual intercourse of nations, but greater than this historical reflection they represent in the family of nations the touchstone of national reputation.

It has always been a cause of profound regret to me that there is such an implied and understood condition of all international treaties permitting repudiation of solemnly drawn-up treaties whenever the material circumstances upon which they have been based have been changed or have caused undue burdens. In many ways the power, susceptible of good, has been employed ruthlessly. This possibility of easy unilateral executive repudiation is known by the Latin shortened phrase "rebus sic stantibus," Unfortunately, the right or privilege of repudiating these treaties is placed in a body or person who usually has been for the most part capriciously irresponsible. This person, whether an autocrat, a king, a czar, or even a group, has had no hesitancy in using weak pretexts for abrogation. The people of the countries interested have had no right of disapproval and even have had no knowledge of either the rule or its use.

Obviously, such a practice in the business or social world would invite chaos and overwhelming distrust. Unfortunately, this doctrine is also usually bulwarked by the possession of immense power, naval or land, by which the superior nation acts with impunity.

It is rare that a small nation dares to exercise the right which has become the prerogative of the great powers alone. That attitude was all too true of the era at the opening of the nineteenth century, with its increase in the manifold problems of international relations and the growth of economic interdependence among nations, and which has found the practice of treaty making growing by leaps and bounds. In spite of the doctrine of easy repudiation all nations are constantly using pacts to express their desires and wishes. Today they are the most vital means of peaceful intercourse among nations.

Obviously such agreements are entered into in the best of good faith and with a full consciousness of permanence.

There has, however, grown up a feeling that this doctrine of rebus sic stantibus is part and parcel of every treaty, yet there is complete discord on its interpretation and practice. Some assign the reason to be resident in the fact that the state being all powerful can do no wrong and has a right to act from selfish interests. Others use the excuse that no state has a right to partition or bargain away its sovereignty. It is submitted that neither pretext is justifiable in this day and age. Unfortunately, however, state after state in history has found this type of surrender the easiest way to effect its selfish interests. It would be easy to show precedent after precedent involving such excuses with even this country involved.

We know that during the World War aliens were drafted into the United States Army in direct defiance of treaty obligations which had positive articles pledging opposite actions. We know also that in 1881 our demand upon Great Britain for a change in the Clayton-Bulwer Treaty was based on this doctrine. The words that we used then, "this Government, with respect to European state, will not consent to perpetuate any treaty that impeaches our right to claim on the American Continent", made a strong statement and obviously met with protest from across the water. However, peaceful means were employed, and the Hay-Pauncefote Treaty of 1901 resulted.

It is a strange thing that international law permits a repudiation of this type of treaty while it does not permit any excuse for the revision of treaties imposed by force which work harsher inequalities and constantly present to the affected nations permanent irritations and causes of revanche. One has only to analyze the acts of Versailles Treaty to appreciate this, but nowhere is it more evident than in the historical picture of the Alsace-Lorraine problem, for every change in sovereignty of that valuable territory engenders in the losing nation bitterness and revenge; but under our present scheme of things there is no universal remedy or outlet of correction but war.

If we admit that treaties are concluded with that implied agreement at this time, we must still further determine what is the basis for the doctrine. Certainly if we leave its determination to each party, we are permitting unilateral digression in an unlimited way. There are those leaders, however, who suggest that a conference should be held before the doctrine is applied, but it is difficult to understand how that would solve matters. Certainly there would be no willingness to surrender advantages on the part of either nation. It would, of course, indicate a better spirit, but beyond that would be useless.

The position of a third agency in the nature of umpire or board of arbitration might be helpful, but whether under the existing circumstances such is possible is a moot question. The inescapable conclusion remains that something like this is necessary if we are to have any sanctity in our treaties or any respect and honor for our international covenants.

It is no excuse to say that a nation cannot partition away its sovereignty in this day and age, and certainly a nation like ours would be stultifying the very conception of its government if it used such an excuse. There were days, of course, when a dynasty planning its own personal schemes and ambitions surrendered part of the public domain, but that day is over and in an enlightened world that cannot be offered as an excuse. This does not mean that there are not onerous conditions for which every dictate of justice would demand relief, but it does indicate that such relief should not be demanded peremptorily.

Most leaders admit that the doctrine itself is so replete with dangers and is so provocative of retaliating animosities that its disadvantages outweigh its alleged benefits. Even in a balance of evils it is right that the honor and integrity of treaties should outweigh the disadvantages of unforeseen forces. If worse comes to worse, it would be better for the selection of a third-party umpire nation or agreed-upon board of arbitration to advise before there is an ultimate repudiation. The penultimate step should be negotiation.

We have a similar problem in the Supreme Court's determination of the conflict over Federal statutes and treaties. In *Whitney* v. *Robinson* (124 U. S. 194 (1888)) it was decided that when a Federal statute and treaty relates to the same subject the courts will always endeavor to construe them so as to give effect to both, if that can be done without violating the language of either; but if the two are inconsistent the one last in date will control the other. For example, the statute that "Russian hemp imported to this country shall pay a duty of $40 a ton" was held to repeal the stipulation in the prior treaty with Russia, which in effect declared that the duty on Russian hemp should not be more than $25. Another instance occurred in this country when the La Follette Seamen's Act, made it impossible for the Executive to comply with the treaties requiring the United States to return all deserting seamen to their ships. Obviously the nations whose rights under the treaties were affected could demand some other compulsory privilege as a price for agreeing to a new treaty. But it is submitted that such violent and precipitant actions will engender ill feeling and bring our Nation into disrepute.

Certainly the fathers of this country in enacting clause 2, article VI, which provides:

> That this Constitution and the laws of the United States which shall be made in pursuance thereof; and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land; and the judges in every State shall be bound thereby, anything in the constitution or laws of any State to the contrary notwithstanding—

never contemplated such indirect breaches.

This discussion becomes very much in point in the matter of our neutrality bill. No one can contemplate a far-reaching act predicated upon the desire to keep us out of war without first checking our treaty disabilities and duties. In the situation involved in the present conflict, so pregnant with unfortunate repercussions, it is our duty to check all our treaties with Italy and Ethiopia. We would be unfaithful to our duty if we did not survey the treaty history of these countries. The selections below from the treaty of 1871, which has been supplanted by an amended pact of 1913, will permit a good idea of what is contained in many of our commercial agreements. It is submitted that these articles present problems to us that demand our most sincere consideration. It is submitted also that these articles present the most momentous study of international obligations and honorable compacts ever presented to this country.

I present this study to the Members of this House that in the interchange of ideas we may develop a course which will not impugn our national prestige or honor.

ARTICLE 1

There shall be between the territories of the high contracting parties a reciprocal liberty of commerce and navigation.

* * * * * * *

ARTICLE 13

The high contracting parties having agreed that a state of war between one of them and a third power shall not, except in the cases of blockade and contraband of war, affect the neutral commerce of the other, and being desirous of removing every uncertainty which may hitherto have arisen respecting that which upon principles of fairness and justice ought to constitute a legal blockade, they hereby expressly declare that such places only shall be considered blockaded as shall be actually invested by naval forces capable of preventing the entry of neutrals, and so stationed as to create an evident danger on their part to attempt it.

* * * * * * *

ARTICLE 15

The liberty of navigation and commerce secured to neutrals by the stipulations of this treaty shall extend to all kinds of merchandise excepting those only which are distinguished by the name of contraband of war. And in order to remove all causes of doubt and misunderstanding upon this subject, the contracting parties expressly agree and declare that the following articles and no others shall be considered as comprehended under this denomination:

1. Cannons, mortars, howitzers, swivels, blunderbusses, muskets, fuses, rifles, carbines, pistols, pikes, swords, sabers, lances, spears, halberts, bombs, grenades, powder, matches, balls, and all other things belonging to and expressly manufactured for the use of these arms.

2. Infantry belts, implements of war, and defense weapons, clothes cut or made up in a military form and for a military use.

3. Cavalry belts, war saddles, and holsters.

4. And generally all kinds of arms and instruments of iron, steel, brass, and copper, or of any other materials manufactured, prepared, and formed expressly to make war by sea or land.

* * * * * * *

ARTICLE 23

The present treaty shall continue in force for 5 years—from the day of the exchange of the ratifications, and, if 12 months before the expiration of that period, neither of the high contracting parties shall have announced to the other, by an official notification, its intention to terminate the said treaty, it shall remain obligatory on both parties 1 year beyond that time; and so on until the expiration of the 12 months which will follow a similar notification, whatever may be the time when such notification shall be given.

It cannot be too strongly urged upon the membership of this House that this entire problem of treaty contravention presents a most Herculean labor. For example, let us repeat the testimony of Prof. Charles Cheney Hyde, professor of international law, Columbia University, former State Department adviser and holder of the Hamilton Fish chair. That distinguished authority, who is the writer of one of the monumental treatises on the subject of international law, was questioned about that controversial subject. Study his answer for an insight in the difficulty that must face everyone not so posited in the fullness of knowledge along these particular lines as the professor himself:

Mr. FISH. Have you written anything that deals with placing economic embargoes on countries with which we have treaties that say we shall have no economic embargoes?

Professor HYDE. No, sir; I have not spoken on that point and I have not given attention enough to the treaties involved to express an opinion. But I have had a finger in the pie, so to speak, in the drafting of the first new commercial treaties drawn after the war, that with Germany, of December 1923, and I do not remember that we considered any of those points. I greatly doubt whether we violate any treaty in doing this, and I will never believe the United States has violated any treaty until the courts have said so.

Now study the answers of Prof. Edward M. Borchard, professor of international law at Yale, recognized world-wide authority on kindred subjects:

Mr. MOORE. I saw an article in the New York Times, written by you, in which you said that section 3, as applied to arms, munitions, and implements of war, was permissible without any reference to the treaty—that international law permitted that.

Will you give me your authority for that view?

Professor BORCHARD. It is elementary law. The fact is that eight countries of the world have done it in their peacetime legislation, prohibiting the export of arms, munitions, and implements of war, when they were neutral and other countries at war. In time of war, neutrality imposes and permits a series of neutral measures designed to prevent military aid to either belligerent. A permissive arms embargo is one.

Mr. MOORE. I do not know what treaties those countries had at that time.

Professor BORCHARD. They had the usual commercial treaties, I assume.

Mr. MOORE. I do not know whether they had or not. I am asking you now for some authority, because we have searched for it for days in support of your opinion that section 3 is permissible, whereas section 4 is not permissible.

Professor BORCHARD. Yes, sir; because the neutral's duty is not to aid militarily either belligerent, and he is privileged to cut off trade in munitions of war. The Italian treaty so limits the definition of contraband.

Mr. MOORE. I cannot find a single thing that says that.

Professor BORCHARD. It is as elementary as the rule that contracts must be observed. You do not find much discussion of that rule, either.

Mr. MOORE. Oh, yes.

Professor BORCHARD. The authority also lies in actual practice. Eight countries have done it.

Mr. MOORE. Eight countries would not make international law.

Professor BORCHARD. It is fundamental.

Mr. MOORE. But I want to know your authority.

Professor BORCHARD. It has been done from the beginning of the nineteenth century. But I am sure I can find you also opinion authority.

Mr. FISH. Is the State Department the best authority for that?

Professor BORCHARD. Did you get any protest over the act of 1935?

Mr. MOORE. We did get a protest.

Professor BORCHARD. I would like to see it. General acquiescence by other powers in the act of 1935 is some evidence of the rule.

Mr. MOORE. It is not a conclusive argument. I am asking you to spot the international authority.

Professor BORCHARD. I do not have a library at my side. I daresay Dr. Hyde would concur; I am confident Judge Moore agrees, for we have discussed it. The exception has been written into commercial treaties on occasion, e. g., article 20 of the treaty with Haiti. But it is not necessary to make an express exception; it is implied.

Mr. MOORE. I do not believe Mr. Hyde has it in his book. I have his book on my table.

Professor BORCHARD. If he has not, then it is so elementary that he must assume everyone knows it. But if the arms embargo violates the commercial treaties, as you seem to think, but I do not, a fortiori you must conclude that commodity embargoes do.

These two extracts afford an excellent opportunity to consider the range of diversity in the subject and the reactions of two eminent authorities on a principle that seems so weighty in neutrality.

We can sympathize with the two famous physicians of London who could not make up their minds in consultation on a case and reported dubiously. The head of the family insisted on a positive opinion. They answered that they were unable to give one, but he might easily find 50 doctors who could.

On this positively mooted subject we have the energetic assertions of Professor Borchard, apparently backed by the doyen of all experts, Judge Moore, who have both discussed the subject and have definite opinions, and the statement of Professor Hyde, who never apparently encountered the question, yet all three writers, leaders par excellence in their common field. When the Olympians disagree mortal man must beware.

INCREASE IN MEMBERSHIP OF THE SUPREME COURT OF PUERTO RICO

Mr. IGLESIAS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in reference to a bill pending in the House of Representatives which has reference to Puerto Rican matters.

The SPEAKER. Is there objection to the request of the gentleman from Puerto Rico?

There was no objection.

Mr. IGLESIAS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a proposed amendment (H. R. 10312) to the Organic Act of Puerto Rico which I introduced in the House yesterday, which is followed by an explanation of and reasons for such a change submitted to me by the chief justice of the Supreme Court of Puerto Rico, the Honorable Emilio del Toro:

A bill to amend section 40 of the act of March 2, 1917, entitled "An act to provide a civil government for Porto Rico, and for other purposes"

Be it enacted, etc., That section 40 of the act entitled "An act to provide a civil government for Porto Rico, and for other purposes", approved March 2, 1917, as amended, is hereby again amended, to read as follows:

SEC. 40. That the judicial power shall be vested in the courts and tribunals of Puerto Rico now established and in operation under and by virtue of existing laws. The jurisdiction of said courts and the form of procedure in them, and the various officers and attachés thereof, shall also continue to be as now provided until otherwise provided by law: *Provided, however,* That the supreme court shall be composed of a chief justice and six associate justices, appointed by the President, by and with the advice and consent of the Senate of the United States, and the Legislature of Puerto Rico shall have authority, from time to time as it may see fit, not inconsistent with this act, to organize, modify, or rearrange the courts and their jurisdiction and procedure, except the District Court of the United States for Puerto Rico."

The amendment consists in substituting the words "* * * chief justice and associate justices shall be * * *" by the following: "supreme court shall be composed of a chief justice and six associate justices * * *", and it is considered necessary for the following reasons:

In 1899, when the island of Puerto Rico had 953,243 inhabitants, the Military Governor, by general orders no. 118 of that year, divided its territory into five judicial districts, and created in each a district court from whose judgments appeals could be taken to the supreme court which was established in San Juan, composed of a chief justice and four associate justices.

From that time until the present the supreme court has been composed of one chief justice and four associate justices, appointed since 1900 by the President with the advice and consent of the Senate.

In the meantime, the population of the island has swelled to 1,672,821, according to an estimate made by the health department last July, and the judicial districts have been increased to 8, with 8 district courts, which really are 11, inasmuch as that of San Juan has 3 judges and that of Ponce 2, who act independently.

As a logical consequence of the increase in population and the added district courts, there has been a tremendous increase in the work of the supreme court. The same number of Justices who decided 237 cases in the year 1904–5 decided 362 in 1914–15, 600 in 1924–25, and 759 in 1934–35. But that is not all. Until some years ago we were able, more or less successfully, to set the hearings of appeals so that they would take place within a reasonable time after their docketing. That is not possible at present with regard to civil appeals.

Without taking into consideration the great number of cases already heard and pending decision and those which were to have been heard during the remaining month of December 1935, it may be correctly stated that, after setting the cases for the months of January and February 1936, 140 civil appeals will have been left over without a setting, which means that some of them cannot be heard until November or December 1936, and that the new appeals to be filed run the risk of not being heard until the year 1937.

As it might seem strange that only 140 appeals should require so long a time, it must be borne in mind that the said 140 appeals are in civil cases, and that civil appeals are only part of the work of the court, which consists besides of criminal appeals, of administrative appeals, and extraordinary remedies, which decisions have proceeded with relative rapidity.

Perhaps it might be advisable to refer to the plan followed by the court in its work. The week is divided thus: Mondays, hearings of motions and of extraordinary remedies; Tuesdays, Wednesdays, Thursdays, and Fridays, hearings of criminal and civil appeals, the sessions commencing at 2 p. m. At the hearing of motions and extraordinary remedies counsel are entitled to 40 minutes for argument, in criminal appeals 1 hour and 10 minutes, and in civil appeals 2 hours and 20 minutes. As a general rule, one criminal appeal and two civil appeals are set for the same day, unless the appeal refers to a case which, as indicated by the briefs, will consume all the time allowed, and in that case a single appeal is set.

After the hearings are over the justices meet in the conference room, where they discuss the orders and judgments of the court and read, discuss, and approve their opinions. Meetings very rarely end before 5 p. m.

The mornings on working days, Saturdays, and sometimes holidays and part of the recess periods are dedicated by the justices to study individually the cases and to prepare the orders, judgments, and opinions, which is the most difficult and the most intensive part of their work.

After a careful consideration and viewing the problem from all its angles—the constant increase in population, more intensive and complicated life, new economic and social problems which entail new juridical relations and new legal formulas, a larger and more proficient bar, two systems of jurisprudence, and two languages—it is obvious that if it is sought to preserve entirely the efficacious action of the supreme court, and if it is desired that the administration of justice continued with due promptness, it is absolutely necessary to increase its inner strength, its capacity for work, by adding to its council two more justices morally and mentally equipped for the work.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1299. An act giving jurisdiction to the Court of Claims to hear and determine the claim of the Cherokee Fuel Co.;

H. R. 1550. An act for the relief of Douglas B. Espy;

H. R. 4436. An act conferring jurisdiction upon the United States District Court for the Western District of Washington to hear, determine, and render judgment upon the claims of Alta Melvin and Tommy Melvin; and

H. R. 4799. An act to provide for the reimbursement of certain officers and enlisted men or former officers and enlisted men of the Navy and Marine Corps for personal property lost, damaged, or destroyed as a result of the earthquake which occurred at Managua, Nicaragua, on March 31, 1931.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1277. An act to amend section 24 of the Judicial Code by conferring on district courts additional jurisdiction of bills of interpleader, and of bills in the nature of interpleader.

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 47 minutes p. m.) the House, in accordance with its previous order, adjourned until Monday, January 20, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

600. A letter from the Secretary of War, transmitting a draft of a bill to authorize the Secretary of War to acquire by donation land at or near Newburgh, in Orange County, N. Y., for aviation field, military, or other public purposes; to the Committee on Military Affairs.

601. A communication from the President of the United States, transmitting a report by the Secretary of State recommending the enactment of legislation authorizing an appropriation in the sum of $500 in settlement of the claims of Mrs. M. N. Shwamberg; to the Committee on Claims.

602. A letter from the Federal Home Loan Bank Board, transmitting their third annual report; to the Committee on Banking and Currency.

603. A communication from the President of the United States, transmitting the report of the Director of Emergency Conservation Work; to the Committee on Labor.

604. A communication from the President of the United States, transmitting a report from the Secretary of State in regard to a claim of William L. Jenkins; to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII.

Mr. JONES: Committee on Agriculture. House Joint Resolution 460. Joint resolution authorizing an appropriation to enable the Secretary of Agriculture to meet commitments and obligations, including administrative expenses, incurred under the provisions of the Agricultural Adjustment Act, as amended, and for other purposes, with amendment (Rept. No. 1917). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII public bills and resolutions were introduced and severally referred as follows:

By Mr. STUBBS: A bill (H. R. 10354) to increase the duty on mustard seeds; to the Committee on Ways and Means.

By Mr. THOMPSON: A bill (H. R. 10355) to provide for the construction of a Federal building at Rock Island, Ill.; to the Committee on Public Buildings and Grounds.

By Mr. WELCH: A bill (H. R. 10356) authorizing the Secretary of the Navy to convey a right-of-way over certain lands situated in Solano County, Calif., to the State of California for State highway purposes; to the Committee on Naval Affairs.

By Mr. CARTER: A bill (H. R. 10357) granting and confirming to the East Bay Municipal Utility District, a municipal utility district of the State of California and a body corporate and politic of said State and a political subdivision thereof, certain lands, and for other purposes; to the Committee on the Public Lands.

By Mr. LEE of Oklahoma: A bill (H. R. 10358) to carry out the moral obligation of the Government to the farmers

who in good faith have made or applied for crop-adjustment contracts with the Secretary of Agriculture, by providing for rental and benefit payments, and for other purposes; to the Committee on Agriculture.

By Mr. McGROARTY: A bill (H. R. 10359) to amend the act entitled "An act granting pensions to certain soldiers who served in Indian wars from 1817 to 1898, and for other purposes", approved March 3, 1927; to the Committee on Pensions.

Also, a bill (H. R. 10360) to amend Public Law No. 383, Seventy-third Congress (48 Stat. L. 984), relating to Indians, by exempting from the provisions of such act any Indian tribe or reservation located in the State of California; to the Committee on Indian Affairs.

By Mr. SHANLEY: A bill (H. R. 10361) to establish and maintain a code of neutrality; to the Committee on Foreign Affairs.

By Mr. LUNDEEN: A bill (H. R. 10362) to increase the number of Justices of the Supreme Court of the United States; to the Committee on the Judiciary.

By Mrs. NORTON (by request): A bill (H. R. 10363) to amend an act entitled "An act to create a juvenile court in and for the District of Columbia", and for other purposes; to the Committee on the District of Columbia.

By Mr. MORITZ: A resolution (H. Res. 397) providing for a committee of five Members of the House to investigate the excessive taxes now being paid the Government on liquors; to the Committee on Rules.

By Mrs. NORTON: A joint resolution (H. J. Res. 461) proposing an amendment to the Constitution of the United States providing for national representation for the people of the District of Columbia; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDRESEN: A bill (H. R. 10364) for the relief of the Schuster Brewing Co., of Rochester, Minn., a corporation; to the Committee on Claims.

By Mr. BACHARACH: A bill (H. R. 10365) for the relief of Herman Rothkopf; to the Committee on Immigration and Naturalization.

By Mr. BOEHNE: A bill (H. R. 10366) granting an increase of pension to Quessie Burns; to the Committee on Pensions.

By Mr. DALY: A bill (H. R. 10367) for the relief of A. D. Cummins & Co., Inc.; to the Committee on Claims.

By Mr. GINGERY: A bill (H. R. 10368) granting a pension to Catherine E. Dunn; to the Committee on Invalid Pensions.

By Mr. HOUSTON: A bill (H. R. 10369) granting an increase of pension to Joann Wilson; to the Committee on Invalid Pensions.

By Mr. McCORMACK: A bill (H. R. 10370) for the relief of David Limonsky, alias David Binder; to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 10371) for the relief of Lazer Limonsky, alias Louis Meerowitz; to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 10372) for the relief of Isaac Limonsky; to the Committee on Immigration and Naturalization.

By Mr. McGROARTY: A bill (H. R. 10373) granting a pension to Emma A. Probasco; to the Committee on Pensions.

By Mr. MONTAGUE: A bill (H. R. 10374) for the relief of Marcellus E. Wright and Lee, Smith & Vandervoort, Inc.; to the Committee on Claims.

By Mr. ROBSION of Kentucky: A bill (H. R. 10375) granting a pension to Tandy Clark; to the Committee on Pensions.

By Mr. ROGERS of Oklahoma: A bill (H. R. 10376) for the relief of Maizee Hamley; to the Committee on Indian Affairs.

By Mr. SNYDER of Pennsylvania: A bill (H. R. 10377) granting an increase of pension to Mary E. Wetmiller; to the Committee on Invalid Pensions.

By Mr. VINSON of Kentucky: A bill (H. R. 10378) for the relief of William Adkins; to the Committee on Military Affairs.

By Mr. WERNER: A bill (H. R. 10379) granting a pension to Henry Pratt; to the Committee on Pensions.

By Mr. WITHROW: A bill (H. R. 10380) granting a pension to Mary E. Hoffman; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9541. By Mr. BACHARACH: Petition of sundry citizens of Vineland, N. J., favoring House bill 8739, a prohibition law for the District of Columbia; to the Committee on the District of Columbia.

9542. By Mr. CONNERY: Resolutions of the General Court of Massachusetts, memorializing Congress in favor of the immediate cash payment of the adjusted-service certificates of veterans of the World War; to the Committee on Ways and Means.

9543. By Mr. FULMER: Memorial of South Carolina Legislature, requesting the Congress of the United States to enact appropriate legislation providing for payment of all sums due farmers arising under contracts entered into with the Federal Government under the Agricultural Adjustment Act; to the Committee on Agriculture.

9544. By Mr. LUNDEEN: Petition of St. Paul Trades and Labor Assembly, St. Paul, Minn., urging legislation to graduate the tax on the various grades of cigarettes; to the Committee on Ways and Means.

9545. Also, petition of the Young Women's Christian Association, Minneapolis, Minn., urging that Federal responsibility for the care of transients be restored; to the Committee on Labor.

9546. By the SPEAKER: Petition of 256 citizens of Mayes County, Okla.; to the Committee on Agriculture.

9547. By Mr. O'CONNELL: House resolution relative to certain neutrality legislation in the Congress of the United States; to the Committee on Foreign Affairs.

9548. By Mr. PFEIFER: Petition of the Railway Labor Executives Association, Washington, D. C., favoring the Pettengill bill (H. R. 3263) to amend the fourth section of the Interstate Commerce Act by repealing the long-and-short-haul clause; to the Committee on Interstate and Foreign Commerce.

9549. By Mr. RUDD: Petition of the Railway Labor Executives' Association, composed of 21 standard railway labor organizations, representing more than 1,000,000 railway employees, favoring the Pettengill bill (H. R. 3263) to amend the fourth section of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

9550. By Mr. STARNES: Petition of Jessie Lee and others; to the Committee on the Post Office and Post Roads.

9551. By Mr. TINKHAM: Resolution of residents of Massachusetts, protesting against the holding of Olympic games in Germany and the appropriation by the Congress of the United States of funds for the participation of athletes of the United States if the Olympic Games are held in Germany; to the Committee on Appropriations.

9552. By Mr. WILLIAMS: Petition of R. M. Witt and others, for the extension of star-route contracts and increased compensation for star-route carriers; to the Committee on the Post Office and Post Roads.

9553. Also, petition of L. S. Reed and others, for the extension of star-route contracts and increased compensation for star-route carriers; to the Committee on the Post Office and Post Roads.

9554. By the SPEAKER: Petition of the League of South Dakota Municipalities; to the Committee on Education.

9555. Also, petition of the American Indian Federation; to the Committee on Indian Affairs.

SENATE

SATURDAY, JANUARY 18, 1936

(Legislative day of Thursday, Jan. 16, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

PATRICK A. MCCARRAN, a Senator from the State of Nevada, appeared in his seat today.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Megill, one of its clerks, announced that the House had passed a bill (H. R. 9863) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1937, and for other purposes, in which it requested the concurrence of the Senate.

CALL OF THE ROLL

Mr. LEWIS. Noting the absence of a quorum, I move a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	Johnson	Pittman
Ashurst	Copeland	Keyes	Pope
Austin	Costigan	King	Radcliffe
Bachman	Couzens	La Follette	Reynolds
Bailey	Davis	Lewis	Robinson
Bankhead	Dickinson	Logan	Russell
Barbour	Dieterich	Lonergan	Schwellenbach
Barkley	Donahey	McAdoo	Sheppard
Benson	Duffy	McCarran	Shipstead
Bilbo	Fletcher	McGill	Smith
Black	Frazier	McKellar	Steiwer
Borah	George	McNary	Thomas, Okla.
Brown	Gerry	Maloney	Thomas, Utah
Bulkley	Gibson	Minton	Townsend
Bulow	Glass	Moore	Trammell
Burke	Gore	Murphy	Truman
Byrd	Guffey	Murray	Vandenberg
Byrnes	Hale	Neely	Van Nuys
Capper	Harrison	Norbeck	Wagner
Caraway	Hastings	Norris	Walsh
Carey	Hatch	Nye	Wheeler
Chavez	Hayden	O'Mahoney	White
Connally	Holt	Overton	

Mr. LEWIS. I announce that the Senator from Washington [Mr. BONE], the Senator from Missouri [Mr. CLARK], and the Senator from Maryland [Mr. TYDINGS] are necessarily detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Rhode Island [Mr. METCALF] is necessarily absent.

The VICE PRESIDENT. Ninety-one Senators have answered to their names. A quorum is present.

EXTENSION OF LEASES IN KETTLEMAN NORTH DOME FIELD

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, reporting, pursuant to law, relative to an extension beyond the 20-year period of certain oil leases within the Kettleman North Dome field, which was referred to the Committee on Public Lands and Surveys.

WITHDRAWALS AND RESTORATIONS OF PUBLIC LANDS

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting, pursuant to law, a report of the Commissioner of the General Land Office relative to withdrawals and restorations of public lands under the act of June 25, 1910 (36 Stat. 847), during the calendar year 1935, which, with the accompanying papers, was referred to the Committee on Public Lands and Surveys.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution of the Federation of Italian World War Veterans in the U. S. A., Inc., New York City, N. Y., favoring the continuance of friendly relations between the Governments and peoples of the United States and of Italy, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a resolution of the Greenville (S. C.) Trades and Labor Council, favoring the adoption of a constitutional amendment restricting the power of the Supreme Court of the United States, which was referred to the Committee on the Judiciary.

Mr. CAPPER presented resolutions adopted by Joseph A. Wahl Camp, No. 17, of Lawrence, and Theo. Hanmer Camp, No. 28, of Great Bend, both of the United Spanish War Veterans, in the State of Kansas, favoring the enactment of the so-called Philippine travel-pay bill for the relief of volunteer officers and soldiers who served in the Philippine Islands after the ratification of the treaty of peace with Spain, which were referred to the Committee on Claims.

Mr. COPELAND presented a resolution adopted by the Italian-American Loyal Order of Columbus, of Buffalo, N. Y., protesting against the activities of certain foreign visitors to the United States in their attempts to control American public opinion and influence the Government of the United States to participate in the affairs of the League of Nations, which was referred to the Committee on Foreign Relations.

He also presented the memorial of Anthony P. Formanek and sundry other citizens of New York City and vicinity remonstrating against Government ownership or operation of the railroads, which were referred to the Committee on Interstate Commerce.

REPORT OF COMMITTEE ON EDUCATION AND LABOR

Mr. WALSH, from the Committee on Education and Labor, to which was referred the joint resolution (S. J. Res. 196) to correct errors in the enrollment of Private Act No. 349, Seventy-fourth Congress, approved August 29, 1935, and to clarify the duties of the Comptroller General in connection with said act, reported it without amendment and submitted a report (No. 1471) thereon.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on January 17, 1936, that committee presented to the President of the United States the following enrolled bills:

S. 1016. An act to empower the health officer of the District of Columbia to authorize the opening of graves, and the disinterment and reinterment of dead bodies, in cases where death has been caused by certain contagious diseases;

S. 1277. An act to amend section 24 of the Judicial Code by conferring on district courts additional jurisdiction of bills of interpleader and of bills in the nature of interpleader;

S. 2013. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Pak Chue Chan;

S. 2434. An act for the relief of George W. Hallowell, Jr.; and

S. 2939. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Ronald A. Cox.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NORRIS:

A bill (S. 3746) granting a pension to Frank Swartz; to the Committee on Pensions.

By Mr. THOMAS of Oklahoma:

A bill (S. 3747) for the relief of Maizee Hamley; to the Committee on Indian Affairs.

By Mr. FRAZIER:

A bill (S. 3748) to authorize the Bureau of Mines to conduct certain studies, investigations, and experiments with respect to subbituminous and lignite coal, and for other purposes; to the Committee on Mines and Mining.

By Mr. COPELAND:

A bill (S. 3749) for the relief of Joseph Sciortino; to the Committee on Claims.

By Mr. LONERGAN:

A bill (S. 3750) providing for the advancement on the retired list of the Navy of William F. Verleger; to the Committee on Naval Affairs.

A bill (S. 3751) granting a pension to Mary P. Champion;

A bill (S. 3752) granting a pension to Frank C. Comstock; and

A bill (S. 3753) granting a pension to Elizabeth D. Dunavent; to the Committee on Pensions.

By Mr. WHEELER:

A bill (S. 3754) granting an increase of pension to Catherine A. Riley;

A bill (S. 3755) granting an increase of pension to Ella Stout; and

A bill (S. 3756) granting an increase of pension to Dora White; to the Committee on Pensions.

By Mr. SHEPPARD:

A bill (S. 3757) for the relief of Thomas L. Boren; to the Committee on Military Affairs.

A bill (S. 3758) for the relief of Earl J. Thomas; to the Committee on Commerce.

By Mr. MURPHY:

A bill (S. 3759) to extend certain letters patent, and for other purposes; to the Committee on Patents.

By Mr. O'MAHONEY:

A bill (S. 3760) granting a leave of absence to settlers of homestead lands during the year 1936; and

A bill (S. 3761) authorizing the Secretary of the Interior to patent certain land to the town of Wamsutter, Wyo.; to the Committee on Public Lands and Surveys.

By Mr. LONERGAN:

A joint resolution (S. J. Res. 199) directing the President of the United States of America to proclaim October 11, 1936, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

HOUSE BILL REFERRED

The bill (H. R. 9863) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1937, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

ALLOCATION OF FUNDS TO SPECIAL SENATE COMMITTEES

Mr. McKELLAR submitted a resolution (S. Res. 219), which was ordered to lie on the table, as follows:

Resolved, That it is the sense of the Senate that hereafter no special committee of the Senate shall receive or accept any funds, nor shall any allocations of funds be made to any such committee, from the Works Progress Administration, or from any other Federal or State agency, except the Senate, for use in connection with any investigation being carried on by such committee.

THE NATIONAL DEFENSE—ADDRESS BY ASSISTANT SECRETARY OF THE NAVY ROOSEVELT

Mr. LEWIS. Mr. President, I ask unanimous consent that there be incorporated in the RECORD an address on the subject of National Defense delivered by The Assistant Secretary of the Navy, Col. H. L. Roosevelt, on Saturday evening last, before the Washington chapter, National Sojourners, in the city of Washington.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Toastmaster, noble Sojourners, ladies, and gentlemen, I am glad to have the honor and the privilege of addressing you tonight on the subject of National Defense.

It is a matter in which you are more vitally concerned than any other group of our citizens, since the Master Masons who make up the membership of the Sojourners are all present or former officers in the uniformed services of the United States. The great body of our citizens is free to follow its own affairs and to regard national defense with an academic eye, but for those of you who are now in the service of the United States it is your career and your personal and official responsibility. That you so consider it is affirmed in the statement of purposes and beliefs which I read on the masthead of the Sojourners' Official Bulletin. Therein you set yourselves objectives beyond comradely intercourse and mutual aid; you pledge yourselves to the support of every movement that makes for pure patriotism and Americanism, and you are banded in opposition to any influence whatsoever that may be calculated to weaken the national security.

Your principles, which are in accord with the useful and elevated ideal of Freemasonry, are no less consistent with the honorable traditions of the corps of officers in the American services.

Let us consider briefly the nature of the elements of national defense. They fall into two parts—the tangible and the intangible. The tangible elements are the agencies, the institutions, and the material which we see and maintain. There is the Regular Army, with the Organized Reserves; the National Guard; the stores, the weapons, and the supplies, which constitute our land forces. There is the Navy, with its personnel of trained officers and men, its ships at sea, and its shore establishment on which the fleet and the sea activities are based. There is the Marine Corps, on shore and afloat, an integral part of the Navy. There is the United States Coast Guard, trained and equipped to operate with the Navy in war, and active at all times along a wide variety of important channels. There is the Public Health Service, waging unremitting war against disease, and with its equipment and trained personnel prepared to accept added responsibility in the scheme of national defense. There is the Coast and Geodetic Survey, constantly engaged in making safe the paths of navigation, and prepared also to adapt itself to naval missions in emergency. Beyond these establishments lie other tangibles: our patriotic citizenry—the great reservoir of manpower; and our highly developed industrial organization, which furnish the weight and the sinews for any national effort that we may be called upon to make.

Since your interest in these matters is, in the nature of your profession, informed and keen, no detailed discussion of our material resources is here indicated. Certain public questions now current have given rise to wide differences of opinion, but the sturdy good sense of our people has in large measure supported those movements looking toward national defense. The Army has received important increases in personnel, and its equipment has been augmented and modernized. The Navy, under the recommendations of the President, and through the energetic efforts of the Congress, is being brought up to its stipulated treaty strength. It is true that extraordinary effort has been put forth in the last 3 years, but there existed the gap caused by a decade of neglect, during which time naval building had almost stopped. Now, modernization of old units, replacement of obsolete vessels, and new construction in those categories hitherto deficient are rapidly raising the Naval Establishment to the standard necessary for the maintenance of our naval policies. Increases in personnel are being judiciously provided as the new ships go into commission, both in the Navy and the Marine Corps. The naval air arm has been increased and its functions widely extended. Superb flights, executed both by single planes and by very large tactical formations, have broadened the operating radius of the naval air force beyond the most sanguine expectations of even the recent past. There exist still certain deficiencies in naval auxiliary types, but we have hopes that the present Congress may rectify such needs.

It is hard for me to stop talking about the Navy, once I am started on that subject, because it happens to be my job. Yet we in the Navy realize perfectly that national defense is not the affair of the individual branches of our uniformed services but of the whole team. It is, therefore, with much satisfaction that we observe the intelligent public interest which extends recognition and support to each of our sister establishments. The Coast Guard, the Public Health Service, and the Geodetic Survey have all received attention in the last 3 years. Industry has been effectively coordinated and our various staffs, through joint studies, have placed the machinery for national defense in a higher state of preparedness than ever before in our history.

This brings me to the intangibles, which may perhaps be defined with accuracy as the morale and the patriotism animating the hearts of our people. It was Napoleon, I think, who said that the morale is to the material as 3 to 1. We are justly proud of the energy and skill of our ordnance officers, of our chemists, and of our designers and constructors in all our services. But our great guns, our fine tall ships, our fast and sturdy airplanes, and the enormous plants of our industries would be no more than so much scrap metal if the men behind them lacked the moral factor. The tangible things can always be procured; the intangibles are in the realm of the spirit and are more vital to the security of our Nation than the material concerns I have enumerated. Without that spirit, without patriotism, without belief in the ideals and institutions of our country, we are nothing, and the things that we have mean nothing.

In this country our morale and our patriotism find their expression in something which, for lack of a more specific term, we may call Americanism. Americanism is the spirit created by the freedom and the limitless opportunities in the New World. A spirit at once practical, and idealistic beyond anything that has existed on the old continents, it impelled our fathers to create for themselves a new nation in the wilderness, and to sustain that nation by wisdom and hard work, and by force of arms when force was necessary, through its early periods of growth and struggle, until it became the world power that we serve today. In the cycles of human affairs we have had our bad times and our good times, but throughout the stresses of both adversity and prosperity we have retained in large measure the faiths upon which our fathers built.

In recent years we have been passing through a critical period. Unmistakable evidence of recovery is today increasingly apparent, but it would be idle and foolish to ignore the evil trends and tendencies which have manifested themselves, and which are now still among us. It would seem that—not in this country alone but in the whole world—there has been a revolution of thought. Some of this is the aftermath of the Great War. Unrest along similar lines has followed most of the mass efforts in human history. Viewed in the perspective of history, such convulsions eventually work themselves out and matters settle down. Good crop years follow bad ones, rains relieve the droughts, and men recover quickly from material calamities and misfortunes. But the worst and most dangerous features of the present time are the attacks made on the morale of our citizens. Certain groups in this country—some with purpose and some inadvertently—are doing their best to undermine the spirit of Americanism.

There is no lack of evidence as to these activities. Ranting speakers and hysterical writers, taking advantage of the wide tolerance which has ever been a feature of our national character, openly advocate the overthrow of the Government by violence. More insidious than these extremists are the agitators who would inspire, particularly in our schools and colleges, a sort of intellectual sabotage against the Government in the form of nonsupport. Other endeavors take the form of assaults upon the prestige of our governmental institutions and of movements cunningly calculated to break down the confidence of the people in the integrity of their representatives and of their institutions. Finally, there is a group of people who believe, or profess to believe, that war as an institution may be done away with by world disarmament; the United States to give example to the rest of the world by setting aside, or by rendering impotent, its armed forces, which are the principal agents of national defense.

There are several subdivisions of this group. I am a pacifist, in that I do not want war and desire to avoid it. Most of you, I venture to say, are pacifists in the same sense. But we differ widely from the gentlefolk I have just mentioned as to the means by which peace may be preserved. Some of these advocates of disarmament are sincere and worthy people. But all of them are not. Some of them tie in too closely with the agitators who would overthrow the Government by violence from without, or destroy it by propaganda from within, for they would render it impotent by destroying its agencies for defense—and destruction is the next step along that road.

Our defense against these subversionists is the intangible thing that we have discussed; it is the morale, the patriotism, the Americanism of our people. On no account should we neglect the tangibles. Neither armies nor fleets can be improvised after the emergency breaks upon us. The means to guard ourselves against emergencies must be prepared in the years before the emergency comes. If such proof were needed by intelligent men, the events of 1917 proved the fallacy of the idea that "a million men would spring to arms overnight to defend their country." They might spring, but unless the material side had been kept up they would find no arms to spring to and the end would be disaster.

It is in the two things taken together that our strength lies: The men and material and the spirit that animates all. Let you in your society and all patriotic Americans see to it that neither fails us.

MONETARY POLICY—RESOLUTIONS OF NATIONAL AGRICULTURAL CONFERENCE

Mr. BORAH. Mr. President, I ask leave to have printed in the RECORD certain resolutions in reference to the monetary policy adopted by the National Agricultural Conference, composed of a number of Grange organizations.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTIONS ON MONETARY POLICY ADOPTED BY THE NATIONAL AGRICULTURAL CONFERENCE IN WASHINGTON, JANUARY 17, 1936

The following organizations comprise the National Agricultural Conference:

The National Grange, representing 35 State, 1,000 county, and 8,000 community granges, with 800,000 members.

American Farm Bureau Federation, representing 37 State and 1,800 county farm bureaus and 300,000 farm families.

National Cooperative Council, representing 3,500 farmers' cooperatives, with more than 1,000,000 members, cooperatively marketing grain, cotton, wool, dairy products, livestock, poultry, citrus and deciduous fruits, vegetables, nuts, etc., and including farmers' cooperative purchasing organizations.

Farmers' National Grain Corporation, largest cooperative grain-marketing organization, having 250,000 affiliated stockholders and 250,000 additional patrons, supplying grain to 2,000 elevators in all-important grain-raising States.

National Farmers' Union, representing local and county units, with 300,000 members in 26 States. (The Farmers' Union joined the National Agricultural Conference after action had been taken on this resolution.)

PREAMBLE

American agriculture, while demanding a monetary policy fair to debtors, has at no time favored a policy unfair to creditors. We have denounced unfair inflation as well as unjust deflation. We have repeatedly insisted upon monetary policies looking only to restoring price levels so that debtors will pay and creditors will receive the same real values, the same purchasing power, that creditors lent and debtors borrowed. And to promote justice and honesty between debtor and creditor, we further insist upon a permanent monetary policy which will stabilize price levels and thereby prevent farmers from having to pay with 30-cent wheat and 5-cent cotton debts incurred on a basis of $2 wheat and 25-cent cotton, or vice versa.

To this end the conference unanimously adopts the following resolution:

"That the desire and objective of the National Agricultural Conference is that our monetary system be so revised and currency and credit so managed as to establish and maintain the dollar with a constant purchasing power, preserving the equity of contracts between debtor and creditor, and avoiding the dangers and losses that are inevitably involved in excessive and uncontrolled inflation or deflation. To accomplish this, be it further

"*Resolved*, That there be established a 'monetary authority' (by whatever name called);

"That this monetary authority be, as largely as possible, nonpartisan and nonpolitical;

"That their tenure of office be of such length as to protect this body from sudden change;

"That the members, through pensions or otherwise, be adequately provided for throughout life;

"That this 'authority' be directed by definite mandate from Congress, under that section of the Constitution which directs Congress to 'coin money and regulate the value thereof', to establish and maintain a unit of value (the dollar) with a constant purchasing power; a monetary currency regulated on an index of basic commodities on their world price, considering gold and silver as commodities, and dealing with them in terms of their market value.

"That Congress vest in this 'authority' the power to control price adjustments through monetary action by means of (a) repricing of gold; (b) regulating the value of the dollar; (c) declaring the gold content of the dollar; (d) regulating the issuance and volume of currency; (e) and such other powers over money and credit as Congress may see fit to give to it for the accomplishment of the congressional mandate, always reserving, however, to Congress at designated periods the right of review and direction of the operation under this mandate.

"We recommend that Congress consider placing in their mandate to such 'authority' the requirement that they bring about basic commodity price adjustment to the 1926 level or to the level of the average of that period from 1922 to 1929, whichever in the judgment of Congress is more fair.

"We recommend that this 'authority' be given a reasonable length of time to attain this result, and that when such price level is attained that the powers vested in this authority be used in such a manner as to maintain such price level within a reasonable range—for example, 5 percent—to the end that the purchasing power of the dollar may remain constant."

The National Cooperative Council adopted the same resolutions which it endorsed as a member of the National Farm Conference and, in addition, the following report of its own committee on monetary policy setting forth the reasons for its action:

"The National Cooperative Council is composed of organizations interested in many lines of agricultural endeavor. The products from the farms of their members range from the basic commodities, which are directly affected by the rise and fall of world prices, to the finished products, such as butter, milk, fruit, nuts, vegetables, and eggs, the prices of which, while directly affected by production costs, are also affected by business, pay rolls, and consumer purchasing power.

"The interest of this council in any program for the raising and stabilizing of basic commodity prices must take into account their effect upon business activity, pay rolls, and consumers purchasing power, as well as the effect of such a program upon basic farm prices.

"When the National Cooperative Council adopted as its policy a monetary program of revaluing the dollar and stabilizing it upon basic commodities at such a level as would tend to recreate and preserve equity between debtor and creditor, between farmer and laborer, between producers of basic commodities and fixed charges and taxes, it had in mind the necessity of increasing business, increasing pay rolls, and reestablishing purchasing power.

"The monetary policy established by the council's previous resolution is sound. The results which flowed from the execution of that policy so far as the President has put it into effect are indisputable and conclusive evidence of its soundness.

"A brief recitation of the beneficial effects of that policy include the following:

"First, a 65-percent increase in basic commodity prices, including such farm products as corn, wheat, and cotton, before other agricultural legislation became effective.

"Second, the stimulation of business by 50 percent which took place directly after this policy was put into effect.

"Third, a material increase of employment which also took place during the same period. This reemployment was estimated at approximately 3,000,000 men.

"Coincidental with the rise of commodity prices, employment, and business came the increase in security values. Undoubtedly much of the strengthening of banks, life-insurance companies, and institutional endowments resulted directly from the increased security values which followed the institution of this policy.

"During the period between August 1, 1933, and the present time various activities undertaken by the Government have played their part. Some of these have retarded recovery. Undoubtedly N. R. A., in its over-all effect, stopped the recovery started by the program endorsed by your organization. Evidence of this is found in the fact that immediately following the Supreme Court decision which removed it, business and employment again surged upward. Today business activity for the first time is as great as it was at August 1, 1933, and employment today is at the highest rate since long before the United States went off the gold basis.

"Further increases in basic farm prices came with 1934 and 1935. These increases should very largely be credited to the drought and A. A. A. in the West and Southwest, and to the A. A. A. in the South. An indirect effect upon such products as milk, eggs, and butter was the resultant increased cost of production which brought some reduction of supply and consequently some increase in price to these products. On the other hand, when the prices of these products rose to a relatively high basis due to scarcity, the

lack of consumer purchasing power brought substitutions such as oleomargarine for butter, rayon for cotton, and cheese and macaroni for meats. The effects of these must not be lost sight of.

"This committee recognizes that the adjustment of the monetary question is not the only adjustment that is needed in agriculture to restore economic opportunity. It may be necessary to bring these other adjustments about as rapidly as possible. These include orderly production and marketing; a more reasonable sharing of the burdens of taxation, of which agriculture has borne too large a part; a better sharing of the benefits of our policy of protection in foreign trade as between agriculture and industry. None of these other matters, however, can function satisfactorily until provided with a dollar of constant purchasing power, and none of them will so promptly produce beneficial effects. These maladjustments should be corrected as rapidly as possible by measures that are legally and economically sound."

Separately the National Grange and the American Farm Bureau Federation reaffirmed in their meetings in Washington the positions on monetary policy taken by their annual conventions in 1935 and 1934.

American Farm Bureau Federation: "In order to avoid the disastrous effects of recurring periods of depression resulting from the inflexibility of a fixed monetary unit and in order to establish and maintain a commodity dollar which will provide a stable medium of exchange for goods and services, we recommend the establishment of a definite policy of currency management to maintain stable price levels in line with fixed costs, from generation to generation, as authorized by the Constitution. We do believe this recommendation is fundamental for the establishment and maintenance of a fair medium of exchange, not only in our domestic market but also in our foreign markets."

National Grange: "Provide an honest dollar, one just to debtor and creditor alike, and prevent uncontrolled inflation or deflation."

At its annual convention in Sacramento, Calif., in November 1935 the National Grange resolved:

"The grange stands for an honest dollar, a dollar that will be fair to debtor and creditor alike. We advocate an amendment to the Banking Act of 1935, under the terms of which Congress will give a mandate to the Board of Governors of the Federal Reserve System to manage the currency in such a way as to restore the average price level obtaining between 1921 and 1929, and then to stabilize the purchasing power of the dollar at that point. Congress should exercise the authority conferred upon it by the Constitution to coin money and regulate the value thereof."

Defining what farmers mean by an honest dollar, Mr. Louis J. Taber, master of the National Grange, said in his annual address at Sacramento on November 13, 1935:

AN HONEST DOLLAR

"As we are emerging from the worst economic storm in our country's history, the causes are gradually becoming clear. War, speculation, unsound business practices, and neglect of agriculture, were all contributing factors. The trouble was not our ability to produce more than we could consume. We are not too efficient. The farm crisis was due primarily to the collapse in prices. This collapse was due largely to the world-wide price drop caused by the phenomenal rise in the value of gold. We need not fear overproduction if we can keep our medium of exchange functioning. We do not need to discard our methods of society, composed of individual enterprise; but since our Nation has become mechanized and urbanized, we cannot stand deflation when half of the services and prices remain fixed in dollars and the other half must take the full brunt of the rise in the value of money.

"During this collapse figures of the Department of Agriculture indicate that prices paid to farmers fell from the index of 146 in 1929 to 55 in February 1933. Debts, taxes, some types of labor, telephone charges, freight rates, and the price of manufactured goods controlled by great corporations, fell very little, and some of them refused to fall at all. When the dollars the farmer received are reduced by nearly two-thirds he cannot be expected to buy those things which have not been reduced at all, therefore factories closed and unemployment was increased. As the farmer's buying power returns we see factories again opening.

"Our recovery, beginning in the spring of 1933, has continued. The index prices paid farmers for September of this year was 107, or nearly double that of 1933. A much further rise will have to occur before prices paid farmers are in line so that business can go full speed ahead. While farm prices are 107, the Department of Agriculture reports taxes on farms at 151, and the prices of things that farmers have to buy at 126. This still leaves a wide margin before normal industrial production can occur.

"A part of the increase in farm prices is due to the reduced supply of farm products brought about by drought and adjustment. We will not be in a normal situation until a normal crop can be sold at prices that are relatively as high as the price of the goods that agriculture must use. Even then farm prices would not be in line with taxes, debts, and some types of skilled labor. Since the prices of more than half the things for which money is paid refuse to fall, practically the whole world has reduced the value of money, so that the things which fall can be brought back to the level of the things which refuse to move. The weight of gold in our dollar has been reduced by 41 percent, but it still buys more than it bought before the depression. Most other agricultural countries in the world have gone further in raising the price of gold than the United States. Forty-seven countries have either left the gold standard or raised the price of gold. Our country was one of the last to leave gold, and the first to return to it. Three countries have not raised the price of gold, and their agricultural price level has remained almost stationary. American cotton is now selling in many European countries in gold at a very slight advance over the price of February 1933. Most of the rise of the price of cotton in this country is due to the revaluation of the dollar.

"The Grange believes that there is a common-sense approach to the monetary problem. We are opposed to both unlimited inflation and to deflation. We want no violent business activity; we do not want the Nation to again go to the very brink of ruin because of deflation. We demand a sound dollar. Money is not sound when it suddenly loses half of its value, or when it suddenly doubles in value. Uncontrolled inflation is the same as high-speed joy riding, which will end in a sickening crash. Deflation is placing the car in reverse. A sound-money policy is putting the car in gear for normal speed straight ahead.

"So long as the currency is in a given weight of gold, its value must rise and fall whenever the supply of or the demand for gold changes. We cannot repeal the law of supply and demand, and this law applies to everything, and gold is no exception. Here some of the world's great financiers seem to stumble. For this reason farm organizations favor a money that is stable in value. They would permit the price of gold to vary with the value of gold in order that the dollar may keep stable in value. Organized agriculture is in agreement with the present policy of the British Government, which has frequently been announced as primarily concerned with the buying power of the pound rather than its weight in gold. We would restore the dollar to a buying power that would bring the price level in reasonable adjustment and then keep it there with a dollar stable in value.

"There are four schools of thought on the money question:

"First. Those who believe in uncontrolled inflation.

"Second. Those who want to go back to the old gold content of the dollar. This would result in terrible deflation. We should discard each group because one remedy will be as cruel and disastrous as the other.

"Third. Those who want a permanent gold standard, fixing the weight of the dollar near its present value. This group has the support of most international bankers and those who favor world stabilization.

"Fourth. Those who believe that the price of gold, or the amount of gold, should fluctuate in accordance with the value of gold, thus giving us a dollar stable in value and stable in commodity-purchasing power.

"We believe that if this latter school of thought can succeed, it will result in the greatest monetary blessing in 100 years."

The position of the American Farm Bureau Federation was elaborated in its resolutions adopted at its annual convention in Chicago in December 1935:

"Business depressions of the character from which we now are emerging result in the ruination of families, devastation of homes, stagnation of business and industry, and decay of agriculture and labor.

"Such depressions automatically take from our people the guaranties under the Constitution of life, liberty, and the pursuit of happiness.

"Depressions are man-made and they can be man-controlled.

"We request Congress to set up a joint committee, representative of the House and Senate, to study thoroughly and factually the causes of business depressions.

"We ask that the results of such studies be used as a basis upon which the Government of the United State may develop ways and means of preventing recurrence of such depressions. We believe that one of the principal contributing causes of such depressions lies in the inflexibility of a fixed monetary unit."

AGRICULTURAL POLICIES—ADDRESS BY FORMER PRESIDENT HOOVER

Mr. AUSTIN. Mr. President, last evening I asked unanimous consent to have inserted in the RECORD an address the cost of which I had not had appraised. It has since been appraised, and I again ask leave to have it printed in the RECORD.

The VICE PRESIDENT. Is there objection?

Mr. ROBINSON. Mr. President, I do not understand the request of the Senator from Vermont.

Mr. AUSTIN. Last evening I asked unanimous consent to have printed in the RECORD an address delivered by former President HOOVER at Lincoln, Nebr., January 16, 1936. The address came back to me this morning with the suggestion that I repeat the request, because I had not obtained an appraisal of its cost, which I have now done.

Mr. ROBINSON. Very well.

The VICE PRESIDENT. Is there objection?

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I have recently debated various realities of the New Deal at Oakland, New York, and St. Louis. I propose now to explore it further, particularly its agricultural policies and their effect on the whole people.

The New Deal has developed a new technique in debate. They set up a glorious ideal to which we all agree unanimously. Then they drive somewhere else or into the ditch. When we protest they blackguard us for opposing the glorious ideal. And they

announce that all protesters are the tools of Satan or Wall Street. When we summon common sense and facts they weep aloud over their martyrdom for the ideal.

The New Deal explanation on their agricultural policies exceed 30,000,000 words. You will not expect me to turn the light into every dark corner in 30 minutes. Some of the rugged prima donnas who have directed these policies have resigned and said worse things than I would say. One quality of the old regulated individualists was teamwork.

Right at the outset let us get some things perfectly clear. There is an agricultural problem. It concerns the entire Nation. It concerns the happiness of 7,000,000 homes. Our country will not have reached either full moral or economic stature until confidence and hope shine in these homes. The problem is still unsolved.

Aside from its flagrant flouting of the Constitution, the New Deal farm method had within it destruction both to the farmers and to the Nation. A new program is necessary. It is now in the making. The Nation has a right to insist that it must be effective and it must be based upon sound principles.

I shall debate the subject in five directions.

Part 1 will be the reasons why the farm question is of national interest. I hope this part will be emphatic.

Part 2 is a few words upon the causes of the farmers' problems. I hope this part will not wholly spoil the stock in trade of many politicians, for they have to live also.

Part 3 is what the New Deal is doing to the farmer as a citizen along with all other citizens. These are the things to avoid in the future. I hope this part will not be too sad.

Part 4 is what the New Deal has done to the farmer in his farming business. This is also sad.

Part 5 consists of some discussions of a new program. It may shock those who believe in doing nothing for human ills. It may shock those who believe that all healing medicine comes off the collective brew.

In all parts there are remarks on what the New Deal has been doing to the whole structure of human liberty and American institutions in the guise of farm relief.

Each part has unpleasant features to somebody. However, my position is such that approval by politicians and many others who live by the sweat of the farmers' brows is immaterial. If this country is to be saved as a decent place for the farmers' children and all our children to live in ordered liberty and faith of the future, we have a lot of unpleasant truth to face. In the long war for right thinking falsehood often wins the first battle. But truth always wins the last—if the Nation survives in the meantime.

PART I

President Roosevelt, on December 9, at Chicago, properly stated one reason why the plight of the farmer is an issue which concerns all of the American people. He said, "Farm prosperity cannot exist without city prosperity, and city prosperity cannot exist without farm prosperity." Every President since George Washington, every public man, every economist, and every school teacher has said the same thing. It is vitally true, even if it is not news. But the President omitted to state other reasons why his farm policies are an issue vital to the whole American people.

The first is that the urgent need of farm relief has been used as a power to impose the New Deal philosophy upon the American people. That is comprised of government by individuals in place of a government of laws. It comprises goose stepping the people under this pinkish banner of planned economy. That was tried under the N. R. A., but the Supreme Court halted it early. It has had a longer march under the A. A. A. Step by step the New Deal agricultural policies advanced from cajolery with a gentle rain of checks to open coercion. Men who planted on their own farms and sold in their own way the product which God and their own labor give them could have been sent to jail for doing just that. That is not liberty. That is collectivism.

The second reason the President did not state was that those ideas of production control revolve upon planned scarcity instead of the plenty upon which America alone has made progress. To stop the production of 50,000,000 fertile acres is not progress. That also concerns the whole people. Civilization has made progress solely through producing more and more of varied things. The whole history of humanity has been a struggle against famine and want.

Within only the last half century America achieved a triumph in this age-long struggle by the creation of a system which at last can produce a plenty for a reasonable living for all of us. We have not solved the problem of its distribution, but in this plan of scarcity we are surrendering the very foundation of human hope.

The third reason was that the processing tax levied to support this program bore most heavily upon the 15,000,000 workers' homes. It was an undeserved burden to those women struggling to feed their men and their children. But the worst of that scheme was that it set boiling the witches' caldron of class conflict of town against the farmers. This tax should never be revived.

PART II

The causes of the farmer's troubles must be honestly faced if we are to have common-sense remedy. Economic patent medicines require no diagnosis except decision that the patient is in pain.

The difficulties of our agriculture came mainly from the war and its hectic aftermaths. Wars always do that to the farmer. Demoralization lasted 20 years after the Napoleonic Wars and a dozen years after our own Civil War.

I am glad that the President at last admits that the war had something to do with the farm depression. At Chicago, on December 9, 1935, he says, in referring to farm prosperity in the period before the war: "They were the last years before the world-wide disturbance, caused by the World War, took place in our economic life." I had been told so often by the New Deal that I did it that I had given up hope of salvation. I feel better.

The dislocation of wars and slumps hits the farmer harder than any other group. Farm prices are more sensitive to these shocks than wages and industrial prices. All parts of the economic system inevitably come back into balance with time. But farm recovery is longer drawn out. That is the higher economics of it.

The painful symptoms of it appears in the farmer's pocket in the slump of purchasing power of his dollar. Many farmers cannot hold on against these delays in readjustment. I have held that we cannot see the capable and industrious driven from their homes during these periods if they want to make a fight for them. That is the humanity of it.

There is at least one hopeful aspect of these war causes of the farmers' difficulties. They do not last forever. Many of our measures can be of emergency character. Recovery will cure many difficulties—that is, if it is allowed by the New Deal to come.

When the world depression was turned, in June and July 1932, agriculture prices rose in a start toward equality with industrial prices. The farmer's dollar improved more than 20 percent. Prices were moving into a natural relation again. Then came an era of the great fear. Fright over the coming of the New Deal skidded the country into the money and bank panic. The President said "the mechanics of civilization have come to a dead stop." Many a driver who has had a bad skid thinks that. Then began the magic of the New Deal. And they repeated each mistake of the Farm Board and added a big idea. That big idea is that you can catch an economic force with a policeman.

Incidentally, the culmination of that era of great fear is the convenient starting point for all of the President's comparative statistics. He chooses the low point of quotation induced by their own actions. If he would go back a few months into 1932, before the great fear started, he would find the prices were 80 to 100 percent higher than those he quotes. And they were in 100-cent dollars. And even then they were only at the turning of the greatest depression in history. His quotations look like an effort to warm the Nation over cold glass chunks in an illuminated crate.

PART III

Things have been done to the farmer by the New Deal which do not relate to agriculture.

Firstly, this torrent of wasteful spending, unbalanced Budget, and debt will be paid by the farmer as well as all others. It will blight all his days with anxiety. The farmer pays for it not alone in direct taxes but hidden taxes that are wrapped in everything he buys. The farmer, in fact, pays in larger measure than any other group because he buys not alone for his family but also for his farm, and is less able than any other production group to mark up the prices of his products and pass these taxes on to the consumer. Moreover, about one-quarter of the $14,000,000,000 of the probable increased New Deal debt will rest on the farm as a supermortgage. Blessed are the young, for they shall inherit the national debt.

Secondly, the present policies of the New Deal, by credit inflation, produce stock booms that are a great dole for the "money changers." President Roosevelt, on July 24, 1933, stated that we cannot attain prosperity "in a Nation half boom and half broke." The New Deal has attained just that. That half boom is on in the stock exchange, the farmers are half broke—and the 20,000,000 on relief are fully broke. These credit booms add little to farm prices. When they crack they throw the farmer in the ditch.

There is a thirdly, on currency policies. There is a fourthly, on making the farmers pay for a large part of the Social Security Act and receiving little benefits. There is a fifthly, on relief policies which make it impossible for farmers to get labor in the midst of unemployment. There is a sixthly and a seventhly, on some other white rabbits. All of them make farm thinking difficult and intense. I do not have the time to discuss them all now.

PART IV

If we are now to deal competently with farm relief we must examine the experience with the New Deal farm measures. There are proved dangers which must be avoided. In other words, what have these New Deal principles done to the farmer?

President Roosevelt on one occasion said: "I like to think of the A. A. A. not as a temporary means * * * but as an expression of principle." From their practical works, irrespective of their words, the main principle is the economy of scarcity based on control of production enforced by telling the farmer what he can plant.

The largest justification has been that it has raised prices. Prices have improved. I leave you four thoughts on that subject: First, the inflation of the dollar, the droughts, and world recovery would have made higher prices in any event. Second, the Chicago Tribune is authority for the statement that the farmer's income from many uncontrolled commodities has been greater in proportion than from those which have had the attention of the New Deal. President Roosevelt on May 30, 1935, prophesied that "if we abandon crop control wheat will immediately drop to 36 cents a bushel and cotton to 5 cents a pound." He felt the same about hogs.

I do not know how long a time there is in "immediately." It is more than a week. Fourth, at the same time another principle of the New Deal was to lift wages and industrial prices. The sum of these two principles is that the farmer has less to sell and pays more for what he buys. Labor pays for it in increased cost of living. By this device we have got the economic dog running around in circles chasing his tail.

We may explore the effect of the processing tax in case someone might suggest we try it again. In early 1933 President-elect Roosevelt expressed himself as horrified and directed the defeat of my proposal to the Democratic Congress to balance the Budget by a manufacturers' sales tax of 2½ percent. My proposal exempted food and cheaper clothing. We did that in order that we should not impose the burden upon the poor. Yet, as President Roosevelt, he places a manufacturers' sales tax of 25 percent on pork and 30 percent on flour, both absolute essentials to the poor. That blow at the poor was no doubt softened by calling it a "processing" tax. The implication was that some wicked middleman would pay it. The housewife rebelled at this more abundant life. One result of it was that the consumption of food in 1935 fell below the worst year, 1932, by the product of over 15,000,000 acres.

We may explore what these New Deal principles did to our export and import market. You will remember that 1932 was the year when "it could not be worse." So we will take that worst year and compare it with the New Deal year of 1935. From that worst year exports of cotton have decreased 4,250,000 bales; our grain 93,000,000 bushels, our animal products by 500,000,000 pounds. This is estimated to be the product of about 2,000,000 acres. But, worse than that, this greatest food-producing country on earth has imported this year about 100,000,000 bushels of grain, 700,000,000 pounds of animal products, and increased its imports of vegetable oils to be used as substitutes by another 700,000,000 pounds.

It would take another probable 15,000,000 acres to produce these imports. The Secretary of Agriculture says America must choose one of three courses in foreign trade. The three are various degrees of the theory of more industrial imports in order that the American farmer may sell more to foreign countries. But what he produced was a fourth choice; that is, to give the foreign farmer the American farmer's market.

From all this decrease in home consumption and shift in foreign trade the farmer has lost the market for more acres than the whole New Deal curtailment of 50,000,000 fertile acres. Is that not the principle of the "economic dog" chasing his tail?

On January 10 President Roosevelt declared himself in opposition to "shipping our soil fertility to foreign nations." The logical conclusion of all that is to stop exports altogether.

There is futility here somewhere. The idea is that we encourage imports of industrial products and create unemployment at home. We are told we must do this in order that the farmer may export his products. Now we are told that it is not to our advantage to export farm products at all. He overlooks the fact that we can manufacture synthetic fertilizers to any amount necessary to cover export of "soil fertility."

In May 1932, when I vetoed a bill for reciprocal-tariff treaties, I stated that most of such treaties would sacrifice the American farmer. The New Deal method in testing poison is apparently to make the Nation swallow it. By just these reciprocal treaties the American market is today being opened to farmers of Cuba, Canada, Spain, and Italy. Yet under these principles farmers are told they must allow fertile acres to be idle because there is no market for their products. It is very confusing. The economic dog whirls even faster under this stimulus.

We must explore as to where we get to when we start controlling crops. This principle of scarcity gets scarcer and scarcer. The moment one farm product was regimented another one had to be mobilized to prevent the farmer's energy from going into that. So we marched from seven controlled commodities in May 1933 to five more in April 1934, another in May 1934, and finally we come to potatoes in 1935. Moreover, these measures are moving steadily to more and more coercion and less rain of checks—as witness the Cotton and Potato Acts. As I read further and further into the 6,250 verboten words of the potato law, I realize that one of the impulses to cheerfulness was about to be mashed out of American life. The potato had yielded not only food, but it had radiated humor to our daily conversation.

It was once the happiest of all vegetables. Its life would have been saddened by the bootlegger, the passive resister, and the Federal inspectors. Confined to a package by law, its eyes would have been dimmed by the alphabetical revenue stamps it must bear.

One of the assured principles of New Deal farming is politics. One would think in the thunders of idealism that have accompanied planned agriculture it would be clean of politics. I have but one comment. That is to read two lines from a letter I hold, written by a high officer in the A. A. A. to a gentleman who spent his life in scientific work for the farmer and who was accepted for appointment in that service. It says:

It will be necessary (for you) to secure political clearance, which means a letter of approval from the Democratic National Committee in California. The Department of Agriculture was wholly under merit service before this sort of idealist got it. The execution of these principles required 120,000 part- or full-time Federal officials. Their pay was assessed against the farmers. This new breed of middlemen every day tried hard to bring agriculture into balance with politics.

We may explore the effect of this economy by scarcity and crop control upon employment. For instance, their reduction of cotton by 10,000,000 acres is producing a hideous poverty in the sharecroppers of the South. It is creating unemployment all over the Nation of some hundreds of thousands of agricultural laborers, railway men, and others, who formerly lived by producing and handling the 20,000,000 tons of agricultural products that could come from the acres forced into idleness.

And above all other consequences the whole notion of regimenting the farmers under bureaucracy was the negation of the free American spirit. The system of scarcity was being applied to human freedom.

Does all this corroborate President Roosevelt's indication on December 9 at Chicago that agriculture is "making great strides" toward a "balance either within itself or with industry and business"? If so, it was a juggler's balance.

Finally, does anybody believe that this flimsy structure under agriculture of regimenting men, of putting fertile acres out of action, of giving American markets to foreigners, and levying its cost on the poor would not have fallen of its own weight, even without the Supreme Court?

PART V

We may now explore some of the roads to relief.

And every country, including ourselves, has adopted measure after measure to protect the farmer and to speed a return to stability. Other nations tried most of the New Deal measures before the New Deal was born. From all this experience we should by now have learned some lessons in what is harmful, what is futile, and what will help.

We shall be less than intelligent, and we shall be heartless of the farmers' problems if we do not distill from this wreckage of these experiments some lessons in truth. And there have been aids to recovery extended to the farmer both at home and abroad which have been successful. The first group of these aids is: Increase consumption of food by restoration of employment. That can come only with a balanced Budget, stable currency, and credit. Give the farmer our own home market. Adopt such sane national policies as will again restore reasonable export markets. Out of this group of policies we can restore demand to many millions of fertile acres.

The second group of policies is to retire submarginal lands where people cannot make a living. Do it in the more effective and humane way proposed by Secretary Hyde in 1932. Retard new reclamation projects until the land can be used.

A third group of policies is: Encourage cooperative marketing and those marketing agreements which contribute to prevent gluts in the flow to markets. The farm-credit machinery established by Republican administrations and improved by the New Deal should be still further improved.

But beyond these measures this farm situation is now one where still further emergency measures pending general economic recovery are necessary. They are doubly necessary as a new road must be built by which agriculture can get back onto solid ground from the quicksand of the New Deal. We shall need to open our minds to further experiment.

I suggest as one contribution to new methods that instead of trying to find a balance to agriculture by paying the farmer to curtail a crop, we should endeavor to expand another crop which can be marketed or which would improve the fertility of the soil.

We import vast quantities of vegetable oils, sugar, and other commodities. There are industrial products that could be introduced by the American farmer. We need to replenish our soils with legumes and restore coverages. If we include this suggestion with the policies I have already mentioned, which would recover our lost acres from foreigners, we would be able to employ more than all the acres put out of action by the New Deal. We would reverse this economy of scarcity to an economy of plenty.

This question of sustained fertility and better land use was brought to the forefront by former Governor Lowden in 1930. Nation-wide conferences under Secretary Hyde in 1932 further developed parts of this subject. The matter was still further advanced by the Republican side in the campaign of that year. These ideas have been further contributed to by many thinking men since that time. In order to secure these objectives, I believe we must be prepared to subsidize directly such special crops until agriculture has again been brought into balance. At the end of such a road we could hope for a balanced agriculture in full production and increased fertility in our soils.

I am advised that it can be done within the spirit as well as the letter of the Constitution.

Since this paragraph was written these ideas have been discussed in Washington, as a method of overcoming the debacle brought about by the New Deal. But if they are adopted it should be under certain fundamental safeguards. There should be no attempt to again impose New Deal ideas of controlling and regimenting the farmer or restricting production. He must be free of any restriction and control contracts. The farmer must be an entirely free man to use his own skill and judgment. The administration of these methods should be handled by the land-grant colleges in order to free agriculture of politics and the vast bureaucracy now loaded upon the farmer. This work should be coordinated by a nonpolitical national board. The cost should be borne by the general taxpayer and not loaded upon the poorest of the country through some tax like the processing tax. Otherwise this method will again be a subterfuge of pinkish national planning under another alphabet.

Somebody will shy at the blunt word "subsidy", and, in fact, the American people have been going all around Robin Hood's barn rather than use it. Over a century ago we began it in canals and turnpikes; since then we have kept it up in railroads, highways, ships and aviation, and silver mines and land reclamation—agriculture—we usually do it under some other name than subsidy. We had better begin to use straight words and we will act

straight. A subsidy is a burden on the taxpayer, but it does not regiment or destroy the initiative or freedom of the receiver; it is to stimulate that.

In conclusion, may I offer a word of personal emotion. It lies beyond the land of economies. I have spent years in public service in many countries during this most fateful period of human history. I saw as few men the backwash of war upon the common man of these countries. I saw at first hand revolution creeping in under promises of relief from the agonies of war destruction. I have seen the insidious destruction of liberty by propaganda. I have seen suffering humanity sacrifice that liberty, the greatest of all human achievements for an illusion of security. The farmers of Russia supported the Bolsheviki against the new-born democracy on the promise of the land. Today they have the choice of Siberia or the collectivist farms. I have seen freedom, the most priceless heritage, torn from children that this generation might escape its responsibilities. I wish to say to you unhesitatingly that our country has been following step by step the road through which these millions of people in foreign countries lost their liberties. Our farmers have had the blessing of individual liberty in greater fullness in their lives than any other part of even our own people. It was the farmers who fired the first shot at Lexington. It must be the farmers of America who defend that heritage. I ask you to stop, look, and listen.

THE PRESIDENT'S RADIO ADDRESS—CHICAGO TRIBUNE EDITORIAL

Mr. HASTINGS. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Chicago Daily Tribune, dated Monday, January 6, 1936.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Chicago Tribune of Jan. 6, 1936]

HE ASKED FOR IT; HERE IT IS

Mr. Roosevelt's stump speech to the radio audience was another of his calculated attempts to inflame class hatred. The opposition to him and his administration, he said, consisted of nothing more than a handful of bloated plutocrats. To be sure, he admitted, they have their millions of followers, but this following is made up of stooges and dupes.

This is his answer to the indication of the Literary Digest poll that two-thirds of the voters in the United States are eager for the opportunity to vote him and his addlebrained administration out of office. The millions who have come to distrust and fear him, so he says, don't know what it is all about. Mr. Roosevelt pretends that taxpayers don't know what he is costing them; that housewives don't know that the cost of living has gone up and up; that stockholders who have organized for self-protection by the hundreds of thousands have no reason to fear his program of spoliation; that owners of insurance policies and savings accounts feel under obligations to him for jeopardizing the security they had bought and paid for.

If Mr. Roosevelt thinks he can get away with that, his conceit matches his hypocrisy.

He talks of bloated plutocrats, he who was born to great wealth and never had to earn his living! Mr. Roosevelt is a far richer man, and his wife is a far richer woman, than all but a few of his opponents. His intimates, like Vincent Astor, are all rich men.

He talks of "unscrupulous money changers" and conveniently forgets that he ran a neat little pool in German marks when the exchange rates were running wild.

He speaks with justified contempt of "the manipulations of dishonest speculators", conveniently forgetting those stock-peddling circulars of only a few years ago which bore his name. Mr. Roosevelt, who lent his name and his reputation to the flotation of Camco, one of the wildest of the boom-time promotions, now dares to denounce stock jobbery. The suckers who placed faith in the business competence and integrity of Franklin D. Roosevelt, director of the Consolidated Automatic Vending Machine Co., do not speak over Nation-wide hook-ups, but they have not forgotten.

The same Roosevelt who now denounces the "rulers of the exchanges of mankind's goods" is the same Roosevelt who, as Governor of New York, took no step to regulate the greatest of all the exchanges. The New York Stock Exchange and the New York Curb Exchange, around which clustered most of the financial abuses of the boom era, were under the Roosevelt thumb during the boom era. The speculator in German marks and the director of Camco did nothing to protect the innocent investor when he most needed protection. It is curious that Mr. Roosevelt overlooked that fact the other night when he was shouting that he, and he alone, had the will and the competence to protect the little fellow from the plutocrats who "rule the exchanges."

Mr. Roosevelt, the stump speaker, had much to say about the sins of big business, but he neglected to note that he is himself a large stockholder in one of the biggest of them—General Electric—and perhaps in many others as well. General Electric has made a lot of money these last few years out of Government contracts for useless and uneconomical power plants financed by the Federal Treasury. General Electric obliged Mrs. Roosevelt when it rescued her subsistence homestead scheme when it was on the verge of failure, and a good many observers said it was a small return for the favors which had been conferred by the New Deal. General Electric had clear sailing in the days of Mr. Roosevelt's codes, when little businessmen like Fred Perkins, the battery man, were going to jail.

Mr. Roosevelt asked in his speech whether home owners are once more to be obliged to pay high interest rates. Again he conveniently forgets. This time his memory does not extend to that housing venture in the New York metropolitan area. Mr. Roosevelt has an investment there. No reduction in interest rates has been granted those who bought property in this co-called model development. Home owners who are in debt to Mr. Roosevelt must pay their interest notes at the old rate and on the day they are due or out they go.

This is the Roosevelt who now says that those who oppose him are plutocrats and the dupes and stooges of plutocrats. No wonder Mr. Farley has felt impelled to try to explain what his chief meant the other night and has made a poor job of the explanation. No wonder the editorial supporters of the administration have been hard put to it to justify the speech and have fallen back on the labored and the obvious.

Mr. Roosevelt's hypocrisy was too evident. No competent defense was made of that speech because no competent defense could be made of it or the man who delivered it.

POLITICAL CONDITIONS—ADDRESS BY HON. JAMES A. FARLEY

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Hon. James A. Farley, chairman of the Democratic National Committee, at Washington, D. C., on Monday evening, December 30, 1935.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ordinarily a national campaign does not start until the two candidates for the Presidency are, so to speak, in the ring. Then it is possible to balance one against the other; to weigh the accomplishments of each, to compare their intellectual equipment, their experience, their fitness to determine questions that involve the whole country's welfare, their moral character, and mental capacity.

At such a time each party is expected to exalt its own man and assail the other in their respective efforts to convince the voters that only their man is qualified to administer the affairs of the Nation, both as to domestic problems and foreign relations.

It is different with the present political make-up, for the campaign is already under way after a fashion. And what a fashion!

The minority party, destitute of an available candidate, barren of a program, all at sea as to a platform, fills the air with denunciation of the President and fills the newspapers with a mixture of falsehoods and simple defamation. An old rhyme described the elephant as a beast with a tail at each end, and the maker of that verse might well have had the Republican symbol in mind, even though the couplet is probably older than the party.

On one end we have the Fletcher organization of standpatters clamoring for the return of the Hoover system, with the American Lobbyist League signing; checks with the same lavishness its members displayed for the lobbying through of the Smoot-Hawley tariff in the last Republican Congress and furnished the $2,000,000 slush fund in the futile effort to defeat the bill to control the greedy holding companies in the recent session. On the other end we have the Hearst newspapers, which, month in and month out, have been demanding that the Government start the printing presses issuing money with nothing behind it, and which now appear as the guardians of the conservative interests and boosting first one and then another colorless figure.

Perhaps we should not be too severe on the Republican steering committee floundering in its dilemma, because it has not one but two difficult enterprises to put over. It must first build up some lay figure into the stature of a statesman, so that the country will not be shocked by the appearance of an unknown as the Republican hero next June; and, second, it must knock down President Roosevelt, who has popular esteem in a greater degree than any modern President. There are difficulties for both propositions. There are the claims of ex-President Hoover, who, naturally, is against anything the New Deal offers and typifies what the lobbyist league is most ardently for. But they know the Progressive end of their party will not stand for another dose of Hoover. They have the assaults of that veteran, Senator BORAH, on the Hoover system to discourage them. Since long before many voters of today were born Mr. BORAH has been available for a Republican Presidential nomination, and Republican convention after convention turned him down as an unregenerate liberal—foe of everything the backers of the G. O. P. ever bought and paid for.

So it is reasonable to assume that the Republican old guard can't get the nomination for Mr. Hoover and dare not accept Senator BORAH. These are the only two among the aspirants who were at all known before the cruel necessities of politics sent the Republican candidate hunters scouting into the wilderness in their search for somebody on whom they may pin the nomination. They are working hard at their task.

The mails are full of literature telling of the heretofore unsuspected statesmanship of Governor Landon, of Kansas; of the tremendous capacity, resource, and wisdom of Colonel Knox, who used to work for Mr. Hearst and now has a newspaper of his own, but whose record otherwise is blank; and others of varying obscurity.

I would not venture to guess who in their predicament the minority party will pick to oppose President Roosevelt next November. It would save time, trouble, and expense if their political lightweights should shake dice or shoot craps for the nomination. Not that the stake would be valuable enough to exalt the

winner, but it would save the country from the deluge of speeches eulogizing nonentities which will characterize the Republican convention.

Their second task—that of lowering the prestige of Franklin D. Roosevelt—is even more difficult than that of winnowing out some sort of a candidate and some sort of a platform from among mediocrities and the confusion of thought that now obtains.

Our President has performed a great job. Some people might not like the A. A. A. legislation, for example, but the farmers, restored to solvency for the first time in a dozen years, are a unit in their satisfaction over the results. A few people with enormous incomes see nothing but communism in the last tax legislation. Their numbers are unimportant, and their propaganda, seeking to convince the ordinary voter that some frightful injustice is being done in asking those best able to pay to pay their share of the national expense, is the last word in political futility.

The constantly rising tide of national prosperity is the answer to all the attacks on the Roosevelt administration. The contrast between the state of the Nation today and what it was on the advent of Franklin D. Roosevelt to the White House is all the retort required to the sprawling barrage that is proceeding from the Republican National Committee and being paid for by the special interests that are seeking the return of the system so emphatically repudiated by the people in 1932.

My hearers probably all have noted the declamations of the former President. His contention is, in brief, that he had the depression licked nearly a year before his Presidency ceased. In other words, that prosperity was just around the corner from June of 1932 and that it was only the imminence of President Roosevelt succeeding him that prevented us from reaching that corner. Now I just wonder, if the Hoover policies were so fine, if his economic philosophy was so perfect, and if the end of the depression was so plainly marked during his regime, why it was that the people almost unanimously turned his administration out at the first opportunity.

Unable to combat the fact of the restored solvency of business, our political opponents fall back on the statement that the renewed prosperity is not because of what the administration has done. Well, if it was not the acts of the administration, what on earth could it have been that turned despair into satisfaction, that brought incomes to agriculture and industry instead of deficits, and that gave the courage to those who now seek for a return to the Hoover principles to shriek for the Government to cease its program, when just a little while ago they came to Washington tremblingly to beg the administration to do something to relieve their plight?

They talk of the President's having repudiated his promise, but I have yet to hear them mention any promise that has not been carried out or is not in process of being carried out. He promised a stable currency. Our dollar is the solidest money unit in the world today. He promised economy in Government. It is costing less today by hundreds of millions of dollars a year to administer the ordinary processes of Government than it did before he came to the White House. But, they say, he promised a balanced Budget. Balancing a budget is not something that can be done in the flickering of an eyelash, particularly when millions of people are still on relief.

Incidentally, though you would never guess it from the proclamations of the Liberty League or its annex, the Republican National Committee, the Roosevelt administration did not invent the deficit. It inherited from the Hoover administration an entry in the red of something over $3,000,000,000. If you deduct the money that is coming back to the Government in the shape of R. F. C. loans and those of the Farm Credit and Home Owners' Loan Administrations, the actual amount of what the Government owes, as would be shown on such a balance sheet as any institution would get out to picture its financial status, is not so very much more than the Hoover deficit. These loaning agencies of the Government are all in a healthy business condition, getting in in payments and interest more than they are putting out. Moreover, because the Government's credit is so good that it can borrow money at a very much lower rate of interest than it did before, the cost of carrying the total debt today is less than what it cost the Government to carry the lesser debt of the Hoover period. All of these are steps toward Budget balancing. Federal income taxes this year to December 21, 1935, amounted to $321,000,000 more than last year, a gain translatable into a $6,000,000,000 increase in the income of our citizens. Given a continuance of the present trend of prosperity, we may look forward to a steady enhancement of the Government's income and an equally steady decrease in the Government expenditure.

We know that at the close of the war the United States Government owed $26,000,000,000, and that in the course of 10 years, although taxes were decreased progressively, $10,000,000,000 of this obligation had been repaid, despite the fact of the repudiation of $11,000,000,000 of debts owed to us by foreign governments. There was nothing miraculous about this. It was accomplished by ordinary methods in the ordinary way, and the process will be repeated in relation to the present deficit.

There is nothing frightful about the amount and nobody need fear that the Government is not strong enough to take care of it.

Nor is there any more truth in the allegation against the Roosevelt administration of unbridled extravagance than there is in the Treasury situation. The money is not being burned up, it is not being thrown into the sea, but it has gone into the arteries of trade and industry. It has paid wages and bought raw materials, and it is now safely among the deposits of millions of our citizens in the banks. It is there safely because of what the Roosevelt administration has done to correct banking abuses and make the fiscal depositories solider than they have ever been in our whole history.

I note among the charges that are brought against the administration one to the effect that it is timing the Public Works projects in such a fashion as to make the expenditures come just before elections. Nineteen hundred and thirty-six happens to be an election year; 1936 likewise happens to be a year in which the campaign against unemployment calls for many Public Works projects. That is all there is to the accusation. The Public Works program has been in progress for more than a year. Obviously the localities had to get up their blueprints. Congress had to appropriate the money, and the engineers had to determine which buildings, bridges, dams, or other works were best suited for a particular time of year or a particular locality. The administration does not determine when the work begins. After the President has given approval to a completed plan it goes to the Comptroller General, who incidentally was secretary of the Republican National Committee, and was appointed to his present office by President Harding. His term runs 15 years. Sometimes the Comptroller General's approval is immediate; sometimes he holds projects up for a month or two. The charge was made that Kentucky's appropriation was specially arranged to be let loose 10 days before the gubernatorial election in November. Comptroller General McCarl held this appropriation over a month, and even our adversaries will hardly contend that a Republican official would be likely to time a project to help elect a Democrat. Moreover, about the same time the States of Illinois and Kansas, among others, where there was no election, got more money than did Kentucky.

I only mention this particular phase of G. O. P. propaganda, because it so clearly illustrates the principle that in the present propaganda melee an evil construction must be placed on every act whether the President had anything to do with it or not.

These are the facts. But you need not, of course, expect the minority party and those who supply its funds to admit it. There is really not much use in nailing the lies because the Republicans take the position that "this is our story and we'll stick to it."

Now, just a word about the political prospects. I have sounded, I believe, every source of political information from the Atlantic to the Pacific and from Canada to the Gulf of Mexico, and I tell you tonight that President Roosevelt will next November receive as great an endorsement from a grateful country as he did before.

The Democratic Party has, of course, no such reservoir of money to tap for campaign expenses as the other side has. As against the blocks of money that they will get from a few we must match the small amounts we will get from the many. Just now our adversaries are in a twitter because we are raising a fund to wipe out the deficit our party inherited from previous regimes by means of Jackson Day dinners. It is going to cost at our no. 1 dinner in Washington, on January 8, $50 a plate. That does not mean that we will pretend to give our guests $50 worth of food and drink. The largest part of the price of this and every other dinner goes to the national committee to pay off its debts so that by convention time we can go into the battle with a clean slate. There will be on that night, I think, about 2,000 Andrew Jackson dinners, and the President's speech made in Washington will be broadcasted to each of these banquets.

I think my hearers will agree with me that this is a lot cleaner way of raising campaign funds than by accepting payment in advance for governmental favors to special interests, which is the process by which the party of Hoover and Fletcher, of Mellon and Ogden Mills is paying for its election ballyhoo.

GOVERNMENTAL EXPENDITURES—PHILADELPHIA RECORD EDITORIAL

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Philadelphia Record entitled "What Price Roosevelt."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Record]

WHAT PRICE ROOSEVELT?

Is the New Deal worth $1,000,000,000 more debt to the American people than the Old Deal?

That's how much more debt Roosevelt has created than Hoover did.

Perhaps you have a different impression. You may, because 90 percent of the American press is closed to the truth about the New Deal and wide open to every liar in a top hat who can't understand Roosevelt and reform.

The Record proposes to present an argument you can play on your own cash register. See if you like this tune:

In the last 3 years of Hoover's administration (the businessman's administration) the net national debt increased $6,236,000,000, compared with the increase in the Roosevelt administration to date of $7,409,000,000.

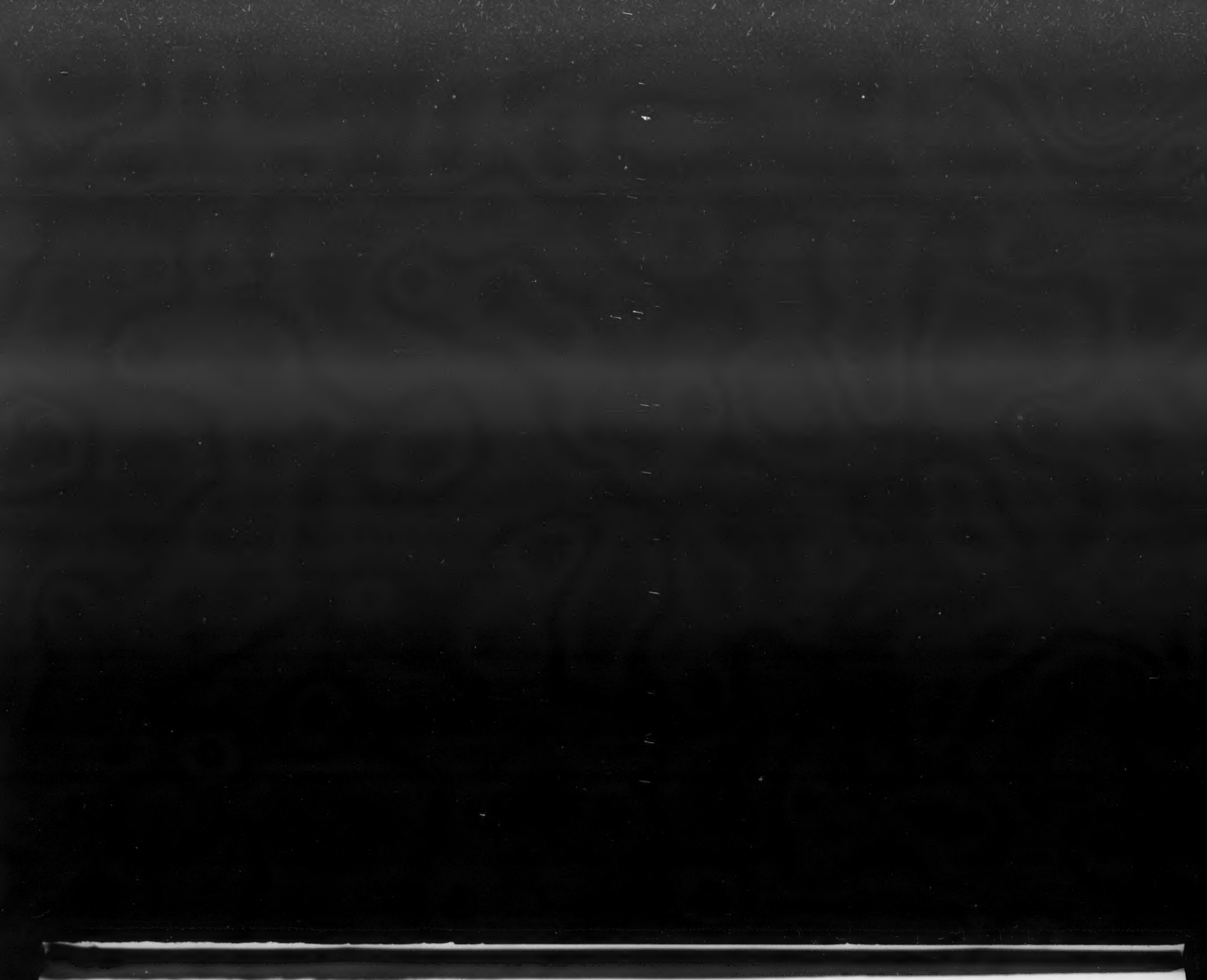
In other words, Roosevelt has obligated us to $1,173,000,000 more national debt than Hoover.

Is Roosevelt worth it?

Many an intelligent American will be shocked when he examines these figures.

He has been hearing so much about "Roosevelt, the spender", "billions for boondoggling", "irresponsible waste of national credit", "burdening the future generations" that a false impression has been carefully built up in his mind.

It is time the American people went off their diet of elephant baloney.



It is time the American people stopped being guinea pigs for Republican press agents.

Roosevelt, the "spender", has increased the national debt a billion more than did Hoover, the economical.

Has it been worth it?

Marriner Eccles, Governor of the Federal Reserve Board, finds that national income has increased more than fifteen billions a year during Roosevelt's administration, as compared with Hoover's.

In a period of 30 months the national income has increased thirty-seven and one-half billions over what it would have been had the Hoover level continued.

A horse that pays 37 to 1 is a good horse on any track.

A billion is a lot of money. But remember that, divided among 125,000,000 American, it is $8 per capita.

For that billion dollar greater debt we are getting recovery under Roosevelt.

For the billion-dollar smaller debt under Hoover we were getting a one-way trip downhill.

Conditions were never so black as they were after Hoover had rung up his six-billion debt increase.

Business hasn't been as good in 5 years as it is today, after Roosevelt has run up his seven-billion debt increase.

And recall that Hoover's deficits were mounting year by year, while Roosevelt's are decreasing.

The real waster was Hoover. He wasted the Nation's manpower in idleness, its banks, its homes, its shops, its businesses, its income, to "save money." And then didn't save it.

Remember these few figures when the freewheeling Republican orators start working on you again about how Roosevelt has run you into debt.

NATIONAL LABOR RELATIONS ACT

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD an opinion on the constitutionality of the National Labor Relations Act by Gregory Hankin, a well-known legal scholar of Washington, D. C.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

LABOR ACT DECISION REVERSED

(AUTHOR'S NOTE.—On September 5 last the national lawyers committee of the American Liberty League staged a moot court at Washington, D. C., and rendered an opinion holding the National Labor Relations Act unconstitutional. Immediately there was great controversy over the propriety of lawyers using such rather effective means of making their views known. Much as I disagreed with the arguments set forth in the American Liberty League's opinion on the constitutionality of the labor act, I could not share in the attack on their freedom of expression. The opponents of the league have paid so much attention to the method of rendition that they completely overlooked the substance of an important controversy. After all the smoke had cleared, the fact still remained that 58 prominent lawyers have held the law unconstitutional, and their arguments have not been answered. I think that in the interest of clear legal thinking the opinion should not remain unchallenged. Since I see no impropriety in "playing court", I have set forth my views in the following opinion, having taken the more advantageous position of a reviewing "court."—G. H.)

In the matter of the National Labor Relations Act. Appeal from the Supreme Court (national lawyers committee) of the American Liberty League

This case comes before us on appeal from a declaratory judgment of the Supreme Court (national lawyers committee) of the American Liberty League, holding the National Labor Relations Act unconstitutional. Appellants, citizens directly interested in progressive legislation, assign as error the ruling of the court below that the act in question was in excess of the power of Congress, under the commerce clause of the Constitution, and that it violated the due-process clause of the fifth amendment. They also claim that the court below erred and abused its discretion in assuming jurisdiction to pass on the validity of the act.

Section 7 of the National Labor Relations Act provides that employees shall have the right to self-organization; to form, join, or assist any labor organization; to bargain collectively through representatives of their own choosing; and to engage in concerted activities for the purpose of collective bargaining or other mutual aid or protection. Section 8 provides that it shall be an unfair labor practice for any employer to interfere with, restrain, or coerce employees in the exercise of the rights guaranteed in section 7 or to dominate or interfere with the formation or administration of any labor organization or contribute financial or other support to it, or to encourage or discourage membership in any labor organization by discrimination in regard to hire or tenure of employment or any other condition of employment, or to discharge or otherwise discriminate against an employee because he has filed charges or given testimony under the act, or to refuse to bargain collectively with the representatives of his employees.

The act creates a board (sec. 3) which is empowered (sec. 10) to prevent any person from engaging in any unfair labor practice affecting commerce, and "commerce" is defined in the act (sec. 2, par. 6) as interstate and foreign commerce. The Board is empowered to hold hearings and determine whether any employer has been guilty of any unfair labor practice as defined in the act, and, upon so finding, to issue an order directing such employer to cease and desist from engaging in any such unfair labor practice and to make amends for his transgression. The order of the Board is subject to review by the circuit court of appeals, whose judgment is made final, except that it may be reviewed by the Supreme Court on writ of certiorari or certification.

The question presented is whether this comes within the powers of the Federal Government. The court below held that, since the employment of labor and other matters dealing with employees' representation are not matters of interstate commerce but relate solely to production or manufacture, the act cannot be sustained as a regulation of interstate commerce, and must therefore be regarded as violative of the tenth amendment to the Constitution. It also held that the act invaded the rights of employers and employees, contrary to the provisions of the due-process clause of the fifth amendment.

1. Interstate commerce: At the outset we are confronted with the question whether there was an occasion for the exercise of power under the commerce clause of the Constitution. Under this provision the regulatory power of Congress extends to all matters in interstate commerce. But the power is not so limited. As an incident to regulating interstate commerce, Congress may also regulate matters which, though of a local nature, directly and substantially affect such commerce. This act does not purport to regulate matters which have no relationship to interstate commerce. In section 9 (c) of the act the Board is empowered to institute an investigation concerning representation of employment only "whenever a question affecting commerce arises", and the power of the Board, under section 10 (a) of the act, to prevent any person from engaging in any unfair labor practice is limited to practices "affecting commerce." Other provisions in the statute indicate the same limitation. These provisions must be interpreted to mean that the Congress was dealing with matters directly and substantially affecting interstate commerce rather than matters having a remote or only an incidental relation to interstate commerce (*Schechter Bros.* v. *U. S.*, 55 S. Ct. 837, 295 U. S. 495).

The court below proceeded on the theory that Congress was devoid of power to enact the National Labor Relations Act, because the terms and conditions of employment deal with production or manufacture, and these do not constitute interstate commerce. We think the court erred. The Supreme Court has long recognized the extension of power under the commerce clause to matters relating to manufacture or production. The antitrust acts which were passed under the commerce clause of the Constitution have been applied to enjoin labor unions from affecting production, on the theory that they affected sales and transportation in interstate commerce (*Coronado Coal Co.* v. *United Mine Workers*, 268 U. S. 295; *Bedford Cut Stone Co.* v. *Stone Cutters Ass'n*, 274 U. S. 237).

A distinction is sought from the Coronado Coal case, and other similar cases, on the ground that there the evidence showed an intent or conspiracy to interfere with and obstruct interstate commerce. The same argument was urged upon the Supreme Court in *Standard Oil Co.* v. *United States* (283 U. S. 163). It was there contended that cross-licensing agreements for the manufacture of gasoline by the cracking process were agreements relating to manufacture and not to sale or transportation, and were therefore not within the purview of the antitrust acts. No conspiracy was involved in that case. Mr. Justice Brandeis, however, delivering the opinion of the Court, said (p. 168):

"This contention is unsound. Any agreement between competitors may be illegal if part of a larger plan to control interstate markets. * * * Moreover, while manufacture is not interstate commerce, agreements concerning it which tend to limit the supply or to fix the price of goods entering into interstate commerce, or which have been executed for that purpose, are within the prohibitions of the act."

Section 7 of the Clayton Act forbids, under certain circumstances, the acquisition of stock by corporations, where the effect may be to lessen competition or tend to create monopoly. Intent plays no part in the prohibition of acquisition, which may be a transaction entirely intrastate. The validity of this provision cannot be doubted. From this it would appear that it is not the element of intent or conspiracy in the antitrust cases that subjects intrastate activities to Federal regulation, but their actual effect upon interstate commerce.

In this view the rule of law is very simple. Congress may regulate intrastate matters as an incident to regulating interstate commerce. The difficulty lies in determining whether the regulation of intrastate matters is an incident to regulation of interstate commerce, and that depends on the question whether the intrastate matters do directly and substantially affect or burden interstate commerce. This cannot be determined by any rule of thumb but only upon a thorough consideration of the facts concerning the subject matter of the regulation.

In enacting the National Labor Relations Act Congress made the following findings of fact:

"The denial by employers of the right of employees to organize and the refusal of employers to accept the procedure of collective bargaining lead to strikes and other forms of industrial strife or unrest, which have the intent or the necessary effect of burdening or obstructing commerce by (a) impairing the efficiency, safety, or operation of the instrumentalities of commerce; (b) occurring in the current of commerce; (c) materially affecting, restraining, or controlling the flow of raw materials or manufactured or processed goods from or into the channels of commerce, or the prices of such materials or goods in commerce; or (d) causing diminution of employment and wages in such volume as substantially to

impair or disrupt the market for goods flowing from or into the channels of commerce."

Upon that finding of fact Congress embarked on a policy "to eliminate the causes of certain substantial obstructions to the free flow of commerce and to mitigate and eliminate these obstructions when they have occurred by encouraging the practice and procedure of collective bargaining and by protecting the exercise by workers of full freedom of association, self-organization, and designation of representatives of their own choosing for the purpose of negotiating the terms and conditions of their employment or other mutual aid or protection."

Thus we see that Congress embarked upon a method of regulating interstate commerce which is properly within its power; provided, of course, there is support in the facts found by the legislature.

The findings cannot be lightly disregarded. When the validity of a statute depends upon a factual situation, as to which there may be doubt or difference of opinion, the courts will not substitute their judgment for that of the legislature, but will consider themselves bound by the legislative finding. As Justice Sutherland said in *Radice* v. *New York* (264 U. S. 293, 294): "Where the constitutional validity of a statute depends upon the existence of facts, courts may be cautious about reaching a conclusion respecting them contrary to that reached by the legislature; and if the question of what the facts establish be a fairly debatable one, it is not permissible for the judge to set up his opinion in respect of it against the opinion of the lawmaker. The State legislature here determined that night employment of the character specified was sufficiently detrimental to the health and welfare of women engaging in it to justify its suppression; and, since we are unable to say that the finding is clearly unfounded, we are precluded from reviewing the legislative determination."

See also *Stephenson* v. *Binford* (287 U. S. 251, 272) and cases cited therein.

So settled is this rule that, even after an act was held invalid because it exceeded congressional power, and later Congress enacted another statute to accomplish substantially the same result, with a finding of fact which brought the matter within the power of Congress, the Supreme Court accepted the finding and upheld the validity of the second enactment. This happened in the case of Grain Futures Act (42 Stat. 988), whose validity was upheld in *Board of Trade* v. *Olson* (262 U. S. 1), after the Trading in Futures Act (42 Stat. 187) was held unconstitutional in *Hill* v. *Wallace* (259 U. S. 44).

Of course, should it appear that there is no foundation for the facts found by Congress in support of the legislation, the courts would not be bound thereby. But we cannot say that the findings of fact made by Congress in the National Labor Relations Act are wholly unfounded. On the contrary, they find support in the history of the labor movement in this country. On several occasions cases came to the Supreme Court in which the applicability of Federal regulation depended upon this very fact, namely, the obstruction of interstate commerce through labor troubles. See, for example, *Coronado Coal Co.* v. *United Mine Workers, supra; Bedford Stone Co.* v. *Stone Cutters Ass'n, supra;* International *Brotherhood of Electrical Workers* v. *Western Union Tel. Co.* (46 Fed. (2d) 736), certiorari denied (284 U. S. 630); *Painters' District Council* v. *U. S.* (284 U. S. 582), affirming *United States* v. *Painters' District Council* (44 F. (2d) 58). It is not necessary to go into detail as to how strikes, lockouts, and other labor difficulties affect sale and transportation of commodities in interstate commerce. Suffice it to say that the findings of Congress find support in facts of which we take judicial notice (*Minnesota Moratorium Case*, 290 U. S. 398, 443).

With these facts accepted, it must be concluded that the National Labor Relations Act is not on its face an unconstitutional exercise of legislative power, but comes within the commerce clause of the Constitution.

Great stress is laid by the court below on the fact that in many instances the relation between the object sought to be accomplished and interstate commerce is remote, indirect, and unsubstantial, and that the decisions of the National Labor Relations Board are bound to be unconstitutional. But this assumes that the National Labor Relations Board will go beyond the jurisdiction vested in it by the statute. We cannot make such an assumption. On the contrary, we must assume that the National Labor Relations Board will act within the limits of its statutory and constitutional authority. Should the record made in any case before the National Labor Relations Board fail to sustain a direct and substantial relation between the controversy therein involved and interstate commerce, then, of course, the conclusion may be reached that the Board exceeded its authority under the statute. Even if all of the orders issued by the Board should be unsupported by facts showing a substantial relation to interstate commerce, the most that could be said would be that the Board failed to exercise its functions in accordance with the direction of Congress. But that would not spell the invalidity of the act itself.

2. Due process: We now come to the question whether the law violates the provisions of the due-process clause of the fifth amendment. This clause provides: "nor shall any person * * * be deprived of life, liberty, or property without due process of law", and the opinion below recognizes that no questions are involved pertaining to the taking of life or property. Consideration must be limited to the question whether the act deprives the employers of their liberty to conduct their business in whatever manner they please and to refuse to deal with their employees, except on such terms as they (the employers) desire, even to the extent of dominating and interfering with some labor organizations and giving aid to others, of encouraging or discouraging their employees in the matter of organization, of hiring and discharging employees for labor activities, and of favoring some and discriminating against others on that basis. The freedom of employers in dealing with their employees must undoubtedly be recognized, but this liberty, like other liberties, is not absolute. It must be exercised consistently with the rights of others. "The Constitution does not secure to anyone liberty to conduct his business in such fashion as to inflict upon the public at large or upon any substantial group of the people", said Justice Roberts in *Nebbia* v. *New York* (291 U. S. 502, 538–539).

The exercise of the liberty of employers sought to be protected in this proceeding does undoubtedly result in injury to the rights of employees. Section 7 of the act provides that "employees shall have the right of self-organization * * *." Had Congress thus created such rights in employees, as an incident to protecting the flow of interstate commerce, that would have been enough. But Congress did not even create any rights in the employees. Section 7 is declaratory of existing law. Long before the passage of the present act Chief Justice Taft, delivering the opinion of the Supreme Court, in *American Foundries* v. *Tri-City Council* (257 U. S. 184, 209), said:

"Labor unions are recognized by the Clayton Act as legal when instituted for mutual help and lawfully carrying out their legitimate objects. They have long been thus recognized by the courts. They were organized out of the necessities of the situation. A single employee was helpless in dealing with an employer. He was dependent ordinarily on his daily wage for the maintenance of himself and family. If the employer refused to pay him the wages that he thought fair, he was nevertheless unable to leave the employ and to resist arbitrary and unfair treatment. Union was essential to give laborers opportunity to deal on equality with their employer. They united to exert influence upon him and to leave him in a body in order by this inconvenience to induce him to make better terms with them. They were withholding their labor of economic value to make him pay what they thought it was worth. The right to combine for such a lawful purpose has in many years not been denied by any court."

And in *Texas & New Orleans Railroad Company* v. *Brotherhood of Railway & Steamship Clerks* (281 U. S. 548, 570), Chief Justice Hughes said:

"The legality of collective action on the part of employees in order to safeguard their proper interest is not to be disputed. It has long been recognized that employees are entitled to organize for the purpose of securing the redress of grievances and to promote agreements with employers relating to rates of pay and conditions of work."

The argument presented in *Texas & New Orleans Ry. Co.* v. *Brotherhood of R. R. & S. S. Clerks, supra,* was on all fours with the argument presented in this controversy, and in answer to the contention that the Railway Labor Act of 1926 violated the due-process clause, the Chief Justice said:

"Congress was not required to ignore this right of the employees, but could safeguard it and seek to make their appropriate collective action an instrument of peace rather than of strife. Such collective action would be a mockery if representation were made futile by interference with freedom of choice. Thus the prohibition by Congress of interference with the selection of representatives for the purpose of negotiation and conference between employers and employees, instead of being an invasion of the constitutional right of either, was based on the recognition of the rights of both" (p. 570).

It follows, therefore, that the act does not deprive the employers of their liberty without due process of law.

The court below held, however, that the act also violated the due-process clause because it deprives the employees of their liberty to deal with their employers. This argument is spurious. It is not available to the employers, since it is a settled rule of law that one may not attack the constitutionality of a statute on the ground that it invades the rights of others (*Herbring* v. *Lee*, 280 U. S. 111, 117). It is a matter of common knowledge, of which this court takes judicial notice, that the proceeding below was instituted by and on behalf of employers and not by or on behalf of employees.

Even if raised by an employee, the argument still lacks merit. There is nothing in the act which prohibits an employee from dealing with an employer. The freedom which he may have in dealing with his employer, however, falls far short of using that freedom to the injury of his fellow employees, for example, to encourage favoritism or discrimination based upon association with a labor organization. We are dealing here with a practical labor problem, not with a hypothetical situation where employees seek less favorable terms of employment but feel compensated by dealing independently with their employers.

Consideration must be given to the facts pertaining to unionization. Here again we are confronted with a finding made by Congress:

"The inequality of bargaining power between employees who do not possess full freedom of association or actual liberty of contract and employers who are organized in the corporate or other forms of ownership association substantially burdens and affects the flow of commerce and tends to aggravate recurrent business depressions by depressing wage rates and the purchasing power of wage earners in industry and by preventing the stabilization of competitive wage rates and working conditions within and between industries.

"Experience has proved that protection by law of the right of employees to organize and bargain collectively safeguards com-

merce from injury, impairment, or interruption, and promotes the flow of commerce by removing certain recognized sources of industrial strife and unrest by encouraging practices fundamental to the friendly adjustment of industrial disputes arising out of differences as to wages, hours, or other working conditions, and by restoring equality of bargaining power between employers and employees."

We cannot say that these findings are unfounded any more than we can say that substantially the same appraisal of facts by Chief Justice Taft, in *American Foundries* v. *Tri-City Council*, quoted above, was without foundation. Upon these facts, which are binding upon us, we must conclude that the employee's complaint that his freedom of contract is injured by this act is so unsubstantial that it does not merit consideration. This does not import a ruling that any application of the act is bound to be within the proper governmental authority. No doubt, this act, like any other act, may be administered arbitrarily or oppressively. But we have no reason to believe, and we may not assume, that this act will be so administered. If the Board will act arbitrarily in any given case, the application, and not the act itself, will be held invalid.

It is claimed, however, that, irrespective of the applications of the act, the requirements as to representation are arbitrary, unreasonable, and capricious, because the act expressly declares that representatives selected by a majority of employees in a particular bargaining unit shall be the exclusive representatives of all employees. It may well be that the majority rule is not the best system of representation. It may be that proportionate representation would be more equitable. On the other hand, it may be that the latter would give rise to further difficulties. All this goes to the wisdom of the choice of means of effectuating the right of collective bargaining. But it cannot be said that majority representation is arbitrary, unreasonable, and capricious.

For more than 150 years we have had majority representation in our political life, in corporate organizations, and in scientific, literary, social, or fraternal organizations. It is true some countries have proportionate representation in their legislatures. But it cannot be said that majority representation is so arbitrary, unreasonable, and capricious as to be contrary to our fundamental law. Beyond this inquiry we are not authorized to interfere with the policy laid down by Congress. As Mr. Justice Roberts said in *Nebbia* v. *New York*, *supra* (p. 537):

"If the laws passed are seen to have a reasonable relation to a proper legislative purpose and are neither arbitrary nor discriminatory, the requirements of due process are satisfied, and judicial determination to that effect renders a court functus officio."

Since the National Labor Relations Act falls within the regulatory powers of Congress under the commerce clause, and the power is not arbitrarily exercised nor so as to invade fundamental rights, the judgment of the court below must be reversed.

3. Jurisdiction: A further question arises as to what disposition should be made of this case. Appellants attacked the jurisdiction of the court below, and they contended here that the cause should be remanded with directions to dismiss for want of jurisdiction. Their argument rests on the following propositions: The court below is a self-constituted tribunal of lawyers who are bound by their oath to uphold the Constitution and laws of the United States. So long as the National Labor Relations Act has not been held invalid by a court of competent jurisdiction it is their duty to regard the law as valid and to advise obedience to it, though their own opinions may be to the contrary. We cannot agree with this contention.

As a self-constituted body, the Court below either acted in a private capacity or undertook a public duty to perform. It becomes pertinent to inquire in what capacity they acted. Since they acted merely in their private capacity, they had an unlimited constitutional right to freedom of speech and freedom of the press. The fact that their expression of opinion is inimical to the Government, or to labor, is no reason why they should be restricted in that freedom. In determining whether the freedom of speech guaranteed by the first amendment against encroachments by the Federal Government was also a right protected by the due process clause of the fourteenth amendment, Chief Justice Hughes, delivering the opinion of the Court in *Stromberg* v. *California* (283 U. S. 359, 369), said:

"The maintenance of the opportunity for free political discussion to the end that government may be responsive to the will of the people and that changes may be obtained by lawful means, an opportunity essential to the security of the Republic, is a fundamental principle of our constitutional system."

See also *Near* v. *Minnesota* (283 U. S. 697), holding unconstitutional a statute limiting the freedom of the press. In the California case, the appellant was admittedly a Communist; in the Minnesota case the appellant was described by the court as a "miscreant purveyor of scandal." Yet they were protected in their constitutional rights. We see no reason why such rights should be accorded to Communists and scandal mongers and not to the American Liberty League. This league does not claim to be a propaganda organization. It does not claim to be partisan in politics. Ever vigilant to protect the rights of the American people it has undertaken to "save" the Constitution. To that end it has enlisted the aid of prominent members of the bar to advise the people on their constitutional rights. Theirs is the freedom of expression, and hence we must sustain their jurisdiction.

While their freedom of expression is not to be disputed, however, they are limited by the duties which they have undertaken as members of the legal profession. They have given their views on the constitutionality of the National Labor Relations Act not as persons whom one meets in the market place, but as lawyers learned in the law.

The lawyers in our country act in a dual capacity—as advocates and as counselors at law. As advocates they owe entire devotion to the interests of their clients, warm zeal in the maintenance and defense of their rights and the exertion of their utmost learning and ability, to the end that nothing be taken or be withheld from their clients, save by rules of law legally applied (Canon 15 of Professional Ethics). When appearing before a court, the advocate may urge any and every remedy, argument, or defense that is authorized by law. He may resolve every doubtful question of law in favor of his client, even if his own inclination is to favor a different conclusion. If the court below appeared as advocates in this matter, nothing further could be said by us, except to adopt or reject their arguments.

In rendering their opinion on the constitutionality of the National Labor Relations Act, however, they did not act as advocates. They must then have acted in their capacity as counselors. The duty of a counselor is "to give a candid opinion of the merits and probable result of pending or contemplated litigation" (Canon 8 of Professional Ethics). His duty is to advise what the law actually is. The fact that in this case the court below undertook to advise not their individual clients but the people at large does not relieve them of, but rather accentuates, their duty of careful investigation and analysis of the state of the law.

Have they so acted in this case? Where a question is raised concerning the validity of a statute which has not been passed on by a court of competent jurisdiction, the test for determining the rule of constitutional law is not what arguments the lawyer can raise for or against the law. He must assume a judicial attitude and decide upon the matter in view of the recognized principles of law as applied to the facts. He must bear in mind also the limitations which the judiciary has imposed upon itself in passing on the validity of legislation, including the following salutary rules: (1) All doubts must be resolved in favor of the validity of legislation; (2) where the validity of a statute depends upon a factual situation, the courts must assume the existence of facts which would sustain the validity, in the absence of a showing in the record that such facts do not exist; (3) if possible, a statute must be so interpreted as to avoid holding it invalid; (4) only in extreme instances will a statute be held invalid on its face; (5) where the proper application of a statute depends on a factual situation, the application and not the statute itself may be held invalid; and (6) a ruling on the constitutional questions must be avoided if the controversy can be disposed of on some other ground.

It does not appear that the court below has given due consideration to all these rules nor to the facts pertaining to the regulations sought to be accomplished by the National Labor Relations Act. We think they should have an opportunity to do so. In reversing the judgment, therefore, we remand the cause for further proceedings in conformity with this opinion.

THE CONSTITUTION AND THE COURTS—ADDRESS BY SENATOR THOMAS OF UTAH

Mr. O'MAHONEY. Mr. President, I ask to have printed in the RECORD an address delivered by the junior Senator from Utah [Mr. THOMAS] at the Cosmos Club, Washington, D. C., January 13, 1936, on the subject of the Constitution and the Courts.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

While doing some reading in the Jackson period in preparation for a Jackson Day talk, I ran across a poem written by Associate Justice Story in Jackson's time. In honor of a famous actress, the justice wilted with a poem that contained this line: "And warms and wins and thrills and melts the heart." Ten minutes after reading the poem I read the opinions on the Triple A case.

Judging from the spirit of these opinions, the justices of 1935 are at least different from those of a century ago. While Story may have melted at the art of a beautiful lady, his poetry did not move me one whit. I did, though, warm at the majority opinion.

I am not a constitutional lawyer; in fact, I am not a lawyer. I judge governmental change only from observation. The following are the reactions of a layman.

We have gone back. The late decisions of the Supreme and inferior courts invite our people to a consideration of the question as to whether the theory of judicial review is a mistake or not.

Personally, I do not think it is a mistake, but I do believe the judiciary must carry on within proper bounds quite as much as the legislative or the Executive. We have actually gotten to the place where today we hear on the street the expression: "Congress has passed the law, but as yet it has not passed the Supreme Court."

Whenever our Supreme Court considers itself the third branch of our Legislature, it would destroy the whole fabric of our constitutional scheme. The judiciary cannot enter the realm of the legislative without ultimately destroying the scheme of the American Government.

I am loath in using the word "unconstitutional", but I stand squarely against that which would destroy the spirit of our Constitution. Our Government hangs on a simple thread of respect for given spheres. These boundaries in form are not

definite. In spirit they stand out so that even a child may recognize them.

The Executive by an abuse of the veto power or by an abuse of the power of recommendation can mar the constitutional spirit.

The legislative by a spiteful action of failing to provide for either the Executive or the judiciary may make government come to an end.

The courts by usurping and striking down established institutions of the people may mar the harmony that makes us a nation.

Now, in the very nature of things the power of the Court is not such as to actually destroy or to take the Nation back to where it was. The elements of time and circumstance make that impossible, but it can introduce uncertainty into the life of the Nation to such an extent that the forward-moving habits of the people may be curtailed and made chaotic. For example, historians glibly write that the Dred Scott decision destroyed the Missouri compromise. Nothing that was set up was destroyed, but habits of thought and manners of action were so changed that they made an avoidable war into a certainty. States were actually admitted into the Union as a result of the Missouri compromise. That part of the compromise, of course, was not affected. Decisions do not destroy, they merely retard the growth of the Nation. No court of nine men, no congress of half a thousand, and no president with a quarter million assistants can stay the march of a hundred and a quarter million people. Our constitutional history proves that.

If you must have a definite text, the eleventh, sixteenth, and eighteenth amendments were the people's answers to the Court. The first 10 amendments were the people's additions to a Convention's suggestions. The twelfth is the people's answer to a bungling Congress. The thirteenth, fourteenth, and fifteenth amendments show the people's determination to preserve de jure a de facto accomplishment. The seventeenth was the people's answer to corruption in legislative halls. The nineteenth was the people's answer to an enlarged social and political activity of half our population. The twentieth was the people's demand that its Government react more quickly to an expression of the people's will. The twenty-first amendment shows that even the people can repent—that is not an unhealthful sign.

Some think the people should speak again. I do not. We must bring the spirit of the sixth article of our Constitution into the fore to save our Federal system from the dilemma of an extreme swing toward the limitations put upon the States by the fourteenth amendment and the deadening ultimate of the theory of the delegation of power as expressed in the tenth amendment.

Some have been quoted as saying that the Constitution needs no amendment. To repeat, I agree with that. I think an understanding interpretation will still permit the legislative and executive branches to function. The trouble with that is that the present Court does not agree. The Senator has had experience with discriminating headline writers of newspapers as now controlled. He is also aware of practical impossibility of Constitution amending. The proposer of an amendment would be heralded as a monster. The gentlest proponent imaginable would be greeted by three-fourths of the headlines of the Nation's papers as "Wants to Smash the Constitution." However, it can hardly be denied that the latest decisions have returned us to the stage before the Civil War to the effect that the United States of America is a soverign on all waters affected by the tides and thence seaward.

It would seem that it is just as unconstitutional for a citizen to progress from Baltimore to Philadelphia in less time than 2 or 4 days as to hold that interstate commerce must be defined as it was understood in 1790.

There is little use in joining the ordinary conversational chorus about the Supreme Court, in which words and phrases come trippingly from the tongue. Constitutional, unconstitutional, interstate commerce, delegation of powers, due process of law, and so on, and so on, are heard on all sides. The users of these words repeat something that makes sound and most likely have no particular meaning in mind, or at least they forget that each phrase has as many commentaries upon its meaning as any phrase taken from the Bible. However, since the adoption of the Constitution the interpretation of it has produced a picture of the Government which it sets up. This picture has been very definite and distinct.

At the death of John Marshall the United States of America stood as a sovereign, and within its jurisdiction would tolerate no interference from the States. For 20 years after the adoption of the fourteenth amendment the Court, under the leadership of "the Big Four" opinions by Bradley, Miller, or Field, more sharply painted this picture and set up the United States of America as a sovereign, with the right to exclusive exertion of its powers.

This picture has been painted by the use of millions of words, and through these words have run continuously certain sentences which have become maxims by reason of unanimous acceptance. Such a sentence is this: This Court has no business or concern with the expediency of legislation. The only question to answer is, has Congress the power under the Constitution to enact this.

At this late date we find the Court under the leadership of the "little four." During this, what has been aptly termed the "supererogation term", October 1935, we find our distinct picture has become blurred. The labor and efforts of John Marshall have been cast aside by the very disciples who by word have worshiped him most fervently and zealously. The big four are forgotten, and the great maxim, honored and extolled for 125 years, has been swept away by the little four. In effect they say: This legislation we think is unwise and not in the national interest. The executive branch may have recommended it. The legislative branch has enacted it into law. The legal committee of the so-called American Liberty League has rendered its judgment that the legislation is unsound and illegal, and the judiciary branch has concurred and declared that the executive and legislative branches have no sound judgment about what is national interest.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

The Senate resumed the consideration of the bill (H. R. 9870) to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes.

The VICE PRESIDENT. The Chair had an understanding that he would recognize the Senator from Missouri [Mr. CLARK] in connection with an arrangement with the Senator from Mississippi and by unanimous consent; but the Chair does not see the Senator from Missouri present.

Mr. THOMAS of Oklahoma. Mr. President, I had the floor when the Senate adjourned last night. I have no objection, however, to the course suggested.

The VICE PRESIDENT. The Chair does not see the Senator from Missouri present, so he recognizes the Senator from Oklahoma.

Mr. THOMAS of Oklahoma. Mr. President, when the Senate recessed last evening I had just offered an amendment to the pending bill. The amendment was not read, but it has been twice printed in the RECORD, so I take it for granted that the amendment is now pending before the Senate.

The VICE PRESIDENT. The amendment offered by the Senator from Oklahoma is the pending question in connection with the consideration of the so-called "bonus" bill.

Mr. THOMAS of Oklahoma. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. THOMAS of Oklahoma. Am I correct in my assumption that at 2 o'clock the unanimous-consent agreement comes into force, and after that time no Senator may speak longer than 15 minutes on an amendment or more than once or longer than 30 minutes on the bill?

The VICE PRESIDENT. The Senator has the terms of the agreement reversed. A Senator may speak no longer than 15 minutes on the bill, but he may speak 30 minutes on an amendment, as the Chair understands the agreement.

Mr. THOMAS of Oklahoma. And that agreement comes into force at 2 o'clock this day?

The VICE PRESIDENT. The Senator from Oklahoma is correct.

Mr. THOMAS of Oklahoma. I shall occupy just as little time as possible, but I wish to place in the RECORD a few additional facts, so that the RECORD will show, at least, that the Senate had a chance to know what it is voting on when the vote comes upon the pending amendment.

Mr. President, it must be admitted that this bill provides for at least three separate and distinct bond issues. If anyone disputes that statement, I now yield or pause for contradiction. A bond issue, first, to the soldiers in the sum of $2,237,000,000; a bond issue, second, issued by the Treasury, to be sold to the public in order to raise the money to cash the bonds to be issued to the soldiers. That will take approximately $2,000,000,000 more. A bond issue, third, in the sum of $507,000,000, to be issued at 4½-percent interest, to be placed with the Government life-insurance fund. So there are at least three separate and distinct bond issues that must be issued and disposed of if this bill shall be passed in its present form.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Nebraska?

Mr. THOMAS of Oklahoma. I yield.

Mr. NORRIS. Unfortunately, I was not present yesterday, and did not hear the Senator's remarks then delivered. I wish to ask him about the third bond issue to which he refers and which he says is going to bear 4½-percent interest.

Mr. THOMAS of Oklahoma. That is correct.

Mr. NORRIS. What was the third?

Mr. THOMAS of Oklahoma. Apparently the life-insurance fund has been drawn on to cash some of the certificates or to furnish money to make loans on some of the certifi-

cates. These certificates have been filed with the life-insurance fund, and apparently the fund holds about $507,000,000 of those certificates, so we must protect the fund.

Mr. NORRIS. What is the object in making that fund draw 4½ percent?

Mr. THOMAS of Oklahoma. The distinguished Senator from Michigan [Mr. COUZENS] yesterday explained it in this way: In order for the fund to be kept at par, these bonds must draw 4½ percent, otherwise there will be a deficiency which would have to be made up by direct appropriation. If that is not correct, I shall be glad to yield to have a correction made.

Mr. HARRISON. Mr. President, in order merely to clarify the situation, let me state that some time ago, when the old war-risk policies were issued, this fund was created by law. Anyone holding any of the old war-risk insurance policies could obtain another kind of policy, a 20-payment life or what not. The fund is held by the men who have paid the premiums from that time until now. The fund is being held by the Government in a fiduciary relationship, in other words. I should like to make just a brief statement with reference to this phase of it.

Bonds were authorized to be issued to the United States Government life-insurance fund to be exchanged for the notes secured by adjusted-service certificates held by this fund. Those were the notes that were put up and the certificates are held as security for them.

A special fund was authorized because of the peculiar circumstances obtaining. The original act provided for loans to be made on the certificates only by authorized banks and trust companies. That was some years ago, as the Senator will recall.

It was found, however, when the certificates attained a loan value, that many banks were reluctant to make loans so that the law was amended March 3, 1927, to permit loans to be made out of the United States Government life-insurance fund. That fund is owned by the ex-service men themselves.

This fund is a trust administered by the Government, but the beneficial interest lies with the holders of United States Government life-insurance policies. Since it was for the convenience of the Government that these loans were made, it would appear only fair that the Government protect the fund, as the relationship between the Government and the fund is that of a fiduciary to a trust. The rate of interest was fixed at 4½ percent because this is the same interest rate which is now being paid to the Government life-insurance fund on the holdings which are to be exchanged.

That explains why there is a charge of 4½-percent interest on the bonds.

Mr. BARKLEY. Mr. President, will the Senator from Oklahoma yield to enable me to submit an inquiry to the Senator from Mississippi?

Mr. THOMAS of Oklahoma. Certainly.

Mr. BARKLEY. As I understand, the bill places no additional burden on the Government, but simply preserves the status quo?

Mr. HARRISON. That is correct.

Mr. BARKLEY. It simply carries forward the arrangement already existing?

Mr. HARRISON. The Government agreed to pay into this fund interest at the rate of 4½ percent. That is the rate paid to the men who owned the old war-risk insurance policies, but which were transferred and exchanged for a different kind of policy. I think it was in 1931 that the rate was made 3½ percent. However, that did not change or affect the rate so far as the fund was concerned. We would have had to make up the difference between 3½-percent interest the veterans have had to pay since that time when we passed the law and the 4½-percent rate which the Government agreed to pay. The Government has been doing that all the time. This changes nothing in the world. It substitutes these bonds for the present securities now in the fund.

Mr. NORRIS. Mr. President, may I ask the Senator from Oklahoma another question?

Mr. THOMAS of Oklahoma. Certainly.

Mr. NORRIS. The Senator referred to other kinds of bonds.

Mr. THOMAS of Oklahoma. That is correct.

Mr. NORRIS. As I understand, however, the bonds issued by the Secretary of the Treasury and sold to the public would not be issued except to pay the bonds which have been issued to the veterans.

Mr. THOMAS of Oklahoma. That is correct.

Mr. NORRIS. While it looks as though we are issuing two kinds of bonds, yet as a matter of fact one bond is issued and the other is canceled.

Mr. THOMAS of Oklahoma. That is correct. My statement was that the bill provided for three separate and distinct bond issues. The first issue is in the sum of $2,237,000,000. It takes that sum in bonds to be delivered into the hands of the veterans in the first instance. They will receive on an average $650 apiece. That means there will be 13 bonds, in denominations of $50, to go to each veteran. Some of the veterans will desire to cash their bonds immediately. I think it is safe to estimate that approximately $1,500,000,000 of the bonds will be canceled forthwith just as soon as the veterans holding the bonds can find a place where they can get the money for the bonds.

It is true that from the $2,237,000,000 the $507,000,000 going to the life-insurance fund will be deducted, so that in the last analysis there will be about $507,000,000 in bonds in the life-insurance fund, and there will be almost $1,800,000,000 in other bonds which will go direct to the veterans.

These two bond issues make up the total sum of $2,237,000,000, but before any veteran can get any money on the bonds we must first make an appropriation. I shall offer an amendment to that effect at the proper time. Before any veteran can get his money an appropriation must be made by the Congress. That would give the Treasury authority to raise the money. The Treasury Department would be authorized to raise approximately $2,000,000,000 on bonds to cash the bonds held by the veterans. The most conservative estimate I have seen is $1,500,000,000. On the basis of that estimate the Treasury would have to issue $1,500,000,000 of bonds to raise $1,500,000,000 of money to cash the bonds.

At this time let me call attention to the situation as it presents itself to the Government today. If Senators have a piece of paper and pencil and are interested, I hope they will write down the figures as I give them. My additions may not be very accurate, and I do not have access to an adding machine.

Bond issue no. 1 to the veterans will be $2,237,000,000.

Bond issue no. 2: According to the report, some $1,800,000,000 must issue to get the money to cash bond issue no. 1. Nevertheless there will be approximately $1,800,000,000 of bonds which must be printed and issued and disposed of.

A recent Budget estimate, or, rather, the newspaper reports of a more recent estimate, show that we will have to raise this year for relief purposes the sum of $2,316,000,000. If so, it must be raised through the medium of a bond issue. If the Congress desires to make good its promise to the farmers, growing out of the imposition of the processing taxes, we will have to raise approximately $1,000,000,000 through bond issues to make good those promises, so there is possibly an additional $1,000,000,000.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. Certainly.

Mr. BARKLEY. I think the Senator is slightly in error. The actual amount of money which will be required to fulfill our contract with the farmers is something like $265,000,000, but if the Court should hold that we have to refund to the processing taxpayers the money we have collected and which has gone into the Treasury, it would amount to $1,000,000,000.

Mr. THOMAS of Oklahoma. The Senator is correct. There is so much of this detail that it takes too much time to explain every angle of it, so if I make a mistake and any Senator wishes to correct me, I shall be glad to yield for that purpose.

So there is a possibility that we may have to raise a billion dollars to make good an implied promise to the farmers of the country. There is a possible billion dollars more.

Already this year we are $2,000,000,000 behind in our running expenses. There is a deficit which at the end of this year it is estimated will amount to a billion and a half, for which bonds must be issued.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. Yes.

Mr. BARKLEY. The Senator is not quite correct there. The estimated deficit, the new money to be raised during the rest of this fiscal year, which ends on June 30, is $500,000,000. The amount estimated to be necessary for next year is about a billion dollars; so that for the next 17½ months the two amounts would total about a billion and a half dollars of new money, which it would be necessary to raise either by taxation or by bond issues.

Mr. THOMAS of Oklahoma. I gave the figures, but I did not go into detail. The Senator from Kentucky is correct; but we can see right under our eyes the necessity for raising a billion and a half dollars.

Then, Mr. President, we must refund this year and raise through bonds, either through exchange or sale and payment, the sum of $5,800,000,000 to take care of maturing outstanding obligations.

If we add those figures, we shall find that we may have to issue bonds in the total sum of approximately $15,000,000,000.

Where are we going to get the money to pay those bonds? In the first place, where are we going to sell those bonds?

Mr. HASTINGS. Mr. President——

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Delaware?

Mr. THOMAS of Oklahoma. I yield.

Mr. HASTINGS. Does the Senator think it is quite fair to regard the bonds issued to pay the soldiers as one item and the bonds issued by the Treasury to retire those bonds as a separate item and add them together?

Mr. THOMAS of Oklahoma. I took it for granted that the Senator from Delaware would understand my reasoning.

Mr. HASTINGS. But does not that make the total $13,000,000,000 instead of $15,000,000,000?

Mr. THOMAS of Oklahoma. I will concede that the Senator is correct and that the total is $13,000,000,000. I said we should have to print and dispose of, either through placement or otherwise, bonds in the total sum of approximately $15,000,000,000. To pay the soldiers will take two bond issues. The bonds will have to be printed and placed, and, of course, the ones that come back will be cashed, and those bonds will be retired; but my statement was made for the purpose of leading up to another statement very shortly, and that is, getting down to printing presses. I do not know what we are going to do for printers and printing presses and ink and paper with which, and on which, to print the bonds.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. I have not been able to estimate the difference in the number of men who would be required to print bonds and the number of men who would be required to print printing-press money in order to pay the soldiers' bonus; but I do not care to go into that subject.

The Senator's figures assume that every soldier who holds a certificate will immediately accept the bonds and immediately cash them in order to reach the total of $2,200,000,000 stated by the Senator, or whatever the exact figure is. Does the Senator think that is really a fair assumption, in view of the fact that half a million soldiers have never even borrowed any money on their certificates? Does the Senator think all these soldiers are going to rush in at once and demand payment, so that it will require over $2,000,000,000 to pay them in cash?

Mr. THOMAS of Oklahoma. If they are as wise as I think they are, they will. I will give the Senator my reasons for that statement.

Mr. BARKLEY. I do not know about that; but those who represent the ex-service men estimate that not only the 500,000 who have never borrowed any money on their certificates will hold them but that at least 250,000 of those who have borrowed money on their certificates will likewise hold, either in full or partially, the bonds which they will receive from the Government.

Mr. THOMAS of Oklahoma. I hope the Senator from Kentucky is correct.

Mr. BARKLEY. In that event, if that should happen, it is very likely that less than a billion and a half dollars would actually be required to satisfy those who need or want their money at once.

Mr. THOMAS of Oklahoma. Mr. President, I have placed in the RECORD enough to enable anyone who wishes to investigate to get the facts and draw his own conclusions.

We heard it said yesterday that if we should print some money, that would start the printing presses to work. I have heard that said before. It has been stated on the floor of the Senate on former occasions that if we should print a little money we would put the printing presses to work. This bill will put the printing presses to work immediately in printing 45,000,000 separate, distinct bonds—not $45,000,000 in bonds but 45,000,000 pieces of paper, probably printed in green on one side and printed in yellow on the other side.

There are 3,518,191 soldiers. The average amount due each of those soldiers is $650. That means thirteen $50 bonds to each soldier. Multiply the number of soldiers by thirteen, and we get 45,000,000 bonds. That is printing-press order no. 1.

Then printing-press order no. 2 is for whatever bonds it will take to be issued and sold to raise the money to cash the bonds issued under printing-press order no. 1, at least approximately a billion and a half dollars of bonds.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. When the Liberty bonds were printed there were attached to them coupons representing interest which were detached when the interest was collected. Of course, I do not know what design of bond will be printed by the Government, whether it will be green on one side and yellow on the other side or not. I do not think the color scheme is very important.

Mr. THOMAS of Oklahoma. I think they should be printed in red on both sides. [Laughter.]

Mr. BARKLEY. But the printing of money would require a color scheme also. It might be green on one side and brown on the other. The point I am trying to make, however, is that it would be possible for the Treasury to print these bonds in one sheet containing the entire number of bonds of $50 denomination each, so that if any ex-service man desired to cash one $50 bond or two $50 bonds, they might be detached. So it would not be necessary to print each $50 bond as a separate piece of paper, but they might all be printed together, representing the total amount due a soldier, so as to make it unnecessary to engage in printing each one individually.

Mr. THOMAS of Oklahoma. That is entirely possible, Mr. President. They could be printed in the form of $50 postage stamps—a small sheet perforated. That could be done. As to how, that is not material.

I am trying to suggest to the Senate that the printing presses must be enlarged first to print the bonds to pay the bonus—three issues of bonds; then to pay the other bonds that must be printed and issued this year—bonds in the sum of $1,500,000,000 to be sold to take care of the deficit in the next 17 months; new bonds in the sum of $5,800,000,000 to refund outstanding bonds or to be sold to raise money to retire outstanding bonds; then perhaps a billion dollars in bonds to be issued to take care of the deficit because of the abolition of the processing tax.

Mr. BARKLEY. Mr. President, will the Senator yield further?

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. Assuming that we should pay the soldiers in money represented by what has popularly become known as printing-press money, and that that money should be

printed in denominations of $5 or $10 or $20—but let us take $10 as a fair average—has the Senator figured how many separate pieces of printed matter would be required to turn out that much money in order to pay $2,400,000,000?

Mr. THOMAS of Oklahoma. I have not figured that; but it would be a very nice sum, and I think the money would look very well to the people of the United States.

Mr. BARKLEY. It would take four or five times as many separate pieces of obligation on the part of the Government of the United States to print that money as to print these bonds.

Mr. THOMAS of Oklahoma. The figures are easily ascertained. The Senator is correct. It would require several times as many pieces of paper in the form of money as it would require in the form of bonds. However, let me now call the attention of the Senate to the number of pieces of paper it will take just to pay this soldier bond issue.

First, application blanks will go out to the soldiers for them to fill in their names and residences, the companies in which they served; then the amount of their certificates, the number of their certificates, and what became of such certificates. It will take 3,581,191 of such blanks to supply one to each soldier. That is order no. 1 to the printing presses.

Order no. 2 to the printing presses is for 45,000,000 of the so-called "baby" bonds.

Then when the soldier fills out his blank and sends it in to the Government I presume he will be furnished with an envelope for it. That will take 3,581,691 envelopes. I presume these envelopes will either have to be stamped or franked. If they have to be stamped, the soldier will have to pay 3 cents for a stamp to send in his application. Of course, that is going to make a demand for stamps, and the printing presses will have to print those stamps.

Then, when the applications are received it will take a flood of employees to handle the applications, open the envelopes, and check them against the records. I think it will take something like 2,000 additional employees to receive the application blanks and check them against the records.

Then after the applications have been checked against the records and found to be correct—or, if they are not correct, there will have to be more correspondence and more paper, more blanks, more envelopes, and more stamps—if the application is found to be proper, the Government will fill out these bonds in the name of the applicant for so many dollars and mail those bonds to the place where the bonds are to be delivered, probably through some post office, or probably through some bank. Then there will again arise a need for envelopes and stamps.

Mr. President, that is only a small part of the stationery order. In order to complete this transaction there must be a multitude of blanks, a multitude of envelopes, a multitude of bonds, and a multitude of stamps. I have figured out conservatively that to carry out the detail of this bonus-payment proposal will necessitate the printing of over 100,000,000 pieces of paper. Then when we add to that the other $13,000,000,000 of bonds that we probably shall have to print and sell or dispose of this year, I find that this bill ceases to be a bonus bill and becomes a relief bill.

In order to get the paper we must go to the forests and employ lumbermen to cut down the pulp trees. That is going to give jobs to unemployed lumbermen.

After the pulp trees are fallen and cut in proper lengths for the pulp mill we must have truck drivers to come along and take the logs to the pulp factory, and that will make a demand for unemployed truck drivers.

After the pulp mill gets the wood it must process it, and that will provide employment for unemployed pulp-mill employees. After the pulp is manufactured into paper it must be transported to the Printing Office. That produces another demand for more truck drivers, it creates a demand for railroad service, and results in employment for unemployed railroad men. As many of the railroads are in the hands of receivers, it may help bring some of the railroads out of receiverships. After the paper has been sent to the Printing Office then there will be a big demand for printing, and that will give employment to unemployed printers. So, if we follow this through from beginning to end, we see the printing presses running overtime to permit this bill to be placed in operation.

I can see in the bill the printing of perhaps 150,000,000 pieces of paper, envelopes, bonds, letterheads, blanks of every kind and character; it is going to be a great relief bill. But, fellow Senators, think of the cost of all these multifarious processes through which we are going to get a little money to the soldiers 18 years after the war. That is all unnecessary, wholly unnecessary.

The time will come when we will have to meet this issue. It has been postponed from year to year. It has been met only in part as yet. It must be met and when it is met there will be a substantially cheaper dollar in circulation than the one in circulation today. The people of the United States cannot afford to be forced to give up $1.24 worth of their property or their services in order to get a dollar to pay this enormous debt which is being heaped upon the shoulders of the people of the United States. No other nation has solved its problem in such a way. Every other nation that has come out of its depression has followed a simple course, and that course has been a substantial cheapening of the monetary unit, raising the prices of commodities so that the people of the country could handle more money.

It is an axiom that the deeper an individual gets into debt, or the more property such individual has to manage, the more money such individual has to handle in order to pay his debts and to protect his property. The farm hand does not have to handle very much money. He gets $20 a month, perhaps, and his board and lodging. Twenty dollars a month to him, perhaps, is a large sum of money. But later, when the farm hand buys a farm, and perhaps puts a mortgage on the farm, and buys some horses and mules and implements, and develops a family, it takes more than $20 a month for that man to live, and as he increases his activities the more money he has to have in order to live and survive. So the deeper the people get into debt, the deeper the Nation, the States, the counties, the cities, get into debt, the more money they have to have if they are to meet their indebtedness. That is obvious; it is axiomatic.

Yet we proceed here, keeping the dollar up to the high buying power of $1.24, above that of the Coolidge dollar of 1926. In 1926, measured by the best measuring device we have—that is, the Bureau of Labor Statistics—the dollar had a buying power of 100 cents, measured in wholesale and farm commodities. By 1933, because of the scarcity of money and the scarcity of the credit, the dollar had risen to a value of 167 cents, and this administration started in 1933 to reduce the value of the dollar. Through devaluation of the gold content of the dollar and a wider use of silver, we have taken from the value of the dollar the difference between 124 cents and 167 cents. In other words, we reduced the value of the dollar 43 cents. There are still 24 cents of value in the dollar which must come out.

Here we are trying to go along and pay the existing debts, with a 124-cent dollar, and every man who produces either goods or services must give up of his services or goods 124 cents in order to pay $1 of indebtedness. To pay $1 of his bills, or of anything he owes, he must part with 124 cents in value of commodities or of services.

We may think we will succeed. A former administration thought it could succeed. It failed; and where is that former administration today? Just look across the aisle to my right, and you may see the remnants of the faithful. [Laughter.] Many on my right have supported the program which I am proposing here this afternoon, the program which, if not adopted today, must inevitably be adopted at some future date.

I did not try to save the last administration. However, I did my best to save the people under such administration; and had the money question been settled by Mr. Hoover, he would today be in the White House, the majority would be on the other side, and our side would perhaps represent the minority.

Mr. President, unless we still further raise commodity prices, this administration may go the same route the former administration went.

My fellow Senators, why is the Townsend old-age-pension plan sweeping the Nation like a prairie fire? From north to south, from east to west, the Townsend plan is sweeping the Nation. It has swept the northeastern conservative States. My State is on fire, and the condition in which my State finds itself, other States will soon duplicate. What is the reason for this conflagration? I can tell the Senate the reason. Many elderly people cannot support themselves; and for support they have fallen back upon their children, and the children being unable to support themselves, find it impossible to support their parents; and as a result the elderly people are for the Townsend old-age-pension plan, because they see relief in it; and many youngsters are for the Townsend old-age-pension plan, because they are hoping that they can transfer the support of their parents from themselves to the Federal Government.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. In other words, neither the old nor the young being able to support themselves, they want the Government to do it, although the Government has to rely upon them to support it?

Mr. THOMAS of Oklahoma. Yes, Mr. President, that is correct; but the Government, under every mandate of public conscience, should support the people by giving them a chance to support themselves; and unless the Government provides money for the people with which to operate—and money is the mechanics of operation—the people cannot support themselves. It is impossible, utterly so, and the program has driven one administration from power, and unless the general price level of the country shall be raised between now and November I fear for the ides of November.

I am trying to increase the general price level. I am trying to do that through the well-known process of cheapening the dollar. Put a few more dollars into circulation, make money a little more plentiful, and as money becomes more plentiful, it becomes cheaper, and as it becomes cheaper, prices rise. No one anywhere can dispute this economic law.

There is no use raising taxes any higher. People cannot pay more taxes. They cannot pay the taxes already assessed on them. So I am trying by this amendment to take advantage of this occasion to put a little additional money into circulation, to raise the general price level, so that we can get prices up to such a point that people will commence making money, we can balance the Budget, and the banks will start making loans again.

Mr. SMITH. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. SMITH. I have heard a good deal about fiat money—printing-press money. The contention is made that we must have a sound dollar, whatever that means. I desire to ask the Senator from Oklahoma a question. How much paper money have we in circulation today?

Mr. THOMAS of Oklahoma. We have $5,722,000,000 now in circulation.

Mr. SMITH. Can the Senator tell me how much of that aggregate is redeemable in silver?

Mr. THOMAS of Oklahoma. I can. I have here a statement of January 10, 1936. That is now about a week old. At that time we had outstanding $1,005,000,000 of silver certificates.

Mr. SMITH. Leaving, then, approximately $4,000,000,000 of currency not based on silver?

Mr. THOMAS of Oklahoma. I desire to modify those figures, because I find on my desk a later statement, of date January 15. On January 15 the United States Treasury statement shows that we had outstanding silver certificates in the sum of $1,009,000,000.

Mr. SMITH. There remains, then, in circulation something over $4,000,000,000 not redeemable in silver?

Mr. THOMAS of Oklahoma. That is correct.

Mr. SMITH. What is it based on? One cannot have a gold certificate. If one has in his possession a gold certificate, he has violated the law.

Mr. THOMAS of Oklahoma. Mr. President, this statement shows that we have in circulation $1,009,000,000 in silver certificates. I will analyze the statement. Back of those certificates we have some 509,000,000 of silver dollars in the Treasury, so there is $509,000,000 of the certificates which are backed by actual coined silver dollars in the Treasury. The balance of the certificates in circulation is backed by bullion in the Treasury. We have bought approximately 1,000,000,000 ounces of silver under the silver program. According to my figures and estimates, we have bought 1,065,000,000 ounces of silver to date, and the way I arrive at those figures is the following: We have paid for silver the sum of $608,000,000. We have issued certificates against the silver for the purchase price—$608,000,000. But this silver was bought for a price of about 57 cents an ounce. The monetary value is $1.29 an ounce. That means that an ounce of silver will coin one silver dollar and we will have 29 cents of silver left, based on its monetary value. So if we should issue silver certificates on the silver bullion to its full monetary value, we could put in circulation, not the $1,009,000,000, but we could put in circulation $1,645,000,000. That means that we could increase the circulation against our surplus silver bullion to the extent of approximately $636,000,000. My amendment provides that the Treasury shall have that power if they desire to have the power. It does not force them to do it; it does not direct them to do it; but it gives the United States Treasury the power to issue certificates against that difference in the monetary value of the silver and the price we paid for the silver.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER (Mr. POPE in the chair). Does the Senator from Oklahoma yield to the Senator from Nebraska?

Mr. THOMAS of Oklahoma. I yield.

Mr. NORRIS. Does not the Treasury have that power now?

Mr. THOMAS of Oklahoma. The United States Treasury has the power, but it does not choose to exercise such power.

Mr. SMITH. Mr. President, I asked the Senator a question which he did not fully answer.

Mr. THOMAS of Oklahoma. I failed to answer the second part of the Senator's question.

Mr. SMITH. I desired to know what the other $4,000,000,000 was based on. We cannot use the gold, because we have passed an act providing that no gold certificates shall be in circulation.

Mr. THOMAS of Oklahoma. Mr. President, I do not have the data before me. I shall have to get it from memory. We have in circulation today $346,000,000 of Treasury notes. They are the remnants of the Lincoln greenbacks. They were issued in Lincoln's day and they served the purposes of financing the Government in the conflict between the States. Those notes were so good that they have been kept in circulation all these years. When one is worn out it is immediately sent in and a new one is put out in its place. So today we have in circulation some $346,000,000 of the Lincoln greenbacks.

However, Mr. President, behind those greenbacks we have in the Treasury a redemption fund of $156,000,000 in gold set aside to redeem the amount of outstanding Lincoln greenbacks which, according to the Senator from Idaho [Mr. BORAH], amounts to $346,000,000. So that redemption fund is not sufficient to back those greenbacks in full. It consists only of $156,000,000 in gold.

Then there is a small amount of silver set aside in the Treasury to help back those greenbacks, but such silver is only inconsequential in amount. So the balance of the backing of the greenbacks is the credit of the United States and nothing else. That goes to make up a part of our stock of money.

The bulk of the money in circulation consists of Federal Reserve notes. There are something like $3,888,000,000 of Federal Reserve notes in circulation. The Federal Reserve

notes are issued by the Federal Reserve banks. The Federal Reserve banks are presumed to have in their vaults 40 cents in gold behind each dollar. They do not have the gold in their vaults now, but they have gold certificates to the amount of 40 cents behind each dollar. The balance of 60 cents is based upon what is called liquid paper.

So behind the Federal Reserve note there is 40 cents of gold and 60 cents of liquid assets behind each dollar of such currency.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. SHIPSTEAD. When the Government confiscated the gold, can anyone say why gold certificates or receipts were given to the banks and not to private individuals?

Mr. THOMAS of Oklahoma. Only the Federal Reserve banks received the certificates. No private banks other than the Federal Reserve banks received such certificates.

Mr. SHIPSTEAD. I understand that.

Mr. THOMAS of Oklahoma. The Senator will have to ask the authorities who did that for the answer. I cannot give it. I am sorry I cannot. However, it is a fact that the Federal Reserve banks surrendered their gold to the Treasury, and that they received in return gold certificates, which are receipts for the gold. I can give one answer. The banks having these notes in circulation must have, of course, under the law 40 percent of gold back of the notes. To keep our money sound, many people think the banks should be permitted to keep that value behind those notes. But they do not have the gold. They have the gold certificates, which, however, serve the same purpose.

It is a fact also that the Government is back of all this money. If there should be a default by the Federal Reserve banks in any particular, the Government, under the law, is guaranteeing those notes 100 percent.

Mr. SHIPSTEAD. What form does that receipt take? Does it state that the gold would be returned to the Federal Reserve banks if and when we shall go back to the gold standard?

Mr. THOMAS of Oklahoma. I have not seen one of those receipts, but yesterday I suggested to the Senator from Michigan [Mr. COUZENS] that very soon—I fear entirely too soon—the Federal Reserve banks under another administration will present those certificates to the Treasury and they will receive gold for such certificates; and, in my opinion, if a change in administration shall come, we shall find this gold back in the vaults of the Federal Reserve banks.

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. LEWIS. I have no desire to consume time of the able Senator from Oklahoma in his disquisition upon finances—in certain aspects much beyond my comprehension—but there is one thing which has struck me in the observations of my able friend which he may clear up for me. Assume that we could be successful in producing some decree of government, through the will of Congress, by which money would be multiplied in sums which would add a billion dollars, or two or three hundred million dollars, by the method suggested by the able Senator. Will the Senator give me his view of the manner in which that money could be distributed to the people? By what manner and by what theory does my able friend contend the individual would become possessed of it? How could it be distributed among the citizens generally? In what manner does he suggest that could be done?

Mr. THOMAS of Oklahoma. This bill proposes to pay the so-called bonus to some 3,518,191 soldiers on June 15. They are to receive something of value. We are going to give them a bond first, and under the terms of this bill, presumably they can cash the bond at will and get cash for such bond.

Now, in place of giving bonds to these 3,518,191 of our citizens in every State in the Nation, in every county, in every city, and in every township in the Nation, if we give them real money in place of giving them bonds, would not that distribute it? It would distribute one billion and a half dollars of real money immediately. That might be too rapid a distribution, but that is one way to distribute money.

Another way we might distribute the money is this: We are spending about $25,000,000 each day to run the Government; it is costing that much money each 24 hours to pay the bills necessary to run the United States of America. In a month's time we could put three quarters of a billion dollars in circulation by paying salaries in money, by paying relief workers in money, by paying contractors in money, and by paying public claims in money.

If we should place some extra money in circulation, we would find prices going up; we would find the farmer who sells a hundred bushels of wheat, in place of getting a hundred dollars he would get $150. Such farmer would profit to the extent of $50. If he sold cotton, the same result would follow. I do not care what he sells; if he sells his labor, he would get more money for such labor.

Mr. LEWIS. Mr. President, the able Senator, then, unless I misunderstand, assumes circulation of the money upon the theory that those who become possessed of it will spend it for the purchase of something else, and in that manner the money will get out to the country. I ask the Senator, must they not get something for their money and must not that something which they get be paid for by the person who had it before he could sell it? If it be labor, one must have expended considerable for it himself; we will say, in the case of a farmer, the labor he gives to his farm in the production of his crops. I am still greatly baffled by the theory, and should like to ask, in what way do we add to the circulation if we merely expend some money for something for which the same amount of money has gone out in order to procure it.

Mr. THOMAS of Oklahoma. Let me answer that question, Mr. President, by analogy. A hundred years ago this Nation had another great Democratic President and Democratic administration under "Old Hickory" Andrew Jackson. Jackson had his troubles as we are having troubles today. Jackson had trouble with the banks. He started out to destroy the Bank of the United States. The bank's charter was about to expire; Jackson recommended to Congress that they do not extend the charter, and because of Jackson's fight against the bank the charter was not extended. By that fight Jackson killed the bank, and that brought on a panic. What did Jackson do? He did exactly what this administration has already done; Jackson devalued the content of the gold dollar. A coincidence a hundred years apart; January 1834 Jackson devalued the gold dollar; January 1934 Roosevelt devalued the gold dollar for the identical purpose. Under the system then prevailing the State banks could issue money, and such State banks began to issue paper money. What was the result? Prices began to rise; factories began to open; labor began to be reemployed; and at the end of Jackson's administration, on March 4, 1837, there was the most prosperous era this Nation has ever seen.

There was plenty of money in circulation; prices were high; factories were busy; there was no unemployment; and when Jackson left the President's House the Treasury overflowed with revenues. Jackson had no problem about an unbalanced Budget, because he placed the money in circulation; people were employed; they could pay the taxes; and the Treasury was full to overflowing. When Jackson left the Presidency thousands lined the streets and great crowds followed his carriage as he started on his road to the Hermitage in Tennessee. How different from the departure from the White House of the last President of these United States.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Utah?

Mr. THOMAS of Oklahoma. I yield.

Mr. KING. I think the Senator from Oklahoma fell into an error in suggesting that Jackson devalued the gold dollar. My recollection of the circumstance is that there had been a disequilibrium between silver and gold, and Congress at that time, in order to produce a proper parity and relation one to the other, subtracted a few grains from the gold dollar.

Mr. THOMAS of Oklahoma. Jackson devalued the gold dollar.

Mr. KING. But there was no devaluation at all. The Congress merely established an equilibrium between gold and silver to the extent of a few cents.

Mr. THOMAS of Oklahoma. Jackson not only operated on the gold dollar once, he operated on it twice. The first time he cut the gold content of the dollar he did not cut it very much, only one grain and a half, but he made the gold dollar cheaper. The second operation was to adjust the parity between the gold and silver. That is the fact of the matter as history records.

Mr. President, I am taking entirely too much time. I have laid the case before the Senate. I can do no more than present the facts about the amendment which is pending.

It provides, first, that the Treasury Department may issue money against its surplus silver. It provides, second, that it may issue money against its surplus gold. If the administration does not choose to do that, then, it can pay this bonus bill by issuing bonds, and, instead of selling the bonds or giving them to the soldiers, such bonds may be placed in the 12 Federal Reserve banks, placing enough bonds in each such bank to pay the soldiers in such district. Instead of selling the bonds to the banks, it is provided that the banks shall receive a service charge for making it possible for the Government to use its own credit. All the banks have to do is to receive the bonds, give full credit, and certify to the Treasury how much credit is available on account of the placing of such bonds.

I do not know what charge will be made for such services. Mr. Morgenthau testified before the committee that he is now borrowing money at three-eights of 1 percent a year; and yet these bonds proposed to be issued draw 3 percent, or more than six times as much interest as that for which Mr. Morgenthau is now being able to borrow money with which to finance the Government.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MINTON. Has the Senator explained how we could get the Federal Reserve banks to take these bonds under contract?

Mr. THOMAS of Oklahoma. Yes; I provide for that in my amendment. The Treasury Department is given the power to issue certificates against the surplus gold and silver we now have in the Treasury. If the Treasury will not do that, then they could issue these bonds; and if the banks will not take the bonds at a reasonable rate the Treasury Department could issue the money against such surplus gold and silver. The banks will not want the Treasury to issue such money; they would make available the public's credit to the Government at cost and at a fraction of 1 percent rather than see the Government issue money against the surplus gold and silver. Does that make it clear?

It might be said that is a sort of persuasive influence in the hands of the Treasury to require or to induce the Federal Reserve banks to give the Government a real low rate contract charge for making this credit available.

Mr. MINTON. One more question. Suppose the Federal Reserve banks accept the proposition, where do they get the money with which to pay the soldiers?

Mr. THOMAS of Oklahoma. Mr. President, all the real money in the Federal Reserve banks is printing-press money. Where do they get the money to lend to a bank at Indianapolis? They do not have any money except printing-press money; and that, we have been told, is a dangerous form of money. When a bank in Oklahoma City wants money from the Federal Reserve bank at Kansas City it sends bonds or other collateral to the Kansas City bank and such bank sends back printing-press money. Perhaps the Oklahoma bank does not want real money; perhaps all it wants is credit at such Federal Reserve bank.

Mr. ADAMS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Colorado?

Mr. THOMAS of Oklahoma. I yield.

Mr. ADAMS. May I submit an additional question along the same line? As I understand, the Federal Reserve capacity to issue paper currency is limited to the assets of one kind or another which the bank has. That is, the purpose of the Federal Reserve was to provide original money with which commerce and industry could operate. They have at this time a large proportion of their funds invested in Government bonds. Some contend it is too large a proportion. I am wondering what would be the effect upon the ability of the Federal Reserve bank to accommodate commerce and industry if they have to invest an additional amount of, roughly, $2,000,000,000 in Government bonds.

Mr. THOMAS of Oklahoma. Under the law the Government bonds are good for the issuance of paper money 100 percent. The banks in my State can send their bonds to Kansas City and get currency for such bonds. The Federal Reserve banks certainly could have the Treasury issue currency against the bonds dollar for dollar. That makes a larger demand on the printing press, but we cannot get away from it now. Our heads are in the noose and our feet are in the fly paper, and what are we going to do about it? What can we do about it?

Mr. ADAMS. May I divert the attention of the Senator to the first section of the bill? The amendment provides that there is to be appropriated out of the Treasury the sum of $2,237,000,000. I am wondering how that can be reconciled with the constitutional requirement as to the origination of appropriation bills in the House?

Mr. THOMAS of Oklahoma. The Senator is mistaken about the constitutional provision. The Constitution requires that revenue bills must originate in the House, but there is no provision that appropriation bills must originate in the other body.

Mr. ADAMS. The Senator knows that we in the Senate rather acquiesce with the contention of the House as to the origination of appropriation bills.

Mr. THOMAS of Oklahoma. By practice only, but we are not limited by the Constitution. It seems to be more agreeable to let the House originate appropriation bills, hold hearings, and act first on such measures. The Members of the House come directly from the people each 2 years, hence are more closely in contact with the people than are Senators, because House Members have fewer constituents to see, so through long custom it has become the practice for the House to originate appropriation bills.

Mr. CLARK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Missouri?

Mr. THOMAS of Oklahoma. I yield.

Mr. CLARK. The constitutional provision with reference to revenue bills originating in the House does not, to my mind, apply to appropriation bills. The Senator is aware that the practice not only prevails to some extent, but also to the extent that the House on many occasions has absolutely refused to receive an appropriation bill originating in the Senate on the ground that it was an appropriation bill, and has taken the position that it could not legally consider such a bill.

Mr. THOMAS of Oklahoma. Mr. President, I have occupied entirely too much time, much longer than I had anticipated. I submit the amendment now for the consideration of the Senate.

SECRET TREATIES DURING WORLD WAR

Mr. CLARK. Mr. President, nothing could be further from my desire than unnecessarily or at any length to delay the consideration of the very important measure now before us in which I am so much interested. I feel, however, that certain remarks made yesterday by the senior Senator from Virginia [Mr. GLASS] not only justify but make it necessary for me to take the time of the Senate for just a few moments in replying thereto.

Mr. President, more than 20 years ago I heard a very distinguished Member of the House of Representatives, on the floor of the House, refer to the present senior Senator from Virginia [Mr. GLASS], then a Member of that body, as "the

gentleman from Virginia who never speaks except in terms of intense indignation." The thought occurred to me yesterday, as I listened to the philippic delivery by the senior Senator from Virginia, that the Senator from North Dakota [Mr. NYE] was being added to the long list of distinguished gentlemen who in the last 25 years have been made the objects of the unbridled wrath of the Senator from Virginia.

Mr. NYE. Mr. President, will the Senator yield for the purpose of summoning a quorum?

Mr. CLARK. No; I do not think that is necessary. I do not desire to delay consideration of the bill for that purpose.

Mr. President, I have known the Senator from Virginia for nearly 30 years. I not only have the deepest respect for his great ability, his integrity and force of character, but I entertain for him a feeling of deep personal affection and have for many years. However, I regret that the Senator from Virginia saw fit to pour the full force of his unrivaled power of vituperation, invective, and abuse upon an individual member of the Munitions Committee rather than to read dispassionately and soberly the record of the testimony which has been adduced in the hearings before the Munitions Committee with a view to learning therefrom what led to our uphappy experience in the past in being dragged into a war, with a view of keeping the United States out of war in the future. The purpose of the investigation which has been conducted since the convening of Congress early this month was not for the purpose of finding a basis for appraising criticism, giving laudation to the work of any man or even the course of any man, whether he be alive or whether he be dead.

Yesterday the Senator from Texas [Mr. CONNALLY] inserted in the RECORD a long list of men whose names have been mentioned in the investigation and who have now passed to the Great Beyond. I submit that that is beside the point. I submit that any public man taking part in public affairs of great moment, going to influence the policy of a great nation in time of great stress, must know when he is doing so that he is making history and that his words, his letters, and his acts are the fair subject for investigation by his fellow countrymen or by anybody else in the world at a later time in the ascertainment of historic facts in connection with the events with which he was connected.

I submit that it is no reflection on the memory of President Wilson; that it is no reflection on the memory of Secretary Lansing; that it is no reflection on the memory of Secretary Bryan, or of any member of the House or Senate who supported or opposed the declaration of war in 1917, for us to soberly and dispassionately examine the facts in connection with the web of circumstances which finally brought us into the World War, a war in which victory was followed by calamity, a war which, viewed in the perspective of 20 years, can only be regarded as one of the greatest, if not the greatest, calamities that ever befell the United States in its entire history.

Mr. President, I desire for just a moment to review the course of the testimony adduced in the investigation which has been conducted by the Munitions Committee at this session of the Congress. That investigation has collected many facts already known. It has undertaken to assemble them in a perspective which could be presented from a new viewpoint. That testimony has shown that upon the outbreak of war in Europe in the summer of 1914 the President of the United States issued his neutrality proclamation, and in addition to the issuance of that neutrality proclamation he issued an official appeal, one of the most eloquent documents ever penned by Woodrow Wilson, in which he urged the people of the United States to be neutral in thought as well as in deed.

The record shows that very soon thereafter, upon an inquiry from J. P. Morgan & Co., international bankers of New York, the President officially expressed the opinion through his Secretary of State, Mr. Bryan, that it would be a violation of that principle of neutrality in thought as well as in deed for the United States Government to permit the flotation in this country of loans or credits by any of the belligerent nations, either of the entente group or of the Central Powers.

Contrary to the opinion expressed yesterday by the Senator from Virginia [Mr. GLASS], who stated that an attempt had been made to make it appear that the United States Government had some legal authority to impose such a restriction on loans, the fact was that neither the President nor Secretary Bryan nor anybody else ever contended for a single moment that the Government of the United States had any legal authority to prevent such loans; but the fact also appeared from the testimony of Mr. Morgan and Mr. Lamont, and from the universal practice followed at that time and for more than a year later, that the request of the President, the expression of the President's opinion as to neutrality, had in fact the moral force of law. Mr. Morgan and Mr. Lamont testified that while they realized from the beginning of the war in 1914 that the President had no right under the law to prevent them from making loans to the Allies or from floating loans for the Allies in this country, the request of the President had such great moral force that they regarded it as if it had had the force of law.

The record shows that immediately after the outbreak of hostilities the firm of J. P. Morgan & Co., acting certainly well within their legal rights, entered into an arrangement with the Government of Great Britain by which they became the purchasing agents in this country for munitions, contraband, and various supplies, and that they purchased during the course of the war, prior to the entry of the United States into the struggle, some $3,000,000,000 worth of goods, for which they received a commission of $30,000,000.

The record shows that with the control of the seas by the British Navy our trade with the Central Powers fell away from a heavy normal trade to practically nothing, while our trade with the Entente Powers increased by leaps and bounds until it was more than tenfold what it had been prior to the outbreak of the war.

The record shows that from the very beginning of the struggle the neutral rights as to the freedom of the seas asserted by President Wilson and by Secretary Bryan and later by Secretary Lansing as the American position were flagrantly and deliberately and repeatedly violated by Great Britain. The record even goes to the extent of showing that on one occasion the American Ambassador to Great Britain actively participated in encouraging the seizure of an American ship bound with a cargo of cotton for a neutral port, in direct violation of the position taken by the Government of the United States.

The record further shows that during a number of months, for more than a year, the British Government, through the firm of J. P. Morgan & Co., had been actively and strongly supporting the exchange market—that is, supporting the value of the pound sterling—for the purpose of establishing credits of dollars in this country to pay for the various kinds of material, both munitions and otherwise, which were being purchased in this country.

The record shows that in August of 1915—on August 13, to be exact—the firm of J. P. Morgan & Co., as agents for the British Government, suddenly stepped out from under the support of the exchange market and the support of the pound sterling; that within a few days thereafter the pound sterling sold from $4.76 down to $4.50 and a fraction; and that immediately after the firm of Morgan & Co. had withdrawn from the exchange market, allowing it to slide off in that way, representations were made to various Government officials by Morgan & Co. as to the exchange crisis; the idea being created in the minds of some of those officials that a panic was likely to be caused in this country by the withdrawal of British purchases from our market.

The record shows that within 3 days after the withdrawal of the firm of J. P. Morgan & Co. from the exchange market, from the support of the pound sterling, a letter was written by the Secretary of the Treasury to the President emphasizing the crisis in exchange, and in the strongest possible terms urging the President to reverse the policy which had been

adopted by the Government for more than a year of advising against, and as far as might be from a moral standpoint forbidding the flotation of allied loans in this country.

The record further shows that prior to the withdrawal of J. P. Morgan & Co. from the exchange market a British commission had already started to the United States for the purpose of negotiating an allied loan of $500,000,000. They intended at that time, as we were informed by the Morgan partners, to negotiate a loan for a billion dollars, and that at a time when our Government had not reversed its position as to the flotation of allied loans in this country.

The record further shows that after the Anglo-French loan of 1915 for $500,000,000 had been floated in this country, after the country had once been committed to the policy of permitting allied loans in this country, J. P. Morgan & Co., on instructions from the British Government, reentered the exchange market, pegging the pound sterling around $4.70, and maintained it there until the end of the war, clearly demonstrating the fact that there would have been no difficulty on the part of the British Government in maintaining the exchange market around $4.70 during the 2 months in the fall of 1915 when they had withdrawn from the market and when the first Anglo-French loan was being floated.

The record shows, furthermore, that during the whole war prior to 1917, when we entered the war, there had been repeated violations on the part of the British and French Governments of our neutral rights and of our contentions as to the freedom of the seas, and that President Wilson had not only protested bitterly to the British Government and the French Government but had in many ways evidenced his displeasure and his dissatisfaction with the course they were pursuing.

The record shows that after the beginning of unrestricted submarine warfare on the part of the German Government Secretary Lansing, who had succeeded Mr. Bryan as Secretary of State, proposed to the Allies a modus vivendi, as he called it, in which he pointed out very clearly and with unanswerable logic that there was merit in the German contention as to the use of submarines unless the British should abandon their illegal practice of arming merchant vessels with armament which would necessarily be offensive armament as against submarines, and should abandon their illegal practice of instructing such armed merchant ships to attack submarines on sight. The record shows that this representation on the part of Secretary Lansing was not only coldly received but was received with very scant courtesy on the part of the Allies, and thereafter it was dropped like a hot cake by our Government.

The record shows that after the *Lusitania* incident, the incident of the *Arabic*, and the sinking of the *Sussex*, when President Wilson sent a very severe note to Germany, the German Government replied in a note directed to the United States in which they agreed to stop their unrestricted submarine warfare, and that they did stop their unrestricted submarine warfare, but that in that note they attached as an addendum the statement that while they were stopping their illegal practices with regard to the use of the submarine, they depended on the good faith of the United States to see that the Allies also stopped their illegal practices which had given rise to the unrestricted use of the submarine by Germany. The record shows that the administration in Washington did endeavor to bring about this change in the illegal practices of the Allies, but entirely without success.

Then, Mr. President, the record shows something that is very significant. The record shows that during the summer of 1916, when the relationship between the American Government and the German Government was better than it had been at any prior time during the progress of the war, American public opinion was outraged, and President Wilson himself was outraged, by the publication by the British Government of a blacklist against scores of American firms, in which the subjects of the British Empire were forbidden not only to deal with the blacklisted firms but forbidden to deal with anybody who did deal with the blacklisted firms.

The record further shows that at that time the illegal British censorship of our mails and the mails of other neutrals, in which on occasion they even detained the diplomatic pouches en route to American embassies, aroused President Wilson to the point where he asked and obtained from the Congress authority for retaliatory measures against Great Britain, and considered putting into effect what amounted to an embargo, refusing clearance to ships armed with contraband of war.

The record further shows that at that time the Department of Commerce was requested for an opinion as to the most effective means to be taken by the Government of the United States to put into effect the retaliatory measures which had been authorized by Congress, and that the Secretary of Commerce replied that the United States had become so deeply involved in a commercial way by furnishing supplies to the Allies that to put in force any such retaliatory measures as those authorized by Congress would be likely to cause a panic in this country, and therefore that nothing was done about it, and nothing more was ever heard of the proposed retaliatory measures.

The record shows that during all that period the State Department had been repeatedly advised by our Ambassador to Germany, by our acting Ambassador to Germany, by our Chargé d'Affaires in Germany, and by the American Ambassador to Turkey, who was some time in Germany in transit, that unless the United States should compel the Allies to respect our contentions as to our neutral rights and our contentions as to existing international law, the Germans would be forced, under the exception contained in their *Sussex* note, again to employ unrestricted submarine warfare.

The record shows that in January the German Government did notify the American Government that they had reached an impasse where it was necessary for them again to resort to unrestricted submarine warfare.

The record further shows, not on my testimony, not on the testimony of the Senator from North Dakota, not on the testimony of any member of the Munitions Committee, but on the testimony of Secretary Lansing himself, that the notes of the United States to Great Britain as to their violations of international law, while quite severe in many cases, were deliberately involved in a sea of verbosity, in accordance with the extract from Secretary Lansing's war memoirs which I inserted in the RECORD yesterday, and I will read the last paragraph of it:

> The notes that were sent (to Britain) were long and exhaustive treaties which opened up new subjects of discussion rather than closing those in controversy. Short and emphatic notes were dangerous. Everything was submerged in verbosity. It was done with a deliberate purpose.

I submit, Mr. President, that there cannot be any higher testimony as to the purpose and structure of the diplomatic notes which were sent by the United States to Great Britain than the testimony of the man who himself wrote those notes.

It should further be noted that the record discloses the fact that shortly after the outbreak of hostilities in Europe in 1914, and again in 1915, the suggestion was made in the American Congress that the shipment of munitions to one set of belligerents when access to our markets was forbidden to the other set of belligerents, by reason of the British control of the seas, was in itself an unneutral act; that is, unneutral in the definition which the President had laid down of being neutral in thought as well as in deed, although it was never contended on anybody's behalf, as far as I know, that the exportation of munitions in the existing state of the law was not entirely a legal performance, and the State Department, immediately after the outbreak of hostilities in 1914, rendered a public opinion to that effect. But at the time the suggestion was made in this body and in the body at the other end of the Capitol that the neutrality of the United States could best be preserved by forbidding the export of munitions to one set of belligerents when the other was shut out of our market, an official opinion was rendered at the State Department that to change the law after the outbreak of hostilities would in itself be an unneutral act. While that opinion has been questioned by very eminent international lawyers, who

insist that it would not have been a violation of our neutrality to change the law after the outbreak of hostilities, I am of opinion from a reading of the Hague convention and other documents on the subject that the State Department was entirely justified and entirely within its rights in the views it then took.

Therefore, to answer the questions which were propounded here yesterday as to the purpose of this phase of our investigation, the purpose of the testimony put into the record was to study the events of those tragic years, to draw such lessons as may be possible from the perusal and scrutiny of those records and those events, with a view to taking steps at a proper time before the outbreak of another world-wide conflict to keep the United States from a web of circumstances similar to the web of circumstances which proved strong enough in 1914, 1915, 1916, and 1917 to draw even so self-reliant and strong willed an Executive as Woodrow Wilson, who undoubtedly desired to keep us out of war, into the struggle, and to precipitate upon the United States, as I said a moment ago, possibly the greatest calamity that ever befell it. That is the purpose of the investigation, and that is the purpose of the testimony produced before the committee.

The Munitions Committee is, of course, the creature of the Senate. The Senate created it. The Senate gave it all the authority which it has ever had. The Senate can take away that authority, or the Senate can refuse to appropriate for the conclusion of the hearings already scheduled. Nobody questions that. Senators may close their ears and shut their eyes to the historical records introduced before the committee, but I make bold to say that it will be impossible to wipe those records from the consciousness of the American people and from the scrutiny of future historians.

Mr. President, something was said here yesterday as to the action of the committee in availing itself of the services of men and women employed on a W. P. A. project.

The Senator from Arkansas went so far as to say that we had put the Senate on relief.

Mr. President, I am unable myself to see any impropriety in a governmental agency, whether it be a Senate committee or any other governmental agency, availing itself of the services of people whom the Government itself had desired and was seeking means to employ in some useful capacity. The project was a nonrelief project, employing white-collar workers of the city of New York on important clerical work, and otherwise it would have been necessary for the committee to have expended Government funds for the performance of that work.

I submit that it is better for the people on W. P. A. projects to be engaged in useful governmental work than to have them engaged in boondoggling, or in taking papers off one desk and carrying them across a room and putting them on another desk and then carrying them back and putting them on the first desk.

I further submit, Mr. President, that there is nothing either revolutionary or unusual in the use by the committee of a W. P. A. project. Many other governmental agencies have employed people employed on W. P. A. projects, and I am informed that one of the leading standing committees of this body, namely, the Committee on Interstate Commerce, which is presently engaged in a very important investigation of railroad receiverships, is itself at this moment availing itself of the services of people employed on W. P. A. projects, and I may say I think such employment by the Committee on Interstate Commerce is entirely proper and entirely fitting.

As far as the remarks of the Senator from South Carolina [Mr. BYRNES] on yesterday were concerned, as to his desire to terminate the work of the Munitions Committee, I may say that there is nothing new or unusual in the attitude of the Senator from South Carolina. Every appropriation which has been made for the Munitions Committee has been made after a struggle. It was originally the intention of the Senator from South Carolina to confine the appropriation to a paltry $15,000, which would have made it impossible even to start an outline of the work of the committee. Every additional appropriation, as I have said, has been secured after a struggle.

It may seem to the Senator from South Carolina that the appropriations made have been exorbitant. I submit to him that they are very small in comparison with the amount expended by a committee of which both he and the Senator from Virginia [Mr. GLASS] are very prominent members—to wit, the committee conducting the Pecora investigation, which spent something in excess of $260,000.

Mr. President, before I conclude, may I be pardoned a personal word? For the past several days a studious effort has been made on the part of some newspapers in the United States to make it appear that my own part in the conduct of the examination of the Munitions Committee was actuated by personal animus because President Wilson defeated my father for the Democratic nomination for President in the Baltimore convention in 1912. That matter is very easily disposed of. There was never the slightest animosity between my father and President Wilson, or toward the memory of President Wilson by any member of my father's family. My father was a candidate at the Baltimore convention, as he had a right to be, and he received a majority of the votes cast on nine ballots. He was subsequently defeated by President Wilson, who was also a candidate, as he had a right to be, and who, so far as I have ever been informed, did nothing improper or blameworthy in connection with that fight.

Such animosity as my father had, such animosity as I have felt, and still feel, or as the other members of my family have felt, and still feel, was and is directed toward another man, a delegate instructed as a delegate for my father under a law which he drew himself, and who betrayed my father at the Baltimore convention, namely, William Jennings Bryan. It must be obvious, Mr. President, that if I were capable of being actuated in the slightest degree by my personal feeling in the performance of my official duty, that the last thing I should desire to do would be to introduce into the RECORD any testimony or any exhibits which would necessarily tend to justify the position taken by Mr. Bryan, as Secretary of State or as a private citizen, in contradistinction to the position taken by President Wilson or anybody else.

Mr. President, it seems to me that that is a proposition so plain, so obvious, and so concise that even such a lickspittle and sycophantic toady as Mr. Arthur Krock, of the New York Times, ought to be able to grasp.

Mr. BYRNES obtained the floor.

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Texas?

Mr. BYRNES. I yield briefly.

Mr. CONNALLY. Yesterday the Senator from North Dakota made the charge here that according to the proof, or what he called the proof, President Wilson and Mr. Lansing had falsified, and that they had knowledge of the secret treaties before we entered the war. Do I understand the Senator from Missouri to contend that, or does he contend——

Mr. CLARK. Mr. President, the Senator from Texas does not understand me to contend that. I will state to the Senator that the other day in the committee I declined to agree with the Senator from North Dakota in his characterization of the testimony of President Wilson and Secretary Lansing. I do say, and I stated to the Senator day before yesterday, that there were in the State Department prior to the entrance of the United States into the war certain communications from Ambassador Walter Page at London, Ambassador Thomas Nelson Page at Rome, and Ambassador Francis in St. Petersburg which bore very considerably on those secret treaties. I further say that there were certain entries in the diary of Colonel House which indicated that Colonel House, who was President Wilson's unofficial diplomatic representative, had knowledge of the substance of the secret treaties.

So far as I am concerned, I have never said, and I do not say now, and I do not believe that President Wilson had

personal knowledge of the treaties prior to the entrance of the United States into the war.

Mr. CONNALLY. That is what I wanted to bring out, and I think my question was prompted as much by the desire to try to set the Senator correct before the Senate in that view as it was——

Mr. CLARK. Mr. President, I never intimated or said that President Wilson had any such knowledge before entrance of the United States into the World War.

Mr. CONNALLY. I desire to ask the Senator another question. The other day in the Munitions Committee, under the Senator's own leadership, he put into the record the so-called chronology of events leading up to the war. Is that correct?

Mr. CLARK. Yes.

Mr. CONNALLY. Why did not the Senator include in that the Zimmermann telegram, in which Germany proposed an alliance with Mexico conditioned on the fact that in the event of victory a number of the States, including Arizona, New Mexico, and Texas, and a great territory, should be given back to Mexico?

Mr. CLARK. Because I did not think that that was any material contributing cause to the United States getting into the war. If the Senator wishes to include it, I shall be glad to include it.

Mr. CONNALLY. No; I do not care. The Senator did not include that incident, which inflamed the people of this country very greatly. Why did not the Senator include in his chronology the action which Germany took after unrestricted submarine warfare was declared, after the declaration of which unrestricted warfare President Wilson stated that we must then wait for overt acts in the carrying out of that declaration?

Those overt acts were the sinking of the *Memphis*, the *Vigilancia*, and the *Illinois*, the *Vigilancia* having six Americans on board, and the sinking without warning of the American tanker *Healdton*. Why were they not included in the Senator's chronology?

Mr. CLARK. There were a number of things which were not included in that chronology. I did not insert in that chronology the reply of President Wilson after the war was over to the question asked him by Senator McCumber, of North Dakota. Senator McCumber asked him whether it was his opinion that the United States would have gotten into the war if there had been no violations of American rights by Germany, in reply to which President Wilson said that he thought we would have gotten into the war anyway. There were a number of other things impossible to get into the simple chronology.

Mr. CONNALLY. Let me ask another question. The Senator from North Dakota [Mr. NYE] yesterday, I think, made a statement regarding the private Lansing papers. I stated my understanding was that Mr. Lansing had left his private diaries with his wife with an injunction not to publish them within 20 years because of the living characters which were mentioned, and that Mrs. Lansing upon her death left them with Mr. Dulles, and he turned them over to the Library of Congress. The Senator from North Dakota stated that the committee had obtained control of those documents. Is it or not true that the committee subpenaed those documents from the Library of Congress?

Mr. CLARK. I am unable to state to the Senator from Texas. So far as I am concerned, I have never seen the private Lansing documents.

Mr. CONNALLY. If the committee subpenaed them, did the members not know at the time that it was in violation of the express wish of Secretary Lansing?

Mr. CLARK. Let me say so far as that is concerned that Mr. Lansing——

Mr. CONNALLY. If the committee did not do it, it does not make any difference.

Mr. CLARK. I do not know whether we did or not, I am frank to say. The Senator from North Dakota can answer that question. I am not familiar with the facts, and I did not see the papers.

Mr. NYE. Mr. President——

Mr. CLARK. Let me say a word further before I yield to the Senator from North Dakota. If the Munitions Committee subpenaed the papers, I say with regard to any record or any data officially having to do with matters of great import to the United States, concerning so important a matter as the participation of the United States in the war, the Congress of the United States has the right to those papers if they are pertinent; and I submit to the Senator that no papers from that private collection have ever been placed in the records of the committee. The documents of Mr. Lansing which I placed in the record were other documents open to public inspection in the Library of Congress or else contained in the various writings of Mr. Lansing.

Mr. CONNALLY. I make no quarrel with the Senator on the way he puts it. The acts of the public official which relate to his official duty are one thing, but the private personal diary of a dead man is another thing. That is what I am complaining of.

Mr. CLARK. Mr. President, the private personal diary of a Secretary of State, who records in his diary underlying important events of the day, is not a private matter. It becomes a public matter.

Mr. NYE. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from North Dakota?

Mr. BYRNES. I yield.

Mr. NYE. The question is raised concerning the understanding by and through which we came into possession of the diary of Secretary Lansing. Before answering that I ought perhaps to make quite certain my ground. My recollection at this time, however, is, and I think it will be shared by the Senator from Missouri, that the response to our subpena for this record came only after the estate of Robert Lansing had indicated to the Library an agreement to permit that to be done. If I find myself mistaken in this assertion, I shall gladly report it to the Senate before the day is over.

Mr. CONNALLY. Mr. President, will the Senator yield to me for a moment?

Mr. BYRNES. I yield.

Mr. CONNALLY. Will the Senator from North Dakota state whether he has ready for the RECORD this morning the information regarding the lecture tours and compensation which he received?

Mr. NYE. No, Mr. President; I have not. I wonder if the Senator from Texas will join me in a few days in the introduction of a resolution calling upon all Members of the Senate to report annually their income? Will the Senator from Texas do that?

Mr. CONNALLY. No; the Senator will not. The Senator will agree to put his own income into the RECORD if the Senator from North Dakota will put his in, however. It is none of my concern what is made by Senators in their private pursuits, such as practicing law and things of that kind. The Senator from Texas will agree, however, to put in under oath a detailed statement of his income if the Senator from North Dakota will do the same thing.

Mr. NYE. Mr. President, will the Senator yield further?

Mr. BYRNES. I yield.

Mr. NYE. Mr. President, if the Senator from Texas thinks that he is going to embarrass me to the extent of causing me to alter plans and programs which I have in mind, to convey to the people of this country the developments which have been the consequence of the munitions investigation, he is sadly mistaken. And if honorariums are offered for that service, I am going to accept them.

Mr. CONNALLY. We know that.

Mr. NYE. If I can reach people who ought to know about these things, and no honorariums are paid, I shall, nevertheless, respond in each instance where I possibly can. If the Senator thinks he is going to alter that program, he is sadly mistaken. The Senator from North Dakota will be quite happy to join with the Senator, when he is prepared, in reporting accurately, precisely, and exactly what his in-

come has been since the beginning of this investigation as the result of his lectures upon the munitions question.

Mr. CONNALLY. Mr. President, we shall look forward with a great deal of pleasurable anticipation to that, and I think the Budget will be able to reduce its estimates on account of the increased income it will receive.

Mr. BYRNES. Mr. President, it was not my intention to say a word with reference to the discussion which has taken place between the Senator from Virginia [Mr. GLASS], the Senator from Texas [Mr. CONNALLY], the Senator from North Dakota [Mr. NYE], and the Senator from Missouri [Mr. CLARK]. I intended to direct my remarks to the pending bill. The remarks of the Senator from Missouri, however, cause me to make a statement with reference to what has been said as to the appropriation for the Munitions Committee.

First, the Senator says that there is another committee, the Interstate Commerce Committee, which has had a work-relief project established in order to secure additional assistance in conducting an investigation authorized by that committee. I telephoned to the Director of the Federal Emergency Relief in order to ascertain the facts with reference to that matter. The cases are not parallel, according to the information given me, in that the City College of New York is making an investigation of certain statistics, railway figures, and it so happens that the information desired by the chairman of the Interstate Commerce Committee is of the same character as the information being compiled by the City College of New York, and that information has been made available to the Senator from Montana [Mr. WHEELER].

That at least is the information given to me by Mr. Baker, of the relief organization, and it is not comparable in any way with the action of the Munitions Committee in having the city of New York originate a work-relief project and have the city and State contribute $22,000 to carry on the work of a committee of the United States Senate with its employees on the relief roll, clothed with the power of the Senate of the United States. That is an entirely different proposal. The Senator said that when I referred to that on yesterday it was not surprising, because, in passing upon requests for appropriations heretofore, as chairman of the Committee to Audit and Control the Contingent Expenses of the Senate, I have been very liberal in recommending appropriations from that committee. It all depends on what one calls being liberal. When $125,000 was appropriated, $124,281 of which has been spent to date, I call it liberality to the extreme.

I wish to tell the Senate exactly how it occurred. When the first resolution was submitted and the Senator from North Dakota, and possibly the Senator from Missouri, came before the committee asking for an appropriation, $15,000 was granted. Then, only 2 months later, the Munitions Committee asked for $35,000 more, and the Committee to Audit and Control recommended $35,000. If the Senator from Missouri had been dissatisfied with that action of the committee, he had the right on the floor of the Senate to move to amend the resolution and suggest any sum he thought wise.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BYRNES. Yes; I yield.

Mr. CLARK. Mr. President, the Senator will undoubtedly recall that when the members of the Munitions Committee appeared before the Committee to Audit and Control the Contingent Expenses of the Senate and asked for an additional appropriation of $35,000, without which the work of the committee could not have been started, because the $15,000 which had been granted by the committee was so obviously inadequate, the Senator from South Carolina took such a hostile attitude toward the request for the additional grant of funds that I stated to him that I was going on the next day to rise in my place in this body and resign from the Munitions Committee for the reason that the Committee to Audit and Control the Contingent Expenses of the Senate was obviously making it impossible for the Munitions Committee to fulfill the duties imposed on them by the Senate. I came back to the Senate that afternoon and gave notice that the next day, as soon as the Senate met at 12 o'clock, it was my purpose to address the Senate on the subject of the Munitions Committee inquiry; that it was my purpose to state the facts which I have just stated. The next morning the Committee to Audit and Control the Contingent Expenses of the Senate met again and granted the Munitions Committee the additional $35,000. Obviously, I was not dissatisfied with the grant of $35,000, because that was exactly what the Senator from North Dakota [Mr. NYE] and, I think, the Senator from Idaho [Mr. POPE] and myself, who appeared before the committee, had requested.

Mr. BYRNES. The first resolution submitted requested $50,000, and the Committee to Audit and Control the Contingent Expenses of the Senate recommended $15,000. The Senator from Missouri could have arisen then and asked the Senate of the United States to increase the amount to $50,000, but the Senator from Missouri did not offer an amendment.

The Senator from Missouri makes a statement as to which I have no recollection, except that he did appear to advocate the adoption of the resolution. Again the Senator appeared and asked for $100,000, but the Committee to Audit and Control the Contingent Expenses of the Senate reported a resolution providing for $50,000. The Senator from Missouri could then have arisen at his seat on the floor of the Senate and moved to make it $100,000. He never offered an amendment.

Again I will say to the Senate at that time I told Senators on the Munitions Committee that ever since the armistice men had been parading over the country talking about taking the profits out of war. There was hardly a Member of the Senate who had not made speeches on the subject. We had investigated; we had appointed a congressional committee composed of Members of the House and the Senate. They had spent almost 2 years investigating; they had filed reports, but nothing had been done, and the Committee to Audit and Control the Contingent Expenses of the Senate believed it was time to legislate and not investigate; and we urged upon them, instead of asking for more money to continue an everlasting investigation, that they seek to legislate. We told them at that time—certainly I told the chairman of the committee—that certain matters had been brought out calling attention of the public to the investigation which would be helpful in securing legislation; that that was the time to ask for legislation; that if they did not do it, the matter would be forgotten and all the value of their investigation would be lost. I urged that upon the Senator who is now presiding over the Senate (Mr. POPE in the chair), as he well recalls.

Senators on the Munitions Committee agreed at that time with the statement I made; and when I look back I know that I was wise, because that report was made last year; and if the Committee on Munitions had followed it up and endeavored to secure legislation instead of continuing——

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BYRNES. I decline to yield now.

The PRESIDING OFFICER. The Senator from South Carolina declines to yield.

Mr. BYRNES. Instead of continuing the investigation and diverting the minds of the people to other subjects, today we would have made greater progress in the consideration of the measure to take the profits out of war. I want the Senate to act upon that measure. I want the Senate to legislate instead of investigate.

The Senator from Missouri wanted to investigate; the Senator from North Dakota wanted to investigate; and they continued their investigation until finally they shocked the Nation with the statement that a former President of the United States, Woodrow Wilson, had falsified the record.

Mr. NYE. Mr. President——

Mr. BYRNES. I share the resentment of the Senator from Virginia [Mr. GLASS]. I will not attempt to express it as he did. I join in his expression of indignation that any Member of the United States Senate should make such a statement with reference to any President of the United States.

Mr. NYE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from North Dakota?

Mr. BYRNES. Now I yield.

Mr. NYE. The Senator makes reference to the delay which the Munitions Committee has occasioned in the consideration of the bill to take the profits out of war.

Mr. BYRNES. No; I did not say any such thing. What I said was that if the Munitions Committee had devoted its time since last April, when they were working upon a report, to following up that report and securing legislation, instead of going into new fields, I believed they could have made a substantial contribution toward the enactment of such legislation.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. NYE. The Senator from South Carolina is not contending that the committee is asking for more time to consider the matter of taking the profits out of war?

Mr. BYRNES. Oh, no; the Senator can certainly understand plain English. I said that if the committee had consumed the time which has elapsed in following up its work along that line greater progress would have been made.

Mr. NYE. There are members of the Committee on Munitions who last spring and summer were striving as earnestly as they knew how to accomplish the hearings upon the war-profits bill. How unsuccessful they were only the record reveals.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BYRNES. I know that measure is before the Committee on Military Affairs. The Senator is a member of that committee, is he not?

Mr. NYE. The bill is not before that committee. It has been reported out of that committee and is before the Finance Committee at the present time.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BYRNES. The Senator from Missouri, then, is a member of the Finance Committee, and I hope he will devote his time to an effort to having the bill reported by the committee.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. CLARK. Let me say to the Senator that he has completely misstated the facts.

Mr. BYRNES. In what respect?

Mr. CLARK. In regard to the bill for taking the profits out of war. That bill was reported from the Munitions Committee. It was then referred by the then Presiding Officer to the Committee on Military Affairs. The members of the Munitions Committee appeared before the Committee on Military Affairs. The bill was favorably reported from the Committee on Military Affairs, and then was referred to the Committee on Finance.

Mr. BYRNES. Mr. President, that statement——

Mr. CLARK. Wait just a moment. Will the Senator let me complete my statement?

Mr. BYRNES. Very well.

Mr. CLARK. Repeatedly I made representations in the Finance Committee looking to the consideration of the bill. The Senator from Wisconsin [Mr. LA FOLLETTE] and other members of the committee requested consideration of the bill. We finally procured the appointment of a subcommittee headed by the Senator from Kentucky [Mr. BARKLEY], who will bear me out in what I am about to say; I am certain that I repeatedly spoke to him urging hearings on that bill with a view to taking it up; that the matter finally went to the extent that I served notice in committee that if the bill was not taken up by the subcommittee it was my purpose to offer that bill as an amendment to the revenue bill when it came in. Subsequently the Senator from Kentucky stated that he had been so busily engaged in his services on the Interstate Commerce Committee and other committees it had been impossible for him to take the matter up, and he resigned the chairmanship of the subcommittee.

The Senator from Texas [Mr. CONNALLY] was then appointed chairman of the subcommittee; and the Senator from North Dakota and I repeatedly urged the Senator from Texas to take steps for the consideration of that bill. Finally—I think it was in June or July—a meeting was held by the subcommittee at which it was represented on the part of the experts in the Treasury Department that they had not been able to consider the taxable features in that bill on account of the work on the revenue bill, and an agreement was entered into with the Senator from Texas and other Members interested in the measure by which it was understood that the matter would be taken up just as soon as it could possibly be done after the convening of Congress. Is not that true, I will ask the Senator from Texas?

Mr. CONNALLY. In substance, the Senator is correct in that it was agreed by all, at the request of the Treasury experts, who stated they were not prepared to testify because of the revenue bill which was before us last year and its technical character, and that they could not give the committee information upon which to act until the present session of Congress. Yet the Senator from North Dakota, and the Senator from Missouri—not to the same extent, however—are seeming to blame the Finance Committee for not having taken action.

Mr. CLARK. If the Senator will yield for just a moment, I should like to say that I have never blamed the Senator from Texas or the Senator from Kentucky.

Mr. BYRNES. Mr. President, I cannot yield further. The Senator from Missouri took the floor at about 1:15, and had all the time he wanted, and my time is now limited.

The fact remains that since November 17, 1918, the Congress of the United States has been talking about legislation to take the profits out of war. Prior to April 1 last year there was a resolution from the Munitions Committee, and in that resolution reported by the Committee to Audit and Control the Contingent Expenses of the Senate, I inserted a provision that on or before April 1, recommendations for legislation at this session of Congress based upon the inquiry to the date of such report should be made.

The Senator from Missouri says that he is not responsible; the Senator from North Dakota says he is not responsible. There are other members of that committee, and I cannot believe that the Committee on Finance will refuse to give consideration to the measure at any time the members of that committee demand consideration of the bill.

Then what happened? The Senator from Missouri and the Senator from North Dakota came before the Committee to Audit and Control the Contingent Expenses of the Senate and asked for an appropriation of $45,000. That was on June 7. The committee recommended an appropriation of $25,000, with this provision:

> Twenty-five thousand dollars, in addition to the amount heretofore authorized to be expended, to complete the investigation authorized in said resolution.

That resolution came upon the floor of the Senate. If the Senator from Missouri was displeased with the amount, if the Senator from Missouri was displeased with the language of the resolution which directed the committee to complete its investigation, he could have moved then to change the language of the resolution in order to suit his wishes. He never addressed the Chair, seeking to amend the resolution. The Committee to Audit and Control the Contingent Expenses of the Senate had a right to believe it was satisfactory to him.

Now, after having been directed by the Senate—for that resolution, although reported by the Committee to Audit and Control the Contingent Expenses of the Senate, was adopted by the Senate and became the action of the Senate—after having been directed to complete the investigation with the $25,000, the Munitions Committee have established, or somebody for them has established, in New York City a works project to have the city of New York and the State of New York pay expenses incurred by the United States Senate.

I tell the Senate now that the Committee to Audit and Control the Contingent Expenses of the Senate has a very difficult task to perform. The appropriation bill which passed through the Congress gave to the committee $100,000 or $125,000 for all inquiries and investigations. There is a



fight every year between the House and the Senate to retain that amount, because the House makes its investigations through members of its committees instead of employing people and clothing them with the powers of the House of Representatives. Consequently out of the $100,000 or $125,000 the Committee to Audit and Control has to determine which committees shall be given money to conduct investigations.

I say to the Senator from Missouri now that the Committee to Audit and Control should not be subject to criticism. I say to him that since he talked to me this morning I have prepared a resolution. I have left out the name of the introducing Senator. If he wants to introduce it, I want him to do so.

I have left out the amount. If he or the Senator from North Dakota will introduce the resolution, I promise to have it reported back immediately, because I have authority from other members of the committee to do so. I will report it back within 10 minutes after he has introduced it, and then we will let the Senate this afternoon, at the conclusion of the vote on the bonus bill, say whether the investigation committee is to be provided with any more money or whether it shall close in accordance with the language of the resolution adopted last May. I have the resolution prepared in that form, and I should be glad to have the Senator from North Dakota or the Senator from Missouri introduce it.

Mr. WALSH. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Massachusetts?

Mr. BYRNES. I yield.

Mr. WALSH. The Senator has informed the Senate of various appropriations made for the use of this committee. It seems to me that before any action is taken on any further resolution we ought to be informed as to how that money has been spent, who received the money, for what purpose it has been spent, and that we should have a full itemized account of the expenditures of the investigating committee. I suggest to the chairman of the committee that he submit such a statement to the Senate.

Mr. BYRNES. It can be secured from the disbursing officer of the Senate. I have not the information. I know that the Senate directed this committee, in the resolution appropriating the last money for it, to complete the investigation. According to the disbursing officer of the Senate they have not more than $400 or $500 left and the work is going on. A resolution will doubtless be submitted asking for further funds. The Senator from North Dakota said he was going to submit such a resolution. If he wants to offer it now, I want him to do so and let the Senate take the responsibility of saying whether or not it wants this investigation to continue.

Mr. NYE. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from North Dakota?

Mr. BYRNES. I yield.

Mr. NYE. The Senator from North Dakota is quite confident that within a matter of hours the committee is going to be in position to determine accurately and exactly what its additional requirement is, and then it will be requesting that amount from the Senate.

Mr. BYRNES. That is all I desire. I say to the Senator that if he will submit the resolution this afternoon the Committee to Audit and Control has authorized me to report it back to the Senate before the Senate adjourns or recesses, so action may be had on it. We can ask unanimous consent for its immediate consideration.

Mr. NYE. I assure the Senator there is no prospect of it being offered this afternoon, because there is no chance of our knowing exactly what the need is.

Mr. BYRNES. Evidently that is true, because the committee has not been able to know accurately heretofore. I do not know what the committee has in mind, but I say to the chairman of the committee, if he cannot offer the resolution this afternoon, I hope he will introduce it Monday. If it is offered Monday, it will be reported to the Senate by the Committee to Audit and Control within 5 minutes after it is introduced.

Mr. President, after this excursion into the fighting of the war I wish to use the time I have left under the unanimous-consent agreement to say something in behalf of the bill providing for payment of the bonus to those who fought the war.

Mr. GLASS. Mr. President, will my colleague submit to an interruption?

Mr. BYRNES. I am glad to yield to the Senator from Virginia.

Mr. GLASS. I wish to say just a few words to the Senate. I do not need to pass compliments with the Senator from Missouri [Mr. CLARK]. He knows perfectly well, because I have very often told him, of my affection for him. There has been nothing, so far as he is concerned, of a personal nature that I have said about him.

I feel constrained, however, to say now that I listened with the most intense interest to his summation of the record of his committee. According other Members of the Senate the same reasonable degree of intelligence that I claim for myself, I assert there is not a Member of this body who has not been familiar with every circumstance the Senator from Missouri cited as the record of his committee. I submit that it did not require the expenditure of $125,000 or of 25 cents to have made that record available to the Munitions Committee.

All of us followed the circumstances of that period. All of us discriminated the attitude of our Government as between the belligerent nations. All of us understood the intensely controversial nature of the diplomatic correspondence between the Government of the United States and the British Government and other governments.

I recall one of the outstanding incidents of that correspondence was that the skillful foreign minister of Great Britain put the United States Government on the spot by producing the record of the United States Government in the War between the States and showing that the United States Government, over and over again, did exactly the same thing that we were complaining of Great Britain doing.

That is not a revelation which should have cost the committee $125,000. There is not a fact stated in the summation of the record by the Senator from Missouri that Senators of reasonable intelligence were not fully aware of.

I do not care to add anything to the controversy.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

The Senate resumed the consideration of the bill (H. R. 9870) to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes.

Mr. BYRNES. Mr. President, returning to the pending bill and the pending amendment of the Senator from Oklahoma [Mr. THOMAS], I can gladly testify that as a member of the House in 1924 the Senator from Oklahoma voted for the payment of the bonus through the form of adjusted-compensation certificates and, when the President vetoed it, voted to override the veto.

In 1932 there were 18 votes cast in favor of payment of the bonus. The Senator from Oklahoma was then leading that fight. I was one of the 18 who voted for it. In 1935 again he was active in the fight. No one can doubt his sincerity or his activity in behalf of the payment of the adjusted-compensation certificates. At the same time, Mr. President, the Senator from Oklahoma has been equally interested in the subject which he explained at length to the Senate yesterday afternoon and this morning, that the payment should be made in the form of Treasury notes.

The Senator from Oklahoma, I know, would agree that during the last session of Congress the bonus bill took the form that he preferred. I was one of those who voted for the Vinson bill. The majority thought otherwise. On the final passage of the bill, sacrificing the views which I entertained, in order to vote for payment of the bonus, I voted for the Patman bill. Many other Members on the floor of the Senate did the same thing. It was vetoed, and when the vote was taken upon overriding the veto, the vote, as I

recall, was 54 to 40. It was apparent then, and it is apparent now, that the bill in that form could not become law over the veto of the President.

Veterans of the United States doubtless enjoy the oratory of all of us in behalf of the bonus. Since that time at their banquets they may have listened to many more speeches, but speeches are all they have received. They never have had cash payment of the adjusted-compensation certificates. In this session of the Congress I have interested myself in endeavoring to bring about an adjustment which would give to them something more than oratory, which would bring an end to this fight.

In conference with other Members of the Senate, we finally agreed upon this bill. The Senator's amendment would go only to the method of payment. He desires to have this debt paid with Treasury notes. I submit to him as a friend of the veterans, when he has two proposals to which he has devoted his time, whether he will not be willing to see the accomplishment of one, the payment of the bonus, and not try to bring about the accomplishment of both the objects in which he has been so interested, because, if that were done, in view of the vote which was taken at the last session in the effort to override the veto, defeat would be certain; and no man has any reason to expect any change in the vote on the question of overriding a veto in this session of Congress.

So the question is whether we shall march up hill only to come down again, or whether we shall try to be practical and secure results.

I say to the Senator from Oklahoma that within the next 6 months there will become due Treasury obligations amounting to $4,477,000,000. If the Senator from Oklahoma, believing as he does in the wisdom of the plan proposed by him, wishes to have it tried as an experiment, I beg him to introduce a proposal to that effect as a separate bill and provide for the issuance of these Treasury notes to pay the $4,000,000,000 of obligations which must be met before next September. That would provide all he wants in the way of putting money into circulation. If it would raise prices, that would provide for raising prices. I beg him, however, not to try to tie such a provision on the bonus bill, in the light of what has happened heretofore.

If the Senator does not wish to take that course, I will say that it will be but a short time before an appropriation bill will come into the Senate to pay the salaries of the Senators and Representatives, their clerks, and all the employees of the Senate and House. Tie the proposal to that bill, and say that those expenses shall be met by issuing certificates in the manner the Senator from Oklahoma desires. Then, if that bill should be vetoed and could not pass over the veto, nobody would be hurt but the Senators and Representatives and the Capitol employees. But if the Senator's proposal should be tied on this bill, and the bill should be vetoed, the veterans of the United States for another long year would meet under the flag and call for the bonus and mourn because they did not get it.

That is a practical suggestion. If the proposal of the Senator from Oklahoma is meritorious, put it on anything else; put it on the relief bill; put it on any other bill, and provide that payment shall be made in the manner provided by the Senator's amendment.

The Senator from Oklahoma says the payment here provided would mean four bonuses. I think the Senator was in good humor and wished to have a little fun when he made that statement.

He said the first bonus was to pay the soldiers, and everybody was in favor of that. Then he said that if we should give the soldiers bonds, and they should cash the bonds a month later, the Treasury would have to issue bonds in order to pay that amount. Well, they would have to issue bonds anyway. We have $4,000,000,000 of obligations coming due. We shall have to issue bonds to meet those obligations; and if those bonds become due, and we print other bonds to take them up, we shall not be having any additional bonus. We shall simply be retiring one obligation with another obligation.

The Senator then said there was a bonus because of this Government life insurance. I think the Senator from Mississippi explained that matter this morning. It is not the war-risk policies to which reference is made but the life-insurance policies held by the soldiers. As a result of their holding those policies, a trust fund had to be established, and every policyholder has an interest in that trust fund. Every soldier who has a policy has a beneficial interest in it, just as a policyholder in any other life-insurance company has a similar interest. We have to maintain in good faith the interest rate of 4½ percent. By legislation it was reduced to 3½ percent; but each year the Treasury is taking from the adjusted-service-compensation fund an amount equal to 1 percent and is transferring it on the books and putting it in that insurance fund, so that every veteran who has an insurance policy has the comforting assurance that the trust fund is being maintained to make certain the payment of his life insurance. So there is not anything to the statement that a bonus is involved in transferring on the books of the Treasury a certain amount to straighten out that life-insurance fund.

The Senator from Oklahoma next speaks of the so-called "bonus" to the well to do. It is a very interesting fact that most persons assume that every man who borrowed on his adjusted-compensation certificate was needy.

I have been informed by officials of the Veterans' Administration that after Congress authorized loans on these certificates to the amount of 50 percent, the first man to telephone to ask how he could get his money was a man worth more than a million dollars. When asked the reason for his action he said, "I can get that money and make more money on it. Therefore I want it." Those are the kind of men who in many instances borrowed on the certificates. When we say there are 3,500,000 men holding certificates and 3,000,000 of them have borrowed it does not follow that the incomes of all those persons may be classified together.

The Senator calls them well to do. That term is not defined. What constitutes a well-to-do man? Many thrifty men who have not more than two or three thousand dollars to their names have held on to those certificates as insurance policies for the protection of their wives and their children. No man could call them wealthy. On the other hand, the millionaire has borrowed because in that way he can make more money out of the sum due him than by leaving it with the Government.

The fact is that we have to provide a way to pay the certificates, and no one has ever devised a better plan than this from the standpoint of the veteran.

The PRESIDING OFFICER (Mr. MINTON in the chair). The time of the Senator from South Carolina on the amendment has expired.

Mr. BYRNES. Mr. President, I shall use the time I have on the bill.

I deny that every one of the 3,000,000 men who have borrowed on their certificates will immediately cash these bonds. The very purpose of issuing the bonds in $50 denominations is to induce the owners to exercise a little thrift. The average amount of the certificates held by the veterans is $625. I know enough about human nature to know that when the average veteran gets $25 in cash, and sees that there is a provision for cashing the bonds in full, and says, "I can get real money for these bonds", when he comes back home and says, "I am thinking of selling my bonds to the Government", the old wife is going to say, "Now, here; wait 1 minute. You have $25 in cash. You may have had a good time today or tonight, but these bonds are all we have. Let us hold them", and if the average veteran can get hold of one of those $50 bonds, he will be luckier than most men of my acquaintance. [Laughter.]

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Nebraska?

Mr. BYRNES. I yield to the Senator from Nebraska.

Mr. NORRIS. While the Senator is on that subject, I wish he would explain the language on page 11, line 21, reading as follows:

In denominations of $50 or multiples thereof having a total face value up to the highest multiple of $50 in the amount certified as due the veteran.

As I understand, these bonds will not necessarily be in $50 denominations.

Mr. BYRNES. No; I will say to the Senator that I asked the same question yesterday. Under the language of the bill, as proposed to be amended, bonds of larger denominations may be printed. It is not the intention of the Treasury to print them, however.

I will say to the Senator that in this transfer into the United States Government life-insurance fund of $507,000,000 from the amount of bonds to be issued, the Treasury Department does not want to and should not, of course, print any $50 bonds just for the purpose of carrying them over. The amount involved is $507,000,000. The bonds ought to be printed in denominations of $10,000 or higher amounts, because it is a bookkeeping transaction, and should be a simple one.

Mr. NORRIS. Of course, I am not complaining about that; but if, for instance, a veteran had $600 coming to him, he would get 12 bonds of $50 each.

Mr. BYRNES. The Senator is right.

Mr. NORRIS. But could he not get one bond of $600 instead? And if that were the case, that would not safeguard the payment afterward as the Senator has indicated.

Mr. BYRNES. Mr. President, the thought of those of us who were drafting this bill was that if we should issue a $600 bond to the veteran the Senator has in mind, if that man wanted to get $50 or $100 to pay on something, he would have to sell his entire $600 bond. When he turned it in he would then have that much cash, and there would be every inducement to him to spend it.

Simply as an inducement to him not to spend it, when a man has 12 of these $50 bonds, which I continue to call "thrift bonds", if he owes $50 to someone, instead of having to go and sell his $600 bond and pay his $50 and have that much cash left, he can take one of the $50 bonds, go to the post office, get the money, pay the amount he owes, and then he will still have the other bonds left; and as each necessity arises he can meet it through cashing a bond.

Mr. NORRIS. I understand that; but if he had a $600 bond he could not do that. It seems to me that if we should leave the denomination to the discretion of the veteran, he might think at the time he got the bond or the bonds that he never would want to get any money on them; but if he took a $600 bond instead of 12 $50 bonds, and afterward he needed $100 or $50 to tide him over some emergency, how could he get it without surrendering his whole bond and taking the whole amount of money?

Mr. BYRNES. I must say to the Senator that it was not the intention of the committee, and certainly it was not the intention of the Treasury Department, nor was it intended by the language of the committee amendment, to have anything printed but $50 bonds except in the case where the transfer is to be made to this insurance fund. All other bonds are to be printed as $50 bonds.

Mr. NORRIS. I call the attention of the Senator to the report on page 2, in the next to the last line, where it says:

Payments to veterans will be made by the issuance of nonnegotiable but immediate redeemable bonds to the greatest multiple of $50 contained in the amount due.

Mr. BYRNES. I do not know what the Senator is now reading from.

Mr. NORRIS. I am reading from the report made to the Senate by the chairman of the Finance Committee.

Mr. BYRNES. I had the bill in my hand. That is why I did not follow the Senator.

I say to the Senator that under the language of the bill it is left to the discretion of the Treasury to print a bond other than a $50 bond.

Mr. NORRIS. The report seems to indicate, from what I have read to the Senator, that it is the intention to pay in bonds of larger denomination.

Mr. BYRNES. I will say to the Senator that the intention is to print bonds of larger denomination only for the purpose of making the transfer in the Treasury I have described, and that all bonds issued to the veteran would be $50 bonds.

Mr. NORRIS. That is not what the report says.

Mr. BYRNES. It gives the discretion, undoubtedly, but it is not the intention that what the Senator suggests should be done.

I believe it will result in the cashing of these bonds over a long period of time. It is going to ease the strain on the Treasury and certainly be more beneficial to the veteran.

The Senator from Oklahoma [Mr. THOMAS] said yesterday, and I think my friend the Senator from Michigan [Mr. COUZENS] agreed, that there would be an inducement to a man to cash his bond and take the money and invest in a negotiable bond. That may or may not be so. The fact is that the veteran had a rather unfortunate experience with Liberty bonds just after the war. He had Liberty bonds, for which he paid $100, and he had to sell them for $90 or $85. As long as he holds the bonds to be issued under the pending bill he is guaranteed that he can get 100 cents on the dollar any day he wants it from the banks or from any post office designated. If he sold it and bought a negotiable bond, a Liberty bond, he might get 100 cents on the dollar today, but if the situation changed his bond might not be worth more than 95 or 96 or 98. When he sells this bond he gets a hundred cents on the dollar.

The veterans' organizations of this country for a long time have been divided in their views about this matter. Now they are united in their views. They know, after long study of it, that the bill now pending offers to them the best opportunity to secure a final adjustment of the matter.

We have so often considered this subject that it is unnecessary to refer to any of the things that actuated us in the original action of the Congress, but there is one matter which has always been in my mind, and which I have not heard referred to recently. During the war we gave to the civilian employees a bonus, and we called it a bonus. We paid them $240, as I recall it. When we came to the men who had been in the military service, there was opposition from the very day the payment of a bonus was proposed.

Something has been said about it being final when we gave them a contract of life insurance. It was not a contract, because a contract is mutually entered into. The veteran had nothing to say about the contract that was given him as an adjusted-service certificate; he took what he got. But he believed then that it should have been paid November 11, 1918, and that the interest should have been calculated from that date.

The veterans form the best cross-section of American citizenship; they believe this payment is honestly due to them, and a majority of the people of the United States think the matter should be disposed of. This I believe, and it is the time for the Congress to act, and if the Senate will pass the bill today and send it to the House and let the House concur in it on Monday, we can settle once for all this bonus question and make happy the 3,500,000 veterans throughout the United States.

Mr. BARBOUR. Mr. President, I intend to vote for the payment now of the adjusted-compensation certificates.

Ever since I have been a Member of the Senate the bonus question has been a subject of constant conflict, the veterans demanding payment largely on the basis of need and the Treasury resisting payment on the basis of danger to the national credit. Four years ago the Treasury reported that a $2,000,000,000 expenditure for the veterans would wreck us economically. Since then a new administration with gay recklessness has spent almost six times as much.

Resistance to the bonus, therefore, cannot be supported by Treasury statements or by the economic policy of this administration. Bluntly, I favor paying off old debts before contracting new ones.

The adjusted-compensation certificates represent an established debt to the veterans, created by Congress in 1924, and while the debt would not legally mature until about 1945, no reason exists for delaying payment during an administration which has already demonstrated its ability to pay six times

this sum, and its willingness and intention of spending a great deal more.

Inescapable debts already incurred must be paid, and it is better economy to start paying them than it is to go on wasting money in the meantime for "boondoggling."

Mr. DUFFY. Mr. President, it was 8 or 9 months ago when this body last considered the question of the immediate cash payment of the adjusted-service certificates. As I recall, we voted on the bill itself on May 7, 1935, and we voted on the question of overriding the veto on May 23 of last year.

After the vote was had upon the bill itself, and within a day or two of the time when the question arose here as to whether the veto should be overridden, a Member of the other House sent to very many of the veterans in his district a circular letter. In that form letter reference was made to me and to my attitude upon the so-called "bonus" question. In his letter he misstated my position, and whether his doing so was deliberate or not makes no difference now. I wish merely to state that ever since that time I have received letters from veterans in that district asking me why I was against the payment of the bonus, and why apparently I had changed my opinion from the time when I was so active in the ranks of the American Legion as just a private citizen in my State. In order, therefore, that the record may be straight I desire to make this very brief statement.

In the year 1932, when I was campaigning as a candidate for Senator from my State, I said to my people that if given the opportunity, if I were a Member of this body, I should be glad to vote for any bill that would provide for the immediate cash payment of the adjusted-service certificates. Since that time in many speeches and in hundreds and, perhaps, thousands of letters I have reiterated that position.

I stated in public, however, on many occasions, and also in many letters, that I was not in favor of any bonus bill, so called, being proposed as a rider or as an amendment to other kinds of legislation to which it had no possible reference. I stated my opposition to that course. Amendments are often proposed for the purpose of defeating the bill to which it is sought to attach them. I did state, however, that I should be glad of the opportunity to vote in favor of any reasonable measure for the payment of the veterans' adjusted-service certificates when the question might be presented upon its merits.

The first opportunity that came to register such a vote since I have been a Member of this body was on May 7 of last year. I was in favor of and personally liked better the Vinson bill. I think the American Legion was entirely justified in sponsoring the Vinson bill in accordance with the mandate of its national convention at Miami. However, it appeared to me at that time that the Patman bill had a better chance of being enacted. It seemed to me, under the pledge I had made in my campaign, that it was my duty to vote for any reasonable bill which had the best chance of enactment, and therefore I voted in favor of the Patman bill.

I am very happy that now the various veteran organizations—the American Legion, the Veterans of Foreign Wars, the Disabled American Veterans—have come to an agreement as to the kind of bill that is best suited to the needs of the veterans, and that is the bill which is here before us.

On May 23 last I voted to override the veto of the President. I hope I will not be called upon to vote to override a veto of this particular bill. However, if that occasion shall arise, I conceive it to be my duty to vote to override any such veto.

Mr. President, as part of my remarks, at this point in my address I ask unanimous consent to have printed a short table giving the schedule, by counties, of the amounts of the bonus payments to be made to the veterans in the State of Wisconsin if this bill shall become a law.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Wisconsin (88,036 certificate holders): Adams $128,496.17, Ashland $338,043.03, Barron $550,736.86, Bayfield $240,936.34, Brown $1,127,917.95, Buffalo $246,138.48, Burnett $164,801.05, Calumet $270,511.49, Chippewa $599,563.16, Clark $548,553.24, Columbia $489,756.17, Crawford $269,435.74, Dane $1,810,105.28, Dodge $836,389.16, Door $291,930.20, Douglas $747,936.65, Dunn $434,106.06, Eau Claire $659,692.88, Florence $60,499.01, Fond du Lac $961,481.46, Forest $178,510.61, Grant $617,658.27, Green $351,144.72 Green Lake $223,387.13, Iowa $321,746.19, Iron $159,484.25, Jackson $264,410.21, Jefferson $590,619.96, Juneau $277,190.79, Kenosha $1,015,975.52, Kewaunee $257,490.08, La Crosse $874,329.48, Lafayette $299,428.35, Langlade $345,910.47, Lincoln $338,232.04, Manitowoc $942,069.75, Marathon $1,134,019.23, Marinette $538,357.68, Marquette $150,733.73, Milwaukee $11,644,822.73, Monroe $461,433.39, Oconto $423,653.62, Oneida $255,274.35, Outagamie $1,008,156.24, Ozaukee $279,278.07, Pepin $119,617.20, Pierce $337,866.41, Polk $426,559.76, Portage $543,126.32, Price $277,511.91, Racine $1,448,524.16, Richland $313,493.40, Rock $1,191,451.54, Rusk $258,196.54, St. Croix $408,705.48, Sauk $514,273.68, Sawyer $142,545.17, Shawano $536,132.90, Sheboygan $1,143,749.16, Taylor $283,950.36, Trempealeau $373,898.96, Vernon $458,194.08, Vilas $117,112.47, Walworth $498,667.25, Washburn $178,269.77, Washington $426,302.86, Waukesha $840,660.05, Waupaca $538,084.73, Waushara $231,639.92, Winnebago $1,229,242.84, Wood $607,960.44; total $47,177,680.61.

Mr. LEWIS. Mr. President, I make bold to occupy what I feel will be but a few minutes—intruding myself upon the bill, but not entering upon debatable grounds respecting figures and computations. I have in mind an error which ought to be corrected before the American public. It is to that I shall allude—to excise an excrescence from the measure that brings it to ridicule or contempt.

In one of the letters of Pliny on Roman life he refers to a session of the Roman Senate when the Gabinian law was before that body, looking to compensation and reward in land or money to the soldiers who had returned from the field after having defeated the advance of the foreign army upon the imperial Roman nation. Outside of the gate of the senate—says the writer—there stood a man with one side of his body lost to view. When a sentinel guarding in front of this Roman Senate approached the man, pulled him slightly forward, and said, "What are you waiting for here?"

The soldier replied, "I want to go in."

"Well, who speaks for you?"

The waiting individual turned his body and disclosed one of his arms cleft from his body, and, turning to the sentinel, said, "Will not this speak for me? I left the arm on the field."

Mr. President, may not these who seek their due rewards turn to this honorable body and, recalling their sacrifices, their losses, and the deaths of their comrades, the agonies the living have endured, exclaim, "Will not these speak for us?"

Mr. President, the one thing I wish done is to clarify before the American public that which I feel has been a great misrepresentation and misunderstanding. All over this country—from those who speak of themselves in opposition—comes the constant statement against the soldier seeking a bonus, intimating he is guilty of imposition. I now define the injustice.

Mr. President, there has lately gone out from the records gathered here statements of salaries of $100,000 and $200,000 to eminent officials of great financial institutions. To these there is disclosed some $25,000 to $50,000 to $65,000 added upon the basis of what is spoken of as "bonus." It is very natural that the country at large should take the word "bonus" as addressed to the soldiers as similar to that which they read of in connection with these large salaries and their attached bonuses. It is natural that the country at large takes the word "bonus" in the same sense as applied to these very large offerings and compensations in industry and commerce. Many of those who have not understood within these last years all the things which have transpired in government on the legislation as to the soldiers' compensation are inclined to regard this demand in the bill before the Congress as an expression of a bonus, some favor to be granted to the soldier as a gratuity from the Government, and this for no reason whatever except as a grant. This is being construed in many quarters as a deliberate compensation tendered the soldier by Congressmen as pay for his political support and something which is extended to him upon the theory that he will reward the vote by his political advocacy; or punish the omission of it by his political opposition.

It is as to that phase of the question that I inject myself at this moment, and to which I address myself. Mr. President, there is no such thing before this body, in this bill or

otherwise, as a bonus for the ex-soldier—there is no such thing contemplated in the measure. Eminent Senators alluding to the expression "bonus" do so because the word has long occupied public attention as something which designates the measure but not as something that defines the purpose.

These soldiers are to receive from the Government what I respectfully submit is a payment of debt created by Congress. The able Senator from South Carolina [Mr. BYRNES] well stated that there was no contract between the soldier and the legislation. Yet, sir, we cannot deny that there was a contract between the legislation and the people and the people's representatives and the country.

What was it? It is that the soldier, conscious of the fact that he had lost his position and work, lost his salary, lost his possessions, his family dependent upon him, is with no recourse and no refuge. It is assumed to return to him something of that which he has lost and which is necessary for his maintenance in life as a citizen of this country and for the support of those who are dependent upon him. Thus it was, sir, that the measure came forth as a fulfillment of faith pledged.

I may be pardoned for saying I am not without some knowledge of what may be called the genesis of the legislation. I, too, was one of the legislators.

Now this honorable body is concerned with the question of keeping faith with the contract which was made with the country. Passing for the moment the methods of payment and the time of installments, let me say that the question before us is, Shall we do justice to the men with whom we have entered upon this honorable undertaking?

Mr. President, Sir James McIntosh—at a critical hour of the English Government—standing before that great legislative body, turned to those who were a part of the House of Lords and said:

> My Lords, I ask for civil justice. Give me civil justice and I will drive out every tyrant who now threatens the Crown. Deny it, and there is not a petty despot who cannot soon undermine the very foundation of the Government.

Here today I beg to call to the attention of the Senate the fact that from time to time there comes the echo of some threat to our land from what is called the Communist within and dangers from the enemy without. If that which is threatened shall take the form of some expression of action, let us believe that by doing justice to those who are the soldiers of the Nation we invite them again to revive that spirit of patriotism and sacrifice for their country, lately diminished. They then will delight to save and succor a country which has been faithful to its obligations, doing him civil justice. When this is done to these men, we need have no fear of the future of our country, its protection, or its security. These grateful soldiers will turn to their flag, and, saluting it, in the words of the great revolutionary hero proclaim

> America, thy sentinel am I!

I thank the Senate.

Mr. OVERTON. Mr. President, I came to the Congress in the spring of 1931. I came favoring the immediate cash payment of the adjusted-service certificates. Whenever a bill or an amendment to a bill has been proposed providing for the prompt and immediate payment of these certificates I have cast my vote in favor of the measure. I have never spoken either in the House or in the Senate upon this question. I have not done so, mainly because I have felt that no argument I might advance, and, so far as that goes, no argument that perhaps any other Senator might advance, would change a single vote. I have no hope or expectation that anything I may say now will have any influence whatsoever upon the deliberations of this body.

I wish, however, for the RECORD to show why it is that I propose to cast my vote against the amendment proposed by the Senator from Oklahoma. I know the very serious study which the Senator has given to the financial problems and monetary policies of our Government. I appreciate the value of those contributions which he has made upon that subject to the Senate of the United States. But, Mr. President, I agree with the thought expressed by the Senator from South Carolina. I believe, however meritorious may be the suggestions of financial policy contained in the amendment proposed by the Senator from Oklahoma, and considered as an independent measure, that such financial policy should not be mixed with the main question before the Senate. It has been my observation that whenever the matter of paying these certificates has come up before Congress we have been confronted with alarms as to the credit of the United States, and the measures proposing the payment of these certificates have been to some extent confused with different fiscal policies which different Members of Congress advocate.

I look upon the plan proposed in the bill presented by the Committee on Finance as presenting a ready, feasible, practical, common-sense plan to pay these certificates in cash at the option of the veteran. It is a simple proposition.

If the veteran does not want cash, he may retain the bonds that are given him and draw interest thereon, or, under the interpretation placed upon the bill by the Senator from South Carolina, he may retain any portion of the bonds and cash any other portion of the bonds. He can therefore take the bonds and keep them as an investment, in whole or in part, or he can present them and secure cash for them. I repeat, it is a simple proposition.

I do think, Mr. President, when this Finance Committee has given the earnest consideration that it has to this question and has presented a bill that calls for the immediate payment of the adjusted-service certificates, we should not undertake to support any measure, however well intended, that might serve to muddy the waters. I feel satisfied that the bill reported by the committee is one that will be voted for by the Senate and will meet with the approval of the other House.

I also entertain the hope, Mr. President, that when this bill shall finally go to the White House it will this time meet with the approval of the Chief Executive of our Nation. I am inclined to that view and entertain that hope for the reasons expressed by the chairman of the Finance Committee yesterday when he said, in effect, that year after year the proposal to pay these certificates has grown in popular favor; that year after year and session after session the cause has become stronger and stronger in the other House and in the Senate; and that the views of men have been constantly changing in respect to the policy that ought to be pursued by our Government in this matter. I entertain the hope that, in all probability, when the President of the United States knows that the Congress of the United States has again, by an overwhelming majority, expressed its approbation and its approval of the payment of these certificates he will come to the conclusion that it is to the best interests of the Republic that the bill be approved and payment of the certificates be made and the whole controversy brought to a final conclusion.

I cannot hope, Mr. President, to compete with the eloquent Senator from Illinois [Mr. LEWIS] in his historical illustrations with which he so illumines at times his discourse, and which he employed today in the remarks which he so eloquently made just preceding my rising to my feet; but, in humble imitation of the style of the Senator from Illinois, permit me, in expressing the hope that in the event the President shall conclude again to veto the bill it will be passed over his veto by the Congress of the United States, to relate an incident of which I one time read in connection with the history of Napoleon Bonaparte. That great military genius found on one occasion that the tide of battle was going against him and he concluded that it would be best to order a retreat. He summoned his favorite drummer boy and gave the command to him, "Beat a retreat." The drummer boy looked up in surprise at the great general, and said, "Sire, I do not know how to beat a retreat; I know how to beat a charge. I have beaten a charge many times for you. I have beaten it at Lodi, at Austerlitz, and at Marengo, and at other great battles. No, sire; do not ask me to beat a retreat, but let me beat the charge once more." Napoleon ordered the charge to be sounded, and once more he carried his troops to victory. So I close, Mr. President, by expressing the hope that in the event this bill shall come back to us again encumbered with a Presidential veto we will not order a retreat, we will not beat a retreat, we will

not make any retreat; but that the Congress of the United States will beat a charge that will carry this cause to victory.

Mr. HASTINGS obtained the floor.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Holt	Overton
Ashurst	Coolidge	Johnson	Pittman
Austin	Copeland	Keyes	Pope
Bachman	Costigan	King	Radcliffe
Bailey	Couzens	La Follette	Reynolds
Bankhead	Davis	Lewis	Robinson
Barbour	Dickinson	Logan	Russell
Barkley	Dieterich	Lonergan	Schwellenbach
Benson	Donahey	McAdoo	Sheppard
Bilbo	Duffy	McCarran	Shipstead
Black	Fletcher	McGill	Smith
Borah	Frazier	McKellar	Steiwer
Brown	George	McNary	Thomas, Okla.
Bulkley	Gerry	Maloney	Thomas, Utah
Bulow	Gibson	Minton	Townsend
Burke	Glass	Moore	Trammell
Byrd	Gore	Murphy	Truman
Byrnes	Guffey	Murray	Vandenberg
Capper	Hale	Neely	Van Nuys
Caraway	Harrison	Norbeck	Wagner
Carey	Hastings	Norris	Walsh
Chavez	Hatch	Nye	Wheeler
Clark	Hayden	O'Mahoney	White

Mr. LEWIS. I reannounce the absence of the Senator from Maryland [Mr. TYDINGS] and the Senator from Washington [Mr. BONE] for the reason stated on the previous roll call.

The PRESIDING OFFICER. Ninety-two Senators having answered to their names, a quorum is present.

Mr. HASTINGS. Mr. President, the records of the Committee on Finance show that I voted to report the bill favorably. I did not intend to so vote, although that record is due to my own carelessness and not the fault of any other person. I realize as I rise in my place that I am in the minority, but I may say to the Senate that I have been in that position so often lately that I do not feel entirely out of place.

The bill is undoubtedly an important one. It affects many people of the Nation. From the point of view of many Senators, what we are about to do is a just thing, a necessary thing, in order that the Government may deal justly with the veterans. We must appreciate in the first place, however, that what we are doing is paying a debt 9½ years before it is due, at an extra cost to the Government of $1,300,000,000.

I appreciate that the objective of this generosity is a worthy one. I make no complaint about that. It may be that the amount granted to the soldier in the first place was very much less than it should have been. What I am thinking about now, however, is that I am being called upon to vote an extra $1,300,000,000 at a time when 10,000,000 or 11,000,000 people are out of work, at a time when the public debt is greater than it ever has been before, and at a time when the demand for relief is coming from all the important centers of this great country of ours.

I should like to invite attention, in the first place, to the progress of the Federal debt from February 28, 1933, until the 1st of July 1937. February 28, 1933, the public debt was $20,934,728,350. That is the condition in which the President found the Treasury when he took his oath of office. Six days after he took that oath of office he sent to the Congress a message, a message from which I have quoted many times, and the details of which are known to every Senator, if not to the whole country. I might call attention to two or three important things in it which I am sure impressed the Congress and which I know impressed the country as a whole.

The President called our attention to the fact that the deficit in the United States Treasury was increasing rapidly and that by the end of the fiscal year 1934, unless something was done about it, that deficit would reach the huge sum of $5,000,000,000. In that same message he called attention to the fact that the country was definitely on the road to bankruptcy and that what he wanted the Congress to do was to pass the Economy Act—an act which would do what? The Economy Act was to give the President authority to reduce, under its terms, the pay of Federal employees by 15 percent.

But this bold President dared to do more than any other President had ever done and he proposed to reduce the amount of money paid to the American veterans by an amount which would ultimately balance his Budget and reduce the deficit and prevent it from reaching the huge sum of $5,000,000,000. A great many Members of this body opposed that measure because they were afraid to trust the President of the United States with the great responsibility of reducing the amount being paid the disabled veteran who had served his country and who was now suffering from illness of one kind or another. I voted for the measure. I voted for it because I was afraid not to do so. I voted for it because the Executive of the Nation had stated that we were on the road to bankruptcy and something drastic like that must be done.

Shortly afterwards, the President issued Executive orders reducing the amount of money being paid to the Federal employees and reducing the amount of money that was being paid to the disabled veterans. When those reports began to come back to the Congress many of us believed that a great injustice had been done the disabled soldier in this effort to economize. Various measures were proposed in the Congress. One of them at least, the most important of all of them, was passed by the Congress and sent to the President, and he promptly vetoed it. I voted to override his veto because I believed that the disabled veterans were being improperly treated and that after all it had become dangerous to turn that important job over to any particular individual, whether he be the Chief Executive or not.

Subsequent to that time on the floor of the Senate there was introduced by the Senator from Kansas [Mr. McGILL] a bill which would bring back to the Spanish War veterans the amount of money they had been receiving prior to the time the Economy Act was passed. The distinguished Senator from Arkansas [Mr. ROBINSON], the leader on the Democratic side of this body, offered an amendment to the bill which sought to reduce the amount until it was equal to the Executive order then in force. That was debated on the floor of the Senate, and when it came to a vote there was not a single vote except my own against the measure. I do not know what I would have done if I had known I was going to be in such a minority as that, but I still believe these men had not been treated unfairly, as had been the veterans of the World War, and that they could stand that cut a little while longer and until the Government had had an opportunity to improve its financial condition.

Then came a proposal for the payment of the soldiers' bonus in cash in 1935. That was debated on the floor of the Senate. I said nothing with respect to it, but merely cast my vote. It was finally passed by the Senate and by the House of Representatives and went to the President. The President vetoed it. It came back here and the veto was sustained by a comparatively small majority.

In the meantime, between February 28, 1933, and the date of that veto message, the public debt had increased by approximately $8,000,000,000 during the 2 years and 3 months of the administration that had elapsed, or to a total sum of $28,638,881,498. In the next 8 months it had been increased by about $2,000,000,000, bringing it up to a new high on December 31, 1935, of $30,557,324,062. Add to that the startling figures given in the testimony of the Secretary of the Treasury, and it will be found that by July 1, 1937, the public debt will be $35,563,000,000, without taking into account the possibility of having to return to the processors about one billion of money which has been paid under an act which has been declared unconstitutional.

Notwithstanding all these facts which I state to the Senate, we are assured by the chairman of the Finance Committee that while he cannot speak for the President of the United States, he hopes the President will sign this bill; but he is satisfied that the bill is to become a law whether the President shall approve it or not.

I wonder why it is that the Senate and the country do not know where the President stands upon this important subject. We saw him come before the Congress within recent weeks, and heard him deliver an address upon "the state of the Union"; but not a single word did he say from which anybody could gather his position with respect to this bonus matter.

It seems to me a reading of the President's veto message would convince anybody that less than 8 months afterward he is sure to veto this particular bill. On the other hand, there is evidence which indicates to my mind that he will not veto it.

If I did not know anything about this veto in May 1935 and I saw upon this floor the distinguished chairman of the Finance Committee urging his friends in the Senate, urging his Democratic colleagues as well as his Republican colleagues to support this measure, and read what he says to the newspapers and to the committee about having framed this bill in conjunction with the distinguished leader on the other side, if it were not for this veto message of the President in May 1935, I should say beyond all question the President of the United States would approve this measure.

On more than one occasion we have heard it said on this floor by distinguished men who were close to the President, "If you add this amendment, it will mean a veto. If you pass this bill, it will meet a veto." But here, upon a great question—a question affecting millions of people, and making it necessary to appropriate billions of dollars—we find nobody able to say what the President of the United States will do with respect to it.

Mr. President, some will say that this bill is different from the bill we once considered; it is different from the one the President vetoed. That is true; but my contention is that it is substantially true with respect to one thing only, and that is the method of payment—whether greenbacks shall be issued or whether bonds shall be sold and the money raised in the regular way with which to pay the bonus.

Mr. President, it will not do for the chairman of the committee or for the President of the United States to undertake to prove to the country that there is any great difference between these two bills except the one I have mentioned. This is nothing more nor less than a cash payment of this obligation 9½ years before it is due.

I know it is said that we are going to issue bonds, and I know it is said that there is a hope that the soldiers will not cash the bonds until 1945. There is a hope that they will not cash the bonds until they need the money. Five hundred thousand of the soldiers have not borrowed anything on their certificates, and it is argued that the chances are that those 500,000 will hold on to the bonds as an investment.

Mr. President, I first call your attention to the fact that a bond of this kind does not bear compound interest. If the soldier keeps his bond, it is true that he is entitled to 3-percent interest annually, but he does not collect a dime of the interest until he cashes his bond; and when he gets to figuring on what that means to him the chances are that he will take his money instead, and nobody will blame him if he does.

The distinguished Senator from South Carolina [Mr. BYRNES] states that there is another reason why the soldier will hold onto the bonds. I am certain Secretary Morgenthau would not approve of the statement. The Senator says another reason why the soldier should hold onto the bonds is that he is always certain to be able to get from the Treasury 100 cents on the dollar on these bonds, whereas if he transfers the money to some other Government bonds they may be reduced in value, and when he goes to cash them they will not be worth 100 cents on the dollar.

Mr. President, I am very much afraid that is true. I am very much afraid what we are doing here today will reduce the value of all the outstanding bonds until they are worth very much less than par. I call attention, however, to the fact that I do not know that the soldier is as safe with these bonds as the Senator from South Carolina intimates. I do not know how soon the Government will repudiate the payment of all its bonds, including those that it proposes to give to the soldier today; and if I were in the soldier's place I would not take any chance on that. I would take the money as soon as I could get it because of the fear that when I did go to get it there would not be any money there for me.

No, Mr. President; I repeat that we cannot find a distinction between the two bills that warrants us in approving one and disapproving the other, except as to the feature of issuing greenbacks.

I know a few Senators who wanted to vote for the cash bonus as soon as they had an opportunity, and voted against it 8 months ago because of what they called the inflationary feature. I think there were some Members of the Senate who were opposed to paying the bonus unless it did include the inflationary feature. So I have nothing to say with respect to those who opposed it before because of that, and who now have changed their views. In fact, I have no complaint of anybody, Mr. President. Many loyal and faithful Senators on this floor have been urging at every opportunity the payment of this bonus in cash. I have no complaint of them. There are many of them who have told their people back home that when they got here they would take the very first opportunity to give the soldiers this cash bonus. I have no complaint of them. My complaint goes only to those who have changed their views in less than 8 months, when they find that the public debt is already $2,000,000,000 more than it was then, and with the assurance that it is going to be increased about $5,000,000,000 more.

But, Mr. President, let me call attention to one part of the bill of 1935 which is not in the present bill, and that is the three "whereas" clauses, reading as follows:

> Whereas the immediate cash payment of the adjusted-service certificates will increase tremendously the purchasing power of millions of the consuming public, distributed uniformly throughout the Nation, and will provide relief for the holders thereof who are in dire need and distress because of the present unfortunate economic conditions; and will lighten immeasurably the burden which cities, counties, and States are now required to carry for relief; and
>
> Whereas the payment of said certificates will not create any additional debt, but will discharge and retire an acknowledged contract obligation of the Government; and
>
> Whereas since the Government of the United States is now definitely committed to the policy of spending additional sums of money for the purpose of hastening recovery from the present economic crisis, the immediate cash payment at face value of the adjusted-service certificates, with cancelation of interest accrued and refund of interest paid, is a most effective means to that end: Therefore
>
> *Be it enacted—*

And so forth.

Mr. President, in the President's veto message he literally destroyed every one of these "whereas" clauses; and he destroyed them so completely that the committee, when presenting this bill in both Houses of the Congress, said not a single word as an excuse or reason why they were doing it; and I think they are to be commended for taking that course, because, as the President pointed out, all of these "whereas" clauses were put in merely as excuses or reasons, many of which were not true in fact.

Now, Mr. President, I wish to call attention to some of the language of the President of the United States in this veto message. I think it is worth while to refresh our recollections as to what he said, regardless of whether or not we know what he is going to do with the present bill.

The President went on to show how this bonus certificate was made up. I think it is not necessary for me to read that part of his message. You are all familiar with it from the mere statement of the fact.

He further said:

> Since 1924 the only major change in the original settlement was the act of 1931, under which veterans were authorized to borrow up to 50 percent of the face value of their certificates as of 1945. Three million veterans have already borrowed under this provision an amount which, with interest charges, totals $1,700,000,000.
>
> The bill before me provides for the immediate payment of the 1945 value of the certificates. It means paying $1,600,000,000 more than the present value of the certificates. It requires an expenditure of more than $2,200,000,000 in cash for this purpose. It directs payment to the veterans of a much larger sum than was contemplated in the 1924 settlement. It is nothing less than a complete abandonment of that settlement. It is a new straight gratuity or bounty to the amount of $1,600,000,000.

Which in this bill, as I figure it, is $1,300,000,000.

It destroys the insurance protection for the dependents of the veterans provided in the original plan. For the remaining period of 10 years they will have lost this insurance.

This proposal, I submit, violates the entire principle of veterans' benefits so carefully formulated at the time of the war and also the entire principle of the adjusted-certificate settlement of 1924.

Further along in the veto message he says:

I hold that that able-bodied citizen, because he wore a uniform and for no other reason, should be accorded no treatment different from that accorded to other citizens who did not wear a uniform during the World War.

Further along the President said:

The statement in this same second "whereas" clause that payment will discharge and retire an acknowledged contract obligation of the Government is, I regret to say, not in accordance with the fact. It wholly omits and disregards the fact that this contract obligation is due in 1945 and not today.

If I, as an individual, owe you, an individual Member of the Congress, $1,000 payable in 1945, it is not a correct statement for you to tell me that I owe you $1,000 today. As a matter of practical fact, if I put $750 into a Government savings bond today and make that bond out in your name, you will get $1,000 on the due date, 10 years from now. My debt to you today, therefore, cannot under the remotest possibility be considered more than $750.

The final "whereas" clause, stating that spending the money is the most effective means of hastening recovery, is so ill considered that little comment is necessary.

Further along the President said:

The core of the question is that a man who is sick or under some other special disability because he was a soldier should certainly be assisted as such. But if a man is suffering from economic need because of the depression, even though he is a veteran, he must be placed on a par with all of the other victims of the depression. The veteran who is disabled owes his condition to the war. The healthy veteran who is unemployed owes his troubles to the depression. Each presents a separate and different problem. Any attempt to mingle the two problems is to confuse our efforts.

Mr. President, let me call attention to this language:

I cannot in honesty assert to you that to increase that deficit this year by $2,200,000,000 will in itself bankrupt the United States. Today the credit of the United States is safe. But it cannot ultimately be safe if we engage in a policy of yielding to each and all of the groups that are able to enforce upon the Congress claims for special consideration. To do so is to abandon the principles of government by and for the American people and to put in its place government by and for political coercion by minorities. We can afford all that we need, but we cannot afford all that we want.

I do not need to be a prophet to assert that if these certificates, due in 1945, are paid in full today every candidate for election to the Senate or to the House of Representatives will in the near future be called upon in the name of patriotism to support general pension legislation for all veterans regardless of need or age.

Finally, I invite your attention to the fact that solely from the point of view of the good credit of the United States, the complete failure of the Congress to provide additional taxes for an additional expenditure of this magnitude would in itself and by itself alone warrant disapproval of this measure.

Now, I wish to read the final paragraph.

Mr. STEIWER. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. STEIWER. Is the Senator reading with approval the argument the President made in the veto message?

Mr. HASTINGS. I think I will ultimately make myself clear.

Mr. STEIWER. If I may be more specific, I wondered whether the Senator approves the President's proposition that failure to provide taxes was a valid objection when it is remembered that the legislation in question was a greenback bill and required no revenue.

Mr. HASTINGS. Mr. President, I have always been prepared to vote taxes whenever the President said it was necessary to sustain the credit of the Government, but like every other Senator I have been anxious to postpone the levying of new taxes as long as it was possible or practicable to do so. I think the question as to whether or not taxes are necessary in order to meet an obligation of the Government must necessarily be a question for the Executive, and if the bill had been passed over his veto and the Executive had demanded new taxes I would have been willing to cooperate with any committee of the Senate in an effort to raise sufficient taxes to meet that obligation.

Mr. STEIWER. Mr. President, will the Senator yield for a further question?

Mr. HASTINGS. I yield.

Mr. STEIWER. Is not the Senator overlooking the fact that the bill before the President was the Patman bill, which provided for the payment of the bonus by currency expansion, and that, therefore, there was involved no question of taxes? And if the Senator will permit me to add there are many valid objections which may be urged against any currency expansion scheme, but the objection that taxes were not provided when they are not needed is most unusual and unsound.

Mr. HASTINGS. I do not desire to comment any further upon that. This message comes nearer meeting my approval than anything else the President ever did say, and if I could approve all of it I should be glad to do so. But that is not important, it seems to me.

I wish now to read the last paragraph of the message.

The PRESIDING OFFICER. The Senator's time on the amendment has expired. He has 15 minutes on the bill.

Mr. HASTINGS. I will take 15 minutes on the bill.

The last paragraph of the message is as follows:

I am thinking of those who died in the cause of America here and abroad, in uniform and out; I am thinking of the widows and orphans of all of them; I am thinking of 5,000,000 of Americans who, with their families, are today in dire need, supported in whole or in part by Federal, State, and local governments who have decreed that they shall not starve. I am thinking not only of the past, not only of today, but of the years to come. In this future of ours it is of first importance that we yield not to the sympathy which we would extend to a single group or class by special legislation for that group or class, but that we should extend assistance to all groups and all classes who in an emergency need the helping hand of their Government.

Mr. President, the distinguished Senator from Mississippi [Mr. HARRISON], the chairman of the Committee on Finance, told us yesterday that he, with the Democratic leader on the other side, had tramped to the White House and had tramped to the offices of various Senators in their effort to reach a conclusion about the kind of a bill which ought to be offered here. I assume that when they went to the White House they must of necessity have considered with the President what he said in 1935. I can hear the distinguished Senator from Mississippi now reading this language to the President, and it occurs to me that when he got through reading it the President might very well have said, "Well, Pat, what did you say in May 1935?" That would bring us to what the distinguished Senator from Mississippi did say upon that subject. I think it is important to know what his attitude was with respect to the matter.

I do not overlook the fact that the President has recently said, "We will not retreat", and he said that twice within a single week, but I am wondering whether it be true that he took his military advisers into his confidence and said to them, "While I cannot retreat, of course, I have no control over some of my lieutenant generals, and lieutenant commanders, and Kentucky colonels [laughter], and all of those people who have been accustomed to advise me."

Let us see, however, what the Senator from Mississippi said. I made no speech when that bill came back here. I did not have to. I did not need to convince anyone. The Senator from Mississippi was sufficient to convince enough Senators to sustain the President's veto. I had no hope of convincing anyone, anyway, and I did not try to interrupt the Senator from Mississippi in his effort.

His speech is to be found on page 8353 of the CONGRESSIONAL RECORD. It appears under date of May 23, 1935, and just at the top of the page, by the way, is something which may afford an explanation of the inspiration which came to the Senator at the time he made that speech. I refer to the closing remarks of the distinguished Senator from West Virginia [Mr. NEELY], who now sits by the side of the chairman of the Committee on Finance. He said:

While there's grief to need redress,
A balance to adjust;
Where weighs our living manhood less
Than Mammon's vilest dust,
While there's a right to need my vote,
A wrong to sweep away,
Up! clouted knee and ragged coat,
A man's a man today!

Mr. President, following that the Senator from Mississippi addressed the Senate in this language:

I do not know that I can wholly agree with the view expressed by the distinguished Senator from Nevada [Mr. McCARRAN], when he said that no question about "coming back here" is involved in this matter. I am willing to concede that, however. I have not the slightest idea that any Senator, in casting his vote either pro or con on this question, does so with the thought of its effect on his "coming back here." I am not unmindful of the fact that the vote I am about to cast, so far as the ex-service man is concerned, will not be a popular vote.

I have tried in this body, and I hope to continue so long as I am in this body, not to measure my actions here from a political standpoint. Perhaps the easy way, the course of least resistance, would be to vote to override the President's veto. Somehow or other, however, I am not built that way. I have made no promises to my constituents, as some Senators have to theirs, whether they be ex-service men or otherwise, that they were for the Patman bill or the Vinson bill or what not.

Mr. President, I do not read that for the purpose of indicating or even intimating that the Senator from Mississippi has changed his mind for any such purpose as he was discussing here. I know enough about him and I know enough about the people of his State to know that they would return him here regardless of what their position was with respect to the bonus, and I am sure the same thing is true with respect to the distinguished leader on the other side, the Senator from Arkansas [Mr. ROBINSON]; at least I hope it is true in both instances.

However, Mr. President, while I am quite certain that what the Senator talked about here did not apply to the Senator from Mississippi personally, I am by no means certain that he did not have in mind a greater political interest than that, namely, the interest of reelecting his Chief, the President of the United States. I know the Senator from Mississippi would think that was of such great importance that he could go a long way with his own conscience in order to accomplish that. I can understand now how he could say to the President in discussing it:

Have you noticed the Literary Digest? Have you noticed the poll that is being conducted? You have observed how the popularity of the New Deal has been shifting? While it was once 62 percent in favor to 38 percent against the New Deal, the vote is now exactly the reverse. Now it is 38 percent in favor and 62 percent against. We have condemned the plutocrat. We have run out the autocrat. We are losing every day thousands of Democrats. And with the plutocrats, autocrats, and a lot of Democrats gone from the party is it not necessary that we do something to strengthen it? We have yet a chance with the farmers. We have yet a chance with the laboring man. Now, let us do something for the soldier and gather in that minority group in order that we may save this situation.

Oh, I do not know that that happened. I do not know whether it did or not. Let me continue with the speech of the distinguished Senator from Mississippi to show other reasons why he was against the bill:

I sympathize with the ex-service man in the position he has taken that he believes the adjusted-service certificates are now due. He cannot be blamed, he should not be blamed, because he has been told by some of the most eloquent of men in this body and in the other body, and by some of the leaders of the ex-service men's organizations, that the money is now due. We listened today to a splendid speech from my friend from West Virginia [Mr. NEELY], whom I love. Could anyone blame the most unsuspecting ex-service man sitting in a hall crowded with people, hearing his matchless eloquence as he poured it forth in this Chamber today, for believing that his adjusted-service certificate is now due and that his Government has betrayed him in not paying it at this time? Why, I almost fell under the Senator's spell. He is most persuasive. You know and I know that some leaders have gone forth and have played upon these men, and have told them in their gatherings that the Government was unfair to them, that the adjusted-service certificates were due, and that is why they have been led to make this appeal to the Congress.

Let me read this to the Senate with respect to the bill and the difference between it and the former bill, which justifies a change in the vote. Here is what the Senator from Mississippi says:

It is a bad day for the United States when groups can control our Government, and it is a bad day for Congress when groups can dictate the policies and actions of Congress. This is not a Government of groups, and men who are supposed to be leaders, especially men in public life, serve the highest purposes of citizenship when they try to lead their fellow citizen whether they belong to a group or not, along the right line. I am not playing my part as a citizen of this country if I try to mislead some fellow citizen, inflame his mind, arouse his passion, and make him hate other men. But that is what some have done in this bonus controversy.

How many more minutes do I have, Mr. President?

The PRESIDING OFFICER. Five minutes.

Mr. HARRISON. Mr. President, does the Senator ask to be given more time in order that he may read a good speech to the Senate?

Mr. HASTINGS. I think I have read most of the speech which is important. Then the Senator goes on:

Why should the President of the United States, who would approve such a measure, be criticized? I say to those who are enthusiastically trying to override the President's veto that if they will just get together with some of us and with the President of the United States they can get some relief for the ex-service man, and a measure to that end will pass this body. But just so long as men say that it has to be "full payment or nothing", they will have their troubles and their difficulties.

When we brought forward a bill which would have met the approval of the President of the United States, some of us appealed to you to support it and get this question behind us, and let it receive the Presidential approval. But no, you would not do it.

Some of us who thought we knew what the sentiment of the Senate was, said that the President's veto would be sustained. Others said to the representatives of the ex-service organizations and to the country, "Ah, we have the votes. We will override the President's veto."

Mr. President, that speech was made less than 8 months ago. It seems to me that there ought to be some explanation made to the Senate as to why there has been a change.

In that connection I asked those Senators who are compelled to vote upon the bill to read the testimony of the Secretary of the Treasury. If anyone can read the statement of the Secretary of the Treasury and then not be afraid to place this additional burden upon the country, it seems to me he does not quite understand the difficulties confronting the Secretary of the Treasury. Why the Secretary of the Treasury did not tell the committee that he was opposed to this bonus bill I do not know, unless it be that he did not know what his Chief wanted him to tell the committee; but if I had been as afraid of the future conditions of the finances of this country as the Secretary of the Treasury was, I would have told the Finance Committee that they dare not pass this bill now unless they provide the money. All the officials appearing before the committee insist that when we pass this bill we must appropriate approximately $2,000,000,000 in order to meet the bonds when they are presented for payment.

I submit if that be true, we might just as well look the facts in the face. I appreciate that many Senators are voting for the bill because they say, "What is the use? What is the use of trying to save anything? There is nothing we can do under this administration toward economy."

I myself would be willing to pay the bonus out of the $4,800,000,000 appropriation heretofore made, because I think the Government then, from a financial standpoint, would in the end be very much ahead, but I will agree with the Senator from New Jersey [Mr. BARBOUR] that the present administration is spending so much money that no one is trying to save anything. It is exactly that attitude of the administration which has brought the veterans to the point of changing their own view. For many years the conventions of the veterans insisted that the bonus should not be paid, and it is only since we have taken on this business of spending and giving money to everybody that the soldiers come in and demand what they say is "ours, because we might just as well get ours while the getting is good."

I appreciate that many Members of the Senate are changing their positions because of that situation, but, Mr. President, I have opposed with all the vigor that I possess all the measures which the present administration has put through the Congress, and which have brought upon the country so great a debt. I have opposed nearly all of them, and I continue to oppose them, because of the financial condition in which today we find the Government of the United States.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. BARKLEY. Mr. President, I have no desire to postpone the final vote on the pending measure or on any amendment which may be submitted to it; but there are certain things which I think ought to be cleared up with reference to the measure, and its consequences, and the implications which have been applied to it, and so I desire to take a few minutes of the Senate's time for that purpose.

We all appreciate the good humor and charm of our delightful friend from Delaware [Mr. HASTINGS], who has read with particular emphasis excerpts from the speech delivered by the Senator from Mississippi last year in relation to the veto message of the President. It is always easy and sometimes amusing to quote from speeches made on the floor of the Senate in years or months which are past. I recall when the bill was under consideration in this body to lend the soldiers up to 50 percent of the face value of their certificates that the distinguished Senator from Delaware made a speech in opposition to the measure, and I dare say the Senator from Delaware would not relish a repetition on the floor of the statements which he made at that time in opposition to that bill. In fact, he himself did not relish them after he had made them, because he so corrected his remarks as to make them almost unrecognizable when they appeared in the CONGRESSIONAL RECORD.

I am not going to refer further to that address nor to embarrass the Senator by reading it again into the RECORD. It seems to me that no serious consideration should be given to opposition to a measure merely because under circumstances entirely different from those now prevailing the Senator from Mississippi, or any other Senator for that matter, made a speech in opposition to the passage of the measure over the veto of the President.

However, I am not surprised, I will say to the Senator from Delaware, that any man in this body who would make a bitter attack upon the proposal to allow the soldier to borrow money from the Government up to 50 percent of the face value of his certificate should now oppose paying him, because if the Senator were in opposition, as he was, to allowing the ex-service man to borrow money from the Government, he would still be in opposition to allowing him to accept payment of his certificate.

Now, Mr. President, it might be interesting to recall very briefly some of the circumstances connected not only with the bonus but with the growth of our public debt. I think I am within the truth when I say that the agitation in favor of granting a bonus to the ex-service men did not originate with any ex-service men's organization. Having in mind the fact that following nearly all our previous wars, Congress had provided some form of extra compensation for those who fought the battles of the Republic, and having in mind that practically every allied nation and one or two of the nations in opposition in the recent World War had granted to their soldiers some form of extraordinary compensation, there grew up in the Congress of the United States a feeling that there ought to be similar recognition given to the soldiers of the American Army who served in the World War.

I was a Member of the other body at the time that agitation started and at the time the ex-service men's adjusted-service certificate law was enacted. We know what the situation was at that time. I was one of those who then favored cash payment, and we had enough money in the Treasury as a surplus to have paid the ex-service men the extra compensation to which we thought they were entitled, for we had practically a billion dollars surplus in the Treasury, and a billion dollars at that time, which was in 1924 or 1925, would have discharged in a cash payment the obligation, the extraordinary obligation, which the Congress felt it owed the ex-service men. But everybody knew that we could not pass a cash-payment bill over the veto of President Coolidge, because we had to pass even the adjusted-compensation act over his veto, for he vetoed that. Therefore the only thing that could be obtained for the ex-service men in the way of a bonus was based upon a sort of insurance policy, payable in 20 years, which included, as everyone will recall, a dollar a day for service in the United States, a dollar and a quarter a day for service abroad, plus 25 percent on account of the deferred payments from 1918, when the soldiers were discharged from the Army or when the armistice was signed and the war was over, until 1925, when the bill was passed over the veto of the then President. In that certificate was also figured the interest up to 1945. So that the face value of the certificate represented the amount of money that would be due in 1945, when it was payable to the ex-service men.

Since that time we have passed two or three acts enabling soldiers to borrow money, and we had even to do that over the veto of a President. All that we have been able to do thus far in recognizing the claims of the American soldier to any sort of extraordinary compensation, except the $60 that was given to all of them when they were discharged from the Army and his right to borrow upon that certificate, has been done over the veto of Presidents who were in office at the particular time.

Now with respect to our public debt. When we entered the World War in 1917 our public debt was about $2,000,000,000. During the World War in about 19 months we spent more than $30,000,000,000 in fighting that war, and when we emerged from it our public debt had increased from $2,000,000,000 to more than $26,000,000,000. In the subsequent 10 years, or until 1928, which was practically 10 years, we had reduced our public debt from more than $26,000,000,000 to $16,000,000,000.

I do not care to enter into any controversy as to the merits of any administration or the propriety of any increases in the public debt by reason of a comparison between any two or more administrations, but it is at least interesting to recall that from 1928 to March 4, 1933, under the administration of the predecessor of the present occupant of the White House, our public debt increased from about $16,000,000,000 to about $21,000,000,000. In other words, in the 4 years of the administration of Mr. Hoover our public debt increased from about $16,000,000,000 to about $21,000,000,000, whereas it has increased since the 4th of March 1933 from about $21,000,000,000 to about $28,000,000,000. So there is comparatively little difference between the amount of the increase in our public debt during the Hoover administration and during the Roosevelt administration from the 4th of March in 1933 up to the present time, for we cannot lose sight of the fact, Mr. President, that while it is estimated that at the end of the fiscal year 1936, which will be on July 1 next, our public debt will be about $31,000,000,000, approximately $4,300,000,000 of that $31,000,000,000 represents money that has been loaned to industry and railroads and insurance companies and banks by the Reconstruction Finance Corporation, which is recoverable in the name of the United States and its agents. So if we are going to urge the fact that on next July 1 we will owe $31,000,000,000 because of the outstanding bonds of this country which are now issued or which will be issued between now and July 1, 1936, then in all fairness we ought to subtract from that $31,000,000,000 the amount of recoverable money in which the United States has a proprietary interest and which may be recovered by the Government of the United States, not by that time, I will say, but over the period of years during which the loans shall run, plus interest on the loans during the period.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. CLARK. The Senator will recall in connection with the recoverable assets of between four and five billion dollars to which he has referred there is also presently in possession of the Treasury of the United States a sum something in excess of $2,000,000,000 representing the profit on the gold transaction.

Mr. BARKLEY. I realize that; but I will say to the Senator I do not wish to consider that $2,000,000,000 profit as a result of the gold transaction in connection with the bonus, because I do not believe that $2,000,000,000 ought to be used for the purpose of paying the bonus or for any other immediate current Government expenditure.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. BARKLEY. I yield.

Mr. CLARK. I had no thought of suggesting that it be used for that purpose, but in regard to the fiscal situation of

the United States, regarding the debt of the United States against the assets of the Government, that is a proper factor to be considered.

Mr. BARKLEY. I agree that, if we are going to take a balance sheet and try to discover how much the Government owes and how much it has as assets, it certainly is proper to consider that $2,000,000,000 profit when we consider the $4,300,000,000 of recoverable assets for which acceptable collateral, I will say, has been deposited with the agencies of the Government, and then subtract that amount from the net amount of the debt. As the result of the inclusion of the $2,000,000,000 in profits, we now have approximately $26,000,000,000 net public debt on the part of the United States, which corresponds approximately with the debt which we had at the end of the World War.

Reference has been made by the Senator from Delaware [Mr. HASTINGS] to the probability of our credit becoming impaired. The Senator from Delaware, I am sure—though he is not now on the floor, and I assume has temporarily left his seat—and other Senators will recall that on the 28th day of February 1933, immediately prior to the inauguration of the present administration, the bonds of the United States on the markets of the United States descended to the lowest or about the lowest price for which they had been sold in the history of the Nation since the World War. The peculiar issue of bonds known as the "Mellon 3's"—that was the nickname given to them by the public and not by any act of Congress or by Treasury officials—which were bonds bearing 3-percent interest, descended to $82 on the markets of the United States on the 28th day of February 1933. So, immediately prior to the inauguration of the present administration, the obligations of the United States bearing 3-percent interest went down to as low as 82, and those who held those obligations and were compelled to cash them by offering them for sale were required to take $18 less than par for their bonds, if they desired to exchange them for cash.

Now, I wish to say I do not believe that under any administration in the history of the United States or under any Secretary of the Treasury the credit of our Government has been more safely maintained or advanced than under the present administration and under the present Secretary of the Treasury, Mr. Morgenthau. From 1933 our bonds, the Government obligations, have gradually increased in price until today the lowest priced obligation, the one that sold on the 28th of February 1933, or in that neighborhood, for $82 is now selling for $103 on the markets of the United States.

The obligations of this Government, which have not been increased, as the Senator from Delaware said, to the point of injuring and damaging the credit of our Nation, have gone up in price until today they are selling at from 103 to 115 on the markets of the United States. During the gradual increase in price of Government bonds and Government obligations on the financial markets, the interest rates which those bonds have borne have been gradually decreased, until this year our Government borrowed money on short-term obligations at three-eighths of 1-percent interest. We are now in the process of refunding our outstanding Liberty bonds and other obligations, saving more than $100,000,000 a year in interest to the Government and people of the United States, not only because of the wisdom of the present administration, but because of a revived confidence of the American people in the fiscal policy of that administration. I submit to skeptical and pessimistic Senators that, in view of that situation, there is no possibility of the financial safety of the Government being jeopardized by the passage of the pending bill.

It has been a foregone conclusion that the bill will be passed. The newspapers have been full of it, as a matter of fact. When Congress adjourned last August, under the wise leadership and suggestion of the Senator from Arkansas [Mr. ROBINSON], our beloved leader on this side of the Chamber, it was known that in January of this year Congress would pass some kind of a bonus bill paying the veteran the compensation which was represented in the adjusted-compensation certificate he holds. Ever since we met here the 3d day of January, in view of the overwhelming action of the House, in view of the overwhelming action of the Finance Committee, it has been known by everybody with any intelligence that Congress was going to pass a bonus bill, and in spite of that knowledge the prospect has had no effect on the financial market either for Government bonds or for any other Government certificates dealt in on the markets of the United States.

I submit these plain facts to show that the credit of the United States was never on a more sound basis. The confidence of the people in our Government was never firmer nor higher than it is today. It is useless for anybody to call forth any spooks in order to attempt to frighten us from the performance of our duty when we have brought in a bill which, in my judgment, is so wise, so generous, and so fair to the ex-service men and to the Treasury of the United States that in voting for it there is no inconsistency involved on the part of Senators who heretofore have been unable to support such legislation.

While I have no idea what the President will do about it, because I have not conferred with him concerning it, and I do not know whether he has confided to anybody what he will do with this measure when it comes to him—I doubt very much if he has—I am bold enough to say that there is nothing in the bill which the President could not approve without any inconsistency as between his attitude and his veto message sent to the Congress on the former measure in May 1935. However, that is a matter, of course, which will appeal to the President's judgment when the measure reaches him. I do not think the Senator from Delaware is entitled to criticize the President because in his annual message to Congress which was delivered 2 weeks ago he did not veto or approve a measure which has not yet reached him.

Mr. President, just a word with respect to the probable outlay involved by the passage of the bill. It is easy for figures to be juggled and for false implications to follow from them. Reference has been made to the prospective increase of about $11,000,000,000 in the financial requirements of the United States Government during the next 17½ or 18 months. The figures are very simple, and there is no occasion for us becoming alarmed by reason of them.

During the next 18 months $5,800,000,000 of Government obligations will fall due. That $5,800,000,000 is represented by bonds already outstanding and in the hands of the public. The passage of the bonus bill will have no effect upon the refinancing of that $5,800,000,000. That process must be gone through with regardless of the bonus bill. It involves what Bob Taylor once explained when he was a candidate for Governor. His Republican opponent was complaining and pointing out to the people of the State that Mr. Taylor had had no financial or business experience and therefore did not know how to refund the State debt. Finally Mr. Taylor's friends said he ought to make some reply, and he did in the following language:

> My fellow citizens, my Republican opponent charges that I do not know enough about financial matters and have not had enough financial experience to enable me as Governor of the State to refund the State debt. Ladies and gentlemen, the refunding of a debt means the taking up of one note and putting down of another, and I have been doing that all my life.
>
> [Laughter.]

Mr. Taylor was elected, and refunded the debt by taking up one note and putting down another, and he did it well. That is all that is involved in the refunding of the $5,800,000,000 that is coming due in the next 18 months. It simply means taking up one note and putting down another in the place of it.

If the credit of the United States and the confidence of the people in the United States increases in the same proportion which has marked its increase during the last 3 years, the possibilities are that that $5,800,000,000 will be refunded at a lower rate of interest than it now bears, thus saving many other millions of dollars to the people of the United States. So far as this item is concerned, we will put that $5,800,000,000 on the shelf and forget all about it, because it has no place in this calculation.

It was not pointed out in the President's Budget message, because at that time the Supreme Court had not rendered its decision on the A. A. A., but it has been estimated by the Secretary of the Treasury that, in view of that decision, there will be an additional $1,000,000,000 needed for the present fiscal year for the refunding of the processing taxes which have been paid into the Treasury. That does not involve the $200,000,000 which has been impounded. In order to have an honest Budget the President referred to it, but that money has never gone into the Treasury, and it is not necessary to have an appropriation in order to take it out of the Treasury, because it has been impounded in the courts of the country. The Supreme Court held the other day that that money would be paid back to those who had paid it.

What Congress will do or what the Supreme Court will do with respect to the processing taxes which have been paid into the Treasury is only speculative. The Supreme Court has not held that Congress is required to refund that money. If it should hold that it is required to do so, I imagine that with relation to any appropriation bill brought before the Congress of the United States to refund $1,000,000,000 or any other amount of money that has been paid into the Treasury as processing taxes we will inquire into the situation to ascertain whether those who paid that tax have passed it onto the public and have collected it from the public. So far as I am concerned, I certainly do not look with favor upon refunding out of the Treasury the processing taxes which have been paid by the processors, but which in turn have been collected from the American people. I think that is a situation which Congress certainly will want to inquire into if it can do so when that question arises.

That, however, is speculative. That is not on our doorstep. It may never be on our doorstep, because the Supreme Court has not yet passed upon it, and Congress has not authorized the refund. Therefore, so far as we are now concerned, we might as well lay that billion dollars on the shelf and forget it.

The remainder of the $11,000,000,000 referred to as a financial requirement during the next 18 months is made up of two items of $2,000,000,000 each—$2,000,000,000 for relief and $2,000,000,000 which is said to be involved in this bill.

I do not know how much money the President will request Congress to appropriate in addition to the $4,800,000,000 already appropriated for relief; but he has not yet asked us to appropriate $2,000,000,000. I do not know whether or not he will ask us to do so. I do not know whether Congress will appropriate $2,000,000,000; but, anyway, that is not at this time an obligation on the Treasury of the United States, and it is entitled to be dealt with on its merits when it comes here, and not held out as a sort of danger signal in order to induce men not to support the measure now before the Senate of the United States.

So that eliminates all except the $2,000,000,000 which is supposed to be involved in the bonus bill.

If every soldier in the Nation should demand cash payment immediately upon the receipt of the bonds representing the obligation of the Government to him, it would, of course, involve an expenditure of a little more than $2,200,000,000. During all this depression, however, during all our unemployment, during all the distress of the past 3 or 4 years since 1931, when we authorized a loan of 50 percent of the face value of these certificates, 500,000 American soldiers have not borrowed a dime on their certificates. They had the right to do it, whether they needed the money or not. They had the right to demand it, because we did not fix necessity as a qualification for the right to borrow.

It is my deliberate judgment—and that is confirmed by the belief of those who represent not only the ex-service organizations but the Treasury and the Veterans' Administration—that we may reasonably rely upon the fact that the 500,000 soldiers who have not borrowed any money on their certificates will not rush in and cash the bonds provided for by this bill as the method by which the obligation is to be changed from a long-standing one, due in 1945, to one with an option of earlier maturity, as everyone understands.

If the 500,000 soldiers who have not borrowed do not cash their bonds, and if we may assume that all the others who have borrowed would rush in to cash them, that would reduce the Treasury's immediate obligation for raising money to $1,700,000,000. In view of the improved economic condition of our country, in view of the increased income of our people industrially, agriculturally, and otherwise, I think it is reasonable to expect that a very large number of those who have borrowed on their certificates will not cash the bonds. The ex-service organizations estimated that at least 250,000 ex-service men would not desire to cash any of their bonds; and many of them who may need money, as has already been explained, may cash some of them and hold the rest. So, under these circumstances, I believe it is safe to say that the immediate cash requirement over the next 12 months as a result of the passage of this bill will not be more than one and a quarter billion dollars, instead of $2,200,000,000.

I do not think those figures need frighten us. In view of the increase in our public debt from 1928 to 1932 by about $5,000,000,000, and in view of the net increase of our public debt in the past 3 years of between four and five billion dollars, no bond issue of which has received less than a 3 to 1 subscription on the part of the people of the United States, I do not think we need become excited over the possibility of having to raise a billion and a quarter or a billion and a half or even $2,000,000,000 in order to discharge this obligation to the American soldier.

I voted against the bill passed by the Congress at the last session. I voted against the motion to pass it over the veto of the President, because while I voted for the cash payment of the bonus so long as we had a surplus in the Treasury, I have always contended that whenever we do pay the ex-service men the value of their certificates they ought to be paid in the same kind of money that I and everybody else draw on any obligation of the United States.

The PRESIDENT pro tempore. The time of the Senator from Kentucky on the bill has expired. He has 15 minutes on the amendment.

Mr. BARKLEY. Mr. President, I hope not to use the entire 15 minutes.

I am sure the Senator from Oklahoma will understand that I do not even remotely mean any reflection upon his economic views when I say that I have never felt that it was wise or fair to the American soldier, in order that we might pay him in a hurry, to print money of a special design and type that would cheapen every other dollar, including those he now has and those he may receive in order to discharge this bonus obligation. For that reason I have opposed the passage of the so-called Patman bill and other so-called inflationary measures designed to increase the amount of money in circulation as a result of the payment of the bonus.

I desire to compliment the Senator from South Carolina [Mr. BYRNES], the Senator from Mississippi [Mr. HARRISON], the Senator from Oregon [Mr. STEIWER], the Senator from Missouri [Mr. CLARK], the Senator from Arkansas [Mr. ROBINSON], and all others who have participated in working out what seems to me to be a reasonable, a fair, a safe, and sound method by which this obligation may be discharged, even though the discharge comes 9 years prior to the term fixed in the bond which the Government of the United States executed, which nobody else except those who accepted it had any voice in determining.

The truth is, as we all know, that if this obligation had been dated from November 11, 1918, the end of the war, even the 20-year period would expire in 1938, only 2 years from this date. So I do not think we need quibble here over the circumstance that because of our own delay in recognizing what we later, in a tardy fashion, did recognize, we propose to move up the date of payment of this obligation by 9 years, when, as a matter of fact, if we had done what we should have done, we would have made it payable in 1938 instead of 1945.

Mr. President, for these reasons, and others which I might express but to which I shall not take the time to advert,

I shall support this bill. I do so without reservation. I do so with enthusiasm. I do so with a feeling of pride that, after all, we have found a way to do justice to our ex-service men and justice to the Government of the United States. I trust, though I do not know, that the bill will receive the approval of the Chief Executive.

Mr. HARRISON. Mr. President, if no other Senator desires to speak on the amendment, I hope very much we may have a vote on it now.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. THOMAS] to the committee amendment.

Mr. THOMAS of Oklahoma. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Holt	Overton
Ashurst	Coolidge	Johnson	Pittman
Austin	Copeland	Keyes	Pope
Bachman	Costigan	King	Radcliffe
Bailey	Couzens	La Follette	Reynolds
Bankhead	Davis	Lewis	Robinson
Barbour	Dickinson	Logan	Russell
Barkley	Dieterich	Lonergan	Schwellenbach
Benson	Donahey	McAdoo	Sheppard
Bilbo	Duffy	McCarran	Shipstead
Black	Fletcher	McGill	Smith
Borah	Frazier	McKellar	Steiwer
Brown	George	McNary	Thomas, Okla.
Bulkley	Gerry	Maloney	Thomas, Utah
Bulow	Gibson	Minton	Townsend
Burke	Glass	Moore	Trammell
Byrd	Gore	Murphy	Truman
Byrnes	Guffey	Murray	Vandenberg
Capper	Hale	Neely	Van Nuys
Caraway	Harrison	Norbeck	Wagner
Carey	Hastings	Norris	Walsh
Chavez	Hatch	Nye	Wheeler
Clark	Hayden	O'Mahoney	White

The PRESIDENT pro tempore. Ninety-two Senators having answered to their names, a quorum is present. The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. THOMAS] to the committee amendment in the nature of a substitute.

Mr. FRAZIER. Mr. President, since I have been a Member of the Senate I have been in favor of the cash payment of the soldiers' bonus. There are some things which I do not like about the committee amendment to the bill. Perhaps the baby-bond proposition is all right, but the bonds will draw 3-percent interest. The Senator from Kentucky and others have made the argument that if a large number of veterans do not desire to cash their bonds at the present time, the Government will not have to pay the money until later on. That is perfectly true, but in the meantime the bonds will draw 3-percent interest.

We are told that the baby bonds will sell for 100 cents on the dollar at any time. I remember very well, and I think others do, that during the World War period we were told that the Liberty bonds would be worth 100 cents on the dollar at any time, but it was a very short time after some of those bonds were bought before they went down to below a dollar. In fact, if I am not mistaken, before President Wilson's term expired they were quite considerably below 100 cents on the dollar. If I remember correctly, I sold some myself for 87 cents on the dollar before Mr. Wilson was out of office.

It is hard to tell, as some have said, just how long these bonds will remain at par or above par, so my prediction is that the veterans will cash their bonds just as soon as they can, and if they do not need the money, they will put it in some savings bank where the interest will be compounded.

It is intimated that any other form of bonus bill except one containing provision for a bond issue will be vetoed by the President. I cannot quite understand why that is the case, if it is true. I am frank to say that I am strongly in favor of the amendment offered by the Senator from Oklahoma [Mr. THOMAS].

As I see it, the difference between the amendment of the Senator from Oklahoma and the committee amendment is simply that the committee amendment provides for the issue of baby bonds, to draw 3-percent interest, and those bonds which are cashed must be paid by the Treasury of the United States, and in order to cash them the Treasury will have to sell ordinary bonds bearing at least 3-percent interest in order to pay for the baby bonds. In other words, under the committee bill, as I understand it, it will cost the taxpayers of this Nation from a billion and a half to $2,000,000,000 in interest if that measure shall be enacted, while the Thomas amendment would save the payment by the taxpayers of a billion and a half or $2,000,000,000 in interest to the bankers or the bond buyers.

Of course, if anyone desires to assist the bankers, and to help the poor fellows out, by giving them interest to the amount of a billion and a half or $2,000,000,000, that is all well and good; but I wish to call to the attention of the Senate the fact that the money changers are supposed to be driven out of the temple. I have the President's message here, the message he delivered a short time ago at the joint session of the two Houses, and while he did not say so in so many words, he intimated that the money changers have been driven out of the temple.

I cannot understand the argument of anyone who will rise and intimate, at least, that the President demands that we give the bankers and the money changers a billion and a half or $2,000,000,000, if they have been driven out of the temple. If they have not been driven out of the temple, they ought to be. One way to help drive them out is to adopt the Thomas amendment, because it does not provide for the payment of 3-percent interest to the bankers or the bond buyers. It provides for the issuance of new money; not, as the Senator from Kentucky intimated, inflated money but money based on gold and silver in the United States Treasury; money based on bonds, which can, under the Thomas amendment, be turned over to the Federal Reserve banks and they allowed to issue Federal Reserve notes in the regular way.

It is true that the rate of interest will be reduced, and it should be reduced. All the Federal Reserve banks pay for the paper money which they issue is the cost of the paper and the printing. The last figures I saw amounted to about seven-tenths of a cent per bill. So they should not give very much above that amount of interest. It means probably about fifteen or twenty hundredths of 1-percent interest. They should not get more than a half-percent interest under the amendment of the Senator from Oklahoma. It would save about 2½-percent interest being raised by the taxpayers of this Nation.

Mr. President, it seems to me that in all fairness and in view of the fact that the money changers have been driven out of the temple, we should adopt the Thomas amendment and provide for the payment of the bonus in cash and not by the issuing of bonds but by the issuing of as much currency as is necessary to make the cash payment based on the gold and silver in the Treasury of the United States, or based on bonds, if the President thinks that bonds must be issued, but a bond bearing a lower rate of interest.

I am confident that the veterans will be satisfied with a measure of that kind. I am also confident that the taxpayers of the Nation will approve a measure of that kind. If anyone thinks he is going to gain votes or political strength by voting for a bond issue to pay the veterans a cash bonus instead of a straight issue of currency backed by the gold in the Treasury of the United States, it is all well and good for him to think so; but I doubt it. He is at liberty to vote that way, of course, if he desires.

The title of the act begins:

To provide for the immediate payment of World War adjusted-service certificates.

Immediate payment! The argument, of course, has been made that many of these baby bonds will be carried over until 1945. They may be carried over; but, according to the specifications of the committee bill, they are subject to call at any time at 100 cents on the dollar, and they begin drawing interest immediately, and the 3 percent is collectible at any time that the bonds are cashed after 1 year from the date of issue.

Under the Thomas amendment there is no interest provided. Under its provisions no one gets any interest. No one makes any money out of the cash payment of the bonus.

Mr. President, I defy anyone to make any reasonable argument to the voters of this country as to why he should desire to vote to give the bankers and the money changers of the Nation a billion and a half to $2,000,000,000 to make this little cash payment to the soldiers who are entitled to the money.

The PRESIDENT pro tempore. The question is on the amendment of the Senator from Oklahoma [Mr. THOMAS] to the amendment reported by the committee.

Mr. THOMAS of Oklahoma. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. AUSTIN. I announce the necessary absence of the Senator from Rhode Island [Mr. METCALF]. If present, he would vote "nay" on this question.

Mr. LEWIS. I rise to reannounce the absence of the Senator from Washington [Mr. BONE] by reason of attending the funeral of the late Representative Lloyd, of Washington, and the absence of the Senator from Maryland [Mr. TYDINGS], who is necessarily detained.

The result was announced—yeas 27, nays 64, as follows:

YEAS—27

Bankhead	Costigan	McGill	Russell
Benson	Donahey	Murphy	Shipstead
Bilbo	Fletcher	Murray	Smith
Bulkley	Frazier	Neely	Thomas, Okla.
Bulow	Hayden	Norbeck	Trammell
Caraway	Holt	Nye	Wheeler
Connally	McCarran	Pope	

NAYS—64

Adams	Clark	Hastings	Overton
Ashurst	Coolidge	Hatch	Pittman
Austin	Copeland	Johnson	Radcliffe
Bachman	Couzens	Keyes	Reynolds
Bailey	Davis	King	Robinson
Barbour	Dickinson	La Follette	Schwellenbach
Barkley	Dieterich	Lewis	Sheppard
Black	Duffy	Logan	Steiwer
Borah	George	Lonergan	Thomas, Utah
Brown	Gerry	McKellar	Townsend
Burke	Gibson	McNary	Truman
Byrd	Glass	Maloney	Vandenberg
Byrnes	Gore	Minton	Van Nuys
Capper	Guffey	Moore	Wagner
Carey	Hale	Norris	Walsh
Chavez	Harrison	O'Mahoney	White

NOT VOTING—4

Bone	McAdoo	Metcalf	Tydings

So the amendment of Mr. THOMAS of Oklahoma to the committee amendment was rejected.

Mr. THOMAS of Oklahoma. Mr. President, the Senate has just decided to pay the bonus through a bond issue. The bill now before the Senate provides an authorization for an appropriation necessary to cash the certificates. The bill does not provide for an appropriation. At this time I offer an amendment to follow the authorization section, making the appropriation necessary to finance this payment.

The PRESIDENT pro tempore. The amendment to the committee amendment will be reported.

The LEGISLATIVE CLERK. In the amendment of the committee, on page 14, after line 11, it is proposed to insert the following:

SEC. 8½. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $2,237,000,000, or so much thereof as may be necessary, to pay the balance due on the adjusted-service certificates as authorized in section 8 of this act.

Mr. HARRISON. Mr. President, I do not know whether or not a point of order would lie against the amendment. I make the point of order to raise the question.

The PRESIDENT pro tempore. On what ground is the point of order made?

Mr. HARRISON. It has been the practice that appropriation bills should originate in the House. That is where they should originate. I have no doubt, if the bill providing an authorization shall pass and become a law, that the necessary appropriation will be made to carry out its purposes. However, I withdraw the point of order and express the hope that the amendment will not be agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Oklahoma to the amendment of the committee.

The amendment to the amendment was rejected.

Mr. SCHWELLENBACH. Mr. President, to the amendment of the committee I offer an amendment, which I send to the desk.

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. It is proposed, at an appropriate place in the bill, to insert the following:

No person may be declared ineligible for employment under the provisions of the Emergency Relief Appropriation Act of 1935, or any amendments, revisions, or extensions thereof, by reason of having received the benefits of the provisions of this act.

Mr. HARRISON. Mr. President, will the Senator from Washington yield?

Mr. SCHWELLENBACH. Certainly.

Mr. HARRISON. I hope the Senator will not insist on his amendment.

Mr. SCHWELLENBACH. I am merely going to ask the Senator from South Carolina [Mr. BYRNES] to state whether my understanding is correct. I want to state my understanding. If the Senator from South Carolina states it is correct, I shall not press the amendment.

Mr. HARRISON. Very well.

Mr. SCHWELLENBACH. The amendment merely provides that men shall not be ineligible for work under the Works Progress Administration because of the receipt of money through the payment of the adjusted-compensation certificates. The amendment was submitted by me a few days ago because of a fear which arose on account of the statement which was issued last week that it would be the policy of the Works Progress Administration to refuse to permit those who had accepted money under the adjusted-compensation certificates to be considered eligible for work of that kind.

I have been assured by the administration leaders in the Senate, and the representatives of the various veterans' organizations have been likewise assured, that it is not the purpose or intention of the Works Progress Administration to put such a rule into effect, but that they intend to treat every case upon its own merits. Further, I have been assured that there would be difficulty in securing the passage of the bill if this more or less controversial amendment should be urged.

I ask the Senator from South Carolina whether my statement is correct?

Mr. BYRNES. Mr. President, I have talked to the Senator from Washington about the situation. His statement is exactly in accord with the information I have had.

Mr. SCHWELLENBACH. On the basis of that assurance I shall not press the amendment.

The PRESIDENT pro tempore. The Senator from Washington withdraws his amendment to the committee amendment.

Mr. HAYDEN. Mr. President, I offer an amendment to the committee amendment.

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. In the committee amendment, at the end of section 7, page 14, after line 8, it is proposed to insert the following proviso:

Provided, That in all cases in which the veteran or other person entitled to any payment under this act is indebted to the United States, or any agency or instrumentality thereof, except national banks, on account of a loan of any kind, the amount otherwise payable under this act to such veteran or other person, or to the legal representative thereof, shall, instead of being so paid, be forthwith applied in reduction or liquidation of such loan, whether matured or not, and there shall be paid in such cases only the amount, if any, by which the amount otherwise payable under this act exceeds the amount of the indebtedness on account of such loan.

Mr. HAYDEN. Mr. President, section 7 of the bill, as reported by the Committee on Finance, provides as follows:

SEC. 7. Notwithstanding the provisions of Public Law No. 262, Seventy-fourth Congress, approved August 12, 1935, no deductions on account of any indebtedness of the veteran to the United States, except on account of any lien against the adjusted-service certificate authorized by law, shall be made from the adjusted-service credit or from any amounts due under the World War Adjusted Compenation Act, as amended, or this act.

There was no such provision as section 7 in the bill as it passed the House of Representatives. The Committee on Finance recommends that there be no deduction from the face value of the adjusted-compensation certificates on account of any indebtedness to the United States except for money heretofore borrowed by a veteran on his certificate.

This proposed legislation to pay the full face value of adjusted-service certificates is based upon the assumption that the United States owes a debt to World War veterans which should be settled now. If anyone presents a claim against the United States, either for services rendered or materials furnished, he receives no money until the General Accounting Office finds that he does not owe anything to the United States. It is therefore proper to inquire whether veterans who are to be paid an average of about $1,000 under this bill have obligations tc the Government as a whole which may properly be offset against what they will receive.

Authority to make deductions from claims against the United States was granted in the Budget and Accounting Act of 1921 (U. S. C. 978–981):

SEC. 71. All claims and demands whatever by the Government of the United States or against it, and all accounts whatever in which the Government of the United States is concerned, either as debtor or creditor, shall be settled and adjusted in the General Accounting Office.

SEC. 93. The General Accounting Office shall superintend the recovery of all debts finally certified by it to be due to the United States.

The procedure in the General Accounting Office for the recovery of debts due the United States is well established. For example, no individual owing an income tax or no corporation owing a corporation tax can receive payment from the Government unless such taxes are paid.

During the past 5 years Congress has greatly extended Federal credit to individual citizens, principally through the Home Owners' Loan Corporation and the Farm Credit Administration. I have made inquiry to ascertain how much money has been borrowed by World War veterans from these sources, and while the results are only approximate, I believe that the Senate will be interested in the figures I have made which, I repeat, are based only on approximations.

As possible borrowers, let us take all men in the United States over 21 years of age, which the last census numbers at 37,056,757. The number of World War veterans estimated to be alive on January 1, 1936, is 4,164,402. Of that number, the War Department estimates that there are possibly 200,000 entitled to adjusted-service certificates who have not applied for them. The total number of such certificates now outstanding is 3,518,191.

The average age of World War veterans in 1936 is 45 years. As men of such age, the probability is that a greater proportion of them are heads of families and owners of homes and farms than any other group of 3,500,000 in the total male population. It is therefore fair to assume that at least one-tenth of the home loans, farm loans, and other similar loans to individuals made by the Federal Government or its agencies and instrumentalities have been made to World War veterans as borrowers.

The total number of loans made by the Home Owners' Loan Corporation on December 26, 1935, was 968,947 and amounted to $2,931,917,000. Home loans are being granted at a diminishing rate, but it is quite certain that before June 15, 1936, which is as soon as adjusted-service certificates may be converted into bonds, or otherwise paid under this legislation, the total number of home-loan borrowers will be at least 1,000,000 and the total loans will be over $3,000,000,000. Upon the assumption that one-tenth of the Federal home loans have been made to World War veterans, then their total obligations to the United States will be about $300,000,000.

I have obtained from the Farm Credit Administration the following tabulation of the loans made by its various institutions on November 30, 1935:

Type	Number	Amount
Federal land banks	642,160	$2,065,620,306
Land Bank Commissioner	426,693	785,897,814
Regional Agricultural Credit Corporation	46,003	46,220,080
Emergency crop and feed loans	1,107,457	108,624,314
Drought relief loans	273,069	66,813,612
Production credit associations	122,254	91,304,167
Total	2,617,636	3,164,480,293

The Federal land bank and land bank commissioner loans are secured by liens on real property. The regional agricultural credit corporation and production credit association loans are, with few exceptions, secured by liens on personal property. The emergency crop and feed loans and drought-relief loans are secured by liens on crops, feed, and livestock.

Upon the basis that World War veterans constitute one-tenth of the Farm Credit borrowers they are obligated to the United States for 10 percent of a total of $3,164,480,293, or about $300,000,000. The combined obligations of veterans for home loans and agricultural loans may be approximated at $600,000,000.

The average home loan is close to $3,000 and the average farm loan is about $3,200. The average amount of the other types of agricultural loans is much smaller. Adjusted-service certificates actually have an average value of $985.66 and are therefore commonly referred to as being worth about $1,000. These figures show that, by and large, veterans who are borrowers from governmental agencies will have a sufficient credit to satisfy about one-third of their obligations to the United States. If their total obligations are $600,000,000, the adoption of this amendment should result in the retirement of about $200,000,000 of their indebtedness to the United States.

The amendment includes the Federal Government and all its agencies or instrumentalities except national banks. Besides the Home Loan Corporation and the Farm Credit Administration there are other agencies, such as the Reconstruction Finance Corporation, which have loaned Federal funds to individuals. National banks loan private money and, therefore, should not be included. Congress has never said in so many words that national banks are instrumentalities of the United States, but the courts have said so in a number of final decisions. Recent happenings require that Congress pay some attention to legislation by the judiciary.

To properly state what an adjusted-service certificate is, I quote from page 2 of the report of the Committee on Ways and Means made on this bill on January 7, 1935, which describes the World War Adjusted Compensation Act of 1924 as follows:

> It fixed the adjusted-service credit, as did the former bills, at $1 per day for each day of home service and $1.25 per day for each day of oversea service, not to exceed, however, in any case, $500 for home service or $625 for oversea service.
>
> Under that act the veteran received the equivalent of a paid-up 20-year endowment policy for the amount which his adjusted-service credit, plus 25 percent, would purchase at his age. Such insurance to be computed in accordance with the accepted actuarial principles and based upon American experience tables of mortality, with interest at 4 percent per annum, compounded annually.

I am advised by the Veterans' Administration that at $1 and $1.25 per day the average World War veteran earned $394, to which was added 25 percent, or $98.50, making the average total $492.50. Compounded at 4-percent annual interest for 20 years the average endowment-insurance policy would have a value of $985.66 in 1945.

The 25 percent was added not, as is often stated, in lieu of interest from 1918 to 1925, but because, under the endowment-insurance plan, veterans were required to wait 20 years to get any money. Since that term has a little over

half expired, if the earned portion of the 25 percent is prorated, an adjusted-service certificate for $1,000 is worth $650 in 1936. Including the whole 25 percent in the base figures a $1,000 certificate was worth $690 in 1935, and its present worth in 1936 is $715.

The amendment provides that the amount otherwise payable under this act to any veteran shall be applied in reduction or liquidation of any loan he may have obtained from the United States or its agencies whether such loan is matured or not. The bill now under consideration by the Senate proposes to pay the full face value of a Government obligation 9 years before it is due. It would, therefore, seem that there is some reasonable relationship between the two proposals.

As I have stated, depending upon which way the calculations are made, an adjusted-service certificate of a maturity value in 1945 of $1,000 has a 1936 value of from $650 to $715. Under this bill interest amounting to $263,000,000 is to be forgiven to 3,026,190 veterans who have borrowed on their certificates, or an average of about $87. In any event Congress will give the average veteran about $300 more than his adjusted-service certificate calls for. If the United States is to pay its obligations before they are due, is there any impropriety in asking a veteran to use the immediate credit he is to receive through the enactment of this bill as a means of paying, in whole or in part, whatever total sum he owes the United States?

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. BARKLEY. As I understand the effect of the Senator's amendment, it would be about as follows:

Every ex-service man who has borrowed money from the Home Owners' Loan Corporation or the Farm Credit Administration and has arranged for repayment on an amortization plan extending over a period of years, would have his indebtedness to that organization immediately declared due and payable and paid out of this certificate.

Mr. HAYDEN. To the extent of the amount due him.

Mr. BARKLEY. Yes; to the extent of the amount due him. Would not the effect of that be to penalize every man who has borrowed from such an institution because he happens to be an ex-service man? Why interfere with the orderly process of repayment under contracts which have been entered into, which were satisfactory to the agency of the Government, simply because we are now on an entirely different basis and are dealing with an obligation which arose out of a different situation, providing for payment to the ex-service men?

Mr. HAYDEN. Because in this case we are entirely changing the basis of the obligation by paying it 9 years before it is due.

Mr. HARRISON. Mr. President, I very much hope this amendment will be voted down.

The Finance Committee amendment changes the House bill in this respect: If the ex-service man has his adjusted-service certificate up as security for some loan from the Government, the loan must be paid before bonds are issued to him; but it would seem to me unfair to the soldier, because he has incurred indebtedness to some of the various agencies of the Government, for the Government to pry into him and investigate him before he is paid, and then take the amount of his indebtedness out of his certificate.

Already it is provided that the soldier may pay such indebtedness, at his option, if he owes it to the Home Owners' Loan Corporation or the Farm Land Board; and the worst feature of the pending amendment is that if it should be adopted it probably would be a year before the ex-service men would get their bonds. A thorough investigation would have to be made by the Veterans' Administration and the innumerable agencies of the Government into the account of every ex-service man in order to determine, before issuing the bonds, that he did not owe money to any of those agencies.

I hope the amendment will be rejected.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Arizona [Mr. HAYDEN] to the amendment of the committee.

The amendment to the amendment was rejected.

Mr. CONNALLY. Mr. President, I offer the amendment which I send to the desk to the amendment of the committee.

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. On page 8, after line 22, it is proposed to insert the following:

That provisional first and second lieutenants who served as such in the World War, and who were discharged or resigned within 1 year after November 11, 1918, shall be eligible to receive the benefits under the World War Adjusted Compensation Act, as amended, on the same terms as other officers of the same rank.

Mr. CONNALLY. Mr. President, during the World War a number of provisional first and second lieutenants went into the service simply for the purpose of remaining during the war. After the war was over they were either discharged or resigned; but under the original Adjusted Service Compensation Act, Regular Army officers were excluded from receiving the benefits of the bonus. The Veterans' Administration has construed that to mean that the provisional second lieutenants, who technically were Regular Army officers for the time being, could not receive compensation. It seems to me they ought to be included along with the first and second lieutenants in the Reserves and in the National Guard, who went in simply for the time of the war and then were discharged.

Mr. FLETCHER. Mr. President, may I interrupt the Senator?

Mr. CONNALLY. I yield.

Mr. FLETCHER. The Senator's amendment involves, I think, about 2,000 officers.

Mr. CONNALLY. I do not know the exact number, but it is a small number. Whether it is 200 or 2,000, the principle is just the same; and the amendment ought to be adopted if we wish to treat all the officers on the same basis.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Texas to the amendment of the committee. By the sound, the "noes" have it.

Mr. CONNALLY. I ask for a division.

On a division, the amendment to the amendment was rejected.

Mr. CONNALLY. I ask for the yeas and nays.

Mr. HARRISON. Mr. President, if this matter is going to provoke further discussion, may I interrupt for the moment? I understand one other amendment is to be offered, and I do not know how long the discussion of that amendment will proceed. I do not desire to impose on the Senate and to keep Senators here extraordinarily late. Personally I should rather stay and finish up the matter tonight.

The PRESIDENT pro tempore. The Senator from Texas has asked for the yeas and nays on his amendment to the amendment. Is the demand seconded?

The yeas and nays were not ordered.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Committee on Finance in the nature of a substitute.

The amendment of the committee was agreed to.

Mr. KING. Mr. President, in the confusion I was not able to hear the question as propounded by the Chair.

The PRESIDENT pro tempore. The question was on agreeing to the committee amendment.

Mr. KING. I have an amendment I desire to offer.

Mr. HARRISON. I ask that the vote by which the committee amendment was agreed to be reconsidered.

The PRESIDENT pro tempore. Without objection, the vote is reconsidered.

Mr. KING. Mr. President, I desire to offer an amendment, and I ask that the amendment be read.

The PRESIDENT pro tempore. The clerk will read.

The CHIEF CLERK. In lieu of the amendment proposed by the committee it is proposed to insert the following:

That section 507 of the World War Adjusted Compensation Act, as amended, is hereby amended to read as follows:



"SEC. 507. All amounts in the fund shall be available for payment, by the Administrator of Veterans' Affairs, of adjusted-service certificates upon their maturity or the prior death of the veteran, for payments under section 502 to banks on account of notes of veterans, for repayment of loans made by the Administrator of Veterans' Affairs out of the United States Government life-insurance fund on the security of adjusted-service certificates, in which case the Administrator shall pay the amount of the outstanding liens against such certificates, including all interest due or accrued, together with such amounts as may be due under the provisions of subdivision (m) of section 502 of the World War Adjusted Compensation Act, as amended, for making loans authorized by section 502, as amended, and for payment to veterans of the amount of the cash-surrender value of their adjusted-service certificates."

SEC. 2. Title V of the World War Adjusted Compensation Act, as amended, is amended by adding at the end thereof the following new section:

"SEC. 509. (a) Upon the application of any veteran to whom there has been lawfully issued an adjusted-service certificate under the provisions of the World War Adjusted Compensation Act, as amended, and upon the complete surrender of such adjusted-service certificate, together with all rights and privileges thereunder (with or without the consent of the beneficiary thereof), the Administrator of Veterans' Affairs is authorized to pay such veteran from the adjusted-service certificate fund the cash-surrender value of his certificate as hereinafter defined, less any indebtedness of the veteran on account of any loan or loans made under the provisions of this act and unpaid interest, if any, accrued to the date of settlement.

"(b) The cash-surrender value of an adjusted-service certificate shall be the amount of the net single premium (determined as of the anniversary date of the certificate nearest to the date application for benefits under the provisions of this section is filed with the Administrator of Veterans' Affairs) necessary to purchase paid-up endowment insurance for the maturity amount of the certificate at the then attained age of the certificate holder for the unexpired portion of the original 20-year period on the basis of the American Experience Table of Mortality and interest at 4 percent per annum compounded annually.

"(c) No payment shall be made under this section until the certificate is in the possession of the Veterans' Administration nor until all obligations for which the certificate was held as security have been paid or otherwise discharged.

"(d) If at the time of application to the Administrator of Veterans' Affairs for payment under this section the principal and interest on or in respect of any loan upon the certificate have not been paid in full by the veteran (whether or not the loan has matured), then the Administrator shall (1) pay or otherwise discharge such unpaid principal and so much of such unpaid interest (accrued or to accrue) as is necessary to make the certificate available for payment under this section, and (2) deduct from the amount otherwise payable the amount of such principal and so much of such interest, if any, as accrued to the date of settlement: *Provided*, That as to loans on adjusted-service certificates properly made, unpaid and held by a bank, upon application for benefits in accordance with the provisions of this section, the bank holding the note and certificate shall, upon notice from the Administrator, present them to the Administrator for payment to the bank, in full satisfaction of its claim, of the amount of the unpaid principal and unpaid interest in accordance with the terms of the note or notes held by the bank if the rate of interest charged is not greater than the legal rate under the provisions of this act which were in effect at the time the note was executed, except that if the bank after notice of application under this section fails to present the certificate and note to the Administrator within 15 days after the notice, such interest shall be paid only up to the fifteenth day after such notice.

"(e) Upon payment under this section, the certificate and all rights thereunder shall be canceled.

"(f) A veteran may receive the benefits of this section by application therefor, filed with the Administrator of Veterans' Affairs. Such application may be made and filed at any time before the maturity of the certificate (1) personally by the veteran, or (2) in case physical or mental incapacity prevents the making or filing of a personal application, then by such representative of the veteran and in such manner as may be by regulations prescribed by the Administrator of Veterans' Affairs. An application made by a person other than a representative authorized by such regulations, or not filed on or before the maturity of the certificate, shall be held void.

"(g) If the veteran dies after application is filed with the Administrator of Veterans' Affairs, payment of the cash-surrender value less any indebtedness of the veteran on account of any loan or loans made under the provisions of this act shall be made to the estate of the veteran.

"(h) Payments under the provisions of this act shall not be made until 3 months subsequent to the date of enactment.

"(i) The Secretary of the Treasury is authorized and directed to redeem from the United States Government life-insurance fund all adjusted-service certificates held by that fund on account of loans made thereon, and to pay to the United States Government life-insurance fund the amount of the outstanding liens against such certificates, including all interest due or accrued, together with such amounts as may be due under subdivision (m) of section 502 of the World War Adjusted Compensation Act, as amended. The Secretary of the Treasury is authorized and directed to make such payment by issuing, to the United States Government life-insurance fund, bonds of the United States which shall bear interest at the rate of 4½ percent per annum. No such bonds shall mature or be callable until the expiration of a period of at least 10 years from date of issue, except that any such bond shall be redeemed by the Secretary of the Treasury and the principal and accrued interest thereon paid to the United States Government life-insurance fund at any time upon certification by the Administrator of Veterans' Affairs that the amount represented by such bond is required to meet current liabilities. Bonds issued for the purposes of this section shall be issued under the Second Liberty Bond Act, as amended, subject to the provisions of this section."

Mr. BORAH. Mr. President, may I ask the Senator in charge of the bill whether it is his purpose to have a final vote on the bill today, in view of the offering of this amendment?

Mr. HARRISON. I was merely expressing my own idea. I had hoped that we could finish the bill tonight, but if it is the sentiment of Senators that they desire to have it go over until Monday, I am perfectly willing to abide by the wishes of the Senate. This is about the last amendment to be offered, I may say.

Mr. NORRIS. I submit a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. NORRIS. The committee amendment is offered in the nature of a substitute. Is it in order now for the Senator from Utah to offer a substitute for the committee substitute?

The PRESIDENT pro tempore. It is in order.

Mr. HARRISON. I do not know of any other way to answer the Senator from Idaho.

Mr. BORAH. The certificates could not be cashed tonight even if we passed the bill, so I do not think we will lose anything by waiting until Monday.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The PRESIDENT pro tempore. Reports of committees are in order. If there be no reports of committees, the calendar is in order.

NATIONAL EMERGENCY COUNCIL

The legislative clerk read the nomination of Lyle T. Alverson, of New York, to be acting executive director.

Mr. COPELAND. Let that go over.

The PRESIDENT pro tempore. The nomination will be passed over.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters in Minnesota.

Mr. McKELLAR. Mr. President, at the request of the Senator from Nebraska [Mr. BURKE], I ask that the nominations of postmasters in Minnesota go over.

The PRESIDENT pro tempore. Without objection, the nominations will go over.

The legislative clerk proceeded to read sundry nominations of postmasters in Idaho and Oklahoma.

Mr. McKELLAR. I ask that the nominations be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of John Van A. MacMurray, of Maryland, to be Ambassador Extraordinary and Plenipotentiary to Turkey.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Arthur Bliss Lane, of New York, to be Envoy Extraordinary and Minister Plenipotentiary to Estonia, Latvia, and Lithuania.

Mr. COPELAND. Mr. President, may I ask, as to the nomination now being considered, whether this is a promotion within the Service? Does the Chair recall?

Mr. ROBINSON. It is my information that this is a career appointment.

Mr. COPELAND. Very well; I have no objection.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Boaz Long, of New Mexico, to be Envoy Extraordinary and Minister Plenipotentiary to Nicaragua.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

PUBLIC WORKS ADMINISTRATION

The legislative clerk read the nomination of Martin E. Kelly, of Montana, to be State engineer inspector in Idaho and Montana.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon Monday.

The motion was agreed to; and (at 5 o'clock and 18 minutes p. m.) the Senate took a recess until Monday, January 20, 1936, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 18 (legislative day of Jan. 16), 1936

AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY

John Van A. MacMurray to be Ambassador Extraordinary and Plenipotentiary to Turkey.

ENVOYS EXTRAORDINARY AND MINISTER PLENIPOTENTIARY

Arthur Bliss Lane to be Envoy Extraordinary and Minister Plenipotentiary to Estonia, Latvia, and Lithuania.

Boaz Long to be Envoy Extraordinary and Minister Plenipotentiary to Nicaragua.

PUBLIC WORKS ADMINISTRATION

Martin E. Kelly to be State engineer inspector for the Public Works Administration in Idaho and Montana.

POSTMASTERS

IDAHO

Edward J. Doyle, Bonners Ferry.

OKLAHOMA

Orval L. Harris, Asher.
Lester M. Norris, Cache.
Elmer C. Hoops, Fort Cobb.
Earl L. Smith, Locust Grove.
Clifford A. Shaw, Oakwood.
Marie A. Crute, Prague.
Ora E. Spaulding, Ralston.

SENATE

MONDAY, JANUARY 20, 1936

(Legislative day of Thursday, Jan. 16, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

HOMER T. BONE, a Senator from the State of Washington, appeared in his seat today.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar days Friday, January 17, and Saturday, January 18, 1936, was dispensed with, and the Journal was approved.

READING OF WASHINGTON'S FAREWELL ADDRESS

The VICE PRESIDENT, under the authority of the order of the Senate of January 24, 1901, appointed the Senator from Tennessee [Mr. BACHMAN] to read Washington's Farewell Address on February 22 next.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Hayden	O'Mahoney
Ashurst	Connally	Holt	Overton
Austin	Coolidge	Johnson	Pittman
Bachman	Copeland	Keyes	Pope
Bailey	Costigan	King	Radcliffe
Bankhead	Couzens	La Follette	Reynolds
Barbour	Davis	Lewis	Robinson
Barkley	Dickinson	Logan	Russell
Benson	Dieterich	Lonergan	Schwellenbach
Bilbo	Donahey	McAdoo	Sheppard
Black	Duffy	McCarran	Shipstead
Bone	Fletcher	McGill	Smith
Borah	Frazier	McKellar	Steiwer
Brown	George	McNary	Thomas, Okla.
Bulkley	Gerry	Maloney	Thomas, Utah
Bulow	Gibson	Minton	Townsend
Burke	Glass	Moore	Trammell
Byrd	Gore	Murphy	Truman
Byrnes	Guffey	Murray	Vandenberg
Capper	Hale	Neely	Van Nuys
Caraway	Harrison	Norbeck	Wagner
Carey	Hastings	Norris	Walsh
Chavez	Hatch	Nye	White

Mr. LEWIS. I announce that the Senator from Maryland [Mr. TYDINGS] and the Senator from Montana [Mr. WHEELER] are necessarily detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Rhode Island [Mr. METCALF] is necessarily absent.

The VICE PRESIDENT. Ninety-two Senators have answered to their names. A quorum is present.

COMMEMORATIVE ADDRESS ON THE LATE SENATOR LONG

Mr. OVERTON. Mr. President, on the opening day of the present session, in making formal announcement of the death of my late distinguished colleague, Senator Long, I stated that at a more appropriate time I should make some remarks in commemoration of his life and public services. Tomorrow being election day in the State of Louisiana and the day on which Senator Long, had he lived, would have offered himself for renomination to the United States Senate and unquestionably would have been renominated, I shall immediately after the Senate convenes ask for recognition in order that I may address the Senate in commemoration of my departed colleague.

Mr. OVERTON subsequently said: Mr. President, I understand it is the intention of the Senator from Arkansas [Mr. ROBINSON] to move a recess until Wednesday instead of recessing until tomorrow.

Mr. ROBINSON. Yes; I intend, when the Senate concludes its business, to move a recess until Wednesday noon.

Mr. OVERTON. This morning I made the announcement that I would attempt to secure recognition of the Senate when the Senate convened tomorrow in order that I might submit some remarks in memory of my deceased colleague, the late Senator Long. In view of the circumstances, I wish to say that, for the purpose stated in my announcement, I shall ask for recognition when the Senate shall convene on Wednesday.

Mr. ROBINSON. May I state that before arranging for a recess until Wednesday I advised the Senator from Louisiana, who indicated his readiness to change the notice which he had given so that he might speak Wednesday instead of tomorrow?

EXTENSION OF CERTAIN OIL LEASES

The VICE PRESIDENT laid before the Senate two letters from the Acting Secretary of the Interior, reporting, pursuant to law, relative to extensions beyond the 20-year period of certain oil leases within the Garland Structure in Park and Big Horn Counties, Wyo., and Unit No. 5, Cedar Creek Anticline, Fallon County, Mont., which were referred to the Committee on Public Lands and Surveys.

REPORTS OF THE FEDERAL POWER COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Federal Power Commission, transmitting, pursuant to law, the fifteenth annual report of the Commission for the fiscal year ended June 30, 1935, with additional activities to December 1935; and also enclosing a statement showing the name, title, and compensation of members and employees of the Commission as of June 30, 1935, which, with the accompanying reports, was referred to the Committee on Commerce.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of Kentucky, which was ordered to lie on the table:

Resolution requesting the immediate payment of the soldiers' bonus by the Congress of the United States

First. *Be it resolved*, That the House of Representatives and the Senate of the Commonwealth of Kentucky request the Congress of the United States to make provisions immediately to fully pay the soldiers' bonus without the charge of interest on any previous loan.

Second. That this resolution be spread upon the permanent records of both the house and senate.

Third. That a copy of this resolution be transmitted to the President of the Senate and Speaker of the House of Representatives of the United States of America.

The VICE PRESIDENT also laid before the Senate a petition of sundry citizens of Bryan County, Okla., praying for the enactment of suitable legislation in place of the Agricultural Adjustment Act, which was referred to the Committee on Agriculture and Forestry.

He also presented a resolution of the Southwest Kansas Bar Association, favoring the enactment of legislation creating a western district of the United States court for Kansas, comprising generally the Fifth, Sixth, and Seventh Congressional Districts of the State, and further providing in such proposed western district three or more divisions, which was referred to the Committee on the Judiciary.

He also laid before the Senate a letter in the nature of a petition from the Committee of Twenty-one, signed by Louise Wilson Schwarz, chairman, Roland Park, Md., praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senator from Louisiana [Mr. OVERTON], which was referred to the Committee on Privileges and Elections.

Mr. COOLIDGE. Mr. President, on behalf of my colleague [Mr. WALSH] and myself, I present a memorial numerously signed by sundry citizens of the State of Massachusetts, remonstrating against the present enactment of legislation providing for the immediate payment of World War adjusted-service certificates. I ask that the memorial may lie on the table.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. COPELAND presented a letter from the Roger Smith Hotels Corporation, signed by Harvey F. Hambur, New York City, N. Y., endorsing a joint statement of the American Hotels Association, the Motion Picture Theater Owners of America, and the National Association of Broadcasters, favoring the enactment of Senate bill 3047, known as the Duffy copyright bill, which, with the accompanying paper, was ordered to lie on the table.

He also presented a resolution of the Greene County (N. Y.) Farm Bureau Association, opposing any lowering of the tariff duties on agricultural products as a result of reciprocal trade agreements with the Dominion of Canada, which was referred to the Committee on Finance.

He also presented a resolution of Alexander Di Francesco and Amedeo Pastore Post, No. 2160, Veterans of Foreign Wars, of Bronx, N. Y., favoring the observance of a policy of strict neutrality on the part of the United States in all foreign controversies, particularly the present Italo-Ethiopean conflict, which was referred to the Committee on Foreign Relations.

Mr. LOGAN presented the following concurrent resolution of the Legislature of the State of Kentucky, which was referred to the Committee on Finance:

Concurrent resolution memorializing Congress of the United States of America to eliminate the taxation of gasoline by the Federal Government

Whereas the Congress of the United States of America has imposed a tax upon all sales of gasoline; and

Whereas the State of Kentucky and all other several States of the United States have already imposed taxes upon such sales; and

Whereas the Federal tax on such sales is untimely and prohibitive and, coupled with the respective State taxes on such sales, places a burden upon the users of gasoline beyond that which they should carry and beyond that which the traffic can legitimately bear; and

Whereas the taxation of sales of gasoline should properly be left to the exclusive use of the States as a means of providing funds for road construction and maintenance: Now, therefore, be it

Resolved, That the house of representatives and the senate concurring therein, that the Congress of the United States be and it is hereby respectfully memorialized to enact with all convenient speed such legislation as may be necessary to abolish the Federal gasoline sales tax and to surrender to the States exclusively the power to tax such sales in the future; and be it further

Resolved, That a copy of this resolution be transmitted to the President of the United States, the Chief Clerk of the House of Representatives, the Secretary of the United States, and to each Member of Congress elected from the State of Kentucky and that the latter be urged to use their best offices to procure the enactment of such legislation as will accomplish the purpose of this resolution.

Mr. LOGAN also presented the following concurrent resolution of the Legislature of the State of Kentucky, which was referred to the Committee on Foreign Relations:

Concurrent resolution expressing approval of and urging the continuance of a policy of strict neutrality of the United States Government in international disputes not affecting this Nation

Whereas the clouds of war hang heavily over many of the nations of the world, and more particularly those peoples of central and southern Europe; and

Whereas the Congress of the United States, together with the honorable President of the United States, have heretofore and recently acted to safeguard the neutrality of this country from disputes between foreign nations: Now, therefore, be it

Resolved by the House of Representatives of the Commonwealth of Kentucky (the Senate of the Commonwealth of Kentucky concurring), That the General Assembly of the Commonwealth of Kentucky heartily approve the policy of the Congress and the honorable President of the United States to maintain strict neutrality in the territorial and political disputes of foreign nations, and express the sincere desire that said policy shall be maintained inviolate; be it further

Resolved, That a copy of this resolution be sent by the clerk of the house of representatives to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and to each United States Senator and Congressman from Kentucky.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. LOGAN, from the Committee on the Judiciary, reported favorably the following nominations:

David J. Davis, of Alabama, to be United States district judge, northern district of Alabama; and

James W. Morris, of Florida, to be Assistant Attorney General.

Mr. DIETERICH, from the Committee on the Judiciary, reported favorably the nomination of John E. Hushing, of the Canal Zone, to be marshal, district of the Canal Zone, vice John T. Barrett, term expired.

Mr. McGILL, from the Committee on the Judiciary, reported favorably the nomination of Roulhac Gewin, of Alabama, to be United States marshal, southern district of Alabama, vice James A. Stafford, whose term expires January 21, 1936.

Mr. CONNALLY, from the Committee on the Judiciary, reported favorably the following nominations:

E. Marvin Sessoms, of Florida, to be United States marshal for the northern district of Florida; and

Charles F. Uhl, of Pennsylvania, to be United States attorney, western district of Pennsylvania.

Mr. BURKE, from the Committee on the Judiciary, reported favorably the nomination of Seth Thomas, of Iowa, to be United States circuit judge, eighth circuit.

Mr. KING, from the Committee on the Judiciary, reported favorably the nomination of Robert E. Mattingly, of the District of Columbia, to be a judge of the municipal court, District of Columbia (reappointment).

Mr. HATCH, from the Committee on the Judiciary, reported favorably the nomination of Henry Clayton Walthour, of Georgia, to be United States marshal for the southern district of Georgia.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the following nominations:

Col. Frank C. Burnett, Adjutant General's Department, to be Assistant The Adjutant General, with the rank of

brigadier general, for the period of 4 years beginning December 28, 1935, with rank from December 24, 1935, vice Brig. Gen. Edgar T. Conley, Assistant The Adjutant General, who accepted appointment as The Adjutant General, December 24, 1935;

Lt. Col. Henry Harley Arnold, Air Corps, to be assistant to the chief of the Air Corps with the rank of brigadier general for the period of 4 years beginning December 28, 1935, with rank from December 24, 1935, vice Brig. Gen. Oscar Westover, assistant to the Chief of the Air Corps, who accepted appointment as Chief of the Air Corps December 24, 1935; and

Col. Wallace DeWitt, Medical Corps, to be assistant to the Surgeon General with the rank of brigadier general for the period of 4 years beginning December 28, 1935, with rank from December 1, 1935, vice Brig. Gen. Matthew A. DeLaney, assistant to the Surgeon General, retired November 30, 1935.

Mr. SHEPPARD also, from the Committee on Military Affairs, reported favorably the nomination of Maj. Paxton Sterrett Campbell, Infantry, for appointment by transfer in the Regular Army to the Quartermaster Corps with rank from November 1, 1934; also the nominations of sundry other officers for appointment by transfer in the Regular Army.

He also, from the same committee, reported favorably the nominations of sundry officers for appointment in the Regular Army; and also the nominations of sundry officers for appointment, under the provisions of law, in the National Guard of the United States of the United States Army.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BENSON:

A bill (S. 3762) to authorize the Reconstruction Finance Corporation to make loans secured by receipts on account of national forest reserves, and for other purposes; to the Committee on Banking and Currency.

By Mr. GEORGE:

A bill (S. 3763) for the relief of S. H. Prather; to the Committee on Claims.

A bill (S. 3764) relating to the war-risk insurance of Ashmead Ferguson Bruce, deceased; to the Committee on Finance.

By Mr. McNARY:

A bill (S. 3765) granting a pension to Jennie Alexander;

A bill (S. 3766) granting a pension to Lina Buckley; and

A bill (S. 3767) granting an increase of pension to Caroline Rhude (with accompanying papers); to the Committee on Pensions.

By Mr. STEIWER:

A bill (S. 3768) for the relief of E. W. Jermark; to the Committee on Claims.

By Mr. BYRD:

A bill (S. 3769) for the relief of Marcellus E. Wright and Lee, Smith & Vandervoort, Inc.; to the Committee on Claims.

By Mr. JOHNSON:

A bill (S. 3770) to award the Distinguished Flying Cross to Lincoln Ellsworth; to the Committee on Commerce.

By Mr. BORAH:

A bill (S. 3771) granting a pension to Taylor C. Lyon; to the Committee on Pensions.

A bill (S. 3772) to add certain lands to the Challis National Forest; and

A bill (S. 3773) to add certain lands to the Salmon National Forest in the State of Idaho; to the Committee on Public Lands and Surveys.

By Mr. BACHMAN:

A bill (S. 3774) for the relief of W. C. Pace; to the Committee on Claims.

By Mr. CLARK:

A bill (S. 3775) authorizing Federal district courts to designate special masters in railroad reorganization proceedings; to the Committee on the Judiciary.

THE MERCHANT MARINE—EDITORIAL FROM SEA POWER

Mr. COPELAND. Mr. President, I ask unanimous consent to have printed in the RECORD a brief editorial from Sea Power on the subject of the merchant marine.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From Sea Power, December 1935]

THE MERCHANT MARINE—BENEVOLENT AMERICA

At the present time America is subsidizing foreign shipping with 200 million American dollars a year, 16 millions a month—half a million a day—all out of American pockets.

American citizens are paying approximately a billion dollars a year for sea freight and fares. To preserve an economic balance, at least 53 percent of these freights and fares should be returned to American pockets and ultimately be spent in America. We are only retrieving 30 percent and permitting 70 percent of these American dollars to be drained off abroad to build and operate efficient foreign ships to reduce that 30 percent, increase their American subsidy, and still further limit our foreign market. Benevolent America!

The explanation is simple. The ships we sold our shipping companies were left-overs from our successful effort to feed and save the Allies. They were built with little thought of their usefulness as peacetime carriers of our foreign commerce. Haste was the essence of our effort. After the war we spent millions in an unsuccessful effort to make them over into efficient ships and then sold them to American shipping companies for a song, which, even if badly sung, was much more than they were worth to operate in competition with foreign ships.

Incidentally, these inefficient ships cost our Government three and a half billions of dollars, and we are now paying over a hundred million dollars a year interest on the bonds sold to construct and recondition them. Incidentally, these ships and our troops did save the Allies; and again, incidentally, that incomparable Welsher from Wales—Mr. Lloyd George—in an article published not very long ago, blamed the after-war world dislocation and all the British troubles to our delay in getting our troops into the trenches after we came into the war.

Of more direct importance is the fact that since the close of the war all maritime countries, except only the United States, have carried on continuous construction of fast modern ships under the stimulus of the 132,000,000 American dollars loaned to foreign ship companies on the security of their bonds sold to Americans by American bankers, and the additional impetus of liberal subsidies and contributions from their own governments.

Does any American believe that the bankers of any other nation would sell to their countrymen, or that the citizens of any other country would buy, the bonds of foreign ship companies to enable the building of foreign ships, increasing the naval strength of possible future enemy nations in time of war and creating competition with the ships under their own flag for world commerce in time of peace? Benevolent America!

Meantime this country has built a very few modern liners and combination liner and cargo vessels, aided by subterfuge mail subventions, which, however, were not extended to the construction or operation of cargo ships, and so we have not a modern competitive cargo ship on the seas flying the American flag. Ten- and twelve-knot cargo vessels cannot compete with the 18-knot cargo ships of Japan, Great Britain, and Norway.

The United States cannot hold the seas, regain our foreign commerce, and recoup our share of American freight and passage money without reconditioning some of its ships and building a large number of new ships of types, tonnages, and speed adapted to the trade routes they are to serve and the cargoes they seek to carry.

As by far the greater number of American-flag ships are nearing the age deadline of 20 years on the sea, time is the essence of congressional action.

In view of the high wages paid to American labor and the high cost of materials that go into ship construction, we cannot build ships in American yards as cheaply as abroad nor operate them as cheaply. It follows that in order to build new ships in American yards and operate them in competition with foreign shipping, our Government must grant differential construction subsidies and differential operating subsidies to our shipping companies and also offset the subsidies granted foreign lines with like subsidies to American companies in competition with these lines. In addition, if we are to have competitive ships, the Government must extend amortization loans to cover a very considerable part of the cost of the ship to the owner. Large sums are involved in modern ship construction, and as investments in ships are capital investments they are not bankable loans, and other moneys in large amounts are not obtainable from outside sources.

A measure granting necessary subsidies but failing to provide adequate construction loans would drive us into Government ownership and operation. While such a result would please our foreign competitors for foreign trade and a few of our citizens who have majored in government ownership and control at Moscow, its condemnation by the great body of our citizenship is not in doubt.

It is rumored some Senators are maneuvering to emasculate the Bland-Copeland bill, a reasonably acceptable measure which passed the House at the last session of Congress, but owing to blockading tactics, failed to get on the floor of the Senate for passage.

Some merchant marine bill will probably receive the attention of the Senate shortly after Congress convenes in January. No measure it will consider will be of greater concern to our national prosperity and safety.

We hold no brief for shipping companies, if any, which misapplied mail subventions, nor for Congress in the passage, nor the Shipping Board in the administration, of that measure. Neither do we attribute the blame for its failure to any single one of those bodies. Had the law been properly guarded in its provisions for the application of subvention funds or, if well guarded, had it been efficiently administered, it is difficult to apprehend how large sums could have been deviated from their designed purpose. So far as any present disclosures to the public are concerned, it seems fair to assume that "there is blame enough for all" and to divide that blame three ways.

Such matters, however, have no proper bearing upon the national need of a competitively efficient merchant marine. Its proper bearing is upon the need for a more efficient drafting of the provisions of the new Merchant Marine Act in respect to the use of the Government funds provided and to the setting up of an administrative body which shall be as independent of unofficial political control as our form of government permits.

Public sentiment as reflected by the American press is preponderantly favorable to granting direct subsidies for construction and operation of a merchant fleet capable of holding its own in the sharp competition on the seas.

These ships must give promise of profits or they will not be built. They must seek and find cargoes in order to profit, and in doing this they find foreign trade for the Nation.

Fully 80 percent of this cost of construction and equipment goes directly into the pockets of American labor; not in shipyards alone, but in the mines and mills and in the factories and on the farms well scattered over the Nation.

Ships are durable goods and as are mechanical equipments and tools which must find replacement in our shipyards and factories and mills—and the construction and equipment of these ships and these necessary replacements will constitute the largest contribution to our output of durable goods within reach. The manufacture and marketing of durable goods create the sole financial justification of a liberal demand for consumers' goods.

The public is familiar with the need of merchant ships—a very large number of them—and their officers and crews to serve as armed naval auxiliaries and unarmed service ships in war in order that the fighting fleet may be fed and fueled and served with ammunition and other necessary supplies. That these auxiliaries and service ships must have speed enough to keep up with the fleet at sea is obvious.

It may not be so well known that most of our merchant fleet is not only of inefficient speed and types but most of its ships are fast approaching an age when they should be withdrawn from sea service. We have no cargo ships or tankers that can steam within 6 knots an hour of the ordinary cruising speed of the fleet, and the number of our merchant ships adapted to conversion to armed auxiliaries is negligible compared with the numbers possessed by the other powers.

A nation whose wealth in natural resources is unequaled, whose normal agricultural and industrial production far exceeds its capacity to consume, invites disastrous economic encroachment when it permits its efficient transport to halt at tidewater.

We have loaned foreign ship companies over one hundred and thirty-two millions of American dollars on security that is in large part now defaulted and are freely contributing an additional two hundred millions of American dollars a year to the upbuilding of foreign shipping. Providence is said to watch over children and fools. Perhaps a providential Congress will now do something for the neglected shipping of benevolent America.

PREPARATIONS FOR DEMOCRATIC NATIONAL CONVENTION—ADDRESS BY W. FORBES MORGAN

Mr. BARKLEY. Mr. President, on last Saturday evening Mr. W. Forbes Morgan, secretary of the Democratic National Committee, delivered over the radio a very interesting address with reference to the coming Democratic National Convention in Philadelphia. I ask unanimous consent to have the address printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

PREPARATIONS FOR THE 1936 DEMOCRATIC NATIONAL CONVENTION

The Democratic National Committee would like to tell you this evening about a coming event which we Democrats think will live long in the memory of the American people as one of the most interesting, significant, and historical meetings in the Nation's contemporary political annals. I refer to the great national convention of the Democratic Party which will open in Philadelphia on the 23d of June.

Four years ago, as you undoubtedly recall, the Democratic leaders met in Chicago, and after a lively and inspiring convention selected as their standard bearers Franklin D. Roosevelt and John N. Garner, a ticket that proved to be the overwhelming choice of the American people at the succeeding November election. Quite naturally, we anticipate that what we do this year will be of equally compelling importance to every citizen and resident of the country. The deliberations of that Chicago convention profoundly affected the political and social life of this country, and we firmly believe that this year's meeting will likewise be fraught with lasting significance to all of us.

Philadelphia was selected by the national committee as the gathering place of Democracy's hosts this year after a long and painstaking consideration of the many fine cities vieing for that honor. The choice was appropriate, wise, and timely. Philadelphia is the city of brotherly love, the home of the Liberty Bell that rang forth more than a century and a half ago with the glad tidings of American independence from the yoke of foreign tyranny. It is the birthplace of the Declaration of Independence and the Constitution of the United States. Perhaps no other city in the world is so associated by tradition and history with the age-long struggle for the preservation of human and political rights, for which the Democratic Party stands.

A few days ago it was my pleasure to visit Philadelphia and, through the courtesy of the mayor, our party was escorted to Independence Hall where once again we gazed upon the Liberty Bell. It was an inspiring sight and we decided then and there that the Liberty Bell, before which we stood in reverential salute, the tolling of which has meant freedom and happiness for untold millions in this country since the days of the Revolution, should be the symbol and insignia of the Democratic National Convention. I am sure the thousands of delegates and visitors who come to Philadelphia during our convention will have their feelings of patriotism revived and strengthened by a visit to Independence Hall and the other historical landmarks of that proud old city.

The success which has attended our initial efforts in making arrangements is due in large measure to the cooperation and help of those Pennsylvanians and Philadelphians who were active in having their city selected as the site of the Democratic Convention. I refer to Gov. George H. Earle; Mayor S. Davis Wilson; Albert M. Greenfield, head of the Citizens Committee of Philadelphia; Mrs. Emma Guffey Miller, national committeewoman of Pennsylvania; and last but not least, Senator JOSEPH F. GUFFEY, the first Democrat elected to the United States Senate from the Keystone State since the Civil War. They are alive, alert, and anxious to make this a memorable party gathering.

The Philadelphia Municipal Auditorium, where the convention will be held, is admirably suited to a gathering of this kind and character. It is ample, adequate, and commodious. It has a seating capacity of 15,000 people, every one of whom will be able to see and hear whatever transpires in the convention. The acoustics have been tested by experts and declared to be unexcelled by any hall of equal size in this country. We can assure those who visit the convention that every comfort and convenience will be provided for them. There will be a conspicuous lack of the overcrowding and high temperatures which, unfortunately, have been so common to large political gatherings in the past.

A staff of competent physicians and nurses will be at hand from local hospitals to provide first aid. Enough rooms and reception halls will be provided for the delegates and their friends to chat and swap political ideas in comfort. A special subpost office will be established by the city for the duration of the convention and mail for the delegates may be sent to that address. Every precaution will be taken to insure the well-being of those who attend.

Now, I wish to give a timely reminder to those of my hearers who are interested and who may possibly attend the convention as delegates or alternates. To expedite the routine handling of business, please make sure that the credentials of delegates are on file with the secretary of the national committee in Washington so they may be checked and placed in readiness before we move to the site of the convention. The convention itself will be officered under the supervision of the sergeant at arms of the Democratic National Convention, Col. Edwin A. Halsey. The staff will be selected from loyal party workers, who will give their services gratuitously. The auditorium management will provide the actual staff in charge of ticket taking and other physical arrangements, and the committee will provide a supplementary staff to aid in that work.

The distribution of tickets will be handled as expeditiously and as fairly as possible. Naturally, first consideration will be given to those who have come to the assistance of the party financially and otherwise.

Press arrangements for the convention will be under the direction of the standing committee of correspondents of the congressional press galleries in Washington, and all applications for press tickets should be addressed to Mr. Thomas L. Stokes, the chairman of that committee. In accordance with the custom of long standing, the national committee is leaving the question of newspaper coverage to the newspapermen themselves. They have handled it capably in the past and will again, I am sure. Commodious quarters will be provided for the great news distributing agencies to carry on their work at the convention hall as conveniently as possible. The latest up-to-date arrangements for radio broadcasting are assured.

In fact, the auditorium is so well provided with space that meeting rooms will be available for the important convention committees like those on credentials, resolutions, and arrangements. It will not be necessary, as it has been in the past, to hold those meetings in hotels, thus delaying proceedings.

In the very near future there will be announced a committee on arrangements, appointed by Chairman James A. Farley, which will take care of all details and to which applications may be made for information about the convention. Meanwhile, those interested and desiring information, may address all inquiries to the secretary of the Democratic National Committee, National Press Building, Washington, D. C.

Philadelphia is particularly fortunate in being able to provide adequate hotel accommodations for the thousands of people who are expected to visit the city during the convention period. There are more than 25 first-class hotels, equipped to give their guests everything that could be expected by men and women seeking modern living conditions. Not only that, but we have been given positive assurance by the hotel people that moderate and reasonable rates will prevail. The Bellevue-Stratford has been selected as headquarters by the national committee. Information regarding hotels and regarding Philadelphia generally and all local matters appertaining to the convention may be obtained by writing direct to the office of Mayor S. Davis Wilson, Philadelphia, Pa.

Perhaps the foregoing brief sketch will serve to give you an idea in rough outline of what we are attempting to do for the benefit of those who intend seeing the convention either in an official capacity or as spectators. The facilities at hand convince us that this year's Democratic gathering can be made one of the most pleasant ever held from the standpoint of convenience and comfort. The weather in Philadelphia is usually very pleasant in June, and we feel certain the weather man won't fail us this year.

Of course, from the standpoint of political interest, it is hardly necessary for me to say that the proceedings of the convention itself will hold the attention of the entire country from the moment the temporary chairman brings down his gavel at the opening session until the delegates leave for home with a platform adopted and a ticket nominated for the next campaign. We Democrats have had a great many charges and complaints hurled against us during our many years of political life, but no one yet has ever accused us of being tiresome or dull. When we have a family disagreement we "speak right out in meeting" at this huge family gathering and say exactly what we mean. We take it that democracy itself is founded on that principle.

We are going to Philadelphia this year in a happy frame of mind, confident that the hard years are behind us and cheered by the prospects of what lies ahead. We like music. When the State delegations arrive, we hope they all bring with them their bands and drum corps and their finest singers. People accomplish their best work in an atmosphere of happiness and good cheer and we are certain the Democratic convention of this year will prove no exception. There is nothing like a good band in bright and snappy uniforms to inspire a gathering of Andrew Jackson Democrats to their best efforts.

Philadelphia is going to give you a welcome this June that will surprise and please you every moment you are there. Attractive entertainment features are being arranged for the convention period, outstanding among which will be the great Mummers Parade, a novel form of entertainment almost unrivaled in this country. It reminds one of the gay Mardi Gras festival at New Orleans, which has attracted so much favorable and friendly attention. The Mummers Parade was held in January but this year it will be repeated in June for the benefit of those who visit the city in that month. There will be other entertainments, big league baseball, water sports on Schuylkill River, a golf tournament and playing facilities for convention delegates and their guests, and the very latest stage shows and moving-picture productions.

The convention roster will be sprinkled throughout with men and women who are known the length and breadth of the land, with people who not only make news but who make the contemporary history of our country. Many of them will be remembered for generations to come for what they have done and are doing in our social and political life.

So then, remember that you will be welcome in Philadelphia; remember that the city is prepared to give you an unusual and friendly greeting and that the Democratic Party will be pleased and delighted to have you there. Without indulging in exaggeration or hyperbole, I honestly believe that we can assure you that the national convention of the Democratic Party will be one of the high spots of the year 1936.

NEUTRALITY AND TREATIES—ARTICLE BY PROF. THOMAS H. HEALY

Mr. WALSH. Mr. President, I present and ask unanimous consent to have printed in the RECORD an article pertaining to section 15 of the pending neutrality bill, written by Thomas H. Healy, Ph. D., dean and professor of international law, Georgetown University School of Foreign Service, and which appeared in the Sunday Star, Washington, D. C., January 19, 1936.

There being no objection, the article was ordered printed in the RECORD, as follows:

[From the Washington Star, Jan. 19, 1936]

NEUTRALITY BILL RAISES CONFLICTS WITH TREATIES—SECTION 15 PROVIDES PRESIDENT MAY NEGOTIATE FOR MODIFICATION, BUT BARRIERS TO PLAN APPEAR

(By Thomas H. Healy, Ph. D., dean and professor of international law, Georgetown University School of Foreign Service)

Section 15 of the administration's neutrality bill, now under consideration by Congress, raises some important questions as to conflicts between existing treaties and neutrality revision. That section provides that where there is such conflict the President of the United States may negotiate with foreign countries for modification of the treaties. Our Government has repeatedly protested against the unilateral abrogation of treaties.

The latest statement on this subject was given to the press by Secretary of State Hull on December 5, 1935, as a warning to Japan on her recent North China activities. Saying that respect for treaty obligations is most essential, Mr. Hull reiterated that "this Government adheres to the provisions of the treaties to which it is a party"; he urged other nations to do likewise.

This attitude raises some interesting (if not embarrassing) questions in reference both to our recent neutrality policy and the revision now under consideration. Article 6 of our existing commercial treaty with Italy (which is practically identical with articles in treaties with a number of other nations) contains the following provisions: "Nor shall any prohibition be imposed on the importation or the exportation of any articles, the product or manufacture of the United States or of Italy, to or from the territories of the United States or to or from the territories of Italy which shall not equally extend to all other nations." As this clause is still recognized by the United States as being effective, even the existing arms embargo (independently of any possibility of embargoes on raw materials) is an obvious breach on the part of the United States of the treaty; our existing arms embargo applies only to Italy and Ethiopia and does not equally extend to all nations.

VARIOUS ASPECTS CONSIDERED

It would be well to examine certain reasons that might be offered in justification of this treaty breach. By quota and other restrictions affecting the commerce of the United States differently from the commerce of other countries with Italy, it might be argued that by previous actions Italy herself so nullified this provision that it should no longer bind the United States. While at first blush this may seem to the layman a sufficient justification for our actions, an examination of our law and precedents does not appear to support this position.

Curiously enough, there is a direct case in point involving this principle and concerning another treaty between the United States and Italy. It is the cause celebre of Charlton against Kelly, decided by the Supreme Court of the United States in 1913. The Supreme Court interpreted the extradition treaty between the United States and Italy, whereby both nations agreed to extradite persons accused of certain crimes, without any reservation as to handing over their own citizens. Charlton, an American citizen, murdered his wife in Italy, fled to the United States, and his extradition was demanded by Italy.

Because of the wealth and social position of the defendant, the case in those days was as famous as the recent Insull case. Charlton's attorneys argued that the United States had no right or obligation to extradite him to Italy because Italy herself had previously violated this treaty by refusing to deliver up certain of her own citizens to the United States. The essence of the defense argument was that the treaty was annulled by the previous violations of Italy.

"VOIDABLE BUT NOT VOID"

Our Supreme Court gave this argument careful consideration and expressed its conclusions in the following words: "If the attitude of Italy was, as contended, a violation of the obligation of the treaty, which, in international law, would have justified the United States in denouncing the treaty as no longer obligatory, it did not automatically have that effect. If the United States elected not to declare its abrogation, or come to a rupture, the treaty would remain in force. It was only voidable, not void; and if the United States should prefer, it might waive any breach which in its judgment had occurred and conform to its own obligations as if there had been no such breach. That the political branch of the Government recognizes the treaty obligation as still existing is evident by its action in this case. * * * The executive department having thus elected to waive any right to free itself from the obligations to deliver up its own citizens, it is the plain duty of this Court to recognize the obligation to surrender the applicant as one imposed by the treaty as the supreme law of the land and as affording authority for the warrant of extradition."

As is usual in many treaties, article 25 of the commercial treaty with Italy provides specifically how it can be terminated. It provides termination 12 months after official notification has been given by one of the parties of its intention to terminate the treaty at that time. No such notification has yet been given. Even if it were given the treaty would remain in effect for another 12 months. The actions of our State Department indicate clearly that the executive branch of our Government considers the commercial treaty still in effect today.

CHANGED ATTITUDE SEEN

That our Government fully appreciates the difficulties raised by such general provisions prohibiting restrictions on exports is evidenced by its actions in recent years in inserting special provisions in new treaties making an exception in reference to war materials. The latest example of this is the trade agreement between the United States and Canada that has just come into effect. In article 12 of that agreement it is stated that "nothing in this agreement shall be construed * * * to prevent the adoption of such measures as either Government may see fit with respect to the control of the export or sale for export of arms, ammunition, or implements of war, and, in exceptional circumstances, all other military supplies."

Section 15 of the administration's neutrality bill similarly recognizes the difficulty by providing that in case of conflict with existing treaties the President may negotiate with the foreign country for the necessary modifications. Naturally this will take time,

and it is a bilateral action, not dependent solely on the will of the United States.

And this brings up another interesting and peculiar point of law. In international law a treaty is a contract, which, like all other contracts, cannot be changed by the action of one party acting alone. On the other hand, under the domestic law of the United States, treaties and acts of Congress are on a parity. Neither is superior to the other and the determining factor is which is the latter in point of time. Therefore, under our domestic law, Congress can pass acts which unilaterally abrogate treaties. Such congressional action is binding on our courts. This, however, does not remove the international binding effect of the treaty without the consent of the other nation. Our Government has repeatedly recognized this principle; and, furthermore, Mr. Hull has just reiterated our traditional policy protesting against unilateral abrogation of treaties, whether or not it is done under the provisions of the domestic law of the other nations concerned. It might be embarrassing for our State Department to offer as justification for a unilateral abrogation the powers of our domestic Congress when we protest against other nations following a similar procedure.

EQUAL TREATMENT SPECIFIED

While the existing treaty with Italy (as well as with other nations) recognizes that when one of the parties is a belligerent it obtains special rights to prevent contraband from reaching its enemy, it is clearly understood that this does not give the other party—the neutral—the right to prohibit the free exportation of goods, unless they are equally prohibited to all other nations, without any reservation as to whether they are belligerent or neutral. This is because of the equal-treatment clause, of which article 6 of the Italian-American treaty is a normal example.

Remembering that the laws of contraband confer special rights on belligerents to interfere with neutral commerce (without giving to the neutral any right to restrict exports to some but not all nations, where there is a most-favored-nation treaty in existence) it is well to examine certain principles of contraband and special facts connected with our treaty with Italy.

There never has been any effective agreement as to what is or is not contraband. Our treaty with Italy, recognizing this difficulty, makes special provisions of its own. In article 15 of that treaty it is stated that "the liberty of navigation and commerce secured to neutrals by the stipulations of this treaty shall extend to all kinds of merchandise excepting those only which are distinguished by the name of contraband of war. And in order to remove all causes of doubt and misunderstanding upon this subject the contracting parties expressly agree and declare that the following articles, and no others, shall be considered as comprehended under this denomination." The article thereupon lists various articles which are essentially implements of war. It thereby excludes all raw materials such as oil and cotton.

ARGUMENT UNTENABLE

Here again it has been urged that these definitions no longer hold, because during the World War Italy served notice that she would not be bound by them and extended her contraband list to include many of the excluded articles. This argument, while plausible, seems legally untenable for exactly the same reasons offered above in relation to the most-favored-nation clause. As a matter of fact, during the World War we did not elect to consider the treaty annulled because of the announced violation of Italy and there is no indication that even up to the present moment has our Government elected to consider the treaty not binding on the United States.

In these days, when it is becoming more and more the practice to reexamine acts of Congress and Executive acts with a purpose of determining whether they are legal or not, it is probable that in connection with our new neutrality policies, our Government will give adequate consideration to the legal points sketched in this article and which may be summarized as follows:

Our present arms embargo against Italy seems to be a breach of an existing treaty.

Extension of the restrictions to oil, cotton, and other materials may be an even more obvious breach.

Under our domestic law Congress undoubtedly has the power to place such restrictions. This, however, does not remove the international binding effect.

Unless we are ready to engage in the same unilateral abrogation of treaties which we have protested in the case of other nations, the legal solution seems to be to carry out promptly the terms of section 15 of the Administration's neutrality bill and enter upon negotiations with other nations for modification or termination of conflicting treaties.

In case we are to terminate treaties legally, we should follow the procedure provided in those treaties as to termination.

In the case of Italy, if notice of termination were served now (as it could be) the treaty would not actually go out of effect until 1 year hence.

LARGE-SCALE ACTION SEEN

It might well be argued that flagrant violations of a treaty give the other nation the right to immediate termination. If we care to use this principle and at the same time be consistent and refrain from dangerous discrimination, we shall have to embark on treaty denunciation on a large scale. As the voluminous records show clearly, many leading nations can be charged with flagrant violations of their treaties with us, involving trade discriminations, extension of the contraband list, and (in a number of cases) the Kellogg pact. Even Great Britain, France, and Japan would not be exempt under one or more of these headings. Unilateral treaty denunciation (even for good cause) is a dangerous weapon; in sweeping away the bad clauses we may destroy other clauses of great value to us. In view of Mr. Hull's stand, it would seem much better to terminate undesirable parts of existing treaties by the orderly legal processes provided within the treaties or by mutual agreement through negotiations. It will not be difficult to modify or terminate conflicting treaty provisions, but if we are consistent this cannot be done immediately and solely through the fiat of the United States.

While the observations here made concern more particularly Italy, the same theories and the same problems arise in reference to all other nations with which we have treaties, with the exception of the recent ones that have a special reservation about war materials. All of which shows that neutrality revision is more complicated than some of our citizens suspect, and that it cannot be considered by itself, but, rather, in connection with other domestic and international laws and policies.

THE PRESIDENT AND THE NEWSPAPERS—ADDRESS BY EDWARD A. FILENE

Mr. WALSH. Mr. President, I ask permission to have printed in the RECORD an address delivered by Mr. Edward A. Filene, of Boston, on December 21, 1935, entitled "Our President and Our Newspapers."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

American newspapers are the best newspapers in all the world, but there is one interesting piece of news which they are not telling.

In the spring of 1933, when business was prostrate and our banks were closed, these newspapers as a rule were loud in their praises of President Roosevelt. But now, when the papers themselves are heralding the story of returning prosperity, most of them are denouncing the President and declaring that the business revival which is occurring under his administration cannot occur under his administration.

One might suppose that this is because another Presidential election will soon be due and that the editors of these papers are generally Republicans. But that doesn't explain it, as every newspaperman understands.

We cannot tell when we read an editorial what the writer of that editorial really thinks. We cannot always tell when we read a newspaper what the owner thinks. As a rule, however, we can tell what the owner wants us to think. And for very definite reasons the owners and financial backers of most of our larger newspapers do not want the masses of America to understand what the Roosevelt administration has been really doing.

It just happens to be a fact that most of our great American dailies are owned or controlled either by big business or by banking interests.

Whether the Roosevelt administration is right or wrong, we must admit that this is a serious situation. In America, at least theoretically, the people rule. What kind of Government we have depends upon their votes; and how people vote depends upon how well they understand the issues at stake. Daily they read their newspapers because they want to keep informed; and they read them, not only for the news, but for interpretations of the news—for some understanding of the meaning of events.

And yet, in a great national crisis, in which our national administration, working for a better distribution of wealth, has somehow come into conflict with the great financial and big-business interests, it turns out that our newspapers—the very source of the average voter's information and education—are usually owned and controlled by these same special interests.

But it isn't a conspiracy. The story is much more interesting than that. Getting angry, moreover, won't help in the least. Admittedly, there is great confusion, but confusion cannot be dispelled by blindly fighting it. All that we really need to do is to understand the situation. Then we may discover that it isn't altogether bad.

Our typical modern newspaper is a big business.

To secure the advertising of national advertisers the newspapers had to become big. They had to get large circulations. To do that required new and expensive equipment, and that required much new capital. In many cases newspapers which had been fighting each other pooled their interests and merged, and the papers which did not merge into larger units presently found themselves in financial straits.

That's where the banks came in. The newspaper business, to them, was just like any other business; and when a business which had once been profitable could no longer meet its obligations, creditors simply had to take some action. If the property could be saved by merging with some other properties, that was one way out. All over the United States, therefore, the same thing began to happen. The day of personal journalism was ending. The day of big business in the gathering and dissemination of more and more accurate news arrived. By this time, however, one property after another was in control of big business interests, not because they had conspired to mold public opinion, but because, under the circumstances, it could not be otherwise.

But why did these newspapers laud the President, or at least refrain from criticizing him, in the dark spring of 1933?

That's easy. Strange as it may seem, American financial interests were not particularly anxious to have their way at that particular time.

They were too sick. Furthermore, they had had their way. That is what made them so sick.

So they begged the President to do something and do it quickly. They couldn't say what, but they wanted him to do something which would revive business. Even the newspaper business at that moment was in a bad way.

And President Roosevelt did something; and eventually business did show signs of recovery. Then the big financial interests did want their own way once more.

There's nothing mysterious about that. Most of my hearers, I am sure, must be acquainted with somebody who is prone at times to invest too heavily in, say, alcoholic spirits. He doesn't mean any harm. He just wants to have his own way; but when his own way makes him sick enough, he may agree 100 percent to the suggestion that he go on the water wagon.

But if going on the water wagon brings about recovery, look out. With his returning strength and returning will power, staying on the wagon may not appeal to him at all.

And while President Roosevelt met with little opposition from the big financial interests in the spring of 1933, it must be admitted that he and they faced our business problem with distinctly different points of view.

Both were anxious that business should recover. But President Roosevelt wanted business to recover so that it might support the masses of people who are dependent on it. These financial interests wanted business to recover so that it might have another grand spree.

What they actually said was, "Recovery before reform."

I am not objecting particularly to these attacks upon the President. Every President who has done anything worth while has been subjected to just such attacks. Washington met with so much unfair criticism that he declared he would rather be in the grave than in the Presidency; but America remembers Washington and has utterly forgotten who those critics were.

Even President Roosevelt is not being attacked more bitterly and more unfairly than was Abraham Lincoln; and if Washington and Lincoln could take it, I am not going to worry about Franklin Roosevelt. In spite of the squealing of the special interests through the newspapers which our industrial evolution placed in their hands, the masses of America are going to have a New Deal; and when that happens, they will remember Franklin D. Roosevelt, and forget that there ever was any such opposition.

Moreover, I am glad that I live in a country in which the administration can be attacked unfairly; for if we were to begin by suppressing unfair criticism, we would surely wind up by suppressing all criticism, and the day of American liberty would be over.

All that I am interested in is that the American people shall understand the nature of these attacks. If they then agree to act and to vote in the way in which these special interests are urging them to act and vote, we can't blame the special interests; for we shall richly deserve what will then be coming to us.

Then we may look forward to one more spree of unrestrained speculation, and one more crash, even more disastrous than the last one, and more terrible years of hopeless, deadening unemployment.

The issue, after all, is very clear. It might not be clear, to be sure, if our newspapers were not obliged to tell the news, and if they could keep the American public in the dark as to what is actually happening. All Americans want business recovery. We all want business, not only to get well, but to stay well. The only question is whether this can best be achieved by the New Deal or by the Old Deal; and the difference between the two is easily grasped if one has access to the news.

The New Deal seeks to revive business by enabling the masses to purchase its products, and therefore gives first attention to the welfare of the masses. The Old Deal places all emphasis on retaining and reviving the traditional rights and privileges of wealth. It is not opposed necessarily to the masses becoming prosperous, but insists that they can do so only if we resume the course which led first to the depression and then to the crisis of 1933.

It is not an issue then between labor and capital, for whichever method leads to lasting recovery is best for capital and for labor, too. Nor is it an issue between agriculture and industry, for if either agriculture or industry is depressed the other is bound to become depressed. The issue is one of how to achieve recovery—shall we believe the news or believe the editorials?

Nevertheless, if this attack on the President should succeed, it means that America must abandon every effort to achieve recovery through adequate buying power to the masses of the American people.

The N. R. A. was such an effort. American business, to be sure, failed to use the N. R. A. for that purpose and the N. R. A. was only partially successful; and later the Supreme Court declared that no such arrangement would be legal unless America should make it legal by some amendment to the Constitution.

Even the partial business revival which we are enjoying is definitely attributable to acts of the administration for which the President is being criticized most bitterly.

It is charged against him by these big business newspapers that he has poured out money by the billions of dollars, for no other purpose, apparently, than to find jobs for millions of American wage earners who must otherwise have starved to death.

Now, the special interests did not actually want those millions to starve, and the President didn't think that these public-works projects were the best way of employing the unemployed. He preferred to have our businessmen employ them in our factories, which, if we had cooperated under the N. R. A. we might have done.

But business refused to do that, and it turned out to be unconstitutional anyway, so the administration had to pour out billions or else let the masses starve. The administration poured out billions, and these financial minds did not approve.

That is the real meaning of those editorials which declare that we should first have balanced the Budget, regardless of the millions who were out of work. President Roosevelt has surely been eager to balance the Budget; but when balancing the Budget means starvation to millions of Americans, he preferred to let the Budget wait.

The traditional banker-mind preferred to let the starving millions wait. So apparently does William Randolph Hurst, although he is a bit more outspoken than even the banker-owned editors.

Hearst, by the way, is something of an exception in journalism. He doesn't deal so much in accurate news as in popular entertainment; and people read his journals not for information but for thrills. But it has been a very profitable business and Hearst has been able to live on his glorified California estate in a way which might well arouse the envy of an ancient Roman emperor.

I am not criticizing him. Hearst believes that Hearst should live like that, and he is entitled to persuade others to his way of thinking, if he can. What he has been objecting to most of late are the income taxes. The Government has been pouring out so many billions for mere relief of the unemployed, and the Hearst income taxes have consequently been so high that he says he can no longer afford to keep up that estate.

No wonder he hates the Roosevelt administration. And if he can persuade his readers to repudiate the Roosevelt administration because of this, there is no sense whatever in blaming him.

If one wants to know how this so-called orgy of spending has actually worked out, however, all he needs to do is read the papers. I mean, of course, the news columns. By this relief work millions of Americans who would otherwise be penniless have been getting wages and spending them. And they have been buying the products of American industries, and business therefore is actually picking up again.

The banker-owned press says that we could not afford to pay out all this money for nothing more than employment. But let us see.

Money, after all, is not wealth and cannot by itself produce any wealth. All financiers know this, but they do not all act as if they did.

Wealth comes and can come from just one source. That source is employment.

All our values that are measurable by money are produced out of Nature's raw materials by human effort. All that money does is to enable us to exchange these values and thus get things we want in return for whatever it is we have to sell, which is usually our labor power.

All that I am suggesting is that we take sides against confusion by studying the news instead of taking these editorials too seriously.

If you read in the news columns that business is reviving, and you read in the editorial columns that it is being strangled by the Roosevelt administration, which statement will you be likely to believe?

The newspapers, in their news columns, have told us where the money went; and we all know that the President was as anxious as the newspapers that the Budget should be balanced. It was only a question of when it should be balanced.

If he had balanced the Budget when these angry newspaper owners wanted him to balance it, millions of Americans must have starved to death. He had to let the Budget wait or let the starving millions wait. If anyone is angry because he did not let the millions starve, I suppose we must let him be angry. But we can do our own thinking about it.

Every act of the Roosevelt administration has been an effort at least to get adequate buying power into the hands of the masses of Americans so that by their buying they might keep business good and keep themselves employed.

There had to be a New Deal if we were ever to be prosperous again. Some way had to be found to get sufficient buying power into the hands of the masses so that they could buy the now enormous output of our machines. Unless that were done, business must continue in the dumps, our machines could not be operated at anything like their capacity, and millions must, therefore, remain unemployed.

Hoover naturally couldn't see this. He can't see it yet, and is still insisting that the way to prosperity is the way which he tried and which sank us further and further into depression.

And particularly I am not proposing any censorship. I am simply proposing that the public understand this issue. When the American public does understand, I know it will not agree to starve to death, even to please our erstwhile financial authorities, and to comply with their notion of how the Budget should be balanced; and it will not turn against an administration which has not only promised to represent the masses but in every official act has dared to keep that promise.

It has dared, for instance, to pour out billions, when only the pouring out of billions could relieve the poverty and distress which resulted from these interests being permitted to have their way too long.

It has dared to inaugurate unemployment insurance, which no previous administration had ever dared to do. It has dared also to inaugurate old-age insurance. It dared to abolish child labor, although by decree of the Supreme Court child labor may tem-

porarily come back. It has dared to deal with the farmer, not with mere words but with actions which provided him with buying power and enabled him to do his share in the present business revival. More than all, it has dared to propose an arrangement whereby, if we will, we can distribute to the masses the huge abundance which it has now become possible to produce.

Under the N. R. A. we could have done just that. And under one more Roosevelt administration we can and will do it. So I am not worrying about the issue. Business leaders may have been slow to grasp it, but they are now waking up. Our financiers generally have been slower still, but they will wake up.

They must, if they read the news columns of the papers which they own.

For those news columns do contain the facts. The editorial columns contain nothing but opinions; and in a conflict between our opinions and our facts, it is more than likely, in the long run, that the facts will win.

JEFFERSONIAN DEMOCRACY—ADDRESS BY POSTMASTER GENERAL FARLEY

Mr. LOGAN. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Hon. James A. Farley, Postmaster General, before the Young Democratic Clubs of Kentucky, at Louisville, Saturday, October 5, 1935.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is gratifying to appear before a young Democratic meeting, for it means an audience vitally alive to the necessities and the duties of the present hour. We are living in a new age. The "good old days" that are the dream of the reactionaries will never come back again. This is an age of readjustment too long postponed. Today we face new problems, and upon their courageous solution depends the preservation of our democratic institutions.

Here in Kentucky the Democrats have just nominated a splendid young Democrat as their candidate for Governor, a fine example of the far-sighted, intelligent, militant, and loyal young Democratic leaders of your great State, in the person of your lieutenant governor, A. B. Chandler, Jr., well known to all Kentuckians as "Happy" Chandler.

I believe it is most important that you have in the capitol at Frankfort a Democratic Governor thoroughly in sympathy with the aims and purposes of our great Democratic President—Franklin D. Roosevelt. I have no doubt as to the outcome in Kentucky in November any more than I have in the great victory which is assured in November 1936.

The new problems of the day cannot be solved by the old formulas. The world is passing through a new phase and the world of tomorrow is being made today. And because the world of tomorrow will determine the status of the young men of today, this is the young man's day.

We propose to save the democracy of which Jefferson was the philosopher. Yes; the cause that Jefferson thought for, and Jackson wrought for, is today being fought for by that gallant leader who thinks as Jefferson thought, and fights as Jackson fought. It is a glorious thing to go into a battle behind the plume of a fighting leader who is as fearless in combat as Andrew Jackson.

The struggle just beginning is not without its touch of humor. Could anything be more ridiculous than the spectacle of the old Hamiltonians, notoriously contemptuous of Jefferson and equal rights, lugubriously lamenting and wailing lest the party of Jefferson depart from the fundamental principles of its patron saint?

You younger Democrats are to be congratulated on having a blessed heritage in the political principles of the founder of the party. These principles are so fundamental and eternal that their verity cannot be affected by the passing of the years. They are grounded deep in human nature and rest upon the inalienable rights of man. The principles of Jefferson are the formula of a free society and of a free people. In view of the Hamiltonian interpretation of Jeffersonian democracy so fashionable among the discredited spokesmen of the old deal it may not be amiss to briefly touch upon them.

What are the fundamental principles of Jefferson?

You will find the heart of his philosophy in the preamble of the Declaration of Independence—that the people are endowed with certain inalienable rights, and that among these are life, liberty, and the pursuit of happiness; and that to secure these rights governments are instituted among men deriving their just power from the consent of the governed.

That is the keynote of Jeffersonian democracy, and thickly sprinkled through his letters and public papers are powerful amplifications of that idea. He declared for equal rights for all and special privileges for none. He said that no one had a right to use government as a stirrup by which to mount and ride on the backs of his fellow men.

He shocked the Bourbons of his day by the assertion that human rights come first, that legitimate property rights must be respected, but that in case of conflict the rights of men must prevail. He invited the abuse of the ancestors of the present-day eulogists of Jefferson by saying that governments are the servants of the people and not their masters; that they are instrumentalities to be employed in the interests of the people.

And he was against the exploiters of the masses, whether they wore a crown or waved a wand of gold.

Yes; he was the first American statesman to force reforms to prevent a concentration of wealth in the hands of a few. Scarcely had he written the Declaration when he hurried back to Virginia to demand the abolition of the law of primogeniture. This was a law conceived by feudalism to prevent the dissipation of great landed estates through their division on the master's death. It gave to the eldest son the whole of the land and left the others without an acre. He called it a relic of feudalism. He denounced a system which he said "made one member of every family rich and all the rest poor." And he took his stand four-square for its repeal.

He was denounced by the reactionaries as a traitor to his class.

He was assailed as an enemy of property.

He was abused as a demagogue and a Communist.

All the reactionary forces in Virginia mobilized against him and fought him with a bitterness that persisted to his dying day; but Thomas Jefferson changed that law of inheritance avowedly to prevent the concentration of financial power in the hands of the few. In the last days of his life he said it was one of the greatest services he had rendered his country.

A little while ago President Roosevelt asked if the American people, acting through their Government cannot, under the Constitution as it stands, give to the Nation a program of social and industrial regulation?

Instantly the financial power was on its toes shouting for the Constitution. They denounced him as an enemy of the fundamental law. Forgetting that the fathers of the Constitution wisely provided a method for its amendment to meet the changing conditions of future times they stooped to the cheap demagogy of pretending that to suggest an amendment is to attack the fundamental law.

And in the same breath they had the temerity to evoke the name of Jefferson.

Was Jefferson opposed to amendments when required? Why history records that he mobilized his forces and led the fight for amendments within 2 years of the adoption of the Constitution. An amendment? No; he was more wicked than that—he asked 10 amendments. And why did he demand them? Because the constitutional fathers had failed to incorporate into the Constitution a single provision for the protection of the inalienable rights of man. The most sacred part of your Constitution is your Bill of Rights, the 10 amendments that Jefferson forced within 2 years of the establishment of the Republic.

I am willing to submit to any audience of the free men of America that the first ten amendments forced by Jefferson constitute the immortal part of that immortal instrument.

Nor is that all we know of Jefferson's attitude toward amending the Constitution whenever the service of the people may require. He abhorred the idea that any generation could forever put the American people in a strait jacket. His sense of realism and common sense revolted at the thought of putting a young and expanding nation into a concrete cast. His statesman's visions foresaw that the passing years would create new problems not dreamed of by the founders that would require new remedies not provided.

And so he wrote to a correspondent (Dumas):

"Happily for us that when we find our Constitution defective and insufficient to secure the happiness of our people, we can assemble with all the coolness of philosophers and set them to rights."

Do you note the words "when necessary to the happiness of our people"?

And again he wrote (to Benjamin Vaughan):

"Had our Constitution been unalterable—pardon the absurdity of the hypothesis—we must have gone to ruin with our eyes open."

And again he wrote: "Whatever by the Constitution, great care must be taken to provide a mode of amendment when experience or a change of circumstance shall have manifested that any part of it is unadapted to the good of the Nation."

And now again, against the clamor of the reactionaries concerned solely with the preservation of their privileges, let me read you the answer that comes ringing down the generations in a letter to Samuel Kerchival:

"Some men look at constitutions with sanctimonious reverence and deem them like the Ark of the Covenant, too sacred to be touched. They ascribe to the men of the preceding age a wisdom more than human and suppose what they did to be beyond amendment. I knew that age well. I belonged to it and labored with it. It was very like the present but without the experience of the present; and 40 years of experience in government is worth a century of book reading; and this they would say themselves were they to raise from the dead * * * I know that laws and institutions must go hand in hand with the progress of the human mind."

So much for the cheap demagogy of the special pleaders of the old deal who would persuade the followers of Jefferson that he would oppose amendments to the Constitution to make it adaptable to the present needs.

But Jefferson did not escape the demagogues of privilege in his day. From the hour he entered upon his Presidency until he retired to private life he was constantly charged by the opposition orators and papers with destroying the Constitution.

When he asked for the repeal of the partisan judiciary act, passed on the eve of his inauguration for the purpose of packing the Federal branch courts with enemies of democracy, they cried hysterically that he was wrecking the Constitution.

When he bought Louisiana for a song and gave a vast empire to the flag they said he had murdered the Constitution.

When he asked for another amendment on the election of the Presidents to make more certain the registering of the public will, they screamed that Jefferson had trampled on the Constitution.

When he resorted to an embargo as a substitute for war, when war would have meant ruin, they lashed him with the charge that he had torn up the Constitution.

And the experience of Jefferson was the experience of Andrew Jackson. For 8 years when that great warrior was fighting his heroic battle against the incipient plutocracy of his time, and making the people's government serve the people's interest, they said he was an enemy of the Constitution.

It is a curious fact that from the days of Thomas Jefferson to the days of Franklin D. Roosevelt there has not been a battle waged against privilege and for the rights of the common man that the special pleaders of the privileged class have not raised their hands piously to Heaven and rolled their eyes in pretended anguish over the mangled form of the Constitution.

Thus President Roosevelt has not escaped the slander that was poured so lavishly on Jefferson and Jackson. Why, there are reactionaries of the Hoover regime of suicide and soup who are convinced that when President Roosevelt moved the Capitol of the Nation from Wall Street to Washington he sacrilegiously abandoned the Constitution.

There is not an enemy of real democracy in the land who is not against him; not a reactionary who is not against him; not one of the exploiters of the people that is not against him; but the people are for him, because he is fighting their battles with a courage that has put the fear of the Lord into the hearts of their enemies.

And who is the leader, the spokesman, the pensman of the opposition? Behold an old acquaintance—Herbert Hoover. True, Ogden Mills is playing second fiddle in the old-deal orchestra, and Andrew Mellon is singing low, but head and shoulders above them all is the leader—Mr. Hoover.

He takes his place at the head of the procession prating the old hackneyed phrases that tortured our ears through the 4 Hoover years of inertia and human misery. He personifies the old deal; and the people will take their choice.

You are not so young that you did not see the old deal ripen and rot. You saw the crash upon the market and the wiping out of billions of credit in 4 days. You saw the factories chill their furnaces and turn breadwinners out into the street to beg or starve. You saw the arm of the jobless lengthening day by day through 4 years of deepening shadows. You heard the constant crash of banks throughout the country as the savings of a lifetime of the middle classes and the poor were swept away. You heard the constant hammering of the auctioneer knocking down the homesteads of farmers whose fathers had redeemed them from the wilderness. You saw these tillers of the soil in desperation sally forth into the highways with pitchforks in their hands. You saw commerce fading from the sea and our greatest harbors almost deserted by ships of trade.

You saw the sound banks choked with idle dollars and granaries choked with unused grain, while legitimate enterprise could get no credit and starving children could get no food.

You heard the starving idle asking their Government for a chance to earn their bread in self-respecting toil, and heard the old deal answer that the American way was to seek the bread of charity. You heard the farmer beg for relief from ruin, and heard the old deal, speaking with the tongue of a member of the Cabinet, reply that he should take advantage of his leisure to travel and see the world.

Oh, how well you remember the old deal; how well you remember the assurance of Mr. Hoover that "prosperity is just around the corner."

We challenge the old deal, grass roots and all, with this assertion: That through 4 years of the tragic human misery not one constructive act or thought came from the administration of Herbert Hoover. It stood helpless in the midst of the ruin its pet policies had wrought—and it had no plan. With the economic life of the Nation moving with ever increasing rapidity toward utter ruin the old deal sat twirling its thumbs, stupidly waiting for something to turn up.

Do you want to go back with Mr. Hoover, grass roots and all, to the old deal?

Within 2 days of his inauguration Franklin D. Roosevelt acted—closed the banks and saved the Nation from the greatest financial catastrophe in human history. From that hour on this remarkable man has acted constantly, with courage and decision. And from that hour we began to slowly climb from the slough of despond. He acted for the farmers—and last year they made more than a billion dollars. He acted for the depositors in banks—and as if by magic the bank failures ceased to claim the headlines. He acted with the audacity of necessity for business—and the merchant on the verge of bankruptcy, noting an increasing trade again, held himself erect with hope and confidence. He acted so wisely for all that the income-tax receipts for 1934 mounted by many millions. And he is acting now for the jobless, on useful public works, and soon many of these idle will be on the pay rolls; and the pay rolls will reach the merchants; and these merchants' increased trade will reach the factory; and the factory, with increased orders, will put added men to work.

But the President and the New Deal are not through. Franklin D. Roosevelt does not patch—he builds. He is building for the future and building against a return of the tragedy of this prolonged depression. He is building in the spirit of democracy and against the necessity for a dictator tomorrow. He knows, as blind Bourbons never know, that a return to the old deal is a return to the old practices and wrongs, and that a return to these is a return to the economic chaos and ruin from which we are now emerging. Thus, he is writing social justice into our system and, when he is finished, unless the people are homesick for Mr. Hoover and the old deal, he will go down into history as one of the greatest humanitarians that ever sat in the seat of the mighty.

We have principles—the principles of sound democracy.

We have a cause—the cause of justice and humanity.

And we have a leader who looms today as one of the foremost figures in all the world.

Providence has always brought us a leader for a crisis. Never a graver crisis and never a more inspiring leader than this smiling warrior in the White House. He possesses the qualities the times require.

He has courage—and no one doubts his courage.

He has initiative—and that is a matter of record now.

He has decision—and he never falters.

He has honesty of purpose—and no one dares question that.

He has an open mind—and that means that he has not stubborn pride of authorship that would impel him to cling to an error.

He has a heart—and God knows in days like these we need a man of heart and humanity in the seat of power.

He has frankness—and the frankness of this man has been a marvel to the Washington correspondents. He has no spokesman; he speaks for himself. He has no question box—he takes his questions hot from the bat. He has nothing to hide.

He has the Jeffersonian idea that he is engaged in the business of all the people.

No other President has ever known such pressure, such solemn obligations; but these almost superhuman labors for the people have not robbed him of his smile.

The privileged and the exploiters cannot intimidate or move him from his righteous purpose, and the people will sustain him overwhelmingly at the polls.

RESTORATION OF NATIONAL PROSPERITY

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a plan to restore national prosperity worked out and proposed by W. C. Simons, publisher of the Lawrence (Kans.) Daily Journal-World. Mr. Simons is a practical businessman and a successful newspaper publisher, whose views are entitled to the attention of practical and successful men. His plan for restoration of national prosperity, based on restoring purchasing power to agriculture, is essentially simple. Mr. Simons would pay a subsidy equal to the tariff on wheat, cotton, and hogs actually exported. The Government would employ first-class salesmen to help dispose of these products in foreign markets. How the proposed plan would work is explained by Mr. Simons in his statement, which I ask to have printed in the CONGRESSIONAL RECORD.

There being no objection, the plan was ordered to be printed in the RECORD, as follows:

A PROPOSED PLAN FOR RECOVERY IN THE UNITED STATES, WHICH WILL ALSO AID IN THE WORLD-WIDE RESUMPTION OF BUSINESS—THE FARMER OF THE UNITED STATES HAS NOT SHARED IN NATIONAL PROSPERITY FOR 15 YEARS. DURING THAT PERIOD FARM PROFITS HAVE LARGELY VANISHED WHILE TAXES HAVE GREATLY INCREASED

The farmer today needs almost everything in and about the home and farm.

Put purchasing power in the hands of the farmer and it will accomplish many important results, among them being:

It will start factories to work.

It will make farmers' credit good at banks.

How can we give the farmer purchasing power?

Through paying a subsidy equal to the tariff on wheat, cotton, and hogs, actually exported.

How will this help?

It will automatically set the price on these articles on the domestic market at the world price, plus the tariff.

Will such an act shut us out of world markets on manufactured cottons, or on processed wheat or pork products?

No; for the act should provide to refund to the manufacturer or processor the amount of the subsidy on the wheat, cotton, or hogs required to produce the manufactured or processed articles.

What will be done with the surplus? Will it not be true that the presence of this exportable surplus will depress the domestic market?

I think not. The Government should secure first-class salesmen to assist its consular service in finding markets in foreign lands, using the reciprocal provisions of our tariff to grant preferential rates to countries buying our goods.

Will such action work to the injury of American industry through flooding our country with foreign goods?

No; because by such action we shall have placed in the hands of American farmers greater purchasing power, and as a result have opened factories and restored credit at home. Not only this, but it will also help break the frozen conditions in other nations, and will in turn give to their peoples greater purchasing power for our goods.

We are still dependent on foreign lands for many products that either we do not produce at all, or in quantities insufficient for our needs. Our trading efforts should center on such products rather than to receive freely imports of all kinds.

Is this price fixing?

No; excepting as it adds to the world price the amount of the tariff as a subsidy.

Will not the result be that everyone will increase production?

There probably will be increased production, because there will be greater consumption, but in the end the law of supply and demand will tend to keep production in balance. The retirement of some marginal lands might also aid in controlling production.

How will it affect credits?

It will restore to agriculture and industry activity and profit. These increased activities and earnings will warrant an extension of credit and banks will be glad to make loans which will then be good loans because given to going, profit-making concerns, or to successful individuals.

Will such action be expensive to operate?

No; no additional bureaus and few additional employees will be needed to handle all matters connected with granting subsidies. As the Government grants the subsidy only on the products actually exported, no investigation will be necessary to see how much cotton or wheat is grown, nor the number of hogs raised. With increased domestic consumption the exportable surplus should not be too large to be equitably handled by our trade representatives.

How will it affect Federal income?

At present receipts from income taxes are growing less and less. With renewed and sound activity on the farm and in industry incomes will be increased, producing more revenue through income taxes; and the increased consumption of other products will also result in an increase in duties collected.

How long will it take to bring this about?

It should come about in part immediately, and to a great degree with the marketing of another crop. The local packer, miller, and manufacturer will automatically be forced to pay the world price plus the tariff, as he cannot import such articles without even greater expense, and the grower can sell his products for export.

Are enough farm products included?

I think so; but if later it should be found that other articles should be included, such action may be taken.

Will organized labor protest increased costs?

It may, until it is shown that the demand for labor in all lines will be greatly increased under such a law. By the action proposed men will return to the farms and will be held by the farms, who for 10 years or more have been forced to seek jobs elsewhere.

The above outline was prepared by W. C. Simons after several years of study of the farm question. A more incomplete outline was first submitted to the Hoover administration; and later an enlarged outline to C. B. Merriam, Chairman of the Reconstruction Finance Corporation, and by him to Secretary Wallace, of the Department of Agriculture.

The plan is not spectacular, is not revolutionary, and the total cost of its operation would be immaterial, compared to the volume of public spending during the past year. The plan simply applies the protection of a tariff on certain farm products in the only manner in which they can be protected by a tariff.

The whole plan has been thoroughly discussed with Prof. John Ise, of the department of economics at Kansas University, and with several other outstanding American economists. It is nonpartisan, and while it offers an opportunity to protect American farmers in the only way in which the tariff may be effectively employed to their surplus products, it also paves the way for better international understanding and good will.

The plan has been discussed with Senator CAPPER, Congressmen GUYER and MCGUGIN, with the late John A. Simpson, national president of the Farmers' Union, with national leaders of the Grange, and with prominent agriculturists and stockmen. The publication of the plan has been urged by several of those familiar with it, but it has been witheld until the effects of present plans and policies could be determined. It will be noted that the plan in no wise violates the American ideals of government and does not give the Government control of the land.

A thorough discussion and criticism of the plan is welcomed.

RISE OF GRASS—ARTICLE BY CHESTER C. DAVIS

Mr. McKELLAR. Mr. President, I ask permission to have published in the RECORD an article entitled "Rise of Grass", written by Chester C. Davis, Administrator of the Agricultural Adjustment Act, which was published in the Country Gentleman for January 1936.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Country Gentleman for January 1936]

This is a story of the return to grass here in the United States. Grass is growing on a thousand hills today where a few years ago 30-cent wheat and 6-cent cotton were being mined out of the eroding land at the expense of our soil, which was, in effect, being sold down the river by the billions of tons.

It has been said that during the eighteenth century great progress in agriculture was made in the general field of animal breeding; in the nineteenth century the development came in the field of crop production, including scientific farming, fertilization, mechanization, and better seed varieties; and now in the twentieth century a positive trend toward the development of a more efficient pastoral agriculture seems to be indicated.

A review of our agricultural history here in the United States—and I will make it brief—discloses a steady retreat of the grass line, a constant surrender of grass to cultivated crops.

Here was a continent of grass and forest drinking deeply of the rains. The run-off of water and eroded soil was at Nature's minimum rate. Her grass and forest floor protected New England from floods and soil erosion as her stern and rock-bound coast guarded her from the sea. Grass caught in the breeches buckles at the knees of the Pilgrim Fathers when they stepped from Plymouth Rock. The moccasins of Daniel Boone fell silently on the forest floor of our central highlands, and grass brushed the stirrups of Buffalo Bill. The Texas Trail from Ogallala to the Rio Grande led through an empire of unplowed range, and the Union Pacific laid its rails on prairie sod from the Missouri River to the setting sun.

But those few hills of corn, planted by the Pilgrims and fertilized with fish, had become a hundred million acres in 1909. They numbered 108,000,000 in 1932. Wheat and cotton have erased the Texas Trail, the hillsides of our central highlands are scarred and gullied and often bare, and the Mississippi River dumps into the Gulf of Mexico each year more than 300,000,000 tons of soil that has been stripped of its protective covering, grass. The wealth of the land of Crockett and Houston and Buffalo Bill, of Ezra Meeker and Brigham Young, the wealth of our country, is going down to the sea in mud.

Now, during the earlier scenes in this triumphant march of our fathers across the continent there were certain conditions that no longer prevail today—and an unlimited range to plow was not the only condition that has changed. A huge export demand for our agricultural crop was one. An unbuilt West that needed building from the raw was another. Debts and interest to pay to Europe was another still. How strange those conditions sound to us today, and yet they were very real only a few short years ago.

The natural thing then to do was to plow our West, and that was done.

FORCED TO MINE THE SOIL

In the latter days of this era I lived in the Dakotas while the plowing fever was on, and I took a hand in it in Montana. Then the interest was to get the grass plowed under in the fastest time possible; today it is in getting grass cover back on much of that land.

In the next era, during the war, when a stimulated demand and high prices prevailed and both patriotism and profit urged greater production of crops, the American farmer threw in his tractor clutch and turned over still another 50,000,000 acres of land that had never felt the plow before. Again it was the natural thing to do.

Another era led up to 1933. Perhaps that period is so close to us now we cannot appraise it as easily as the previous ones—just as the beginning of the present one, the era of the "rise of grass", is still harder for many to see in full perspective. My suggestion is to consider these latter two eras, as I discuss them briefly, from the standpoint of an ordinary farmer, a good farmer, instead of from the standpoint of a grass-rooter, an economist, or a politician.

In the period after the war that led up to the dark days of 1932, the American farmer, inheritor of the land of his fathers, was forced to quit farming, as he knew good farming, and go into the business of mining his soil instead. There are no specious economics involved in that fact. With low prices for what he sold and high prices for what he bought, the farmer had to dig deep down into the only final resource he had, the fertile soil of his farm. He spat on his hands and began to mine that soil for all it would bring today, forced to sacrifice what it would yield tomorrow. He spent his soil desperately, regardless of the cost to future generations of farmers and consumers.

The farmer, in those days before 1933, couldn't practice the farming principles that he knew from teaching and from experience were sound, and rotate enough of his land in grass and other soil-building crops. He had no chance to work for the future; if he didn't mine his land to the limit now there would be no future! He had no choice. There were just so many acres of land in his farm; at 30 cents for wheat and 6 cents for cotton it took all those acres—and then some—to meet the high fixed charges of interest, taxes, and overhead that previous production had established on his land.

Even with supplies of wheat and cotton and corn piled up, untaken by society at prices below cost of production, the farmer had no choice but to produce still more, to mine still further into the fertility of his land.

He sold his crops on the auction block for less than it cost to grow them, and he washed his soil down the river and sold the future producers and consumers down the river with it.

Today, after 3 years of cooperating with his neighbors in a national effort to correct that reckless expenditure of resources, the farmer who had been forced to turn miner straightens up from his labors to look around. He sees his best land growing crops at fairer prices. He looks across to the green uplands of his farm, to the few acres he has been able to change from surplus cultivated crops to grass. And the miner, who is by way of turning farmer again, recognizes on those acres the real value in the future of his land and shouts with all the fervor of one who has made a discovery of wealth:

"There is gold in the grass on them thar hills!"

Perhaps before I go further into a discussion of the grass revolution that has been taking place during the past 2 or 3 years, we should realize how great the toll had been before. Let us measure it in terms of "idle acres."

If present-day agriculture is to be measured negatively in terms of so-called idle acres, let's see where the real idle acres are.

Already more than 50,000,000 acres of once productive land in the United States are now out of production because of soil erosion. It is not temporarily set aside to be put back into cultivation when needed. It is completely and permanently ruined as productive land. That is an area as large as the whole State of Iowa. In addition to that, another 125,000,000 acres now in cultivation have lost all or most of the original producing soil, mostly from sheet erosion, and another 100,000,000 acres are on the way, according to the Soil Conservation Service.

The Soil Conservation Service estimates that where land is cultivated continuously the surface soil is completely lost in from 7 to 75 years, depending on rainfall, slope, and kind of soil. Every year erosion takes away from our fields about twenty times as much plant food as is removed in harvesting crops.

AN IMPRESSIVE OBJECT LESSON

We all know what Iowa soil is worth to the Nation. Land used for corn according to prevailing practices in southwestern Iowa lost 9 tons of soil per acre during the year and a half which a recent soil-erosion experiment covered, while only 1 pound of soil per acre was lost where the corn was grown in alternate strips with alfalfa.

Oklahoma offers a graphic illustration of the trend of our agriculture because of the kaleidoscopic speed with which its record has unfolded, and because of its importance as a farming State. It ranks among the first three or four States in the Union in both major crops of cotton and wheat.

The whole agricultural history of that State, as far as the white man is concerned, has been written within the span of my own lifetime. Fifty years ago Oklahoma was untouched by plow; today it is regarded as one of the most severely eroded States in the Union, according to The Land, February 1935. One 47 years ago the eighty-niners wrote in one immortal day the first chapter of Oklahoma's history. And, before the dust on the new-plowed prairies had dried the ink on that first chapter the sons of the eighty-niners went ahead to exhaust their heritage at the same rate their fathers had founded it. For example, a region of valuable land near Muskogee which was broken for cultivation less than 30 years ago is now seriously impoverished by sheet erosion.

Go to Oklahoma and see the uneroded Kirkland silt as it was before the luxuriant bluestem sod was broken. Then, just 25 feet away, see where more than 12 inches of soil have been removed through sheet erosion, with the clay subsoil showing through and supporting only a meager growth of wire grass. That field has been abandoned. It is "retired acres." And the man who formerly farmed that field is not sitting in a hammock or playing croquet as the owners of "idle acres" are sometimes depicted as doing today.

The pioneers came and plowed and, urged first by unusual opportunity and later by sheer economic pressure, they left drought, dust storms, and idle acres behind them. I will stand and cheer the legendary pioneers, the builders of our West, but I will criticize the economic pressure which drove them and their sons to mine the land they had won. And, what is more, I will not cheer them on to pillage their heritage further as the advocates of a false abundance would have them do today.

We have sung the praises of the pioneer and built monuments to him, his covered wagon, and his plow. Always his plow. With it he conquered; yes, just as Cortez conquered with those other weapons of conquest, the broadsword and the spear. If such a conquest is followed by proper occupancy, then conquest may be justified. But the raping of the temples of the Incas by the gold-thirsty soldiers of Pizarro in Peru was no more destructive than the razing of our forests and prairies by our land-thirsty farmers who conquered with the plow.

In this indictment I do not blame our farmers any more than I would blame alone the soldiers of Pizarro in Peru or Cortez in Mexico. Spain wanted gold. The merchants, the courts, and the courtesans wanted gold. The soldiers were not to blame, as they were ordered by their captains and by the times and were driven across the land.

Similarly, our farmers had their partners in crime as well. Those partners were the railroads who counted on volume in freight; civic associations who wanted their districts "developed"; processors and handlers who clamored for volume, and traders who clamored for exports; and, of course, the consumer cannot be blamed for lining up on that side too. Those were the farmers' allies who, like the farmers, wanted their gold today.

It is a dark picture, so let's shift the scene. In some parts of the West the season we call spring is known as "the rise of grass." I suppose the Indians gave us that term; anyway, I like it. I like the sound of it when people say what they will do "the next rise of grass." It is a living term, a recognition of all the season means, which is an era of freshened hope, a reawakening of life.

I believe we are in "the rise of grass" in other than the seasonal sense. There has to be some economic mainspring to make it temporarily profitable as well as permanently profitable for farmers to reverse the trend toward overcropping that has had us in its grip for generations. The 3,000,000 agricultural-adjustment contracts, with the benefit payments which equalize the current earnings of the man who rests part of his land with the earnings of the man who crowds all of his, are providing that mainspring now. New contracts that are being drafted bear down heavily on "positive" performance, requiring farmers to establish not only the fact that they have retired the agreed area of land from surplus cash-crop cultivation but that they have increased the area of land on their farm that is devoted to soil-building, constructive uses, by a like amount.

I do not imply that adjustment contracts are the only kind of economic mainspring that will work. No doubt there are others. At least 10 years ago former Gov. Frank O. Lowden, of Illinois, advocated a plan under which States would provide by law for lower tax rates on land sown to legumes in order to encourage the shift from cultivated crops into uses that protect and build soil. His plan never was put into effect. If it had been, the present trend to grass would have begun a few years sooner than it did.

In Illinois, where a careful study was made of the use of the acreage contracted under adjustment programs, it was found that 400,000 additional acres were planted to legumes in 1934, and the increase is estimated at more than 1,000,000 acres in 1935. A study made on 810 farms in Illinois showed that about four-fifths of the contracted acreage was planted to legumes. The farms studied averaged 19.4 contracted acres per farm.

A complete study of the more than 900,000 contracted acres in Minnesota which were shifted from corn and wheat by more than 92,000 signers of adjustment contracts brings out the fact that, because of the drought, 55 percent of this land was used for emergency forage crops, such as Sudan grass, sorghums, millet, soybeans, and other roughage, while only about 12 percent was planted to alfalfa, new seedings of clover, timothy, and other similar soil-improving crops, and to trees. The remaining 33 percent was summer fallowed to control noxious weeds or to conserve moisture or were left to natural growth.

In spite of the drought, short seed supplies of many legumes and grasses and limited farmer purchasing power at the beginning of the program, the reports show the extent of the "rise of grass" in the United States. The national alfalfa acreage increased 14 percent, or 1,750,000 acres, in 1935 more than in 1934. Soybean acreage went up 1,200,000 acres, an increase of 29 percent over 1934. Lespedeza for hay purposes increased by 50 percent in 1934, and this on top of previous large increases. The hay acreage for 1935 increased by 5,384,000 over 1934, or about 9 percent, according to the United States Bureau of Agricultural Economics, which reported that "acreage taken out of production under A. A. A. contracts has been planted in large part to forage crops."

USE OF CONTRACTED ACRES

Our replacement crops section made a study last summer in five major cotton-producing States—Georgia, South Carolina, Arkansas, Oklahoma, and Texas—and found that all but about one-fiftieth of the contracted cotton acres in those States had been put to constructive use either in producing food and feed for home use or for soil improvement and erosion prevention, including terracing and strip cropping.

These studies show that, for the Nation as a whole, more than three-fourths of the 35,000,000 contracted acres of 1934 were planted to new seedlings of meadow and pasture crops and to forage crops to meet the drought emergency and for home use—crops of a class that prevent erosion. Sound farm practices, such as better rotations, terracing, and strip-cropping in eroding regions, planting farm wood lots, and the growing of erosion-preventing crops, were accelerated by the use of contracted acres. The more than 30,000,000 contracted acres of 1935 were put to similar constructive uses in adjusting farm practice.

This increase in grasses, legumes, and pasture crops in the farm-crop rotation is not due to education. The farmer has long known the value of such practices. It has been taught by experience and by the colleges, farm press, experiment stations, and extension-service forces for years. It had been taught each good farmer by his father. But the adjustment programs with their benefit payments made it financially possible for the 3,000,000 farmers of America who are cooperating to set aside some thirty to thirty-five million acres on their farms, and temporarily change these acres from cash crops to erosion-preventing and soil-building crops.

A QUESTION TO ANSWER

There is one point which should be discussed in connection with the "rise of grass", this increase in grass and pasture. What will be the effect on the cattleman and dairyman?

I was going over these points the other day with a man who has grown gray in the service of one of the largest milk producers' organizations in the world. He agreed on the general desirability of the shift to less intensive cropping, but he wanted to know: "What is going to be done with the grass?"

That is a natural question: If farmers plant fewer acres in corn, cotton, and wheat, and more acres in pasture and grass, what about the dairyman? What about the cattleman and the sheepman?

I believe that, as a whole, these livestock industries and the consumers of their goods should both profit materially through the cropping systems that are encouraged by the adjustment programs. It takes more acres of pasture and meadow to produce the same units of feed that previously were produced on the 30,000,000 acres that have been changed over from corn and cotton and wheat.

MEAT, MILK, AND WOOL

Records show that land in harvested grain crops produces at least twice as much feed for livestock as does the same land in the average meadow and pasture crops. Experiments in South

Dakota have shown that 50 acres of cultivated crops will put as much gain on steers as 100 acres of native grass. During the war farmers plowed up their grassland and farmed it and thereby obtained twice as much livestock feed as the pasture had supplied.

In the last 45 years we have reduced our grazing areas by about 10 percent and increased our acreage of harvested crops by at least 50 percent. This has been largely responsible for stepping up our pork and milk production by 50 percent. Reversing the trend, reducing the acreage of wheat, corn, and cotton and returning the land to grass should not, therefore, cause damaging surpluses of meat, milk, and wool.

According to Dr. J. R. Mohler, Chief of the Bureau of Animal Industry, United States Department of Agriculture, a shift to more pasture would not necessarily cause an increase in total meat, although there might be an increase in certain classes of livestock, particularly of sheep. He believes smaller carcasses would be marketed, which is a change in line with market demands.

As for dairying, more pasture and good roughage would mean less milk per cow, but an improvement in the health of the animal and in the quality of the milk and a lower cost of production, which should be a break for both the producer and the consumer.

HEALTHIER DAIRY HERDS

O. E. Reed, Chief of the Bureau of Dairy Industry, says that the American consuming public would be better served if 40 million cows with sufficient improved pasture and the right amount of home-grown roughage were producing the milk supply instead of the 25 million cows now producing it on comparatively concentrated rations and with inadequate pasture and roughage. The heifer problem, which has been so serious in recent years, would be solved for a long time through such an adjustment. There would be less Bang's disease and bovine tuberculosis, and the purity, mineral content, and vitamin content of the milk would be improved. Consumption would possibly be increased through the lower cost of production brought about by feeding on pasture and home-grown roughage with the minimum of concentrates.

The retreat from the high-water mark of our cultivated crop production I believe is inevitable, and it will undoubtedly mean some shifts in the volume of production among areas. In percentages, the shift will not be large. Still it is just as well to analyze their causes and prepare for them. But that is another story.

It all comes to this: If we are to hand on our soil resources in reasonable repair, we have no choice except to modify our intensive overcropping. Crop farming has lent itself to the indulgence of two of our national fancies—hard work and machinery. We have come to measure success by how much hard work we could get done or how fast our wheels were turning. We could enjoy these through crop farming.

Modified pastoral farming offers a different reward. It involves patience and care and skill; it requires all the deep-seated agricultural craftsmanship of crop farming, but not the brute work. It is the master's eye that fatteneth the flock in pastoral farming; it is the sweat of the brow and the bending of the back that makes the crops grow. And possibly it is partly for these reasons we have built up our efficient, ruthless, mass production crop farming, while New Zealand, Denmark, and Argentina undersell us in the world markets with the products of their pastures and their patience.

The President's Executive order of November 26, 1934, withdrawing the remainder of the public domain in Western States from homestead entry brought to an official close an important era in American history, the era of exploitation of land.

The leaders of that era just now closed were those brave souls who could advance new frontiers and hold them against whatever force they met. The challenge to their sons today is to develop another new frontier, to conserve and improve what we have, and to hold everlastingly that frontier in spite of those exploiters who echo the old refrain of production for today regardless of tomorrow. The choice is really ours to make. We may condemn future generations of Americans to an economics of scarcity, or we may assure them of a continued soil fertility and an abundance for today and for tomorrow.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

The Senate resumed the consideration of the bill (H. R. 9870) to provide for the immediate payment of the World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes.

The VICE PRESIDENT. The question now is on the amendment offered by the Senator from Utah [Mr. KING] in the nature of a substitute for the amendment reported by the committee.

Mr. KING. Mr. President, I appreciate the fact that Senators are impatient to vote upon the pending measure. We have been told by the chairman of the Committee on Finance [Mr. HARRISON] that it will pass this body by an overwhelming vote, and he has also prophesied that it will be signed by the President. That it will be approved by the Senate I have no doubt, but I cannot believe that it will receive the approval of the President.

On the 22d of May of last year President Roosevelt returned to the Senate, without his approval, H. R. 9870, known as the soldiers' bonus measure. The bill before us contains substantially the same provisions as those found in the vetoed bill. The reasons assigned by the President for his opposition to the bill cannot be successfully challenged, and they are as applicable to the pending measure as they were to the bill disapproved. The President stated in the veto message referred to that he believed—

> * * * the welfare of the Nation as well as the future welfare of the veterans wholly justifies my disapproval of this measure. * * *

Mr. President, legislative bodies are not endowed with infallibility. Experience has demonstrated that in this and in other countries they have given their approval to unwise, unsound, and unjust measures. The Parliament of Great Britain, which speaks for a liberal and progressive nation, is chargeable with grievous blunders and oppressive legislation. An omnipotent Parliament was largely responsible for the tyrannous measures denounced in the immortal Declaration of Independence. It cannot be said that the volumes of measures approved by the American Congress are free from follies, inconsistencies, and grievous mistakes. Legislation is often the result of extraneous pressure and aggressive active minorities.

It is a fact known to all that legislative bodies are profoundly swayed by local demands and the pressure of group organizations. The measure before us has the active support of various organizations, and we are told that a number have united in urging, if not demanding, its passage. So, the Senator from Mississippi undoubtedly is correct in his statement that it will be overwhelmingly passed by the Senate.

Mr. President, I have favored generous provisions for the dependents of those who lost their lives in the military service of their country as well as for those who were wounded or suffered disabilities as a result of their military service. I have supported measures carrying hundreds of millions of dollars; indeed in the aggregate billions of dollars, for the ex-service men and for soldiers of the Civil War and other wars, and for their families, but I have not favored the various so-called bonus bills that have been presented for our consideration. All Americans have pride in the valor and heroism of those who have served in the American Army and in the American Navy, and they are entitled to the gratitude of the American people. A number of my relatives, among them a son, served in the World War. One was killed upon the battlefield and several were wounded. They only did their duty as did millions of other American boys.

In February 1919 Congress enacted a measure providing that at the time of discharge, an additional payment in the amount of $60 would be made to persons serving in the military or naval forces during the war who were separated from duty under honorable conditions. During the year 1919 proposals were submitted for the granting of a consideration to those who had served during the World War. Senators are familiar with such proposals. Among them was a suggestion for the issuance of a paid-up insurance policy; and in 1922 a measure was passed providing various types of optional settlement from which ex-service men might select. The President vetoed the measure, which provided adjusted-service pay, paid-up endowment insurance, vocational-training aid, and farm or home aid.

In 1924 a measure passed both Houses of Congress which provided as adjustment compensation certain payments of cash to a restricted group, and the issuance of adjusted-service certificates in the form of 20-year-endowment-insurance policies. Under this act provision was made for the granting (to veterans who had served for a given period) of adjusted compensation at the rate of $1 per day for services in the United States and $1.25 per day for services

overseas. For a service credit of $50 or less payment was made in cash, but if the service credit exceeded $50 an adjusted-service certificate was issued. A restricted class of surviving dependents of eligible veterans were privileged to receive benefits. The amount of the adjusted-service certificate was determined by taking the net service credit and adding thereto 25 percent, and the figure thus arrived at was used as a net single premium according to the American experience table of mortality, with interest of 4 percent per annum, compounded annually, to procure for the veteran a paid-up 20-year endowment policy of insurance.

Many arguments were advanced in favor of this proposal as against an immediate cash payment. I shall not take the time of the Senate to present the various views which led Congress to adopt the plan just referred to.

To November 30, 1935, there had been issued 3,737,123 adjusted-service certificates, with a maturity or face value of $3,683,536,600. Of these certificates, 218,932 had matured due to the death of the persons to whom they were issued, leaving 3,518,191 certificates in force with a maturity value, or face value, of $3,464,988,330. The basic credit—that is, the adjustment at the rate of $1 and $1.25 per day—represented by the maturity value of the outstanding certificates, is $1,377,950,134, and the present value of these certificates is $2,187,998,155. If only the earned portion of the additional credit granted because of deferment of payment is allowed, and if the full additional 25 percent is allowed, the present value of the certificates on this basis is $2,420,821,127.

The original act permitted certificates to be borrowed upon at the expiration of 2 years from date of issuance to an amount equal to 90 percent of the reserved value of the certificate on the last day of the current certificate year, the reserved value to be based on an annual level net premium for 20 years and computed according to the American experience table of mortality, with interest at the rate of 4 percent per annum, compounded annually.

Subsequently, a number of laws were enacted changing the rate of interest and permitting loans to be made from the United States Government life-insurance fund, which fund constitutes a trust administered by the Government, but the beneficial interest therein lies with the holders of United States Government insurance policies. Congress also enacted a measure effective February 27, 1931, granting authority for the making of loans from the Adjusted Service Certificate Fund. This fund was created for the purpose of accumulating the necessary reserves in order to meet the maturity value of the certificates. In 1932 a further change in the interest rate on loans was made reducing the maximum rate to 3½ per centum, and modifying the provision that required a 2-year period to elapse from the date of the issuance of the certificate before a loan could be secured thereon. On December 31, 1935, 3,026,190 certificates had been borrowed upon, and the liens against them amounted to $1,763,144,548.

Mr. President, on the 18th instant I offered a substitute for the pending bill; it was read by the clerk and will be found in the CONGRESSIONAL RECORD of that day. Perhaps all Senators have not examined the substitute offered, and I shall briefly refer to some of its provisions.

It provides for the payment to veterans upon application of the cash surrender value of their adjusted-service certificates, after deducting therefrom any indebtedness of the veterans on account of any loan or loans, with interest, if any, accrued to the date of settlement under the provisions of the substitute.

May I add, parenthetically, that one of the strongest reasons given by the President in his veto message of the bonus bill passed at the last session of Congress was that it sought to advance by 10 years the date of the payment of an obligation, thus increasing the payments more than $1,000,000,000. The effect of this change in the contract was, as set forth in the President's message, to pay to the ex-service men more than a billion dollars, based upon the present cash surrender value of the certificates. The cash surrender value of an adjusted-service certificate is defined as the amount of the net single premium necessary to purchase paid-up endowment insurance for the maturity amount of the certificate at the then attained age of the certificate holder for the unexpired portion of the original 20-year term of the certificate. The amount of the net single premium is determined on the basis of the American experience table of mortality with interest at 4 percent per annum, compounded annually. The anniversary date to be selected as the basis for determining the amount of the net single premium is the anniversary date of the certificate nearest to the date upon which the application for payment was filed by the veteran with the Administrator of Veterans' Affairs.

To be entitled to benefits under the provisions of the proposed substitute, there must be complete surrender by the veteran of the adjusted-service certificate, together with all rights and privileges thereunder.

Benefits payable under the terms of the proposed substitute shall be paid to the estate of the veteran if the veteran dies after application for benefits is filed with the Administrator of Veterans' Affairs, and payment has not been made to the living veteran or his representatives. No change is made in the provisions of the existing law relative to the payment of the proceeds of the adjusted-service certificates to the designated beneficiaries of the veterans who may die prior to the filing of an application with the Administrator of Veterans' Affairs for benefits under the proposed substitute.

The Administrator of Veterans' Affairs is authorized to redeem certificates held by banks as security for loans by payment to the banks of such unpaid principal and unpaid interest as it is necessary to pay in full satisfaction of the claims of the banks, and he is authorized to serve notice upon banks when it is desired to redeem the certificates held by them. He is also authorized to refuse payment of interest accrued after the 15th day following such notice if the banks fail to submit the certificates and notes for redemption within the 15-day period after such notice has been served upon them. He has authority to redeem from the United States Government life-insurance fund certificates held as security for loans made out of that fund. To redeem these certificates the Administrator is authorized to pay to the fund the amount of the outstanding liens against the cerificates held by the fund, including all interest due or accrued, together with such amounts as may be due under the provisions of subdivision (m) of section 502 of the World War Adjusted Compensation Act, as amended.

Payments to veterans under the provisions of the proposed substitute will be deferred until 3 months subsequent to the date of the enactment of the measure.

The Secretary of the Treasury is authorized and directed to redeem from the United States Government life-insurance fund all adjusted-service certificates held by that fund on account of loans made thereon and to pay to it the amount of the outstanding liens against such certificates, including all interest due or accrued, together with such amounts as may be due under subdivision (m) of section 502 of the World War Adjusted Compensation Act, as amended. The Secretary is also authorized and directed to make such payment by issuing to the United States Government life-insurance fund bonds of the United States which shall bear interest at the rate of 4½ percent per annum.

No such bonds shall mature or be callable until the expiration of a period of at least 10 years from date of issue, except that any such bond shall be redeemed by the Secretary of the Treasury and the principal and accrued interest thereon paid to the United States Government life insurance fund at any time upon certification by the Administrator of Veterans' Affairs that the amount represented by such bond is required to meet current liabilities. Bonds issued for the purposes of this section shall be issued under the second Liberty Loan Act, as amended, subject to the provisions of this section. Mr. President, I assume Senators will be interested in learning the difference between the amount which the Government will be required to pay under the bill which I have offered, and the measure reported by the Senator from Mississippi. In the latter

measure the maturity value of the certificates issued would be $3,683,537,660.

This large sum is made possible only by compounding the interest annually upon the base sum fixed in 1924 from that date until 1945. This point was clearly demonstrated in the veto message of the President to which I have referred. Of the certificates issued, 218,932 have matured by reason of the death of the holders of the same. The matured values of such certificates was $218,545,330. There are now outstanding 3,518,191 certificates and the matured value of the same by anticipating the date of payment 10 years aggregates $3,464,988,330.

The substitute bill which I have offered provides for the cash surrender value of the certificates as of January 1, 1936; and the present cash surrender value amounts to $2,420,821,127. Large sums have been borrowed by ex-service men from the Veterans' Administration, and in order to extend these credits, the Administration was required to resort to the adjusted-certificate fund and to the life-insurance fund, which funds were held by the Veterans Administration as trustee to meet the maturing obligations in 1945.

Accordingly, in ascertaining the amount of cash now due upon outstanding certificates, there must be deducted from the $2,420,821,127, $1,471,000,000 taken from the adjusted-certificate fund, and $492,500,000 taken from the Government life-insurance fund, and also $60,000,000 borrowed from banks by the ex-service men for which their certificates were used as collateral.

After restoring to the two funds referred to the amounts mentioned, and paying to the banks the $60,000,000 due, there remain due the veterans $652,821,127. The substitute bill, therefore, would save to the taxpayers of the United States considerably more than $1,000,000,000.

Mr. HASTINGS. Mr. President——

Mr. KING. I yield.

Mr. HASTINGS. My understanding of the substitute is that it undertakes to pay to the soldier the cash value of his certificate at the present time.

Mr. KING. That is correct.

Mr. HASTINGS. I may say to the Senator that if that were satisfactory to the soldier, I should be very glad to support it, and I think many Members of the Senate who are opposed to the bill presented by the committee would support it, but may I inquire of the Senator seriously whether or not the adoption of this substitute would really get us anywhere in particular? In other words, should we not still have a difficult problem left before the Congress because of the fact that it would not be satisfactory to the soldier?

My own position is that when we come to the point of passing something, if we are going to do it for the purpose of getting rid of a problem we ought to give to the soldier what he demands. That is the only way we are ever going to get rid of the problem.

Mr. KING. As I understand the Senator, his view is that the "problem" will not be settled until the demands of the veterans are complied with. With that view I am not in entire accord, nor do I believe that if the measure reported from the committee is passed there will be no further "problems" in connection with veterans' legislation still to be met. But may I inquire of the Senator whether he believes that the conduct of the legislative branch of the Government, regardless of the convictions of Senators and Congressmen, should depend upon the desire or demands of any group or minority organization? Certainly it cannot be contended that Congress should surrender its views to group pressure merely to get some "problem" out of the way. The history of legislation shows that many laws have been passed as a result of strong pressure, and the Congress and the country have lived to regret the complacency of the legislative branch of the Government. Recently there were passed the A. A. A., the N. R. A., and the Frazier-Lemke bills. I think it is common knowledge that many Members of Congress believed these measures to be unconstitutional and that their passage would not settle the economic and agricultural problems before the country.

Mr. HASTINGS. Yes; but may I inquire of the Senator why he makes this proposal at all unless it is going to be satisfactory to the soldier?

Mr. KING. I am submitting the substitute because I do not regard the bill reported by the committee as resting upon sound and satisfactory grounds. As I have heretofore stated, the President in vetoing the bonus bill at the last session of Congress condemned it as unjust and unfair, and I place myself upon what I conceive to be as the ground occupied by the President.

Mr. HASTINGS. But for the request of the soldier, we should not have any bill here. If that is true—and I think that is true—why do we undertake to substitute something that is not satisfactory to the soldier?

Mr. KING. Using an illustration given by the President of the United States in the veto message to which I have referred, paraphrasing it a little, suppose the Senator from Delaware—if he will pardon me for using him as an illustration—has a note outstanding, payable in 1945: Does he think he ought to be coerced into paying it in 1936 in order to settle the controversy, or get the matter behind him? He would regard the action of any court or any legislature that would compel him to pay the note in advance of the date of maturity as unsound, and, of course, as violative of his rights.

Mr. HASTINGS. If the Senator from Utah will pardon me for one further observation, I satisfy myself by opposing the measure. It seems to me it is useless to suggest something else, as the Senator is now doing.

Mr. KING. If the Senator's view prevailed, there would be but little legislation except that which was backed by active and aggressive minorities or extraneous pressure, because if it is necessary in order to secure legislation that the "demands" of the proponents of the legislation be satisfied, then the functions of Congress would be unimportant and the legislative branch would merely register the views of others rather than its own. The Senator, I am sure, recognizes that because a measure is introduced which meets the demands of a large number of people, Senators and Representatives who are not satisfied with the measure and who believe that it contains elements of injustice, should not refrain from offering substitutes or amendments; indeed, it would be their duty, it seems to me, to do all that they could in a proper way to perfect measures. Even though bills are so strongly supported as to make it apparent that any substitute or amendment will be brushed aside, the obligation, it seems to me, rests upon those who believe that it should be amended or changed to offer such suggestions or amendments as they regard as proper.

Mr. BORAH. Mr. President——

Mr. KING. I yield to the Senator from Idaho.

Mr. BORAH. The Senator has stated that this is a contract made payable in 1945. I have a telegram this morning from some veterans stating that they never assented or consented to the contract so far as the time question is concerned; that the veterans had no opportunity to pass upon the question as to when the amount should be paid, they claiming that it should be paid at the time the Congress found it was due.

I should like to ask the Senator his views on that subject, because I think that matter has been discussed considerably, and may have led to misunderstanding in some directions. I do not understand that the veterans ever formally assented to the time of payment provided for in the certificates. What are the facts about this assent of the veterans to postponement of the date of payment?

Mr. COUZENS. Mr. President, I may suggest to the Senator that a letter was addressed to the Senator from Arkansas [Mr. ROBINSON] in April 1922 by the legislative body of the American Legion, in which they approved, so far as they could do so, the acceptance of the adjusted-compensation certificates in 1922.

Mr. KING. I think an adequate reply to the statement of the Senator from Idaho is found in the veto message of President Roosevelt. He referred to the declaration which stated that the act of 1924 constituted a "contract." My understanding is that the veto message had the approval of representatives of the Veterans' organizations throughout the United States. Among the "whereases" in the bill quoted by the President is the following:

> Whereas the payment of said certificates will not create any additional debt, but will discharge and retire an acknowledged contract obligation of the Government——

Evidently, the representatives of the Veterans' organization—I know several of them appeared before the Finance Committee of the Senate—represented to Congress that there was a contract to which the United States and the veterans were parties. Statements are frequently made by proponents of this measure, and by veterans, that a contract was entered into under the terms of which the ex-service men are entitled to the payment of the certificates issued to them. Notwithstanding the maturity of the certificates is 10 years in the future, it is insisted that the certificates should now be paid.

The President, quoting the language of that bill, which received the assent of the veterans' organizations, who denominated it a contract, assumed that there was a contract, and that if it was a contract, then the payment was not due until 1945.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. KING. For just a question.

Mr. BARKLEY. I think it is recalled by all who were familiar with the circumstances at the time that what the ex-service men desired and requested, insofar as they could make a request, was cash payment, but under the circumstances which existed at the time everybody recognized the impossibility of securing cash payment, because of the veto message, and because of the inability to pass the bill over the Presidential veto.

Then the certificate plan was devised, and some of the representatives of the ex-service men, because they recognized it was either that or nothing, that that was all they could get, did go so far as to approve the plan. Insofar as the question as to whether it is a contract between the Government and any individual soldier is concerned, I suppose it could only be construed to be such in view of the fact that the soldier accepted it from the Government, but he accepted it not because he preferred it to cash, but because it was that or nothing; and, as has been said here, even if it can be construed to be a contract, it is the contract fixed by one party to it, and only accepted by the other because it was either that or nothing.

The PRESIDING OFFICER (Mr. GERRY in the chair). The Senator's time on the amendment has expired; he has 15 minutes on the bill.

Mr. KING. Mr. President, I do not assent to the conclusions reached by my friend. As a matter of fact, he will recall that one of the most powerful veterans' organizations upon one or more occasions declined to ask for the premature payment of the contracts, so called. Indeed, when the question of adjusted compensation was under consideration in 1924 there was a diversity of views among the ex-service men, some of whom did not favor a bonus; but the plan to which the Senator has referred, the plan of 1924, was worked out and the ex-service men took the certificates provided for in the act.

The act was, as I understand, regarded as a contract between the Government and the ex-service men which did not mature until 1945. The ex-service men accepted the certificates provided for, and many utilized them as a basis for credit. Certainly, as stated by the President, the terms of the act or so-called contract—did not call for the payment of the certificates until 1945.

Interest has accumulated upon loans made to veterans from the Veterans' Administration. It is proposed to forgive or cancel $263,000,000, the amount owing as interest upon these loans. The settlement now proposed in the reported bill aggregates $3,719,000,000. This includes unpaid interest of $263,000,000.

Mr. ROBINSON. Mr. President, will the Senator yield for a question?

Mr. KING. Certainly.

Mr. ROBINSON. Has the Senator carried out his computation so as to show the present value of a certificate?

Mr. KING. Of an individual certificate?

Mr. ROBINSON. Yes.

Mr. KING. It would differ according to the age of the individual, but it is approximately $715.

Mr. ROBINSON. Assuming that the certificates are for $1,000?

Mr. KING. Yes.

Mr. ROBINSON. Has the Senator carried out the computation far enough to show what would be the result to the veteran if he has borrowed on his certificate the maximum amount he is permitted to borrow, and if he has paid the interest that is required under the Senator's amendment?

Mr. KING. No; I have not carried the computation out, and the computation to which I am referring was made by the Veterans' Administration at my request.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. KING. For a question.

Mr. BARKLEY. I assume, then, that the Senator also has not computed the amount due to a veteran on a hypothetical $1,000 certificate, who borrowed the maximum amount and has not paid any interest on it?

Mr. KING. I have not made that computation. My position, as I have stated, is that there was included in the total face value of the certificates, the difference between what the veteran would have received in 1924, with interest compounded annually between 1924 and 1945, and what the present cash surrender value should be the basis of settlement, if the veterans are unwilling to wait until 1945, the date of maturity of the certificate. The difference between the present cash surrender value and the maturity value is $1,271,178,873.

We hear statements to the effect that the ex-service men have been paid but little, if anything, by the Government. Only a few days ago the Senator from Illinois indicated that the ex-service man was something like the pathetic Roman soldier to whom he referred, who was standing at the door trying to enter in.

In reply to the statements referred to I bring to the attention of the Senate a statement prepared by the Veterans' Administration showing the disbursements for relief of World War veterans from 1918 to September 30, 1935. This shows that the total disbursements amount to $9,049,810,419.51. This large sum exceeds the amount paid to all the soldiers of the Civil War and their dependents down to the present time.

Mr. COUZENS. Mr. President, has the Senator a record here of how many States gave soldiers' bonuses?

Mr. KING. No; but as I understand States have paid in bonuses to the veterans of the World War more than $400,000,000, so that the amount paid to the soldiers by the Federal Government and by the States would be in excess of the nine billion to which I just referred.

Mr. LEWIS. Mr. President, I take it that the distinguished Senator from Utah, in referring to a speech of the Senator from Illinois——

Mr. KING. A very eloquent speech.

Mr. LEWIS. Referred to the speech which I made. I am the Senator?

Mr. KING. The Senator is the one to whom I refer.

Mr. LEWIS. I wanted to know to whom the Senator referred.

Mr. KING. I do not think the Senator had any doubt as to the person to whom I referred, but if there should be any doubt I indicate now—in italics—*that it was the distinguished senior Senator from Illinois* [Mr. LEWIS].

Mr. ROBINSON. Mr. President, will the Senator yield for another question?

Mr. KING. I yield.

Mr. ROBINSON. Has the Senator in the memorandum to which he has referred a break-down of this $9,000,000,000, plus, which he says has been paid to the soldiers?

Mr. KING. Yes; I shall not take the time to read it. I can state to the Senator that it consists of direct benefits, compensation, death benefits, that is, for the families; disabilities, emergency officers' retirement pay, allowances for nonservice pensions, adjusted-service certificate fund, death claims, adjusted service and dependent pay, loans to veterans for transportation, military and naval insurance, United States Government life-insurance payments, allotments and allowances, vocational rehabilitation, total expenditures for direct benefits, and the total expenditures for direct benefits for the year 1934, as an illustration, amounted to more than $336,000,000.

Mr. LEWIS. Mr. President, may I seek information from my able friend?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Illinois?

Mr. KING. For a question.

Mr. LEWIS. Which is all I wish to propound.

Mr. KING. I yield.

Mr. LEWIS. Does the Senator from Utah, in the aggregate amount he charges against the soldiers as benefits, include the sums paid to the wounded for their treatment in hospitals and for the medicines which had to be prescribed for them?

Mr. KING. Yes; that is part of the $9,000,000,000.

Mr. LEWIS. I wanted to know whether the Senator included those items as benefits to the soldiers.

Mr. KING. Of course they are benefits. If I should pay the Senator's hospital bill, it would be a benefit to him.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. BARKLEY. Did I understand the Senator to include the approximately billion and a half dollars which has been set aside in the Treasury sinking fund to redeem these bonds when they become due? I understood that one of the items was the fund which has been set aside.

Mr. KING. That fund has been almost entirely depleted by loans to veterans.

Mr. BARKLEY. Still, it could not be said to have been necessarily a benefit because it was loaned to the soldiers.

Mr. KING. The Government, in order to pay the certificates upon maturity, set up a fund to which annual payments were made. Veterans who have resorted to that fund for loans, I am sure, do not expect to receive the full maturity value of their certificates. It is expected that the ex-service men shall have deducted from the amount found to be due under the bill reported the loans made by them, less interest, which is to be forgiven, amounting to $263,000,000.

Appropriations were made by Congress to the Veterans' Administration for the year 1935 totaling $641,398,096, and for 1936, $726,670,000. It is estimated by the Veterans' Administration that the appropriations for the Veterans' Administration for 1937 will amount to $793,727,000. It certainly cannot be contended that the Government has been indifferent to the ex-service men.

The Senator from Arkansas [Mr. ROBINSON] asked if I had a break-down of the $9,000,000,000 plus which I mentioned; I ask permission to insert in the RECORD a statement furnished me by the Veterans' Administration which shows the break-down.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Veterans' Administration disbursements for relief of World War veterans, 1918 to September 30, 1935

Direct benefits:	
Compensation or pension:	
Death	$458,349,693.47
Disability	2,253,628,139.78
Emergency officers' retirement pay	54,228,402.29
Disability allowance or nonservice pension	214,763,401.32
Adjusted-service certificate fund (death claims)	214,287,163.49
Adjusted service and dependent pay	49,066,283.18
Direct benefits—Continued.	
Loans to veterans for transportation	$76,103.36
Military and naval insurance	1,848,949,875.97
United States Government life insurance	260,950,971.20
Allotments and allowances	582,944,668.10
Vocational rehabilitation	[1] 644,908,964.05
Total expenditures for direct benefits	6,582,153,666.21
Administration	1,285,943,916.79
Grand total	7,868,097,583.00
Appropriations for adjusted-service certificate fund—$1,396,000,000 less $214,287,163.49 death claims	1,181,712,836.51
Total disbursements	9,049,810,419.51

[1] Includes $7,843.07 revolving fund, loans outstanding Sept. 30, 1935. "Administration" includes salaries and expenses; printing and binding; medical, hospital, and domiciliary services; hospital construction; marine and seamen's insurance; and miscellaneous expenditures.

NOTE.—Amount disbursed from insurance premiums, allotments, and vocational rehabilitation gift fund, $1,051,549,382.57, is included in the above.

Mr. KING. I ask permission to have printed in the RECORD as part of my remarks an editorial from the Christian Science Monitor, one of the leading newspapers of the United States, whose editorials upon public questions are illuminating and instructive.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The editorial from the Christian Science Monitor is as follows:

WHOSE BUDGET?

"Budgets," said Gladstone, "are not merely matters of arithmetic but in a thousand ways go to the root of prosperity of individuals, the relation of classes, and the strength of kingdoms." The United States is being reminded of this on every side in connection with the fiscal estimates just communicated to Congress by President Roosevelt and Henry Morgenthau, Jr., Secretary of the Treasury.

The President's official Budget message put a seemingly hopeful face on the situation for a time. But it appears now that relief will take something like another $1,500,000,000; that the loss of processing taxes may entail anywhere from $700,000,000 to more than twice that amount, and that the veterans' bonus may add $2,000,000,000 or more to the Nation's indebtedness, all this together pushing the public debt probably above $36,000,000,000.

Until now the public has rightly laid to President Roosevelt the responsibility for the fiscal situation of the Government. It has been on his initiative or with his approval that public works and other appropriations have been made which carried the debt above its previous peak. But now there is reached a point at which Congress is more willing to spend what the Treasury has not yet collected than is the President. This is in the immediate payment of the veterans' bonus.

Herein is indicated a weakness of the American financial planning system. Theoretically the United States has had since 1921 an Executive Budget; that is, the President, through a Budget Director, gathers the estimates of the various departments, sifts them down to his own recommendations, and conveys the whole to Congress. He is presumed to lay out a fiscal plan for the Government in which over a reasonable period income and outgo will balance and the needs of the Nation for governmental services will at the same time be met.

But if the executive branch presents a program for the utmost in expenditures that it considers the revenues and credit will wisely stand, and then the legislative branch votes not only all of those appropriations but also some substantial ones of its own devising, the result is an overdraft for which the Executive cannot be held altogether accountable, and for which the whole country may have to foot an uncomfortable bill. The bonus is not the only example of this; it happened less conspicuously in Congress gradual whittling away of virtually all the savings made in the economy bill at the opening of President Roosevelt's administration, and it has happened in the case of pork-barrel bills for post-office buildings, river and harbor improvements, and other purposes in other administrations.

In his book, The Budget in Governments of Today, A. E. Buck, technical adviser to the United States Budget Bureau, indicates this as one of the principal reasons why budgeting results are so unsatisfactory and deficiencies so common in the Federal Government and in most American States. A similarly bad situation exists in the French Government, where Parliament and its finance committee so readily override the efforts of a ministry to effect a balanced account.

In Great Britain the Parliament has bound itself by its own rules to abide strictly by the list of expenditures proposed by the ministry. Without the executive's consent it may not modify these except to reduce them.

Mr. Buck quotes the French economist, M. Leroy-Beaulieu, as saying: "There are some sciences so lofty and serene that they leave in peace those who are not concerned with them, but finance is not one of these; it has a way of taking terrible revenge upon nations and upon individuals who neglect or despise it." A fundamental question facing the American people is whether they want to continue a kind of two-headed fiscal planning that often divides responsibility and defeats itself, or whether they want a real executive budget.

Mr. KING. I also ask to have inserted in the RECORD as a part of my remarks excerpts from an article by Walter Lippmann, a distinguished writer, whose views upon public questions are read with interest and profit. First I will read a few lines:

The political leaders of both parties have made perfectly clear their notion of the ideal solution of the bonus question—

And that was evidenced by the question propounded to me by the Senator from Delaware—

It is to pay the veterans the money in the period between the national conventions in June and the election in November and to make the payments in the form which puts no visible or tangible burden on the taxpayers. Congress is following the ancient rule that it loves to spend and hates to tax.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The excerpts from the article by Walter Lippmann are as follows:

THE BONUS AND THE SPENDING POWER

The political leaders of both parties have made perfectly clear their notion of the ideal solution of the bonus question. It is to pay the veterans the money in the period between the national conventions in June and the elections in November, and to make the payments in a form which puts no visible or tangible burden on the taxpayers. Congress is following the ancient rule that it loves to spend and hates to tax.

It is this aspect of the question which transcends all others. For the fundamental reason why Congress is unable to resist the demands of the veterans' lobby, why it is willing to add a billion dollars to the amount owed the veterans, is that Congress is operating under a system whereby the benefits it confers are visible and the burdens it imposes are invisible. There does not exist, therefore, any effective check on the spending power. The benefits are definite and politically conspicuous. The costs are concealed either in indirect taxes or in the even more indirect form of bond issues borrowed from the banks.

The veterans are by no means the only organized interest which dominates Congress in this way. The tariff, as operated in the United States, is the oldest and the greatest example of the same principle. Almost any producer can write his own tariff rate because the tax levied by the tariff is invisible and indirect. The consumer cannot see it and is hardly aware that it exists.

The most recent and, in its implications for the future, the most disturbing manifestation of the same principle is to be found in Federal relief. Thus the other day the mayors of the large cities united in making a demand for larger relief appropriations than the President is supposed to be contemplating. The essential reason why they wish the Federal Government to carry so large a part of the load is that local relief has to be financed out of local and clearly visible taxes, whereas Federal relief is paid for by bond issues that seem to cost no one anything.

In its decision the Supreme Court has confirmed the spending power of Congress. It is plain that unless some way can be found to make the costs as visible as the expenditures the power to spend will be exercised irresponsibly and will be at the mercy of pressure groups. There is no way to keep expenditure in check if the people do not realize that they are paying the bill. To be able to appropriate money which seems to cost no one anything is to be under an irresistible temptation to appropriate money. Yet that is the system under which the Government is conducted. It is a system which is certain to produce destructive extravagance and to corrupt profoundly the political habits of the Nation.

* * * * * * *

The problem is not personal and it is not partisan. It is a national problem. And the question is whether the American people can be aroused long enough and sufficiently to bring about a radical reform of the Budget and the tax system.

Without such reform the outcry about expenditures will act only as a slight discouragement to an otherwise irresistible tendency to spend.

Mr. KING. Mr. President, I omitted to state that under the terms of the war-risk-insurance law large sums have been paid to ex-service men. The premiums collected have been and are inadequate to meet the payments, and I am advised by the Veterans' Administration that there will be an obligation resting upon the Federal Government amounting to $394,094,961.22 which must be paid to this fund.

Mr. President, there seems to be but little concern as to where the funds are to be obtained with which to meet the demands which will be made if the bill reported by the Finance Committee is enacted into law. It will call for approximately $2,000,000,000. The indebtedness of the Federal Government has now reached colossal proportions, and before this Congress adjourns there will be appropriations and authorizations which will create a total indebtedness to be paid by the Federal Government of between thirty-five and forty billions of dollars.

When the Senator from Delaware referred to meeting and "settling the problem", he did not envision the appropriations which the Government will be called upon to make by ex-service men, their dependents and families. Pensions will be demanded, and other drafts will be made upon the Treasury. The costs of the World War will not end with the payment of the bonus. For many years to come appropriations will be made, and, judging from the experience of the past—remembering that we are still paying Mexican War pensions—it is not an unjustifiable statement to make that future payments growing out of the World War will exceed $50,000,000,000. Never before has Congress been so lavish in its expenditures, and it is certain that the demands of the future will not go unheeded by succeeding Congresses. Provision must be made to meet the stupendous expenditures which will be made.

It is imperative that this and future Congresses should make provision to meet all governmental obligations. The credit of the Government must not be impaired.

Mr. President, I hope the substitute which I have offered will be adopted. By so doing, the taxpayers of the United States will be saved more than a billion dollars, and the obligations of the Government to the ex-service men growing out of the so-called "bonus" legislation will be met.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Utah to the amendment reported by the committee.

The amendment to the amendment was rejected.

Mr. THOMAS of Utah. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Hayden	O'Mahoney
Ashurst	Connally	Holt	Overton
Austin	Coolidge	Johnson	Pittman
Bachman	Copeland	Keyes	Pope
Bailey	Costigan	King	Radcliffe
Bankhead	Couzens	La Follette	Reynolds
Barbour	Davis	Lewis	Robinson
Barkley	Dickinson	Logan	Russell
Benson	Dieterich	Lonergan	Schwellenbach
Bilbo	Donahey	McAdoo	Sheppard
Black	Duffy	McCarran	Shipstead
Bone	Fletcher	McGill	Smith
Borah	Frazier	McKellar	Steiwer
Brown	George	McNary	Thomas, Okla.
Bulkley	Gerry	Maloney	Thomas, Utah
Bulow	Gibson	Minton	Townsend
Burke	Glass	Moore	Trammell
Byrd	Gore	Murphy	Truman
Byrnes	Guffey	Murray	Vandenberg
Capper	Hale	Neely	Van Nuys
Caraway	Harrison	Norbeck	Wagner
Carey	Hastings	Norris	Walsh
Chavez	Hatch	Nye	White

The PRESIDENT pro tempore. Ninety-two Senators having answered to their names, a quorum is present.

Mr. BURKE. Mr. President, it had not been my intention to make any remarks on the pending bill, although I have some very definite convictions with regard to it. I am constrained now to say just a word by reason of the statement made by the able Senator from South Carolina [Mr. BYRNES] before the Senate last Saturday afternoon. At that time he referred to the fact that a few years ago Congress authorized every holder of adjusted-service certificates to borrow 50 percent of the whole amount which would be due, according to the terms of the certificate, in 1945, or payable to the heirs of the holder upon the death of the holder prior to that time.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. BURKE. I yield.

Mr. BORAH. For some time we have not been able to hear a considerable part of the proceedings which have taken place in the Chamber. Either we should have order at this time, or we should adjourn until we can have order in the Chamber.

The PRESIDENT pro tempore. The Senator from Idaho makes the point of order that the Senate is not in order. The Chair calls attention to the fact that even low conversation in the gallery is magnified, and that it adds to the confusion in the Chamber and makes it difficult to hear what is going on.

Mr. BURKE. Mr. President, I think I have some difficulty in making myself heard from the position I occupy in the Senate Chamber, so I shall try to overcome that difficulty by coming forward to speak.

I referred to the fact that last Saturday the junior Senator from South Carolina, in the course of his remarks in favor of the passage of the bill, mentioned the law with which we are all familiar, passed a few years ago, to enable the veterans to borrow 50 percent of the full amount which would be due on the certificates, in accordance with the terms thereof, in 1945. He then suggested, and it seemed to me at the time a most unusual statement to be emphasized or to which even reference should be made by a proponent of the bill, that after the passage of this act the first veteran to appear at the Veterans' Bureau to ask for the loan, or the prepayment, as it really amounts to, of half the amount of his certificate, was a man worth more than $1,000,000.

I have been thinking about that since the statement was made. It seems to me, Mr. President, that that shows a fatal weakness in the bill now proposed. The millionaire bonus holder referred to by the Senator from South Carolina, of course, was not an isolated example. I do not mean that our Army was filled with millionaires; but every sensible person knows that there are hundreds of thousands of men of wealth, either inherited or earned, men holding good positions, high executive positions, professional men, lawyers, doctors, and others, men holding good jobs, who now have and are entitled to have bonus certificates in their possession. I do not, for myself, see any justification at this time of financial strain upon the United States Treasury, when, for 7 years past, we have been accumulating an enormous deficit, for extending any benefits to men who do not need them.

What is it that this bill proposes to do? First, in the case taken as an example, of the millionaire certificate holder referred to by the Senator from South Carolina, who undoubtedly received his 50 percent and, more than likely, in view of what the Senator said, is one of that large number who has not paid any interest on the amount which he borrowed, it is proposed to give outright to that man of wealth and to all other veterans who may be wealthy or, at least, well-to-do and able to get along and take care of themselves, the full amount of the interest that has accumulated upon their bonus certificates even if they are in the group that has not paid any interest.

In the second place, it is proposed to turn over to them, to this millionaire bonus certificate holder and the hundreds and thousands of others who are not in need, bonds which they may turn in at once and receive cash.

In the third place, as an inducement to them, if these men who do not need the money will hold their certificates, they are to have an added gratuity of 3 percent per annum for whatever time they hold them up to 1945.

It seems to me that there could be no serious objection at this time to paying the full amount not already paid on the adjusted-service certificates to any certificate holder who is out of work and in need, but to pay it now to the superrich and the well-to-do veterans and those with good jobs, considering the financial stress and strain upon the Treasury, seems to me to be an outrageous thing to do.

I know it will be justified by some who have been opposed in general to this program because they say the present administration has been engaged in a spending program. I listened to the senior Senator from New Jersey [Mr. BARBOUR] on last Saturday make such an argument. At least this much ought to be said, it seems to me: That if this bill becomes law with the support of those who have been critical of the spending program of this administration, they ought, at least, to have the decency never again to criticize any feature of the spending program.

There is one other thing that has been said very frequently in this debate, namely, that this is a bill that the President could very well approve. I have taken occasion since last Saturday to reread the record made by the President during the past 4 years upon this subject. With high courage and unanswerable logic, he has taken a position which cannot be successfully assailed. I prefer to believe that he will maintain that position; I prefer to believe that he will use his influence to see that this bill shall be amended so that the millionaire bonus certificate holder referred to by the junior Senator from South Carolina in this case will not be the first to be entitled to receive these additional benefits.

Mr. HARRISON. Mr. President, I move to amend section 4 by striking out the words "or multiples thereof" appearing at the end of line 21, page 11. By striking out the words "or multiples thereof" then all these bonds will be in denominations of $50.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Mississippi to the amendment reported by the committee.

The amendment to the amendment was agreed to.

Mr. HARRISON. I have one further amendment.

Mr. CONNALLY. Mr. President, I wish to make a motion before these amendments are all disposed of.

The PRESIDENT pro tempore. The Senator from Mississippi has the floor. Does he yield to the Senator from Texas?

Mr. CONNALLY. Does the Chair recognize one Senator to offer a half dozen amendments before recognizing any other Senator?

Mr. HARRISON. I may say that this is the only amendment I have. The amendment I now intend to offer will not require any discussion. If it shall, I will withdraw it.

The PRESIDENT pro tempore. The Senator from Mississippi has the floor.

Mr. HARRISON. Mr. President, there is no penalty provision in this bill. It has been suggested by the Department that a penalty provision should be in it. So I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment to the committee amendment will be stated.

The LEGISLATIVE CLERK. At the end of the committee amendment it is proposed to insert a new section, as follows:

SEC. 11. Whoever knowingly makes any false or fraudulent statement of a material fact in any application, certificate, or document made under the provisions of this act, or of any regulation made under this act, shall upon conviction thereof be fined not more than $1,000 or imprisoned not more than 5 years, or both.

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Mississippi yield to the Senator from Idaho?

Mr. HARRISON. I yield.

Mr. BORAH. Does the Senator insist on including in the amendment the words "or of any regulations made under this act"? Does he propose to make the violation of a regulation punishable by fine in the amount proposed? It seems to me that is rather severe, even admitting the principle, which I do not admit.

Mr. HARRISON. I may say that this proposal follows largely the language of the adjusted-service compensation law; it is merely proposed to follow it through. I hope that no one will be subjected to the penalty, but it seems to me there ought to be a penalty provision in the bill in the event someone should practice fraud upon the Government.

Mr. BORAH. Yes; if he violates the law, that is so. But I am not favorable to this practice of making the violation of some regulation of some department punishable as a crime.

Mr. President, if I may be permitted to do so, I move to amend the amendment by striking out the words "or any regulations made under this act."

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Idaho to the amendment offered by the Senator from Mississippi to the amendment in the nature of a substitute reported by the committee.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. RUSSELL. I move that the Senate reconsider the vote by which the amendment offered by the Senator from Texas [Mr. CONNALLY] was rejected on Saturday last, and I ask that that amendment be read.

The PRESIDENT pro tempore. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 8, after line 22, it was proposed to insert the following:

That provisional first and second lieutenants who served as such in the World War, and who were discharged or resigned within 1 year after November 11, 1918, shall be eligible to receive the benefits under the World War Adjusted Compensation Act, as amended, on the same terms as other officers of the same rank.

Mr. RUSSELL. Mr. President, unless the Senate shall reconsider its action rejecting this amendment, a very grave injustice will be done a small group of men who were among the best soldiers of the United States in the World War.

In 1917 there were three classes of commissions available to officers who had completed the required course of training and sought commissions in the Army of the United States. They could either apply for a commission as provisional officer, as Reserve officer, or as an officer of the National Army. Many of these young men, feeling that if they applied for a commission as provisional officer in the Regular Army they would thereby reach France and the front earlier, applied for a commission of that type.

In the original act adopting the adjusted-compensation plan, for some reason, a provision was written in section 202 that provisional officers should not receive the benefits of the measure; and if the amendment proposed by the Senator from Texas be not adopted, we will have this condition and this state of facts: A large number of officers who held Reserve commissions during the World War and after the World War went into the Regular Army. Those men today hold commissions in the Regular Army and, at the same time, hold their adjusted-compensation certificates. A small group who were provisional officers retired from the service immediately after the war and have neither commissions in the Regular Army or adjusted-compensation certificates. Why should these men be penalized, even though they constitute a small group, by being denied the benefits of the measure which are allowed to officers of the Reserve Corps now in the Regular Army? How can we say to a provisional lieutenant in the First Division who served in every battle in which the American troops were engaged that because he was a second lieutenant with a provisional commission he shall not have any bonus certificate and, at the same time, give to a Reserve officer who served in another division an adjusted-compensation certificate, although he may hold a commission in the Regular Army today? It will be a rank discrimination if the Senate shall not adopt this amendment and allow the men in this group, who are few in number, the same benefits of adjusted compensation as are allowed those who held commissions in the National Army or in the Reserve Corps.

Mr. FLETCHER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from Florida?

Mr. RUSSELL. I yield to the Senator from Florida.

Mr. FLETCHER. I do not understand why it is that provisional officers were excluded on the ground that they were professional soldiers. What justifies that sort of a conclusion I do not know. I know provisional officers who were never professional soldiers and never intended to be. They went into the service and served overseas; they came back and were honorably discharged, having served creditably, and resumed the occupations in which they were previously engaged. Some of them were lawyers; some belonged to other professions. They never intended to be professional soldiers. I cannot see how it may be contended that those provisional officers should be classified as professional soldiers.

Mr. RUSSELL. Mr. President, I agree with the Senator from Florida that there is no good reason on earth why we should discriminate against this small group of brave and patriotic soldiers who in their zeal to reach France and serve in the first-line trenches and to follow their flag into the first battle in which the American troops engaged accepted provisional commissions in order that they might go over with the first or second divisions. Many believed that if they accepted provisional commissions they would reach the front before those who accepted commissions as National Army officers or as officers in the Reserve Corps.

Mr. CONNALLY. And they did reach the front first.

Mr. RUSSELL. The provisional officers, as stated by the Senator from Texas, practically all saw actual combat service during the World War.

This amendment does not allow adjusted compensation to every one of the provisional officers but only to those who left the service within 1 year after the armistice. If this amendment be not adopted, as I have heretofore said, the reserve officers or national Army officers, who are very numerous, will have their adjusted-service certificates, and adjusted compensation will be paid them in full, while the provisional officers will not receive one dime, and, in addition, we will have some men who today still have commissions in the Army collecting bonus certificates while those who merely accepted provisional commissions will not be able to obtain one nickel of this belated justice to the American soldier.

Mr. BARKLEY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from Kentucky?

Mr. RUSSELL. I yield.

Mr. BARKLEY. When the Adjusted Compensation Act was passed there were nine classes which were exempted from its provisions under section 202. In computing the adjusted-service credits no allowances were to be made to classes A, B, C, D, E, F, G, H, and I. Why does the Senator feel this particular class, among the nine exempted in that act, should now be taken care of by reenacting the provision or by inserting in this bill a provision which would take them out of the original Adjusted Compensation Act, which was fought out at the time and argued about, and which has been introduced as a separate measure from time to time since, and fought out before committees, none of which has ever favorably reported it on the merits.

Mr. CONNALLY. Mr. President, a bill did pass the Senate providing for it.

Mr. RUSSELL. It is never too late to correct an injustice. There has never been any sound reason for discriminating against these provisional officers.

Mr. BARKLEY. Why not go back and take in all nine classes which were exempted when the act was passed?

Mr. RUSSELL. The Senator from Kentucky understands the theory upon which this provision was inserted in the original law. It is on the theory that a provisional officer was a professional soldier and would maintain his position in the Regular Army as a commssioned officer. I may say to the Senator from Kentucky that a measure looking to the correction of this injustice has been pending, has been favorably reported by the Committee on Military Affairs, and is now on the Senate Calendar. The Senate is seeking to correct this injustice.

Mr. BARKLEY. In view of that fact, does the Senator feel that the pending measure ought to be complicated by trying to correct that injustice here, which effort might make it necessary to send the bill to conference and bring about a delay, and which might offer additional complications with respect to the final enactment of the measure?

Mr. RUSSELL. I have no desire nor intent nor purpose to delay action of the Senate on the bill. I have voted for the full and immediate cash payment of the adjusted-

compensation certificates every time such a measure has been before the Senate since I assumed the duties of my office here. I have believed in paying the certificates, and I certainly would not today be one to delay action on the bill. I do not believe the adoption of this amendment, reaching as it does only a small group, is calculated to delay action upon the bill any more than the adoption of the committee amendment which this amendment seeks to amend.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. RUSSELL. Certainly.

Mr. BARKLEY. Of course, no Senator ought to vote according to what another body may do respecting legislation of this kind, but it has been the hope that when the bill shall be passed by the Senate the House will agree to the amendment which the Senate may adopt. My information is that the House will not agree to this amendment of the Senator from Texas, which would make it necessary to send the bill to conference. In view of that information, it seems to me, as a matter of practical legislation, it might endanger the passage of the bill and might complicate it.

Mr. RUSSELL. I do not propose to be deterred in doing what I deem to be my duty here by any threat of what might transpire in another Chamber with reference to this bill. The amendment only proposes to do simple justice and delayed justice to a small group of men who were among the finest officers we had in the World War. I cannot conceive of the fact that the other body would delay action on the bill because the Senate is seeking to do justice to a small group of men who followed their flag throughout the World War.

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from Idaho?

Mr. RUSSELL. I yield.

Mr. BORAH. May I ask the Senator if he knows how many individuals would be affected by the amendment of the Senator from Texas?

Mr. RUSSELL. I am advised there are only about 2,000.

Mr. CONNALLY. There are 2,257.

Mr. RUSSELL. I cannot conceive of the House of Representatives delaying action on this important measure merely because the Senate seeks to do justice to this small group of officers who have been the victims of circumstances and of a very apparent misunderstanding on the part of Members of Congress when the original act relating to adjusted-compensation certificates passed this body. I hope my motion will be adopted.

Mr. STEIWER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from Oregon?

Mr. RUSSELL. Certainly.

Mr. STEIWER. Are we to understand that this proposal, for which the Senator now seeks consideration, affects the status of these officers for the purpose of getting adjusted compensation?

Mr. RUSSELL. It does.

Mr. STEIWER. The amendment, as I recall, is in the form of an amendment to the World War Veterans' Act of 1924. Is not that correct?

Mr. RUSSELL. I am not advised as to the exact form of the amendment. In substance it seeks to correct an injustice. The amendment was not offered by myself, but by the Senator from Texas [Mr. CONNALLY]. If I understood the statement of the Senator from Texas in submitting it, the amendment was designed to permit these 2,000 or more provisional officers, men who left the service within 1 year, who did not remain in the Army as regular officers, some of whom were actually denied commissions in the Regular Army, the single justice of receiving the benefits of this act. They are being discriminated against on the ground that they are professional soldiers, when, in fact, their status is no different from that of other officers who rendered similar services under the same conditions.

Mr. STEIWER. I am not unfriendly to the idea of removing what appears to be an injustice to this small class of officers, but I think the form of the proposal submitted by the Senator from Texas relates to the act of 1924 and relates primarily to the status of those officers for compensation purposes and not for a bonus or adjusted-service compensation. If that be true, it seems to me it really injects extraneous matter, and it may be a serious consideration in case the House should not look with favor upon the proposal to broaden the basis of the measure.

Mr. CONNALLY. Mr. President, I have no objection to modifying the amendment to accomplish what the Senator from Oregon has in mind, because that is what I intended to do. As a matter of fact, these officers get compensation anyway.

Mr. HARRISON. Mr. President, may I suggest that the Senator from Oregon is correct in saying that the amendment does relate to the Adjusted Compensation Act of 1924.

Mr. BARKLEY. In other words, it goes back to 1924 and permits adjusted-compensation certificates to be issued to these men which they may turn in and have cashed under the terms of the pending bill. They would have to have original bonus certificates issued to them as if they had been entitled to them under the act of 1924, and that would give them a status which would entitle them to the benefits of the pending bill.

Mr. CONNALLY. All I am trying to do is to accomplish for 2,257 officers what all the other Senators who are worried about my amendment are trying to do for 3,500,000 veterans. That is the difference.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. CONNALLY. Certainly.

Mr. McKELLAR. Have any of the officers to whom the Senator's amendment relates received benefits under the Tyson-Fitzgerald Retirement Act?

Mr. CONNALLY. I do not know about that.

Mr. McKELLAR. If many of them have, it would be manifestly unjust for them also to receive the benefits under this measure.

Mr. CONNALLY. That is true of the other officers. The retirement act to which the Senator refers applies to all Reserve officers.

Mr. BARKLEY. The Tyson Act related to disabled emergency officers.

Mr. CONNALLY. It did not apply to these men at all.

Mr. BARKLEY. It might have applied to them.

Mr. CONNALLY. These men were not emergency officers. They were Regular Army officers. But what difference does it make, anyway?

Mr. McKELLAR. It makes this difference. That was a very liberal measure to the officers who were entitled to pay under it. If any of them received pay under that measure, I do not think they justly would be entitled to pay under this bill.

Mr. CONNALLY. I want them treated as lieutenants in other branches of the service are treated.

Mr. President, I feel sure that Senators, when they voted down the amendment Saturday, did not understand its import. I hope the Senate will reconsider its action so we may have a real chance to give it consideration. We had no opportunity Saturday to do so. It was late in the day. Senators were anxious to get away. The Chair was in a mood under which the steam roller was quite favorable in its operation, and we had no chance to have the amendment properly presented before this body.

What does the amendment propose to do? As was said by the Senator from Georgia, when the war began many young officers who had attended training camps for the purpose of serving only during the World War were induced by Regular Army officers and others to accept commissions as provisional first and second lieutenants. They accepted those commissions, they went through the war, and when the war was over they resigned or were discharged and went back to their regular vocations. Why is not that sort of a lieutenant just as much entitled to the so-called bonus as a lieutenant who went through the same training camp and was given a commission as a Reserve officer? What is the difference?

This amendment provides that in order to get the bonus a man must have resigned or been discharged within a year

after the war came to an end. As was suggested by the Senator from Georgia, men who went in as Reserve officers, even with the rank of captain and who then remained in the Regular Army, get this bonus, while provisional second lieutenants who went out of the service do not get it. Is there any justice in that? Is there any fairness in that? Is there any equality in that? Mr. President, there is none.

Now, let us see about this.

I happen to know, from my own little home town, three boys who went to a training camp. None of them has asked me to offer this amendment. I have had only one letter about it. Two of these boys, when they graduated at the training camp were commissioned as provisional lieutenants. They were sent to France with the first contingent of General Pershing's troops. They were assigned to the First Division. They went through the battles to which the Senator from Georgia has referred. They were at Soissons. They were in the drive in July 1918 that held in check and crushed the last German drive. They went through all those fights with the First Division. When the war was over they came back home, resigned their commissions, and went back to work. They did not want permanent commissions. They wanted to fight. When the war was over they came home.

I know another boy who went to the training camp, obtained a commission as a first lieutenant, stayed all during the war, had a fine record, fought the battles, but decided that he wanted to stay in the Regular Army; and he did stay in the Regular Army, with the rank of a captain. I helped keep him in the Regular Army. According to the Senator from Georgia he will get his bonus. I do not know whether he will or not.

Mr. BURKE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Texas yield to the Senator from Nebraska?

Mr. CONNALLY. Just a moment. That boy will get his bonus. He is in the Regular Army now, with the rank of a captain. These two boys who were lieutenants, who did not want to stay in the Army, who joined simply because the country needed them, will get no bonus. Is there any justice in that?

I now yield to the Senator from Nebraska.

Mr. BURKE. Mr. President, I was out of the Chamber. I did not hear how many men are included in this amendment.

Mr. CONNALLY. Two thousand two hundred and fifty-seven.

Mr. BURKE. Can the Senator give us any information as to the number of that 2,257 who are in need of a gratuity from their Government at this time?

Mr. CONNALLY. No; I cannot. I will say to the Senator from Nebraska that if he will consult my record he will see that my views on this matter have not been unlike his own in certain respects. I have not voted for it heretofore.

Mr. President, if we are going to do this kind, generous thing that we talk about, if we are going to compensate more than 3,000,000 veterans, why do we wish to penalize 2,257 men who were just as good soldiers as the others? If we are so anxious to reward 3,000,000, why not be fair and just to this little group of 2,257?

The Senate Military Affairs Committee has reported this amendment as a separate measure. Probably it will some day be passed; but why not put it on this bill and pay these men now when we are paying everybody else?

I ask the Senate to reconsider its action in rejecting this amendment.

Mr. WALSH. Mr. President, I desire to explain briefly my position on the pending bill at this time.

Every World War veteran now holds an adjusted-compensation certificate, which is the promissory note of the Government, payable in 1945. The debt upon the Federal Treasury and upon a succeeding generation of American taxpayers was created when the veterans' bonus was voted and the certificates issued, in 1925. It was simply the payment of the cash which was postponed. The bonus certificates today are just as much part of the national debt as any other notes and bonds issued by the Federal Treasury on the faith and credit of the United States. The only difference is that the bonus certificates are not negotiable or immediately cashable, and the interest, instead of being periodically payable in cash, was computed and became part of the lump sum payable at maturity.

Mr. STEIWER. Mr. President, will the Senator yield at that point?

Mr. WALSH. Yes; I yield.

Mr. STEIWER. I am very much interested in what the Senator is saying; but is not the Senator going to point out that there is another difference, in that the actuaries, the technical advisers of the Treasury, have never carried the bonus certificates into the debt structure of the Nation, and in making the Treasury reports of the public debt, with some little exceptions, the bonus certificates are not included in the total?

Mr. WALSH. I appreciate having the Senator's contribution. His statement is in accord with my understanding.

Mr. STEIWER. That being true, I think the Senator from Massachusetts is justified in adding to what he started to say the statement that this debt ought to be carried into the debt structure. The American people have been deceived long enough concerning the obligations of our country. I claim, and I believe the Senator from Massachusetts will agree with me, that it is only good business that the debt reports of our Treasury should reflect the truth in order that the country may know what is the total indebtedness of the Nation.

Mr. WALSH. Mr. President, the bonus bill before the Senate today proposes to give every World War veteran the privilege of obtaining in cash now the face value of the Government's promissory note, which he now holds, less whatever amount has previously been advanced to him as a loan. This is to be accomplished by exchanging for the veteran's present certificate, which is his present promissory note, a new promissory note in the form of Government bonds in $50 denominations, which will be redeemable in cash to demand, and which will bear interest at the rate of 3 percent until redeemed.

Mr. President, the immediate result of this exchange is that the Government's present debt to the veteran will be shifted from a nonnegotiable, non-interest-bearing deferred-payment note to an interest-bearing note payable on demand. Insofar as the present noteholders, either from necessity or from choice, elect to draw the cash, the Government, by borrowing elsewhere the cash to pay the veteran, will simply shift its debt from one person to another.

It is quite true that the effect of this plan will be to increase the Government's interest-bearing I O U and to that extent increase the total interest item in the annual Budget. It is quite true also that in giving the veterans now cash or its equivalent for a note not due until 1945, the interest between now and then represents in reality an extra payment and to that extent an enlargement of the veterans' bonus. But neither of these contentions which have been raised by objectors is, in my judgment, of sufficient weight to warrant rejection of a proposition which, in other respects, is so deserving and so desirable.

I cannot accept the contention that prepayment of the bonus at this time, in advance of maturity, will dangerously overload the Government's debt structure, while it is admitted that new bond issues for new ventures can be floated with entire safety.

I perceive no validity in the argument that it is unconscionable to redeem the bonus certificates in cash at a time when millions of Americans are out of work and on relief. We have not counted the cost or spared the Treasury or the taxpayers in our effort to relieve distress and to provide jobs. Furthermore, we are not proposing to redeem the bonus certificates at the expense or disadvantage of any particular group of our citizens or any particular section of the country.

To whatever extent the question of cash redemption of the bonus is to be related to the question of whether the Nation as a whole is enjoying prosperity or is in the grip of depression, certainly from the standpoint of the bene-

ficiaries it is infinitely better to redeem the bonus certificates in bad times than in good times. Furthermore, if increased purchasing power provided by the Public Treasury—and that is the policy we have been pursuing in all our appropriations to bring about purchasing power—means benefit to all, and betterment to business and industry, then the benefits flowing from cash redemption of the bonus certificates will not be confined to the veterans, but will accrue to everyone.

I favored at the outset a veterans' cash bonus. I have been sympathetic to recurring proposals for liberalization of the loan value of the certificates and the redemption of the certificates in cash, prior to maturity, when, as, and if circumstances permitted, on a sound-money, sound-credit basis.

The question of whether cash payment of the bonus would in fact that that moment dangerously drain the Treasury has always been hotly disputed. On that aspect of the matter I have been disposed to give great weight to the opinion of those directly in charge of and responsible for the Government's finances, namely, the Secretary of the Treasury and the President. But whatever distinction there may be, so far as Government finance is concerned, between a bond issue to refund and redeem the bonus certificates and a bond issue creating brand-new debt to raise cash for some brand-new Government venture, I cannot be persuaded that the former is dangerous while the latter is safe. If anything, it is the other way around.

Accordingly I shall vote for the bill now before the Senate in full confidence that under existing circumstances it provides a justifiable settlement from the standpoint of the veterans, the Treasury, and the taxpayers.

Mr. HARRISON obtained the floor.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Holt	Overton
Austin	Coolidge	Johnson	Pittman
Bachman	Copeland	Keyes	Pope
Bailey	Couzens	King	Radcliffe
Bankhead	Davis	La Follette	Reynolds
Barbour	Dickinson	Logan	Robinson
Barkley	Dieterich	Lonergan	Russell
Benson	Donahey	McAdoo	Schwellenbach
Black	Duffy	McCarran	Sheppard
Bone	Fletcher	McGill	Shipstead
Borah	Frazier	McKellar	Smith
Brown	George	McNary	Steiwer
Bulkley	Gerry	Maloney	Thomas, Okla.
Bulow	Gibson	Minton	Thomas, Utah
Burke	Glass	Moore	Townsend
Byrd	Gore	Murphy	Trammell
Byrnes	Guffey	Murray	Truman
Capper	Hale	Neely	Vandenberg
Caraway	Harrison	Norbeck	Van Nuys
Carey	Hastings	Norris	Wagner
Chavez	Hatch	Nye	Walsh
Clark	Hayden	O'Mahoney	White

Mr. LEWIS. I reannounce the necessary absence of the Senator from Montana [Mr. WHEELER] and the Senator from Maryland [Mr. TYDINGS].

The PRESIDENT pro tempore. Eighty-eight Senators have answered to their names. There is a quorum present.

Mr. HARRISON. Mr. President, this matter is one of a good deal of importance, in my opinion. I cannot understand the force of the argument of the Senator from Texas [Mr. CONNALLY] and that of the Senator from Georgia [Mr. RUSSELL] that these provisional officers cannot under the law get their bonus, so to speak. The War Department has been very much opposed to this proposal.

Mr. CONNALLY. Mr. President——

Mr. HARRISON. I will say to the Senator that that does not have any particular weight with me, but it does have some weight in our effort to have a law enacted as to which we are skating on pretty thin ice. If we know that the position of the War Department is very strongly against including these provisional officers, then we would just be throwing ourselves against that additional buttress, in trying to have this piece of legislation enacted, if we were to include this amendment.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. HARRISON. I yield.

Mr. CONNALLY. Is the War Department advocating the bonus bill?

Mr. HARRISON. No.

Mr. CONNALLY. If we were to follow them, we would not have this bill here at all.

Mr. HARRISON. It would be adding another obstacle, if the provisional officers were included. If this matter were presented in a separate bill, I would vote for it. If the matter should come before the Finance Committee, as a member of that committee I would vote for it. But we know, as practical men, that the amendment advocated by the Senators might complicate this particular piece of legislation.

There is an appeal that these men should be included, but it must not be forgotten that after they went through the training camps and were in the service as provisional officers, during the 6 months when they were provisional officers, if they had been injured or something had happened to them which disabled them, they would have been retired on three-fourths the pay of a Regular Army officer. They had that advantage.

Of course, they got out of the Army after their 6 months' service, and they are not now included within the benefits of the pending legislation. But they did have certain rights while they were provisional officers which did not attach to emergency officers or to others except officers of the Regular Army.

From a practical standpoint, so that we may get along with the proposed legislation, I hope the motion to reconsider will be voted down.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Georgia [Mr. RUSSELL] to reconsider the vote by which the amendment of the Senator from Texas [Mr. CONNALLY] to the committee amendment was rejected.

Mr. RUSSELL. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. AUSTIN. I desire to announce the necessary absence of the Senator from Rhode Island [Mr. METCALF]. If he were present, he would vote "nay."

Mr. ROBINSON. I announce that the Senator from Arizona [Mr. ASHURST], the Senator from Mississippi [Mr. BILBO], the Senator from Colorado [Mr. COSTIGAN], the Senator from Illinois [Mr. LEWIS], the Senator from Maryland [Mr. TYDINGS], and the Senator from Montana [Mr. WHEELER] are necessarily detained from the Senate.

The result was announced—yeas 38, nays 50, as follows:

YEAS—38

Austin	Connally	Lonergan	Sheppard
Benson	Copeland	Maloney	Shipstead
Black	Davis	McAdoo	Smith
Bulkley	Donahey	McCarran	Thomas, Okla.
Bulow	Duffy	McGill	Thomas, Utah
Capper	Fletcher	Murray	Townsend
Caraway	George	Neely	Truman
Carey	Hayden	Norris	Van Nuys
Chavez	Johnson	Russell	
Clark	La Follette	Schwellenbach	

NAYS—50

Adams	Couzens	Holt	Pittman
Bachman	Dickinson	Keyes	Pope
Bailey	Dieterich	King	Radcliffe
Bankhead	Frazier	Logan	Reynolds
Barbour	Gerry	McKellar	Robinson
Barkley	Gibson	McNary	Steiwer
Bone	Glass	Minton	Trammell
Borah	Gore	Moore	Vandenberg
Brown	Guffey	Murphy	Wagner
Burke	Hale	Norbeck	Walsh
Byrd	Harrison	Nye	White
Byrnes	Hastings	O'Mahoney	
Coolidge	Hatch	Overton	

NOT VOTING—7

Ashurst	Costigan	Metcalf	Wheeler
Bilbo	Lewis	Tydings	

So Mr. RUSSELL's motion to reconsider was rejected.

The PRESIDENT pro tempore. The pending bill having been received from the House of Representatives and referred, under order of the Senate, by the Secretary during a

recess of the Senate, the Chair suggests that by unanimous consent the first and second readings of the bill be considered as having been waived. Is there objection? The Chair hears none.

Mr. NEELY. I purpose an amendment, which has been sent to the Clerk's desk.

The PRESIDENT pro tempore. The amendment to the committee amendment will be stated.

The CHIEF CLERK. At the proper place in the amendment reported by the committee it is proposed to insert the following:

SEC. —. Payment of the value of the bonds issued under the provisions of this act shall be made in United States notes not bearing interest. The Secretary of the Treasury is hereby authorized and directed to issue such notes in such amount as may be required to make such payment, and of the same wording, form, size, and denominations as United States notes issued under existing law, except that the wording thereon shall conform to the provisions of this act. The Administrator of Veterans' Affairs and the Secretary of the Treasury are hereby authorized and directed jointly to prescribe rules and regulations for the delivery of such notes in payment for such bonds as may be presented for redemption as provided herein.

Mr. NEELY. Mr. President—

> If it were done, when 'tis done, then 'twere well
> It were done quickly.

So said Macbeth in contemplating the horror of the cold-blooded murder which he was about to commit upon his royal guest the King of Scotland. But the murderous transaction was not completed when Duncan's lifeblood had entirely ebbed away. As usual, retribution, infallible and inescapable, finally struck down the assassin, and thereby satisfied the ancient law of "An eye for an eye and a tooth for a tooth." And retribution will pursue us, and overtake us and torment us, if we deliberately and inexcusably lay an additional heavy burden of interest upon the bent and breaking backs of the taxpayers of the United States.

Practically the entire membership of the Senate unconditionally favors the full and immediate payment of the World War veterans' adjusted-service certificates. My vote was cast for the original bill by virtue of which these certificates were issued. Later both my senatorial vote and my feeble voice were exercised to the limit of my capacity in favor of the passage of the bill over President Coolidge's veto.

Every subsequent effort that has been made to enforce the payment of these certificates has received my unhesitating, whole-hearted support. My fervent desire to speed long-deserved and long-delayed relief to our World War veterans will impel me to vote for the bill now before the Senate, even though defeat should be the fate of my amendment, which is designed to save the taxpayers $1,800,000,000 in interest without subtracting a farthing from the compensation of the veterans.

But let us hope that the pending amendment, which simply proposes to write the Patman plan of payment into the bill, will be adopted by a majority greater than that by which the plan was approved by this body during the last session of the Congress.

Ever since the enactment of the Federal Reserve law it has been generally proclaimed and believed that the Government may safely issue any amount of currency that is fortified by a gold reserve of 40 percent. Whether this particular ratio between currency and gold be valid or invalid, the Senate and the world are nevertheless challenged to name a single financial authority since the invention of money who has ever laid down the principle or enunciated the doctrine that the issuance of any volume of currency, great or small, that is supported by more than a hundred percent of gold can be fraught with any danger of inflation, depreciation, or repudiation.

The Government, which under the terms of the bill will soon be issuing new 3-percent interest-bearing bonds of the aggregate par value of more than eighteen hundred million dollars to redeem veterans' certificates, now has in its vaults more than $10,166,000,000 in idle gold.

The total amount of paper money now in circulation in the United States is less than $5,404,000,000. If the Government were to issue $2,237,000,000 additional paper money with which to discharge the veterans' certificates in full, there would still be in the Government's vaults not only a hundred cents in gold behind every dollar of all our outstanding paper money but also a surplus of more than $2,525,000,000 in excess of this abundant measure of safety. Every dollar of such new money would be just as good as any dollar of American money that is outstanding today, and better than a similar amount of the currency of any other nation in the world.

The redemption of the outstanding certificates by this means would not only satisfy every one of our veterans, but it would also save him and his posterity from sharing an intolerable burden of additional taxation for interest on bonds which, in the natural course of events, will ultimately amount to $1,800,000,000 or more.

Everyone has heard the trite interrogatory: "If we can issue enough paper money to pay the soldiers $2,237,000,000, why can we not issue enough to pay all the other billions which the Government owes?"

Obviously, there is just as much logic in this inquiry as there would be in the assertion that because a man can walk 10 miles a day he should be able to walk a thousand miles in the same length of time.

Certainly the Government cannot issue unlimited quantities of paper money.

But who will name the financial authority in America, Great Britain, Germany, France, Austria, Russia, Italy, Holland, Japan, or in any other civilized country, who says that it is inflationary or dangerous for any Government to pay its debts with paper money that is fortified with 125 percent of gold bullion or coin? For this Government to pay the obligation that is to be created by the legislation before us with interest-bearing bonds instead of paper money secured by its vast and idle hoard of gold—which under present law is useless for any other purpose—would be to imitate the improvidence of a man who, owing $100 and having $500 in the bank, with no obligation of any kind against his deposit, would obligate himself to pay someone $80 in interest for the use of enough money to postpone for 20 or 30 years the final payment of his $100 debt instead of paying it immediately with a check drawn against his deposit.

If anyone should commit such an act of folly his informed neighbors would promptly and truthfully say of him that he was either crazy or a natural-born fool.

Mr. President, constantly increasing, all-devouring, insatiate interest on Government obligations is today the most appalling curse of the American people. Every day and every night, every hour and every minute, every second and every heartbeat, through winter's storm and summer's calm, the merciless monster of devastating interest is gnawing at the vitals of every man and woman and child in the Republic.

This abomination of desolation alone prevents the advent of an era of prosperity greater than any the people have ever known.

Yet the Senate is, without the slightest justification and with the experience of all history, imperiously and impatiently admonishing it to the contrary, on the verge of voting to put an additional load of $1,800,000,000 on the backs of the staggering, suffering, swooning burden bearers of this Nation.

The people are not unwilling to incur legitimate expenses or to make financial sacrifices for proper and necessary purposes, but they will never forgive this Congress if it inexcusably and indefensibly imposes this additional stupendous sum of $1,800,000,000 in interest upon them.

The exaction of unnecessary, unjustifiable, and intolerable taxes has destroyed governments, overthrown kingdoms, dissolved empires, and cursed the world with war throughout the history of civilization. As the result of such tyrannical conduct, Rehoboam, Solomon's son, lost 10 of the famous twelve tribes of Israel. He insolently said to his perishing taxpayers who begged him to lighten their burdens and grant them relief:

> My father chastised you with whips, but I will chastise you with scorpions.

So he did, and—

So Israel rebelled against the House of David unto this day.

The laying of unnecessary, unjust, and intolerable burdens upon the backs of the French people brought on the great revolution, during which the maddened population set up in the Place de la Concorde the guillotine, that ingenious horror of horrors from which human blood flowed like rivers of water through the streets of Paris.

The levying of unjust taxes upon our forefathers caused Great Britain to lose her American colonies, which have since become more valuable than any other earthly possession. If we today tread the beaten path of folly in which both Jews and Gentiles have gone to disaster, shall we not tomorrow eat their black bread of affliction and drink their bitter cup of regret? Shall we not repent of our transgression when it is too late to retrieve our losses, and impossible to right the wrongs that we have done?

Let us adopt the pending amendment and immediately pay our debt to the veterans with our own money instead of borrowing it and thereby improvidently increasing our burden of interest almost $2,000,000,000. If we fail to do our duty in this matter, we may depend upon it that, sooner or later, the retribution that sent Macduff to the battlefield to slay Macbeth, the retribution that beheaded untold thousands of the people of France, the retribution that stripped Great Britain of her American colonies will relentlessly pursue us, and, with the gloom of unspeakable remorse, enshroud our little lives to the end of our days.

Mr. BONE. Mr. President, will the Senator yield for a question?

Mr. NEELY. Gladly.

Mr. BONE. I wonder if the Senator from West Virginia has considered the possibility of providing that the Treasury notes contemplated in his amendment might be retired by taxation, so that this transaction would retain the character of a debt? Obviously we cannot have something for nothing, but the notes should be retired by taxation, so that we could get away from the interest burden the Senator mentions.

I quite agree that it is very much of a debatable question whether we would not do the Government credit more injury by inflicting another large bonded debt on the country than if we pursued the method the Senator suggests, but I am wondering if there is not a happy compromise in the situation by providing that these Treasury certificates shall be retired by taxation and then actually called in and physically destroyed; so that I in my income tax will pay a certain definite amount to retire this issue of Treasury notes. That would require them, it would compel them, to retain, at least, the character of a debt, on the theory that we cannot have something for nothing, but at the same time would enable the Government to escape the burden of interest which attaches to a bond issue.

Mr. NEELY. In my opinion, the Senator's suggestion is not feasible at this time. We shall either accept the method provided by the amendment now before the Senate or be burdened with at least $1,800,000,000 additional debt for interest.

Mr. OVERTON. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from West Virginia yield to the Senator from Louisiana?

Mr. NEELY. Gladly.

Mr. OVERTON. As I understand the Senator's amendment, it undertakes to rewrite into the pending bill the Patman plan?

Mr. NEELY. That is the purpose of the amendment.

Mr. OVERTON. Of course, the main object of this bill is——

Mr. NEELY. Let me add that during the last session of the Congress 55 Members of the Senate approved the Patman plan by a record vote.

Mr. OVERTON. I was one of them; but, in view of the fact that the Patman plan, after it had been passed by both Houses, met a Presidential veto——

Mr. NEELY. And it is now said on the street and in the cloakroom that this bill will meet one no matter what form of payment may be provided.

Mr. OVERTON. Of course, I do not know; I am not in a position to say as to that; but, in view of the fact that the Senate refused to pass the Patman bill over the President's veto, and in view of the fact that the real purpose of our endeavors here today is to obtain the immediate cash payment of the adjusted-service certificates, does not the Senator think that our purpose and the main object of this bill would be endangered by the adoption of his amendment instead of agreeing to the amendment proposed by the Committee on Finance?

Mr. NEELY. Certainly not; otherwise the Senator from West Virginia never would have offered his amendment.

Mr. THOMAS of Oklahoma obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator from West Virginia yield?

Mr. NEELY. Yes.

Mr. BARKLEY. The Senator has said in his remarks——

The PRESIDENT pro tempore. The Senator from Oklahoma [Mr. THOMAS] has the floor. Does he yield to the Senator from Kentucky?

Mr. THOMAS of Oklahoma. Yes.

Mr. BARKLEY. The Senator from West Virginia has stated in his remarks that the payment of the bonus by the method provided by the bill will involve an additional $1,800,000,000 in taxes on the American people by reason of interest. How does the Senator arrive at those figures?

Mr. NEELY. I arrive at those figures by virtue of the fact that the greater part of the Government's debt to the veterans is to be paid directly or indirectly with interest-bearing bonds. It is proposed to supply immediately practically enough bonds to satisfy the veterans' certificates.

Mr. BARKLEY. Of course, if the entire $2,200,000,000 were represented by new bonds bearing 3-percent interest, the interest would be only about $63,000,000 a year and over a period of 10 years, terminating in 1945, that would amount to a little more than only $600,000,000, which is only one-third of the $1,800,000,000 the Senator mentioned.

Mr. NEELY. We should multiply the Senator's sum by at least three, because of the fact that, with our untold billions of present indebtedness on which we have to pay interest, these new bonds cannot be retired at the end of 10 or even 20 years except by refunding operations. It will be at least 30 years, and probably 50 years, before we shall have fully paid the principal and interest on the obligations which we are authorizing here today. We may change the form of the debt, but in my opinion we shall not extinguish it in less than 50 years.

Mr. BARKLEY. It is speculative. The same statement might be made with respect to all the rest of the obligations of the United States.

Mr. NEELY. Certainly it might be, but there is no speculation in issuing a check against deposits we have in the bank or in the Treasury, and common sense says that that is the method by which we should pay the veterans the debt which the Government so justly owes them.

Mr. THOMAS of Oklahoma. Mr. President, answering the suggestion of the Senator from Kentucky [Mr. BARKLEY] that these bonds which it will be necessary to issue will probably be retired in 10 years, let me remind the Senator from Kentucky that the bond issues necessarily voted to finance the North in the War between the States amounted to only a few millions of dollars. That was 70 years ago. Some of those bonds are still unpaid, have been running for 70 years, and the people have been paying interest on them from then until the present day.

Mr. BARKLEY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Kentucky?

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. The Senator will recall, of course, that those bonds for a long period of time were used as a basis of our circulating currency in the form of national-bank notes. There was no particular desire, either upon the part of the Government or upon the part of the banks, to retire them, because they were a basis for a very large part of our circulating money at that time. That privilege will not attach to these bonds.

Mr. THOMAS of Oklahoma. Of course, no one can tell when these bonds will be paid; but a prophecy might be made that if the Civil War bonds have lasted for 70 years, these bonds may run one-half that time. If it will require $600,000,000 to pay the interest on the bonds necessary for 10 years, in 30 years the interest would amount to $1,800,000,000, as stated by the Senator from West Virginia [Mr. NEELY].

Mr. President, this bill or similar bills, have been pending before the Congress for years. From the tenor of telegrams I have received and conferences I have had I am convinced that the public does not now understand what the bill means. I am likewise convinced that even the Senate does not know what the bill means. I have proof before me that some of the bright young men in the press gallery do not know what the bill means. I am not criticizing the correspondents in the press gallery, because as a rule they get their statements accurately; but one of the great papers of the country, the New York Times, yesterday, on the front page, had this to say:

> The second amendment by Senator THOMAS, making it mandatory to pay the bonus from unexpended funds previously appropriated.

Mr. President, I offered no such amendment; and because I was misinterpreted and because the writer of the story did not understand the situation, I take occasion now to explain the amendment, which evidently was not understood Saturday.

Before I come to that explanation, let me lead up to it. The bill has been changed this morning. Saturday it was proclaimed that the veteran who had $1,000 due him could expect only one bond in the sum of $1,000. The bill has been changed this morning. The veteran who has $1,000 due him will not get 1 bond, but will get 20 bonds of $50 each, making a total of $1,000.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. Certainly.

Mr. BYRNES. I wonder if the Senator is correct in that statement. I do not believe the Senator from Mississippi [Mr. HARRISON] or anyone has stated that there was any intention on the part of the Treasury or anyone having sponsorship for the bill that there should be any bonds printed except in the denomination of $50. Inasmuch as the language left it discretionary with the Treasury and it might be subject to the criticism which the Senator has voiced, the bill was amended this morning so as to provide specifically that the bonds should be issued only in $50 denominations.

Mr. THOMAS of Oklahoma. I wanted that to be made clear. The Senator from Kentucky [Mr. BARKLEY] stated Saturday that the bonds might be printed in sheets, perforated, and that the veteran receiving a sheet of 20 bonds might tear off one of the perforated slips and cash it. This morning we are to have each $50 bond printed separately, and each veteran is to receive as many bonds as his certificate will entitle him to have. Some of the veterans, not having borrowed on their certificates, have as much as $1,500 coming to them. Such veterans will get 30 of the $50 bonds. Now we are going to print them in blocks and each veteran who receives bonds on his certificate will have a block of bonds and that block may be perhaps as thick as the little booklet I now display to the Senate.

That is not the point, however. When the veterans receive their bonds under the terms of the bill they will have these special pieces of paper. I wish to ask the Senator from Mississippi [Mr. HARRISON] or some other member of the Finance Committee what provision is made in the bill for the veteran who receives his bonds to get the money on the bonds which he will receive under the terms of the bill? In other words, where is there in the bill a provision for a veteran to get the money on his bonds through the bill which we will pass here today? There is one exception. The bill makes available the amount remaining in the adjusted-service-certificate fund. There is about $254,000,000 in that fund. If the bill passes there will be that much available to cash the bonds, but aside from that there is not a penny of money provided for in the bill to cash the bonds.

If the bonds are issued and delivered by the 15th day of June, we all know there will be some two and a half million veterans who will take them to the post office or to the bank to get their money. Unless something is done between now and the 15th day of June there will be no money in the post office or in the bank to cash up any of those bonds.

Saturday I offered an amendment providing for the appropriation of a sum sufficient to redeem the bonds when they shall be presented in June or July or August. That was the amendment which the New York Times correspondent said I had offered to appropriate the funds remaining in the relief fund to cash the bonds. I offer no such amendment.

If the bill passes in its present form, before the veteran can get his money there must be another bill passed, either a separate bill or an item in an appropriation bill, carrying the money to pay the veterans when they present themselves and their bonds at the post office or the bank some time in June or July or August. That will bring on another fight again. Unless the Congress shall appropriate the money to pay the bonds there will be no money available, and until the Congress appropriates the money the Treasury Department cannot issue the bonds to raise the money to pay the bonds. Before the Treasury Department can issue bonds and sell them there must be an appropriation. If and when an appropriation is made the Treasury is obligated to finance the appropriation. If the bill passes without additional legislation, there will be no authority in the Treasury to issue bonds to raise the money. My amendment Saturday was for the purpose of giving the Treasury the right and power to issue bonds and to sell them to get the money to pay the veterans when they bring their bonds to the post office or to the bank for redemption.

The amendment of the Senator from West Virginia [Mr. NEELY] does not change a single word or a single line in the present bill. The bill as it is now written can pass. It provides for delivery to the veterans of their bonds, but the amendment of the Senator from West Virginia provides that when we go to pay the bonds, instead of issuing the bonds, the Treasury can issue money direct from the Treasury, Treasury notes, as was provided for under the Patman bill, on which we voted last session of the Congress.

So, Mr. President, I shall support the amendment pending before the Senate. If the bill passes as it will pass, I predict that the House will accept the Senate substitute. It will go to the President. If he approves the bill, it will become a law. If he vetoes the bill, it will come back to the House of Representatives, and they will have a chance to consider it under the Constitution. If they shall pass the bill a second time, notwithstanding the veto, the bill will come to this body again. Then we will have a chance to act under the Constitution by voting on the bill a second time. If the House shall pass the bill over the veto and the Senate shall pass the bill over the veto, it will go to the Secretary of State and become a law. By such action the bonds will be authorized and will be delivered to the veterans. Then the fight will come again in the House and in the Senate over the appropriation of the money necessary to redeem the bonds. The fight will come again; and unless the fight does come again, unless the Congress does appropriate the money, there will be no funds any place available to redeem the bonds, save the small amount now available in the adjusted-compensation certificate fund, which is something like $250,000,000.

Mr. President, I shall vote for the amendment submitted by the Senator from West Virginia. When the bill is upon its final passage, of course, I shall vote for it in whatever shape it may be in at that time.

Mr. BORAH. Mr. President, I voted for the Patman bill when it was before the Senate. I should vote for it again if, in my judgment, there were any chance for it to become a law.

The situation with which we have to deal at the present time is this: The able Senator from Mississippi [Mr. HARRI-

SON], in his opening remarks upon this measure, stated that if the Senate should pass this bill as reported from the committee it would become a law. We know the intimate relationship of the Senator from Mississippi with the President of the United States. We are aware also of the knowledge the Senator from Mississippi has of the political situation in Washington. His statement, therefore, means one of two things: Either that the President will sign the bill, or, if he does not sign the bill, that the President's supporters and friends in the Senate will vote to override his veto. In other words, the matter of a veto is a mere incident that is not to interfere with the passage of the bill.

I can only construe the statement of the Senator from Mississippi to mean that he knows precisely whereof he speaks—either that the President will sign the bill or that the friends of the bill have the votes to override the President's veto. In any event, the only means we have of making the payment, if we are going to make it, is the bill which has been proposed by some three or four Senators in collaboration with one another, and therefore agreed upon pretty generally in the Senate.

I voted against the amendment offered by the able Senator from Oklahoma [Mr. THOMAS], and I shall vote against the amendment offered by the Senator from West Virginia [Mr. NEELY], because I am perfectly sure it would be another futile effort; that we could not succeed. On the other hand, I have every reason to believe that if this bill shall be passed as reported by the committee it will become a law, and that the question of the so-called bonus matter will be finally disposed of.

I shall not vote for the bill with any degree of enthusiasm; but this matter of paying the soldiers' bonus has been here now, off and on, for about 20 years. There was only one time when we could have determined not to pay the bonus as provided in the committee amendment, and that was before we made the contract to do so. After we made the contract to pay the soldiers an additional compensation, there was only one question left, and that was the question of time, and that has never been a controlling factor with me. Since the day in 1924 when the Government admitted that it owed the veterans, there has been little argument against payment. I was opposed to making the contract, but I have never been able to justify delay once the debt was admitted. I should much prefer to pay it in the manner provided by the Patman bill, but I know it is impossible to do so. I shall, therefore, vote for what seems to me the only practical means by which to dispose of this question and have it behind us once and for all.

That does not dispose of the question incorporated in the amendment offered by the Senator from West Virginia or the amendment offered by the Senator from Oklahoma as an ultimate proposition, but in my opinion it does dispose of it so far as legislation upon the subject in a practical way at this session is concerned.

Mr. SHIPSTEAD. Mr. President, I have voted for the bonus bill whenever one was here. I am not going to speak now on the bill. Whatever I have said on the subject I said a long time ago, when the measure was not so popular as it is now.

I desire to state, however, for the purpose of the RECORD, that I cannot agree with the principle advanced by some eminent economists and eminent Senators who hold to the theory that legal tender Treasury notes are more of an inflation instrument than an expansion of the credit of the Federal Government. Both are obligations of the Federal Government. The difference is, one increases the debt by the amount of the interest.

Webster's Dictionary explains what is meant by inflation. It says it is an abnormal expansion. We may have an overexpansion of either currency or credit, or both; and when we arrive at that point we have a depreciation of currency in either event.

What is it that makes a man's $100 note worth only $10 if it is not the fact that he has issued so many notes that he cannot meet them? What is it that depreciates the currency? Overexpansion of the credit of the Government beyond its capacity to redeem and to pay.

I introduced in the Senate and voted for the Patman bill. I shall vote for this amendment. I know that this amendment will not be adopted; but I did not wish to have the RECORD go out to the country without explaining my position and my views on the question of the possibility of depreciation of the American currency, and without stating that I believe it can be done as effectively by overexpansion of the credit as by overexpansion of the currency.

Mr. THOMAS of Oklahoma. Mr. President, a few moments ago I propounded an inquiry to the Senator from Mississippi [Mr. HARRISON]. He was not present at the time. Since his return, I think it would be well for the RECORD——

The PRESIDING OFFICER (Mr. CLARK in the chair). The Chair will state that the Senator from Oklahoma has already consumed his time on the amendment.

Mr. HARRISON. I will ask for recognition on the amendment, and yield to the Senator. I do not know that I can answer his question, but I shall be glad to attempt to do so.

The PRESIDING OFFICER. The Senator from Mississippi is recognized and yields to the Senator from Oklahoma.

Mr. THOMAS of Oklahoma. I think the RECORD should show that the men who receive the bonds to be issued under the bill are going to be provided with money when the time comes to cash them; and, to save the necessity of writing a good many letters, I think the chairman of the committee should make an explanation on the subject. I hope he can make it to the effect that money will be available at some convenient place at the time the bonds are in the hands of the soldiers and they want to cash them.

Mr. HARRISON. Of course, the Senator from Oklahoma appreciates the fact that there is going to be some delay in getting the cash for these bonds. I am trying to visualize the mechanics of the situation. If the committee amendment should become law, I imagine the Veterans' Administration would immediately ask to have all the applications sent in, so that they might enlarge their force, and put the enlarged force to work on just what is due each soldier on his particular certificate, to ascertain whether the holders of the certificates owe any money on certificates which they have put up as collateral for various purposes, and how much is due each ex-service man. Then they will have to certify the amount to the Treasury Department, and so much cash and so many bonds must be sent to each one.

That is going to take some time; but in my conversations with the heads of the ex-service organizations I have been assured that they are going to try to make it plain to the ex-service men that it will be impossible for them to get the money tomorrow, or day after tomorrow, because the mechanics of the matter will prevent that. However, I am assured that in the event the committee amendment should become a law the machinery will be set in motion immediately to take care of that situation.

As to the immediate appropriation, I have never seen the Congress falter when an appropriation of this magnitude was authorized and the proper recommendations were made. The Senator from Oklahoma is a very distinguished, and I may say illustrious, member, and certainly a most useful member, of the great Committee on Appropriations, and I am sure that committee will take up this matter. I am sure the Appropriations Committee of the House will do likewise; and whether or not a Senator or a Representative shall vote for this proposed legislation, after we shall have enacted it I cannot conceive that any of them will try to withhold the necessary appropriation. So I feel quite sure, and I may say quite sanguine, that the appropriation will be made just as soon as possible and practicable.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from West Virginia [Mr. NEELY] to the amendment of the committee.

Mr. NEELY. I call for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. AUSTIN. The Senator from Rhode Island [Mr. METCALF] is necessarily absent. I am informed that if he were present he would vote "nay."

Mr. LEWIS. I announce the absence of the Senator from Maryland [Mr. TYDINGS], the Senator from Montana [Mr. WHEELER], the Senator from Colorado [Mr. COSTIGAN], the Senator from Alabama [Mr. BANKHEAD], the Senator from Nevada [Mr. PITTMAN], and the Senator from California [Mr. MCADOO].

The result was announced—yeas 23, nays 65, as follows:

YEAS—23

Benson	Donahey	Murray	Shipstead
Bilbo	Frazier	Neely	Smith
Bone	Holt	Norbeck	Thomas, Okla.
Bulkley	McCarran	Nye	Thomas, Utah
Bulow	McGill	Schwellenbach	Trammell
Caraway	Murphy	Sheppard	

NAYS—65

Adams	Connally	Hastings	Overton
Ashurst	Coolidge	Hatch	Pope
Austin	Copeland	Hayden	Radcliffe
Bachman	Couzens	Johnson	Reynolds
Bailey	Davis	Keyes	Robinson
Barbour	Dickinson	King	Russell
Barkley	Dieterich	La Follette	Steiwer
Black	Duffy	Lewis	Townsend
Borah	Fletcher	Logan	Truman
Brown	George	Lonergan	Vandenberg
Burke	Gerry	McKellar	Van Nuys
Byrd	Gibson	McNary	Wagner
Byrnes	Glass	Maloney	Walsh
Capper	Gore	Minton	White
Carey	Guffey	Moore	
Chavez	Hale	Norris	
Clark	Harrison	O'Mahoney	

NOT VOTING—7

Bankhead	McAdoo	Pittman	Wheeler
Costigan	Metcalf	Tydings	

So Mr. NEELY's amendment to the committee amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended.

Mr. STEIWER. Mr. President, the first cost of the World War was in excess of $36,000,000,000. Of this tremendous sum there was paid to the personnel in the military establishments about four and one-half billion dollars. This great war cost left the United States in debt to the extent of about $26,000,000,000, the debt representing approximately one-eighth of the entire national wealth of this country.

In the foreign countries which had engaged longer in the war than we had, and which had a smaller national wealth than we possessed, the national debts ranged all the way from 10 to 40 percent of the entire national wealth of those countries. Yet in those countries the governments adjusted the compensation of those who had served in their armies in varying amounts, ranging from rather small payments made by Italy to very large payments made by some other nations which had participated in the war.

As I recall the figures, Belgium made adjustment by the payment of nearly $500 to each of her soldiers, Canada an adjustment by the payment to each of her soldiers of approximately $600, Great Britain an adjustment by payment to her soldiers of varying amounts, from a relatively small sum to certain groups of privates, which was, I think, $140 each, to a large sum, in excess of $7,000, to officers of the higher ranks who had served throughout the struggle.

It is, I think, uncontradicted that nearly all of these governments adjusted the compensation of their soldiers in terms of ability to pay; that is to say, in terms of national wealth, in terms of ratio of public debt, in terms of the economic status of their people and the necessities of their people considered from the standpoint of the purchasing power of their money under the standards under which they lived; and in so doing they paid more money than was allowed to American veterans by the Adjusted Compensation Act of 1924.

Not only that, these various nations, so much weaker than we, paid the adjusted compensation in cash, and, so far as I am advised, the great United States was the only country that asked its veterans to take adjusted-compensation certificates maturing 27 years after the war was over.

Traditionally the United States has not always been the last of the nations in the world in the treatment of those who have defended the country in emergency. Following the Revolution and in the Indian wars further bounties were provided. Generally those bounties were in the form of land. It is a historic fact that General Washington was offered and accepted his land bounty. Abraham Lincoln, following the Black Hawk war, was offered and accepted his bounty. These great men, whose names we have been taught to revere and to respect, were not ashamed to accept what their Government offered them in adjustment of their compensation as soldiers.

Following the World War our country adhered to its traditions in some respect. We treated others more generously than we treated our soldiers.

History records that many adjustments were made, not to those who had received the four and one-half billion dollars during the war, but to those who had received more than $30,000,000,000, those who had furnished supplies and munitions, and who had furnished services, those who had contributed something either directly or indirectly to the winning of the war.

We made adjustments to our contractors, including those whose contracts were on a cost-plus basis, on a basis where there was no hazard on the part of the contractor, because the Government guaranteed to pay him that which he expended, and then to give him his profit. That system was such that the more that was expended by the contractor the more he received in profit, and cash adjustments were promptly made with him.

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. STEIWER. I am glad to yield, but I call attention to the limitation of time, and I do not wish to be interrupted for more than a question.

Mr. LEWIS. I shall ask the able Senator a question.

Mr. President, conscious that the Senator from Oregon has given careful study to the question, may I reveal to him that where I have attempted to invite comparison between the payment which other governments made to their soldiers, the particular governments which we called our allies, with that which we paid, the suggestion has been made, particularly in my State, by certain organizations, that we had paid so much more to the soldiers while in service than the soldiers of these other countries, our allies, received for their service, that it gave to our soldiers in the final analysis a superiority of money. Will the able Senator say if that be true or not in his judgment?

Mr. STEIWER. Mr. President, nothing could be more fallacious. We took away from our soldiers $6.60 per month for the payment of their life insurance. We insured our ships which crossed the seas but we required our soldiers to insure themselves. We took away from our soldiers the allowances that they sent back to their families. We took away from our soldiers to such an extent that in literally tens of thousands of cases men came to the pay table and received nothing for their monthly compensation, or else they received a very nominal sum. I wish I could develop that idea further, Mr. President, but time does not permit. But it is not true, considering all factors that are involved in this equation, that we were overly generous to our soldiers. The fact is that in one branch of the National Legislature there was consideration given to increasing the compensation to the soldiers during the war. The matter was deferred. It was thought that it might well be done after the war. So, Mr. President, we are confronted with the question at this time.

I say that we adjusted the compensation of our contractors, we adjusted the compensation of the railroads, and after the railroads were turned back by the Government to their owners we gave them a bounty or a bonus, as I recall it, of $3,000,000 a day for 6 months.

We adjusted the compensation of the bondholders in advance by increasing the compensation for the use of their money so it was higher than it had been prior to the war, and to this end we obligated ourselves to pay 5¼ percent

interest on Federal bonds; soldiers who were taxpayers were obliged even to contribute to that.

We adjusted the salaries of our civilian employees by substantial increases in pay for all those whose salaries were less than $2,500 per year.

We even adjusted with the Federal taxpayer by giving him back his overpayment, and giving him 6 percent upon his money. At the same time in the adjusted-compensation service certificates we calculated the interest rate at 4 percent to the soldier.

So I say, Mr. President, America has not traditionally been laggard in dealing with her veterans, and in the World War America was not lacking in generosity in dealing with others whose services were employed in the effort to win the war.

Finally the Congress did provide these certificates which are now before us for consideration. Time does not permit a discussion as to how the certificates were made up. But let me point out to Senators who may not have thought this thing out that there is a limitation of 500 days placed upon the period for which compensation would be adjusted, and many soldiers served 50 percent longer than that, and for that 50 percent there has never been even a pretense on the part of our Government to bring about an adjustment of compensation; so far as I know, the soldier does not ask any adjustment for those days in addition to the 500 days.

There is a group to which attention was called this morning by the Senator from Georgia [Mr. RUSSELL] and the Senator from Texas [Mr. CONNALLY]. I refer to the so-called provisional officers of the Regular Army. There are others whose rank was above that of captain. There were numerous others who for one reason or other received no adjustment at all in compensation given them by their Government. And then as to all veterans the first 60 days of service was deducted on account of the clothing and subsistence allowance that was paid at time of discharge.

Mr. President, it has been repeatedly said here that the act of 1924 creating these certificates constitutes a contract. I wonder if any lawyer would seriously urge that contention. The soldiers were not a party to the legislation. It is true they accepted their certificates in the main, although some two or three hundred thousand have never accepted the certificates offered to them by their Government. There is no logical basis upon which to consider that legislation as a contract.

Moreover, as I regard it, there is nothing sacred in that legislation any more than there is in any other legislation, and Congress has not so regarded it. We have amended the law two or three times, chiefly with respect to the amount of money that could be loaned upon the certificates. We have never considered it sacred in any other respect. But when the suggestion is made that we prepay the certificates in order to give the veteran his money 18 years after the war ended instead of 27 years thereafter, then it is immediately said that a contract was entered into and that any disturbance of that contract will destroy the good credit of the Government.

I desire to suggest that the act of 1924 was merely the thought of the moment. The question now properly for our consideration: Does that act do the justice which the Congress contemplated and intended? If it does full justice to the veterans, then there is no occasion to disturb it. If it does not, however, treat our veteran in the generous way that we want him to be treated and the way in which he deserves to be treated by reason of the character of the service which he performed for the country and in comparison to treatment accorded others, then I say that we need not regard that act as sacred but may very properly substitute a formula which will do justice to all.

I submit, Mr. President, that the proposal in the pending bill is a wiser proposal than that contained in the original act. There are advantages to be gained by prepaying this obligation. We know that prepayment will stimulate business for a time. We know that it will bring the money to the veteran at a time when he needs it most, at a time when his need, I believe—at least I hope—is greater than it ever will be again. We know that in the main the veterans will distribute this money by spending it, and the purchasing power thus created will bring business to every corner grocer and every shop in America.

We know that a great majority of these soldiers were inducted into the service by the draft and that they came from the length and breadth of the land. The proposed prepayment will, more than any other proposal which I can imagine, make a thoroughly just, equitable, and fair distribution of the money as between the citizens of our country.

We know, moreover, Mr. President, that the payment of this money at this time will perform a part of the function of a costly public-works program, but that it will not do so by the creation of a new debt. It will do it, Mr. President, in the main, at least, by paying off a debt which has been heretofore admitted by the Congress. By discharging a debt, not by the creation of a new obligation.

I desire to submit, Mr. President, without attempting to make any emotional appeal, without seeking to arouse any feeling on account of discriminations against the veterans in favor of other classes, without any reference to what was paid by other nations to veterans of their wars, that we ought to stop at this moment and consider just what it means in national welfare to deal generously with the veterans of our wars.

We do not know when we will need our soldiers again. We hope that we will remain at peace with the world, but I am prepared to defend the proposition that if our country now or later is drawn into a struggle, the first requirement of the successful prosecution of that struggle is that the people of this country shall have confidence that their Government will deal justly with them. The prime requisite to inspire their confidence is that we shall have dealt fairly with veterans of the wars which have gone before.

I submit to the Senators who now listen to me that the veterans of the war earned this money. They deserve generosity at our hands. This war was not won by the high command exclusively; it was not won by the Secretary of War exclusively, nor the Secretary of the Navy, nor the other gentlemen who were assisting them. In the final analysis it was won by the spirit and sacrifice of the American people, those who sat in their homes at the hearthsides, and by the heroic endeavor of those who wore the uniform and bore the burden in the midst of the struggle. The pay adjustment contemplated by the 1924 act provided merely that the compensation of the soldiers be increased to the pay level of a worker engaged in common labor. It was meager at most. But wartime service is not common labor. It continued 24 hours per day. It resulted in complete exhaustion. The strain of battle added to its exactions. Even those who escaped disability are marked by their service—they have paid a price which government can never compensate. Lucky is the soldier who can forget his experience and erase from mind a memory of war's gruesome horror.

Mr. President, if the Republic is to retain their gratitude, affection, and esteem, let us now rise above carping about contracts; let us not tarry too long to consider the cost, when in the main we are merely retiring one obligation by creating another. But let us yield to the impulse to reward those who have deserved reward by their services to their country, and give our support to the measure which is now pending before the Senate.

Mr. CAPPER. Mr. President, I intend to vote for the pending measure. I am in favor of immediate cash payment of the veterans' adjusted-compensation certificates. This is a debt to the veterans of the World War that is long overdue. I voted a year ago for cash payment. I regretted very much at that time that the measure was vetoed, and I voted to override the veto.

It is not necessary to enter into a prolonged discussion of the merits of the measure. Cash payment has already been discussed in Congress too long and too frequently. The Senate understands the situation. The country understands it. The country expects the Senate to pass this measure. It expects cash payment to be made to the veterans within the next few months.

I was Governor of my native State of Kansas during the World War. I saw thousands and thousands of the young men of Kansas sent to the front. Many of them volunteered. Others were drafted into service. They received $1 a day for risking their lives on the battlefield. Their companions who were not inducted into service made wages many times that amount.

The relatively small amounts granted the veterans through their adjusted-service certificates are meager returns indeed for the services these men rendered. It is a blot upon our country that this slight compensation to those who risked their all for their country has been granted so grudgingly; that payment has been delayed so long.

One would think, from the attitude taken by some of the opponents of this legislation, who themselves received millions of dollars in war profits, large salaries, and good dividends on their investments, that the veterans of the World War had committed some crime in serving their country.

I say that what we are about to do is little enough, when we consider what these men did. When they were inducted into service we told them that nothing was too good for them. I think we meant it at the time. I know I did. And I think we mean it today.

No vote I have cast or will cast in the Senate gives me more pleasure than the vote I intend to cast for cash payment of the adjusted-compensation certificates. And no vote is cast in a more worthy cause. It is my hope that the measure will pass speedily and by an overwhelming vote.

THE VETERANS' BONUS AND INFLATION

Mr. COSTIGAN. Mr. President, it is not my intention to delay the Senate by an address on the pending bill. However, there is one aspect of the problem now before us which is frequently, and at times in good faith, misrepresented in some press references and public discussions. I refer to the subject of inflation.

As a Member of the Senate who expects to vote for the pending bill, and who, last Saturday, voted for alternative possible methods of payment provided for in the amendment of the Senator from Oklahoma [Mr. THOMAS], I feel that the record should be supplemented by the incorporation of some testimony given by qualified witnesses less than a year ago on inflation.

At that time, at hearings of the Committee on Banking and Currency of the Senate on provisions of the Banking Act of 1935, evidence was given, in response to questions of members of that committee, by Dr. Sprague, professor of banking and finance at Harvard University, and Governor Eccles of the Federal Reserve Board. Both these well-known, expertly qualified representatives of the science of banking, if it may be so termed, in substance depreciated inflationary effects, often said to be expected following the adoption at that time of either the so-called Patman method or the so-called Vinson method of payment of the World War veterans' adjusted-service certificates. I ask to have incorporated in the RECORD, without reading, two brief extracts, still believed applicable from the testimony then given by the witnesses named, with respect to paying the bonus by currency or by bonds.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COSTIGAN. On May 3, 1935—hearings, page 221—the following statements were made:

Dr. SPRAGUE. There are two kinds of inflation, as I see it: A business inflation and a fear inflation. You cannot get a business inflation except when that is initiated by the process of securing loans.

Senator BULKLEY. Are you ready to predict what would happen right now if we should put out a couple of billion dollars of currency to pay the bonus?

Dr. SPRAGUE. Why, no.

I might be willing to put it in this way: That if it were done grudgingly by the administration, and if everyone knew that it was distasteful to the administration, and that the administration was disposed to offset it, to some extent, then no fear inflation would follow.

Senator MCADOO. We are just issuing four to five billion dollars of bonds—which, of course, have a decided inflationary tendency and are bound to create inflation eventually.

Dr. SPRAGUE. I do not agree to that, Senator.

Senator MCADOO. Don't you?

Dr. SPRAGUE. No, sir.

Senator MCADOO. I should think that we would get a very large measure of inflation.

Dr. SPRAGUE. I am afraid that I differ from my sound-money friends on that point. You can increase the Government debt, without inflation, so long as the increase does no more than absorb current savings. You can increase the Government debt to the point at which the people begin to be doubtful of the credit of the country. But that is a point that is far away, of course.

But the mere increase of $4,000,000,000 of Government debt in itself is no more inflationary than a similar increase of private investments arising out of an increase in the bonds and shares of stock of industrial companies all over the country.

On May 10, 1935 (hearings, p. 305), Governor Eccles, testifying before the same committee, in answer to questions, said in part:

Governor ECCLES. * * * There is an elastic currency created as a result of the Federal Reserve System, because they can create currency based upon the call for currency by their members so long as those members have reserve with the Reserve System.

Senator GLASS. Yes.

Senator TOWNSEND. And there is no urgent demand for printing more currency?

Governor ECCLES. No; not at all. You couldn't keep it out if you printed it. You just could not get it out.

Senator COUZENS. Well, if you put the Patman money out, that will not mean anything, will it?

Governor ECCLES. It will not mean that you will increase the amount of money in circulation, because the Patman money would displace some of the existing currency, but the total amount of currency that will be in circulation as a result of paying the $2,000,000,000 bonus would not be increased any more than by putting out $2,000,000,000 of Government bonds.

Mr. President, before concluding references to the pending bill, it may also be appropriate to ask to have incorporated in the RECORD a portion of a well-considered editorial published on January 4 in the Philadelphia Record, the essence of which is that we should pay the veterans now obligations Congress long ago agreed to pay later and should strain every nerve to keep out of any future war.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

[From the Philadelphia Record of Jan. 4, 1936]

As Congress meets, The Record presents it with a fundamental program in one sentence—

Pay the boys for the last war and stay out of the next one.

The bonus is only a minor part of the terrific cost of the last war. And it is well that this cost should come before the public mind again as Congress considers neutrality legislation.

It is well to remember, too, that the very interests which fight hardest against neutrality legislation are the interests most unwilling to pay the soldiers.

The Liberty League, which opposes the bonus, is largely supported by the Du Ponts and other munitions manufacturers who have the most to gain if neutrality legislation fails.

If a war develops abroad and we let our exporters sell munitions and war supplies to the belligerents, big business will get its bonus in the form of big wartime profits. Then, if our trade with the warring nations leads us—as it probably would—into the war, our boys who survived the battlefields would have to come back and fight all over again in Congress against big business for their bonus.

The Record favors payment of the bonus at this time on two counts:

1. The veterans served their country well and deserve better compensation than they got;

2. The country as a whole will be benefited and helped toward recovery by payment of the bonus.

The first point is self-evident. The second requires a little more explanation.

The Government has agreed to pay this bonus eventually. The whole point under discussion is whether it is wiser to pay it now or later. * * *

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee, as amended.

The amendment, as amended, was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. HARRISON. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. FLETCHER (when his name was called). On this vote I have a pair with the Senator from Montana [Mr. WHEELER]. If he were present, he would vote "yea." If I were permitted to vote, I should vote "nay."

The roll call was concluded.

Mr. LEWIS. I have had occasion today to announce the absence of the Senator from Maryland [Mr. TYDINGS]. I reannounce his absence. I do not know how he would vote, if present; but the Senator from Montana [Mr. WHEELER], who was suddenly called to Chicago on official business, authorized me to say that if he were present he would vote "yea." As has been stated, he is paired with the Senator from Florida [Mr. FLETCHER].

Mr. CONNALLY. On this vote I have a pair with the Senator from Rhode Island [Mr. METCALF], who is unavoidably detained. I am informed that if he were present he would vote "yea." If I were permitted to vote, I should vote "nay."

The result was announced—yeas 74, nays 16, as follows:

YEAS—74

Adams	Clark	Logan	Pope
Ashurst	Coolidge	Lonergan	Radcliffe
Austin	Copeland	McAdoo	Reynolds
Bachman	Costigan	McCarran	Robinson
Bailey	Davis	McGill	Russell
Bankhead	Dickinson	McKellar	Schwellenbach
Barbour	Dieterich	McNary	Sheppard
Barkley	Donahey	Maloney	Shipstead
Benson	Duffy	Minton	Smith
Bilbo	Frazier	Moore	Steiwer
Black	George	Murphy	Thomas, Okla.
Bone	Gibson	Murray	Thomas, Utah
Borah	Gore	Neely	Trammell
Bulow	Guffey	Norbeck	Truman
Byrnes	Harrison	Norris	Van Nuys
Capper	Hatch	Nye	Walsh
Caraway	Holt	O'Mahoney	White
Carey	La Follette	Overton	
Chavez	Lewis	Pittman	

NAYS—16

Brown	Couzens	Hastings	King
Bulkley	Gerry	Hayden	Townsend
Burke	Glass	Johnson	Vandenberg
Byrd	Hale	Keyes	Wagner

NOT VOTING—5

Connally	Metcalf	Tydings	Wheeler
Fletcher			

So the bill was passed.

The bill as passed is as follows:

[H. R. 9870]

Be it enacted, etc., That notwithstanding the provisions of the World War Adjusted Compensation Act, as amended (U. S. C., 1934 edition, title 38, ch. 11), the adjusted-service certificates issued under the authority of such act are hereby declared to be immediately payable. Payments on account of such certificates shall be made in the manner hereinafter provided upon application therefor to the Administrator of Veterans' Affairs, under such rules and regulations as he may prescribe, and upon surrender of the certificates and all rights thereunder (with or without the consent of the beneficiaries thereof). The payment in each case shall be in an amount equal to the face value of the certificate, except that if, at the time of application for payment under this act, the principal and unpaid interest accrued prior to October 1, 1931, with respect to any loan upon any such certificate has not been paid in full by the veteran (whether or not the loan has matured), then the Administrator shall (1) pay or discharge such unpaid principal and interest as is necessary to make the certificate available for payment under this act, (2) deduct such unpaid principal and so much of such unpaid interest as accrued prior to October 1, 1931, from the amount of the face value of the certificate, and (3) certify to the Secretary of the Treasury as payable an amount equal to the difference between the face value of the certificate and the amount so deducted.

SEC. 2. In the case of each loan heretofore made pursuant to law by the Administrator of Veterans' Affairs and/or by any national bank, or any bank or trust company incorporated under the laws of any State, Territory, possession, or the District of Columbia, upon the security of an adjusted-service certificate, any interest unpaid accrued subsequent to September 30, 1931, that has been or, in consequence of existing law, would be charged against the face value of such certificate shall be canceled insofar as the veteran is concerned, notwithstanding any provision of law to the contrary. Any interest on any such loan payable to any such bank or trust company shall be paid by the Administrator of Veterans' Affairs.

In the case of any such loan which is unpaid and held by a bank or trust company at the time of filing an application under this act, the bank or trust company holding the note and certificate shall, upon notice from the Administrator of Veterans' Affairs, present them to the Administrator for payment to the bank or trust company in full satisfaction of its claim for the amount of unpaid principal and unpaid interest, except that if the bank or trust company, after such notice, fails to present the certificate and note to the Administrator within 15 days after the mailing of the notice, such interest shall be paid only up to the fifteenth day after the mailing of such notice.

SEC. 3. (a) An application under this act for payment of a certificate may be made and filed at any time before the maturity of the certificate (1) personally by the veteran, or (2) in case physical or mental incapacity prevents the making or filing of a personal application, then by such representative of the veteran and in such manner as may be by regulations prescribed. An application made by a person other than a representative authorized by such regulations shall be held void.

(b) If the veteran dies after the application is made and before it is filed it may be filed by any person. If the veteran dies after the application is made it shall be valid if the Administrator of Veterans' Affairs finds that it bears the bona-fide signature of the applicant, discloses an intention to claim the benefits of this act, and is filed before payment is made to the beneficiary. If the death occurs after the application is filed but before the receipt of the payment under this act, or if the application is filed after the death occurs but before mailing of the check in payment to the beneficiary under section 501 of the World War Adjusted Compensation Act, as amended, payment under this act shall be made to the estate of the veteran irrespective of any beneficiary designation. If the veteran dies without making a valid application under this act no payment under this act shall be made. If the veteran dies on or after the passage of this act without having filed an application under section 1, in making any settlement there shall be deducted on account of any loan made on an adjusted-service certificate only interest accruing prior to October 1, 1931.

(c) Where the records of the Veterans' Administration show that an application, disclosing an intention to claim the benefits of this act, has been filed and the application cannot be found, such application shall be presumed, in the absence of affirmative evidence to the contrary, to have been valid when originally filed.

(d) If at the time this act takes effect a veteran entitled to receive an adjusted-service certificate has not made application therefor he shall be entitled, upon application made under section 302 of the World War Adjusted Compensation Act, as amended, to receive, at his option, under such rules and regulations as the Administrator may prescribe, either the certificate under section 501 of such act, as amended, or payment under this act.

SEC. 4. The amount certified pursuant to section 1 of this act shall be paid to the veteran or his estate on or after June 15, 1936, by the Secretary of the Treasury by the issuance of bonds of the United States, registered in the name of the veteran only, in denominations of $50 having a total face value up to the highest multiple of $50 in the amount certified as due the veteran, and the difference between the amount certified as due the veteran and the face amount of the bonds so issued shall be paid to the veteran or his estate by the Secretary of the Treasury out of the fund created by section 505 of the World War Adjusted Compensation Act, as amended. The bonds shall be dated June 15, 1936, and shall mature on June 15, 1945, but shall be redeemable at the option of the veteran or his estate at any time, at such places, including post offices, as the Secretary of the Treasury may designate. Such bonds shall be issued under the authority and subject to the provisions of the Second Liberty Bond Act, as amended, and shall not be transferable, assignable, subject to attachment, levy, or seizure under any legal or equitable process and shall be payable only to the veteran or, in case of death or incompetence of the veteran, to the representative of his estate. Interest on each bond issued hereunder shall accrue at the rate of 3 percent per annum from June 15, 1936, to date of maturity or payment of the principal of the bond, whichever is earlier, and will be paid with such principal: *Provided, further,* That no interest will be paid on any bond redeemed prior to June 15, 1937. The provisions of this section shall be carried out subject to regulations of the Secretary of the Treasury to be issued from time to time to effectuate the purposes of this act.

SEC. 5. The Secretary of the Treasury is authorized and directed to redeem from the United States Government life-insurance fund all adjusted-service certificates held by that fund on account of loans made thereon, and to pay to the United States Government life-insurance fund the amount of the outstanding liens against such certificates, including all interest due or accrued, together with such amounts as may be due under subdivision (m) of section 502 of the World War Adjusted Compensation Act, as amended. The Secretary of the Treasury is authorized and directed to make such payment by issuing, to the United States Government life-insurance fund, bonds of the United States which shall bear interest at the rate of 4½ percent per annum. No such bonds shall mature or be callable until the expiration of a period of at least 10 years from date of issue, except that any such bond shall be redeemed by the Secretary of the Treasury and the principal and accrued interest thereon paid to the United States Goverment life-insurance fund at any time upon certification by the Administrator of Veterans' Affairs that the amount represented by such bond is required to meet current liabilities. Bonds issued for the purposes of this section shall be issued under the

Second Liberty Bond Act, as amended, subject to the provisions of this section.

SEC. 6. The adjusted-service certificate fund is hereby made available for payments authorized by this act.

SEC. 7. Notwithstanding the provisions of Public Law No. 262, Seventy-fourth Congress, approved August 12, 1935, no deductions on account of any indebtedness of the veteran to the United States, except on account of any lien against the adjusted-service certificate authorized by law, shall be made from the adjusted-service credit or from any amounts due under the World War Adjusted Compensation Act, as amended, or this act.

SEC. 8. There is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

SEC. 9. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

SEC. 10. Whoever knowingly makes any false or fraudulent statement of a material fact in any application, certificate, or document made under the provisions of this act shall, upon conviction thereof, be fined not more than $1,000 or imprisoned not more than 5 years, or both.

SEC. 11. This act may be cited as the Adjusted Compensation Payment Act, 1936.

Mr. GEORGE. I move to reconsider the vote by which the Senate passed House bill 9870, the so-called "bonus" bill, as amended.

Mr. HARRISON. I move to lay the motion on the table.

The motion to lay on the table the motion to reconsider was agreed to.

DRAWBACK ON IMPORTED CONTAINERS—PERSONAL EXPLANATION

Mr. DAVIS. Mr. President, last spring at the time Senate bill 1421 passed I was ill and not present to oppose it, as I would have done for the following reasons:

The bill would have the effect of amending subsection (a) of section 313 of the Tariff Act of 1930 in respect to drawback paid on imported materials in case of reexport of such materials.

The provisions of the bill, S. 1421, if enacted into law, would alter the long-established principle and practice of American industry by allowing a drawback to apply in cases where "imported containers, packages, coverings (including materials for coverings), vessels, brands, and labels" shall be used in putting up or packing articles manufactured in the United States and so exported.

If passed by the House of Representatives, where it now rests with the Ways and Means Committee, this bill would be injurious to the interests of American industries which are manufacturing various types of containers.

Imported containers would take away employment from American workmen, including miners of coal, limestone, and iron ore, furnace men, steel-mill workers, those employed in the manufacture of steel drums, tin cans, and so forth, including bottle-cap workers, and last, but not least, the labor employed by the American railroads necessary for the transportation of raw materials used in manufacture.

Our present problem of unemployment is now sufficiently extended without adding to it by legislation of this kind.

ORDER OF BUSINESS

Mr. GORE. Mr. President, I understand it is the purpose of the Senator from Arkansas to move now for a recess until Wednesday?

Mr. ROBINSON. My intention is to move a recess until Wednesday, which will leave the unfinished business, the bill reported by the Senator from Oklahoma, before the Senate as the regular order of business.

Mr. GORE. When we convene Wednesday the unfinished business will be taken up for immediate consideration?

The VICE PRESIDENT. It would be the unfinished business at that time.

ANNIVERSARY OF THE BIRTH OF STONEWALL JACKSON

Mr. REYNOLDS. Mr. President, Stonewall Jackson, one of the greatest generals this country has ever known, was born on the 21st of January 1824, so tomorrow will be the one hundred and twelfth anniversary of his birth. A sketch of his life and career has been prepared by his great-granddaughter, Mrs. Emil Shaffer, of Winston-Salem, N. C.; and as I understand the Senate will not be in session tomorrow, I respectfully ask unanimous consent that this sketch be printed in the CONGRESSIONAL RECORD of today, and likewise printed as a public document.

There being no objection, the matter referred to was ordered to be printed as a public document and to be printed in the RECORD, as follows:

BIOGRAPHY OF STONEWALL JACKSON

By Mrs. Emil Shaffer

Thomas Jonathan Jackson, usually known as Stonewall Jackson, was born in Clarksburg, Va., now West Virginia, on the 21st day of January 1824. He died at Guinea Station, Va., on the 10th day of May 1863, being 39 years of age. He was the son of Jonathan Jackson, of Clarksburg, a promising and well-to-do young lawyer, and his beautiful and accomplished wife, Julia Beckwith Neale. His great-grandfather, John Jackson, the first of the line in America, by birth a Scotch-Irishman, came from London about 1748 and located first in Maryland and later the western portion of Virginia. The Jacksons became in time quite a numerous family, owning large boundaries of mountain land. They were noted for their honesty, indomitable wills, and physical courage, holding many positions of public trust and honor in what was then known as western Virginia.

EARLY CHILDHOOD

When Thomas Jonathan Jackson was 3 years of age his father died with typhoid fever, contracted while he was nursing his little daughter, who also died. He left a widow and three children in very limited circumstances. Mrs. Jackson, after recovering in a degree from the double shock—the death of her daughter and husband—supported her little family as best she could with her needle and by teaching school for about 3 years, when she married Capt. Blake B. Woodson, a gentleman from eastern Virginia, of excellent family and delightful manners but visionary and unsuccessful. When her health became impaired the children were placed temporarily with relatives. A year later Jackson's mother died, and thus at the age of 7 he was left a penniless orphan.

One story most characteristic of him is that when about 12 years of age he appeared at the house of Federal Judge John G. Jackson in Clarksburg and addressed his wife, saying, "Aunt, Uncle Blake (referring to the relative he was then living with) and I don't agree. I have quit him and will never go back any more." He never did, but walked 18 miles to the farm of Cummins Jackson, bachelor half-brother of his father. There he lived happily until he was appointed to West Point through the political influence of his Uncle Cummins, at the age of 18. Before going to West Point he held his only political office, that of constable, and satisfactorily discharged the duties of the office.

The first year at West Point, having had but indifferent preparation, he stood near the foot of the class; but each year, by dint of untiring study, he advanced steadily until he graduated no. 17 in a class of 60. One of his professors remarked that if there had been one more year in the course before graduation he would have led his class.

IN MEXICO

After graduating at West Point in 1846 he at once went to the Mexican War and served with distinction in the battle there, coming out brevet major, with a noble reputation for bravery and extremely popular with the Mexican people of the higher classes, for whom he entertained to the end of his life great admiration.

AT LEXINGTON, VA.

In 1851 he became professor of military tactics at the Virginia Military Institution, Lexington, Va., known as the West Point of the South, at a salary of $1,200 per year and a residence. Lexington was at that time a small town in the midst of the Blue Ridge Mountains, also the seat of Washington College, now Washington and Lee University. The community at that time was largely dominated by the Presbyterian Church, whose pastor was Rev. William S. White, for whom Jackson formed a great affection. General Jackson was deeply interested in religious matters, and though baptized in the Episcopal Church, joined the Presbyterian Church the first year he was in Lexington.

In 1853 he married Miss Eleanor Junkin, daughter of Dr. George Junkin, president of Washington College. In a year his wife died. The young husband was heartbroken, and this thoughts turned more than ever to religion. In fact, it was at this time that his intense religious nature began to assert itself outwardly.

In 1855 Jackson and Col. J. T. L. Preston, who was subsequently his adjutant general, organized a Sunday school for Negroes in Lexington. Some local antagonism was aroused against them because slaves were taught to read and write in this school. The school was carried on successfully, however, up to the outbreak of the war.

On the 16th day of July 1857 he was married to Miss Mary Anna Morrison, of Lincoln County, N. C., the daughter of Dr. Robert Hall Morrison, who founded Davidson College, Davidson, N. C., and Mary Graham Morrison, a sister of Gov. William A. Graham, of North Carolina.

IN THE WAR BETWEEN THE STATES

Though opposed to secession, Jackson, like many of the leading citizens of the South, was equally opposed to the coercion of the Southern States, and therefore promptly offered his services to the State of Virginia when war was declared against it, believing that his first and highest loyalty was to his native State.

Jackson had been commissioned by the Governor of Virginia to take charge of the State militia detailed to keep the peace during

the trial and execution of John Brown at Charles Town in 1859. In a letter to his wife he gave an interesting account of this occurrence.

At the actual outbreak of hostilities he spent his time drilling soldiers. He was then made colonel of the Virginia State troops. First at Manassas, he was given his famous sobriquet of "Stonewall" by General Bee, of South Carolina. His promotions to brigadier, major general, and lieutenant general were very rapid. His fame as a soldier rests largely upon what is known as the valley campaign, where in rapid succession he won a series of brilliant victories—McDowell, Winchester, Port Republic, Cross Keys, and Cedar Mountain. Of these, he himself is said to have considered Cedar Mountain his greatest victory.

On May 3, 1863, in the midst of the brilliant victory at Chancellorsville, he was wounded by his own men, usually supposed to belong to one of the North Carolina regiments, and died a week later.

After half a century has elapsed it is hard to realize the feelings of sorrow and hopelessness which swept over the South when the news of Jackson's death flashed along the wires. Everywhere men and women broke down and cried as though a beloved member of their own family had been taken. When the news of his death reached Europe the newsboys and porters in the hotels announced that "Stonewall Jackson was dead", for his was a familiar name throughout the world. The people of all nations felt a great soldier and a noble Christian hero had fallen, while in the hearts of the people of the South there was a deep and unexpressed fear that the cause which they loved so well had suffered an irreparable blow the day his casket with the Confederate flag wrapped around it was placed in the cemetery at Lexington.

It is not our purpose to attempt any eulogy of Jackson's career as a soldier. The English historian, Colonel Henderson, probably the greatest military critic of the nineteenth century, says that he was in no way inferior to Wellington, Napoleon, Lee, or any of the great generals of history. He was one of the few generals who was never defeated, and without any effort on his part maintained the confidence and admiration and, one might say, the adoration of all his troops.

APPEARANCE AND CHARACTERISTICS

In private life Jackson was a simple, rather silent Scotch-Irish, Presbyterian gentleman, with large blue eyes, pensive and deep; dark-brown hair, which was very slightly curly and worn rather long; about 5 feet 11½ inches in height, with a fine, full figure. His complexion was fair, almost like a girl's, except when tanned by outdoor exposure. He was noted for his politeness, gentleness of manner, and love of children. While never talkative, he felt always the duty when in society to be responsive to the conversation of others, and was at times a delightful companion and full of pranks and humor, though these occasions were rare. His habits of life were methodical and rigid. According to Dr. R. L. Dabney's Life of Jackson, he always rose at dawn, had private devotions, and then took a solitary walk. When at home family prayers were held at 7 o'clock, summer and winter, and all members of his household were required to be present, but the absence of anyone did not delay the services a minute. Breakfast followed, and he went to his classroom at 8 o'clock, remaining until 11, when he returned to his study. The first book that then engaged his attention was the Bible, which was studied as he did other courses. Between dinner and supper his attention was occupied by his garden, his farm, and the duties of the church, in which he was a deacon. After supper he devoted his time for half an hour to a mental review of the studies of the next day, without reference to notes, then to reading or conversation until 10 o'clock, at which time he always retired. There was no variation in this daily program.

There were certain maxims of his life which had much to do with framing his character. One was that "you can be what you resolve to be ", the other, "do your duty." His last words are supposed to have been, "Let us cross over the river and rest under the shade of the trees", though others of the attendants at his bedside tell us that the last words were, "Soldiers, do your duty."

General Jackson left one infant daughter, 6 months old, whom he had the privilege of seeing upon only one occasion, when Mrs. Jackson visited him in camp. He named her Julia Neale, for his mother; and in 1885 she married Capt. William E. Christian, of Richmond, author and newspaper man, now living in Washington, D. C. She died in 1889, leaving two infant children, the eldest, Mrs. Julia Jackson Christian Preston, wife of Randolph Preston, an attorney, lives in Charlotte, N. C., and has five children; the youngest, a boy 18 months old, bears the name of his great-grandfather. Mrs. Christian's son, Thomas Jonathan Jackson Christian, is a major in the United States Army, now stationed (1928) at the University of Chicago. He married Miss Bertha Cook and has two children, a boy, Thomas Jonathan Jackson Christian, Jr., aged 11, and a girl, Margaret, aged 7.

General Jackson left surviving him an only sister, Laura, the wife of Mr. Jonathan Arnold, of Beverley, W. Va. This sister survived him until the year 1911, when she passed away at the age of 85 years, leaving one son, Hon. Thomas Jackson Arnold, and a number of grandchildren surviving her.

Mrs. Mary Anna Jackson, the widow, lived in Charlotte with her granddaughter until March 24, 1915, when at the age of 83 she passed to her reward. Her Christian faith, great wisdom, and cheerful, courageous disposition marked her as a most unusual woman. Her plan of life was as simple as her husband's, which consisted of finding out each day what she believed to be her duty, through prayer, Bible reading, and meditation, and then doing it uncomplainingly and with as little affectation as possible.

In 1907, when offered a pension by the Legislature of North Carolina, though she greatly needed it, she authorized one of her relatives, then a member of that body, to say that she preferred the money be given to help needy soldiers, or to found a school for wayward boys. At this session there was chartered the Stonewall Jackson Training School, one of the greatest institutions of its kind in America, and certainly the name it bears is an appropriate and inspiring one for the 500 boys enrolled there.

General Jackson's life was representative of the simple virtues for which the South was noted—honesty in thought, speech, and action, freedom from sordid ambition for wealth or notoriety, a high sense of honor and chivalry, unselfish patriotism, and benevolence toward his fellow men. To these traits were added an absolute reliance upon God, and trust in His providence as guarding, guiding, and controlling the daily lives of His servants.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT, as in executive session, laid before the Senate messages from the President of the United States submitting sundry nominations (and withdrawing a nomination), which were referred to the appropriate committees.

(For nominations this day received and nomination withdrawn, see the end of Senate proceedings.)

RECESS UNTIL WEDNESDAY

Mr. ROBINSON. I move that the Senate take a recess until Wednesday next at 12 o'clock noon.

The motion was agreed to; and (at 3 o'clock and 20 minutes p. m.) the Senate took a recess until Wednesday, January 22, 1936, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 20 (legislative day of Jan. 16), 1936

RECONSTRUCTION FINANCE CORPORATION

The following-named persons to be members of the board of directors of the Reconstruction Finance Corporation for terms of 2 years from January 22, 1936 (reappointments):

Jesse H. Jones, of Texas.
Charles B. Henderson, of Nevada.
C. B. Merriam, of Kansas.
Frederic H. Taber, of Massachusetts.
Charles T. Fisher, Jr., of Michigan.

NATIONAL MEDIATION BOARD

James W. Carmalt, of the District of Columbia, to be a member of the National Mediation Board for the term expiring February 1, 1939. (Reappointment.)

PUBLIC HEALTH SERVICE

The following-named passed assistant surgeons to be surgeons in the United States Public Health Service, to rank as such from the dates set opposite their names:

Edwin H. Carnes, January 21, 1936.
Franklin J. Halpin, February 21, 1936.
Gregory J. Van Beeck, March 11, 1936.

CHIEF OF NATIONAL GUARD BUREAU

Albert Hazen Blanding, National Guard of Florida, to be Chief of the National Guard Bureau of the War Department, with the rank of major general, for a period of 4 years from date of acceptance, with rank from December 1, 1935, vice Maj. Gen. George E. Leach, Chief of the National Guard Bureau, whose term of office expired November 30, 1935.

POSTMASTERS

ALABAMA

Albert H. Thompson to be postmaster at Rockford, Ala. Office became Presidential July 1, 1934.

CALIFORNIA

Walter L. Haley to be postmaster at Associated, Calif., in place of W. L. Haley. Incumbent's commission expires January 26, 1936.

Percy W. Helena to be postmaster at Los Altos, Calif., in place of J. M. Francisco. Incumbent's commission expired June 3, 1933.

John H. Canning to be postmaster at Oxnard, Calif., in place of J. H. Canning. Incumbent's commission expired January 9, 1936.

FLORIDA

Avie L. Hansford to be postmaster at Altha, Fla. Office became Presidential July 1, 1935.

Douglass G. Perry to be postmaster at Avon Park, Fla., in place of O. L. Head. Incumbent's commission expired February 14, 1935.

James A. Chadwick to be postmaster at Gainesville, Fla., in place of E. W. McCreary, deceased.

John F. Yearty to be postmaster at Gulf Hammock, Fla., in place of J. F. Yearty. Incumbent's commission expired January 13, 1936.

Sinclair A. Bryan to be postmaster at Raiford, Fla., in place of S. A. Bryan. Incumbent's commission expired January 13, 1936.

Chauncey Smith Daniel to be postmaster at Tavares, Fla., in place of W. W. Rees. Incumbent's commission expired December 20, 1934.

GEORGIA

Marie E. Harrell to be postmaster at Pearson, Ga., in place of M. E. Harrell. Incumbent's commission expired January 7, 1936.

Nancy A. W. Griffis to be postmaster at Screven, Ga., in place of J. M. Wright, deceased.

Etta Sneed Arnall to be postmaster at Senoia, Ga., in place of C. H. Travis. Incumbent's commission expired May 29, 1934.

Pearl E. Hughs to be postmaster at Stillmore, Ga. Office became Presidential July 1, 1935.

Claude M. Proctor to be postmaster at Summit, Ga., in place of C. M. Proctor. Incumbent's commission expired January 7, 1936.

HAWAII

Arthur W. Carlson to be postmaster at Lanai City, Hawaii, in place of A. W. Carlson. Incumbent's commission expired January 7, 1936.

Virginia S. Mathias to be postmaster at Waiakoa, Hawaii, in place of V. S. Mathias. Incumbent's commission expired January 7, 1936.

IDAHO

James W. Christensen to be postmaster at Downey, Idaho, in place of G. T. Hyde. Incumbent's commission expired January 23, 1935.

ILLINOIS

Jacob Feldman to be postmaster at Batavia, Ill., in place of C. J. Ekman. Incumbent's commission expired February 14, 1935.

Harold F. Kuettner to be postmaster at Dundee, Ill., in place of C. C. Wendt. Incumbent's commission expired May 17, 1932.

INDIANA

Bessie L. Gage to be postmaster at Ashley, Ind. Office became Presidential July 1, 1935.

IOWA

Kenneth F. Baldridge to be postmaster at Bloomfield, Iowa, in place of J. J. Ethell, removed.

Nelle Cullen to be postmaster at Sioux Rapids, Iowa, in place of C. L. Sipe. Incumbent's commission expired February 14, 1935.

KANSAS

Harold J. March to be postmaster at Bucklin, Kans., in place of E. D. Bolinger. Incumbent's commission expired February 6, 1934.

Winona D. Stough to be postmaster at Cherokee, Kans., in place of Lela Martin. Incumbent's commission expired January 30, 1933.

Carl P. Briley to be postmaster at Walnut, Kans., in place of E. L. Robison, removed.

KENTUCKY

Octavia M. Sturgill to be postmaster at Hindman, Ky., in place of M. C. Bray. Incumbent's commission expired December 20, 1934.

Effie Lee Bailey to be postmaster at New Castle, Ky., in place of Dea Whitaker. Incumbent's commission expired January 8, 1934.

MAINE

Fred S. Littlefield to be postmaster at Brooks, Maine, in place of E. E. Brown. Incumbent's commission expired January 7, 1936.

Adrian F. Kelleher to be postmaster at Camden, Maine, in place of L. D. Ames. Incumbent's commission expired January 7, 1936.

Carlton R. Barlow to be postmaster at East Boothbay, Maine, in place of E. M. Vannah. Incumbent's commission expired January 7, 1936.

Arthur H. Carpenter to be postmaster at Limerick, Maine, in place of C. E. Sadler. Incumbent's commission expired January 22, 1935.

Clara M. Colcord to be postmaster at Stockton Springs, Maine, in place of G. H. Hopkins. Incumbent's commission expired January 7, 1936.

MARYLAND

Lena S. Townsend to be postmaster at Girdletree, Md., in place of C. J. Scarborough. Incumbent's commission expired January 28, 1935.

Jacob H. Reinhardt to be postmaster at Lansdowne, Md., in place of J. H. Reinhardt. Incumbent's commission expired January 11, 1936.

Turner B. Waters to be postmaster at Severna Park, Md., in place of T. B. Waters. Incumbent's commission expired January 11, 1936.

MASSACHUSETTS

Maynard N. Wetherell to be postmaster at Chartley, Mass., in place of M. N. Wetherell. Incumbent's commission expires January 27, 1936.

Mary A. Fallon to be postmaster at West Stockbridge, Mass., in place of M. A. Fallon. Incumbent's commission expires January 27, 1936.

MICHIGAN

Marvin J. Elzinga to be postmaster at Ellsworth, Mich., in place of H. L. Dawson. Incumbent's commission expired January 13, 1935.

Thomas Newton to be postmaster at Metamora, Mich., in place of J. P. Robertson. Incumbent's commission expired December 18, 1934.

MINNESOTA

William Danielson to be postmaster at Cyrus, Minn., in place of M. J. Stensby. Incumbent's commission expired February 20, 1935.

William J. Crook to be postmaster at Pipestone, Minn., in place of G. L. Chesley. Incumbent's commission expired February 25, 1935.

MISSOURI

William H. Kendrick to be postmaster at La Belle, Mo., in place of J. A. Richmond, removed.

MONTANA

Phyllis M. Crockford to be postmaster at Sweetgrass, Mont., in place of Robert Parsons, resigned.

NEBRASKA

Maude S. Yancey to be postmaster at Cody, Nebr., in place of L. H. Deaver, removed.

Henry C. Paquin to be postmaster at Dakota City, Nebr., in place of C. H. Fueston. Incumbent's commission expired January 9, 1933.

Edna M. Miner to be postmaster at Ericson, Nebr. Office became Presidential July 1, 1935.

NEW JERSEY

Lottie A. Cubberley to be postmaster at Hamilton Square, N. J., in place of E. C. Henderson. Incumbent's commission expired December 16, 1934.

Floyd Smith to be postmaster at Montville, N. J., in place of M. F. Beach. Incumbent's commission expired December 16, 1934.

Bessie M. Lippincott to be postmaster at Pemberton, N. J., in place of I. H. Collom, removed.

Frances B. Tonking to be postmaster at Tabor, N. J. Office became Presidential July 1, 1932.

NEW YORK

Helena F. Cuatt to be postmaster at Mohegan Lake, N. Y., in place of Douglas Rockett, removed.

Francis D. Lynch to be postmaster at Stony Point, N. Y., in place of F. D. Lynch. Incumbent's commission expired January 18, 1936.

NORTH DAKOTA

Carl Jahnke to be postmaster at New Salem, N. Dak., in place of August Kreidt, resigned.

Bridget A. Hennessy to be postmaster at Tolna, N. Dak., in place of B. A. Hennessy. Incumbent's commission expired January 7, 1936.

OHIO

Charles H. Mullen to be postmaster at Pomeroy, Ohio, in place of F. R. Smith. Incumbent's commission expired December 16, 1934.

Lema M. Collins to be postmaster at Proctorville, Ohio, in place of L. M. Collins. Incumbent's commission expired January 7, 1936.

OKLAHOMA

Dudley C. Allsup to be postmaster at Willow, Okla. Office became Presidential July 1, 1935.

PENNSYLVANIA

Morris A. Rood to be postmaster at Albion, Pa., in place of R. M. Steiger, removed.

Rosa V. Hawk to be postmaster at Cresco, Pa., in place of E. H. Hilgert. Incumbent's commission expired February 25, 1935.

Margaret M. Kavanagh to be postmaster at Fort Washington, Pa., in place of E. M. Lang. Incumbent's commission expired April 9, 1934.

Harold D. Akens to be postmaster at Linesville, Pa., in place of H. D. Lowing. Incumbent's commission expired January 9, 1935.

Delia Dina Fornataro to be postmaster at Russellton, Pa., in place of B. E. Dembaugh. Incumbent's commission expired January 28, 1935.

PUERTO RICO

Juan D. Rivera to be postmaster at Coamo, P. R., in place of Angel de Jesus Matos, removed.

SOUTH CAROLINA

Robert W. Evans to be postmaster at Cameron, S. C., in place of D. H. Taylor, transferred.

Eugene C. Jones to be postmaster at North, S. C., in place of E. C. Jones. Incumbent's commission expires January 25, 1936.

George Allard Douglass to be postmaster at Whitmire, S. C., in place of M. P. Epting. Incumbent's commission expired February 25, 1935.

SOUTH DAKOTA

Grace M. McGillivray to be postmaster at Garden City, S. Dak. Office became Presidential July 1, 1935.

George Kremer to be postmaster at Lesterville, S. Dak. Office became Presidential July 1, 1935.

TENNESSEE

H. Woodruff Booth to be postmaster at Knoxville, Tenn., in place of J. J. Graham, retired.

TEXAS

George W. Ragland to be postmaster at Abernathy, Tex., in place of G. W. Ragland. Incumbent's commission expired January 8, 1936.

Elmer A. Hoppe to be postmaster at Carmine, Tex., in place of J. A. Weyand. Incumbent's commission expired February 14, 1935.

Roberta M. Isom to be postmaster at Carrollton, Tex., in place of W. F. Hofmann, removed.

Claude H. Martin to be postmaster at Crane, Tex., in place of C. H. Martin. Incumbent's commission expired January 8, 1936.

Homer Dewey Thompson to be postmaster at Devine, Tex., in place of Jean Teel. Incumbent's commission expired January 13, 1935.

James C. Lovelace to be postmaster at Olney, Tex., in place of A. A. Cooper, removed.

James R. Kersey to be postmaster at Ozona, Tex., in place of J. R. Kersey. Incumbent's commission expired January 8, 1936.

John Edgar Kimsey to be postmaster at Texon, Tex., in place of J. E. Kimsey. Incumbent's commission expired January 8, 1936.

UTAH

William L. Sargent to be postmaster at Coalville, Utah, in place of H. E. Calderwood. Incumbent's commission expired February 4, 1935.

WEST VIRGINIA

James A. Rowan to be postmaster at Kingston, W. Va., in place of M. F. Forgey, resigned.

Hugh V. Burt to be postmaster at Mannington, W. Va., in place of F. A. Burt, deceased.

WISCONSIN

John F. Clancy to be postmaster at East Troy, Wis., in place of H. B. Linde, removed.

Anna Kettering to be postmaster at Glen Flora, Wis. Office became Presidential July 1, 1935.

Charles E. Martin to be postmaster at Medford, Wis., in place of Winford Suits, resigned.

Exilda L. Grendahl to be postmaster at Sheldon, Wis., in place of W. F. Dietlein, removed.

Samuel Dewar to be postmaster at Westfield, Wis., in place of Samuel Dewar. Incumbent's commission expires January 18, 1936.

WYOMING

Alvah J. Macy to be postmaster at Moorcroft, Wyo., in place of A. J. Macy. Incumbent's commission expires January 22, 1936.

Mayme A. Jackson to be postmaster at Osage, Wyo., in place of M. A. Jackson. Incumbent's commission expired January 13, 1935.

WITHDRAWAL

Executive nomination withdrawn from the Senate January 20 (legislative day of Jan. 16), 1936

POSTMASTER

ILLINOIS

Rufus B. Grissom to be postmaster at Toledo, in the State of Illinois.

HOUSE OF REPRESENTATIVES

MONDAY, JANUARY 20, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Most merciful and loving Father, whose children we are, the words of Thy servant of old are with us: "Lift up your heads, O ye gates, even lift them up ye everlasting doors and the King of Glory shall come in." Almighty God, help us to lift up our heads, that the King of the eternities, whose glory fills the universe, may shine round about us, thus inspiring us to render faithful service to our country. Direct our hearts to lofty altitudes and set our feet in the ways of helpfulness. Give the charm of gentleness to our conduct and let the tone of tenderness carry love's message over all barriers to our fellow men. Through Christ, our Savior. Amen.

The Journal of the proceedings of Friday, January 17, 1936, was read and approved.

THE WORLD WAR—LIKE BANQUO'S GHOST

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, the World War, like Banquo's ghost, "will not down."

Not only is this true with respect to the pending controversy over the bonus, but it is true with regard to the causes and circumstances of the war itself and of our participation in it. It is an irony of history that within the last few days a bitter controversy has arisen among Senators over the motives of President Wilson, Secretary of State Bryan, and various persons who figured prominently in national and international affairs in those historic days. Nearly a quarter of a century has elapsed and we have not yet discharged our obligations to the men who bore the arms of their country in the strife of 1917–18. Yet before this debt is paid, we see a situation across the ocean that, except for the most vigilant care on the part of our Government, might drag the United States into new bloodshed.

Without discussing the merits of the dispute raging between the several Senators about intentions of American leaders nearly 20 years ago, I would stress the fact that the evils of that fearful struggle which cost us so dearly are yet with us to vex and plague our Nation. We are still paying the price and suffering the consequences of the criminality of monarchs, aristocrats, empire builders, financiers, and munitions makers of foreign lands—and, I may say in all frankness, the folly of not a few of our own statesmen. Just as we are paying the price in 1936, we shall be paying a residue of it 10 and 20 years later, for the sinister results of wars follow nations for indefinite periods. They are almost inescapable.

It is futile to attempt to analyze the purposes of anybody in detail, from potentate to peasant or from capitalist to worker or farmer. People's motives are never wholly good or bad. But it is not futile to acknowledge the real cause of such a dreadful thing as a war. On the contrary, it is our duty to do this, and to use all our national power, judgment, skill, and character to see that our own Nation does not again contribute to the barbarous business of international conflict.

We ought to know by this time that economic pressure sweeps men and nations along in a strong current that is at times almost irresistible. When this pressure is great enough even the best and ablest of men find it easy to persuade themselves that a war is necessary and righteous. The solution of the problem is the elimination of the causes—of the economic pressure to which I have referred. These causes can be eliminated to large degree by pursuing a strict neutrality policy such as is now being mapped out. By keeping our bankers and capitalists out of profit-making trade relations with governments engaged in hostilities, there will be slight risk of our own country being drawn into them. Eventually, we must go even further than this. The private ownership of public resources, such as banks and munitions factories, requires profits. Naturally, the proprietors of such concerns will be impelled to bend every effort to pile up these profits. The temptation to seek to accumulate them regardless of neutrality laws will always be a severe one. While such statutes should be enacted as speedily as possible and should be most carefully drawn, let us also bear in mind the necessity for finally placing in the hands of the Government the sources of credit and of war machinery.

It is fitting to review the features of the World War even at this late date, for I have said the frightful costs still cling to us, and for a century we shall still be liquidating some of them in one form or another. The financial expenses are bad enough, but the loss to a nation and to the world in life, limb, ideals, and principle are greater yet.

My record as a defender of the veterans is well known. I have steadfastly urged payment of the bonus. The bill that now seems about to be passed is better than none, although I deeply regret that the money is not to be paid by the Government immediately; and I also regret that interest must be paid private interests by the veterans to get their bonds cashed.

Because I appreciate the gravity of the Nation's demand upon a man's body when it conscripts him into military service or when it accepts him as an enlisted soldier, I hope that the future of our beloved America will never witness another such call. I hope, moreover, that increasing civilization will minimize the need for enlistments.

PAYMENT OF VETERANS' ADJUSTED-SERVICE CERTIFICATES

Mr. WELCH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an article with reference to payment of the adjusted-service certificates.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WELCH. Mr. Speaker, I have supported and voted for the payment of veterans' adjusted-service certificates on every occasion this matter has come before the House of Representatives. Not only have I voted for the bills when first presented to the House for consideration, but I have also voted to override Presidential vetoes. My position in this regard has not changed. I shall support the present bill (H. R. 9500) and shall vote for it.

The fact that I have continuously favored the payment of the bonus is too well known to require any lengthy discussion at this time. Heretofore there has been some difference of opinion as to the method which should be followed in paying these certificates, which I might say in all frankness has been rather embarrassing to the friends of our veterans; but the present bill has the unanimous endorsement of not only the major veterans' organizations but of those Members of Congress who have been earnestly striving in behalf of the veterans. It should be speedily enacted into law.

The legal responsibility of the Federal Government to meet this obligation has long since been established, but the moral obligation for its immediate payment is far greater than any legal requirement that it be paid in 1945. Humanitarian consideration of the present needs of our veterans should impel every Member of Congress to favor the immediate payment of the bonus. Human rights are involved. They demand consideration.

The welfare of thousands of veterans has been seriously impaired during recent years. No greater obligation can rest upon government than the rendering of assistance to those who offered their lives in its defense. The payment of the bonus will be of great assistance to these veterans at this time when they need it most.

I have not been impressed by some arguments which have been advanced that the payment of the bonus would impair the credit of the United States. Whether it is paid now or not, it is an obligation to be met sooner or later within the next 9 years. By any method of accounting it is a liability of the Government which must be met. The amount required is less than one-half of 1 percent of the wealth of the United States. It is less than one-fourth of the amount which has already been appropriated by the Federal Government, both directly and indirectly, for relief. It cannot, therefore, in any sense prove of detriment to the credit of the United States.

Let us squarely meet this issue and make provision for the immediate payment of the bonus.

FREEDOM OF PRESS AND SPEECH

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a speech I delivered before the Press Association of Richmond, Va., last Friday, January 17. It is a good speech.

Mr. EKWALL. Mr. Speaker, reserving the right to object, I would rather have the gentleman make the speech from the floor if it is a good speech.

Mr. MAVERICK. I shall be pleased to if I may have half an hour in which to do so.

Mr. EKWALL. Mr. Speaker, I withdraw my objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAVERICK. Mr. Speaker, under unanimous consent to extend my remarks, I include herein a speech delivered by me before the Virginia Press Association, at the

John Marshall Hotel, in Richmond, Va., Friday, January 17, 1936:

Gentlemen of the press, gentlemen to whom we entrust our liberties, gentlemen of the fourth estate, gentlemen—and this is all very obvious—of Virginia, I am here to speak to you about the freedom of speech and press. Members of the press are personally the most hopeless and disillusioned people on earth; now, I was about to make a speech way up in Northampton, Mass., among the "cold Yankees", and so I sent up a bulletin to the House Press Gallery requesting those guardians of liberty to list the crucial issues of 1936, so I could tell the people in Massachusetts. After great study, the gentlemen of the press answered as follows: "Ten-cent beer in the House restaurant; a more liberal spending policy for the Democratic Party; and the reelection of MAVERICK for 1936."

You will also note that the press was grossly inaccurate, at least two-thirds wrong, for their first two questions, at least, were wrong. Concerning the one on the reelection of MAVERICK—modesty forbids an expression. So when one addresses members of the press, it is a difficult problem—one involving great dangers—for when you set yourself to swim through a swirling sea of cynical ink—whoever that fellow was, the Greek boy in the Iliad, who traveled around the world—he had all kinds of dangers, like sirens and one-eyed monsters—well, when a man talks before the press, he is twice as brave, and his audience twice as bad as the trials of Aeneus, which is getting my infinitives and grammar mixed up. So I appeal to you to be tolerant, although I know you will not.

NECESSITY FOR PRESERVATION OF FREEDOM OF PRESS OBVIOUS

There's another objection to making a speech like this. In the first place, you know that the freedom of speech and press should be preserved—you know it better than I. Yes; it's pretty obvious. And so, when I come before you, I come more or less as a preacher whose audience well knows that they should not commit sin. That's one of the anomalies of institutional religion—you go to church week after week to hear the preacher tell you each time that you are a sinner. However, a newspaperman has an advantage over the average church audience. He does not have to listen, and if he does, he doesn't have to pay any attention to the speaker.

But let me really talk about the freedom of speech; I intend to do it, even if I am shot. Take the State of Virginia. It is actually, spiritually, geographically, and physically the State which really rendered to the United States the greatest service, and that is the Bill of Rights and the first few amendments to the Constitution—which guarantee human liberties to the people of this country. The intellectual parent of liberty in America and the spiritual forerunner of the Bill of Rights was Thomas Jefferson, whose body the Du Ponts and the Morgans and the Liberty Leaguers would steal. Yes; I speak of Thomas Jefferson, whose body has been dug out of the grave by that little organization of body snatchers, the Liberty League, and whose corpse has been obscenely paraded before the American people in the grotesque livery of the class of people he hated. But the Liberty League has stolen only the body of Thomas Jefferson, for they do not understand his spirit, nor could they steal his spirit, for they have no comprehension of the spirit of that great man. [Applause.]

THE GRAVESTONE OF JEFFERSON TELLS A BRAVE STORY

Thomas Jefferson it was—and you know it better than I—who asked that his gravestone have the following words placed upon it:

HERE WAS BURIED
THOMAS JEFFERSON
AUTHOR
OF THE DECLARATION OF AMERICAN INDEPENDENCE,
OF THE STATUTE OF VIRGINIA,
FOR RELIGIOUS FREEDOM, AND
FATHER OF THE UNIVERSITY OF VIRGINIA.

And so when you speak about liberty in the State of Virginia, you are talking about an honest-to-God subject, a subject which means something and must stir the heart of every Virginian. Let me tell you that liberty is a grand and glorious subject, and that there is such a thing—and Virginians have a direct interest in it—and a duty, I think, to do their part in preserving it.

LIBERTY AS CONCEIVED IN THE AMERICAN BILL OF RIGHTS

Now, when I speak of liberty, I mean to use the first and fourth amendments to the Constitution more or less as a text:

"Amendment I

"Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.

"Amendment IV

"The right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures shall not be violated, and no warrants shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the places to be searched, and the persons or things to be seized."

What is the history of liberty and progress in our country? With the great advance of machinery, with all our technical and scientific achievements, there is a greater need of liberty than ever before, but instead we see more prejudice than ever before. Historically, we came to a virgin continent—we came to Virginia, we came to New York, we traveled southward into Texas, and marched across the prairies of the West. We settled our country, we cut down our forests, we built bridges, roads, set up post offices, set up giant utilities, and now we have built the greatest and most powerful nation on the face of the earth.

Well, now, generally, what do we know? We know, to use an old cliché, that civilization is actually at the crossroads. We have been hearing about civilization being at the crossroads since civilization—whatever that is—started. But now civilization is actually at the crossroads. We know in this country that the talk of the depression being over, and that everything is being solved or is solved, is the bunk. Any man who thinks clearly, who has children who are to follow him, and who really uses his head, knows that those kids haven't got the same chance that we had when we left school. And also, if we read history, if we read of the destruction of civilizations, of races and empires, we find that depressions do not last a few months or a few years, but in periods of from 50 to 500 years. Think of the Dark Ages, of China, of the Thirty Years War in Europe, the Wars of the Roses, hundreds of other conflicts all over the world, which indicate that hard times are no ordinary passing fancy. Considering all the vast problems that are before the American people today, the writing of statutes, the misconceptions and different conceptions of the Constitution, plain unemployment, technological unemployment, machinery—all of those various problems—we know that we are faced with the most supreme test that civilization has ever known. While science has advanced comparatively thousands of years, by "leaps and bounds" government as a science seems to stand still.

FREEDOM OF SPEECH IS BETTER THAN GUNPOWDER AND BAYONETS

All of this directly concerns the freedom of speech and press. For problems cannot be solved with gunpowder or bayonets. So when I talk about civil liberties—freedom of speech and press—I speak of the duty of our people, and of the press, to preserve them. It seems this duty ought to be a sacred one. And when I say "sacred" duty, I am embarrassed by the use of that word. Because every faker, every four-flusher seems to be talking about the sacred duty of this, or the sacred duty of that. But it does seem as though there is something sacred in the world, and certainly freedom ought to be sacred.

But I say that it is sacred for the reason that if we lose the liberty of speech and press—there will be no chance for progress, no chance for rectification of wrongs, no chance for education; to sum up, no chance for truth—and all that we stand for will be lost. Or we will gain nothing in the future of a beneficial nature, either to the mind, the body, or the soul. Or, say we live on without any liberty. We are then dumb, driven cattle who do not mind being slaughtered and do not know when we are being wronged. When I talk about freedom of speech I do it upon the basis of granting freedom of speech to our bitterest enemies, to the people we hate—like the Liberty League, or whatever enemies we have—that they shall have the fullest latitude to make violent statements, to lie, to make false statements, and to say what they please. The right of the freedom of speech is also the legal protection of lying—although no protection against civil libel and damages—and for a definite reason.

Since the Liberty Leaguers are entitled to freedom of speech, of course that means labor is entitled to freedom of speech also. Sometimes newspaper publishers seem to think there is a difference insofar as it involves their property rights. In the Louisiana case, where a punitive tax is placed on newspaper circulation, that is unquestionably an invasion of freedom of speech and press, but concerning the rights of labor, insofar as that concerns the newspaper business, wherein labor has no greater right than its connection with any other business, that is not an invasion of freedom of speech. There is no distinction in the freedom of speech and press; give it to labor, give it to capital, to newspaper publishers and newspaper workers, to the hotel owner, the hotel worker—to everybody. You will understand that I am not making a speech on labor. My views on that subject are pretty well known, and I stated them in another speech here in Richmond sometime ago. I am trying to impress the fact that legally we have the right of freedom of speech and press, and, of course, a newspaper cannot be forced to print anything. But the spirit of the freedom of speech and press is to give everybody an even break in the newspapers, even though the publisher is opposed to the views of those to whom he gives space in his newspaper.

All this is based on the democratic concept of the preservation of society. We know that society cannot be held in concrete forms for all time. Society must and does change, and it is better that we do not let it crack up because of the violence against the rigidity of our forms, but that we let changes come gradually and easily by the freedom of expression with a certain flexibility of our institutions.

WHY "LIARS" SHOULD HAVE RIGHT TO TALK

An honest man makes a statement. He is considered a liar by thousands and even millions of people—yet his statement might be found to be true, either then or much later. I cannot conceive of certain enemies of the public of today of telling the truth, or that history will ever prove them to be truthful; but their right to speak must be respected, or else we lose the right ourselves.

What is the general attitude of the people today?

It is one largely of fear and sometimes of suspicion.

How can this be corrected to a large extent?

By honest newspapers. But we have "red" hunts, though there is no "red" menace; we have persecution and humiliation of the

teachers and efforts to make them sign oaths, although there is no question of their loyalty and patriotism and no use in oaths; we have "military-disaffection" bills, although our soldiers and sailors are patriotic and well disciplined; we have sedition bills, although sedition is ineffective and negligible, and already thoroughly covered by existing laws; * * * we have all manner of proposed legislation, and some already enacted, which is of this suppressive type and completely useless. None of it will benefit the perpetuity of our institutions. All this seems to indicate to me that we have a case of national jitters. We are not solving our real problems, so we take it out in suppression. So, in this situation, the press must come forward and do its duty courageously and fairly; it must insist on the preservation of liberty.

I shall mention two bills which will strike directly at the freedom of the press. They are the naval-military gag bill, also known as the military disaffection bill, and the Kramer sedition bill. Both of these bills, in the first place, are wholly unnecessary, both because we have enough laws now to protect the country and because such laws cause and do not prevent violence. The military bill is unnecessary because the Army and the Navy have the Court Martial Manual and all kinds of statutes which can be used by the naval and military authorities to maintain discipline, as they have in the past and as they are doing now. And though the Navy has more laws than the Army to protect itself, strangely enough the Navy is pushing the bill, while the Army doesn't want it. The military gag bill is supposed to punish anyone severely—a thousand-dollar fine and 2 years in the penitentiary for anyone who tries to get a soldier to disobey an officer or who causes military or naval disaffection, and by special language gets the newsboy, the reporter, publisher, even the union printer—everybody. It strikes directly at the freedom of the press, because it would put in the hands of the military, and any part of the military, including the National Guard, a vast power of censorship and persecution which the military has never enjoyed and which the Army, at least, doesn't want. The result would be that the Army or Navy or any excited officer—if they got on a "patriotic" jag or on a jag of wanting more appropriations, or more power—could have people put in jail for anything—for saying that the officers were not perfect, that sanitary conditions were not good in a certain place, or that appropriations should be limited. First having obtained a civil warrant, the soldiers could go along with the Federal officers. Then the soldiers could break in our homes, kick us around the house. And since newspapers are not homes, entry could be made without search warrants; we might get our presses thrown on the city streets and the type spread over the company or battalion streets for souvenirs. The law, if enacted, could be used for anything, if we interpret the bill in the light of the Sedition Act of the war, where people were sent to prison for almost any statement whatsoever. This bill is thoroughly bad, un-American, and contains all the violence of fascism and communism.

CHAMBER OF COMMERCE BACKS SEDITION BILLS

The principal backer of the bill is the United States Chamber of Commerce, and I must admit with disappointment and regret that they are seconded by the Secretary of the Navy, Mr. Swanson, of your own State of Virginia. I cannot understand this. First, the chamber of commerce is opposed to Government ownership or Government control—and yet they desire to turn over to the Government, which they criticize for attempting certain measures which they regard as socialistic, the right to stop the chamber of commerce from talking any more, with the further right to walk in their place in Washington and bang them over their pious heads. The chamber of commerce wants the press of the Nation under the heel of the Government and under the heel of the military. I cannot understand the attitude of the United States Chamber of Commerce, because they want all business to be free of Government control and Government ownership—except the press. They expect publicity and courtesy out of the press, but they want the press to be under the boot and toe of a military censorship. I don't think they have thought this thing through, and when they do they will probably realize that their liberties are in greater danger than those of almost any other class. They now criticize the President, but they desire to turn over to the President, as Commander in Chief of the Army, the right to transfer these chamber of commerce boys from the civil chamber into the military chamber, to wit, to get them in the hoosegow. As for Secretary Swanson, I cannot understand it at all, except that he has a large number of admirals and naval officers who are simply nuts on the question of the "red" scare. That shows how far behind the times they are, because we now have bigger and better scares. He has certain men whose entire time has been devoted to doing nothing but drawing their pay and hunting "reds."

Yes, the real force behind the "red" bills is the United States Chamber of Commerce, secretly working by propaganda sent to organizations all over America, many of such organizations being used as tools and not suspecting the fact. Secretary Swanson is only being used; however, the Navy has an espionage department, regularly interfering in other people's business, including foreign affairs of all the governmental agencies, the only single bureau, group, or agency now promoting these gag and sedition bills is the Navy, the most handsomely treated part of the United States Government. Personally, I think it is a gross reflection on the ability of naval officers to command troops for their high command to demand such laws.

Now, as to the Kramer bill, it gives you a 5-year rest in a Federal prison, according to its superficial reading, for advocating the "overthrow" of the Government. But the interpretation of the wording is dangerous. It sounds reasonable enough on the face, but it also is unnecessary and, being a suppression of opinion, will cause all manner of persecution and a physical blow-up of the people later on. A proponent of the bill in the hearings before the Judiciary Committee gave as one of his reasons that certain cartoons were printed of the President, out in California during a strike. (Confidentially, all I could see about it was that it was a good cartoon.)

This bill, according to the interpretations of the Sedition Act, would also take away the liberties of the press and of the people and would only cause resentment against the Government to be worse. It has the general defects of the Tydings-McCormack bill, the military disaffection bill, although it is not a military bill.

ADVOCACY AND OVERT ACT EXPLAINED

Now, of course, we all know about Hyde Park in London. We all know that an Englishman can say what he thinks about the Government, the nobility, or things in general. If worth printing, the newspapers will use it. Now, understand me, when I talk about liberty of speech, I believe that a man should blow off his steam and say what he pleases and advocate general violence if he wants to. If any man advocates violence to the extent of really causing violence, or commits violence, or commits an overt act or advocates a specific overt act, then, of course, the laws of the present time meet the situation and that man can be put in jail. A man can advocate the "overthrow" of monarchies, or the "overthrow" of a republican form of government, or any other form of government. The Government of the United States is in no danger now. It will be, if suppressive and oppressive laws are enacted.

These and similar ones in States, teachers' oath bills, and the like have certain fundamental similarities. It is that we will make people patriotic by law and solve economic problems by the use of mass force and violence by the Government. But fair-minded Americans know that if people have the right of full public discussion that they have hope at least of settling their problems.

SEDITION BILLS WOULD GET OUR PALS OF THE LIBERTY LEAGUE IN JAIL—OH!

Let us discuss the Liberty League again. As much as I dislike what they say, I would not in any way approve of limiting their full freedom of speech, propaganda, and misrepresentation. They issued a pamphlet not long ago comparing the President to King George III, and told of events leading to the Revolution which they carefully likened to those of today. According to the military disaffection bill and the Kramer bill, they are guilty of violating both of them—one causing disaffection by slandering the Commander in Chief of the Army and Navy and the other by advocating overthrow of the Government. This seems like stretching the point; but according to decisions of the Sedition Act during the war, and interpretation of statements made by proponents of the bills, this Liberty League pamphlet would land them all in jail. In the statement they make insidious suggestions of violence and disorder and disrespect for the Commander in Chief of the Army. In other words, this group, pea in a pod with the chamber of commerce, always yammering about communism, have adopted what they say is the policy of Communists—that is, what amounts to advocacy of violence. I am in favor of protecting the Liberty League in this right of free speech and the newspapers in their right to print it. The result may be that the Liberty League will be exposed, and they may also expose a few fallacies of government; they may show me up, or may conceivably find something wrong with my party. In any event, if 5 or 10 percent of what they say is true, it's worth it; if it's all false, it will do no harm. I favor protecting that organization and all others in what they think is most pious, statesmanlike wisdom, and what I think is selfish, wicked, and villainous talk. And they have the same right as to me, and my party. We both have the same country and Government, and should both have a right to criticize them according to our own lights and opinions.

MISCONCEPTIONS OF SUPREME COURT—LET'S SPEAK FREELY ABOUT IT

Now let us take another serious problem of the whole United States—the A. A. A. decision. It is necessary to have a full and free discussion at the present of the A. A. A. decision. Why? Because the welfare of the Nation depends upon it, and because it involves the Supreme Court of the United States. Why does the Supreme Court necessarily have to be discussed by everybody in the United States? The reason is that there are fundamental misconceptions of the Supreme Court, and only through our courts, or our judiciary, the executive department, and the legislative departments, are we to have a fair Government. Included in the fundamental misconceptions that have arisen about the Supreme Court is the idea that the judges have an actual or expressed or written right to declare a law unconstitutional. And everyone knows that, as far as the Constitution is concerned, there is nothing in the Constitution which says they have such a right. But the people believe the Court has such a right. This, of course, is an expression of my own opinion—but read the Constitution.

In discussing the Supreme Court I am exercising my freedom of speech, not intending to deliver an address on the Constitution, but simply as to the particular phases under the freedom of speech. By a build-up of tradition the Supreme Court has assumed the right of declaring acts of Congress unconstitutional, and I am frank to say that I would approve the Supreme Court making a declaration of the nullity of any act we may enact as a Congress which would violate, for instance, this right of freedom of speech for which I speak. Then my Liberty Leaguers

say: "But suppose Congress violates a property right?" That, I admit, is a serious question; but I am trying to mention, in passing, these thoughts. The English "Constitution" is not a written instrument like ours, but by precedent, opinion, and immemorial custom it actually does exist and is never changed except by the long, slow construction of public opinion based on the wisdom of experience; and in that way England gradually changes her fundamental laws. Our Constitution is for the general welfare; and it would seem to me that eventually precedent should show that acts of Congress providing for the general welfare, even though we may act indiscreetly, are its sole province, since we can be voted out by the people; and that the sole province of the Supreme Court is to declare those acts void which violate specific inhibitions, such as freedom of speech, the violation of the rights of search and seizure, and so on, and that otherwise the Supreme Court is to interpret laws rather than to declare acts for the general welfare not in violation of specific inhibitions as void. It must be remembered that our Government is a government of checks and balances, and Representatives get checked every 2 years, Senators every 6 years, but the Supreme Court judges never. Your own Thomas Jefferson said: "In truth, man is not made to be trusted for life if secured to all liability to account."

I am speaking in the John Marshall Hotel. Sometime study the conflict of Marshall and Jefferson; it is not settled yet. Without going into the details, I am for Jefferson on his opinion in that conflict.

At any rate, the Constitution and the Supreme Court should receive the fullest discussion throughout the entire United States of America so the people can understand their own institutions. One of the things that the press can do is to inform the American people that the nine men who compose it are human beings, and the Constitution was written by human beings. This would be a great service for the newspapers to perform—give full, freely expressed ideas and information on the Supreme Court, the Constitution, and Congress.

This full discussion of our institutions may save the Government from eventual destruction, or destruction sooner than we think.

OATHS DO NOT CHANGE ECONOMIC CONDITIONS

Now, let us talk about the matter of teachers' oaths and oaths in general. I don't believe that an oath ever changed any man's attitude. Consider the Revolution. George Washington, Benedict Arnold, Jefferson, all the rest of them, took oaths to the King of England. When they found conditions intolerable they broke those oaths (if we want to express ourselves brutally) and revolted with force and violence against the King of England. Benedict Arnold went a step further. He didn't like the Revolution, so he double-crossed all his friends and went back to the King. Of course, he is not respected by any American and by practically no Englishmen. That's because, after having broken his oath once, he broke it again and double-crossed his friends. He is not respected today, not because he broke his oath but because he did not fight for the principles and ideals for which he revolted in the first place.

Gen. Robert E. Lee, Commodore Matthew Maury, Stonewall Jackson, my two grandfathers, and the grandfathers of most of the people in this audience took oaths to support the Constitution of the United States. When conditions appeared to them to be intolerable they revolted against the Government of the United States. I have in my possession the pardon of my Virginia grandfather from the President, Andrew Johnson, for rebellion. If we should look at this in a very cold-blooded way and in a realistic way, we might say that Robert E. Lee accepted appointment to the Military Academy when he was 17 years of age, and my good cousin, after whom I was named, Matthew Fontaine Maury, accepted appointment to the Naval Academy when he was 18 years of age—and after they both stayed on the pay roll of the Government of the United States for some 40 years they revolted against that Government.

That's a nasty way of saying it; but, of course, we must realize that those are the actual facts. They were called rebels by the northerners. But these men are rightfully the most respected men in the memory of Richmond, and both are universally respected and admired over the Nation. The point is that oaths make no difference whatsoever. Man must follow his own conscience. There is not a man south of the Mason-Dixon's line who would cast any slur upon the officers or the soldiers of the Confederacy. Neither would anybody north of the Mason-Dixon's line—everybody knows that it was a war of principles. Oaths could not have prevented the Civil War. Full and enlightened freedom of discussion and a settlement of the troubles may have done so; but suppression by oaths, gag bills, and a restriction of the press, never. In our troubles ahead let us realize this, and we may save ourselves violence, misery, poverty, and disorder.

So what will be effective? What should we do? Correct the abuses by telling the truth. In this the newspapers have a positive duty. If the newspapers tell the full truth and expose chicanery and fraud, our economic problems will be settled—and oaths and force against our citizens won't appear necessary, for our people will be satisfied.

REVOLUTION OR WAR WOULD UTTERLY DESTROY US

Now, what about liberty of the press and its influence on war or possible disorder or revolution today? We all know that it would be the utter end of civilization if this country should have any bloody revolution or war. How can we avert, ordinarily, revolution, violence, and war? I think I have already shown that the way we can do it is by the utmost full freedom of discussion. We know that if we had a revolution or severe interior disorder in this country today it would destroy the country. In the Civil War we had an agricultural population, and when the armies marched back and forth it didn't destroy great cities as it would now. This very city of Richmond was burned; but Richmond grew up again because of the predominating agricultural population of Virginia, and such was true of other Southern cities. But suppose a revolution should come today. What would happen to the cities of New York, Chicago, Philadelphia, even Richmond, and cities of the size in which I live, like San Antonio, Tex.?

Lines of communication would be broken. Telegraph wires would go down. Highways and railways would be blocked. Foodstuffs could not come to the cities. People would have no work; they would have no way of living; factories would stop; water supplies would be cut off, people would freeze, starve, and die. Disease would wipe out human lives by the hundreds of thousands and millions. And so one of the desperate things that faces the people today is to make it so that we must not have violence in the United States of America, nor in the world, if we can keep from it. And the way to stop violence is by the widespread dissemination of the truth. And if we are to stay out of war, the people must understand the subject.

If the newspapers print the news and the people are allowed to say all they think about world war, about economic conditions, labor, and capital, about any and all the questions of today, then we know that out of the maze of sense and nonsense, out of the maze of misconceptions, foolish, and sensible ideas the truth will emerge triumphant, and we can save our own lives and that of our institutions.

Now it is important for us to understand in conclusion one point: That we cannot give up our liberties, nor deny them to others, in order to protect our liberties. For instance, people say: "Why give Communists and Fascists the right of free speech when they don't have it in Russia and Italy." I answer: "Why turn Communist or Fascist in order to disprove those theories?" Likewise I say the United States of America is a free country. Some others are not. Let us not turn Fascist or Communist and deny freedom of press and speech to stop fascism and communism. We went to war to end war, and it didn't work. We have more wars and danger of wars than ever before. So let's don't go Fascist and Communist to end fascism and communism; let us maintain and nourish democracy and freedom. Whenever our Government needs force we have it all ready, and I favor using it when necessary and when an overt act is committed.

Gentlemen, let me sum it up. There is no "red" menace—tell the people about it. The members of the Supreme Court are human beings and the Constitution is a human document; let the people know that, too. Criticize day in and day out; criticize the President, your own Congressman, and your Texas Congressman; print the news impartially; all of it for which you have space. In this way we may get a little happiness out of life, and guarantee the perpetuity of our institutions, our lives, and our property.

CALENDAR WEDNESDAY BUSINESS

Mr. BANKHEAD. Mr. Speaker, we have a rather urgent program for the week. I ask unanimous consent that business in order on Calendar Wednesday may be dispensed with this week.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

Mr. CLARK of Idaho. Mr. Speaker, I think we ought to dispose of bills on the Consent Calendar first. Members having bills on the calendar are here for this purpose. Many of them have other appointments later in the day. Usually we can conclude the call of the calendar in 2 hours. After that these gentlemen who wish to address the House may do so.

Mr. Speaker, I hesitate to object, but I think we should dispose of bills on the calendar first.

Mr. ELLENBOGEN. Mr. Speaker, will the gentleman yield?

Mr. CLARK of Idaho. I yield.

Mr. ELLENBOGEN. Will the gentleman object if I modify my request and ask for but 2 minutes?

Mr. CLARK of Idaho. I hate to object. I will not object to that.

Mr. RICH. Mr. Speaker, reserving the right to object, I will not object provided I may be granted 10 additional minutes to the 5 granted me last Friday, after the gentleman from Pennsylvania [Mr. ELLENBOGEN] has finished.

The SPEAKER. The Chair will put the request; it is a matter the House must decide.

Mr. MONAGHAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MONAGHAN. May I ask if the request of the gentleman from Pennsylvania [Mr. ELLENBOGEN] is to be made con-

ditional or predicated upon favorable action on the request of the gentleman from Pennsylvania [Mr. RICH]?

The SPEAKER. No. The Chair will put first the request of the gentleman from Pennsylvania [Mr. ELLENBOGEN] and then the request of the gentleman from Pennsylvania [Mr. RICH].

Mr. MAVERICK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MAVERICK. The request of the gentleman from Pennsylvania [Mr. RICH] was not objected to. Did he object to his own request?

Mr. RICH. No one objected to the gentleman from Pennsylvania [Mr. ELLENBOGEN] speaking.

The SPEAKER. The Chair will not put the request of the gentleman from Pennsylvania [Mr. RICH] until the House first acts on the request of the gentleman from Pennsylvania [Mr. ELLENBOGEN]. We cannot make the requests contingent.

Mr. BANKHEAD. Mr. Speaker, reserving the right to object, I want, if possible, to go ahead with the regular program today. In making this suggestion, I am advised that probably the Consent Calendar will be concluded in a couple of hours, and if it meets with the approval of the Speaker, the House might remain in session a little while if these gentlemen want to make short speeches; but I think we ought first to go ahead with the Consent Calendar, because the Members are here for this purpose.

The SPEAKER. Objection is heard.

MARGARET THOMKIN

Mr. RANSLEY. Mr. Speaker, I ask unanimous consent to withdraw from the files of the House papers in the case of Margaret Thomkin, H. R. 15219, for the relief of Margaret Thomkin, Seventieth Congress, second session, no adverse report having been made.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

EXTENSION OF REMARKS

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute in order to propound a unanimous-consent request, with a view to expediting the Consent Calendar.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COCHRAN. Mr. Speaker, when bills on the Consent Calendar were called 2 weeks ago I objected to certain Indian bills and stated I would get reports from the Comptroller General. I have those reports before me.

Mr. Speaker, I ask that the bills on the Consent Calendar, No. 351 (H. R. 5442), a bill authorizing an appropriation to carry out the provisions of section 26 of the agreement with the Muskogee or Creek Tribe of Indians, approved March 1, 1901; No. 357 (H. R. 6818), a bill conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any claim which the Kiowa, Comanche, and Apache Tribes of Indians may have against the United States, and for other purposes; No. 358 (H. R. 6740), a bill to amend an act approved December 17, 1928, entitled "An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment thereon in claims which the Winnebago Tribe of Indians may have against the United States, and for other purposes"; No. 387 (S. 2510), an act authorizing the western bands of the Shoshone Tribe of Indians, as defined herein, to sue in the Court of Claims; No. 422 (H. R. 5167), a bill to amend an act entitled "An act authorizing the attorney general of the State of California to bring suit in the Court of Claims on behalf of the Indians of California", approved May 18, 1928 (45 Stat. L. 602), by amending certain portions of sections 3 and 6 thereof; and No. 493 (S. 2523), an act authorizing payment to the San Carlos Apache Tribe of Indians for the lands ceded by them in the agreement of February 25, 1896, ratified by the act of June 10, 1896, be passed over without prejudice, and that I may be permitted to extend my remarks in the RECORD below the calling of the bills and insert therein letters which I have received from the Comptroller General. The chairman of the Committee on Indian Affairs has no objection to my request.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. NICHOLS. Mr. Speaker, reserving the right to object, does the gentleman have in mind one of my bills?

Mr. COCHRAN. Yes; I certainly have.

Mr. NICHOLS. Mr. Speaker, I object.

IMMEDIATE PAYMENT OF ADJUSTED-SERVICE CERTIFICATE, IMPROPERLY CALLED "BONUS" CERTIFICATE

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to extend my remarks on the bonus in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. ELLENBOGEN. Mr. Speaker, one of the major issues before the Congress is the question of the immediate payment of the so-called "soldiers' bonus." There is so much misunderstanding, so much misconception about the bonus that I should lige to explain the facts concerning this very important issue.

At the very outset I want to take exception to the term "bonus". The so-called "soldiers' bonus" is not a bonus at all. It is not a handout. It is a payment for services rendered. Here are the facts:

THE PAY OF SOLDIERS DURING THE WORLD WAR

On April 6, 1917, the United States entered the World War. From that day until his discharge, every enlisted private received a dollar a day—$30 a month—for service at home and $1.10 a day—$33 a month—for service overseas. From these $30 or $33 a month, the soldiers had to pay for repair of clothing and shoes, for laundry, and for many other incidental expenses.

An average of $6.60 a month was deducted from his pay for insurance, and of $15 for his dependents, if he had any. If you add these sums, you will see that when pay day came around, the enlisted man found very little left in his pay envelope.

If you remember the extremely high salaries and wages which were paid in the United States during the war, you will agree that the pay of our enlisted soldiers was incredibly low. It was much lower than the lowest wages paid to unskilled laborers at that time. Therefore, the Congress determined to make an adjustment of the money paid to the soldiers during the war. This was done under the Adjusted Compensation Act of 1924, and certificates were issued to each soldier which were called adjusted-service certificates. These are the certificates with whose payment we are now concerned.

COMPUTATION OF BACK PAY DUE THE SOLDIERS

Let me show you how the amount of each adjusted-service certificate, improperly called a bonus certificate, was arrived at. In 1924, after careful consideration, the Congress found that there was due in back pay to each veteran who had been in the military or naval forces of the United States between April 6, 1917, and July 1, 1919, for back pay $1.25 for each day of overseas service and $1 for each day of home service, with certain limitations as to the maximum amount allowed.

THE MONEY IS 17 YEARS OVERDUE

Now, let us take an average case—the case of a soldier who served 210 days at home and 200 days overseas. For the 210 days at home the veteran was held to be entitled to $210 for back pay, and for the 200 days overseas he was entitled to $1.25 per day, or a total of $250. For his entire period of service that veteran would thus be entitled to $210 plus $250, of a total of $460. From that sum was deducted $60, which was paid to the soldier at the time of his discharge, leaving a net balance of $400. These $400 were actually due the veteran at the time of his discharge on or before July 1919, and should have been paid to him at that time and not today, 17

years later. In 1924 Congress by solemn act admitted that these sums were due to the veteran not as a bonus or a gratuity but as back pay.

This amount was due in 1919. It was admittedly due, but instead of paying it, even in 1924 Congress issued a certificate for it and provided that it should be paid in 1945.

LESS THAN THE LEGAL INTEREST RATE

The amount of the certificate was arrived at in the following way: Taking the average case, which I discussed a few moments ago, we find that the back pay, due in 1919, at the time of discharge was $400. To that $400 was added, under the act of Congress of 1924, 25 percent—$100—as compensation to the veteran for compelling him to wait from the armistice until 1924, instead of paying him in 1919, when it was due. As a matter of fact, figuring at the rate of interest of 6 percent per annum, the veteran should have been paid on the $400 due him, interest amounting to $120. So you see that in May 1924, when the World War Adjusted Compensation Act was passed, there was actually due to the veteran, in the average case, $520, which should have been paid at the time of the passage of that act. Instead of taking this $520 as a basis, the Congress determined that the basic amount should be fixed at only $500.

But again, even this $500 was not paid to the veteran in cash, although it was admitted that he was entitled to it and that it was due. Instead of receiving cash the veteran was given a so-called adjusted-service certificate, payable in 20 years from its date, but in no case before January 1, 1945. The average amount of that certificate was $1,000, and it was arrived at in this way: It was calculated that the $500 admittedly due the veteran would purchase a paid-up endowment insurance policy, payable in 20 years, or in 1945, of $1,000, assuming that the money was invested at a rate of interest of 4 percent.

THE CERTIFICATE IS NOT A BONUS BUT OVERDUE PAY

It is therefore clear to everyone who has looked up the facts that the adjusted-service certificate was not a bonus or gratuity given to the veteran, but was pay which was due him—indeed, which was long overdue. The term "bonus" should never have been applied to the certificate.

The money should have been paid at the time of the discharge of the veteran from active service. It should have been paid to him in 1924, when the act was passed by Congress.

Instead of giving the veteran what was due him in cash, the Government gave him an insurance certificate.

THE TOTAL AMOUNT OF THE CERTIFICATE IS DUE TODAY AND NOT IN 1945

I have just shown that on a $1,000 certificate the sum of $400 was due at the time of the discharge of the veteran from active military service in 1919. If you add to that $400 6-percent interest, compounded annually, you will find that it amounts to $1,000 in October 1931. So that the total amount of the certificate was actually due in October 1931, about 4½ years ago. Let me repeat, the face value of the adjusted-service certificate was really due in October 1931 and not in 1945.

OTHERS RECEIVED ADJUSTMENT OF THEIR WAR CONTRACT

The railroads obtained an adjustment of their war claims against the Federal Government amounting to some $2,000,000,000; the war contractors received adjustments of their claims from the Federal Government to the extent of $3,000,000,000.

Adjustment in their pay was made to all civil employees of the Federal Government.

Is there anyone among my listeners who would want to deny a fair adjustment to the soldiers? Is there anyone willing to say that the soldiers should be denied payment of their back pay, pay which is long overdue? Is it wrong for the Congress to right an injustice which has existed since 1919, when these soldiers were discharged from military service? Is it improper for the Congress to determine that, at last, the soldiers should be paid the money which has been due them for the last 17 years?

I cannot believe that any fair-minded man who knows the facts would criticize the Congress for deciding that this debt, long overdue, should at last be paid. Surely there is no one who would say that the soldiers, the men who suffered in body and spirit, should not receive fair treatment at the hands of their Government.

I VOTED FOR IMMEDIATE PAYMENT OF CERTIFICATES IN CASH

I voted for payment of the adjusted-service certificates because such payment is just and fair. There is no need to speak about those soldiers who died, and those who were injured and wounded. There is no need to speak about the days which they spent in mudholes and on the battlefields. There is no need to arouse sentiment and sympathy for the payment of these certificates. It should be sufficient to show, as I have shown by facts and figures, that this money is due—indeed, overdue.

IS AIR TRAVEL SAFE?

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on a resolution which I am now introducing to provide for a certain investigation.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objecton.

Mr. ELLENBOGEN. Mr. Speaker, the latest tragic air disaster has raised many grave questions in the minds of the American people. Foremost among these is not only the immediate cause of this specific disaster, but also the question of the extent of the precautions which are exercised both by air transportation companies and the United States Department of Commerce, in trying to avoid such accidents.

I feel that a public need will be met if this question is answered to the satisfaction of the American people, and for this purpose I introduced today in the House, and wish to call to the attention of my colleagues House Resolution 399.

The chief provisions of the resolution are:

First. The appointment by the Speaker of the House of a committee of seven members, which is directed to study and investigate the causes of recent disasters in the transportation by aircraft of passengers or property and the safety of the equipment of companies engaged in interstate or foreign air commerce.

Second. To sit and act in the District of Columbia or elsewhere in the United States, to hold such hearings, to employ such experts, counsel, and such clerical, stenographic, and other assistants, to request by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to secure such data and any and all other information, to have such printing and binding done as it deems necessary; an oath or affirmation may be administered by any member of the committee or subcommittee.

Third. To report within 45 days after its appointment and to recommend such legislation or measures as the committee may deem necessary or appropriate to assure safety and security to passengers and crews in the transportation by aircraft of persons or property in interstate or foreign air commerce.

Mr. Speaker, I wish to add here that my resolution in no sense presupposes a lack of responsibility on the part of airline transportation companies, nor do I maintain that they are to be blamed for the recent air tragedies. That is something which we must determine, and if such accidents were beyond human control, it will, I am sure, be to the benefit of the companies themselves to have that fact established. I have no desire to hinder the development of an important and growing branch of transportation. As a matter of fact, I use airplanes for travel very regularly, and have done so for a number of years.

However, this industry will be hindered in its development if the public has doubts as to its efficiency and its provisions. Only public hearings by a congressional committee which will bring out all the facts can restore public confidence and lead to such legislation, as may appear to be necessary.

The resolution to investigate these air disasters deserves the favorable consideration of the House.

REPORT OF THE BOARD OF DIRECTORS OF THE TENNESSEE VALLEY AUTHORITY

Mr. McLEAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. McLEAN. Mr. Speaker, on the 3d of January the Chair laid before the House a document, House Document No. 356, which was a report of the board of directors of the Tennessee Valley Authority. The document was referred to the Committee on Military Affairs and ordered printed. That was 17 days ago, but the document has not yet appeared in the document room. Would it be in order for me to now move that the Public Printer be requested to advise the House why the printing has not been completed and when we may expect the report to be submitted to the House?

The SPEAKER. The Chair does not think that such a motion would be in order at this time, because it is not a privileged motion. The Chair suggests that the gentleman take the matter up with the Joint Committee on Printing. The printing of this document will be carried out as ordered by the House.

This is unanimous-consent day. The Clerk will call the first bill on the Consent Calendar.

CONSENT CALENDAR

IRRIGATION CHANNEL BETWEEN CLEAR LAKE AND LOST RIVER (CALIF.)

The Clerk called the first bill on the Consent Calendar, H. R. 6773, to deepen the irrigation channel between Clear Lake and Lost River, in the State of California, and for other purposes.

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

RICHMOND NATIONAL BATTLEFIELD PARK (VA.)

The Clerk called the next bill, H. R. 1415, to provide for the establishment of the Richmond National Battlefield Park in the State of Virginia, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That when title to all such lands, structures, and other property in the military battlefield area or areas in the city of Richmond, Va., or within 5 miles of the city limits of said city or within 5 miles of the boundary of the present Richmond Battlefield State Park, as shall be designated by the Secretary of the Interior in the exercise of his discretion as necessary or desirable for national battlefield park purposes, shall have been vested in the United States, such area or areas shall be, and they are hereby, established, dedicated, and set apart as a public park for the benefit and inspiration of the people and shall be known as the Richmond National Battlefield Park: *Provided*, That such area or areas shall include, at least, the Richmond Battlefield Parks now belonging to the State of Virginia.

SEC. 2. That the Secretary of the Interior be, and he is hereby, authorized to accept in behalf of the United States donations of lands, interest in lands, buildings, structures, and other property within the boundaries of the said park as herein authorized and donations of funds for the purchase and/or maintenance thereof, the title and evidence of title to lands purchased or otherwise acquired to be satisfactory to the Secretary of the Interior: *Provided*, That he may acquire on behalf of the United States out of any donated funds, by purchase at prices deemed by him reasonable, or by condemnation under the provisions of the act of August 1, 1888, such tracts of land within the said national battlefield park as may be necessary for the completion thereof.

SEC. 3. The administration, protection, and development of the aforesaid national battlefield park shall be exercised under the direction of the Secretary of the Interior by the National Park Service, subject to the provisions of the act of August 25, 1916, entitled "An act to establish a National Park Service, and for other purposes", as amended.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COLONIAL NATIONAL MONUMENT (VA.)

The Clerk called the next bill, H. R. 5722, to provide for the addition or additions of certain lands to the Colonial National Monument in the State of Virginia.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, may I say that two bills on the Consent Calendar, Nos. 303 and 306, have been passed over without prejudice in times gone by. May I ask the gentleman from Virginia [Mr. MONTAGUE] if this is his bill?

Mr. MONTAGUE. Yes. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

THE HOMESTEAD NATIONAL MONUMENT OF AMERICA IN GAGE COUNTY, NEBR.

The Clerk called the next bill, S. 1307, to establish the Homestead National Monument of America in Gage County, Nebr.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, this bill has been passed over a time or two. I have no objection to this particular bill, but the chairman of the committee is not present at this particular time, and in view of the fact that this bill involves the expenditure of money, I think we ought to be rather careful. We do not want to be arbitrary about these bills, however.

Mr. LUCKEY. Mr. Speaker, this bill does not call for the appropriation of money, being simply an authorization. It is not a monument in the sense of the average statement concerning monuments. This is to memorialize the spirit of the Homestead Act. It is to perpetuate the memory of the heroism, privation, and sacrifice of the early homesteaders who contributed so much to the winning of the West. It is sponsored by the school children of the agricultural Middle West as well as various teachers' organizations, the D. A. R., the various veterans' organizations, and seeks to memorialize the spirit in a concrete and living way of the early pioneers. That is what we need today. We need to get back to that early spirit that could face and overcome hardship and privation. We need such a living object lesson today.

Mr. JENKINS of Ohio. Would the gentleman object to having this bill passed over without prejudice?

Mr. LUCKEY. That will be all right.

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

TWENTY-FIRST AMENDMENT

The Clerk called the next bill, H. R. 8368, to enforce the twenty-first amendment.

Mr. CELLER. Mr. Speaker, in the absence of the chairman of the Judiciary Committee, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

SARATOGA NATIONAL HISTORICAL PARK

The Clerk called the next bill, H. R. 89, to provide for the creation of the Saratoga National Historical Park in the State of New York, and for other purposes.

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice as it is in the same class as the other bills that were passed over.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

AMENDMENT OF THE BANKRUPTCY ACT

The Clerk called the next bill, S. 1425, to amend section 80 of chapter 9 of an act to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898.

Mr. MILLER and Mr. WOLCOTT rose.

Mr. MILLER. Mr. Speaker, this bill only affects one or two drainage districts in South Carolina. I think the bill passed in the House on January 6 covers this situation and

unless some Member from South Carolina wants to ask for its present consideration, I ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

LAW CLERKS FOR JUDGES OF DISTRICT COURTS

The Clerk called the next bill, H. R. 6376, to amend section 118 of the Judicial Code to provide for the appointment of law clerks to United States district court judges.

Mr. WOLCOTT. I object, Mr. Speaker.

Mr. CELLER. Mr. Speaker, will the gentleman withhold his objection, so that we may explain the bill?

Mr. WOLCOTT. I withhold the objection, Mr. Speaker.

Mr. CELLER. I may say to the gentleman it is proposed to amend the bill to make it conform with the bill which passed the Senate, which provides there can be no assistant or secretary assigned to a district judge unless and until approval has been obtained from the judicial council. The judicial council is composed of the Chief Justice of the United States Supreme Court and the senior circuit judge of each circuit; in other words, no judge will be allotted a clerk unless and until Chief Justice Hughes, for example, together with the senior circuit judge of one of the 10 circuits, approves such allotments. I do not think we need worry about any indiscriminate appointments of secretaries or clerks to judges. Certainly Justice Hughes and the senior circuit judges would weigh carefully the needs of each district judge.

Mr. WOLCOTT. Will the gentleman tell the House what the duties of these new clerks will be?

Mr. CELLER. The new clerks would look up the law, prepare memoranda, and do research work for the district judges where there is an avalanche of business, as, for example, in our district of Brooklyn, the eastern district, the adjoining southern district of New York, and in some of the districts in the other large and congested areas. There has been presented to those courts a tremendous number of what are known as reorganization proceedings under section 77B of the Bankruptcy Act. These proceedings entail a tremendous amount of work, because under the statute the judge is a sort of administrative officer in all of these reorganization proceedings, and in some of them almost all the time of the judge is taken up with this work. Little or no time is given the judge for necessary examination of the many cases cited—for example, in the briefs submitted. There are all kinds of ramifications, and it is utterly impossible for the judge also to take care of a criminal term, an equity term, a common-law calendar, and hear and determine patent and admiralty litigation without help of this sort. Decisions are held up for long periods because judges cannot find time to digest the legal decisions cited and the data and material submitted by counsel. In almost every State I know of there has always been allotted to a judge a secretary to enable the judge to get data at first hand and do the research which is so essential to a proper decision in any cumbersome or intricate case. Many bar associations approve this bill, as does the judiciary generally.

Mr. WOLCOTT. I think some of the Members may have amendments to offer, and I may have an amendment myself to suggest, and for this reason I would like to go into it further. I wonder if the gentleman would have any objection to passing the bill over for today without prejudice and I shall go into the matter further and possibly many objections will be removed. My reason for objecting to the bill as it now stands is the fact that it would be possible to create a new office for every district court in the United States.

Mr. CELLER. No; that would not be the case, because you have to get the consent of the judicial counsel. It would not create a new job for each judge. That is unthinkable. Most of the judges need no secretary, but many do. This bill creates no new offices without the consent of the council.

Mr. WOLCOTT. Well, we might create them.

Mr. CELLER. That is possible but hardly probable.

Mr. WOLCOTT. It would be rather difficult for the judicial council to turn down the application of any district judge for a law clerk if he wanted one. It seems to me this new clerk will be performing duties which should be performed by the attorneys for the litigants in preparing and submitting their briefs and also work which is now being done by the clerk of the court. So I do not see any particular need for such appointments, but I understand that some Members do see a need for these clerks, and I shall be very pleased to go into the matter further if the gentleman will consent that the bill be passed over without prejudice.

Mr. KNUTSON. Mr. Speaker, this bill has already been passed over twice. The gentleman certainly has had all necessary time to prepare any amendments he may wish to offer. I may say to the gentleman there is very great need for this legislation. Less than a month ago I had a talk with one of our Federal judges in Minnesota, who stated that unless they were given assistance of this kind we would have to create an additional judgeship for our State.

They are gradually getting behind. Contrary to the popular belief, the work of the Federal courts is becoming heavier and heavier.

We had an idea that when prohibition was repealed it would materially lighten the work of the Federal courts; but under the New Deal, if I may use that term, the work of the courts is increasing.

I hope the gentleman will not insist on his point, so that we may bring the matter up and dispose of it now. It should be passed.

Mr. DIRKSEN. I want to say to the gentleman from New York that in the course of the hearings held in New York we had all of the eight judges in the State before us on the question of what constructive work we could do for their relief. As I recall, the Federal judges were unanimous in the belief that the law clerks would not relieve it. They were unanimous in their belief that the heavy work was caused by the amendments to the Bankruptcy Act. They said that the masters and referees have no power to determine. They have the power to hear but no power to determine and dispose. They thought it would be infinitely better to amend section 77 (b) of the Bankruptcy Act and give masters the power to determine, and that would make it function better than to have a law clerk.

I sympathize with what the gentleman wants to do, but I do not believe that this is the way to do it.

Mr. CELLER. We have before the committee the advisability of the suggestion that the gentleman makes, that the masters and referees be given power, not only to hear but to determine.

Mr. MILLER. I want to say to the gentleman, and I will be perfectly frank with him, that I was opposed to the bill when it was introduced, but upon a rather thorough investigation, as members of that committee will bear me out, I have come to the conclusion that there seems to be a necessity for it, not only in the cities but the so-called rural parts of the country.

Mr. WOLCOTT. I think we should approach this subject carefully, and for that reason I wish for a little more time. Therefore, Mr. Speaker, I ask unanimous consent that the bill go over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

AGREEMENT WITH MUSKOGEE TRIBE OF INDIANS

The Clerk called the bill (H. R. 5442) authorizing an appropriation to carry out the provisions of section 26 of the agreement with the Muskogee or Creek Tribe of Indians, approved March 1, 1901.

The SPEAKER. This bill requires three objectors.

Mr. COCHRAN. Mr. Speaker, I reserve the right to object. When this bill was called 2 weeks ago I objected to it and stated that I was getting a report from the Comptroller General. The author of the bill at that time, the gentleman from Oklahoma [Mr. NICHOLS], said that he would be very glad to get the report from the Comptroller General. I have the report this morning. I ask unanimous consent to print it in the RECORD at this point. As far as I am concerned, I am willing to go to bat on this proposition right now, and I can convince the House of Representatives

that this is a raid on the Treasury. I guarantee that you will have a roll call on the bill. I ask that the bill go over without prejudice so as to give the gentleman from Oklahoma an opportunity to read the Comptroller's letter. It not only shows that these Indians have been paid, but the Government also paid the attorneys about $90,000. It further shows that this very claim is before the Court of Claims, and that the Comptroller General, while he has not completed his report, has found that under section 2 of the Deficiency Act, 1935, they will be permitted to charge off gratuities. He has located nearly $800,000 in gratuities, which is more than the amount of this bill. The gentleman from Oklahoma wants to be fair. He said that he would get the Comptroller's report. I ask permission now to put the Comptroller's report in the RECORD at this point.

The SPEAKER. Is there objection?

There was no objection.

Mr. TABER. Does the gentleman expect to object to the bill?

Mr. COCHRAN. I am going to object to the bill.

Mr. TABER. I object.

Mr. COCHRAN. I object.

Mr. BACON. Mr. Speaker, I object.

The Comptroller's report is as follows:

H. R. 5442—CALENDAR 351

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, January 16, 1936.

Hon. JOHN J. COCHRAN,
Chairman, Committee on Expenditures in the Executive Departments,
House of Representatives.

MY DEAR MR. CHAIRMAN: There is herewith submitted a report on H. R. 5442 entitled "Authorizing an appropriation to carry out the provisions of section 26 of the agreement with the Muskogee or Creek Tribe of Indians approved March 1, 1901", which provides as follows:

"*Be it enacted, etc.*, That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated the sum of $600,000 to carry out the provisions of section 26 of the act to ratify and confirm an agreement with the Muskogee or Creek Tribe of Indians, approved March 1, 1901 (31 Stat. 861), and said sum shall be in payment of the balance due on the award made by the Senate of the United States in accordance with said section 26 of said act of March 1, 1901.

"SEC. 2. Upon appropriation being made and available, the Secretary of the Interior shall pay to the Loyal Creek Indians and freedmen, or their heirs, whose names appear in the list of awards made in their behalf by W. B. Hazen and F. A. Field, as commissioners on behalf of the United States to ascertain the losses of said Indians and freedmen, as provided by articles 3 and 4 of the treaty with the Creek Nation of Indians of date June 14, 1866 (14 Stat. 785), and such payment shall be made in proportion to the awards set out in said list, and such payment shall be in full settlement and satisfaction of all claims under said articles 3 and 4.

"SEC. 3. That out of the appropriation hereby authorized the Secretary of the Interior shall pay to the attorneys for said Loyal Creek Indians and freedmen who are now employed under contract with said Indians and freedmen such compensation as he may determine to be fair and reasonable for services rendered and expenses incurred by such attorneys under said contract: *Provided*, That such payment shall not exceed 10 percent of the amount of each individual claim presented and settled under the authority of this act; and, in addition thereto, the said Secretary shall correspondingly pay William Yarhola and Joseph Bruner for services heretofore rendered and expenses incurred in connection with these claims such compensation as he may determine to be reasonable and just, not to exceed, however, 5 percent of each separate claim presented and settled under the terms of this act."

The award of the Senate referred to in the above bill was in the amount of $1,200,000. By the act of March 3, 1903 (32 Stat. 994) there was appropriated $600,000 as an award and final settlement of the Loyal Creek claim. Said amount was set up on the books of the Treasury and $592,696.65 was disbursed as cash payments to Loyal Creeks and freedmen and $90,000 as special attorneys' fees and expenses. The unexpended balance of $7,303.25 was returned to the United States Treasury as surplus by warrant no. 62, dated March 19, 1929.

Pursuant to the jurisdictional act of May 24, 1924 (43 Stat. 139), as amended by joint resolution of May 19, 1926 (44 Stat. 568), and February 19, 1929 (45 Stat. 1229), the Creek Nation of Indians filed in the Court of Claims 17 petitions alleging causes of action upon which reports have been submitted to the court by this office. The jurisdictional act, supra, contains no provision for offsetting gratuities, but since its passage there was enacted section 2 of the Second Deficiency Act for 1935 (49 Stat. 596), directing the Court of Claims to consider and to offset against any sums found due, all sums expended gratuitously by the United States for the benefit of such tribe or band of Indians who may be party plaintiffs. In compliance with request from the Attorney General dated September 6, 1935, there is now being prepared in this office a report, which, when completed, will show disbursements under gratuity appropriations during the period January 1, 1795, to June 30, 1934. The completion of this report will take approximately an additional 6 months. An examination of the work already accomplished thereon indicates that the completed report will reflect gratuity payments of approximately $750,000.

Sincerely yours,

J. R. MCCARL,
Comptroller General of the United States.

MONUMENT TO SPANISH COLONIAL MISSIONS, ETC.

The Clerk called House Joint Resolution 211, to create a commission to study and report on the feasibility of establishing a national monument or monuments in the territory occupied by the Spanish Colonial Missions in the States of Texas, New Mexico, Arizona, and California.

The SPEAKER. This bill requires three objections. Is there objection?

Mr. RICH. Mr. Speaker, I reserve the right to object. I call the gentleman's attention to the fact that on August 21, 1935, the House of Representatives passed bills H. R. 6734 and 6670, creating a commission to pass on these commissions, and this is a duplication. I object.

Mr. TABER. Mr. Speaker, I object.

Mr. WOLCOTT. Mr. Speaker, I object.

Mr. MAVERICK. Mr. Speaker, will the gentlemen withhold their objections long enough for me to make an explanation?

Mr. TABER. Yes.

Mr. RICH. Yes.

Mr. WOLCOTT. Yes.

Mr. MAVERICK. Mr. Speaker, this concerns the creation of a commission of Representatives and Senators for the study of the Spanish colonial era as it concerns territory in the United States of America, one of the most important parts of American history. This is not for the creation of a new bureau or administrative unit at the other end of Pennsylvania Avenue. It is a creation of our own. We are continuously complaining about turning everything over to the Department of the Interior and other departments. Here is a chance for Congress to do some of its own work. The States of Texas, New Mexico, Arizona, California, Louisiana, and Florida all have the memory of priceless achievements by the Spaniards in art, architecture, government, and religion, and this vitally concerns the history of the United States. It is an epoch in our history that the American people ought to know. We have established commissions on the Constitution, on George Washington, various celebrations, and everything that concerns the eastern part of the United States. This will be a healthy thing for the study of the history of the great Southwest and of the whole United States. Being controlled entirely by Representatives and Senators, we need not worry about bureaucracy. It permits an appropriation of only $15,000.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MAVERICK. Yes.

Mr. RICH. Bills H. R. 6734 and 6670, creating that commission, are Maverick bills also, and it is to do away with just such things as we are trying to do now.

Mr. MAVERICK. No; this does not establish a monument or appropriate any money for that purpose. It establishes a commission composed of Representatives and Senators who will assist in the gathering of this information, so that the House can understand it, and so the people will know the subject, and so that part of history will be preserved like any other.

Mr. DIRKSEN. Mr. Speaker, will the gentleman yield?

Mr. MAVERICK. Yes.

Mr. DIRKSEN. This commission is to go down there for the purpose of determining upon or ascertaining the method of preserving those landmarks?

Mr. MAVERICK. Yes.

Mr. DIRKSEN. Unless you have an architect or a structural engineer in the House or the Senate to serve on that commission, all they can do is to listen to what

other architects or structural engineers can tell them, and you might as well get someone who has engineering skill right on the ground, and set forth the result in a monograph or a report. Why is not this properly within the domain of the States, properly a State function?

Mr. MAVERICK. The reason is that when the Spanish colonials came to the United States they just did not go to the State of Texas or a single State. They went all the way from the southern part of the United States, from St. Augustine to San Francisco, and it cannot be done by the State, because the Franciscan friars, or some other order, would go from some place in California all the way to Texas or Louisiana, or vice versa. The same is true of the Spanish Government officials and its military. There are documents in Spain, in Madrid and Seville, and also in Mexico City, and all over the world, and they concern all New Spain—frequently one document concerns several States in our country, and probably other parts of New Spain. It cannot be accomplished by the agency of any one State, because of the reasons outlined.

Mr. DIRKSEN. If we carry out that philosophy, we will be trying to determine what landmarks the Norsemen left out in Minnesota or what the French left in Illinois and Indiana, and we will be expanding the Federal authority to in some way take care of monuments and structures in 48 States of the Union.

Mr. MAVERICK. This is not expanding. This is only authority to act. This is cooperating with authority that we already have.

Mr. DIRKSEN. But it will probably be followed with a request for an appropriation in order to preserve these landmarks later, and therein lies the injustice.

Mr. MAVERICK. It will be a good thing to preserve the Spanish history of America, as well as English, Dutch, and French. We can pass that bridge when we come to it. Possibly we will ask for appropriations.

Mr. DIRKSEN. There is no doubt but that it will.

Mr. DONDERO. Will the gentleman yield?

Mr. MAVERICK. I yield.

Mr. DONDERO. Does not the gentleman think we have created enough bureaus and commissions in this Congress and the last one?

Mr. MAVERICK. Well, the vague and general criticism of the creation of bureaus and commissions is not of any value. Undoubtedly we have certain administrative inefficiency, as all governments have, and it is likely that many bureaus and commissions ought to be abolished. However, I call to your attention that I have introduced a bill called the national resources board bill. If this bill is passed and this new bureau or commission, whatever you want to call it, is established, and Congress cooperates with it, it might coordinate, unify, and correct existing organizations to the extent that it would abolish some bureaus. Probably we have enough bureaus and commissions, but I suggest that you read a copy of the national resources board bill that I have introduced, and you may be for that one, even if you are not for the one I suggest for Spanish colonial history.

The SPEAKER. Is there objection?

Mr. DONDERO, Mr. RICH, and Mr. TABER objected.

CLAIM OF KIOWA, COMANCHE, AND APACHE TRIBES OF INDIANS

The Clerk called the next bill, H. R. 6818, conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any claim which the Kiowa, Comanche, and Apache Tribes of Indians may have against the United States, and for other purposes.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. COCHRAN. Reserving the right to object, Mr. Speaker, I ask unanimous consent to be permitted to place in the RECORD a letter from the Comptroller General about these Indian claims.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The letter referred to is as follows:

H. R. 6818—CALENDAR 357

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, January 16, 1936.

HON. JOHN J. COCHRAN,
Chairman, Committee on Expenditures
for Executive Departments,
House of Representatives.

MY DEAR MR. CHAIRMAN: There is herewith submitted a report on H. R. 6818, entitled "Conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any claim which the Kiowa, Comanche, and Apache Tribes of Indians may have against the United States, and for other purposes", which provides as follows:

Be it enacted, etc., That jurisdiction be, and is hereby, conferred upon the Court of Claims of the United States, notwithstanding the lapse of time or statutes of limitations, to hear, examine, determine, adjudicate, and render judgment in the matter of any and all claims of the Kiowa, Comanche, and Apache Tribes of Indians, for the purpose of compensating said tribes for the taking of lands ceded to them by treaty or treaties with the United States but taken from them by act of Congress without compliance with the terms of the treaty or treaties under which such lands were ceded to such tribes or taken without proper compensation for the value of the lands so taken, or arising under or growing out of any act of Congress in relation to Indian affairs, which claims have not heretofore been determined or adjudicated on their merits by the Court of Claims or the Supreme Court of the United States.

"SEC. 2. Any and all claims against the United States within the purview of this act shall be forever barred unless suit be instituted or petition filed as herein provided in the Court of Claims within 5 years from the date of approval of this act, and such suit shall make the Kiowa, Comanche, and Apache Indian Tribes parties plaintiff and the United States party defendant. The petition shall be verified by the attorney or attorneys employed to prosecute such claim or claims under contract with the said tribes approved by the Commissioner of Indian Affairs and the Secretary of the Interior; and said contract shall be executed in their behalf by a committee chosen by them under the direction and approval of the Commissioner of Indian Affairs and the Secretary of the Interior. Official letters, papers, documents, and records, or certified copies thereof, may be used in evidence, and the departments of the Government shall give access to the attorney or attorneys of said Indian tribes to such treaties, papers, correspondence, or records as may be needed by the attorney or attorneys of said Indian tribes.

"SEC. 3. In said suit the court shall also hear, examine, consider, and adjudicate any claims which the United States may have against said Indian tribes, but any payment which may have been made by the United States upon any claim against the United States shall not operate as an estoppel, but may be pleaded as an offset in such suit.

"SEC. 4. That, from the decision of the Court of Claims in any suit prosecuted under the authority of this act, an appeal may be taken by either party, as in other cases, to the Supreme Court of the United States, and the United States shall be allowed credit for any sum or sums, including gratuities, paid or expended for the specific benefit of said Indians, where no other tribes were involved, subsequent to the date of any law, treaty, or agreement under which the claims arise: *Provided*, That no expenditures made under the act of June 18, 1934 (48 Stat. L. 984), shall be pleaded as offsets.

"SEC. 5. That upon the final determination of any suit instituted under this act, the Court of Claims shall decree such amount or amounts as it may find reasonable to be paid the attorney or attorneys so employed by said Indian tribes for the services and expenses of said attorneys rendered or incurred prior or subsequent to the date of the approval of this act: *Provided*, That in no case shall the aggregate amounts decreed by said Court of Claims for fees be in excess of the amount or amounts stipulated in the contract of employment, or in excess of a sum equal to 7½ percent of the amount of recovery against the United States: *Provided further*, That any expenses incurred by the attorney or attorneys and paid out of tribal funds shall be deducted from the amount so awarded by the court for expenses.

"SEC. 6. The Court of Claims shall have full authority by proper orders and process to bring in and make parties to such suit any or all persons deemed by it necessary or proper to the final determination of the matters in controversy.

"A copy of the petition shall in such case be served upon the Attorney General of the United States, and he, or some attorney from the Department of Justice to be designated by him, is hereby directed to appear and defend the interests of the United States in such case.

"SEC. 7. The net amount of any judgment recovered shall be placed in the Treasury of the United States to the credit of the said Indians, and shall draw interest at the rate of 4 percent per annum and shall be thereafter subject to appropriation by Congress for the benefit of said Indians, and be prorated among entitled enrolled members of the Kiowa, Comanche, and Kiowa Apache Indians to their individual uses, including the purchase of lands and the building of homes."

The proposed bill is similar to many other jurisdictional acts, of which there have been enacted some 35. Whether any payments have been heretofore made upon claims authorized to be presented

by this bill is not possible for determination at this time, in view of the indefinite and sweeping provisions of the bill. To ascertain gratuity payments to these Indians would require a complete accounting and would take approximately 1 year. Particular attention is invited to that part of section 4 of that particular bill pertaining to offsets, which reads as follows:

"* * * and the United States shall be allowed credit for any sum or sums, including gratuities, paid or expended for the specific benefit of said Indians, where no other tribes were involved, subsequent to the date of any law, treaty, or agreement under which the claims arise: *Provided*, That no expenditures made under the act of June 18, 1934 (48 Stat. L. 984), shall be pleaded as offsets."

This provision, if allowed to remain in the bill, would probably have the effect of eliminating practically all disbursements under gratuity appropriations as offsets due to the fact that these Indians were affiliated with other tribes. Furthermore, the proviso is somewhat broader than the offset provisions of section 2 of the Second Deficiency Act of 1935 (49 Stat. 596). It would seem desirable that all jurisdictional acts should be subject to the same provisions for offsetting gratuities, and as section 2 of the Second Deficiency Act of 1935 was apparently enacted for, and it would seem to accomplish, that purpose, it is recommended that the portion of section 4 of the present bill quoted above be stricken out.

Sincerely yours,

J. R. McCARL,
Comptroller General of the United States.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. RICH, Mr. BACON, Mr. WOLCOTT, and Mr. COCHRAN objected.

Mr. ROGERS of Oklahoma. Will the gentlemen withhold their objections and allow this to go over without prejudice?

Mr. RICH. Why does the gentleman not permit all these Indian bills to go over so that we can have the letter placed in the RECORD?

Mr. ROGERS of Oklahoma. I am willing to do that.

Mr. COCHRAN. That is what I attempted to do, but the gentleman from Oklahoma [Mr. NICHOLS] objected.

Mr. NICHOLS. I will withdraw my objection. My bill has been killed, anyway.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma [Mr. ROGERS]?

Mr. COCHRAN. Mr. Speaker, I object.

Mr. WOLCOTT. Reserving the right to object, we intend to object to this bill, anyway, and we might as well get it off the calendar.

Mr. ROGERS of Oklahoma. That would give us time to read the report.

Mr. COCHRAN. I will guarantee that after the Members read the report there will be more than three objectors.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. TABER, Mr. BACON, and Mr. RICH objected.

CLAIM OF WINNEBAGO TRIBE OF INDIANS

The Clerk called the next bill, H. R. 6740, to amend an act approved December 17, 1928, entitled "An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment thereon in claims which the Winnebago Tribe of Indians may have against the United States, and for other purposes."

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to place in the RECORD a statement from the Comptroller General with respect to this bill.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The letter referred to is as follows:

H. R. 6740—CALENDAR 358

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, January 16, 1936.

Hon. JOHN J. COCHRAN,
Chairman, Committee on Expenditures for Executive Departments,
House of Representatives.

MY DEAR MR. CHAIRMAN: There is herewith submitted a report on H. R. 6740, entitled "To amend an act approved December 17, 1928, entitled 'An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment thereon in claims which the Winnebago Tribe of Indians may have against the United States, and for other purposes'", which provides as follows:

"Be it enacted, etc., That the act approved December 17, 1928 (45 Stat. L. 1027), entitled 'An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment thereon in claims which the Winnebago Tribe of Indians may have against the United States, and for other purposes', be, and the same is hereby, amended to read as follows:

" 'That jurisdiction be, and is hereby, conferred upon the Court of Claims, notwithstanding the lapse of time nor statutes of limitations, to hear, examine, and adjudicate and render judgment in any and all legal and equitable claims arising under or growing out of any treaty or agreement between the United States and the Winnebago Tribe of Indians, or arising under or growing out of any act of Congress in relation to Indian affairs, or arising under or growing out of the misappropriation of any of the funds, lands, or property of said tribe or members thereof, or for the failure of the United States to pay said tribe, or members thereof, any money or other property due, which said Winnebago Tribe of Indians or members thereof may have against the United States, which claims have not heretofore been determined or adjudicated on their merits by the Court of Claims, or the Supreme Court of the United States.

" 'SEC. 2. Any and all claims against the United States within the purview of this act shall be forever barred unless suit or suits be instituted or petitions be filed as herein provided in the Court of Claims within 5 years from the date of the approval of this amendatory act, and such suit or suits shall make the Winnebago Tribe of Indians party plaintiff and the United States party defendant, and the plaintiff shall have the right to amend any suit heretofore or hereafter filed by it in the Court of Claims. The petitions shall be verified by the attorney or attorneys now employed to prosecute such claim or claims under contract with said Winnebago Tribe of Indians, which said contract has been executed and approved in accordance with existing law.

" 'SEC. 3. Official letters, papers, documents, and records, or certified copies thereof, may be used in evidence, and the departments of the Government shall give access to the attorney or attorneys of said Winnebago Tribe of Indians to such treaties, papers, correspondence, and records as may be required in the prosecution of any suit instituted under this act.

" 'SEC. 4. In said suit or suits the court shall hear, examine, and adjudicate any claims which the United States may have against said Winnebago Tribe of Indians, and any payment which the United States may have made to said Winnebago Tribe of Indians prior to the date of adjudication, shall not operate as an estoppel, but unless the statute authorizing the payment otherwise provides may be pleaded as an offset in such suit.

" 'SEC. 5. The Court of Claims shall have full authority by proper orders and process to bring in and make parties to any such suit any other tribe or band of Indians deemed by it necessary or proper to the final determination of the matters in controversy.

" 'SEC. 6. A copy of the petition shall, in each case, be served upon the Attorney General of the United States, and he, or some attorney from the Department of Justice to be designated by him, is hereby directed to appear and defend in the interest of the United States in each case.

" 'SEC. 7. That upon the final determination of any suit instituted under this act the Court of Claims shall decree such amount or amounts as it may find reasonable to be paid the attorney or attorneys so employed by said Winnebago Tribe of Indians for the services and expenses of said attorney or attorneys rendered or incurred prior or subsequent to the date of approval of this act: *Provided*, That in no case shall the aggregate amounts decreed by said Court of Claims for fees be in excess of the amount or amounts stipulated in the contract of employment, or in excess of a sum equal to 10 percent of the amount of recovery against the United States: *Provided further*, That actual costs necessary to be incurred by or in behalf of the plaintiff in said suit or suits as required by the rules of the Court of Claims in the prosecution of said suit or suits shall be paid out of the funds of the Winnebago Tribe of Indians in the Treasury of the United States.

" 'SEC. 8. The amount of any judgment shall be placed in the Treasury of the United States to the credit of said Indians, and shall immediately be prorated to those entitled.' "

The original jurisdictional act of December 17, 1928 (45 Stat. 1027), authorized the Winnebago Indians to file claims arising out of the treaty of February 27, 1855, and the act of February 21, 1863, or any subsequent act of Congress, Executive order, or treaty, while the present bill would amend that statute and authorize the filing of claims under and growing out of any treaty or agreement between the United States and said Indians or under any act of Congress with reference to Indian affairs. The Winnebago Tribe, pursuant to the jurisdictional act of 1928, supra, filed a petition, M-421, in the Court of Claims December 3, 1931. In response to request from the Attorney General, dated December 22, 1931, there has been prepared a report on said petition showing a complete accounting under all treaties and acts of Congress pertaining to said Indians, involving disbursements aggregating $7,919,296.29, beginning with the treaty of August 11, 1827. The report also shows disbursements made by the United States for the benefit of the Winnebago Tribe under other treaty appropriations during the period January 1, 1928, to June 30, 1932, amounting to $2,359,766.03. This report is not yet in form available for distribution, and it will take approximately 2 months to make it complete.

In the interest of uniformity in the offsetting of prior gratuity payments in accordance with section 2 of the Second Deficiency Act of 1935 (49 Stat. 596), it is recommended that section 4 of the present bill be eliminated.

Sincerely yours, J. R. McCARL,
Comptroller General of the United States.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. WOLCOTT, Mr. TABER, and Mr. BACON objected.

GEORGE WASHINGTON MEMORIAL BRIDGE PUBLIC CORPORATION

The Clerk called the next bill, H. R. 8025, authorizing the George Washington Memorial Bridge Public Corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Potomac River at or near Dahlgren, Va.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. GAMBRILL. Mr. Speaker, I move to lay the bill on the table. I do this for this reason: This identical bill was included in an omnibus bill which was passed in the last session of Congress, and it has become the law. So there is no need for the consideration of this bill.

The SPEAKER. Without objection, the bill will be laid on the table.

There was no objection.

INSPECTION OF MOTOR VESSELS

The Clerk called the next bill, S. 2001, to amend section 4426 of the Revised Statutes of the United States, as amended by the act of Congress approved May 16, 1906.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that this bill may go over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

PRELIMINARY EXAMINATION OF SUWANNEE RIVER, FLA.

The Clerk called the next bill, H. R. 8300, to authorize a preliminary examination of Suwannee River in the State of Florida, from Florida-Georgia State line to the Gulf of Mexico.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. JENKINS of Ohio. Reserving the right to object, I should like to ask what expense is incident to this survey, if any?

Mr. GREEN. I should like to say that it is only a preliminary examination, and it is expected that very little, if any, expense will be attached to it. It has the approval of the Department, the Board of Army Engineers, and the Committee on Flood Control.

Mr. JENKINS of Ohio. The gentleman says it has the approval of these organizations. Does that mean that it has the passive approval or are they actively interested in it?

Mr. GREEN. It is only a matter of preliminary examination.

Mr. JENKINS of Ohio. Does the gentleman mean it has just the passive approval of those organizations or are they actively interested in its passage?

Mr. GREEN. They have approved it and have no objection to its passage.

Mr. JENKINS of Ohio. Mr. Speaker, I withdraw my reservation of objection.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, may I ask the gentleman from Florida if this is connected in any manner with the canal which they propose building across the State of Florida?

Mr. GREEN. No; it is not. It is only a matter of flood control in the Suwannee River Valley.

Mr. WOLCOTT. I withdraw my reservation of objection.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of Suwannee River in the State of Florida, from the Florida-Georgia State line to the Gulf of Mexico, with a view to the control of its floods in accordance with the provisions of section 3 of an act entitled "An act to provide for the control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRAVEL TO AND WITHIN THE UNITED STATES

The Clerk called the next bill, H. R. 5844, to encourage travel to and within the United States, and for other purposes.

The SPEAKER. Is there objection?

Mr. WADSWORTH, Mr. McLEAN, Mr. RICH, and Mr. WOLCOTT objected.

NONQUOTA IMMIGRATION VISAS

The Clerk called the next resolution, House Joint Resolution 236, to suspend issuance of nonquota immigration visas to persons born in the Republic of Mexico, to suspend issuance of all nonpreference quota immigration visas, and for other purposes.

The SPEAKER. Is there objection?

Mr. HAMLIN, Mrs. O'DAY, and Mr. PIERCE objected.

DEPORTATION OF CERTAIN ALIEN SEAMEN

The Clerk called the next bill, H. R. 5380, to provide for the deportation of certain alien seamen, and for other purposes.

The SPEAKER. Is there objection?

Mr. HAMLIN, Mr. PIERCE, Mrs. KAHN, and Mrs. O'DAY objected.

WESTERN BANDS OF THE SHOSHONE INDIANS

The Clerk called the next bill, S. 2510, authorizing the Western Bands of the Shoshone Tribe of Indians to sue in the Court of Claims.

Mr. COCHRAN. Mr. Speaker, this is another Indian claim. I ask unanimous consent that a letter I have here be placed in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The letter referred to follows:

S. 2510—CALENDAR 387

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, January 16, 1936.

Hon. JOHN J. COCHRAN,
Chairman, Committee on Expenditures for Executive Departments,
House of Representatives.

MY DEAR MR. CHAIRMAN: There is herewith submitted a report on S. 2510 entitled "Authorizing the Western Bands of the Shoshone Tribe of Indians to sue in the Court of Claims", which provides as follows:

"*Be it enacted, etc.*, That jurisdiction be, and the same is hereby, conferred on the United States Court of Claims, with the right of either party to appeal to the Supreme Court of the United States, anything in the Judicial Code of the United States and amendments thereto to the contrary notwithstanding, regardless of the lapse of time and the statute of limitations; to hear, examine, adjudicate, and render judgment for such net amount as may be found due on all legal and equitable claims of the Western Bands of the Shoshone Nation of Indians and the court shall determine as near as may be the boundaries and acreage of the lands described in article 5, under the treaty of October 1, 1863 (18 Stat. L. 689), after deducting the aggregate of any and all payments or expenditures for the benefit of said Indians, including gratuities, between June 26, 1866, and the date of filing petition in the court: *Provided*, That no expenditures for the benefit of these Indians made out of appropriations authorized by the act of June 18, 1934 (48 Stat. L. 984), shall be considered as offsets.

"SEC. 2. The claims of the said Indians under the provisions of this act shall be presented by petition or petitions setting out fully and distinctly all claims of the Western Shoshone Indians against the United States within 5 years after the passage of this act, or shall be thereafter forever barred. The petition or petitions may be verified by the attorney or attorneys employed by said Indians under contract executed in accordance with existing law. The departments of the Government shall give access to the attorneys so employed to the records pertaining to said Indians on file therein.

"SEC. 3. The net proceeds of any judgment recovered shall be placed on deposit in the Treasury to the credit of said Indians at 4-percent interest per annum, and shall be thereafter subject to appropriation by Congress for the benefit of said Indians, including the purchase of lands and building of homes, and no part of said judgment shall be paid out in per-capita payments to said

Indians: *Provided*, That the court, in rendering judgment, shall determine and set apart a reasonable fee for and to the attorney or attorneys of said Indians employed in the prosecution of said claims, not to exceed 10 percent of such judgment, if any, together with all reasonable and proper expenses incurred by the said attorney or attorneys in the prosecution of said claim."

The Shoshone Nation of Indians was divided into four bands—the Eastern, the Goship, the Northwestern, and the Western. A jurisdictional act for the Eastern Band was enacted March 3, 1927 (44 Stat. 1349); and one for the Northwestern Band February 28, 1929 (45 Stat. 1407). Petitions have been filed under these two statutes, and reports thereon have been made to the Department of Justice. In connection with the report on the Northwestern Band there was incorporated disbursements aggregating $1,319,-720.85, made for the benefit of the Western Shoshone Agency during the period July 1, 1878, to June 30, 1931. These disbursements were included due to the fact that a part of the Northwestern Band was removed to and located upon the Western Shoshone Reservation, and thereafter the identity of the Northwestern Band was lost. To furnish a complete accounting of gratuity expenditures for the benefit of the Western Band would require approximately 4 months.

As section 2 of the Second Deficiency Act of 1935 (49 Stat. 596) was enacted for the purpose of authorizing the offsetting of gratuity payments and would apply to all jurisdictional acts heretofore or thereafter enacted, it is recommended in the interest of uniformity that lines 4 to 10, inclusive, of section 1, page 2, of the bill be eliminated.

Sincerely yours,

J. R. McCARL,
Comptroller General of the United States.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COCHRAN, Mr. TABER, Mr. BACON, and Mr. WADSWORTH objected.

PALA BAND OF MISSION INDIANS, CALIFORNIA

The Clerk called the next bill, H. R. 8252, to reimpose and extend the trust period on lands reserved for the Pala Band of Mission Indians, California.

Mr. TABER. Mr. Speaker, reserving the right to object, I wish somebody would explain the bill. If no one is here to explain the bill, Mr. Speaker, I ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

POST-OFFICE AND COURTHOUSE BUILDING, RUTLAND, VT.

The Clerk called the next bill, S. 37, authorizing the Comptroller General of the United States to settle and adjust the claims of subcontractors and materialmen for material and labor furnished in the construction of a post-office and courthouse building at Rutland, Vt.

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

BRIDGE BETWEEN CEDAR POINT AND DAUPHIN ISLAND, ALA.

The Clerk called the next bill, H. R. 8768, to extend the times for commencing and completing the construction of a railroad bridge and/or a toll bridge across the water between the mainland at or near Cedar Point and Dauphin Island, Ala.

The SPEAKER. Without objection, a similar Senate bill (S. 3131) will be substituted for the House bill.

There being no objection the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge and causeway between the mainland, at or near Cedar Point, and Dauphin Island, Ala., heretofore authorized to be built by Dauphin Island Railway & Harbor Co., its successors and assigns (Mobile County, Ala., transferee), as last extended by Public Law No. 399, Seventy-second Congress, approved March 1, 1933, are hereby extended 1 and 3 years, respectively, from the date of approval of this act.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider and a similar House bill (H. R. 8768) were laid on the table.

FORT FREDERICA NATIONAL MONUMENT

The Clerk called the next bill, H. R. 8431, to provide for the establishment of the Fort Frederica National Monument, at St. Simon Island, Ga., and for other purposes.

Mr. DEEN. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

AMENDMENT OF LAWS RELATING TO THE APPOINTMENT OF POSTMASTERS

The Clerk called the next bill, H. R. 2793, to amend the provisions of laws relating to appointment of postmasters.

Mr. WOLCOTT. Mr. Speaker, I object.

Mr. MEAD. Mr. Speaker, will the gentleman withhold his objection?

Mr. WOLCOTT. Mr. Speaker, I withhold my objection to permit the gentleman to make an explanation.

Mr. MEAD. Mr. Speaker, this is a bill that was acted on by the Committee on the Post Office and Post Roads. It was not introduced by any member of the committee, but it is a subject that has been before us for years. When the Republicans are in power the Democrats object to this bill; and when the Democrats are in power, of course, the Republicans object to the bill. Now, it occurs to me that in an election year if both parties were sanguine so far as the election results are concerned, we could get together and eliminate a very bad method of procedure in filling offices as terms of postmasters expire. The Post Office Department can now appoint a new postmaster only in the event of the death, resignation, or removal of the incumbent. The law does not automatically give the Department the right to appoint a successor at expiration of a term.

For every postmaster appointed in the Post Office Department his predecessor had been removed or he had resigned or he had been forced to resign. The Department has no serious objection to the present procedure. It may get rid of all the postmasters that a previous administration has named. But this bill would allow the present administration, and the succeeding administrations—and I know that you feel they might be yours—the right to make a new appointment as soon as a postmaster's term expires. It is done now except that the postmaster is called upon to resign or he is removed. This bill accomplishes nothing that is not being accomplished now, and, as I said before, however we may fight and bicker for 3 years, if both parties are confident that this is their year, why I believe it is the opportune time, and therefore the matter ought to be settled by passing this bill.

Mr. SNELL. Will the gentleman yield?

Mr. MEAD. I yield to the gentleman from New York.

Mr. SNELL. Will the gentleman state what the causes are that the administration is removing postmasters at the present time?

Mr. MEAD. As I understand it, they are removing these postmasters because their term has expired.

Mr. SNELL. Take a case where the term has not expired.

Mr. MEAD. That occurs so rarely in my district and in my section of the State, where I have knowledge of the matter, that the situation does not rise even to the dignity of complaint.

Mr. SNELL. I may say to the gentleman that they are not looking very far for cause at the present time, and I know of some instances where the cause of removal, which the gentleman says would not rise to the dignity of a complaint, would not be recognized by any fair-minded man.

Mr. MEAD. In my district they are not removed even for cause.

Mr. SNELL. The gentleman may have influence with the present administration, but in my district they are removing them and without cause.

Mr. MEAD. If I have any influence it does not do my party any good.

Mr. SNELL. That may be true. Under the circumstances this bill makes it easier for the postmasters to be removed.

Mr. MEAD. I know of no fairer individual than our minority leader, and I think he and I can come to an agreement on this bill so that it may be passed without objection.

Mr. Speaker, if this bill is enacted into law the next Postmaster General may fill vacancies promptly at the expiration of a postmaster's term, designating his successor. The same thing may be done now except that the postmaster must be removed if he refuses to resign. It is an unusual procedure. It is not orderly government, and we ought to change it, especially this year, because next year the minority party will object to the presentation of a similar bill. As I said, we have had this matter before us for years, and every time the Republicans have been in power we have objected, yet every Republican postmaster favors this orderly procedure. Why can we not agree this year?

Mr. WOLCOTT. Mr. Speaker, I think I owe the majority side of the House an explanation for my objection. I seldom object without some reason for so doing, at least in my own mind.

At the present time, when the term of a postmaster expires it is necessary with respect to first-, second-, and third-class offices to hold civil-service examinations. From these examinations an eligible list of three is created. The Democratic county committee or the State central committee makes a recommendation to the Postmaster General, who passes his recommendation on to the President, and the postmaster is appointed. If the postmaster was ipso facto out of office at the termination of his term that would allow the local committee to recommend a temporary appointment. Inasmuch as the Civil Service Commission rates experience 70 percent in these examinations, it would inevitably follow that the man or woman appointed to the temporary office would because of his or her experience always be on the eligible list. You would therefore nullify completely the effect of a civil-service examination. It is purely out of sympathy and for the purpose of maintaining the effectiveness, and I might say the integrity of the Civil Service Commission, that I object.

Mr. MEAD. I may say to the gentleman that the situation which he pictures to the House has nothing whatever to do with this measure, because today we are naming postmasters in some instances after an examination and in other cases as acting postmasters before an examination is held. The existing law which we aim to correct has nothing to do with the method of procedure the gentleman is discussing, because whether this bill passes, or whether we continue to operate under existing law, we may or may not do, according to the choice of the Department, what the gentleman states. The law at present reads that we cannot fill offices of postmasters except in the event of death, resignation, or removal. At the present time, if we want to appoint an acting postmaster and schedule the examination for 6 months later at the instance of the central committee, it may be done under present law, and it may also be done if this bill becomes a law.

Mr. WOLCOTT. But there must be some reason for removal. I understand the situation perfectly. I have had an occasion in my district where a postmaster has been removed because 3 years ago, perhaps under pressure, he contributed $2 to a political campaign.

Mr. MEAD. He should be.

Mr. WOLCOTT. I am not upholding the Postmaster General in soliciting funds from postmasters. But I am trying to correct the situation by which the postmasters of this country are cracked down upon by candidates for office and compelled to make contributions to political campaigns. If the gentleman will bring in a bill here putting first-, second-, and third-class postmasters under the Civil Service, then I will be with him and go along with him, because I think it is deplorable that the post offices of this Nation are being run by political henchmen.

Mr. MEAD. I may say to the gentleman that the very bill to which he refers, to put first-, second-, and third-class postmasters under the Civil Service, is now on the calendar, and I hope he will join with me in supporting it. He and I are both for the bill, and both he and I agree again that the postmasters should not be mulcted for contributions. I, however, do recall specific statements made by Assistant Postmasters General Coleman and Glover at postmasters' meetings about 4 years ago wherein the postmasters were told if they did not get on the job and put over their districts their resignations would be welcome as soon as they could get them to Washington.

Mr. WOLCOTT. I may call the gentleman's attention to the fact that that may have happened previous to March 4, 1933, but we have evidence of the fact that since that time money has been actually contributed under threat of removal of the postmaster, and this is a deplorable situation.

Mr. MEAD. The same thing has been true, perhaps, for the last 100 years and both of the bills to which I have referred would correct the situation.

Mr. ROBSION of Kentucky. Mr. Speaker, reserving the right to object, I want to get some information on a matter affecting my district. It is understood that the fourth-class postmasters are under civil service. After charges have been made by persons of the opposite party and such charges are not sustained, the inspectors are sent back and in numerous cases they are digging up what they claim is an overcharge on the part of the postmaster in the matter of cancelation, involving something that happened 5 or 6 years ago or longer. The postmaster has no way of meeting this charge and neither has the Government any way of proving the charge with any exactness. Now, scores of postmasters of the fourth class in my district are being removed on these trumped-up charges, and I want to find out if this situation is general throughout the country.

Mr. MEAD. I may say to the gentleman that the present administration has been easily as fair as its predecessor.

Mr. ROBSION of Kentucky. So it is no use to put these offices under civil service if methods like these are to be pursued in removing postmasters.

Mr. MEAD. I may say to the gentleman from Kentucky that the Inspection Service of the Post Office Department, when created, was supposed to be a bipartisan organization, composed of 50 percent Democrats and 50 percent Republicans. Unfortunately, when Postmaster General Brown left office it was composed of 85 percent Republicans and 15 percent Democrats. Now, whenever there is an investigation in the gentleman's district or in mine of the nature referred to, inspectors of both parties are sent into the particular office to find out what is wrong, and the result of such bipartisan investigation is sent to Washington. It was awfully hard to find enough Democratic inspectors to go around, and in many cases two Republicans were sent out on these investigations.

Mr. ROBSION of Kentucky. It must be that only Democrats are sent to my district. This is a scheme to throw out competent Republican postmasters.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TABER. Mr. Speaker, I object.

INDIAN CLAIMS COMMISSION

The Clerk called the next bill, H. R. 7837, to create an Indian Claims Commission, to provide for the powers, duties, and functions thereof, and for other purposes.

Mr. TABER. Mr. Speaker, I object.

PACKERS AND STOCKYARDS ACT, 1921

The Clerk called the next bill, H. R. 8851, to amend the Packers and Stockyards Act, 1921.

Mr. McLEAN. Mr. Speaker, I object.

POST-OFFICE BUILDING AT HEMPSTEAD, N. Y.

The Clerk called the next bill, S. 2647, authorizing the Comptroller General of the United States to settle and adjust the claims of subcontractors, material men, and laborers for material and labor furnished in the construction of a post-office building at Hempstead, N. Y.

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

CLAIMS OF GRAIN ELEVATORS AND GRAIN FIRMS

The Clerk called the next resolution, Senate Joint Resolution 72, authorizing and directing the Comptroller General of the United States to certify for payment certain claims of grain elevators and grain firms to cover insurance and interest on wheat during the years 1919 and 1920 as per a certain contract authorized by the President.

Mr. COCHRAN. Mr. Speaker, reserving the right to object, I ask unanimous consent to extend my remarks in the RECORD at this point on this joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COCHRAN. Mr. Speaker, this is a resolution to pay claims that are so old that there are hardly 75 Members in the House today who were here when it was first brought up. It originated in the minds of two lawyers. You have heard of the ambulance chaser. They were not ambulance chasers but elevator chasers. I have opposed the resolutions from the outset. The lawyers have had their day in court, twice in New York and once before a Federal judge in their own locality. In New York they lost their case, and in Minnesota Judge Sanborn dismissed the test case without requiring the Grain Corporation to present its side after the attorneys for these claimants had submitted their evidence.

They then came to Congress and have had a number of resolutions passed, but in each instance they were unable to get the Government to pay a penny.

Back in 1928 a resolution provided the President was to investigate and determine how much the Government owed the claimants. Two Presidents, Mr. Coolidge and Mr. Hoover, were unable to find where the Government or the Grain Corporation owed the claimants any money.

While that was a remarkable procedure, now comes a resolution unprecedented in the history of Congress, so far as I can find, instructing the Comptroller General to certify the claims for payment if an individual or corporation files an affidavit which simply proves identity. Who has ever heard of a similar proposal?

It is a raid upon the Treasury.

No one has so far been able to advise just how much is involved. The Comptroller General does not know, but what little information he has estimates the amount at over $100,000. One of the lawyers told the committee back in 1928 it was over a million. The Department of Commerce says it is over $2,500,000.

The attorneys, of course, will get not less than 10 percent, and if Congress does not limit the fee it might run up to 50 percent.

In 1928 there was a hearing before the War Claims Committee. John G. Dudley, an attorney for the Department of Commerce, formerly manager of the Washington office of the Grain Corporation, appeared. I am going to quote briefly from the hearings, page 15:

Mr. DUDLEY. I am thoroughly familiar with the basis of the claims if they have the same basis, and are the same claims that Messrs. Donahue and Simpson have been asserting in the courts of Minnesota for several years.

Mr. COHEN. In the Federal courts?

Mr. DUDLEY. Yes.

Mr. PEAVEY. Is it your opinion as a former officer of this Corporation that these claims are not in any manner either legal or moral claims against the Government and not justified?

Mr. DUDLEY. It is my firm conviction that these claims have absolutely no merit; that they possess no basis, either in law or equity.

Pages 19 and 20:

Mr. DUDLEY. So far as I am aware, there was never one of these claims presented to the United States Grain Corporation that I did not myself personally investigate. I went to the files, I found the contract, I found every transaction that took place in connection with that contract so far as that transaction was of record. I know that a large number of those claims were paid after the Grain Corporation offices were closed in the different zones, and you gentlemen doubtless know that in an organization of that magnitude you had to have zone or branch offices in different places, and we had one in Minneapolis, which is a large terminal market, one in Chicago, another in Omaha, another in San Francisco, and so forth.

Those dealings were purely commercial dealings. They were not dealings in which the United States Government was called upon by the terms of this contract to make good anything, not a single, solitary penny. Those claimants first went into the New York State court, about eight of them, and brought actions and were there defeated.

The CHAIRMAN. When?

Mr. DUDLEY. About 3 years ago, if my recollection serves me correctly. They then, I think, attempted to go into the United States District Court for the Southern District of New York. Why nothing was done there I am not informed. A test case was then brought within the statutory period of time, known as the *Farmers Elevator Co. of Waverly, Minn.* v. *The United States of America*, in which every point, so far as I know, that could be asserted was brought up, and that case was tried before Judge Sanborn.

Mr. COHEN. What year?

Mr. DUDLEY. 1927, in Minneapolis, in the fourth division, and Judge Sanborn dismissed the suit.

Mr. COHEN. Did he hear the evidence?

Mr. DUDLEY. He heard the evidence of the claimants. It was not necessary for the defendant to introduce any evidence. Upon motion of the defendant, supposedly the United States of America, the suit was dismissed.

Page 23:

Mr. DUDLEY. While we are on this question of claims having been filed theretofore, when this matter first came up, I made a personal investigation extending over a period of several weeks, in attempting to locate the how and the why and the wherefore of filing those claims and where they arose. If the attorneys here present have any of the records in the cases of any of these claims that are filed there, they have the affidavits of one Joseph Brill, an accountant who is supposed to have gone to the claimant's place of business and to have made an examination of his books and accounts and papers with the United States Grain Corporation to see if there was due him a certain sum on that account. It has been a great many years ago, and I never yet located Mr. Brill. I have made every effort that any man, any attorney experienced in investigating, could possibly have made, and I could not even find the existence of such an individual.

Mr. COHEN. Did you ask the attorney for that?

Mr. DUDLEY. Yes; I asked Mr. Donohue, and Mr. Donohue told me Brill was an accountant that he used to know in Chicago, that he knew him in the law school when he was going to school in Chicago, and his address is given as Mr. Donohue's personal residence in Minneapolis, Minn. I went to Chicago, and I could not find any Mr. Brill. Those are affidavits that were made in support of these claims.

Mr. COHEN. Are those the only affidavits?

Mr. DUDLEY. The only affidavit that was made. In some of the claims, the names of which I do not have before me because there are thousands of them, the claims have been paid and I have the canceled checks and receipts. In one claim sued on in New York City it was discovered after the papers were returned to the Washington office that that claim had been paid in full, and I have even got the canceled check.

Mr. Dudley testified at length. He was a competent witness because he had lived with the records for 10 years and had personally visited every zone office. He showed the Grain Corporation prepared a form when it was ready to close its records and control over elevators over 15 years ago that was for the purpose of filing claims and every claim filed was considered and paid if the record justified payment.

Over 4,000 elevator operators many years after at the request of these attorneys filed claims, and Mr. Dudley said an investigation disclosed that hundreds of them later admitted they did not know what it was all about, some admitting they were paid and others saying they had filed no claim.

The attorneys told of cases where the Grain Corporation revoked the licenses of elevators, specifically mentioning one case. Mr. Dudley produced the record and showed the company, Morris City (Minn.) Mills, made 78 cents per barrel profit, while only allowed 25 cents. The elevator made $13,307.28 more on 24,756 barrels than entitled to make, and the proprietor, S. Stewart, so admitted, which resulted in the revocation of the license.

I repeat, this is a raid on the Treasury, conceived in the minds of lawyers, and the resolution should not be allowed to pass.

What should have been done at the time was to refer this case to the Department of Justice to see if a conspiracy had not been entered into to defraud the Government. If the accountant existed why did not the attorneys bring him in to be questioned by the committee?

I stated several years ago, and my Republican colleagues should take notice, two Republican Presidents said no claims

existed, and one of them, Mr. Hoover, was really the head of the Grain Corporation by reason of his position as Food Administrator during the war.

To my Democratic colleagues I say, so far as any legislation we have passed, even though the Supreme Court declared it unconstitutional, we have nothing to fear. We can defend our action before the people, whom we sought to aid, but we cannot defend our action if such bills as this are passed, and this resolution is not going to become a law if I can prevent it.

Feature-story writers in large papers and magazines are still writing of the Minnesota fire claims bill. I read one last week. They likewise are writing feature stories about the Indian claims resolution about which I have had much to say.

I cannot understand how any Member of Congress can support legislation of this character if he will make a thorough investigation of the facts. I realize a Member has little time to give to matters of this kind and, therefore, I hope some attention will be given to my remarks, as I have spent many days looking into the merits of these claims and I can only repeat I have reached the conclusion the passage of this resolution would be a raid on the Treasury, and the attorneys who have forced some of your constituents to appeal to you in behalf of the resolution would be the real beneficiaries in the end.

The SPEAKER. Is there objection to the present consideration of the Senate joint resolution?

Mr. COCHRAN. Mr. Speaker, I object.

STATUS OF CERTAIN ALIENS IN THE UNITED STATES

The Clerk called the next bill, H. R. 7221, to authorize the shortening or termination of the stay in the United States of certain aliens not admitted for permanent residence, to authorize the deportation of certain aliens admitted for permanent residence, and for other purposes.

Mr. JENKINS of Ohio. Mr. Speaker, I reserve the right to object long enough to say that this is a very important immigration bill and a bill that ought not to be on the Consent Calendar, and for this reason I object.

Mr. ROBSION of Kentucky. I also object, Mr. Speaker.

ALIEN WIVES OF AMERICAN CITIZENS

The Clerk called the bill (H. R. 7975) to permit alien wives of American citizens who were married prior to the approval of the Immigration Act of 1924 to enter the United States.

The SPEAKER. Is there objection?

Mr. JENKINS of Ohio. Mr. Speaker, I make the same remarks with reference to this bill that I made to the former bill, and I am compelled to object.

TO EXCLUDE HABITUAL ALIEN COMMUTERS

The Clerk called the bill (H. R. 4340) to restrict habitual commuting of aliens from foreign contiguous territory to engage in skilled or unskilled labor or employment in continental United States.

The SPEAKER. Is there objection?

Mr. JENKINS of Ohio. Reserving the right to object——

Mr. SADOWSKI. I want to say that this is a very necessary bill. There is much interest in this bill by the citizens of Detroit and the cities adjoining Canada and Mexico. It restricts the commuting of aliens into this country who are taking jobs of citizens in this country. It is approved by the American Federation of Labor in my city.

Mr. WOLCOTT. Let me say that at the present time our terminals are sometimes 200 or 300 miles inside the Canadian territory. If I remember the figures correctly, there are about 6,000 trainmen, engineers, and conductors who are making long runs into Canada. We run up against this international question in this matter. We run up against that situation of the fear that Canada would retaliate against these 6,000 trainmen and employees. While we want some restriction along that line, I do not want to do anything to prejudice the trainmen, engineers, and conductors.

Mr. SADOWSKI. Let me say that that is being taken care of by an amendment sponsored by the trainmen, and it has been put into the bill to clarify the bill.

These men come here without any cards of identification, without going through the regular procedure of becoming American citizens, and this privilege is not extended to citizens of the United States by other countries. This does not mean that we have anything against the Canadian Government. We are glad to have Canadians become citizens of this country, and when they do we are glad to give them jobs, but until that happens we should not give them a preferred status over our own people in my city, many of whom are on relief today, looking for jobs. It is not fair to our citizens.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. SADOWSKI. Yes.

Mr. McCORMACK. What is the situation existing when an American undertakes to obtain employment in Canada? Can he go in there without the necessity of registering and obtain employment in Canada as the Canadians can in Detroit?

Mr. SADOWSKI. He cannot get a job on a commutation card or a commuter's pass.

Mr. McCORMACK. I understand that tens of thousands come into Detroit and other border cities daily, while Americans are restricted from obtaining employment over there. It seems to me that this is an entirely different kind of bill from the ordinary alien bill. I respect the viewpoint of the gentleman from Ohio [Mr. JENKINS] on the other bills, but this bill, it seems to me, meets an important problem.

Mr. JENKINS of Ohio. The situation is such that the gentleman will appreciate it as well as I do. Our immigration laws are complex, and they mesh and intermesh, and you can hardly offer an amendment to them without throwing some sections out of gear. I am thoroughly in favor of the underlying principles of the bill, but the United States has always been at a disadvantage in these immigration matters because we want to keep friendly relations with everyone. Other countries have a more uniform citizenship racially than we do; we must be more careful with our immigration policy. We never yet have taken an arbitrary stand before somebody else does. In our dealings with foreign people we cannot take as a criterion the policy that they employ toward us. If we did, we would be at wordy war and at outs with them at all times. Our system of dealing with these foreigners has been such that we must exercise the greatest care, because we are the Mecca of all the people of the world, for they all want to come here. We have to maintain a consistent line of reasoning and a consistent policy. We cannot amend the immigration laws by unanimous consent and do it safely. I am not objecting to this bill for any personal reason or because of what it assumes to do. The gentleman knows my position. My position is just exactly as he states his position to be, but I say that you cannot pass this bill with safety here. I am therefore constrained to object.

The SPEAKER. Objection is heard, and the Clerk will call the next bill.

NEUTRALITY HEARINGS

Mr. LAMBETH. Mr. Speaker, by direction of the Committee on Printing I send to the desk a privileged resolution and ask its adoption.

The Clerk read as follows:

House Resolution 398

Resolved, That, in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the Committee on Foreign Affairs of the House of Representatives be, and is hereby, empowered to have printed for its use 3,000 copies of the hearings held during the current session before said committee relative to the resolution (H. J. Res. 422) to maintain the neutrality of the United States in the event of war or threat of war between or among foreign nations.

Mr. LAMBETH. Mr. Speaker, the Committee on Foreign Affairs has completed hearings on the neutrality bill. That bill will probably be reported this week and will soon come upon the floor of the House. The hearings consist of about 250 pages. The cost of printing these additional copies will amount to only $376.52, according to the estimate of the Public Printer. Because of the importance of this legislation and because of the extraordinary demand for copies of the

hearings, the Committee on Printing has brought forward this resolution. I move the adoption of the resolution.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

THE CONSENT CALENDAR

AMENDING NATURALIZATION LAWS

The Clerk called the bill (H. R. 4900) to amend the naturalization laws in respect to residence requirements, and for other purposes.

The SPEAKER. Is there objection?

Mr. JENKINS of Ohio. Mr. Speaker, I reserve the right to object. I understand that the author of the bill desires that the bill go over without prejudice. Is that correct?

Mr. BLOOM. Yes. I ask unanimous consent that the bill go over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

BRIDGE ACROSS OHIO RIVER, CANNELTON, IND.

The Clerk called the bill (S. 2887) authorizing the Perry County Bridge Commission, of Perry County, Ind., to construct, maintain, and operate a toll bridge across the Ohio River at or near Cannelton, Ind.

There being no objection, the Clerk read the bill, as follows:

Be it enacted etc., That in order to promote interstate commerce, improve the Postal Service, and provide for military and other purposes, the Perry County Bridge Commission, of Perry County, Ind., be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Ohio River, at a point suitable to the interests of navigation, at or near Cannelton, Ind., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. There is hereby conferred upon the Perry County Bridge Commission all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, maintenance, and operation of such bridge and its approaches, as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The said Perry County Bridge Commission is hereby authorized to fix and charge tolls for transit over such bridge, the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 4. In fixing the rates of toll to be charged for the use of such bridge, the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the cost of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 5. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

BRIDGE ACROSS TENNESSEE RIVER, DAYTON, TENN.

The Clerk called the bill (H. R. 8586) granting the consent of Congress to the State of Tennessee and certain of its political subdivisions to construct, maintain, and operate a toll bridge across the Tennessee River at or near a point between Dayton and Decatur, Tenn.

The SPEAKER. Is there objection?

Mr. McLEAN. Mr. Speaker, I reserve the right to object.

Mr. COSTELLO. Mr. Speaker, I understand that this bill has already been enacted into law in one of the omnibus bills passed last session.

Mr. McLEAN. Mr. Speaker, I ask unanimous consent that the bill go over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

CLAIMS OF INDIANS OF CALIFORNIA

The Clerk called the next bill, H. R. 5167, to amend an act entitled "An act authorizing the attorney general of the State of California to bring suit in the Court of Claims on behalf of the Indians of California", approved May 18, 1928 (45 Stat. L. 602), by amending certain portions of sections 3 and 6 thereof.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COCHRAN. Reserving the right to object, Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point a letter from the Comptroller General with reference to this claim.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The letter referred to is as follows:

H. R. 5167—CALENDAR 422

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, January 16, 1936.

Hon. JOHN J. COCHRAN,
Chairman, Committee on Expenditures in the Executive Departments, House of Representatives.

MY DEAR MR. CHAIRMAN: There is submitted herewith individual report, as requested, on H. R. 5167, providing as follows:

"A bill to amend an act entitled 'An act authorizing the attorney general of the State of California to bring suit in the Court of Claims on behalf of the Indians of California', approved May 18, 1928 (45 Stat. L. 602), by amending certain portions of sections 3 and 6 thereof.

"*Be it enacted, etc.*, That the act of May 18, 1928 (45 Stat. 602), entitled 'An act authorizing the attorney general of the State of California to bring suit in the Court of Claims on behalf of the Indians of California', as amended by the act of April 29, 1930 (46 Stat. 259), be, and the same is hereby, amended as follows:

"SEC. 2. That section 1 of the act of May 18, 1928 (45 Stat. 602), be amended to read as follows:

"'SECTION 1. That for the purposes of this act the Indians of California shall be defined to be all Indians who were residing in the State of California on June 1, 1852, and their descendants living on May 18, 1928, who are now on the census roll of the Indians of California under the act of May 18, 1928 (45 Stat. 602), and who may be enrolled in addition thereto under the provisions of this act.'

"SEC. 3. That sections 2 and 3 of the act of May 18, 1928 (45 Stat. 602), be amended to read as follows:

"'SEC. 2. That all claims of whatsoever nature the Indians of California as defined in section 1 of this act may have against the United States by reason of lands taken from them in the State of California by the United States without just compensation, or for the failure or refusal of the United States to protect their interests in lands in said State and for the loss of the use of the same, may be submitted to the United States Court of Claims by the attorney general of the State of California or attorneys acting for and on behalf of said Indians; and it is hereby declared that the loss to the said Indians on account of their failure to secure the lands and compensation provided for in the 18 unratified treaties entered into with certain bands of said Indians in 1851 and 1852, and the loss to such Indians who were not parties to said unratified treaties of their lands to which they had title rising from occupancy and use, without just compensation therefor, is sufficient ground for equitable relief, and jurisdiction is hereby conferred upon the said court, with the right of either party to appeal to the Supreme Court of the United States, to hear, consider, and determine all such claims submitted to them, and the said courts shall settle the equitable rights therein and decree just compensation therefor, notwithstanding the lapse of time or statutes of limitation or the fact that the same claim or claims have or have not been presented to any other tribunal, including the commission created by the act of March 3, 1851 (9 Stat. L. 631): *Provided*, That the courts shall determine, as near as may be, the acreage of the lands described in said unratified treaties as lands set apart forever for the occupancy and use of the tribes or bands of Indians, parties to the said unratified treaties, and shall determine, as near as may be, the acreage of the lands to which such tribes or bands of said Indians not parties to the said unratified treaties had title by reason of occupancy and use, and shall compute the value of said acreage at $1.25 per acre, and shall render judgment for such value: *And provided further*, That the courts shall consider and determine, as near as may be, the value of the personal property, rights, services, facilities, and improvements set out and described in the aforesaid 18 unratified treaties and include just compensation for the value

and loss of the benefit of the same in any decree rendered hereunder. Any payment which may have been made by the United States or moneys heretofore expended for the benefit of the Indians of California made under specific appropriations for the support, education, health, and civilization of Indians of California, including purchases of land, shall not be pleaded as an estoppel but may be pleaded by way of set-off; but no such payment or appropriation shall be treated as a set-off unless it shall appear that the same was received by said Indians or that such expenditure was actually beneficial to said Indians.'

"SEC. 4. That the act of May 18, 1928 (45 Stat. 602), be amended by adding a new section, as follows:

" 'SEC. 3. That the Indians of California shall have the right to be represented by an attorney or attorneys of their own selection under contract or contracts approved by the Secretary of the Interior, and the courts are directed to recognize such attorneys as attorneys of record: *Provided*, That for the purposes of this act the Indians enrolled as Indians of California under the provisions of the act approved May 18, 1928, the Secretary of the Interior shall classify said Indians by counties and determine the number of units threin of 100 each or fraction thereof, and under such regulations as he may prescribe shall provide for the election of Indian delegates to be held at one or more convenient places in each county in the State of California within 90 days after the approval of this act, provided each county shall be entitled to 1 vote for each unit or fraction thereof, and any Indian enrolled under said act shall be eligible for election as a delegate, and said Indians of each county may elect a delegate to represent each vote or one delegate to represent all its votes and any delegate may be elected by more than one county, and said Secretary shall provide for two conventions of such delegates to select and retain attorneys to represent the Indians of California; one convention to convene at Riverside and include all delegates in counties south of the southern boundaries of San Luis Obispo and Kern Counties and the northern boundary of San Bernardino County and the other convention at San Francisco to include all delegates north of said boundaries. Said conventions shall be held within 30 days after said election and shall be conducted in accordance with such rules as are usual for a convention: *Provided further*, That due and proper notice shall be given of the time, place, and purpose of said election and conventions; and upon final determination of such suit, said court is authorized and directed to fix and determine a reasonable fee for such attorney or attorneys, the aggregate amount of such fees not to exceed 5 percent of the amount recovered on a quantum meruit basis, for services actually rendered, and, in addition thereto, all necessary and proper expenses incurred in the preparation and prosecution of the suit and such fees and expenses shall be paid by the Secretary of the Treasury out of the appropriation made by Congress in payment of any decree rendered when such decree has been submitted to and approved by Congress, and the balance of such appropriation shall be placed in the Treasury as provided in section 6 of the enabling act.'

"SEC. 5. That section 7 of the act of May 18, 1928 (45 Stat. 602), as amended by the act of April 29, 1930 (46 Stat. 259), is further amended by adding the following proviso: '*Provided further*, That the Secretary of the Interior is authorized and directed to allow 2 years from the date of the approval of this act in which to receive applications for enrollment of Indians residing in the State of California on June 1, 1852, and their descendants living on May 18, 1928, not now on the census roll of the Indians of California under the act of May 18, 1928 (45 Stat. 602), and the Secretary of the Interior shall have 6 months thereafter to approve such supplemental roll, at the expiration of which time the roll shall be forever closed, and thereafter no addtional names shall be added thereto.

" 'The time for filing amendments to the petition is hereby continued and extended to any time prior to entry of judgment.'

"SEC. 6. That the act of May 18, 1928 (45 Stat. 602), be amended by adding a new section as follows:

" 'SEC. 8. That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such amount as may be necessary to defray the expenses of enrollment herein authorized.'

"Amend the title so as to read: 'A bill to amend the act entitled "An act authorizing the attorney general of the State of California to bring suit in the Court of Claims on behalf of the Indians of California", approved May 18, 1928 (45 Stat. 602).' "

This proposed bill, if enacted, would amend the jurisdictional act of May 18, 1928 (45 Stat. 602), as amended by the act of April 29, 1930 (46 Stat. 259), as follows:

By section 1 of the act of May 18, 1928, the plaintiffs were defined as being all the Indians residing in California as of June 1, 1852, and their descendants living in said State as of the date of said act, while section 1 of the proposed bill includes those who are now on the census roll of the Indians of California under the act of May 18, 1928 (45 Stat. 602), and who may be enrolled in addition thereto under the provisions of this act.

Section 2 of the proposed bill contains practically the same provisions as sections 2 and 3 of the original jurisdictional act, the only apparent material change being the offset feature, which, after allowing all offsets as set out in the original act, adds thereto "but no such payment or appropriation shall be treated as a set-off unless it shall appear that the same was received by said Indians or that such expenditure was actually beneficial to said Indians." If the quoted portion of this provision is allowed to remain in the bill and is enacted into law, it would have the effect of eliminating practically all disbursements under gratuity appropriations as offsets for the reason that Government records do not generally disclose the actual delivery of goods, etc., to the Indians and reports of the General Accounting Office made to the Congress and to the Court of Claims under laws vesting jurisdiction in that court to determine the gratuities to be offset are based upon disbursements as having been made for the benefit of the Indians, the receipt thereof by the Indians being assumed. Accordingly, such a provision would put upon the Government a burden of proof which it could not possibly sustain and would have the practical effect of nullifying the section. These Indian gratuities extend back a hundred or more years, and the persons who actually delivered the money or the goods have long since died, so that with reference to the great bulk of the gratuities, probably 80 or 90 percent, it would not be possible to obtain direct evidence that the Indians actually received the goods or articles purchased for them gratuitously by the Government. The Government records would show the appropriation and would show that the money was forwarded to the particular Indian agent, and that agent's accounts would show the purchase of the goods or articles—and there the record proof would stop. The agent, who would be the only person who could testify competently to the actual delivery of the goods or articles to the Indians, is now dead, and the Government would be unable to prove the delivery to the Indians.

In view of the foregoing, and as section 2 of the Second Deficiency Act, 1935 (49 Stat. 596) contains a general provision for offset of gratuities allowed Indians in the consideration of suits instituted in the Court of Claims, there would appear no necessity for the inclusion of the offset provision in H. R. 5167 and it is recommended that there be eliminated that part of section 2 of the bill pertaining to offset, beginning middle of line 25, page 5, to and including line 9, page 6. In other words, if the bill with the offset provision eliminated should become a law the Court of Claims would have for consideration the general offset provision in the Second Deficiency Act for 1935, supra, in the settlement of any suit by the Indians of California.

Section 5 of the proposed bill would amend section 7 of the original jurisdictional act, as amended, by extending the date of closing the census roll to 2 years and 6 months from the date of approval of this bill.

Section 8 of the proposed bill is an addition to the original jurisdictional act and would authorize an appropriation of an amount necessary to defray the expenses of the enrollment provided for in this bill. This section appears to be a departure from the usual form of jurisdictional acts.

The Indians of California, pursuant to the jurisdictional act of May 18, 1928 (45 Stat. 602), as amended by the act of April 29, 1930 (46 Stat. 659), filed Petition No. K-344 in the Court of Claims on March 14, 1932. Said petition was the subject of a report from this office to the Department of Justice on May 31, 1934, aggregating disbursements in the amount of $12,174,231.14, as follows:

1. Disbursements made by the United States for the benefit of the Indians in California under appropriations made specifically for the Indian Service in California during the period July 1, 1852, to June 30, 1932	$5,543,526.10
2. Disbursements made by the United States for the benefit of the Indians in California under appropriations made for the Indian Service generally, but by the appropriation acts certain amounts were apportioned to the Indian Service in California during the period from July 1, 1868, to June 30, 1932	594,021.37
3. Disbursements made by the United States for the maintenance of certain schools in California, under certain appropriations made for the maintenance of said schools, during the period from July 1, 1892, to June 30, 1932	6,036,683.67
	12,174,213.14

If this proposed bill is enacted excluding the offset provision therein appearing, leaving for application by the Court of Claims the general gratuity provision appearing in the Second Deficiency Appropriation Act, 1935, and this office is requested to render a report on a petition filed pursuant thereto in the Court of Claims, it would necessitate further search of the records of disbursements under certain gratuity appropriations not included in our report on petition no. K-344, which would require about 6 months to complete.

Sincerely yours,

J. R. MCCARL,
Comptroller General of the United States.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COCHRAN. Mr. Speaker, I object to the consideration of the bill.

MINIMUM-WAGE COMPACT RATIFIED BY MASSACHUSETTS AND NEW HAMPSHIRE

The Clerk called the next business, House Joint Resolution 321, granting the consent of Congress to the minimum-wage compact ratified by the Legislatures of Massachusetts and New Hampshire.

The SPEAKER. Is there objection to the present consideration of the House joint resolution?

Mr. ROGERS of New Hampshire. Reserving the right to object, Mr. Speaker, for the information of the Members I should like to ask the distinguished gentleman from New Hampshire if it is not a fact that this compact was signed by representatives of all of the New England States except Vermont and also by representatives of the States of New York and Pennsylvania, and that it has already been ratified by both the State of New Hampshire and the Commonwealth of Massachusetts?

Mr. TOBEY. The gentleman is correct. It also includes the State of Connecticut.

Mr. ROGERS of New Hampshire. I said all New England States except Vermont.

Mr. TOBEY. I misunderstood the question. The gentleman is correct.

Mr. ROGERS of New Hampshire. I withdraw my reservation of objection, Mr. Speaker.

Mr. TOBEY. This minimum-wage compact, for which the consent of Congress is asked today, was signed at Concord, N. H., by representatives of the Governors of Maine, New Hampshire, Connecticut, Massachusetts, Rhode Island, New York, and Pennsylvania.

Mr. Speaker, this joint resolution, which I introduced in the House last year and which was introduced in the Senate by the Honorable DAVID I. WALSH, would grant the consent of Congress to the minimum-wage compact which has been ratified by the Legislatures of New Hampshire and Massachusetts. The Committee on the Judiciary, to which it was referred, has reported the same favorably to the House with the recommendation that it pass.

Let me briefly outline the history of this resolution. To quote from the report—

On May 29, 1934, representatives of the Governors of Maine, New Hampshire, Connecticut, Massachusetts, Rhode Island, New York, and Pennsylvania, meeting at Concord, N. H., signed a compact or agreement entitled "Compact for establishing uniform standards for conditions of employment, particularly with regard to the minimum wage, in States ratifying the same."

It provides that no employer shall pay a woman, or a minor under 21 years of age, an unfair or oppressive wage. The minimum-wage provisions are to be enforced in each State by an administrative agency of that State. Each State is to make provision for a continuing unpaid commission representing industry, labor, and the public, to deal with other States which are parties concerning questions arising under the respective States. Thus will an effort be made to attain uniform standards in all of the States which are parties to the compact.

This is an effort on the part of the States to reach a solution of problems confronting them, by their own efforts and mutual cooperation, which your committee believes ought to be encouraged in every way possible by the Federal Government.

Under the terms of the resolution, whenever two or more of the signatory States ratify the compact, with the consent of Congress, it becomes effective as to the ratifying States. Massachusetts and New Hampshire already have ratified the compact, the former June 30, 1934, and the latter May 29, 1935. The consent of Congress is required by reason of that part of section 10, article I, of the Constitution, which provides:

"No State shall, without the consent of Congress • • • enter into any agreement or compact with another State."

This minimum-wage compact, which Congress is asked to validate in this resolution, is of the open type; that is, it becomes effective when ratified by two of the signatory States and approved by Congress.

As above stated, Massachusetts and New Hampshire have already ratified the compact, and upon approval of this resolution by the Congress it will then become effective and may be joined by any of the other States signatory to the compact when ratified by them.

Should Congress approve this resolution, this minimum-wage compact would then become the first interstate compact on labor legislation in the country.

One of the many advantages that should accrue from such compact would be the prevention of unfair competition between States having common industrial problems. It would enhance the possibility that States can be brought into closer relation with one another and that a more complete understanding of labor standards will be established.

I am glad to sponsor this resolution here in the House of Representatives, and am grateful to the members of the Judiciary Committee who have so fully and promptly cooperated with me in advancing the status of this bill. I strongly urge that this resolution be given the approval of the House at this time.

There being no objection, the Clerk read the House joint resolution, as follows:

Resolved, etc., That the compact for establishing uniform standards for conditions of employment, particularly with regard to the minimum wage in States ratifying the same, which was signed in Concord, N. H., on May 29, 1934, by representatives of the Governors of Maine, New Hampshire, Connecticut, Massachusetts, Rhode Island, New York, and Pennsylvania, and which was ratified by the Legislature of Massachusetts on June 30, 1934, and by the Legislature of New Hampshire on May 29, 1935, is hereby approved and declared to be effective in accordance with the terms thereof, which compact is as follows:

COMPACT FOR ESTABLISHING UNIFORM STANDARDS FOR CONDITIONS OF EMPLOYMENT, PARTICULARLY WITH REGARD TO THE MINIMUM WAGE, IN STATES RATIFYING THE SAME

TITLE I—POLICY AND INTENT

Whereas enforcement among the industrial States of the Union of reasonably uniform standards for labor in industry, determined in accordance with the general welfare, would not only benefit labor but would be of real advantage to employers, removing the pressure toward low wages, long hours of work, exploitation of minors and women, and similar action commonly admitted to be injurious to all concerned; and

Whereas the advantages of such uniform standards have already been indicated by the operation of the National Industrial Recovery Act and the codes of fair competition adopted thereunder; and

Whereas such operation points to the desirability of continued uniform legislation affecting labor standards, by Federal action or otherwise, and of joint action by the States to establish such uniform standards; and

Whereas the establishment of reasonably uniform standards in States concerned with the same general fields of industry and competitors in the same markets will afford the advantages of stability in labor legislation to all concerned, with disadvantage to none: Now therefore

The States whose commissioners have signed this compact and which have, by their legislature, ratified the same, acting to promote the general welfare of the people, do hereby join in establishing the said compact to provide uniform minimum standards affecting labor and industry in the said States: *Provided, however*, That nothing herein contained shall be construed as abrogating, repealing, modifying, or interfering with the operation of laws already in effect in any State party hereto which establish standards equivalent to or above those herein specified, nor to prevent or discourage the enactment of additional laws establishing similar or higher standards; nor shall anything herein contained repeal or affect any laws concerning conditions of employment that are not in conflict herewith or that deal with subjects not included herein: *And provided further*, That no part of any title of this compact nor of any legislation adopted in pursuance thereof, except as may be expressly specified in such title or in such legislation, shall be in effect in any State party hereto until this compact shall have been approved as provided in section 6 of title II, but whenever title I and II hereof and any other title included herein are so approved and ratified, such titles shall be in full force and effect as laws of the States so approving and ratifying the same.

TITLE II—GENERAL PROVISIONS

SECTION 1. Each State party to this compact shall require its administrative agency or agencies charged with the administration and enforcement of this compact and of State laws relating thereto, to make comprehensive and detailed reports concerning the operation and administration of said compact and laws. Such agency shall report at least once each year and shall send copies of such report to the interstate commission established under the following section, to the Governors of the several ratifying States, and to the appropriate administrative agencies in such States.

SEC. 2. Each State party hereto shall make provision for a continuing unpaid commission representing industry, labor, and the public, and appointed by the Governor of said State, to deal with the other ratifying States concerning questions arising under this compact and the operation of the same within the limits of their respective States. The chairman of such State commission shall be designated by the Governor and shall be the representative of his State on an interstate commission which shall be composed of the representatives so designated by the several States parties to this compact. The Governors of the signatory States shall request the President of the United States to appoint a representative of the Federal Government to the interstate commission. The expenses of the interstate commission shall be shared equally by the States ratifying this compact. The interstate commission shall annually make a report of its activities and shall furnish copies to the Governors of the ratifying States and to the permanent commissions of such States.

SEC. 3. Should any question arise on the part of one or more of the States ratifying this compact, concerning a matter involved in said compact or in any State law adopted in pursuance thereof, then such question shall be brought before the said interstate commission for consideration. Said interstate commission shall make any necessary investigations, shall publish its findings and any recommendations, and shall furnish copies of such findings and recommendations to the State commissions in each State party to this compact.

SEC. 4. If any ratifying State should desire a modification of any provision or provisions of this compact, or a revision of the entire compact, or if for any reason it should become desirable to extend the scope of said compact, the aforesaid interstate commission shall, upon the application of one or more of the ratifying States, and after 30 days' notice to the governors and State commissions of the other States, proceed to consider such application and the reasons advanced for the proposed modification or revision and shall make such recommendations to the ratifying States concerning the same as may seem fitting and proper. Whenever said modification, revision, or extension is ratified in the manner prescribed in section 6 of this title for the ratification of this original compact and the Congress of the United States has consented thereto, then such modification, revision, or extension shall be in full force and effect in the States ratifying the same.

SEC. 5. Each State party to this compact agrees that it will not withdraw therefrom until it has reported to the interstate commission the reasons for its desire to withdraw. The interstate commission shall, upon receipt of such report, investigate the situation and shall, within 6 months, submit its recommendations. If the State still desires to withdraw from the compact, it shall defer such action for 2 years from the date of the findings of the interstate commission.

SEC. 6. Upon ratification by the legislative act of the requisite number of States as specified in subsequent titles of this compact, and with the consent of the Congress of the United States, this compact shall be in full force and effect in the States ratifying the same. Each State so ratifying shall forthwith enact necessary and suitable legislation to establish and maintain the minimum standards set forth in the following title or titles and shall make provision for the continuing State commission required by section 2 of this title. The appropriate administrative agencies of each State shall thereafter enforce and supervise the operation of the laws relating to this compact and the laws enacted to make the provisions of said compact effective.

SEC. 7. Any State may at any time become a party to this compact by taking the action required by the preceding section of this title to ratify the same, subject to the consent of the Congress of the United States.

SEC. 8. If any part of this compact or the application thereof to any person or circumstance should be held to be contrary to the constitution of any ratifying State or of the United States, all other separable parts of said compact and the application of such parts to other persons or circumstances shall continue to be in full force and effect.

TITLE III—MINIMUM WAGE

SECTION 1. No employer shall pay a woman, or a minor under 21 years of age, an unfair or oppressive wage.

SEC. 2. The State agency administering the minimum-wage law enacted in conformity with this compact shall have authority to investigate the wages of women and minors; to appoint wage boards, upon which employers, employees, and the public shall have equal representation, for the purpose of recommending minimum fair-wage rates for women and minors; and, after a public hearing, to enter directory orders based on the determinations of the wage boards, together with such administrative rulings as are appropriate to make the determinations effective; and may have further authority, without the agency of a wage board, to enter such orders in the case of occupations with less than a specified number of employees.

SEC. 3. The State administrative agency and the wage boards appointed by such agency shall have authority to administer oaths and to require by subpena the attendance and testimony of witnesses and the production of records relative to the wages of women and minors.

SEC. 4. The State administrative agency shall have further authority to inspect to determine compliance with its orders; to publish the names of employers violating a directory order; and, after a directory order has been in effect for a specified period, to make such order mandatory after a public hearing thereon. Such mandatory order shall carry a penalty of fine, imprisonment, or both. Said agency shall have authority to reconvene wage boards or to form new wage boards for the purpose of modifying wage orders. It shall have authority at any time on its own motion to modify administrative regulations after a public hearing thereon.

SEC. 5. The State administrative agency shall have authority to issue special licenses to employees who, by reason of physical or mental condition, are incapable of earning the minimum fair-wage rate established for the occupation in which they are employed. Said agency shall have authority to take assignment of wage claims at the request of women or minor employees paid less than the minimum wage to which they are entitled under a mandatory order, and to bring legal action necessary to collect such claims. Such employees shall be authorized, under the statute, to recover by civil action the full amount to which they are entitled under a mandatory fair-wage order.

SEC. 6. Employers subject to the minimum-wage law enacted in conformity herewith shall be required to keep specified records, including the names, addresses, occupations, hours, and wages of the women and minors in their employ; to permit the inspection and transcript of such records by the State administrative agency and its authorized representatives; and, upon request, to furnish said agency with a sworn statement of the same. Employers shall further be required to post and maintain the notices regarding wage orders issued by the State administrative agency.

SEC. 7. Each minimum-wage law so enacted shall contain provisions for appeal to the courts on questions of law by persons aggrieved by the decisions of said agency. Said law shall also contain a provision to the effect that in no case shall wage orders or decrees entered under a previously existing law be nullified until the provisions of the law enacted in conformity herewith have become operative and until new wage orders covering the same occupations have been entered and made effective.

SEC. 8. Each minimum-wage law enacted in conformity herewith shall contain a saving clause to the effect that if any provisions of such law or its application be held invalid, the remainder of the law and its application elsewhere shall not be affected thereby.

SEC. 9. Mandatory fair-wage legislation now in effect in any of the signatory States, and such legislation in course of passage in any of such States as is in conformity with the provisions of this compact, is hereby declared to meet the minimum standards required by this compact.

SEC. 10. This compact as applied to minimum wage shall, when ratified by two or more States in accordance with the provisions of section 6 of title II, be in full force and effect in the States so ratifying the same.

In witness whereof the commissioners of the States of Connecticut, Maine, New Hampshire, New York, Rhode Island, and of the Commonwealths of Massachusetts and Pennsylvania have signed this compact in a single original which shall be deposited in the archives of the Department of State of the United States of America at Washington, D. C., and of which a duly certified copy shall be forwarded to the Governor of each of the signatory States.

Done at Concord, N. H., this 29th day of May, A. D. 1934.

(Signed by members of commissions and by delegates of the States of Connecticut, Maine, New Hampshire, New York, Rhode Island, and the Commonwealths of Massachusetts and Pennsylvania.)

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SOLICITATION OF PROCUREMENT OF DIVORCES IN FOREIGN COUNTRIES

The Clerk called the next bill, H. R. 8180, to prohibit the use of the mails for the solicitation of the procurement of divorces in foreign countries.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That every written or printed card, letter, circular, book, pamphlet, advertisement, or notice of any kind, giving information, or inviting inquiry, directly or indirectly, where or how or from whom or by what means a divorce may be secured in any foreign country, and every description calculated to induce or incite a person to use or apply for any further information on the subject, is hereby declared to be nonmailable matter and shall not be conveyed in the mails or delivered from any post office or by any letter carrier. Whoever shall knowingly deposit, or cause to be deposited, for mailing or delivery, anything declared by this section to be nonmailable, or shall knowingly take or cause the same to be taken from the mails for the purpose of circulating or disposing thereof, shall be fined not more than $5,000 or imprisoned for not more than 5 years, or both.

SEC. 2. Nothing herein contained shall be construed to preclude criminal prosecution under the provisions of section 338, title 18, United States Code (Criminal Code, sec. 215), in any case in which the mails are used by any person in furtherance of any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises.

With the following committee amendment:

Page 1, line 4, after the word "kind", strike out the word "giving" and insert "which has for its purpose the giving of".

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXCHANGE OF CERTAIN RIGHTS-OF-WAY IN HAWAII

The Clerk called the next bill, H. R. 3565, to authorize the Secretary of War to effect exchange of certain rights-of-way in Hawaii.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to convey to the trustees under the will and of the estate of S. M. Damon, deceased, all right, title, and interest in a 70-foot right-of-way situate on the Island of Oahu, Territory of Hawaii, and described as follows:

Beginning at station no. 1 close to the fence on the north side of the Government road, said station bearing true azimuth 221°51′ distant 184.4 feet from triangulation station no. 231 established by Company I, Engineers, United States Army, marked by a 3-inch iron pipe, said Engineer triangulation station bearing by true azimuth 251°3′40″ distant 1,770.1 feet from Salt Lake Territorial Triangulation Station; thence north 41°51′ east 148.4 feet to station no. 2; thence south 55°17′ east 242.6 feet to station no. 3; thence north 55°2′ east 284.9 feet to station

no. 4; thence north 86°50′ east 364.1 feet to station no. 5; thence north 82°56′ east 315.1 feet to station no. 6; thence north 77°44′ east 241.1 feet to station no. 7; thence north 47°50′ east 228.3 feet to station no. 8; thence north 1°19′ east 419.2 feet to station no. 9; thence north 3°5′ west 493 feet to station no. 10; thence south 85°15′ east 213.7 feet to station no. 11; thence south 39°50′ east 350.7 feet to station no. 12; thence south 82°13′ east 78 feet to station no. 13; thence north 53°20′ east 125.8 feet to station no. 14; thence north 21°19′ east 229 feet to station no. 15; thence north 6°28′ west 293.8 feet to station no. 16; thence north 29°31′ east 296.4 feet to station no. 17; thence north 83° east 330 feet to station no. 18; thence south 51°20′ east 131 feet to station no. 19; thence south 73°19′ east 127.9 feet to station no. 20; thence north 51°38′ east 88 feet to station no. 21; thence north 27°30′ east 607.7 feet to station no. 22; thence north 60°10′ east 421.2 feet to station no. 23; thence south 87°29′ east 306.1 feet to station no. 24; thence north 40°30′ east 218 feet to station no. 25; thence north 55° east 312 feet to station no. 26; thence south 55°40′ east 270 feet to station no. 27; thence north 78°56′ east 124 feet to station no. 28; thence north 37°2′ east 208.1 feet to station no. 29; thence north 7°52′ east 195.5 feet to station no. 30; thence north 46°11′ east 206.1 feet to station no. 31; of this right-of-way, said station no. 31 being known as station no. 4 of a certain tract of land situate in Moanalua and owned by the United States. The above-described station no. 31, or no. 4, bearing by true azimuth 63°55′ is distant 476.77 feet from triangulation station no. 209, established by Company I, Engineers, United States Army, said Engineer triangulation station being on Red Hill Ridge distant 8,379.4 feet, azimuth 239°53′40″ from Salt Lake Territorial Triangulation Station; containing an area of 12.64 acres, more or less; being the same right-of-way granted to the United States of America by S. M. Damon and wife under the title "Red Hill Tract" in deed dated November 20, 1914, in exchange for the conveyance by said trustees to the United States of America of a perpetual easement for a road over and across a strip of land 80 feet wide being a portion of L. C. A. 7715, Apana 2, R. P. 7858, situate at Moanalua, Honolulu, aforesaid, bounded and described as follows:

Beginning at a point where eastern boundary of 50-foot Kamehameha Highway right-of-way intersects the boundary of Halawa-Moanalua land section, from which the azimuth (measured clockwise from true south) and distance to United States Coast and Geodetic Survey triangulation station "Salt Lake" is 33°3′42″, 1,975.10 feet, thence from said point of beginning by metes and bounds 246°22′30″, 6,200.20 feet along land-court application no. 966 to concrete monument no. 6; 344°44′0″, 135.10 feet along Red Hill Military Reservation to concrete monument no. 5; 310°6′30″, 34.86 feet along the same to concrete monument no. 4; 310°6′30″, 34.86 feet along the same to concrete monument no. 3; 99°1′2″, 215.41 feet along Moanalua land; 66°22′30″, 6,018.25 feet along the same; 148°0′0″, 80.86 feet along Kamehameha Highway right-of-way to the point of beginning; containing an area of 11.55 acres.

With the following committee amendment:

Page 6, line 18, at the end of the bill insert "*Provided*, That the Secretary of War is authorized to make such deviations in the descriptions of the lands involved as may be necessary to carry out the purposes and intent of this act."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISPOSAL OF MATERIAL NOT NEEDED BY THE ARMY

The Clerk called the next bill, H. R. 8024, to authorize the Secretary of War to dispose of material no longer needed by the Army.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized in his discretion to dispose of, without charge, except for transportation and delivery, to properly accredited schools, colleges, and universities for use in courses of vocational training and instruction, such machinery, mechanical equipment, and tools as may be obsolete or no longer needed by the Army.

With the following committee amendment:

Page 1, line 5, strike out the language "transportation and delivery, to properly accredited schools, colleges, and universities" and insert "costs of transportation, handling and packing, to such schools as he may select."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FUNDS ALLOCABLE TO PUERTO RICO UNDER EMERGENCY RELIEF APPROPRIATION ACT, 1935

The Clerk called the next bill, H. R. 8621, to provide that funds allocated to Puerto Rico under the Emergency Relief Appropriation Act of 1935 may be expended for permanent rehabilitation, and for other purposes.

The SPEAKER pro tempore (Mr. FULLER). Is there objection to the present consideration of the bill?

Mr. TABER. Mr. Speaker, I object.

Mr. IGLESIAS. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks on this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Puerto Rico?

There was no objection.

H. R. 8621, "TO PROVIDE THAT FUNDS ALLOCATED TO PUERTO RICO UNDER THE EMERGENCY RELIEF APPROPRIATION ACT OF 1935 MAY BE EXPENDED FOR PERMANENT REHABILITATION, AND FOR OTHER PURPOSES"

Mr. IGLESIAS. Mr. Speaker, a declaration was made sometime ago that "the administration of President Roosevelt is determined that, as far as possible, the interests of the American citizens in Puerto Rico shall be safeguarded and furthered no less vigilantly than those of any and all citizens dwelling within the continental United States."

Puerto Rico has at present an absentee economy in agriculture, industry, and commerce. A large percentage of the benefits accruing to the island every year and the money spent there leave the island on the first turn-over. As a result, it reverts right back to the United States. A short time after the last million dollars was spent in Puerto Rico, two-thirds of it was in the hands of individuals residing in the mainland. It therefore resolves itself into this: To prevent a social collapse, a practical readjustment and reconstruction program is imperative.

The funds being assigned to Puerto Rico for reconstruction and rehabilitation constitute practically the only means whereby the national administration has so far endeavored to help the acute situation of the masses of workers and other classes there. In the light of sound reason and sober judgment, the assignment of such funds really constitute a compensation for the load directly or indirectly imposed upon the people for many years. Said compensation has been extended in such a manner that it may, and is, being disposed of through an organization over which the insular administration has no control.

Under the Triple A, flour and processing taxes alone cost Puerto Rico in the neighborhood of $5,000,000 per annum. It is a well-known fact that the island produces only one of the basic commodities covered by that act, namely, tobacco. Hence, it is this one case that the Island has received direct compensation. The other basic commodities not being produced in Puerto Rico are a burden for which we cannot be directly compensated. The consequence of the rise in the price of commodities in the United States resulting from the operation of laws represents an indirect taxation estimated to approximate $12,000,000 a year.

This has created a most serious situation which the administration intends to remedy with a reconstruction program set forth in H. R. 8621.

The island is now suffering the consequences of a load which has been growing for years, and we have endeavored for the last 2 years to secure action on the part of the national administration to effectively extend to Puerto Rico all those measures of the national recovery program capable of providing compensation for the burden imposed upon the island. In this connection, the program set up by H. R. 8621 is intended to execute projects calling for reconstruction there. In this bill is included a plan for the complete carrying out of the project for the utilization of water resources of the island which, it is expected, will have the greatest importance in the development of local industries, as it will provide electric power at low rates.

Also production credits, fertilizer, reforestation, development of seed beds, provision whereby laborers will receive use and title of home and small acreage paid from reconstruction funds. Educational campaign to increase output and reduce costs should be undertaken.

It also is the hope of the people that the administration will carry out a substantial project for cleaning up slum areas of San Juan and other towns. The manner in which

the recovery program has affected the economic situation in Puerto Rico is a matter of deepest concern. Indeed, the burden imposed upon the island was so onerous that unless effective steps are taken to provide adequate and permanent remedies, the consequences will continue to be really tragic. For the last 2 years the island has strenuously endeavored to have the national administration understand and appreciate the seriousness of the situation and pressing need for prompt and energetic action.

So far, very little time has been devoted to these problems, and meanwhile conditions have been getting worse. It seems to me, therefore, that to perfect H. R. 8621 for the reconstruction administration of Puerto Rico it should contain the following amendment:

AMENDMENT TO H. R. 8621

On page 2, line 11, after the word "expenditure", add: *"Provided further,* That in the administration of this act no overlapping or interference with the normal duties and functions of the insular government shall be permitted and that the coordinating committee headed by the Governor, as chairman, and the members selected by him from the executive and legislative branches of the insular government with the equal number designated by the reconstruction administrator shall have the duty, authority, and power to consider, study, and pass on all projects proposed by the Puerto Rico reconstruction administration of the island."

The thoughts contained in the above amendment will be beneficial to Puerto Rico, where Dr. Ernest Gruening has been appointed administrator by Executive order. On the occasion of his appointment, the White House gave out the following press release:

The President today signed an Executive order establishing the Puerto Rico Reconstruction Administration to carry out in a coordinated way all reconstruction work in Puerto Rico under the Emergency Relief Appropriation Act of 1935. He designated Ernest H. Gruening as administrator. The Reconstruction Administration approved projects for Puerto Rico on the basis of a program that has been formulated.

To avoid overlapping of the activities of the Puerto Rico Reconstruction Administration and the normal duties of the insular government and to coordinate their respective functions, members of the Reconstruction Administration and of the insular government will form a coordinating committee. This committee will be headed by the Governor of Puerto Rico and will consist of the Governor as chairman, members selected by him from the executive and legislative branches of the insular government, and an equal number designated by the Reconstruction Administration.

REFORESTATION OF THE ISLAND

Puerto Rico also is badly in need of trees. Millions of trees should be planted there. The Reconstruction Administration might begin this great work under a tropical forest experiment station, which should be organized.

A TROPICAL FOREST EXPERIMENT STATION

Purpose: Forest research aims to determine the scientific basis for growing, tending, protecting, and utilizing forests to obtain the fullest use and greatest social and economic benefits from forest lands.

Character of research: Congress has recognized this need and provided for forest research of wide scope in the Department of Agriculture. Investigations are under way in such varied phases as reforestation, growth, fire protection, influence of forests on stream flow, effect of shelter belts on climate, management, and the utilization of timber, forage, and other forest products.

Regional basis: This research, concentrated in the Forest Service, is conducted on a regional basis, a process favored because of the close relationship between natural forest conditions and the climate, soil and topography, and the general similarity of pertinent social and economic problems in compact geographical units.

Congressional authorization: This obligation is recognized in the McNary-McSweeney Forest Research Act, approved May 22, 1928 (Public, No. 466, 70th Cong.), which sets up a comprehensive forest-research program on a 10-year basis and authorizes expenditures in a number of allied fields. Twelve regional forest experiment stations have now been provided for in the continental United States. No station has been established as yet for outlying Territories or possessions, although the act specifically provides for a station "in the tropical possessions of the United States in the West Indies." All the money so far appropriated goes to the continental United States.

What a regional forest experiment station is: A forest experiment station is composed of a group of technicians working on the forestry problems of a whole region. Such a region encompasses from several to many States in which the forest types and economic conditions are related. Such a group has a central headquarters, often in cooperation with a university or an agricultural experiment station, where is maintained the administrative office of the station.

Most of the research is done in the field at a series of branch stations. These may be on public land or on private lands under cooperative agreement with the owner. Laboratories may be at the central headquarters or at a branch station.

Major fields of work: In addition to decentralizing the work along regional lines, forest research is making a coordinated attack along five major lines of activity:

First. Forest management investigations, designed to work out the best methods of reforesting and protecting forest lands and of securing the maximum quality and quantity growth of forest products. Essentially they are to provide the basis for growing the best possible forest of desirable species in the shortest time and at the lowest cost.

Second. Forest economic investigations on a wide range of problems to aid in forest land use planning to the end that forests contribute in the most effective way to social and economic welfare. Included with this is a comprehensive national survey of our forest resources.

Third. Forest-products investigations to determine new and better forms of wood utilization, especially for little-used and neglected species, and to develop byproducts and methods of preserving timber.

Fourth. Forest-influence investigations to measure the effect of forest and other natural-cover characteristics of wild lands on climate and on stream flow.

Fifth. Range-management investigations to secure the maximum production and proper utilization of forage crops available for the grazing of domestic livestock.

Need for a tropical station in Puerto Rico: There is no question as to the desirability and need of a forest experiment station for Puerto Rico and nearby tropical possessions. The resources of the island are hard-pressed under present conditions to sustain the dense population. The original flourishing forests, potentially very productive because of favorable soil and climatic conditions, have been reduced by overcutting and fire to a badly depleted, understocked forest which is now producing only a fraction of its potential capacity. These forests now furnish only one-fourth of the wood material actually used on the island and neither add to the island's export trade nor provide raw material for local industries. The rehabilitation of these forest lands and the proper coordination of their use with agriculture should go far toward raising the general standards of living.

Most of these forest lands are in private ownership. Of late the Forest Service has been expanding the area of public timber by buying additional lands. However, there is no information available either to the private timberland owner, whether farmer or large company, or to the public foresters as to how best to grow, protect, and manage the forest crop.

In view of the critical economic situation and in view of the lack of information on American tropical forests there is urgent need for research. This research should lay the basis for the proper management and protection of some 1,100,000 acres of potential forest land, including the revegetation and restoration to full productivity of waste lands. The economic possibilities in continuous production under systematic management of valuable crops of such species as mahogany, rosewood, Spanish cedar, satinwood, and fustic are too obvious to need elaboration. Increased timber production will also go far to relieve a critical local wood situation.

What this station would do: A tropical forest experiment station in Puerto Rico would supply the technical information necessary for the successful undertaking of this badly needed forest land use program. Growth and management of Puerto Rican tree species, native and introduced, present practically a virgin field for investigation. Until the basic knowledge required can be made available through the facilities of a well-organized forest experiment station, any progress in either public or private forestry will be slow. Furthermore, such a station will be of value not only to Puerto Rico but it should be the clearing house for information on all matters pertaining to the American tropics. As such, its influence should be felt throughout the West Indies and in tropical America.

REAL-PROPERTY TAX, VIRGIN ISLANDS

The Clerk called the next bill, H. R. 8287, to establish an assessed-valuation real-property tax in the Virgin Islands of the United States.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That it is the policy of Congress to equalize and more equitably to distribute existing taxes on real property in the Virgin Islands of the United States and to reduce the burden of taxation now imposed on land in productive use in such islands.

SEC. 2. For the calendar year 1936 and for all succeeding years all taxes on real property in the Virgin Islands shall be computed on the basis of the actual value of such property, and the rate in each municipality of such islands shall be the same for all real property subject to taxation in such municipality, whether or not such property is in cultivation and regardless of the use to which such property is put.

SEC. 3. Until local tax laws conforming to the requirements of this act are in effect in a municipality the tax on real property in such municipality for any such calendar year shall be at the rate of 1.25 percent of the assessed value. Until the President shall determine that adequate administrative authority and organization exist in a municipality under local law for levying, assessing, and collecting taxes imposed or authorized under this act, such taxes shall be levied, assessed, and collected under regulations prescribed by the President.

SEC. 4. All taxes so levied and collected shall be deposited in the colonial treasury of the municipality in which such taxes are collected.

SEC. 5. The Virgin Islands Co. is authorized to pay annually into the colonial treasuries of the Virgin Islands on account of lands in the Virgin Islands owned by the United States and in the possession of the Virgin Islands Co. sums which the corporation shall determine to be equivalent to the real-property taxes payable on such lands if they were in private ownership. The Virgin Islands Co. is authorized to pay annually into the colonial treasuries of the Virgin Islands such sums as the corporation shall determine to be equivalent to the several taxes which a private corporation similarly situated would be required to pay into the said treasuries.

SEC. 6. Nothing in this act shall be construed as altering, amending, or repealing the existing exemptions from taxation of property used for educational, charitable, or religious purposes. Subject to the provisions of this act, the legislative authority of the respective municipalities is hereby empowered to alter, amend, or repeal, subject to the approval of the Governor, any law now imposing taxes on real property.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REFUND OF COUNTERVAILING CUSTOMS DUTIES ON LOGS FROM BRITISH COLUMBIA

The Clerk called the next bill, H. R. 3998, for the refunding of certain countervailing customs duties collected upon logs imported from British Columbia.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

Mr. COSTELLO. Mr. Speaker, an identical Senate bill, S. 1626, is on the Speaker's table. I ask unanimous consent that it be substituted for the House bill.

The SPEAKER pro tempore. Without objection, Senate bill S. 1626 will be substituted for the House bill.

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That claims for the refunding of any customs duties erroneously or illegally assessed or collected upon fir, spruce, cedar, or western hemlock, under the provisions of paragraph 401 of the Tariff Act of 1922, approved September 21, 1922 (42 Stat. L. 858, 889), because of the existence of the so-called timber tax embodied in subdivision 2 of section 58 of the land and forest act of the Province of British Columbia may be presented to the Commissioner of Customs not later than 6 months after the passage of this act; and the Commissioner of Customs is hereby authorized and directed to receive, consider, and determine in accordance with law but without regard to any statute requiring protest, appeal, and the like such claims as may have been presented, heretofore by way of protest to the collectors of customs and not allowed, and such claims as may hereafter be presented within the period above named, where and when and only when it be found and determined that such duties were collected upon the erroneous interpretation of law passed upon and condemned by the United States Customs Court, first division, in decisions rendered in the cases of George S. Bush & Co., Inc., and others, against United States, and Siemons Lumber Co. against United States, on March 12, 1931, and reported at page 590 in Fifty-ninth Treasury Decisions: *Provided*, That no interest shall be allowed on any of these claims.

SEC. 2. That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to such claimants as have presented or shall hereafter so present their claims, any amount allowed in the determination of any claims so defined and which shall have been presented in accordance with this act.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table, and a similar House bill was laid on the table.

DEPOSIT AND INVESTMENT OF INDIAN FUNDS

The Clerk called the next bill, H. R. 8588, to authorize the deposit and investment of Indian funds.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. NICHOLS. Mr. Speaker, I ask unanimous consent that this bill may go over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

THE FIVE CIVILIZED TRIBES

The Clerk called the next bill, H. R. 8787, to amend section 3 of the act approved May 10, 1928, entitled "An act to extend the period of restriction in lands of certain members of the Five Civilized Tribes, and for other purposes", as amended February 14, 1931.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, I call attention to the fact that among the rules of the House is one known as the Ramseyer rule, which provides that not only must the amendment be set forth but also that the existing law shall be set forth in brackets. This has not been done in this particular case. I have not had time to look up the existing law on the subject, nor do I feel inclined to take the time to delve into it and find out what change is involved. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice to enable the committee to comply with the Ramseyer rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ROGERS of Oklahoma. Mr. Speaker, I ask unanimous consent that I may be allowed to file a supplemental report in connection with this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

LAC DU FLAMBEAU BAND OF CHIPPEWA INDIANS, WISCONSIN

The Clerk called the next bill, H. R. 7225, authorizing a revolving reimbursable fund for the Lac Du Flambeau Band of Chippewa Indians in Wisconsin.

Mr. TABER. Mr. Speaker, reserving the right to object, will the gentleman from Wisconsin explain the bill? Will he tell us who puts up the money?

Mr. GEHRMANN. The money comes out of their own funds. This is provided in the bill. The bill asks that this tribe of Indians be allowed to use the $20,000, it to be reimbursed by either labor or material furnished to the Department. A favorable report accompanies the bill. It was first claimed that enactment of this bill would not be necessary because they had the authority to do this under present law. I have tried to get them to do it, but when they looked for the authority they found it referred only to certain tribes

of Indians and that this tribe of Chippewas was not included. Therefore this authority becomes necessary. There is no objection to the bill so far as I can learn.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized to withdraw from the Treasury of the United States the sum of $20,000, or so much thereof as may be necessary, of the funds on deposit to the credit of the Lac Du Flambeau Band of Chippewa Indians in Wisconsin, for the purpose of establishing a revolving reimbursable fund from which loans may be made to members of the said Lac Du Flambeau Band of Chippewa Indians in Wisconsin, under such rules and regulations as the Secretary of the Interior may prescribe: *Provided*, That all repayments on such loans shall become available for further loans to said Indians until June 30, 1945: *And provided further*, That no expenditure of this fund shall be made by the Secretary of the Interior without the consent of the Lac Du Flambeau Band of Chippewa Indians.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF BANKRUPTCY ACT

The Clerk called the next bill, H. R. 8940, to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, this bill seems somewhat complicated. I do not understand all of its implications. I wish some member of the committee would explain the bill.

Mr. PERKINS. Mr. Speaker, the bill has two main objects. The first object is to prevent rackets under section 77B. At the present time three creditors, if their claims amount to $1,000, may file a petition for reorganization. The first main object of the bill is to provide that three creditors may do this if their claims amount to 5 percent of the total obligations of the debtor.

The second main object of the bill is to take care of a situation disclosed by the committee's investigation. Investigation by the committee disclosed the fact that in some cases the management and also the trustees were paid out of the funds of the company in receivership, making duplicate payments for practically the same work. The second provision of the bill prevents the appointment of trustees except in cases of proved incompetency, mismanagement, or fraud on the part of the management, and authorizes the judge, by the method described in the bill, to ascertain whether the management has been corrupt or incompetent.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. PERKINS. I yield.

Mr. JENKINS of Ohio. When the gentleman speaks of the management of the company, does the gentleman mean the old management?

Mr. PERKINS. Yes; the old management.

Mr. JENKINS of Ohio. In my opinion this should prove to be a pretty good bill. I know of an instance in my own section recently where a perfectly solvent man was thrown into bankruptcy and ruined by a practice of the abuse this bill seeks to correct.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. PERKINS. Yes.

Mr. DONDERO. Could one creditor force a reorganization if he held 5 percent of the claims against the debtor?

Mr. PERKINS. No; it must be three creditors under the act.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. PERKINS. I yield.

Mr. CELLER. The gentleman could very well state that this bill received unanimous support from every member of the Judiciary Committee.

Mr. PERKINS. Yes.

Mr. DIRKSEN. Mr. Speaker, will the gentleman yield?

Mr. PERKINS. Certainly.

Mr. DIRKSEN. I call the gentleman's attention to the language appearing on page 8 of the bill:

That if the debtor is continued in possession, or if the management of the debtor is appointed trustee. * * *

I am wondering whether this language shows unmistakably that if the debtor is continued in possession he must give a bond just the same as an outside person appointed trustee.

Mr. PERKINS. I think the requirement to which the gentleman refers is a part of the present law. The language in the bill does not change that requirement in any respect.

Mr. DIRKSEN. This question came up in the New York courts in the matter of continuing the debtor in possession, in order that he could not dissipate the assets during the time of his possession under court order he must give the bond, for cases had been found where assets of estates actually were dissipated while in possession of the management under the sanction of the court. The judges at that time made the point that if the debtor was to be continued in possession he ought to be required to give bond just as though he were an outsider designated trustee by the court.

Mr. PERKINS. That would require an amendment.

Mr. DIRKSEN. The bond requirement is not affected by the present bill?

Mr. PERKINS. No. I think the court now has the power to require anybody undertaking to handle the estate to give a bond.

Mr. CELLER. I may say to the gentleman there is no doubt the court has the right to demand a bond in all instances, and particularly in the instance mentioned by the gentleman.

Mr. WOLCOTT. Mr. Speaker, I withdraw my reservation of objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subdivision (a) of section 77B of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", as amended, be amended to read as follows:

"SEC. 77B. CORPORATE REORGANIZATIONS.—(a) Any corporation which could become a bankrupt under section 4 of this act, and any railroad or other transportation corporation, except a railroad corporation authorized to file a petition or answer under the provisions of section 77 of this act, and except as hereinafter provided, may file an original petition, or, before adjudication in an involuntary proceeding, an answer, or in any proceeding pending in bankruptcy, whether filed before or after this section becomes effective, provided the present operations of such corporation do not exclude it hereunder, and whether or not the corporation has been adjudicated a bankrupt, a petition stating the requisite jurisdictional facts under this section; the nature of the business of the debtor; in brief description, the assets, liabilities, capital stock, and financial condition of the debtor; if a prior proceeding is pending, the name of the court in which it is pending and the nature of such proceeding; facts showing the need for relief under this section; and that the corporation is insolvent or unable to meet its debts as they mature and that it desires to effect a plan of reorganization. The petition shall be filed with the court in whose territorial jurisdiction the corporation, during the preceding 6 months or the greater portion thereof, has had its principal place of business or its principal assets, or in any territorial jurisdiction in the State in which it was incorporated. The court shall, upon petition, transfer such proceedings to the territorial jurisdiction where the interests of all the parties will be best subserved. The petition or answer shall be accompanied by payment to the clerk of a filing fee of $100, which shall be in addition to the fees required to be collected by the clerk under other sections of this act. Upon the filing of such petition or answer the judge shall enter an order either approving it as properly filed under this section if satisfied that such petition or answer complies with this section and has been filed in good faith, or dismissing it. If the petition or answer is so approved, an order of adjudication in bankruptcy shall not be entered and the court in which such order approving the petition or answer is entered shall, during the pendency of the proceedings under this section, have exclusive jurisdiction of the debtor and its property wherever located for the purposes of this section, and shall have and may exercise all the powers, not inconsistent with this section, which a Federal court would have had it appointed a receiver in equity of the property of the debtor by reason of its inability to pay its debts as they mature. The corporation shall be referred to in the proceedings as a 'debtor'. Any corporation the majority of the capital stock of which having power to vote for the election of directors is owned, either directly or indirectly through an intervening medium, by any debtor, or substantially all of whose properties are operated by such debtor under lease or operating agreement, may file, with the court in which such debtor had filed its petition or answer, and in the same proceeding, a petition stating that it is insolvent or unable to meet its debts as they mature and that it desires to effect a plan of reor-

ganization in connection with, or as a part of, the plan of reorganization of such other debtor; and thereupon such court, if it approves such petition, shall have the same jurisdiction with respect to such corporation, its property, and its creditors and stockholders as the court has with respect to such other debtor. Three or more creditors who have provable claims against any corporation which amount in the aggregate to not less than 5 percent of the total amount of all indebtedness of such corporation as shown by a balance sheet, as of a date within the preceding 12 months, of the corporation or by its latest annual report or by its books and which amount in the aggregate, in excess of the value of secured debts held by them, if any, to $1,000 or over may, if such corporation has not filed a petition or answer under this section, file with the court in which such corporation might file a petition under this section, a petition stating the requisite jurisdictional facts under this section, the nature of the business of such corporation, a general description of its assets, liabilities, capital stock, and financial condition, if a prior proceeding in bankruptcy or equity receivership is pending, the name of the court in which it is pending and the nature of such proceedings, facts showing the need of relief under this section, that such corporation is insolvent or unable to meet its debts as they mature, and if the corporation has not been adjudicated a bankrupt or a receiver of the corporation has not been appointed by any court of competent jurisdiction, that it has committed an act of bankruptcy within 4 months preceding the date of the filing of the petition, and that such creditors propose that it shall effect a reorganization; and such corporation shall, within 10 days after the service of a copy of such petition upon it, answer such petition. If such answer shall admit (a) the jurisdiction of the court, and (b) the material allegations of the petition, the court shall enter an order approving the petition as properly filed under this section if satisfied that it complies with this section and has been filed in good faith, or dismiss it if not so satisfied. If such answer shall deny any material allegation of the petition, the judge shall determine summarily the issues presented by the pleadings, without the intervention of a jury, and if the material allegations of the petition are sustained by the proofs and the court is satisfied that the petition complies with this section and has been filed in good faith it shall approve the petition; otherwise the court shall dismiss the petition; and if any such petition shall be so approved, the proceedings thereon shall continue with like effect as if the corporation had itself filed a petition or answer under this section. In case any such petition or answer or proceedings shall be dismissed in the manner provided in this subdivision (a) or in subdivision (c), clause (8), of this section, the same shall not constitute an act of bankruptcy or an admission of insolvency or be admissible in evidence, without the consent of the debtor, in any proceedings then or thereafter pending or commenced under this act or in any Federal or State court. If three or more creditors who have provable claims which amount in the aggregate in excess of the value of securities held by them, if any, to $1,000 or over, or if stockholders holding 5 percent in number of all shares of stock of any class of the debtor outstanding shall, prior to the hearing provided for in subdivision (c), clause (1), of this section appear and controvert the facts alleged in the petition or answer, the judge shall determine as soon as may be the issues presented by the pleadings, without the intervention of a jury, and unless the material allegations of the petition or answer are sustained by the proofs, the proceedings shall be dismissed."

SEC. 2. Subdivision (c) of section 77B of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", as amended, is amended to read as follows:

"(c) Upon approving the petition or answer or at any time thereafter, the judge, in addition to the jurisdiction and powers elsewhere in this section conferred upon him, (1) may, after hearing upon notice to the debtor and to such others as the judge may determine temporarily continue the debtor in possession or appoint a trustee or trustees of the debtor's estate, and shall require the debtor, or such trustee or trustees, if appointed, to give such notice as the order may direct to creditors and stockholders and to cause publication thereof to be made at least once a week for 2 successive weeks of a hearing to be held within 30 days after such appointment, or, if no such appointment, within 30 days after the approval of the petition or answer, at which hearing or any adjournment thereof, or at any subsequent hearing after notice, the judge may make permanent any such appointment, or terminate it and restore the debtor to possession, or, if no trustee has been appointed, may appoint a trustee or trustees, and may remove any such trustee or trustees and continue the debtor in possession or appoint a substitute trustee or trustees and may appoint an additional trustee or trustees: *Provided, however,* That no trustee shall be appointed or continued, except in cases of proved incompetency, mismanagement, or fraud on the part of the management of the debtor; and in determining whether or not there has been such incompetency, mismanagement, or fraud, the judge may employ auditors and accountants at the expense of the estate; and appeals, as in equity cases, may be taken as a matter of right, and as to matters of both law and fact, to the circuit courts of appeals and to the United States Court of Appeals for the District of Columbia, from orders appointing a trustee, within 30 days after the entry of the order and shall be heard summarily, and if notice of intention of taking an appeal is given to the judge at the time of the entry of the order, the order shall be stayed pending the determination of the appeal: *And provided further,* That if the debtor is continued in possession, or if the management of the debtor is appointed trustee, no compensation shall be allowed the management as trustee in addition to the compensation of the management as salary, which salary shall not be in an amount greater than the salary of which the management was in receipt at the time of the approval of the petition or answer; (2) shall fix the amount of the bond of every such trustee, and every such trustee, upon filing such bond, shall have all the title and shall exercise, subject to the control of the judge and consistently with the provisions of this section, all the powers of a trustee appointed pursuant to section 44 of this act, and if authorized by the judge, the same powers as those exercised by a receiver in equity to the extent consistent with this section, and, subject to the authorization and control of the judge, the power to operate the business of the debtor during such period, fixed or indefinite, as the judge may from time to time prescribe; (3) may, for cause shown, authorize the debtor or the trustee or trustees, if appointed, to issue certificates for cash, property, or other consideration approved by the judge for such lawful purposes, and upon such terms and conditions and with such security and such priority in payments over existing obligations, secured or unsecured, as may be lawful in the particular case; (4) shall require the debtor, or the trustee or trustees if appointed, at such time or times as the judge may direct, and in lieu of the schedules required by section 7 of this act, to file such schedules and submit such other information as may be necessary to disclose the conduct of the debtor's affairs and the fairness of any proposed plan; and may direct the debtor, or the trustee or trustees if appointed, to prepare (a) a list of all known bondholders and creditors of, or claimants against, the debtor or its property, and the amounts and character of their debts, claims, and securities, and the last known post-office address or place of business of each creditor or claimant, and (b) a list of the stockholders of each class of the debtor, with the last known post-office address or place of business of each, which lists shall be open to the inspection of any creditor or stockholder of the debtor, during reasonable business hours, upon application to the debtor, or to the trustee or trustees, if appointed, and the contents of such lists shall not constitute admissions by the debtor or the trustees in a proceeding under this section or otherwise; (5) may direct the rejection of contracts of the debtor executory in whole or in part; (6) shall determine a reasonable time within which the claims and interests of creditors and stockholders may be filed or evidenced and after which no such claim or interest may participate in any plan, except on order for cause shown, the manner in which such claims and interest may be filed or evidenced and allowed, and, for the purposes of the plan and its acceptance, the division of creditors and stockholders into classes according to the nature of their respective claims and interests; and may, for the purposes of such classification, classify as an unsecured claim, the amount of any secured claim in excess of the value of the security therefor, such value to be determined in accordance with the provisions of section 57, clause (h), of this act; (7) shall cause reasonable notice of such determination and of all hearings for the consideration of any proposed plan, or of the dismissal of the proceedings, or the liquidation of the estate, or the allowance of fees or expenses, to be given creditors and stockholders by publication or otherwise; (8) if a plan of reorganization is not proposed or accepted within such reasonable period as the judge may fix, or, if proposed and accepted, is not confirmed, may, after hearing, whether the proceeding be voluntary or involuntary, either extend such period or dismiss the proceeding under this section or, except in the case of a railroad or other public utility or of a debtor which has not been found by the judge to be insolvent, direct the estate to be liquidated, or direct the trustee or trustees to liquidate the estate, appointing a trustee or trustees if none shall previously have been appointed, as the interests of the creditors and stockholders may equitably require; (9) may allow a reasonable compensation for the services rendered and reimbursement for the actual and necessary expenses incurred in connection with the proceeding and the plan by officers, parties in interest, depositaries, reorganization managers and committees or other representatives of creditors or stockholders, and the attorneys or agents of any of the foregoing and of the debtor, but appeals from orders fixing such allowances may be taken to the Circuit Court of Appeals independently of other appeals in the proceeding and shall be heard summarily; (10) in addition to the provisions of section 11 of this act for the staying of pending suits against the debtor, may enjoin or stay the commencement or continuation of suits against the debtor until after final decree; and may, upon notice and for cause shown, enjoin or stay the commencement or continuance of any judicial proceeding to enforce any lien upon the estate until after final decree; and (11) may refer any matters to a special master, who may be one of the referees in bankruptcy, for consideration and report, either generally or upon specified issues, and allow such master a reasonable compensation and reimbursement for his services and actual and necessary expenses. The debtor shall have the right to be heard on all questions. Any creditor or stockholder shall have the right to be heard on the question of the permanent appointment of any trustee or trustees, and on the proposed confirmation of any reorganization plan, and upon filing a petition for leave to intervene, on such other questions arising in the proceeding as the judge shall determine. In case a trustee is not appointed, the debtor shall continue in the possession of its property, and, if authorized by the judge, shall operate the business thereof during such period, fixed or indefinite, as the judges may from time to time prescribe, and shall have all the title to and shall exercise, consistently with the provisions of this

section, all the powers of a trustee appointed pursuant to this section, subject at all times to the control of the judge, and to such limitations, restrictions, terms, and conditions as the judge may from time to time impose and prescribe. While the debtor is in possession (a) its officers shall be entitled to receive only such reasonable compensation as the judge shall from time to time approve, and (b) no person shall be elected or appointed to any office, to fill a vacancy or otherwise, without the prior approval of the judge."

With the following committee amendments:

Page 4, line 23, strike out the words "in brief description" and insert in lieu thereof "a general description of."

Page 7, line 22, strike out all of the language after the word "however" down to and including the word "further", line 12, page 8.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EMPLOYMENT OF SKILLED SHORTHAND REPORTERS IN EXECUTIVE BRANCH OF THE GOVERNMENT

The Clerk called the next bill, H. R. 4886, providing for the employment of skilled shorthand reporters in the Executive branch of the Government.

Mr. EAGLE. Mr. Speaker, I ask unanimous consent that this bill be passed over temporarily without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

BOARD OF SHORTHAND REPORTING

The Clerk called the next bill, H. R. 4887, to create a Board of Shorthand Reporting, and for other purposes.

Mr. EAGLE. Mr. Speaker, I ask unanimous consent that this bill be passed over temporarily without prejudice.

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, the gentleman asks that this bill be passed over temporarily. Does he intend to call it up for consideration later in the day?

Mr. EAGLE. Yes.

Mr. JENKINS of Ohio. We have not been following that practice unless there was some special reason. I will not object, because I know how fair and sincere the gentleman is and has been in times gone by. However, we never indulge in that practice. Has the gentleman some special reason for making the request?

Mr. EAGLE. I do not see any reason why I should not have a few minutes to confer with one gentleman on the Republican side who is almost in agreement with me in reference to this matter.

Mr. JENKINS of Ohio. The gentleman understands that if we adopt the practice of going back in connection with the consideration of these bills we would never know where we were, and Members on the floor would never know when their bills are coming up for consideration.

Mr. EAGLE. Nobody ever knows anyhow.

Mr. JENKINS of Ohio. In view of the gentleman's good nature, I withdraw my objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

EXTENDING CLASSIFIED CIVIL SERVICE TO POSTMASTERS OF THE FIRST, SECOND, AND THIRD CLASSES

The Clerk called the next bill, H. R. 3251, extending the classified civil service to include postmasters of the first, second, and third classes, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. RANSLEY. Mr. Speaker, I object.

Mr. MEAD. Will the gentleman withhold his objection to permit a brief observation?

Mr. RANSLEY. Mr. Speaker, I withhold my objection for the time being.

Mr. MEAD. Mr. Speaker, I may say to the Members of the House, in connection with what I said a few minutes ago, that this measure will place all the postmasters of the country, including the first, second, and third classes, squarely under the civil service. Any fault that might have been directed at the previous bill certainly cannot be directed to this bill, and if there was any fault to find with that measure it could be corrected by the passage of this bill.

The President of the United States recommends this bill. Mr. Farley, the Postmaster General, recommends this bill. Senator O'MAHONEY and I introduced the original bill, which was approved by the Post Office Department and sent to us. The present Civil Service Commission recommends the bill, and the House Committee on the Civil Service, to which the bill was referred, has also recommended it.

I may say that this puts the present Democratic administration squarely and affirmatively in favor of the civil service, so far as first-, second-, and third-class postmasters are concerned. It is in keeping with the historic traditions of our party, because civil service in the post office came into being under President Cleveland, when the city clerks and carriers were put under the civil service. Prior to that time they were appointed by political leaders and Representatives in Congress, and it was more necessary that they carry their precincts than that they carry the mail.

Under President Cleveland the civil service was extended to clerks and carriers. Under President Roosevelt the fourth-class postmasters in seven States were blanketed into the civil service. That was just before he retired from office. Under President Taft the fourth-class postmasters in the remaining States were blanketed under the civil service before he retired from office. But under President Woodrow Wilson all fourth-class postmasters of America were placed affirmatively under the civil service, where they have been ever since. Also under President Wilson the first-, second-, and third-class postmasters were placed under the civil service, and it was required that the top man on the list be given the appointment. The Executive order of President Wilson was weakened under President Harding, who in an Executive order allowed the politicians or the Congressmen to pick the first, second, or third man. This practice is in vogue today.

The adoption of this bill at the present time will give to the country a personnel in the Post Office Department more efficient than it has ever been in the past. I want to leave just one thought for the RECORD. The Democratic administration favors this bill, and it is in keeping with the traditions of our party. It is the one party that is friendly to the civil service. Now the gentleman may object. But I am in hopes we can all agree on a bill of this kind before very long.

Mr. RANSLEY. Mr. Speaker, I renew my objection.

RETIREMENT OF EMPLOYEES IN THE CLASSIFIED CIVIL SERVICE

The Clerk called the next bill, H. R. 3044, to amend the act of May 29, 1930 (46 Stat. 349), for retirement of employees in the classified civil service and in certain positions in the legislative branch of the Government, to include all other employees in the legislative branch.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. COSTELLO. Mr. Speaker, reserving the right to object, may we have an explanation of this bill?

Mr. RAMSPECK. Mr. Speaker, this bill is not a mandatory proposition. It permits those who may elect to do so to come under the provisions of the present retirement act.

Mr. COSTELLO. Is not the difficulty with this legislation that there is being created a special group who are allowed to say whether they should or should not come under the retirement act? A precedent is being created thereby, and as a result if this bill does pass we are going to have other groups come in and ask that similar privileges be granted to them. We will ultimately not be able to say who may be included in the retirement act and who may not be included.

Mr. RAMSPECK. I may say to the gentleman that I think the difference between this group of employees and others to whom reference is made is that there is not a permanent tenure of office involved. That is the reason why the committee felt they could make an exception and make it optional in the case of legislative employees.

There are a few people serving on the Hill here who have been here for many, many years who would benefit by this

legislation. They have served from time to time different Members of Congress as secretary, and they would like to take advantage of the retirement act. This bill was put in this form after consultation with the Clerk of the House and other officials who have approved the form of the bill. It is purely optional and does not entail any hardship on anybody, but if an employee has been here long enough to receive any benefit under the bill by paying up the back deductions and continuing to pay as long as he may serve, he can take advantage of the legislation and can leave here with some income for the remainder of his life, which he cannot do under present circumstances.

Mr. COSTELLO. Is it not a fact that the Civil Service Commission has not approved this proposed legislation?

Mr. RAMSPECK. I understand that is true. They would rather make it mandatory, but we cannot always follow the advice of the administrative body. We have to do a little legislating ourselves.

Mr. COSTELLO. Is it not also a fact that it would be rather difficult to determine what the Government's liability will be under this act?

Mr. RAMSPECK. Not at all, because under the bill they have to make the election within 6 months, and if they do not elect to come under the bill within that time, they cannot come in later.

Mr. COCHRAN. If the gentleman will permit, I may say to the gentleman from California that I came here over 25 years ago. I came here first as an employee. There are men and women here today who were working here when I came. You have men working in your Appropriations Committee today that it will be mighty hard for you ever to replace, and some of these men are serving at a financial sacrifice to themselves. They are getting along in years, and they have just as much right to receive recognition as a civil-service employee who is working uptown. You are now denying this right to the people who work in the legislative branch that you are extending to those working in the executive and judicial branches. It is only fair that you be just to the employees of the legislative branch of the Government by granting them this privilege, and, of course, the gentleman understands that it is optional whether they shall come under the retirement fund or not.

Mr. COSTELLO. If you are going to include the employees of the legislative branch, should you not make it mandatory for them all to come in rather than leave it optional with them to elect whether they shall come in or be left out.

Mr. COCHRAN. I think it would be far better if you left it optional, and if they do not want to come in it is their loss, but if they desire to come in, it seems to me they should have the opportunity to do so.

Mr. COSTELLO. If you are going to grant this privilege to one class, you are going to have to grant it to other classes; in other words, similar bills will be brought in for employees in other branches of the Government giving them the right to choose whether they shall come in under the retirement law or not, and when you do that you are going to destroy the entire effect of your retirement legislation.

Mr. COCHRAN. Would the gentleman want to deny to the employees of the legislative branch of the Government the same right he extends to the employees of the executive and judicial branches? I cannot see how the gentleman can take such a view of the matter.

Mr. COSTELLO. I am not questioning the right to extend this to the legislative branch, but I am questioning your making it optional for them to choose whether they shall come in or not; in other words, each individual employee of the legislative branch under this bill is allowed personally to elect whether he shall come under the provisions of the legislation, which is a right that is not granted to any other group of employees now entitled to civil-service retirement privileges, and this is due to the fact that a number of them only come here for 4 or 5 months.

Mr. RAMSPECK. I may call the gentleman's attention to the fact that section 2 of the bill provides that the election must be made, in the case of an employee now on the roll, within 6 months after the act is passed, and in the case of new employees, within 6 months from the date of their employment. Once they have made their election, they cannot change it. I think the reason and the logic for this provision is that we have a lot of employees here who are purely temporary employees—a Member brings them here and keeps them for, perhaps, a year and then lets them go and replaces them—and we thought it would be better to let it be optional and those who are permanent employees and who stay here as long as the Member stays can come under the act and get the benefits of it; but we would not have a lot of people who are here just for a year included in the system. I do not think the committee would ever give this option to any regular branch of the Government where there is permanent employment.

Mr. COSTELLO. Does not the gentleman think that pressure will be brought upon the committee to bring out legislation of this sort in favor of other employees of the Government?

Mr. RAMSPECK. I do not think so, because the employees generally want a permanent system.

Mrs. KAHN. Mr. Speaker, will the gentleman yield?

Mr. COSTELLO. I yield to the gentlelady from California.

Mrs. KAHN. I do not think this would be much of a burden on the Government, because, as I understand it, they pay into the Treasury as from 1921 a certain percentage of what they have received, just as though they had come in under the act when it was passed in 1921.

Mr. DONDERO. If the gentleman will yield, so that I may ask the author of the bill a question: How much would it cost the Government of the United States to pay its share to the fund to cover the people brought within the scope of the bill?

Mr. RAMSPECK. It would depend upon the length of service of the employee when he retired, and it would cost exactly the same in this case as in the case of other employees now under the Retirement Act.

Mr. DONDERO. Has any estimate been made of what it might cost the Government to provide the money for these employees if they choose to come under the bill?

Mr. RAMSPECK. There is no way to tell how many would choose to come under the bill.

Mr. MEAD. If the gentleman will yield, I believe the employee who elects to come under the bill pays the same percentage as any other employee now under the retirement fund. Actuarially the bill is sound, and I think it should be passed.

Mr. DONDERO. I am in sympathy with the purpose of the bill.

Mr. MEAD. I think the employees here should be given this recognition.

Mr. RAMSPECK. I hope the gentleman from California will not object. This bill has been under consideration for a number of years.

Mr. FADDIS. Mr. Speaker, reserving the right to object, it seems to me this is another effort of the civil service to reach out and grab more power, and after a while they will be asking for power to appoint a Congressman's secretary for him.

Mr. COSTELLO. Mr. Speaker, I renew my objection.

The SPEAKER. Objection is heard.

MARRIED PERSONS IN THE GOVERNMENT SERVICE

The Clerk called the bill (H. R. 5051) to amend the Civil Service Act approved January 16, 1883 (22 Stat. 403), and for other purposes.

The SPEAKER. Is there objection?

Mr. COCHRAN. Reserving the right to object, the title of this bill is very misleading. The bill seeks to amend the married woman's clause in the Economy Act. By reading the title a Member would not see that. I want to say, Mr. Speaker, that I am opposed to taking that clause out; on the contrary, I would put teeth in it. I object to the bill.

Mr. CELLER. Will the gentleman withhold his objection that I may explain the nature of the bill?

Mr. COCHRAN. I will withhold the objection and let the gentleman explain how he originated and introduced a bill that came to the committee of which I am chairman. I asked the gentleman if he wanted a hearing, and he said he did not. In about 4 months he rewrites the bill, and it goes to another committee that has jurisdiction over civil-service legislation. They had a hearing, and people who came before the committee insulted the employees of the Government. I will reserve the objection, but I am going to have a roll call on this bill if you ever attempt to pass it.

Mr. CELLER. Mr. Speaker, I respectfully take exception to the gentleman's remarks. I care nothing about his threats for a roll call.

I want to address myself to the merits of this bill. I have the highest regard for the gentleman's opinion, but I do think his remarks are uncalled for with reference to the discussion of this bill. Let us stick to the bill and not to personal differences. His statement about the hearing upon the bill and some witnesses allegedly insulting civil-service employees is utterly ridiculous. Since when is he the self-styled custodian for benefits for the civil-service employees?

All the bill does is to attempt to take out the provision in the economy bill, which was temporary, a restriction which provided that if there were two spouses in a family employed by the Government one would have to resign.

Mr. COCHRAN. Oh, the gentleman is wrong. The meaning of the provision adopted in the economy law was if there were a reduction, a man or woman, where both husband and wife are employed by the Government, were to be furloughed before an employee was discharged whose wife or husband was not employed by the Government.

Mr. CELLER. I differ with the gentleman. Let him acquaint himself with the facts before he speaks. My original bill provided that the marital restriction should be repealed. The fundamental principles of civil service are guaranteed tenure of office, fitness, and merit. Such extraneous condition as marriage has not the remotest connection to fitness and qualification of the employee. My original bill—H. R. 9240, Seventy-third Congress, second session—read as follows:

A bill repealing section 213 of the Legislative Appropriation Act for the fiscal year ending June 30, 1933, relating to the dismissal and appointment of married persons

Be it enacted, etc., That section 213 of the Legislative Appropriation Act for the fiscal year ending June 30, 1933, is repealed.

I then changed it at the suggestion of the many organizations interested in it as follows:

Be it enacted, etc., That an act entitled "An act to regulate and improve the civil service of the United States" (act of Jan. 16, 1883, 22 Stat. 403), is hereby amended by adding at the end of the sixth paragraph of section 2 of the act a new paragraph, as follows:

"And no person shall be discriminated against in any case because of his or her marital status in examination, appointment, reappointment, reinstatement, reemployment, promotion, transfer, retransfer, demotion, removal, or retirement. All acts or parts of acts inconsistent herewith are hereby repealed."

It became H. R. 5051, introduced January 30, 1935.

The Civil Service Committee further amended my bill by substituting the following:

That section 213 of the act of June 30, 1932 (47 Stat. 406), is hereby repealed.

SEC. 2. Section 9 of the Civil Service Act of January 16, 1883 (22 Stat. 403), is amended by the insertion of a semicolon and the following proviso after the word "grades", which concludes the present section:

"*Provided*, That no original appointment to one of said grades may hereafter be approved in any case where the combined salaries of the members of a family after such appointment would equal or exceed $4,000."

I am not totally satisfied. But a half a loaf is better than none at all. I accept this substitute and hope it will pass.

Of course the gentleman from Missouri may object on this Consent Calendar call, but I warn him the bill will pass later in the session.

This particular act, the Economy Act, of which I speak, has caused a great deal of discrimination, and it is falling heaviest upon the low-salaried employees. I shall put into the RECORD the tremendous number of low-salaried employees who have been affected. It does not affect those who are especially fit, who are the so-called experts. In truth and in fact some of the heads of the various bureaus refuse to carry into effect the Economy Act, particularly section 213, because they need these people in the service. It may be that a man or his wife have been long in the service and the service cannot well get along without their expertness. The act does not apply to the unclassified service. There are probably 150,000 employees in the unclassified service, where these discriminations do not apply. Why? Furthermore, how many men in this Chamber have their wives on the pay roll? Why should not the act apply to the members of the legislative branch just as well? It does not. If we are going to be fair about it, let us go the entire length and say that no man's wife or daughter or son shall be on the pay roll in this Chamber. Many men would not go forward with that project. If one is sound, the other is sound.

Mr. COCHRAN. I say to the gentleman that such a bill is pending, and I shall vote for it.

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield?

Mr. CELLER. Yes.

Mr. O'MALLEY. Why does not the married-person clause apply to the other divisions?

Mr. CELLER. Because section 213 of the Economy Act in this particular section simply provided that this discrimination should apply only to those in the classified service. Therefore, it does not apply to those in the unclassified service. It does not apply to all these alphabetical bureaus, these emergency bureaus.

Mr. O'MALLEY. Then it ought to apply there.

Mr. CELLER. It applies to some of them. It should apply to no service. Marriage should never be a bar.

Mr. O'MALLEY. It ought to apply to every branch of the Government service. It ought to apply not only to the classified service but to the unclassified.

Mr. RICH. And when the alphabetical organizations were formed by the Democratic Party they ought to have put that clause into effect.

If we allow such an extraneous condition as marriage to be a test for retention in the civil service, some will conjure up as an additional condition, race, color, religion, or nationality. Section 213 is but an entering wedge. We will develop real and cruel discriminations against marriage even when the other spouse is employed outside of Government service.

Many hardships have been inflicted by this section. Pension and retirement rights have been destroyed when either spouse had to retire from the service. I am informed, but have not investigated the fact, that numerous couples are on the pay rolls and are actually living together as man and wife but refuse marriage because of the ban of section 213.

Many important organizations are in favor of this bill. Amongst them are the National League of Women Voters, the American Federation of Teachers, the Medical Women's National Association, the National Education Association, the National Federation of Business and Professional Women's Clubs, and the National Women's Trade Union League, as well as many other national organizations of note and consequence.

The application of the so-called section 213, according to one personnel officer has operated at times to defeat the purpose of reduction, in that it left on the administrative roles the person whose services were not required further, and at the same time took from another branch of service the spouse whose services may have been in demand.

Some establishments took the view that regardless of their employees' status they were emergency agencies and need not consider their employees subject to section 213.

There were 685,975 employees in the service of the Federal Government in the District of Columbia as of December 31, 1934. Of this vast number only 1,603 employees are reported to have been separated from these services through the application of section 213. Many of these 1,603 jobs were declared unnecessary or surplus. No others filled them. There was not the slightest dent made into unemployment.

It has been argued that the application of this section will create many new jobs. It is discernible that that argument is ridiculous.

This is highly important: Information gathered proves that only 6 percent of the separations occurred amongst employees earning $2,500 per annum, whereas over 80 percent of dismissals occurred amongst employees who earned less than $2,000 per annum.

This preponderance of separations from the service occurring in the lower-paid groups is explained by the fact that personnel officers desire to retain for the efficient conduct of Government business those employees who occupy executive and administrative positions requiring a high degree of skill and experience, so that whatever reductions under the act are necessary are made, as far as possible, from the classes of employees, such as stenographers and clerks, where the work of any one person may be easily done by a substitute without a great amount of experience on the job.

The SPEAKER pro tempore. Is there objection?

Mr. COCHRAN. Mr. Speaker, I object.

CONSTRUCTION OF BUILDINGS FOR POST-OFFICE STATIONS, ETC.

The Clerk called the bill (H. R. 4672) to provide for the purchase or construction of buildings for post-office stations, branches, and garages, and for other purposes.

The SPEAKER pro tempore. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I reserve the right to object, and I am constrained to object because the Ramseyer rule has not been followed in the report. Inasmuch as we have no present knowledge of existing law, I ask unanimous consent that the bill go over without prejudice to enable the committee to file a supplementary report.

Mr. MEAD. Mr. Speaker, will the gentleman withhold his objection for a moment?

Mr. WOLCOTT. Yes.

Mr. MEAD. Mr. Speaker, this bill came from the Committee on Public Buildings and Grounds, and perhaps I should have furnished them with that information. It is not necessary that the bill should be hurriedly passed, but in my judgment it is necessary that we pass such a bill before the present emergency appropriations used for the construction of garages and substations become exhausted. If the Department has this authority, we find that in negotiating leases for annexes, garages, or postal substations they can obtain more reasonable rates than if the Government has not the authority to construct such buildings of its own. The originator of this idea was the late Representative Hon. Clyde Kelly, of Pennsylvania. He introduced such a bill in the House. When the bill reached the Senate it was made the subject of an investigation by Senator Blaine. In concluding his investigation, the Senate committee recommended this legislation. Eventually we hope to have permanent legislation that will permit the Post Office to construct substations, garages, and annexes, because it will be a great saving to the Department.

Mr. WOLCOTT. I might have no objection to the bill after studying it.

Mr. RICH. The statement in reference to the great saving to the Department may be all right, and after the Government constructs a building, the Post Office Department gets the building rent free, but it will cost the taxpayers a lot more money to rent such a building from individuals. If the gentleman makes an investigation he will find that that is the case. If you are going to protect the taxpayers of the country, the bill should not become a law.

Mr. MEAD. Both the House committee, with the assistance of the Honorable Clyde Kelly, who sponsored the original measure, and the Senate, under the guidance of Senator Blaine, who conducted a special investigation, came to the conclusion that having this authority, whether it is exercised or not, would result in a saving. In a number of instances we were paying for leased buildings every 5 years. We were paying for a leased building in Chicago every 5 years, and then had nothing but a lease to renew. In my judgment the Government was mulcted out of millions of dollars by racketeering leaseholders, who will be legislated out of office by this bill.

Mr. RICH. Will the gentleman yield?

Mr. MEAD. I yield.

Mr. RICH. The gentleman will find that because of the fact that buildings can be rented in particular towns for much less money, every time we build a post-office building in that particular locality it will cost three or four or five hundred percent more to the taxpayers of this country than it does to rent such buildings.

Mr. MEAD. I shall not find that, and it is not the record so far as substations, garages, and postal annexes are concerned.

Mr. RICH. It is in the report of the Post Office Department.

Mr. WOLCOTT. I think I can agree with the gentleman from Pennsylvania [Mr. RICH] in some respects.

Mr. MEAD. It is difficult to agree with him in every respect, I will say to the gentleman.

Mr. WOLCOTT. As I understand, this does not prohibit the Department from entering into a lease, even though they find they can get a better bargain than by building a building.

Mr. MEAD. That is correct. They have both authorities. Having both authorities, they may build if a saving is effected.

Mr. WOLCOTT. Mr. Speaker, I renew my request that this bill be passed over.

Mr. MILLARD. Reserving the right to object, this bill originally contained the power to purchase. Has that been stricken out?

Mr. MEAD. The legislation originally intended to purchase abandoned bank buildings, but there was objection to that from the Treasury and the Post Office and it was taken out. There are many meritorious cases existing all over the country, and I favored such a bill.

Mr. MILLARD. That is quite correct. I have one in my own district.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT]?

There was no objection.

LANDS IN MOHAVE, ARIZ., FOR PARK AND RECREATIONAL PURPOSES

The Clerk called the next bill, H. R. 8172, to authorize the sale by the United States to the county of Mohave, Ariz., of all public lands in sections 20, 28, and 30, township 20 north, range 15 west, Gila and Salt River meridian, for park, recreational, and other municipal purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Reserving the right to object, will the lady from Arizona explain the specific nature of this bill and why it is necessary that it should be passed by the Congress?

Mrs. GREENWAY. Because the county of Mohave wishes to develop up in the mountains, nearby their principal town, Kingman, a recreational area, and the Arizona laws do not permit them to spend county money on Federal-owned lands. They already own a parcel of land adjoining this. The Department has approved this bill and if it is passed it will enable the county to develop a recreational area in the mountains where it is cool, nearby their town.

Mr. WOLCOTT. As I understand it, there is no expense involved as far as the Federal Government is concerned? It is simply deeding this property to the county for recreational purposes?

Mrs. GREENWAY. Transferring it, and the expense involved will be a survey expense, to be paid by the county of Mohave.

Mr. WOLCOTT. Is it the intention of the lady from Arizona that if the land for any purpose is not for that purpose, it will revert to the Federal Government?

Mrs. GREENWAY. The bill so provides.

Mr. DONDERO. May I ask the lady a question?

Mrs. GREENWAY. I yield.

Mr. DONDERO. Is this land of any particular value to the United States Government at the present time?

Mrs. GREENWAY. It is public domain at the present time, and the only value it has is in connection with some

mining claims, which hold their present status under this bill, as recommended by the Department of the Interior.

Mr. DONDERO. And they will not be relinquished?

Mrs. GREENWAY. They will not.

Mr. JENKINS of Ohio. Further reserving the right to object, I notice the Secretary of the Interior has made an adverse report in regard to this bill. When the lady was here a while ago asking me about it, I agreed I would not object, but I am afraid that I must object.

Mrs. GREENWAY. Will the gentleman allow me to explain?

Mr. JENKINS of Ohio. Yes; I shall be glad to have the lady explain it.

Mrs. GREENWAY. The Secretary of the Interior made an adverse report because he said he would prefer to have this accomplished by the larger bill, S. 738, which has not yet come before the Senate. However, a companion bill to that Senate bill was introduced in the House, H. R. 6594, and that bill was objected to. In other words, what this little bill accomplishes for one county would, in the bill which the Secretary recommended, be accomplished for the whole United States.

Mr. JENKINS of Ohio. It strikes me that the lady's argument is against her case.

Mrs. GREENWAY. It is not, if the gentleman will listen attentively.

Mr. JENKINS of Ohio. If the bill has been before this House and objected to, involving the same thing as the Secretary of the Interior wishes to be objected to, then it strikes me that his objection would be stronger. It would have the additional strength of having been sanctioned by the House.

Mrs. GREENWAY. May I say this? I think the bill was properly objected to because it was a major bill pertaining to the whole United States, all recreational areas, and was up for consideration on the Consent Calendar. This is a very small bill, having to do with one county, and our State laws. Our State laws do not allow this county to spend money on land that is owned by the Federal Government. This acreage simply is supplementary to the land already owned by the county.

Mr. JENKINS of Ohio. Does the gentlewoman wish to assure the House that if this bill were presented to the Secretary of the Interior by itself he would have no objection to it?

Mrs. GREENWAY. He already has approved the principle of developing such areas for recreational purposes in his report on S. 738, and my interpretation of his disapproval of this local bill is that he feels it unnecessary and that the matter could be handled under the broader bills, S. 738 and H. R. 6594, if and when they are enacted into law.

Mr. RICH. Will the gentlewoman yield?

Mrs. GREENWAY. I yield.

Mr. RICH. I am afraid that the Secretary of the Interior is desirous of keeping all the land in this country in the hands of the Interior Department. I think it is a fine thing if we can turn some of this land back to the States and let them have the benefit of it. I think we should permit this bill to go through.

Mr. JENKINS of Ohio. I will withdraw my reservation of objection, Mr. Speaker, with the assurance that the bill, when passed, will not be objectionable to the Secretary of the Interior.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to patent to the county of Mohave, Ariz., upon payment by such county of a purchase price of $1, and upon further payment by such county of any expense or fee of any segregational surveys as may be necessary, all the land in sections 20, 28, and 30, township 20 north, range 15 west, Gila and Salt River meridian, the ownership of which rests in the United States, and subject to all existing and valid rights of every description that may have been filed and established thereon, for the purpose of enabling such county to establish a permanent park and recreational site and for such similar and related municipal purposes. Such conveyance shall contain the express condition that if such county shall at any time cease to use such property for such purposes, or shall alienate or attempt to alienate such property, title thereto shall revert to the United States.

With the following committee amendments:

Page 1, line 5, after the word "upon", strike out "payment by such county of a purchase price of $1, and upon further"; page 2, line 5, strike out the word "permanent" and insert the word "public"; page 2, line 11, after the word "States", insert "and further that all mineral rights shall be reserved to the United States."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read as follows: "A bill to authorize the transfer by the United States to the county of Mohave, Ariz., of all public lands in sections 20, 28, and 30, township 20 north, range 15 west, Gila and Salt River meridian, for public park, recreational, and other municipal purposes."

AMENDMENT OF PUBLIC ACT NO. 435, SEVENTY-SECOND CONGRESS

The Clerk called House Joint Resolution 215, to amend Public Act No. 435, Seventy-second Congress.

There being no objection, the Clerk read the bill, as follows:

Resolved, etc., That the last proviso in that Public Act No. 435 of the Seventy-second Congress entitled "An act to authorize the Secretary of the Interior to modify the terms of existing contracts for the sale of timber on Indian land when it is in the interest of the Indians so to do", as amended, be, and the same hereby is, amended to read as follows: "*And provided further*, That the authority granted herein shall terminate on the 4th day of September 1935."

With the following committee amendment:

Strike all after the word "of" in line 10, page 1, and insert in lieu thereof the following: "March 1936."

Add a new proviso at the end of the bill as follows:

": *Provided further*, That all such modified contracts shall have the approval of the tribal general council for tribal lands and of the allottee for allotted lands."

The committee amendment was agreed to.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS MISSOURI RIVER, ARROW ROCK, MO.

The Clerk called the next bill, H. R. 8644, granting the consent of Congress to J. L. Jones, Tyre W. Burton, and H. R. Turley, trustees, to construct, maintain, and operate a toll bridge across the Missouri River at or near Arrow Rock, Mo.

Mr. COSTELLO. Mr. Speaker, I object, in view of the fact that this is to be a private toll bridge.

BRIDGE ACROSS COLUMBIA RIVER AT ASTORIA, OREG.

The Clerk called the next bill, H. R. 8770, to extend the times for commencing and completing the construction of a bridge across the Columbia River at Astoria, Clatsop County, Oreg.

Mr. MOTT. Mr. Speaker, I ask unanimous consent that an identical Senate bill (S. 3245) be substituted for the House bill.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Columbia River at Astoria, Clatsop County, Oreg., authorized to be built by the Oregon-Washington Bridge Board of Trustees by an act of Congress approved June 13, 1934, are hereby extended 1 and 3 years, respectively, from June 13, 1935.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. MOTT. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MOTT: Page 1, line 8, after the words "June 13", strike out "1935" and insert in lieu thereof "1936."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider and a similar House bill (H. R. 8770) were laid on the table.

NEUTRALITY

Mr. CASEY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks by inserting in the RECORD a radio speech by my colleague the gentleman from Massachusetts [Mr. HEALEY].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CASEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address of Hon. ARTHUR D. HEALEY, from station WRC, National Broadcasting Co., January 17, 1936:

Ladies and gentlemen of the radio audience, in addition to the many complex domestic problems before the Congress today we are faced with the acute problem of our foreign policy, caused by the strained conditions existing in Europe.

War clouds are hovering ominously over all of Europe, and the present conflict may well envelop world powers in another deadly struggle.

American sentiment, cognizant of that contingency and desirous of avoiding any of the pitfalls which drew us into the last World War, is overwhelmingly opposed to any entanglements which may serve to involve us in such a conflict. It is incumbent upon this Congress to reenact neutrality legislation which will meet the views of the American people and will effectively preserve our peace and security.

It would be impossible in the time allotted to me to comprehensively discuss such an important subject. I shall therefore restrict myself to a few aspects of the problem which I believe to be of paramount importance and, in view of existing conditions, are of widespread interest today.

There is now in force neutrality legislation which will expire next month. Briefly, this legislation has placed an embargo on the shipment of arms, ammunition, and implements of war to belligerent nations. It also provides for the licensing and supervision of munitions makers and that, upon proclamation by the President, persons traveling on ships of belligerent nations or dealing in trade or commerce with belligerent nations shall do so at their own risk and without the protection of the United States flag.

During the last session of Congress, at the time when the neutrality legislation was under consideration, there were proposals to include in the embargoes certain articles or materials used in the manufacture of arms, ammunition, or implements of war or in the conduct of war—and also loans and credits to countries engaged in war. However, these proposals were not included in the neutrality legislation finally enacted.

Now, in the interim between the adjournment of the last session of Congress and the convening of the second session there have been a number of bills introduced by various Members of Congress which seek to amplify the provisions of our neutrality legislation by the inclusion of materials, commodities, loans, and credits.

One of these bills has been introduced by Mr. MCREYNOLDS, chairman of the House Committee on Foreign Affairs, and another by Senator PITTMAN, Chairman of the Senate Committee. Both of these bills are now being considered in the respective committees of the House and Senate.

Realizing the seriousness and importance of this legislation, both the House and Senate committees are having protracted hearings and are calling before them recognized experts in international affairs and international law, as well as many Members of Congress who have devoted study to this very perplexing problem.

In the brief time allotted to me I propose to discuss section 4 of the McReynolds bill, which is generally recognized as the House administration bill on neutrality. Briefly, it provides that after a proclamation by the President that the embargoing to belligerent countries of certain articles or materials used in the manufacture of arms, ammunition, or implements of war or in the conduct of war in excess of normal peacetime shipments will serve to promote the security and preserve the neutrality of the United States or to protect the lives and commerce of the nationals of the United States or that to refrain from placing such restrictions would contribute to the prolongation or expansion of the war, then it shall be unlawful to export the said materials and commodities.

I call particular attention to the phrase "will serve to promote the security and neutrality of the United States and to protect the lives and commerce of nationals of the United States" in contrast to the phrase "or that to refrain from placing such restrictions would contribute to a prolongation or expansion of the war." If either or both of these conditions should exist, then the commodities stated might be embargoed—in accordance with the terms of this bill.

I conceive it to be the duty of Congress to so frame the neutrality legislation that it will effectively carry out the first stated objective—namely to maintain the peace and neutrality of the United States. But—however idealistic and commendable our activities to prevent a prolongation or expansion of a foreign war might be, unfortunately this language, in my opinion, would impose upon us a duty which might well, under present circumstances, obligate us to join with the League of Nations in punitive action toward one of the belligerents now at war.

I submit to you that these two purposes are incompatible. It seems perfectly obvious that we cannot promote our first and foremost objective—to secure our own safety and neutrality—if we are to take it upon ourselves to meddle into the affairs of other nations under the guise of the high-sounding phrase of embargoing commodities which may contribute to a prolongation or expansion of the war. The logic seems compelling that, if we attempt the latter objective, we shall endanger our purpose of accomplishing the former. We should be offending the very meaning of neutrality, which, of course, connotes strict impartiality toward all belligerents.

Moreover, even to change our neutrality legislation so as to include commodities and articles which may be used in the preparation of implements of war, etc., would endanger our present neutral position. For it has always been considered that neutrality follows the principles of international law. For a neutral to alter or change its policies, once a war is in progress, so as to affect unequally one belligerent or another, is contrary to the accepted practices and precedents of international law and may constitute a hostile or unneutral act toward a belligerent so affected.

In this connection, I quote from a letter of our Government to Germany, written by President Wilson in 1915. "This Government holds—and is constrained to hold in view of the present indisputable doctrines of accepted international law—that any change in its own laws of neutrality during the progress of a war which would unequally affect the relations of the United States with the nations at war would be an unjustifiable departure from the principle of strict neutrality by which it has consistently sought to direct its actions. The placing of an embargo on the trade in arms at the present time would constitute such a change and be a direct violation of the neutrality of the United States."

It must seem perfectly clear to everyone that the banning of shipments of these articles will, under present circumstances, more adversely affect Italy than Ethiopia and it seems equally clear that if this section is enacted, we would violate our neutrality toward Italy in the present conflict.

Had we included these articles in our neutrality laws now in force, there perhaps could be no justifiable complaint. But it is my opinion that, however well intentioned, if these provisions should be enacted at this time, we shall not have accomplished our aim of strict neutrality, but may very well effectuate the result that we are attempting to avert.

During the Seventy-third Congress, a resolution was introduced which would have had the effect of placing discretion in the President to determine the aggressor nation, and would have given him the power to embargo contraband articles of war against the aggressor. This bill closely followed certain articles of the League of Nations Covenant. Our action under that bill, if Congress had passed it, would have been punitive, and it is likely that by now we would have been joined with other nations comprising the League of Nations in applying sanctions. However, the Seventy-third Congress refused to pass this measure, undoubtedly recognizing that such action would have the effect of joining us with the League of Nations in its punitive measures toward Italy.

Congress, however, did consider that it was essential, in view of our past experience and in the light of the revelations brought out in the munitions inquiry, that we take some positive action before the outbreak of any war to assure our neutrality and our own peace and security. In voting for the present neutrality legislation I believe the Congress were actuated only by their desire and intention to maintain peace and security and not to make us part of a general scheme to punish one belligerent.

Now, apparently, the League of Nations is waiting for us to take the lead in the application of sanctions toward Italy. For the application of an embargo on shipments of oil and cotton in particular would undoubtedly be the strongest measures put into effect by any nation to date. The League has not indicated that it would even follow suit in sanctioning oil and cotton. It is, however, ready to let us be the scapegoats, and members of the League may well continue to trade with Italy along these lines.

The greatly preponderant sentiment in this country, in my judgment, is impelled by one underlying motive only—that we keep out of war and avoid all entanglements which may lead us into war. Therefore our neutrality legislation should be drafted in accordance with that sentiment and we should avoid every pitfall which may lead to the opposite result.

It seems to me, therefore, that the safest thing for Congress to do in passing a neutrality bill is to confine the embargo to arms, ammunitions, and implements of war—at least with respect to wars now in progress—and not include articles not embraced by the legislation now in force. It might be proper and fitting for provision to be made for the embargoing of such other articles on the outbreak of wars not already in progress. However, as I have indicated, to do so with respect to wars already in progress would be an unneutral and hostile act toward such nation as is adversely affected.

The repudiation by European nations of the high motives and ideals which led us to participate in the last war and the attendant train of social and economic ills which have pursued us since that time, have brought about such a revulsion of feeling here that it is the almost universal demand of the American people that we adhere more strictly than ever to the principles enunciated by Washington and refrain from all European entanglements in whatever guise they may appear.

Europe is a maelstrom of intrigue and dubious diplomacy. We must approach this problem with honesty and realism and not be misled by an ingenuous idealism which may precipitate us into the very heart of another great war. For Americans remains

the paramount purpose of maintaining our own peace and neutrality. I feel that any effort by the United States to act as an arbiter of the disputes of the world might be fatal to that great purpose.

PRIVATE CALENDAR

Mr. WOLCOTT. Mr. Speaker, may I ask the Democratic members of the committee how far they expect to proceed on the calendar this afternoon?

Mr. COSTELLO. We are planning to go down to no. 471 on the calendar.

Mr. WOLCOTT. May we have a tentative agreement that we will stop after the consideration of Calendar No. 471?

Mr. COSTELLO. Yes.

RURAL POST ROADS, PUERTO RICO

The Clerk called the next bill, H. R. 1392, to extend the provisions of certain laws to the Island of Puerto Rico.

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, this is a complicated law. From its title, I think it might be very general. I am not prepared to pass on it unless my colleagues are ready to O. K. it.

Mr. IGLESIAS. Mr. Speaker, will the gentleman yield?

Mr. JENKINS of Ohio. I yield.

Mr. IGLESIAS. This is a very short bill. Its purpose is to extend the operation of laws respecting Federal aid for highways to Puerto Rico. Puerto Rico has already expended over $14,000,000 in the construction of roads. This bill has been approved by all the bureaus and departments interested. All it authorizes is matching with Federal funds the expenditures made by Puerto Rico on its roads.

Mr. JENKINS of Ohio. Mr. Speaker, I think this bill should be passed over without prejudice until the next call of the calendar. Will this be satisfactory to the Delegate from Puerto Rico?

Mr. IGLESIAS. I should prefer that the bill be considered and passed today.

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

BRIDGE ACROSS OHIO RIVER, LOUISVILLE, KY.

The Clerk called the next bill, H. R. 8661, supplementing the act of Congress approved February 25, 1928, entitled "An act authorizing the city of Louisville, Ky., to construct, maintain, and operate a toll bridge across the Ohio River at or near said city."

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the event that the Louisville Bridge Commission shall issue bridge revenue refunding bonds for the purpose of refunding or renewing the outstanding city of Louisville bridge revenue 4½-percent bonds, dated May 1, 1928, which were issued to provide funds for the construction of the bridge authorized by the act of Congress approved February 25, 1928, entitled "An act authorizing the city of Louisville, Ky., to construct, maintain, and operate a toll bridge across the Ohio River at or near said city", the rates of toll to be charged for the use of said bridge shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a fund sufficient to pay the principal and interest and the redemption premium, if any, of such bridge revenue refunding bonds, as soon as possible under reasonable charges, but within a period not exceeding the ultimate maturity of such bridge revenue refunding bonds, and such tolls shall be continued until such payment shall have been made. After a fund sufficient for such payment shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was passed over without prejudice.

TOLL BRIDGE ACROSS THE ST. CLAIR RIVER AT PORT HURON, MICH.

The Clerk called the next bill, S. 1788, authorizing the State of Michigan to construct, maintain, and operate a toll bridge across the St. Clair River at or near Port Huron, Mich., and to acquire other transportation facilities between said State and Canada.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in order to facilitate international commerce, the State of Michigan, by and through its State bridge commission or the successors of said commission, be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the St. Clair River at a point suitable to the interests of navigation, at or near the city of Port Huron, Mich., and the city of Sarnia, Canada, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, subject to the conditions and limitations contained in this act, and subject to the approval of the proper authorities in the Dominion of Canada. For like purposes the State of Michigan, by and through its State bridge commission or the successors of said commission, is hereby authorized to purchase, maintain, and operate all or any ferries across the St. Clair River within 5 miles of the location which shall be selected for said bridge, subject to the conditions and limitations contained in this act, and subject to the approval of the proper authorities in the Dominion of Canada.

SEC. 2. There is hereby conferred upon the State of Michigan and its State bridge commission, or the successors of said commission, the right and power to enter upon such lands and to acquire, condemn, occupy, possess, and use such real estate and other property in the State of Michigan as may be needed for the location, construction, operation, and maintenance of said bridge and its approaches, upon making just compensation therefor, to be ascertained and paid according to the laws of said State, and the proceedings therefor shall be the same as in the condemnation of private property for public purposes in said State. And the State of Michigan and its State bridge commission, or the successors of said commission, may exercise in the Dominion of Canada all rights, powers, and authority which shall be granted or permitted to it or them by the proper authorities of the Dominion of Canada or the Province of Ontario, including the entering upon lands and acquiring, condemning, occupying, possessing, and using such real estate and other property in the Dominion of Canada as may be needed for such location, construction, operation, and maintenance of such bridge.

SEC. 3. Notwithstanding any restriction or limitation imposed by the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes", approved July 11, 1916, or by the Federal Highway Act, or by any act amendatory of or supplemental to either thereof, the Secretary of Agriculture may extend Federal aid under such acts, for the construction of said bridge, out of any moneys allocated to the State of Michigan with the consent of the State highway department of said State.

SEC. 4. The said State of Michigan, by and through its State bridge commission, or the successors of said commission, is hereby authorized to fix and charge tolls for transit over such bridge and such ferry or ferries in accordance with the provisions of this act.

SEC. 5. In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund which shall be sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 40 years from the completion thereof. If revenue bonds or other obligations of the State shall be issued to provide for the payment of the cost of such bridge and its approaches and of any such ferry or ferries and the necessary lands, easements, and appurtenances thereto, such sinking fund shall be sufficient to pay the principal and interest of such bonds or obligations as such principal and interest shall fall due, and the redemption or repurchase price of all or any of such bonds or other obligations redeemed or repurchased before maturity. After a sinking fund sufficient for such amortization or for such payment shall have been so provided such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the cost of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 6. Nothing herein contained shall require said State bridge commission or the successors of said commission to maintain or operate any ferry or ferries purchased hereunder, but in the discretion of said commission or its successors any ferry or ferries so purchased, with the appurtenances and property thereto connected and belonging, may be sold or otherwise disposed of or may be abandoned and dismantled whenever in the judgment of said commission or its successors it may seem expedient so to do. The commission and its successors may fix such rates of toll for the use of such ferry or ferries as it may deem proper, subject to the same conditions as are hereinabove required as to tolls for traffic over the bridge.

SEC. 7. The State of Michigan, by and through its State bridge commission, or the successors of said commission, be, and is hereby, authorized to acquire by purchase or by condemnation any

existing bridge, tunnel, or ferry (each of which is hereinafter termed a "transportation facility" and shall be deemed to include all property, rights, easements, and franchises relating thereto and deemed necessary or convenient for its operation) between the State of Michigan and the Dominion of Canada. The method of condemnation and of ascertaining and making payment of just compensation shall be in accordance with the provisions of section 2 of this act. Said State of Michigan, by and through said commission or its successors, may unite or group into one or more separate projects for financing purposes such transportation facilities so acquired as shall be deemed practicable by said commission or its successors. Said State of Michigan, by and through said commission or its successors, is hereby authorized to fix and charge tolls for the use of such transportation facilities. In fixing the rates of tolls to be charged for the use of such transportation facilities in a single project, the same shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating all such transportation facilities included in the particular project under economical management, and an amount sufficient in addition to the foregoing to provide a sinking fund which shall be sufficient to amortize the aggregate cost of the transportation facilities embraced in the particular project, including reasonable interest and financing costs, as soon as practicable under reasonable charges, but within a period not exceeding 40 years from the date of acquiring such transportation facilities. If revenue bonds or other obligations of the State shall be issued to provide for the payment of the cost of such transportation facilities, such sinking fund shall be sufficient to pay the principal and interest of such bonds or obligations as such principal and interest shall fall due, and the redemption or repurchase price of all or any of such bonds or other obligations redeemed or repurchased before maturity.

SEC. 8. The right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That in order to facilitate international commerce, improve the postal service, and provide for military and other purposes, the State of Michigan, by and through its State bridge commission, or the successors of said commission, be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the St. Clair River, so far as the United States has jurisdiction over the waters of such river, at a point suitable to the interests of navigation, at or near Port Huron, Mich., in accordance with the provisions of the act entitled 'An act to regulate the construction of bridges over navigable waters', approved March 23, 1906, and subject to the conditions and limitations contained in this act, and subject to the approval of the proper authorities in the Dominion of Canada.

"SEC. 2. There is hereby conferred upon the State of Michigan and its State bridge commission, or the successors of such commission, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property in the State of Michigan needed for the location, construction, operation, and maintenance of such bridge and its approaches, as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State of Michigan, upon making just compensation therefor to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

"SEC. 3. The State of Michigan, by and through its State bridge commission, or the successors of said commission, is hereby authorized to fix and charge tolls for transit over such bridge in accordance with any laws of the State of Michigan applicable thereto, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

"SEC. 4. In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 30 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the cost of the bridge and its approaches; the expenditures for maintaining, repairing, and operating the same; and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

"SEC. 5. The right to alter, amend, or repeal this act is hereby expressly reserved."

Mr. McCORMACK. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, the newspapers of the last few days carried the story that in the event it is necessary to impose additional taxes for the purpose of carrying out a new farm program, as a result of the Supreme Court decision, resort might be had again to the processing tax. My purpose is in the nature of a constructive suggestion to those whose recommendations might be conveyed to the Congress, and to the farmers of the country, that we of the industrial section are in favor of farm legislation, but the opposition to farm legislation that has arisen is to the processing tax that had been imposed.

As we look back two and a half years, in the light of conditions that then existed, we realize that almost any kind of legislation was necessary and expedient at that time to meet the then existing situation, and that a quick and effective dose of drug was necessary to deaden the pain, to be followed by more permanent legislation. Processing taxes might have been the best thing available at that time, although I did not think they were, but the experience of the past two and a half years has shown that permanent farm legislation cannot exist without extreme controversy so long as processing taxes are used as a means of obtaining the revenue.

Mr. Speaker, I want to support farm legislation, although I have not a farm located in my entire district. I spoke on behalf of the Smith bill, which passed this House by six votes. I am not undertaking to speak for my colleagues from Massachusetts of the opposite party, but I think their general sentiment, as well as the Democrats, is in favor of farm legislation. The opposition is to the kind of taxes that may be imposed, to wit, the processing taxes. I hope that in whatever legislation is recommended, if additional taxes are necessary, the processing tax will not be resorted to.

The main objection to that is not only the fact that it is a high sales tax, and I am not afraid of a general manufacturers' excise tax, but its direct effect upon the law of supply and demand; having a tendency to lift the price level out of proportion to the other two interdependent factors which make up the law of supply and demand, namely, production and distribution. While I have no reverence for the law of supply and demand, yet I have a profound respect for it, and any legislation which tends to disturb the law of supply and demand is unwise. It can only be tolerated for a short period of time, and then only as an extreme emergency or expediency.

The effect of the processing tax directly upon the law of supply and demand is to artificially lift the price level, leaving production and distribution to operate in the normal way. The result is that the whole law of supply and demand is seriously affected.

Somewhere in this great country of ours there is a road that we can all travel—north, east, south, or west. Our differences can be adjusted and a legislative road can be built upon which we can all walk along for the welfare of the Nation as a whole. That road can represent the national policy and the national viewpoint on any great national question, and sectional problems and differences can be adjusted by the establishment of such a road. We can all walk along it, no matter what part of the country we come from, if we are honest and fair with each other.

As long as processing taxes are continued there is going to be opposition to farm legislation; not to the fact there should be such legislation, but to the fact that it has an adverse effect upon business and industry as well as the worker of the industrial area. Massachusetts has a population of 4,300,000, about 200,000 of whom live on the soil, the rest being dependent upon business. In order for them to have money in their pockets they have to have employment, and in order to have employment business must exist.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts.

There was no objection.

Mr. McCORMACK. Mr. Speaker, other States are in the same position. There has to be business for the workers of those States to have employment, there has to be employment in order to have wages and purchasing power. I recog-

nize that the farmer has a problem and that it is a national one. We are willing to cooperate with the farmer; and you who represent the farming districts, we ask that in any tax program in connection with farm legislation there be a regard for the workers of the industrial sections. Impose taxes that will not seriously affect the law of supply and demand, which does not affect business and the worker, and there will be very little opposition to farm legislation. Such opposition will be reduced to a minimum.

Put through a tax program in which everybody bears their just share instead of taking from one class to pay to another class. Put through a program and bring the money into the Treasury of the United States and appropriate it out in the usual way. Put through a tax program that will not have a serious effect upon the law of supply and demand. No matter what people may say about the law of supply and demand, we cannot disregard it. A million factors and a million influences make it up. As I stated before, I have no reverence for the law of supply and demand, but I have a profound respect for it. It, with farming, is the basis of all business prosperity in this or any other country. I hope that whatever program comes up, if new taxes are necessary, it will not carry with it the recommendation of a continuance of the processing taxes. I hope that the farmers and their representatives will look at it from the angle of the interest of all sections of the country and realize that we want to help you. We want to go along with you. There is no opposition to proper farm legislation. The opposition is to the processing taxes that have resulted so harmfully to our business and our workers. [Applause.]

Mr. MAPES. Mr. Speaker, I rise in opposition to the amendment of the gentleman from Massachusetts.

The gentleman from Massachusetts has been expressing his opinion with reference to the processing tax and making recommendations with regard to keeping it out of future legislation.

I sympathize with the gentleman's position on that matter but I should like to call attention to one other thing which I hope this administration will cease doing also.

It has come to my attention recently that in connection with a State project of the State of Massachusetts, the State of the gentleman who has just left the floor, the State prison colony at Norfolk, Mass., is asking an allotment out of WPA funds for an industrial building to house machinery for shoe, metal, and brush manufacturing; that bids have been opened for machinery and it has developed that included in the bids is a proposal for the purchase of machinery to manufacture furniture and for other woodworking purposes in an amount between $40,000 and $50,000.

Mr. Speaker, this proposition to put the Government into competition with the furniture industry seems hard to down. It has been coming forward from time to time for the last 3 years. The furniture industry has been about as badly hit by this depression as any other industry in the country. It is having trouble enough to get back on its feet without having to meet the competition of Government manufacturing, and it is certainly to be hoped that the administrator of the WPA funds will not make any allotment to this State prison colony at Norfolk, or to any other institution for the purpose of putting up machinery or establishing a factory to manufacture furniture.

In order that there may be no uncertainty as to my position in the matter, I have today filed with the Administrator, along with other protests which, I understand, have been made, a protest against the allotment of funds for any such purpose.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MAPES. I yield to the gentleman from Pennsylvania.

Mr. RICH. Does not the gentleman believe that under present conditions it is detrimental for the Government to enter into any kind of manufacturing business, and does not the gentleman believe that all these organizations should cease going into business in competition with private enterprise?

Mr. MAPES. I certainly do, but this is particularly true of the furniture industry.

Mr. CONNERY. Mr. Speaker, I move to strike out the last two words.

Mr. Speaker, I agree heartily with the sentiments of my distinguished colleague the gentleman from Massachusetts [Mr. McCORMACK] in reference to the processing tax. We in Massachusetts and in New England want to help the farmer. I voted for the A. A. A. in company with many of my colleagues. They said to us in our campaigns, "You voted for the A. A. A. for the farmer and raised the price of food." We said, "No; we did not, but we know that if the farmer in Kansas is not prosperous you do not work here in Massachusetts."

This is our attitude, and we want to help out; but we hope this will not be done by processing taxes, which only make our workers and manufacturers bitter against farm legislation.

In reference to the remarks of the distinguished gentleman from Michigan [Mr. MAPES], we had a bill brought out from the Judiciary Committee which passed the House and Senate in reference to prison machinery and the manufacture of shoes, brooms, and brushes, and the various other things made in the penitentiaries. As chairman of the Committee on Labor, naturally, I would be against prison labor competing with private industry, but that is not the situation today. Under the law we have today, they make a little of this and a little of that, whether it is your furniture or my shoes or my textiles or somebody else's brooms or brushes, and Sanford Bates, the Prison Commissioner, as well as all the wardens who appeared before the Committee on Labor when we brought in that prison-made-labor-goods bill, which was known as the Hawes-Cooper bill, to prevent prison-made goods from competing with free labor, agreed that unless you give the men in these prisons something to do you have riots, you have insanity, and you have all sorts of evils growing out of such a condition.

Now, I do not want to see them competing with private industry, but I do not object to their making a few shoes or a few brushes, or a small amount of furniture if it will not interfere with private industry, and at the same time keep the prisoners at work.

Mr. MAPES. Will the gentleman yield?

Mr. CONNERY. Yes.

Mr. MAPES. I should like to ask for information. My information is that the State project in connection with the State prison colony at Norfolk was for an industrial building to house machinery for shoe, metal, and brush manufacture.

Mr. CONNERY. Yes; Norfolk is the prison colony in the State of Massachusetts.

Mr. MAPES. But when the bids were opened they included not only machinery for shoe, metal, and brush manufacture but for the purchase of machinery to manufacture furniture as well. What I want to ask is, Why were the bids broader than the State project?

Mr. CONNERY. For the very reason, I suppose, to give them something else to manufacture, anything to keep the prisoners at work. I want to say that the manufacture of furniture at this colony will not interfere with you manufacturers at Grand Rapids.

Mr. MAPES. Yes; but why were the bids broadened?

Mr. CONNERY. Because they wanted to keep it more diversified, and that is what we are in favor of.

Mr. MAPES. Is it a proposal of the manufacturers of machinery or of the State authorities?

Mr. CONNERY. I presume the State colony authorities.

Mr. MAPES. Why did the State allow the bidders to go further than the project required or proposed?

Mr. CONNERY. I presume on the recommendation of the warden. They have to do these things; they have to give these men work or they will go insane.

Mr. RICH. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. RICH. It was said when we repealed the eighteenth amendment that it would reduce the number of people in

the State prisons. Now, they say there are twice as many people in the State prisons in 1935 than there were in 1934. After awhile you will have everybody in State prisons.

Mr. CONNERY. I do not think that everybody will go to prison; at least I hope not. [Laughter.]

Mr. MILLARD. Why not manufacture these things by hand and quit putting in machinery?

Mr. CONNERY. I agree to that; I should like to have that done. But the goods manufactured in prisons now do not interfere with private industry to any appreciable extent. So I think my friend from Michigan [Mr. MAPES] is needlessly disturbed.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended.

USE OF NET WEIGHTS IN INTERSTATE AND FOREIGN COMMERCE

The Clerk called the bill (H. R. 8631) to provide for the use of net weights in interstate and foreign commerce transactions in cotton, to provide for the standardization of bale covering for cotton, and for other purposes.

The SPEAKER. Is there objection?

Mr. COCHRAN. Mr. Speaker, I object.

Mr. GRANFIELD. I object.

Mr. FULMER. Mr. Speaker, will these gentlemen withhold their objection?

Mr. COCHRAN. Yes.

Mr. GRANFIELD. Yes.

Mr. COCHRAN. I object for this reason: For 75 years factories in my city, where my constituents are employed, have been engaged in the manufacturing of coverings for cotton, and if this bill should pass, my constituents will be out of jobs. I am going to try to protect them. I shall continue to object.

Mr. FULMER. Mr. Speaker, I have listened with a great deal of interest to the gentlemen from Massachusetts [Mr. MCCORMACK and Mr. CONNERY], who a while ago expressed their deep interest in agriculture. I appreciate the fact that the Representatives from New England are interested in agriculture. Here is a real farmers' bill. For all these years that we have been producing cotton we have been putting on heavy jute bagging and selling in this country on a gross-weight basis, while every other cotton country on the face of the earth sells on a net-weight basis. In selling on a gross-weight basis we are wasting millions annually in freight, insurance, and many other items. This bill is endorsed by the Department of Agriculture and by every farm organization, by the Cotton Merchants Association, by the agricultural commissioners in every cotton State, unless it be the Georgia commissioners. Sometime ago, when a committee was appointed to investigate the complaints from New England about the processing tax, that committee came back with a strong endorsement for net weights, which would mean the saving, as stated, of millions of dollars annually.

Cotton is now being covered with jute which is imported from India, the second largest cotton-growing country in the world, where you gentlemen declare today they are taking the market from the South by increasing their production of cotton. It is perfectly all right to plow under 4,000,000 bales of perfectly good American cotton, but, according to those who represent New England, it is all wrong to cover cotton with cotton, thereby consuming 200,000 bales, mostly low-grade cotton.

New England is strong for a tariff to protect the industries in New England, but perfectly willing for India to flood this country with duty-free jute, taking the home materials from the cotton farmer. I appreciate what the gentleman from Missouri [Mr. COCHRAN] states about his employees, but unless we take care of agriculture and gentleman's employees will be forced to join the unemployed. How about the unemployed in the textile mills that would be put to work manufacturing cotton bagging? The mails of this country should be tied with cotton twine but jute twine is being used, all of which is helping India at the expense of cotton farmers, cotton mills, and textile employees.

I expect to continue my fight for the people and for the utilization of products grown in this country.

Mr. COCHRAN. Mr. Speaker, I object.

Mr. GRANFIELD. Mr. Speaker, I object.

MALHEUR NATIONAL FOREST, OREG.

The Clerk called the bill (S. 464) to add certain lands to the Malheur National Forest in the State of Oregon.

The SPEAKER. Is there objection?

Mr. PIERCE. Mr. Speaker, I object.

MONUMENT TO GENERAL LAFAYETTE

The Clerk called the bill (H. R. 4989) for the erection of a monument to Gen. Marquis de Lafayette.

The SPEAKER. Is there objection?

Mr. CLARK of Idaho. Mr. Speaker, I object.

MEMORIAL TO EARLY SETTLERS

The Clerk called House Joint Resolution 307, authorizing the erection of a memorial to the early settlers whose land grants embrace the site of the Federal City.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to grant permission for the erection on public grounds of the United States in the city of Washington, other than those of the Capitol, the Library of Congress, and the White House, of a memorial of simple and artistic form and design to those early settlers whose land grants embrace the site of the Federal City, by the National Society of the Daughters of the American Colonists, a corporation, one of whose objects is the erection of memorials to commemorate historic persons, sites, or events of the colonial period of this country in the several States and the District of Columbia: *Provided*, That the site chosen and the design of the memorial shall have the approval of the National Commission of Fine Arts, and that the United States shall be put to no expense in or by the erection of the said memorial.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

TRANSPORTATION OF KIDNAPED PERSONS

The Clerk called the next bill, S. 2421, to amend the act entitled "An act forbidding the transportation of any person in interstate or foreign commerce, kidnaped, or otherwise unlawfully detained, and making such act a felony", as amended.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the act entitled "An act forbidding the transportation of any person in interstate or foreign commerce, kidnaped, or otherwise unlawfully detained, and making such act a felony", as amended (48 Stat. 781; U. S. C., title 18, secs. 408a, 408b, and 408c), be, and it is hereby, amended by the addition of the following section:

"SEC. 4. Whoever receives, possesses, or disposes of any money or other property, or any portion thereof, which has at any time been delivered as ransom or reward in connection with a violation of section 1 of this act, knowing the same to be money or property which has been at any time delivered as such ransom or reward, shall be punished by a fine of not more than $10,000 or imprisonment in the penitentiary for not more than 10 years, or both."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FUNDS OF FEDERAL PRISONERS

The Clerk called the next bill, S. 3120, to authorize and direct the Secretary of the Treasury to transfer certain moneys to "Funds of Federal prisoners."

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to transfer, out of any moneys in the Treasury not otherwise appropriated, to the trust fund in the United States Treasury entitled "Funds of Federal prisoners", the sum of $685.62, which amount represents the loss sustained by said fund as a result of the failure of the State Savings Bank, of Leavenworth, Kans., in which part of said fund was formerly deposited. W. I. Biddle, formerly warden and special disbursing officer of the United States Penitentiary at Leavenworth, Kans., and the sureties on his bonds as warden and special disbursing officer are hereby released from all liability on account of the loss sustained by the said fund.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OFFICIAL SEAL FOR UNITED STATES VETERANS' ADMINISTRATION

The Clerk called the next bill, S. 3328, to provide an official seal for the United States Veterans' Administration, and for other purposes.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs be, and he is hereby, empowered and directed to cause a seal, which shall be judicially noticed, to be made and provided for the Veterans' Administration, with such device as in his judgment shall seem proper. Copies of any public documents, records, or papers belonging to or in the files of the Veterans' Administration, when authenticated by the seal and certified by the Administrator of Veterans' Affairs, or employee of the Veterans' Administration to whom proper authority shall have been delegated in writing by the Administrator, shall be evidenced equal with the originals thereof.

With the following committee amendment:

Page 2, line 3, strike out the word "evidenced" and insert the word "evidence."

The committee amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BOUNDARY WATERS, WASHINGTON, OREGON, AND IDAHO

The Clerk called the next business, Senate Joint Resolution 23, giving consent of the Congress of the United States to the States of Washington, Oregon, and Idaho, or any two of said States, to agree upon the jurisdiction to be exercised by said States over boundary waters between any two or more of said States.

The SPEAKER. Is there objection to the present consideration of the Senate joint resolution?

Mr. MOTT. Mr. Speaker, I ask unanimous consent that this resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. WOLCOTT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WOLCOTT. As I understand it, there was a tentative agreement between this side and the other side that when we reached the next bill we would conclude the calling of the calendar. That was done in deference to the Speaker's wishes in the matter, however, as I understand it.

The SPEAKER. The Chair knows nothing about the agreement. The Chair has been informed that Calendar No. 474 was to be called.

Mr. WOLCOTT. That agreement was entered into in deference to the Speaker's wishes in the matter.

The SPEAKER. The Chair has no wishes about the matter, of course; but that was the information which the Chair had. Of course, it is up to the House how far we shall proceed.

Mr. JENKINS of Ohio. I might advise the gentleman from Michigan that it has been further agreed that the former agreement be withdrawn and we conclude with Calendar No. 477.

Mr. WILCOX. Mr. Speaker, I desire to ask unanimous consent to call up a bill which in that case will not be reached. I have discussed the matter with both sides, and I do not think there is any objection to it. It is Calendar No. 500.

Mr. JENKINS of Ohio. Well, let us pass on that when we come to it.

The SPEAKER. The Clerk will call the next bill on the calendar.

CLAIMS FOR DAMAGE TO NORWEGIAN STEAMER "TAMPEN"

The Clerk called the next bill, H. R. 8629, authorizing an appropriation for payment to the Government of Norway in settlement of all claims for reimbursement on account of losses sustained by the owner and crew of the Norwegian steamer *Tampen*.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. BLOOM. Mr. Speaker, I ask unanimous consent that a similar Senate bill, S. 3425, be substituted for the House bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not overwise appropriated, for payment to the Government of Norway in full and final settlement of all claims for reimbursement on account of losses sustained by the owner and crew of the Norwegian steamer *Tampen* by reason of the detention of the vessel by the United States Coast Guard during June 1925, the sum of $8,765.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table, and a similar House bill was laid on the table.

LEASE OF AGUA CALIENTE OR PALM SPRINGS BAND OF MISSION INDIANS OF CALIFORNIA

The Clerk called the next bill, H. R. 8600, to authorize and direct the Secretary of the Interior to make a lease for the Agua Caliente or Palm Springs Band of Mission Indians of California.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLLINS. Mr. Speaker, I ask unanimous consent that this bill be rereferred to the committee. I am the author of the bill, and the chairman of the committee desires that action also.

The SPEAKER. Is there objection to recommitting the bill to the committee?

There was no objection.

Mr. JENKINS of Ohio. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. JENKINS of Ohio. Would it be possible now for us to put into effect the agreement, or has the Speaker any objection to that? We are not prepared on our side of the aisle to go any further on this calendar, and we will be constrained to object to every bill that is called if we must proceed further.

SITE FOR NAVAL AIR STATION, MIAMI, FLA.

Mr. WILCOX. Mr. Speaker, I ask unanimous consent to call up Calendar No. 500, H. R. 8372, to authorize the acquisition of lands in the vicinity of Miami, Fla., as a site for a naval air station and to authorize the construction and installation of a naval air station thereon.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, of course we on this side do not presume to be bossing this Consent Calendar, but there is one bill further along on the calendar which, I am advised, if it is ever going to be passed, should be passed now. If this bill which has just been called requires its immediate passage, we shall be glad to have the gentleman explain it.

Mr. WILCOX. I shall be glad to explain my reason for asking that this bill be called out of order. The bill proposes to convey to the United States Government a very valuable tract of land, without cost to the Government, to be used for a naval reserve aviation unit. The Navy and the Coast Guard have expressed a desire for this tract of land. The city of Miami proposes to buy the land and give it to the Government. It now has the land under an option, which expires shortly. The owners of the property have served notice on the city that the option will not be renewed at the present price, but that a greatly increased price will be asked. For that reason it is very important that the bill be passed at this time to authorize the city to buy the land at its present price, because otherwise we would not be able to raise the money to buy the land at

the advanced price, and the Government will lose the property.

Mr. JENKINS of Ohio. Can the gentleman verify that by a statement from the chairman of the Committee on Naval Affairs?

Mr. WILCOX. I do not know whether the chairman of the Committee on Naval Affairs is acquainted with the increase in price or not. The bill was reported out after full discussion. The Assistant Secretary of the Navy addressed a communication to the committee expressing his desire for the property. I can state in my own place as a Member of this House that the facts which I have just narrated are true; that there is a demand for an increase in the price. I can also state in my place that unless the city is able to buy it at the present price named in the option, it is very probable that the Government will not be able to secure the property.

Mr. JENKINS of Ohio. With this explanation I will withdraw my reservation of objection, Mr. Speaker.

Mr. MOTT. Mr. Speaker, reserving the right to object, I have no objection to this bill being called up now, but if it is called up, I shall ask that the bill be passed over without prejudice. Right at present I do have objection to the bill.

Mr. JENKINS of Ohio. Mr. Speaker, at this time, then, I object to its consideration.

CALIFORNIA-PACIFIC INTERNATIONAL EXPOSITION

Mr. DOCKWEILER. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 9871), to amend an act entitled "An act providing for the participation of the United States in the California-Pacific International Exposition to be held at San Diego, Calif., in 1935 and 1936; authorizing an appropriation therefor, and for other purposes", approved March 7, 1935, to provide for participation in the California-Pacific International Exposition to be held at San Diego, Calif., in 1936, to authorize an appropriation therefor, and for other purposes.

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, can the gentleman give the House any reason why this proposition is imminent?

Mr. DOCKWEILER. Yes. The San Diego Fair reopens on the 15th of February. The Government has built a building there at the cost of $150,000. The Government departments will have to withdraw their exhibits by the 15th of February and send them back to Washington unless this authorization bill passes this House. Even if it is passed today, it will leave us only 2 weeks to get the bill passed in the Senate.

Mr. JENKINS of Ohio. Mr. Speaker, I withdraw my reservation of objection.

Mr. LAMNECK. Mr. Speaker, this bill calls for an appropriation of money.

Mr. DOCKWEILER. It does not.

Mr. LAMNECK. We have made one appropriation for this fair. So far as I am concerned, I am through making such appropriations. Mr. Speaker, I object.

Mr. DOCKWEILER. This is only an authorization. It will be up to the Appropriations Committee as to whether it will make the appropriation.

Mr. LAMNECK. I understand that; but the usual custom is that, if we pass a bill authorizing an appropriation, the appropriation is subsequently made. I object.

Mr. DOCKWEILER. Mr. Speaker, will the gentleman withhold his objection to permit me to make a statement?

Mr. LAMNECK. Yes; I withhold my objection for that purpose.

Mr. DOCKWEILER. The San Diego fair is going to continue whether the Government exhibit does or not. Last year the Federal Government built a building at a cost of $150,000. Does the gentleman want this building to remain vacant? One million five hundred and eighty-eight thousand people attended the Government's exhibit in the first 5½ months of the fair last year. There is going to be a fair in Texas. People going from the gentleman's State and from the East can just as well go through Texas and into San Diego and see both these exhibits.

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, I may say this matter was started last year by the Rules Committee bringing out a rule to grant this amount. The Government erected this building, as the gentleman from California has said. It is a very beautiful building. I saw it myself. There was a real demand for the continuation of the fair. It is a beautiful fair. To leave this building unoccupied in that fair for this small amount to continue it, would be almost a disgrace to the Government.

What would happen if objection is made here? The Rules Committee will be overwhelmed to bring out a rule to accomplish the same purpose. We do not like to work much in the committee. I suggest this as an easy way to dispose of the matter.

Mr. LAMNECK. I should like to know how much money it will take to carry on this program.

Mr. DOCKWEILER. I have asked for an authorization of $75,000. As soon as this bill is passed the Budget Director will contact the Secretary of Labor, the Secretary of Commerce, and the Secretary of State, which officers are the commissioners in charge of the Government's exhibit, to see what amount will be required. Not all of the $75,000 may be used. When the estimate comes before the Committee on Appropriations, that committee will act.

Mr. LAMNECK. How much money was spent on the exhibit last year?

Mr. DOCKWEILER. We do not know. Three hundred and fifty thousand dollars was appropriated. Out of this was taken the $150,000 for the building. I understand a balance still remains in this fund. I do not know how large it is. It will, of course, be covered into the Treasury. I am not asking for that balance and this additional amount too.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. DOCKWEILER. I yield.

Mr. RICH. Can the gentleman tell us where we are going to get the money?

Mr. LAMNECK. Mr. Speaker, I withdraw my objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States continue its participation in the California-Pacific International Exposition at San Diego, Calif., in 1936.

SEC. 2. For this purpose the act entitled "An act providing for the participation of the United States in the California-Pacific International Exposition to be held at San Diego, Calif., in 1935 and 1936; authorizing an appropriation therefor, and for other purposes", approved March 7, 1935, as hereby amended, is extended and made applicable to the continuance of the participation of the United States in the said exposition in 1936 in the same manner and to the same extent and for the same purposes as originally provided in said act, except insofar as the provisions of that act specify the erection of a building or group of buildings.

SEC. 3. In addition to the sum of $350,000 authorized by the aforesaid act to be appropriated for the participation of the United States in the California Pacific International Exposition to be held at San Diego, Calif., in 1935 and 1936, and appropriated under the section entitled "California-Pacific International Exposition" of the act entitled "An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1935, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1935, and for other purposes", otherwise known as Public Law No. 21, Seventy-fourth Congress, and approved March 21, 1935, there is hereby authorized to be appropriated the sum of $75,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INTERNATIONAL MANUFACTURERS' SALES CO. OF AMERICA, INC.

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4178) for the relief of the International Manufacturers' Sales Co. of America, Inc., A. S. Postnikoff, trustee, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Chair appointed the following conferees: Mr. KENNEDY of Maryland, Mr. RAMSPECK, and Mr. PITTENGER.

OTTO MISCH CO.

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6137) for the relief of the Otto Misch Co., with a Senate amendment, and concur in the Senate amendment.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

"That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Otto Misch Co., the sum of $28,000, in payment for work done by the said company in repairing damages to the United States marine hospital at Norfolk, Va., caused by hurricane and flood on August 22 and 23 and September 15 and 16, 1933: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman tell us the difference between these two bills?

Mr. DONDERO. I shall be glad to answer the question of the gentleman from Massachusetts.

The amendment provides that not more than 10 percent of the claim shall be paid to any attorney having any interest in the matter.

Mr. MARTIN of Massachusetts. I have no objection to that feature.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Senate amendment was agreed to, and a motion to reconsider was laid on the table.

A. A. A. RULING

Mr. MONAGHAN. Mr. Speaker, I ask unanimous consent to proceed for a sufficient time to read an article which I hold in my hand on the A. A. A.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. MONAGHAN (reading):

CLAPPER SEES A. A. A. RULING AS BLOW AT DEMOCRATIC GOVERNMENT—SUPREME COURT, HE SAYS, IS IN POLITICS UP TO ITS NECK AND DAINTY PHRASES ARE NO LONGER NECESSARY IN DISCUSSING ITS ACTIONS; ISSUE PUT SQUARELY TO ROOSEVELT AND HE CAN ACCEPT IT OR SEEK RADICAL CHANGE

By Raymond Clapper

The Supreme Court gave plain warning in its high-handed scrapping of A. A. A. that other New Deal measures are to be mowed down as soon as it can get around to the grim business. That is, as soon as it can find the technical legal pretexts to support its political opinions.

This leaves President Roosevelt free to do one of two things. He can resign himself to the Court's verdict as the final word of divine inspiration. He can accept the Court as the governing oligarchy of the country. He can yield to its political philosophy which would confine the Federal Government largely to running the Army, the Navy, and municipal affairs in the District of Columbia.

Or he can accept the challenge as a political one, which it is, and go to the country to determine whether the people want to be governed by their elected President and their elected Congress or by a "lame duck" judicial dictatorship.

There is no use being dainty any longer in discussing the Court. It is in politics up to its neck. It can no longer claim the immunity from political discussion which a purely judicial body properly enjoys. Since it is vetoing acts of Congress right and left it is no more immune from discussion than the President is immune when he vetoes an act of Congress.

That this country, which presumably believes in the democratic form of government, will permit itself to be governed by a judicial oligarchy is incredible. We have protested against Roosevelt's tendencies toward dictatorship. More dangerous is judicial dictatorship, because the Supreme Court doesn't have to come up for reelection.

Look at the six men who have just undone the A. A. A., which has operated for 2½ years and made itself an integral part in the recovery of the country.

The youngest is Roberts, a Philadelphia corporation lawyer, appointed by Hoover. Comparatively young, a man who has been out in the world of big affairs until very recently, you would think he would still be too practical minded to have made this retreat back almost to the days of the Confederation.

The senior is Van Devanter, 76 years old, who was placed on the throne by Taft in 1910 after a small career as a lawyer in Wyoming where he also doubled in Republican State politics.

The Chief Justice is one of the ablest men in the country, and has breadth of statesmanship. Yet he was rejected by the country when he ran as a Republican candidate for President in 1916.

McReynolds was a small-time Tennessee lawyer, whose friends got him into the Wilson Cabinet and then on the Supreme Bench, a man whose decisions have shown the most narrow legalistic conception of American problems.

Butler was a Minnesota corporation lawyer, known as an extreme reactionary before Harding put him on the bench.

Sutherland was a Utah lawyer who became a Republican Senator for one term, when he was retired by the voters and later rescued and put on the bench by Harding.

These are the mighty men who have scrapped A. A. A. They are the men who have made themselves the supreme custodians of the Nation and who have assumed the right to dictate what the Nation shall do to save itself from distress. They are the men who have said that the Government, after failing in every other attempt to restore the equilibrium of farm prices, shall not continue with the one method which in a trial of 2½ years has greatly alleviated the situation.

These six men tell us we can't do it. They get away with it because John Marshall, while engaged in a desperate political battle with Jefferson, did. Nothing in the Constitution says they can.

PERMISSION TO ADDRESS THE HOUSE

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes and probably less.

The SPEAKER. The gentleman from Pennsylvania [Mr. RICH] asks permission to proceed for 10 minutes and probably less. Is there objection?

There was no objection.

Mr. RICH. Mr. Speaker, last week when we were considerating the independent offices appropriation bill the subchairman, Mr. WOODRUM, of Virginia, made the statement on the floor of the House "Estimates are one thing and what Congress appropriates is another."

I want to call attention of the Members of the House to the fact that the majority party is responsible for what Congress appropriates. You are in the saddle and any legislation that is enacted is charged to the Democratic Party—surely to no other. I wish to say this to you, the majority party, that what Congress appropriates is one thing—and where are you going to get the money is another. Where are you going to get the money to pay the bills you have contracted in the past 3 years? It is one of the most serious questions confronting us today. We are building up the greatest national deficit in the history of any nation in the world, and you are responsible for it.

The President, in his address on the state of the Union, says, "I am pointing out the way." And I want to say to you instead of approaching a balanced Budget you are getting farther away from it every day during this session of Congress. Now, I want to point out to you how you can make a start to secure more funds. In the first place, the Sherman antitrust laws should be enforced. Big business, great consolidations have been one reason for unemployment, and I am only going to cite today the contemplated mergers in the steel industry. I am in favor of more small business enterprises rather than a few large unwieldly corporations.

I want to pay my respects first to the businessmen of this country who are honest and honorable and obey the laws. As long as they do that they cannot be criticized, because statesmen will make laws to prohibit things that are detrimental to the country. Politicians make laws that will tear down the structure of our country.

Let us enforce the Sherman antitrust laws and prohibit any further consolidation. Your attention is called to the contemplated merger of the Sharon Steel Hoop Co., of Sharon, Pa., and the Pittsburgh Steel Co., of Pittsburgh. They are about ready to consolidate. The Sharon Steel Co. owns its own ore lands, blast furnaces, and steel works. This is one of the 12 largest in quantity production in this country. I understand the president of the Sharon Steel Co. was just elected president of the Pittsburgh Steel Co., and it

looks as if everything was just ready for them to consolidate the two companies.

Let me also call your attention to the Republic Steel Corporation, which lately acquired the Corrigan McKinney Steel Co. They also acquired the Truscon Steel Co., as well as the Gulf State Steel Co. The ingot capacity on January 1, 1935, of the Republic Steel Corporation was 4,900,000 tons. On January 1, 1936, the capacity of this corporation was 6,550,000 tons. The Republic owns vast iron and coal deposits and blast furnaces in Alabama, and the acquiring of the Gulf State Steel adds to its ore and coal reserves and a property that is susceptible of easy and profitable expansion.

Now, I am not going to burden you with listing all the contemplated consolidations, but I certainly wish to call your attention to the notices that were sent out by the Bethlehem Steel Corporation of New Jersey—the second largest steel company in this land of ours—calling a meeting of the stockholders on February 26, 1936. They have a contemplated move on hand to throw off the holding-company cloak and become an operating company. This would mean a great, large corporation with hundreds of millions of dollars capital. They are putting out a sop to the stockholders to pay off the preferred dividends on the preferred stock, which is past due, by issuing $20 par preferred stock in order that they can pay the back dividends on preferred stock by issuing one share to each stockholder of preferred and $1 cash, which is still further going to increase their capital structure.

Now, where is Congress going to get the money? That is the question that I want to bring to the attention of this Congress.

The object of this merger is to defeat the income-tax laws as amended in 1934 under which each subsidiary should file a return and pay a tax on its separate net taxable income—and where also dividends are paid from one corporation owned by another there was assessed 10 percent on the dividends to be received.

The Bethlehem Steel Corporation is going to propose to the stockholders to drop or reduce the bonus that is paid to the executive officers of 8 percent and make it 5 percent, when the officers are receiving as high as $250,000 a year in salary. Now, they are not going to evade the law. Legally they can do this very thing, but we as statesmen should make laws prohibiting these consolidations; or, in other words, we should enforce the laws we now have on the statute books, and this is up to the United States Attorney General to enforce the laws.

If this stockholders' meeting permits this consolidation it will mean the Bethlehem Steel Corporation of New Jersey, the Bethlehem Steel Corporation of Delaware, the Kalman Steel Corporation, the Bethlehem Mines Corporation, and the Union Iron Works with all of their subsidiaries will be merged into one great corporation known as the Bethlehem Steel Corporation of New Jersey.

I have nothing against the officers of these corporations; they are only trying to do things in a large business way. They may be thoroughly honest men who are only trying to make the greatest amount of money for the corporations. This helps to kill small business. Let me call your attention also to the fact that this great corporation is now putting its hands out to take over smaller corporations where they can get them for "10 cents on the dollar." At this very moment they are trying to take over the Williamsport Wire Rope Co., a corporation located in Williamsport, Pa., by paying $700 for each $1,000 bond.

Let me show you what this is going to mean to the common-stock holders of that corporation—the Williamsport Wire Rope Co. They have outstanding as of November 30, 1935, $1,221,000 of first-mortgage 6-percent gold bonds that the bondholders' committee recommended be sold to Bethlehem at $700 per $1,000 bond. They have liabilities under the receivership of $54,190.65. Notes payable to bank and accounts payable for merchandise, $1,321,259.38. That is all the liabilities of this corporation except for preferred and common stock.

Now, let us see what assets they possess. They have cash on hand of $569,718.85; accounts receivable, $186,032.41; inventory (raw material, goods in process, finished goods), inventoried at $1,037,427.36; or a total of quick assets of $1,793,178.62. They have other convertible assets of $66,590.34. Then they have lands, buildings, machinery, and equipment valued at $2,462,342.08; prepaid expenses of $15,471.25; and deferred charges of $70,684.01.

Figure out for yourself just what this corporation—the Bethlehem Steel Co.—is going to receive for the amount of money expended. The preferred-stock holders and the common-stock holders will get nothing under the original proposal made by the Bethlehem Steel Co. You men in Congress know that the Bethlehem Steel Co. has been operating less than 35 percent in the last 4 years. But the Williamsport Wire Rope Co. has been operating fairly well. Bethlehem makes more wire rope than any corporation in America, and they want to absorb another plant to further control the market for wire rope.

Why should these big corporations take over these small plants that are in operation, giving employment to the people in certain localities, just because the Attorney General and Congress sit idly by and permit them to do so?

I have written a letter to the Attorney General, and I hope that he will take action to prohibit further consolidations of these great corporations and that he will enforce the Sherman antitrust laws. I ask the majority party in power to use their best efforts to prohibit further great consolidations for the purpose of evading the tax laws that are now on the statute books that were intended to bring in revenue to the Federal Treasury.

This is one way you can get the money to help pay for these enormous expenditures you are making.

But, I say to you now in all good faith, Congress, stop this orgy of spending; enforce the Sherman antitrust laws; and, Members of Congress, let us try to balance the Budget.

Let us raise the money before we spend it. That is the common-sense way of running the Government. That, in my judgment, is statesmanship. [Applause.]

Mr. GRAY of Pennsylvania. Will the gentleman yield?

Mr. RICH. I yield to the gentleman from Pennsylvania.

Mr. GRAY of Pennsylvania. The gentleman speaks not particularly favorable of the Bethlehem Steel Co., which has to do with my constituent and friend, Charles Schwab. I wonder if the gentleman from Pennsylvania knows or has ever heard that Mr. Schwab has never indicated any sympathy for the present administration?

Mr. RICH. I do not know anything about that. Mr. Schwab may be the finest man in the world. I know nothing detrimental to him, but I object to these great corporations ruining this country. We want the small units in the manufacturing business. [Applause.]

[Here the gavel fell.]

Mr. CARPENTER. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes or less.

The SPEAKER. The gentleman from Kansas asks unanimous consent to proceed for 10 minutes or less. Is there objection?

There was no objection.

Mr. CARPENTER. Mr. Speaker, last week we passed the so-called soldiers' "bonus" bill, which is this afternoon being considered by the Senate. It is not my purpose to bore you with a long speech upon the bonus, but inasmuch as this is probably its last journey through the Congress—or at least we hope so—there are one or two things I have in mind to which I should like to call the attention of the Members.

In the first instance, an impression has been attempted to be given out by the opponents of the veterans and the opponents of this measure, that this is the first time the American soldiers and veterans have ever made any request or demand upon the Government. The fact is that in the very inception of this Government it was necessary for the soldiers of the Revolutionary Army to make certain requests upon Congress so that they would get fair treatment and justice for their services. They had a meeting, and resolutions were drawn up, and it is to these resolutions to which I direct your attention. A part of these resolutions, I think, expresses the sentiment of the veterans of this country. It is to their

credit that they drew such a resolution, and I believe the sentiment expressed therein is present among our soldiers and veterans today and always has been. Here is the particular resolution to which I desire to direct your attention:

Resolved unanimously, That at the commencement of the present war, the officers of the American Army engaged in the service of their country from the purest love and attachment to the rights and privileges of human nature; which motives still exist in the highest degree; and that no circumstances of distress or danger shall induce a conduct that may tend to sully the reputation and glory which they have acquired at the price of their blood and 8 years of faithful services.

As a result of these resolutions, Gen. George Washington petitioned the Congress in behalf of the veterans, and this is what he said to the Congress of the United States in his petition:

For if, besides the simple payment of their wages, a further compensation is not due to the sufferings and sacrifices of the officers, then have I been mistaken indeed. If the whole Army have not merited whatever a grateful people can bestow, then have I been beguiled by prejudice and built opinion on the basis of error. If this country should not in the event perform everything which has been requested in the late memorial to Congress, then will my belief become vain and the hope that has been excited void of foundation. And if, as has been suggested for the purpose of inflaming their passions, the officers of the Army are to be the only sufferers by this revolution; if, retiring from the field, they are to grow old in poverty, wretchedness, and contempt; if they are to wade through the vile mire of dependency and owe the miserable remnant of that life to charity, which has hitherto been spent in honor; then shall I have learned what ingratitude is; then shall I have realized a tale which will embitter every moment of my future life.

Mr. CONNERY. Will the gentleman yield?

Mr. CARPENTER. I yield to the gentleman from Massachusetts.

Mr. CONNERY. I suggest that the gentleman take the statement of George Washington, which he has just read, and send it to General Pershing, General Harbord, and Admiral Byrd, who are members of the Economy League, and who did not send any such document to this Congress.

Mr. CARPENTER. I will say in reply to my colleague from Massachusetts, if this is not the sentiment of these gentlemen whom he has just named, that it should be.

When I came out for the payment of the bonus, 4 years ago, the question of the manner of payment, of course, came up, because that is a question that is always raised. They say, "We think the soldiers ought to be paid, but how about the enormous expense involved?"

I took the position 4 years ago we could pay it, and, of course, I was in favor of paying it with currency. The fact that the bill now being passed provides for payment by a bond issue and not by an expansion of the currency, I maintain if I vote for such a measure I am on firm ground, because 4 years ago, when I advocated such a measure, we had not expended all the money that the Government has spent since that time. We could have afforded to have paid it then, because it only required something like $2,000,000,000 to pay it, and the expenditure of many billions of dollars since that time is ample proof of the fact that we could have paid it then; and if we could have paid it then, I was right at that time in my support of the measure, regardless of the method of payment. I made my obligation then, and when I support the measure at this time I am doing nothing more than carrying out an obligation that I made with my constituents at that time.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. CARPENTER. I yield.

Mr. RICH. The gentleman stated we are on "firm ground." I should like to call his attention——

Mr. CARPENTER. I said the advocates of paying this bonus are on firm ground.

Mr. RICH. I thought the gentleman said we are on firm ground, and I wanted to call his attention to the Federal Treasury statement of January 15, and see whether he considers that to be firm ground or not.

Mr. CARPENTER. There is one other thing I want to call to the attention of the House. The veterans' organizations, as such, attempted to win public favor for the payment of the bonus. They have done a lot of work, and they are entitled to a lot of credit for sticking by their buddies. But they are not the only ones who have supported this legislation. Of course, the politicians and many other people in this country were for it and gave it a lot of lip service, but they did not really get behind it sufficiently to put it over.

Mr. CONNERY. Mr. Speaker, will the gentleman yield?

Mr. CARPENTER. I yield.

Mr. CONNERY. I just want to put in the gentleman's remarks the statement, which I am quite sure he would like to have in his statement, that the veterans' organizations originally never asked for any bonus, but such bills were offered by Members of Congress.

Mr. CARPENTER. And the veteran merely took what was given him without having anything to say about it.

There is one group of people that should be given credit because credit is due them, and they are the members of the farm organizations, especially the Farmers Union. This, perhaps, was because of the expansion feature of the bill, and, perhaps, there were other groups in this country who favored the bill because of expansion primarily. They came forward and popularized the payment of the bonus in this country, regardless of the method of payment, and without their interest in the legislation I doubt whether there would have been the popular demand to back up Congress and the veterans' organizations such as exists today.

In accordance with the permission of the House that has been granted to me, I am herewith setting forth the approximate amounts that will be paid to the holders of adjusted-service certificates in the 14 counties of my district, based upon the tabulations figured upon H. R. 1:

Chase	$129,098.64
Clay	270,304.92
Coffey	253,536.21
Dickinson	480,405.90
Geary	266,776.62
Greenwood	357,193.95
Lyon	542,986.80
Marion	385,123.23
Morris	220,221.63
Osage	325,680.66
Pottawatomie	294,557.34
Riley	369,208.74
Wabaunsee	201,113.10
Woodson	158,327.82
Total	4,254,535.56
Total for Kansas	34,930,151.43

[Here the gavel fell.]

THE TOWNSEND PLAN

Mr. WILCOX. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. WILCOX. Mr. Speaker, in every period of financial distress the country has been flooded with schemes and plans for short cuts to prosperity. These plans have included every conceivable idea from the simple process of printing enough paper money to make everybody rich, to plans for dividing up the wealth of the Nation into equal shares and giving every individual an equal amount. Most of these Utopian plans have been sponsored by well meaning but misguided dreamers who have been prompted by the highest and noblest of motives—that of relieving the suffering and distress of the poor. Some of them have been used by demagogues as a means for elevating themselves into high political office, by making political capital of human suffering. But whatever may have been or may now be the motives and purposes of those who sponsor them, they are all based upon the mistaken idea that the immutable laws of nature and of economics may be ignored; that there is an easy road to wealth and that something may be had for nothing.

The period of suffering and distress through which we have recently been passing has produced many of these schemes and plans. Most of them have as their basic idea some plan for taking from those who have and giving to those who do not have. And, when we contemplate the present unequal distribution of wealth and power, when we observe the lust and greed that appear to be the motivating

influence behind the accumulation of many large fortunes, when we see on every hand those who for lack of opportunity find it impossible to provide themselves with the barest necessities of life, we sympathize with the objects and purposes of these planners, though we may not agree with their methods. Whatever may be said of these "share the wealth" ideas, they at least seek to relieve misery by taking from those who have and giving to those who have not.

It is not my purpose to discuss the merits of these distribution or redistribution schemes but rather to call attention to the so-called Townsend plan: A scheme which would take from "those who have not even that which they have" and distribute it among those of a certain age group, regardless of the needs or financial condition of those who are to receive it; a taxation scheme which would levy tribute upon the food and clothing of the poor, the medicine of the sick, and the wages and salaries of those who work for a living; a tax which would add to the wealth of the rich and take from the poor; a scheme which would enable one class to live in idleness at the expense of the remainder of the public; a plan which would place a premium upon wastefulness and penalize the industrious and the thrifty; a plan which, if made effective, would place an unbearable burden of taxation upon those who can least afford it but which would permit those who could afford to pay taxes to escape its burdens; a scheme which reverses every principle of American life by discouraging those who through work and self-denial, through frugality and thrift, have provided against the lean years when they are no longer productive; a tax which would fall most heavily upon those whom it professes to assist—a tax which would drive capital out of the United States, encourage fraud and deception, and bankrupt the Nation.

This taxation scheme parades under the misnomer of an "old-age-pension plan." It seeks to capitalize upon the desire of every right-thinking, decent American citizen to make adequate provision for the aged and the indigent. It holds out to millions of old people the alluring promise of $200 a month, and to millions of young people the prospect of being able to live in idleness at the expense of elderly relatives who may be the beneficiaries of the blood money squeezed from the bread and wages of the poor.

Every decent American citizen believes in old-age pensions. The old folks' home and the poorhouse constitute blots upon our Christian civilization. These institutions must go and in their stead must be set up some sane and practical provision for those who by reason of advancing years are no longer able to care for themselves—provision whereby they will be permitted to still enjoy some of the joys and comforts and freedom of home life and not be herded together like cattle in their declining days.

But in our desire to deal fairly with the aged we must not permit ourselves to be swept off our feet and stampeded into adopting some unfair, unreasonable, unjust, and impractical measure just because it is labeled an "old-age-pension plan." We must not be bluffed or coerced into unwise action by the threats of political extinction by organized groups nor misled by false prophets, many of whom seek only to further their own political or pecuniary interests.

Let us look at this so-called Townsend old-age-pension plan, which should be called the Townsend taxation plan. Let us examine its terms and see just what its effects will be if, as its advocates claim, they shall succeed in electing a Congress which will put it into effect.

What is the Townsend plan? According to Dr. F. E. Townsend, its author, in his testimony before the Senate Finance Committee on February 16, 1935, it is a plan "obligating the Government of the United States to pay every citizen of said Government whose record is free from habitual criminality and who has attained the age of 60 years a monthly pension of $200 until the end of his or her life, upon the sole condition that he or she retire from all future business or profession for gain and guarantees to spend the entire amount of the pension within the confines of the United States during the current month in which it is received."

The gentleman from California [Mr. McGROARTY] introduced on April 1, 1935, the bill H. R. 7154, known as the McGroarty bill, which Dr. Townsend and his collaborators have approved as the bill to put the Townsend plan into effect. The McGroarty bill does not guarantee $200 per month to every individual who has attained the age of 60 years, but it proposes a 2-percent transaction tax upon every transaction within the United States or its territories, the proceeds of which shall be divided equally among all persons who have reached the age of 60 years. In other words, the bill does not guarantee $200 per month. It simply levies a tax and guarantees to divide it among the pensioners, giving them whatever the tax produces. The sponsors of the measure say that this is immaterial, however, as they contend that the 2-percent transaction tax will produce sufficient money to pay all expenses of collection and distribution and yield more than enough to give every person who has reached the age of 60 years the full sum of $200 per month.

The Townsend plan and the McGroarty bill, which seeks to enact it into law, have two essential features, and only two. First, the plan provides for a pension of $200 per month, or $2,400 per year, for every person who has reached the age of 60 years and who refrains from gainful occupation. There is no other qualification except that if a person has an income, his pension will be reduced by the amount of his income. Every person, rich or poor, high or low, black or white, 60 years old or over in the United States, would be entitled to $2,400 per annum, regardless of the amount of property he may own, regardless of the state of his health or his station in life. A man 60 years old, in full possession of all his faculties, owning $100,000 worth of property and in perfect health would receive the same amount as a person 75 years old who had no property and who might be blind or crippled or otherwise dependent.

The second essential feature of this plan is that it proposes to raise the funds with which to pay this $200 per month by a 2-percent transaction tax. Now, a transaction tax is quite different from the simple, ordinary sales tax. Many of the advocates of this plan assert that a 2-percent sales tax would not prove burdensome to anyone. If the plan proposed a simple 2-percent sales tax this, of course, would not be so burdensome as a transaction tax.

The tax proposed in his plan is a tax of 2 percent on every transaction of any sort which takes place in the United States. It not only includes the purchase and sale of articles but it also includes "barter and exchange", and it specifically levies a tax upon salaries, wages, and other income. A transaction tax on purchases and sales of articles means that for every time that the article changes hands it must pay a tax. To illustrate this, let us take, for example, this cotton shirt which I have on and which cost me $1. A simple 2-percent sales tax would amount to only 2 cents. But the transaction tax of the Townsend plan is a much more far-reaching plan of taxation. When the farmer planted the cotton which was afterward made up into this shirt he would have to pay 2 percent on the cottonseed and 2 percent on the fertilizer and 2 percent on the wages of the man who planted and cultivated the cotton. He must then pay 2 percent of the price of picking the cotton; 2 percent of the cost of ginning it; 2 percent of the sale price to the cutton buyer; 2 percent on the sale price from the cotton buyer to the manufacturer; 2 percent on the sale price from the manufacturer to the wholesaler; 2 percent on the sale price from the wholesaler to the retailer; 2 percent on the sale price from the retailer to me when I bought the shirt, plus 2 percent on all of the railroad, steamship, and other transportation charges, plus 2 percent of the wages and salaries of every person who handled the cotton, the cloth, or the shirt from its inception to its delivery to me.

Now everyone knows that the ultimate consumer pays all of the taxes which have accumulated on the article from its inception to its final delivery. Everybody adds his tax to the sale price of the article and passes it on to the next fellow. Not only are the actual taxes added but the manufacturer, the wholesalers, the retailer, and everyone else would use this tax as an excuse for further increasing the sale price of

the article, so that it would ultimately amount to 50- or 75-percent increase in the final sale price. But if everyone who handled it dealt perfectly fairly and added nothing except the actual transaction tax, it would amount to at least an increase of 25 percent in the ultimate sale price of every article bought and sold in the United States.

Under this plan this tax is also made specifically applicable to barter and sale so that the value of property or articles swapped or exchanged would be taxed. It specifically taxes also wages, salaries, rents, and all other transactions of whatever character.

Now what is the sum of money which is to be raised by this method of taxation?

According to the 1930 census there were in the United States more than 10,000,000 people who had reached the age of 60 years. With the normal increase in population it is now conservatively estimated that there are a minimum of 11,000,000 people in the United States of this age group. If all of these people should be paid $200 per month, or $2,400 per year, regardless of their needs or financial condition, it would take more than $26,000,000,000 per year to carry the burden. Now a billion is a thousand million, and a million is a thousand thousand. So that it would take twenty-six thousand million dollars a year to pay $200 per month to every person who has reached the age of 60 years. And this, remember, is the net amount required. In addition to this sum must also be raised the cost of collection and administration of this tremendous sum.

The sponsors of the Townsend plan say that for one reason or another there will be a large group of people who will not qualify to receive this pension. If such a pension should be made available, reason and human experience indicate that every person of that age group who did not have an income of more than the amount of the pension would qualify as a pensioner. But let us say that the sponsors of the plan are right in their assertion that not all people will qualify, and that instead of more than $26,000,000,000, it will only take $20,000,000,000 every year. Let us see just what this amounts to when applied to the average citizen in this country. There are approximately 125,000,000 people in the United States. If it should take only $20,000,000,000 to carry this taxation scheme, this would cost an average of $160 per annum for every man, woman, and child in the United States. Every family of four would pay on the average of $640 per year to carry this scheme. And this, mind you, is in addition to the cost of government and in addition to all taxes—Federal, State, county, District, and municipal. It would cost on the average $160 per year for every person in the United States in order that people who have reached the age of 60 years, hundreds of thousands of whom are not only in no need of financial assistance but actually wealthy, might receive $200 per month for doing absolutely nothing.

A transaction tax is the most vicious and iniquitous of all forms of taxation which have yet been conceived, for the reason that they apply with more crushing effect upon the poor than upon the rich. The poor man, the man of small means, the wage earner, and the small-salaried man, who, after all, constitutes the great bulk of our population, must spend his entire income for the absolute necessities of life. He has no discretion. The necessity for food, clothing, and shelter for himself and his family is so pressing that he must expend his entire income for these things. A transaction tax which covers these items therefore strikes a terrific blow at this great bulk of our population. The rich, on the other hand, may make their purchases abroad, and thereby escape taxation of this character. When they spend their summers in Europe and their winters on the Riviera they would not be subject to this tax, but the poor, who must remain at home and spend their income for food and clothing and rent and fuel, cannot escape the burden of this tax.

In recent months we have heard a great deal about high taxes and the effect of taxes on living costs. Everyone knows that living costs go up as taxes go up, for the reason, which I have already pointed out, that taxes are added to the sale price of articles and passed on to the ultimate consumer. This tax would add to the already overburdened and tax-ridden people of this country this enormous burden, ranging from twenty to twenty-six thousand million dollars for every year. And this money would be wrested from the poor and the wage earner and the salaried man in greater proportion to his ability to pay than from the rich who can afford to pay the taxes.

We have heard much also in recent months about the national debt. We have been told that this debt is so enormous that it is likely to endanger the very credit of the country. We have been told that this great debt mortgages the future welfare of our great-grandchildren. And yet it is not expected that this debt will be paid off in 1 year or 5 years or 10 years. It is expected that we shall take 30 or 40 or maybe 50 years to pay this debt. Now comes along the Townsend plan, which proposes a scheme which will require this country to raise every year an amount in excess of the total national debt of the country. And this is not for 1 year. If this plan is put into effect, we shall have to raise every year, from now on until the end of time, an amount of money as great as the present national debt. In 50 years we shall have to raise by taxation 50 times as much as the national debt.

I am sure that I will be pardoned if I make a direct application of these figures to certain counties in my own congressional district. On the basis of the $20,000,000,000 per annum and on the basis of an average cost of $160 per capita, the amount of money which would have to be raised every year by the people in eight counties of my congressional district would be as follows:

Okeechobee County	$660,640
Martin County	817,760
Indian River County	1,075,840
St. Lucie County	1,129,120
Monroe County	2,179,840
Broward County	3,215,040
Palm Beach County	8,284,960
Dade County	22,872,800

In other words, in these eight counties of my congressional district, it would be necessary to raise every year more than $40,000,000, which would be in addition to the already staggering figures for taxation which are now being imposed upon them for the expenses of the Federal, State, county, municipal, and district governments. The people of my little home city would have to dig up about $400,000 every month, or nearly $5,000,000 every year, to carry their share of the burden of this thing.

My people are already finding it impossible in many instances to pay the enormous taxes which are being levied upon them for the operation of their government. But, if this thing should by any chance become operative, it would be necessary for these people in my district every year to raise more than $40,000,000 to provide these incomes for people, many of whom are actually in better circumstances than some of those who would be called upon to carry the burden.

This is no time to talk about more taxes. This is no time to suggest an increase in our tax burden and corresponding increases in living costs. Taxes must be reduced and not increased. Thousands of families are losing their homes every year because they are unable to pay the enormous taxes levied upon them. If they are unable to carry their present burden, then how, pray tell, are they going to assume an additional burden of $640 per average family per year for this thing?

Of course, the Townsend planners answer this by saying that by exacting this fantastic tax they will make everybody rich. They are going to make us all rich by taxing us to death. They contend that by the circulation of this money everybody will become wealthy.

Be not deceived. Taxes destroy. Wealth cannot be created by taxation. The money which they propose to circulate is to be first exacted from the people of the United States. If this money were to be raised from some outside source it would undoubtedly make us indeed a rich people. But this plan would impoverish every man and woman and bankrupt every business in the country to raise the money which they propose to circulate.

When a man is sick he can sometimes be saved by a blood transfusion. By giving him an additional blood supply to circulate in his veins he is given renewed strength and energy. But this blood must come from some outside source. It certainly would do him no good to pump his own blood out of one arm into the other. This would not give him any new blood but the shock of the operation would probably kill him. And so it is with this scheme. The Townsend planners propose to give us a blood transfusion, but they propose to give us our own blood—just pump it out of us and then back in again. Even this might do us no great harm if it all got back into our system without loss and if the whole system would benefit. But the trouble with the scheme is that most of the money collected would go to pay the salaries and expenses of the tens of thousands of tax collectors, snoopers, inspectors, auditors, and bookkeepers which would be required to collect and administer the fund.

The arguments of the sponsors of this scheme seek to leave the impression that in some mysterious way the money will come from Wall Street, or the big bankers, or from big business. There never has been a tax devised which was not added into the cost of living and passed on to the ultimate consumer and paid by the public. Every tax which has ever been suggested is paid "in the sweat of every man who toils."

Some industrious Member of the House recently inserted in the RECORD a tabulation in support of the Townsend taxation plan. His figures proved that the minimum requirements for each individual in the United States is a little more than $103 per month, or more than $1,200 per year.

I am not disputing his figures but it is my impression that a recent survey has shown that the annual income of the average family in the United States is less than $700. In other words the average American family is living on considerably less than the "minimum requirements" for one individual.

Now, in order that $2,400 per annum may be paid to each individual, or $4,800 can be paid to each couple who has reached the age of 60 years the Townsend plan proposes to tax the food, the clothing, the fuel, the rent, and even the medicine of these average families who make less than $700 per year. Let us see what happens to these "average families" if the Townsend plan is enacted into law. And let us say that the family receives a hundred dollars per month, or $1,200 per annum instead of the $700 which they actually receive. I think that everybody will concede that a man with a family who doesn't receive more than a hundred dollars per month must spend his entire income for necessities of life.

A 2-percent transaction tax will increase the cost of these necessities by 25 percent at least. Therefore, instead of a hundred dollars, it will cost him a hundred and twenty-five dollars per month to live. And does he get any increase in salary? He does not. On the contrary, the tax on his salary takes $2 out of his check every month, thereby leaving him $98 with which to pay a hundred and twenty-five dollars for what he now buys for $100.

He must pay taxes on the food and the clothes he buys for his children. If one of them gets sick there is a tax on the medicine and the doctor's bill. The fuel to cook his food and warm his home is taxed. Nothing escapes. If he swaps horses with his neighbor, he pays a tax. If he trades a load of potatoes for a load of oranges, he pays a tax. If he gets his hair cut, or rides on the street car, or buys a lead pencil, he pays a tax. If he paints his house, or digs a well, or has the plumbing repaired, he pays a tax. There is a tax on the rent, a tax on his lights, a tax on the water he drinks, a tax on his life insurance, and if he dies, he still does not escape—there is a tax on his coffin. And all of these taxes are levied upon him in order that men and women in perfect health, many of them in excellent financial condition, may receive almost $5,000 per couple per annum to live in idleness. Verily, "from him that hath not shall be taken even that which he has."

I have already said that this taxation scheme is flying the false banner of an "old-age-pension plan." It is not an old-age pension plan. It is a scheme for further increasing the burdens of the poor.

A man is not old when he reaches the age of 60 years. Some of the greatest men in history have accomplished their finest work after they passed the age of 60. Youth with its enthusiasm, its energy, and its ambition is fine. But with age and experience comes wisdom. There are tens of thousands of men and women in this country between the ages of 60 and 70 who are in the full vigor of manhood and womanhood, who are just as productive today as they were at 40. There are thousands of these people who have accumulated great property holdings. And yet this plan would set aside every one of these people and force them into idleness for the balance of their natural days and deprive the world of the benefit of their services.

This scheme would require every person receiving the money under it to spend the entire amount of his so-called pension within the current month in which it is received in order that he might receive another similar sum in the succeeding month. There is no limitation upon the character of expenditure. It may be spent in any manner which the so-called pensioner may desire. And here is where "the steam hits the wheel" with many of the supporters of this plan. There is practically no family in the United States that does not have at least one and sometimes two and three persons over the age of 60 years. Either grandpa or grandma or uncle Bill or aunt Sara has reached this age. What is to hinder the younger members of the family from taking grandpa and grandma to board and charging them $200 a piece per month for their board and clothes? One young man recently expressed it to me like this: He said, "My father and mother are both eligible for this pension. I have never been able to do anything for them, but if this plan is put into effect and they receive $400 per month, I could take care of them in excellent shape."

Of course, you and I know that this plan, if enacted, would be held to be thoroughly and completely unconstitutional. The recent decisions of the Supreme Court have laid down pronouncements which would condemn this plan before it is passed. The pitiful part of the whole thing, however, is that efforts toward the enactment of this impractical and unworkable scheme will greatly impede the progress toward the enactment of sane and proper old-age-pension legislation. At the last session of this Congress we enacted a law which permits the Federal Government to make contributions to the States for the purpose of matching State funds for old-age pensions. This law undoubtedly is imperfect and must be amended from time to time to make it accomplish the purposes which we have in mind. It is, however, a step toward the accomplishment of an end which you and I have in mind and that is to make adequate provision for those persons who by reason of advancing years are no longer able to take care of themselves. This Townsend taxation plan would destroy all of our efforts in that direction and leave the aged and indigent without any means of assistance from their Government.

Every right-thinking American citizen, I believe, favors old-age pensions in such amounts and under such conditions as will provide adequately for those who have passed their productive years and cannot provide for themselves. In this enlightened age we are rapidly recognizing the obligation of society toward the individual who, by misfortune, advancing years, or other cause, is made to suffer. It is my hope and my belief that we shall soon see the perfection of our social-security laws along lines which will supply this adequate provision for the aged, the indigent, and the unfortunate. It is certain, however, that we cannot accomplish it by means such as are proposed in the Townsend taxation plan, which seeks to place an unbearable burden upon the backs of those who are least able to carry it.

The most pitiful thing about this entire fiasco is the fact that tens of thousands of old people have been led to believe that $200 per month can and will be paid to them. Many of them have been deceived; thousands of them have been buoyed up by the false hope engendered by false prophets.

I think the most unfair and despicable conduct is that of a man or a group of men who would elevate themselves into high public office by capitalizing upon the suffering and the credulity of old people who are in need. And yet unfortunately, there are those in this country who for the sake of temporary applause and immediate gain would deceive these thousands of old people into believing that this Utopian dream can be made to come true. This hysteria will pass as all such schemes have passed, but the unfortunate part of the whole performance is that a large group of these old people will feel that there has been some terrible injustice done to them by the failure of Congress to do the impossible. In the meantime we must keep our feet on solid ground and, refusing to be deviated from our charted course, proceed with the perfection of social-security legislation which will provide for those who can no longer provide for themselves.

ALL WILL BE WELL

Mr. DOXEY. Mr. Speaker, there has been a good deal said today about the agricultural program. I did not wish to prolong the discussion, and I therefore ask unanimous consent to extend my remarks by inserting at this point a short article by our former colleague, Gov. Edgar Howard, of Nebraska, whom we all love and admire, and who is still keenly interested in our problems here.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. DOXEY. The article I have referred to, Mr. Speaker, is under date of January 16, 1936, and is as follows:

ALL WILL BE WELL

Millions of men, particularly in the farm States, did not hesitate in expressing fear for the future of agriculture when the Supreme Court of the United States declared unconstitutional the act of the Congress known as the Agricultural Adjustment Act, popularly termed the "A. A. A."

While it is true that the great cause of agriculture was dealt a cruel blow by that decision, there is good reason for the belief that ultimate good will follow that unfortunate decree. Immediately following that decision President Roosevelt and the friends of agriculture in the Congress set themselves to the task of offsetting the effects of that ruling by new legislation. Down there in Washington, holding the post of chairman of the Committee on Agriculture in the House of Representatives, is one of the brave and able men of the Nation in his capacity as a Representative in Congress. He is first among his equals in the ranks of lawyers. The A. A. A. was in large measure the child of his brain. He believed it was a step in the direction of giving to agriculture a measure of that same Federal fostering care which our Government has for long years bestowed upon manufacturing and financial interests. The decision of the High Court was a crushing blow to his hopes in behalf of agriculture, but in no sense has it chilled his zeal in effort to provide a square deal for agriculture. Of course, he felt the full force of the blow administered by the Court in almost as large measure as President Roosevelt felt it, but quickly he was back on the firing line. Quickly he began planning for new legislation which might work for the welfare of agriculture without at the same time distressing the august magistrates who have denied to agriculture that same helping hand which the Government through the years has held out to manufacturing and financial groups. The name of that friend of agriculture is MARVIN JONES. For a quarter century he has represented in the Congress of the Nation a Texas district whose one great industry prior to discovery of its oil fields has been agriculture. He was distressed by the decision of the high Court, but he is not discouraged. For the benefit of any and all friends of agriculture in Nebraska let me quote from a letter received today from Chairman JONES, as follows:

"I cannot believe the Supreme Court means to say that a national tariff is legal, and that a national farm program which merely restores the price balance cannot be made legal.

"I cannot believe it is meant that grain and cotton farmers and the producers of other world-market crops must purchase their supplies in a higher-priced protected market, and that there is no constitutional means by which they may be given an even break.

"The greatest fundamental in our system of government is equality in the operation of its laws.

"I am sure a constitutional method of putting all our citizens on an equal footing can be found. Certainly in the interest of simple justice, the effort should be made."

I believe MARVIN JONES and his colleagues in the Congress will find a way to enact legislation to replace the murdered A. A. A. with something just as good, or even better, in behalf of agriculture. I believe there is room for hope, and no room for despair. The foundation which supports the house of our Republic will not be allowed to remain in its present state. That foundation is the American farm. Its impairment by the decision of the high Court will be repaired by the Congress, which is the speaking voice of the people, and in the end that voice will prevail.

EDGAR HOWARD.

PUERTO RICO'S LOTTERY

Mr. KENNEY. Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point a short editorial from the Times Star of Bridgeport, Conn., under date of January 4, 1936, for the purpose of disclosing to the gentleman from Pennsylvania [Mr. RICH] and the Congress where we can get money from a source which the Federal Government has not yet taxed.

Mr. BANKHEAD. Mr. Speaker, I understand the request is to insert the matter at this point in the RECORD?

The SPEAKER. Yes.

Mr. BANKHEAD. That is a rather unusual request, but I shall not object to it.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. KENNEY. The article referred to is as follows:

PUERTO RICO'S LOTTERY

Only legally operated lottery on American soil, the lottery of Puerto Rico, will hold its third extraordinary drawing this month.

Established under a bill passed by the Puerto Rican Legislature and signed by Governor Winship in May 1934, the lottery held its first extraordinary drawing on December 22, 1934, and its second extraordinary drawing on July 4, 1935. According to the last report of the treasurer, covering the period ended June 30, last, and thus including only the first extraordinary drawing, the lottery's gross income in its first year was $743,264, operating expenses were $57,490, and prize distributions $324,889. Of the net proceeds, 60 percent goes to the department of health for use in its fight against tuberculosis, and 40 percent is distributed among the municipalities for relief purposes.

The Puerto Rican lottery is operated by a bureau in the department of finance. Salaries of the director and 21 officers and clerks are paid from the lottery's receipts. Tickets are sold at $4 each through sales agents, who receive for themselves and their peddlers $1 out of each ticket. The chance represented by a full ticket may be divided into twentieths. At the first extraordinary drawing a year ago, 20 persons shared the $20,000 first prize.

In Puerto Rico there was neither constitutional nor statutory prohibition of lotteries. When the old insular lottery was abolished in 1898, it was an order of the United States military governor that destroyed it. The law forbidding the use of the United States mails to promote lotteries applies in Puerto Rico as it does throughout all American territory. The lottery bureau transacts its business, including the reporting of the winning numbers, over the insular government-owned telegraph system.

It has been estimated that between the time of the abolishment of the old lottery and the establishment of the new one last year, Puerto Ricans annually sent out of their country a million dollars to purchase lottery tickets in Spain and other foreign countries. Advocates of lotteries in the United States have estimated that Americans annually spend a billion dollars on tickets of chance from Great Britain and elsewhere in Europe.

PARKS, PARKWAYS, AND RECREATIONAL FACILITIES

Mr. ROBINSON of Utah. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 10104) to aid in providing the people of the United States with adequate facilities for park, parkway, and recreational-area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof.

I may say to the House that this is a bill that has been unanimously reported by the Public Lands Committee and has been agreed to by both the Department of Agriculture and the Department of the Interior and I think there is no objection to it from any source whatever.

The Clerk read the title of the bill.

Mr. MOTT. Mr. Speaker, reserving the right to object, what is the request?

The SPEAKER. For the immediate consideration of the bill.

Mr. SNELL. Let the bill be reported.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior (herein called the Secretary) is authorized and directed to cause the National Park Service to make a comprehensive study, other than on lands under the jurisdiction of the Department of Agriculture, of the public park, parkway, and recreational-area programs of the United States, and of the several States and political subdivi-

sions thereof, and of the lands throughout the United States which are or may be chiefly valuable as such areas. The said study shall be such as, in the judgment of the Secretary, will provide data helpful in developing a plan for coordinated and adequate public park, parkway, and recreational-area facilities for the people of the United States. In making the said study and in accomplishing any of the purposes of this act, the Secretary is authorized and directed, through the National Park Service, to seek and accept the cooperation and assistance of Federal departments or agencies having jurisdiction of lands belonging to the United States and may cooperate and make agreements with and seek and accept the assistance of other Federal agencies and instrumentalities, and of States, political subdivisions thereof, and the agencies and instrumentalities of either of them, and may accept unconditional donations and gifts from private agencies, instrumentalities, and individuals.

SEC. 2. For the purpose of developing coordinated and adequate public park, parkway, and recreational-area facilities for the people of the United States, the Secretary is authorized to aid the several States and political subdivisions thereof in planning, establishing, improving, and maintaining such areas therein, and in cooperating with one another to accomplish these ends. Such aid shall be made available through the National Park Service acting in cooperation with such appropriate regional interstate or State agencies or the agencies of subdivisions thereof as the Secretary deems best.

SEC. 3. That for the purposes of this act and subject to the approval of the President of the United States, the Secretary is authorized to transfer to any State or political subdivision thereof by lease, for such terms as he may deem best, or by patent, such right, title, or interest in or to the land described in section 4 hereof as he may deem advisable: *Provided*, That all minerals in the land patented or leased shall be reserved to the United States. No lands shall be transferred, however, except with the approval of the head of the department having jurisdiction thereof. In the event that title to any land eligible for transfer is held in the name of any Federal agency or instrumentality, the Secretary is authorized to accept transfer thereof on behalf of the United States. All right, title, or interest in or to the said land shall revert to and revest in the United States upon a finding by the Secretary, subject to review by local Federal courts, that for a period of 5 consecutive years the land has not been used by the patentee, lessee, or successor, transferee, or assignee thereof for such purposes.

SEC. 4. The following land shall be subject to be patented or leased under section 3 hereof:

(1) Any land heretofore or hereafter acquired by the United States or any agency or instrumentality thereof, if in the judgment of the Secretary the land is chiefly valuable for park, parkway, or recreational-area use by States or political subdivisions thereof, and the head of the agency having administrative jurisdiction thereof finds that transfer of the land will not adversely affect the management of adjoining or related public properties or otherwise diminish the public value and service of such properties.

(2) Such land donated or devised to be devoted to the purposes of this act as the Secretary in the exercise of authority hereby granted may accept in behalf of the United States.

SEC. 5. Whenever the Secretary makes a transfer of lands embraced in subsection (1) of section 4, such transfer shall be submitted to Congress while in session and shall not become effective until after the expiration of 60 calendar days after such transmission, unless Congress shall by law provide for an earlier effective date of such transfer: *Provided*, That if Congress shall adjourn before the expiration of 60 calendar days from the date of such transmission such Executive order shall not become effective until after the expiration of 60 calendar days from the opening of the next succeeding regular or special session.

SEC. 6. The Secretary shall obtain from the patentee or lessee of any land such contracts and agreements and such information pertaining to the park, parkway, and recreational-area program of the patentee or lessee as in his judgment may be necessary to assure administration of the said land in the public interest.

SEC. 7. The Secretary is hereby authorized to accept, on behalf of the United States, deposit in a special fund in the Treasury, and expend for the purposes of this act, private funds donated or bequeathed for such purposes.

SEC. 8. Consent of Congress is hereby given to each of the several States to negotiate and enter into any compact or agreement with one another with reference to planning, establishing, developing, improving, and maintaining any park, parkway, or recreational area. Such consent is given upon condition that a representative of the United States from the National Park Service and a representative from each of the several Federal departments and agencies having jurisdiction of lands involved in any such compact or agreement, shall be appointed by the President to participate in any negotiations and shall make report to Congress of the proceeding and of any compact or agreement entered into. No compact or agreement shall be effective until approved by the legislatures of the several States which are parties thereto, and by the Congress of the United States.

SEC. 9. As used in this act the terms "State" shall be deemed to include Hawaii, Alaska, Puerto Rico, the Virgin Islands, and the District of Columbia.

SEC. 10. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as Congress may deem necessary to carry out the provisions of this act.

SEC. 11. The Secretary is authorized from time to time to make and publish such rules and regulations, and to do such acts as may be necessary, for carrying out the provisions of this act.

Mr. MILLARD. Mr. Speaker, reserving the right to object, is this a unanimous report from the committee?

Mr. ROBINSON of Utah. Yes; it is a unanimous report.

Mr. MILLARD. That is all I want to know.

Mr. ROBINSON of Utah. The gentleman from New York [Mr. WADSWORTH] and the gentleman from Pennsylvania [Mr. RICH] were both present.

Mr. MOTT. I was not able to be at the meeting at which this bill was considered. I did look the bill over and it seems to me it is just another one of those departmental bills prepared by the Secretary of the Interior or some underling in his Department, giving more discretionary jurisdiction to the Secretary of the Interior in the matter of the public domain.

If the House wants to consider the bill at the present time, I have no particular objection. Personally, I did not vote for the bill to come out of the committee, and I am going to vote against it.

The SPEAKER. Is there objection to the immediate consideration of the bill?

There was no objection.

Mr. ROBINSON of Utah. Mr. Speaker, this bill (H. R. 10104) has been reported out of the Committee on Public Lands unanimously, with a recommendation that it pass and become a law.

A similar bill (H. R. 6594) was reported out of the same committee during the last session of Congress. However, due to the fact that certain objections were made to the bill, it was not passed. It was feared that this bill (H. R. 6594) did not exclude definitely enough the lands under the National Forest Service; and, therefore, in order to reach this objection, the bill was redrafted and has been introduced as H. R. 10104.

As the bill now stands, it is acceptable to the Department of Agriculture and also to the Department of the Interior. You will observe on page 1, line 6, that lands under the jurisdiction of the Department of Agriculture are omitted, so that there is no attempt under the present act to include lands which are now under the jurisdiction of the National Forest Service.

The purpose of the bill is to authorize a study to be made by the National Park Service of the public parks, parkway, and recreational areas; first, those that are at the present time used for this purpose; and second, lands throughout the United States which may be chiefly valuable for such purposes. This study is to provide helpful data in developing a plan for the coordination of park, parkway, and recreational-area facilities in the United States and in the various States.

In order to make this study the Secretary of the Interior, through the National Park Service, is authorized to seek and accept the cooperation and assistance of the Federal departments or agencies which have jurisdiction over lands belonging to the United States, and also to accept and help cooperate with the various States and political subdivisions thereof and the agencies or instrumentalities of either of them. He is authorized to accept unconditional donations and gifts from private agencies or individuals. The bill provides that, subject to the approval of the President of the United States, the Secretary of the Interior is authorized to transfer to any State or political subdivision thereof, by lease or by patent, any lands that in his judgment are chiefly valuable for park, parkway, or recreational use. However, no lands shall be transferred without the approval of the Department having jurisdiction over it, and all transfers must be submitted to Congress. Congress shall have 60 days during the time that it is in session to either approve or reject such a transfer. If, however, in this 60 days Congress does not act, then the transfer is valid.

All minerals in the lands patented or leased are reserved to the United States.

If the lands conveyed shall not be used for the purpose for which conveyance is made for 5 consecutive years, then, subject to a review by a local Federal court, the land shall revert to the United States.

The act gives the several States authority to enter into compacts or agreements with one another with reference to planning, establishing, developing, improving, and maintaining any park, parkway, or recreational area. Such agreement, however, shall be made by a representative from the National Park Service and a representative from the Federal department or agency having jurisdiction over the lands involved, who shall be appointed by the President, and shall make a report to Congress of the proceedings of any compact or agreement entered into.

No agreement is to become effective until it is approved by the legislatures of the several States which are parties thereunto, and by the Congress of the United States.

Congress is authorized to make such appropriation as it may deem necessary to carry out the provisions of the bill.

The Secretary of the Interior is authorized to make and publish such rules and regulations as may be necessary for the carrying out of the provisons of the act.

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent to make a brief statement.

The SPEAKER. Is there objection?

There was no objection.

Mr. BANKHEAD. Probably the Democratic Whip has notified all Members on this side about the program in relation to passing the so-called "bonus" bill. I have had so many inquiries about it that I think this is the proper time for me to say that if the Senate passes the bill in time for it to get over here we expect to take it up the first thing on Wednesday after the disposition of business on the Speaker's table.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WHICH SHALL PREVAIL—DEMOCRACY OR ROOSEVELTIAN MONARCHISM?

Mr. MERRITT of Connecticut. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an address by my colleague [Mr. WOLCOTT] at the banquet of the Young Republicans of Connecticut, in Hartford, on Saturday evening, January 18, 1936.

The SPEAKER. Is there objection?

There was no objection.

Mr. MERRITT of Connecticut. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of Hon. JESSE P. WOLCOTT, Representative in Congress from the Seventh District of Michigan, at the banquet of the Young Republicans of Connecticut, held at the Hotel Bond, in Hartford, Conn., on Saturday evening, January 18, 1936:

I am indeed grateful for this opportunity to address the young Republicans of Connecticut. Many and complex are the present problems of government. Issues are crystallizing which, when they take their final form, will have greater influence on posterity than any others that have preceded them. They can be brought within two classifications: Those having to do with the perpetuation or destruction of constitutional government and those maintaining or undermining our economic structure. It is in respect to these that I wish to talk tonight.

It may appear somewhat sophomoric to again call attention to the fact that the founders of our Republic, in drafting our Constitution, were attempting a compromise between an integrated monarchial form of government and one in which there would be created a loose confederation of sovereign states in the nature of pure democracies.

The result was the present republican, representative form of government, which has withstood the ravages of time, internal strife, and the onslaught of demagogs for nearly 150 years. It was purposely made a government of three distinct but nevertheless integrated branches: The legislative, the executive, and the judicial—a government of checks and balances, to forestall the ambitions of any perverted class of men who may hope to aggrandize themselves by the confusion of their country.

Such aggrandizement is apparent in the despotic attempts of the President and his satellites to substitute autocracy for democracy. The New Deal party has promulgated policies the adoption of which has convinced us of its belief that democracy is too unjust to endure. By thus stating the belief of the party in power at Washington, I am perhaps more charitable than the facts justify, because many honest-minded, sincere citizens are of the opinion that the accomplishments of the administration in centralizing all government under one political head at Washington do not fall short of an attempt at dictatorship. We can be assured, regardless of how we try to explain its actions, that the New Deal party has no abiding faith in a republican form of government and little confidence in the ability of the American people to govern themselves. There can be no stability of policy or confidence in the administration of our Government so long as the President doubts "whether societies of men are really capable of establishing good government from reflection and choice, or whether they are forever destined to depend, for their political constitution, on accidents and force."

Our Government is now dependent upon accident, the accident that somewhere, somehow, some action of the administration perchance, might be found to be in keeping with the Constitution.

It is consoling to Republicans to realize that throughout the last year and a half, while the New Deal party has been on the defensive, and has been denouncing the Republican Party for its attempt to return the Government to the people, no charge has been successfully substantiated that the Republicans ever found it difficult to run the Government and provide welfare for our needy, under and by virtue of the Constitution.

In connection with this general subject, let me refer briefly to the recent attacks on the Supreme Court by those who bend the knee to Rooseveltian monarchism.

During this political crisis, it is becoming more apparent than ever, that the three branches of the Government should be kept as distinct as possible. Why is this true? To weaken the effective status of any one or two of these relatively important constituent parts of the Government will result in the destruction of the equilibrium of an otherwise well balanced whole. Whether this be done by subterfuge, or by directly depriving a branch of the Government of constitutionally created powers and prerogatives, does not matter—the effect is the same. This administration is now exerting every possible means to remove the obstacle of the Supreme Court. To accomplish its purpose by subterfuge it is advocating the enactment of so-called agricultural relief legislation embodying the unsound policy of restricted production in the face of the proven fallacy that by producing less we should have more. Some such scheme, to temporarily circumvent the explicit ruling of the Supreme Court against the constitutionality of such attempts, will undoubtedly be enacted before this Congress adjourns. As a more direct method of minimizing the effect of increasing public sentiment in favor of the Supreme Court and decreasing confidence in the ability of the President and his New Deal Congress to properly function as units of constitutional Government, resolutions have been introduced and hearings are now being conducted before the Judiciary Committee of the House of Representatives to amend the Constitution. This issue is welcomed by Republicans and Democrats all over the United States who believe in constitutional government.

Piqued by their failure to make of the President a dictator or of the Congress an oligarchy, Mr. Roosevelt and his anti-Constitution party no longer confine their irritation to hurling epithets and making wisecracks. They have come to the definite conclusion that the people no longer react favorably to references to "horse-and-buggy days", or charges that all New Deal critics are Tories and "whiners." Newspaper and magazine polls are frightening them to the belief that the American people are taking this issue of the perpetuation of the Constitution as serious business. They are learning from bitter experience that there is a prevalence of alarm in business, agricultural, and industrial circles, which is a distinct shock to them. As a consequence, like the proverbial grasping at the straw, they talk of a plebiscite by which they hope to effectuate their purpose to remove any obstacle which they might otherwise have to hurdle in the race for political power. We challenge them to make the Supreme Court the issue in this coming campaign. New Deal spokesmen have warned our people that the campaign ahead of us is to be one of mud slinging and vituperation. We as Republicans do not approach such a campaign with any degree of pleasure, but if the issue is to be framed with a gilded effort to vindicate New Deal autocracy, by constitutional amendment, then we will not be fooled by a glittering covering of regard for the forgotten man, because we have been taught by Hamilton that "a dangerous ambition more often lurks behind the specious mask of zeal for the rights of the people than under the forbidding appearances of zeal for the firmness and efficiency of government."

We will not be confounded by the loudness of the declamations or by the bitterness of the invectives of those heralds of destruction who will accompany the movement throughout the land—no; we will take their resolution to amend the Constitution and drag it through and tramp it into the political mire of every State of this Union, after which it may appear in its true form, clothed in communism, nurtured by fascism, and by the aid of a few blood transfusions of New Deal socialism will ultimately emerge from the mire as Rooseveltian monarchism.

There are those who have been drugged by the prescriptions of the quack doctors of the administration. It is not to be wondered at that so many of our people who were in the depths of despondency—a condition which resulted from a costly war which threw the whole world into chaos, from which we are but now emerging—should have swallowed these sugar-coated palliatives with some degree of hope and confidence in the results. They have had a rude awakening from a delusive sleep, with a terribly bad headache. With the dawning of the inevitable "morning after" they want no more stimulants of that nature, and are returning to the old family doctor for succor.

Well, the old family doctor is expecting them. He knew from the history of the case that the new medicine would not give

them permanent relief. He is going to diagnose their case all over again in the light of new developments and will prescribe for them. Whether the headache takes the form of a delusion, whether it takes the form of communism, fascism, nazi-ism, or just a plain abandonment of common sense, the prescription will be the same. The old doctor will not aggravate the ailment by trying to cure communism with communism, fascism with facism, nazi-ism with nazi-ism, socialism with socialism, fear with lack of confidence, but will give them a great big dose of the medicine which has always cured them of all of their economic and social ailments—a great big dose of constitutionalism and Americanism as promulgated by the ideals and principles of the Republican Party. You can't compel the American people to adopt fascism with the threat of communism; you can't compel the American people to adopt nazi-ism with the threat of fascism; you can't compel us to accept socialism or monarchism by the claim that the American Constitution has outlived its usefulness.

You will notice that throughout my remarks I have referred to the opposition party in power as the New Deal Party. I have done this deliberately, having in mind that the majority of Democrats who have earnestly and faithfully followed the doctrines of Thomas Jefferson and the New Deal Democrats are as far apart in their advocacies as Republicans are from Communists. Senator CARTER GLASS, of Virginia, is one of the old-line Democrats whom we all respect, and whose judgment is as sound as the Rock of Gibraltar. At the banquet of the National Association of Newspaper Editors in Washington, Senator GLASS hit the nail on the head when he said:

"There are only a few of us Democrats left."

It has been said that "confidence is the keystone of the arch of government." Without confidence, and at least a show of integrity, no government can endure. There is a harsh inference in this statement which I think is justified by the record. In order that my remarks may not be misunderstood, I charge, without any equivocation or fear of successful contradiction, that the Roosevelt administration has broken faith with the American people. Because it has seen fit to treat so lightly its assertions of policy, disrespect for government and lack of confidence is prevalent throughout the land. This situation would not be serious if it was confined to the personnel of the administration, but many people do not distinguish between the administration and the Government. Reflections on the integrity and purpose of one is bound to effect confidence in the other. Lack of confidence in the integrity and stability of the Government naturally results in timidity on the part of investors so that there is a freezing of credit resources. Money and credit no longer flow through natural channels into business, agricultural, and industrial enterprise, and there is an attending decrease in employment and purchasing power. So fear of the next move of the President and his New Dealers seems to be the root of all our economic ills. Remove this fear and America will experience one of the greatest natural booms in its history.

Why are business, industry, and agriculture apprehensive of the future? The answer, of course, is that they have been taught to doubt the altruism of the motives of the administration. The allegations of concern for the rights of our citizens appear to them now in their true light—mere smoke screens behind which are being built political air castles to house the experimentations of inexperienced theorists.

On January 3 the President said, in his alleged message to Congress, that "By their fruits ye shall know them." He also said, "And their weapon is the weapon of fear. I have said: 'The only thing we have to fear is fear itself.' That is as true today as it was in 1933. But such fear as they instill today is not a natural fear, a normal fear; it is a synthetic, manufactured, poisonous fear that is being spread subtly, expensively, and cleverly by the same people who cried in those other days, 'Save us, else we perish.'" He and his party have said other things at other times which are not quite so consistent with their actions. For example, let us refer a moment to some of the paradoxes of this administration that have resulted in this prevailing fear. It is interesting to read the platform of the party now in power, in the light of what has happened since the inauguration of 3 years ago. In that platform the Democratic Party solemnly state:

"We believe that a party platform is a covenant with the people to be faithfully kept by the party when entrusted with power, and that the people are entitled to know in plain words the terms of the contract to which they are asked to subscribe."

And then follows:

"We advocate an immediate and drastic reduction of Government expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 percent in the cost of Federal Government * * *."

In his acceptance speech at Chicago, following his nomination, President Roosevelt said that he stood foursquare on the Democratic platform in this and all other respects. In further confirmation of his stand with respect to this particular part of the Democratic platform, President Roosevelt, at Topeka, Kans., on September 14, 1932, said, as follows:

"I propose to exert through the Presidency, as I have done through the governorship, every bit of influence I can in favor of a national movement to reorganize local government in the direction of eliminating a large part of the tax burden that now bears so heavily on the farmers of the Nation."

In the light of what has transpired since these remarks were made it is apparent that the President was not sincere in making them. And again, in the same respect, he is quoted by the press as saying:

"By our example at Washington itself we shall have the opportunity of pointing the way of economy to local government * * *."

He then goes on to distribute tax dollars between the local, State, and Federal Governments, and concludes by saying:

"I propose to you, my friends, and through you, that government of all kinds, big and little, be made solvent, and that the example be set by the President of the United States and his Cabinet."

Instead of this the costs of government have arisen to the extent that we find ourselves in the position where there are only two alternatives, that of liquidation of our debt by pernicious and destructive inflation of the currency or by confiscatory taxation, which is equally destructive of business and property.

In his speeches before the election Mr. Roosevelt laments the fact that the tax burden is equivalent to $125 per year per person. The per capita burden of Federal taxes has increased during the 3 years of his administration from about $170 to about $265. Using Mr. Roosevelt's own words:

"This is an impossible economic condition. Quite apart from every man's own tax assessment, that burden is a brake on any return to normal business activity. Taxes are paid in the sweat of every man who labors, because they are a burden on production and can be paid only by production. If excessive, they are reflected in idle factories, tax-sold farms, and hence in hordes of the hungry tramping the streets and seeking jobs in vain."

And again:

"Let us have the courage to stop borrowing to meet continued deficits. Stop the deficits. And let us also have the courage to reverse the policies of Republican leaders and insist on a sound currency."

What has happened is that during the 3 years of Roosevelt's administration the national debt of the United States has increased from about twenty-one and a half billion dollars to a sum of $30,526,830,316.94. It is estimated that the net operating deficit of the Roosevelt administration at the close of the fiscal year, July 1, 1936, will amount to about $15,000,000,000, which will bring the total national debt to a sum of $35,000,000,000, which with contingent liabilities of over four and one-half billions, will bring the gross debt up to nearly $40,000,000,000. In the face of this, can Mr. Roosevelt say truthfully that the fear of having to liquidate this debt by either inflation or confiscatory taxes is not a natural fear? Can he truthfully say, as he said in his political message to Congress, that this fear is synthetic, manufactured, and poisonous? May we recall also at this point that when the Federal emergency relief bill was before the House Banking and Currency Committee in 1933, at a time when the national debt was about $22,000,000,000, a New Deal Senator, appearing before the committee, in answer to the question, "How far do you think we can go in bonding the Government of the United States before Government credit will be seriously jeopardized?" responded that experts had testified that we could go up to about $35,000,000,000.

To show the lightness with which Government indebtedness is considered by the administration, let me compare this statement with that made by Marriner Eccles, Mr. Roosevelt's Governor of the Federal Reserve Board, before the House Banking and Currency Committee, when testifying on the subject of the Banking Act of 1935. Mr. Eccles, who now heads the politicalized Federal Reserve Board, which establishes the monetary and credit policies of the Government as the fiscal agent of the Government, said that he had no fear whatsoever of a $40,000,000,000 Government debt, which, together with an internal municipal debt of about $20,000,000,000, which is the bonded indebtedness of our States, counties, and municipalities, would make the total public debt, which Mr. Eccles does not fear, to the astronomical figure of $60,000,000,000.

With men in public office who regard their promises so lightly and the Government credit of so little importance, how can Mr. Roosevelt with honesty charge that the fear of the people in these respects is synthetic? When he says that "the only thing we have to fear is fear itself", let him be reminded that the American people honestly and sincerely fear inflation. They fear a condition in America comparable to that which contributed to the French Revolution and to the devastating policies of currency manipulation in Germany and Austria, within the memory of all of us, which broke both of those countries.

Let him be reminded also that what the American people fear, in addition to inflation or confiscatory taxation, is Government control of business, Government control of agriculture, the delegation by Congress to him, the President, of its constitutional powers and prerogatives to coin money and regulate the value thereof. Let him be reminded that in addition to fear itself, they fear that if all of these other attempts to socialize America fail, but that the control of credit through the operation of the Banking Act of 1935 is maintained, then a single individual, namely, the President himself, acting through the medium of a politicalized Federal Reserve Board, may, by the manipulation of credit, regulate the flow of the lifeblood of business, industry, and agriculture, and control the very destiny of our people. Truly, as Mr. Roosevelt says, "This is an impossible economic condition."

Let him again be reminded that increasing deficits can be pyramided into a larger public debt and that an ever-increasing public

debt means excessive taxation and that money which would otherwise be used to purchase goods and agricultural products must be used to pay taxes to carry these burdensome obligations; and let him be warned in his own words that if taxes are excessive "they are reflected in idle factories, tax-sold farms, and hence in hordes of the hungry tramping the streets and seeking jobs in vain." In truth, as he says, "let us have courage to stop borrowing to meet continued deficits—stop the deficits."

The only way we will be able to stop the deficits and to stop borrowing to meet continued deficits is to return a party to power which has kept faith with the American people and will make an honest endeavor to balance outgo and income in its administration of Government functions. I have called attention to only a few of the paradoxes of this administration, merely to prove my assertion that it has broken faith with the American people. These breaches of faith and demagogeries on the part of the New Deal party may be justified by the advocates of socialism, fascism, Hitlerism, or communism. There is no place for them in Americanism.

The present New Deal administration is indicted at the bar of popular opinion because it has not kept the covenant; because it has broken faith; because of its manipulation of the currency; because by a sectional attitude it has given to some sections of the country the advantages of cheap power not enjoyed by others; because it has launched upon a continuing program of experimentation and trial-and-error prescription for our economic ills; because it has not established a definite policy with respect to its attitude toward business and agriculture and maintained it long enough for business and agriculture to readjust itself to the new order of things; because of its failure to make an honest endeavor to approach a balancing of the Budget; because of its attempts at the centralization of governmental power and functions, reaching out, as it does, to control agriculture, business, industry, finance, and credit.

It is charged with impairing the confidence of our people not only in the policies of the administration but in government itself. The New Dealers cannot answer the charge that this lack of confidence is the result of difficulties except of their own making. "Lack of confidence is not the result of difficulties; difficulties come from lack of confidence." Our difficulties now take the form of a disintegration of our economic structure to the extent that to bolster it up many are ready to embrace any of the many prevalent economic panaceas for our economic ills. With the return of sound government under Republican leadership, these problems will solve themselves.

Do the people want to get rid of the New Deal? Did you note the increase in factory production and employment following the announcement by the administration that business was to have a "breathing spell"? A breathing spell from what? From Government interference and restriction, of course. And the announcement of a "breathing spell" was an implied recognition that all that had gone before was unjust, unwarranted, and unsound.

Did you notice the favorable reaction in the stock market, which is the barometer of business conditions, following the demise of the N. R. A.? Did you notice the raise in the commodity price index of agricultural products when the A. A. A. decision was rendered by the Supreme Court? In these tangible evidences of relief from restraint lies the answer of the American people to whether they want a continuance of New Deal policies. Most economists including Irving Fisher of Yale, are of the belief that we were coming out of the depression in the summer of 1932. The elections of that year and the resultant confusion concerning the policies of the incoming administration set back our approach to prosperity 4 years. The Republican Party has been called back into power to rebuild the Nation upon the ruins resulting from the devastating and destructive experiments of a party which has proven itself incapable, in at least three administrations, of maintaining a government "of the people, by the people, and for the people." It will not shirk its duty to do so again next year.

We have repeatedly condemned our opponents for their destructive criticism when we were in power. Let us not make the same mistake. For that reason we should probably give more attention to the formulation of our own platform of policies than to criticism of the mistakes and motives of the New Dealers. People of the United States from experience have a right to expect intelligent leadership by the Republican Party. Intelligent leadership contemplates an understanding of the people's problems. This the Republicans of the Nation have. We can assure the people that the Republican Party stands foremost for constitutional government, which in practice now means a return of the Government to the people, a turn from autocracy to democracy.

We do not believe that every businessman, every industrialist, and every successful farmer is a parasite on the body politic, obtaining their livelihood by making others miserable; but we do believe that under our form of government, business, industry, and agriculture should be allowed and encouraged to expand proportionately with the expansion of the market for their products. We do believe that there should be a revivification of the truism that wealth can be created only through the exercise of man's talents, that the social security of our people is dependent upon the ability of our manufacturers and farmers to sell the products of their farms and factories, which contemplates a protected American market which consumes 93 percent of the products which we grow and make.

We believe further that the domestic market may be expanded by a restoration of purchasing power and that to increase purchasing power every safeguard should be thrown around American business, industry, and agriculture as an inducement to expand and employ men and women. This embraces the belief that we must stabilize our currency in order that our people may know from month to month the purchasing power of our money, that we must stabilize the policies of government in order that our business men and women may be able to adjust their businesses without fear of constant change and unwarranted interference.

We believe that we should balance the Federal Budget; that we should do away with all unnecessary bureaus, because an unbalanced budget is a constant threat to our economic prosperity. We believe that this involves balancing outgo with income and as Republicans we should pledge to the people of the United States that upon the return to power of the Republican Party in January 1937 one of the first acts of the new administration will be to purge the Government of every unconstitutional, unnecessary agency which is now preventing the balancing of the Federal Budget.

We must and will give assurance that in conformity with the Constitution, striving under and with patriotic regard for that Constitution, we will remove the uncertainty and lack of confidence in government which now exists by enunciating and adhering to definite and honest-intentioned policies—such policies as will give assurance of cooperation rather than destruction.

With these ideals we welcome the coming campaign and the issues which are involved. We know that the American people, having created a civilization higher than that in any other country in the world, have no desire to relinquish that enviable position. We are going forward—ever forward. The people of America know the heart and the purpose of the Republican Party. "We will not retreat."

THE LEAGUE OF NATIONS

Mr. TINKHAM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a compilation made by the Library of Congress in relation to the League of Nations. It would take about four pages.

The SPEAKER. If it takes over two pages the gentleman would have to get an estimate of cost.

Mr. TINKHAM. I have that estimate, and it is $192.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. TINKHAM. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following public statements of Franklin Delano Roosevelt relative to the League of Nations, 1919 to March 3, 1933, inclusive, prepared by Legislative Reference Service, Library of Congress:

ADDRESS AT LUNCHEON OF LEAGUE OF FREE NATIONS ASSOCIATION IN NEW YORK CITY, MARCH 1, 1919 (LARGELY INDIRECT QUOTATION)

Unless the United States entered the League of Nations, said Mr. Roosevelt, it would become a new form of the Holy Alliance of Europe. As for the argument of those who declared the Covenant would bind the United States to take part in every Balkan squabble, Mr. Roosevelt pointed out that the League's representative would have "a certain amount of common sense" and would not ask the American people to do anything they did not want to do or that was inconsistent.

Regarding the allegation that the Covenant was in direct violation of the American Constitution, Mr. Roosevelt averred that the Constitution was a document "through which a team and horses can be driven on every page."

He pointed out that the success of the League of Nations depended not so much on the Covenant as on the spirit with which it was accepted by the nations. To those who affirmed that the League was a step in the dark and "would lead to internationalism", Mr. Roosevelt retorted that " there were different conceptions of internationalism; that while the League would lead to an internationalism of good will, honor, and service among nations, which would prevent a repetition of the horrors of war, it would not lead to the internationalism of the red flag or the black flag." (New York Times, Mar. 2, 1919, sec. 2, p. 1.)

ADDRESS AT CITY CLUB IN BALTIMORE, MARCH 29, 1919

It would be well if the League constitution could be amended so that Europe would be called on to deal with its own problems, such as those that may arise in the Balkans, and the United States be called in only as a last resort and to settle problems that could not be settled by European nations without the effort itself bringing about graver problems than those which it is sought to settle. * * *

But I am willing to give faith to the common sense of the membership of the League, faith in the same sort of common sense that prevented this Nation, a group of States loosely bound together by a Constitution that was not generally approved, from going on the rocks during the administration of our first President. I have faith that under the present draft of the constitution of the League of Nations, even if it is not amended, any trouble in the Balkans, for instance, will be given to the European nations for settlement, only calling on us if our participation should become necessary to avert a general European war, such as we have just had, and in the same way if trouble should arise on this side of the water, we would be given the mandate to settle it.

But if the amendments cannot go in, if for any reason they are not thought advisable by the associated nations, then I am willing to make a try on the thing as it is at present planned. It gives an answer—perhaps an imperfect answer, perhaps not the best answer, but an answer to the great cry, the deep appeal that is heard in this country, and which rises from all over Europe, that out of this war must come something newer, something higher, something of more lofty ideals than that which has gone before. This is the great yearning of the world.

And if no answer shall be given, many people, not only on this side of the world but all over the world, are going to be sorely disappointed. They are going to throw up their hands and say: "Well, if the forms of government that exist now cannot procure for us some kind of answer to the problems of the world, we are not so sure that we had not better try some other sort of government." People are saying that out loud now on the streets of Paris and London, and those who are talking like that here are not far away.

We want study, we want honest deliberation on the question of whether this answer which is being proposed is not sufficiently good to make it worth while for us of the United States to give up something that we have prized, to give up this or that or the other that we like, or whether we will be giving away too much of our American heritage in order to join in with the rest of the world to avert the likelihood of future wars.

I believe the League of Nations proposition will go through. I believe it will go through with the general consent of the people of the United States to the unutterable delight of millions of downtrodden people of Europe. (Baltimore Sun, Mar. 30, 1919, pt. 1, p. 16.)

INTERVIEW IN COLUMBUS, OHIO, JULY 12, 1920

Mr. Roosevelt was asked—

"Do you regard the League of Nations as the dominant issue of the campaign?" * * *

"Yes," Mr. Roosevelt said, with quiet emphasis.

"And you will treat it as such in your campaign speeches?"

"Undoubtedly", he replied.

"Do you believe that the Democratic Party's stand on that issue will take more strongly in the West than in the East?"

"I am not in a position to speak of the relative popularity of our attitude in the West and in the East", he replied. "I know that it will make a big hit in the West." (New York Times, July 13, 1920, p. 2.)

STATEMENT IN HYDE PARK, N. Y., JULY 15, 1920

* * * quite willing, as I know Governor Cox is, to let the American people decide whether they will go back to the conditions of 1914, or whether they will join with civilization and humanity in this great step forward. * * *

It is, of course, well known that seven-eighths of the opposition of these Senators is not to the League of Nations but to the person of the President of the United States himself.

* * * The Democratic Party enters the campaign with the clear-cut purpose of proving that the World War has not been fought in vain. Senator Harding says, "Should the Democrats win, the treaty and the League will be ratified." He is right. * * *

One of the prominent issues is thus becoming early and clearly drawn. A Democratic victory means ratification of the treaty and the League of Nations, which, as the world knows, is already constituted. A Republican victory means that the United States * * * shall remain outside. The election of Harding means that in case of future war the United States will enter the war after the conflict has begun. The election of Cox means that the United States, in participation with the other civilized nations of the world, will, through the League of Nations, solve international difficulties and prevent a recurrence of the holocaust of 1914–18. (New York Times, July 15, 1920, p. 2.)

ADDRESS DURING PRESIDENTIAL CAMPAIGN IN MILWAUKEE, WIS., AUGUST 12, 1920

I am not afraid of the League of Nations. I believe it is the old guard of reactionary Republican leaders who are trying to befuddle this issue. * * *

As a result of the Great War * * * international law seems to be catching up to the law of the individual or of the separate state.

The League of Nations is but an expression of the new law of nations.

Under the League of Nations the presumption of neutrality is completely reversed, and the nation which plans to attack another can assume with far greater probability that all the other nations will be against it. Not neutral as in the old days but, on the contrary, hostile. The other nations will now demand that the attacking nation shall show cause why it did not observe the law of nations, the law of decency, the law of twentieth-century morality.

* * * * * * *

The old policy has broken down. The world is crying for an extension of the law of the individual and of the state to the law of international relations. * * *

The heart of America goes out to the Polish Nation. Our hands are tied. Because of the obstructionist methods of Senator Harding's group of Senators, the United States is still technically at war. It is not a member of the League of Nations. All it can do is from time to time to offer its advice and sympathy. Action is impossible while our hands are tied.

If America had been a member of the League of Nations, the Polish Nation would not be today fighting bolshevism with its back to the wall.

Do not let us forget the moral force of the United States in such an undertaking. It would not have been necessary for a single American soldier to cross the seas. It would not have been necessary for America to become entangled in any way in European politics. Ours would have been the quieting and steadying hand in a league which without America is incomplete.

* * * A little handful of narrow men are trying to force us to fight this campaign on little, narrow issues.

There are many sincere people who are honest in their belief. My quarrel is with the men who oppose the League of Nations dishonestly, who try to befuddle this country by dragging in technicalities. They talk about "America first." Is that a proper campaign argument to float in the face of one-half—yes; three-fourths—of the people of this Nation who want America to enter the League of Nations?

We pray it is not too late. (New York Times, Aug. 13, 1920, p. 3.)

ADDRESS DURING PRESIDENTIAL CAMPAIGN IN ST. PAUL, MINN., AUGUST 13, 1920

The distinguished Senator from Ohio is one who is careful to wait until the last minute before committing himself to any definite policy. This is borne out by his stand on the League of Nations question during the past year and a half. He was supposed to be in favor of mild reservations. He was then supposed to be in favor of the Lodge reservations. He was later supposed to be in favor of the Republican platform as adopted at Chicago, but no one knew what this meant until his speech of acceptance. The result of that speech is shown by the absolute divergence of opinion as to what it meant by Republicans and others all over the country. (New York Times, Aug. 14, 1920, p. 3.)

ADDRESS DURING PRESIDENTIAL CAMPAIGN IN JAMESTOWN, N. DAK., AUGUST 16, 1920—INDIRECTLY QUOTED

Franklin D. Roosevelt, Democratic Vice-Presidential candidate, in a campaign address here tonight declared that if Gov. James M. Cox was elected President in November, the Peace Treaty would be ratified within 60 days. (New York Times, Aug. 17, 1920, p. 3.)

ADDRESS DURING PRESIDENTIAL CAMPAIGN IN BUTTE, MONT., AUGUST 18, 1920—PRINCIPALLY INDIRECT QUOTATION

President Wilson "put one over" on Premier Lloyd George, of Great Britain, in the distribution of voting strength in the League of Nations, Franklin D. Roosevelt, Democratic Vice-Presidential nominee, declared in an address here today.

"As a matter of fact, the United States has about 12 votes in the Assembly.

"Until last week I had two of them myself and now Secretary Daniels has them. You know, I have had something to do with the running of a couple of little republics * * *."

Mr. Roosevelt said that Haiti, Santo Domingo, Panama, Cuba, and Central American countries, which had at least 12 votes in the League's Assembly, all regarded Uncle Sam as a guardian and big brother and that this country practically would have their votes in the League. (New York Times, Aug. 19, 1920, p. 15.)

INTERVIEW WITH CORNELIUS VANDERBILT, JR., IN PORTLAND, OREG., AUGUST 22, 1920

The League of Nations is decidedly the paramount issue. Everybody wants to hear about it. These westerners do not wish to take any more chances about war.

I am trying to explain it to them in plain terms. I am trying to show them that the dispute in the Senate was merely one of words. The people of the great West are thoroughly certain as to their wish for a league and I am trying to impress upon them that the Constitution is supreme, league or no league, and that with reservations American constitutional rights could never be infringed by any league whatsoever. (New York Times, Aug. 23, 1920, p. 3.)

ADDRESS DURING PRESIDENTIAL CAMPAIGN IN PORTLAND, OREG., AUGUST 21, 1920

During the last week I have been demolishing a silly argument about England being able to outvote us six to one in the League of Nations. I have shown first of all that it is the Council of the League which is the true governing body, and that in that Council the whole British Empire has but one vote, just the same as the United States. And I have shown that while in the assembly, a very large body, which has primarily only recommendatory powers, five of Great Britain's dominions, like Canada, South Africa, and Australia, each has a vote, the United States of America will undoubtedly have the support of twice as many of our neighboring and friendly republics in the West Indies and South America.

* * * * * * * *

I reiterate exactly what I said before, that the United States will have voting side by side with it in the League of Nations

not six states but at least twice that number, and this because of the simple fact that these little republics have the same kind of interests that we have, and that it is even more certain that we will all be voting the same way than that Canada, Australia, and South Africa will be found voting with England. (New York Times, Aug. 23, 1920, p. 3.)

STATEMENT IN CHICAGO, AUGUST 29, 1920

In reviewing the results of his tour through the West, Franklin D. Roosevelt said:

"Everywhere I found the keenest interest manifested in the League of Nations. There is no question that the citizenship of the States I have visited is overwhelmingly in favor of the League. Many told me that the interest today is deeper than 6 months ago. Particularly is this true of the attitude of the women." (New York Times, Aug. 30, 1920, p. 3.)

STATEMENT ISSUED DURING PRESIDENTIAL CAMPAIGN IN BANGOR, MAINE, SEPTEMBER 11, 1920

Even Switzerland, most jealous of independence and wary of alliances, has voted by popular referendum to join the League.

Long before 1914, American statesmen advocated a league of nations. Some, like President Taft, favored one that frankly called itself a league to enforce peace. Yet he was not called a traitor or follower of internationalism.

We had seen the failure of the Hague Tribunal to prevent wars.

* * * * * * *

The great war came and America at last became a party to the struggle * * *. We fought for something constructive, in addition to the fight against something destructive. Men and women of all parties united in demanding in 1917 that the evil in the previous relationship between nations should be in the future removed. Mere good will would not remove the danger, mere international courts had been proved a failure. A definite, businesslike concrete association was demanded, something that would prevent the cause of trouble and not wait until trouble itself had come to a head.

In all of this the Nation was united. With this spirit and purpose our flag was carried across the seas * * *.

When the war ended, the promise of the American flag seemed to have come true. International law, the relations between nations, was to be put on a new basis * * *. No voice was heard in opposition to America's proposal that a new order should supersede the old. We were proud that we could have the opportunity to point the way to world peace, not mere cessation of conflict, but the peace of permanence.

An organization to that end was drawn up by the assembled nations, and through it all America's part was the clearest, the cleanest, and the highest-minded of all. In every nation men and women rejoiced that the spirit of America's flag was being translated into actual accomplishment, and in that rejoicing we shared. Today the accomplishment of the League of Nations has been made. We, the Nation whose ideals made it possible, remain without. The flag which carried the hope and the promise is beginning to be viewed with different eyes abroad.

Not only in France, not only in Europe, but in all the peoples of the world lies that hope in our flag. They ask us to go in. They ask not for a new peace commission, not for a new theory, not for a new conference to draw up a new set of rules. They ask for a fair trial for what we have undertaken. They ask that America help in the name of humanity. They ask that they be given again the inspiration of our flag.

Shall we refuse? Shall we for partisanship stand aloof? Shall we forget our history and the history of our flag? America will not fail in the crisis. America will not turn back. America will not forget. (New York Times, Sept. 11, 1920.)

ADDRESS IN VICE-PRESIDENTIAL CAMPAIGN IN TROY, N. Y., SEPTEMBER 20, 1920

The attitude of Republican speakers in many parts of the country is one of lies. In dealing with the League of Nations issue, they make every attempt to mislead the public.

In parts of the country where there is a so-called German vote, Republican campaign speakers try to get votes by warning that the League is calculated to strengthen France and condemn Germany to servitude. In districts such as northern New England they tell French-Americans that the League, on the contrary, would fortify Germany, make her a greater power than ever, and ruin France. (New York Times, Sept. 21, 1920, p. 6.)

ADDRESS DURING PRESIDENTIAL CAMPAIGN IN CHARLESTON, W. VA., SEPTEMBER 30, 1920

A few days ago I asked Senator Harding where he stood on the League of Nations. I did not say "a league" or "an association", but "the League."

He answered in Wheeling * * * and it is not an answer to my question. * * * I asked him once more the question, and I will make it so clear that every school child can understand. Here it is:

"If the United States can enter the existing League of Nations in such a way that the will of the League cannot be imposed on us against our will, and if it is made clear that our constitutional and congressional rights regarding war are in every way preserved, would you then, Senator Harding, favor our going in? * * *"

I fear that if Mr. Harding replies at all, he will again avoid a direct answer, but my question is so definite that I look for a dignified silence only. (New York Times, Oct. 1, 1920, p. 3.)

ADDRESS DURING PRESIDENTIAL CAMPAIGN IN LIMON, COLO., OCTOBER 6, 1920

After referring to the conflicting views of Republican leaders on the subject of the League, Mr. Roosevelt said:

"All of this proves the contention I have repeatedly made that the voters have the choice this year, not between a policy of going into the League of Nations with all other civilized nations or of approving, on the other hand, some different definite policy, but they must choose between going into this League or accepting leaders so widely split apart in their views that they have no policy. They are riding a plow to which four horses are attached, none pulling together." (New York Times, Oct. 7, 1920, p. 2.)

ADDRESS DURING PRESIDENTIAL CAMPAIGN IN MARION, IND., OCTOBER 15, 1920

Repeatedly the Republican charge has been made that Governor Cox and I are demanding the acceptance of the League as fashioned at Versailles without the crossing of a "t" or the dotting of an "i", and repeatedly we have branded this as untrue. In almost every speech I have made in the last 2 months I have stated that we are not willing, but prefer to put in black and white in our ratification of the treaty a provision that nothing contained therein shall be in any way superior to our Constitution or in any way interfere with the rights of Congress to declare war or send our soldiers overseas.

These gentlemen all have brains enough to know that it is the present League or none at all, for it is unthinkable, almost idiotic, to prate about tossing aside the great working association of 41 civilized nations for a nebulous scheme that has an existence only in the mind of Senator Harding. (New York Times, Oct. 16, 1920, p. 16.)

ADDRESS DURING PRESIDENTIAL CAMPAIGN IN LIMA, OHIO, OCTOBER 19, 1920

It will take far more than misleading statements by Senator Harding to prove to Americans that 41 nations, now members of the League, desire to tear down the structure and the machinery of the already successful working League and to substitute for it some other kind of an association which has not yet taken form, even in the mind of the Republican nominee for the Presidency. (New York Times, Oct. 20, 1920, p. 3.)

ADDRESS DURING PRESIDENTIAL CAMPAIGN IN CLEVELAND, OHIO, OCTOBER 20, 1920

I want to make a few remarks in regard to the position taken by the eminent legalist, Mr. Elihu Root, on the subject of the League of Nations. * * *

I have read his statement with great interest. It is based on two major objections. First, to article X; and, secondly, the allegation that President Wilson was by his attitude responsible for our failure to ratify during the last session of the Senate. * * *

Mr. Root says that article X undertakes to guarantee and maintain by force of arms the territorial boundaries adopted by the chief representatives of four nations in Paris in 1919. * * *

Article X does not guarantee to maintain by force of arms. It guarantees to maintain the territorial integrity of nations against outside aggression, and in case of a threat against this territorial integrity the Council of the League shall recommend what steps shall be taken to prevent the execution of the threat. Mr. Root knows that the question of force of arms would not be raised unless various other measures, such as international ostracism of the nation making the threat, had first wholly failed.

In other words, force of arms, which Mr. Root drags up as a bogey, would only be recommended in case of a world conflagration such as that through which we have just passed. Every sane man knows that in case of another World War America would be drawn in anyway, whether we were in the League or not. * * *

The whole treaty proceeded on the assumption that by creating the League of Nations errors made at the Paris Conference could later be corrected or amended through the instrumentality of the League without causing a complete upsetting of international relations, with wars resulting therefrom. Dozens of paragraphs of the treaty prove this contention. They refer many undefined matters to the future action of the League of Nations. * * *

* * * the issue of the League at the present time is between Governor Cox and Senator Harding. One of these gentlemen will take up the question with the next Senate, of whom one-third will be new Members. * * *

* * * Mr. Root has undoubtedly had an opportunity to read the statements made by Governor Cox and by me for several months, the gist of them being that we do not oppose reservations which would clarify doubts existing in the minds of any citizens as to any conflict between the Covenant of the League and the Constitution of the United States. We have made it clear that we wish every citizen to be reassured that the Constitution of the United States and the powers of our Congress shall in every way be preserved.

The voters of the United States understand perfectly clearly the time-worn misrepresentations which have been handed to them.

They appreciate the fact that 41 nations have entered the League of Nations without in any way giving up any of their constitutional or national rights. They appreciate that the League is a going concern. They understand that Governor Cox and I want the United States to join with all these nations and in joining to make it perfectly clear that we give up no rights. (New York Times, Oct. 21, 1920, p. 2.)

ADDRESS DURING PRESIDENTIAL CAMPAIGN IN ELMIRA, N. Y., OCTOBER 22, 1920

American voters everywhere are heartily sick of the continued discussion by men like Mr. Root of the details of words and phrases in connection with the covenant of the League of Nations. * * * They know that Mr. Harding has said that he wants the League rejected. They know that Mr. Cox wants us to join the League with every American right preserved.

In regard to article X, the average voter knows that there is a great difference of opinion among experts as to the exact amount of the obligation by which the United States Congress would be bound in case we entered the League without any reservations or amendments. The average man and woman will accept Mr. Cox's declaration that he wants it made clear before we go in that our constitutional and congressional rights shall remain just what they are today.

* * * * * * *

It is time all of this study of grammar and rhetoric should cease and give way to old-fashioned American common sense. The election will be decided by those who are sick of endless discussions and who have made up their minds that the United States must and shall carry out great purposes in common with other nations.

* * * * * * *

Speaking before the students of Elmira College this morning, Mr. Roosevelt declared that the best argument in favor of the League is the fact that 41 civilized nations are already members, that it is a going concern, and it has the support of a large majority of the clergymen and educators of the country—men and women of intelligence who have had an opportunity to make a careful study of it. (New York Times, Oct. 23, 1920, p. 3.)

TELEGRAM TO GOVERNOR COX, OCTOBER 23, 1920

After visiting districts around Buffalo and in the southern part of New York State, Mr. Roosevelt telegraphed:

"Almost without exception * * * local committeemen * * * tell me that Republican after Republican in their territory is aligning himself in support of you, almost invariably on account of their conviction that the League of Nations must be sustained and that your election is the only possible way in which this can be done." (New York Times, Oct. 24, 1920, sec. 1, p. 4.)

ADDRESS DURING PRESIDENTIAL CAMPAIGN IN PORT JERVIS, N. Y., OCTOBER 23, 1920

Mr. Roosevelt charged that Republican managers had carried on a campaign of "deceit and misrepresentation" against the League, "in which such eminent men as Elihu Root have taken part."

"The issue is now more clearly defined than at any time during the campaign. It is either the League of Nations with reservations acceptable to the new Senate and the American people or it is a flat rejection of the League. In the final analysis there can be no other construction placed upon the election." (New York Times, Oct. 24, 1920, sec. 1, p. 4.)

ADDRESS DURING PRESIDENTIAL CAMPAIGN IN NEWBURGH, N. Y., OCTOBER 23, 1920

Because a man's or a nation's soul is more important than a bank account, we have emphasized almost to the exclusion of the many other arguments in its favor the necessity from a moral point of view of our entering with the civilized nations of the world into the League of Nations.

There are two ways of securing our just share in the development of the world's resources. One is the policy of brute force of such tremendous standing navies and standing armies as will permit us to stretch out and grasp whatever we may need because no other nation or combination of nations is strong enough to gainsay us. The other way is by establishing such close intimacy and friendly agreements with the rest of the world powers as to establish our place with them by mutual concern in the world's progress.

Is anyone foolish enough to imagine that with the United States holding aloof from the Council board, maintaining a position of complete isolation, we will be seriously considered in the agreements which will be reached in the near future? Unless we enter, unless we become a partner in this great partnership of nations, we need expect few benefits from the trade of the world; and as for the other way, the way of brute force, even though we are willing to break the backs of the people with taxation we could not create the armaments fast enough to overawe the confederated nations of the League. (New York Times, Oct. 24, 1920, sec. 1, p. 4.)

ADDRESS BEFORE NATIONAL COLLEGE MEN'S CLUB, HOTEL COMMODORE, NEW YORK CITY, OCTOBER 25, 1920

I cannot state too clearly that Governor Cox and I do not wish a matter of such vital importance to the Nation as our entrance into the League of Nations to be a mere matter between Republican and Democratic Senators. We have repeatedly said that the result of the election should be and will be regarded by the people of the United States as an expression of opinion as to whether they wish to join the League of Nations or not. Furthermore, we have expressed the conviction that if Governor Cox is elected, Republicans in the Senate of the United States will join with Democrats in carrying out the desire of the majority of voters. Every vote for the Democratic ticket will be a vote for the League. The Senate cannot fail to obey that mandate. (New York Times, Oct. 26, 1920, p. 2.)

ADDRESS BEFORE WOMEN'S COX-ROOSEVELT-SMITH LEAGUE, NEW YORK CITY, OCTOBER 25, 1920

Because of their stand on the League of Nations issue the people of the United States have a lower regard for Mr. Taft and Mr. Root than they have ever had. (New York Times, Oct. 26, 1920, p. 2.)

ADDRESS BEFORE POLYTECHNIC INSTITUTE, BROOKLYN, N. Y., OCTOBER 25, 1920

The League of Nations is a going concern. It now has 30 members and soon there will be more—Germany and Austria—making 41 in all. Besides this country there are three other countries of the world outside the League—Russia, Turkey, and Mexico. Isn't that a charming company to be with?

I am a much younger lawyer than Mr. Root, but I am willing to stake my legal reputation on my statement that under article X, we do not give up our constitutional rights as to the sending of troops across the water, nor do we give up any other of our rights. (New York Times, Oct. 26, 1920, p. 2.)

ADDRESS DURING PRESIDENTIAL CAMPAIGN IN BROOKLYN, N. Y., OCTOBER 26, 1920

* * * If a crash in foreign parts should occur, the United States would be seriously affected. If for no other reason than a selfish one, the United States must immediately resume her place at the table with other nations in order that economic and financial difficulties resulting from the war may be straightened out and placed in a safe position. It is, of course, reasonable to add that if a collapse occurs because of the United States not taking part in world affairs, it is not merely Americans who are connected with foreign commerce who will suffer. Every other American will feel the blow indirectly even those who live in the middle of the country or on the farms. (New York Times, Oct. 27, 1920, p. 6.)

ADDRESS DURING PRESIDENTIAL CAMPAIGN IN BALTIMORE, OCTOBER 27, 1920—LARGELY INDIRECT QUOTATION

After his speech was delivered he invited questions. None was asked immediately, so he took occasion to answer the charge that Great Britain has 6 votes in the League to America's 1. He said that charge was false, and that in the governing body of the League, the Council, this country and Great Britain each has 1 vote. Then an elderly woman in the gallery inquired about Ireland, and Mr. Roosevelt said that if he and Governor Cox are elected and this country joins the League they will lay before it the Irish question under the terms of article 11.

"Why", asked a man in the audience, "were the Lodge reservations so objectionable?"

"The chief objection", replied Mr. Roosevelt, "was the tone in which they were drawn. To have adopted them in the language in which they were written would have been going back on all the splendid records of our relations with the other nations of the world."

"One of the afternoon papers * * *", a man * * * told Mr. Roosevelt, "yesterday said that Governor Cox had gone back on the President with respect to the League. Is that true?"

"Absolutely not", said Mr. Roosevelt, emphatically.

Mr. Roosevelt * * * told of Senator New * * * sending instructions throughout the country to speak, not of the League of Nations but of "Wilson's League." Mr. Roosevelt said that he had been abroad when the Peace Conference was in session and knew that many nations shared in framing the League. "But", he added, slowly, "history is going to say—is going to say proudly—that America's President, Woodrow Wilson, had a part in framing the League." (Baltimore Sun, Oct. 28, 1920, p. 22.)

(NOTE.—No pertinent statements were found for the years 1921 and 1922.)

STATEMENT IN WASHINGTON AFTER TALK WITH EX-PRESIDENT WILSON APRIL 7, 1923

"Mr. Clark left the Supreme Bench to give his whole time and effort to fostering the League idea. He is at the head of a nonpartisan organization working in the interest of having this country join the League of Nations. There are men in the Republican Party and in the Democratic Party who believe strongly that this country should enter the League."

Asked whether he believed the United States should go into the League, Mr. Roosevelt said:

"That depends upon what you mean by the League. There have been great changes in the world since the Covenant of the League of Nations was written. Much water has run over the mill.

"Conditions have changed. I believe that everyone who thinks the United States should join a league believes that it must be a

revised league. It has been said, and I think correctly, that the Versailles Treaty no longer exists as it was written. Conditions have changed vitally in Europe since those days. It was originally contemplated that the United States should ratify the treaty and become a member of the League of Nations."

Mr. Roosevelt further indicated that if the United States had joined the League of Nations a vastly different situation might now exist in the world. When asked how the League was to be changed so that the United States might enter, "the former candidate for Vice President laughingly declined to specify." (Washington Star, Apr. 8, 1923, pt. 1, p. 2.)

INTERVIEW WITH NEWSPAPER CORRESPONDENT IN WASHINGTON, APRIL 8, 1923—INDIRECTLY QUOTED

Mr. Roosevelt pointed out that under the present system of voting it was practically impossible to ascertain the real desires of the majority. In political campaigns issues become confused, and this, with a multiplicity of issues, makes it difficult or impossible to interpret the verdict rendered at the polls. Mr. Roosevelt feels that this was particularly true in the campaign of 1920, which involved the League of Nations with all its ramifications. It has been asserted that the result of the election was a repudiation of the League, but there never has been any means of proving this. (New York Times, Apr. 9, 1923, pp. 1–2.)

LECTURE AT MILTON ACADEMY, MAY 1926

Every trend of modern science is toward the greater unification of mankind. * * *

Isolation of individual nations will be as difficult in this future as would be the isolation of New England or the South today. The same laws of the history of progress apply. First, the self-sufficient small community, then the grouping of several communities, then the small state, then the nation, then alliances between nations, and now a permanent congress of nations. (Whither bound? (Franklin D. Roosevelt, Boston and New York) 1926, p. 28.)

ADDRESS IN MANCHESTER, GA., OCTOBER 2, 1928

Ten years ago we held a position of leadership among all the nations of the world. This was because we were seeking an ideal, the ideal of bringing about such an organization among the peoples of the world that there never again would be another war such as the one which had just been concluded. * * *

In those days we were looked to for leadership * * * and the President of the United States advanced a plan which was accepted by all the nations except Mexico. It has its faults, but it has brought about improvement in a great many things. (New York Times, Oct. 3, 1928, p. 12.)

ADDRESS BEFORE THE NEW YORK STATE GRANGE IN ALBANY, FEBRUARY 2, 1932

In common with millions of my fellow countrymen, I worked and spoke in 1920 in behalf of American participation in a league of nations, conceived in the highest spirit of world friendship for the great object of preventing a return of world war. For that course I have no apology to make.

If today I believed that the same or even similar factors entered into the argument, I would still favor America's entry into the League, and I would go so far as to seek to win over the overwhelming opposition which exists in this country today.

But the League of Nations today is not the League conceived by Woodrow Wilson. It might have been had the United States joined. Too often, through these years, its major function has been not the broad, overwhelming purpose of world peace but rather a mere meeting place for the political discussion of strictly European political difficulties. In these the United States should have no part.

The fact remains that we did not join the League. The League has not developed through these years along the course contemplated by its founder, nor have the principal members shown a disposition to divert the huge sums spent on armaments into the channels of legitimate trade, balanced budgets, and payment of obligations.

American participation in the League would not serve the highest purpose of the prevention of war and a settlement of international difficulties in accordance with fundamental American ideals. Because of these facts, I do not favor American participation. (New York Times, Feb. 3, 1932, p. 4.)

See also the book, Looking Forward, Franklin D. Roosevelt, New York, 1933, pages 254–255.

THE REAL COST OF THE TOWNSEND PLAN

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point on the Townsend plan.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, there are many reasons why one should not vote for the Townsend plan. They have been published at various times. If the plan were sound, if it would work, can you think of any reason why any of us past 60 should not be for it? Probably one is just as selfish as another, and $2,400 a year without work looks just as attractive to me as to anyone else and, if I knew of any possible way to carry out Dr. Townsend's idea without putting an undue burden upon the rest of the people of my country, I would be out shouting from the housetops in favor of this plan.

THE COST

Here is one objection to the plan, the soundness of which you can verify for yourself. What will this plan cost and who will pay that cost?

Let us use as our basic figures those which are unquestioned or given us by Dr. Townsend himself. Our computation, as here made, will not quite prove itself, because the figures are not carried out more than one point beyond the decimal, but they are accurate for all practical purposes.

(For accuracy I shall refer to the sworn testimony of Dr. Townsend given before the Committee on Ways and Means of the House of Representatives in January and February of 1935, the numbers in parentheses being the pages of that record.)

Dr. Townsend (pp. 697 and 698), under oath, gave it as his opinion that, based on the 1930 census, there were 10,365,000 people eligible to receive the pension; that some would not apply, but that 8,000,000 probably would; and that it would require $19,200,000,000 per year to pay the pension to that number.

The total population, as given in the 1930 United States census, was 122,775,046. This count includes men, women, and children. Many, including those in State prisons, in charitable institutions, and children, would not pay anything. But assuming that each—which, of course, he does not—including the children, paid his share, the raising of the $19,200,000,000 a year would require that each pay $156.38 per year, although this figure does not include either the expense of collection or distribution; that is, the pay of all the office-holders who would be required to administer the plan, and many have estimated this would be at least $10,000,000,000 more.

We shall, to give the plan a favorable construction, disregard the administrative cost of carrying out the plan, although we have no right to do so, if we are to be either fair or accurate.

To see for yourself just how the plan would work, apply it to your own community, village, township, county, or State. This you do by determining the number of persons eligible for the $200 pension in that particular community, and multiplying that number by $2,400 per year. You will thus get the total amount which that community must raise.

Then take the total number of people in that community and determine how much each must be charged, to find what it costs each. If you desire to be accurate, do not count the children nor those who may be in jail or in other institutions, that is, all who are not spending money, hence would not be taxed or contribute to the cost of the pension, and divide the total cost among those who are spending and who must necessarily pay the 2-percent transaction tax.

Let me give you an illustration or two. Using Dr. Townsend's figures of there being 8,000,000 who would apply and be eligible for the pension, and a total population figure of 122,775,046, the result is that one out of approximately every 15.3 persons would receive $200 per month. These figures apply the Nation over.

AN ILLUSTRATION FROM THE FOURTH DISTRICT OF MICHIGAN

The population of Van Buren County in 1930 was 32,637. Applying the ratio given by Dr. Townsend it means, disregarding ultimate fractions, that there are 2,133.1 persons in Van Buren County who would be eligible and who would receive $200 a month—$2,400 per year; that is, the Townsend plan would cost the people of Van Buren County $5,119,440 per year. If you spread this total cost on all of the people and if each, including the children, paid his share, it would amount to approximately $156.38 for each person, including children. That is, 32,637 people must each pay $156.38 per year—a family of five, $781.90—so that 2,133.1 people may receive a pension of $200 per month.

Just how much it would cost those spending money no one knows, for the number of children, the number of those who have nothing to spend, the number in jail, is an uncertain quantity. Your guess is as good as anyone's.

But certainly the amount which each one spending money would be required to contribute is in excess of $156.38 per year.

Using the Michigan Manual of 1935 for figures, we find that Allegan city has a population of 3,941. If one in 15.3 is eligible, that gives us 257.5 pensioners in Allegan city and, multiplied by $2,400 a year, gives us $618,000 which Allegan city must raise each year, in addition to all other taxes, if it be an average community.

Take the city of Benton Harbor, with a population of 15,434. If one in 15.3 is eligible, that would give Benton Harbor 1,008.7 pensioners, which, multiplied by $2,400 a year, makes $2,420,880, which the city of Benton Harbor must raise during a year.

Selecting the fourth named township in each county, the result is as follows:

Name of county	Name of township	Population	Number of pensioners	Cost per year to township
Allegan	Clyde	1,083	70.7	$169,680
Barry	Carlton	1,021	66.7	160,080
Berrien	Berrien	1,864	121.6	292,320
Cass	La Grange	2,163	141.3	339,120
St. Joseph	Fabius	747	48.8	117,120
Van Buren	Bangor	2,124	138.8	333,120

Here is another good way to illustrate the working of the plan. The figures demonstrate that out of every 15.3 persons in the country one is eligible to the pension. Just take a group of 15.3 persons—call it 16. Pick out the one who is to receive the $200 per month—the $2,400 per year—and ask the other 15 whether each wants to pay in not less than $156.38 per year to give the pension to the one.

Get the figures as to your own township. Your local editor will have the Michigan manual. Figure it out for your own village, township, city, or county. Then no one can fool you. If I am in error, correct me. We all make mistakes.

The best estimates obtainable show that the total national income for 1935 will be approximately $55,000,000,000. Dr. Townsend's figures show that, to give the pension to 8,000,000 people, $19,200,000,000 of this $55,000,000,000 must be taken. He advocates a plan whereby 34⅞ percent of the total income of the Nation shall be given to 6½ percent of the people. Eight million are to receive $19,200,000,000, while 122,775,046 are to pay it to them, if you include everyone as paying. If you include only wage earners, given by the United States Census of 1930 as 46,400,858, and who, so many argue, ultimately pay all taxes, you will find that every six wage earners will be supporting one pensioner. Where is the justice in this?

Some Townsend lecturers try to make the people believe that the funds for the pension will be raised from the wealthy, and they repeat the old, shop-worn misstatement that 2 percent of the people own between 80 and 95 percent of the wealth, when, as a matter of fact, 72 percent of the wealth and 68 percent of the income are owned by people who have less than $5,000 a year.

Every time the poor man spends a dollar and the total dollars spent by the wage earner many, many times outnumber those spent by the rich, the millionaire—the wage earner not only pays the 2-percent tax on that particular transaction, but he also pays, in every purchase he makes, in addition, the accumulated transaction taxes which have been added as the raw product went from the grower to the merchant.

To illustrate: If you buy a dollar's worth of bread, you not only pay the 2-cent tax on that particular transaction, but the cost of the bread has been increased by the tax which was added to the wheat, to the labor which produced it, to the transportation of it, to the flour, to the labor which produced it, to its transportation, to the baking, until it came to the man from whom you purchase, so that, instead of getting the same amount of bread you now do, you would get much less bread, a substantial part of the dollar having been used to pay previous transaction taxes.

Another silly illustration given by this gentleman is this: He says that the laborer, earning $20 a week, will pay a 40-cent transaction tax, while the millionaire will pay a $20,000 transaction tax. The laboring man is forced to spend practically all of his $20 per week. His tax on his wages would be 40 cents, but I have just pointed out the additional tax which he would pay. How many millionaires would spend a million dollars and so be required to pay a $20,000 tax?

And right here let me call attention to the situation of the independent merchant in his competition with the chain stores and the mail-order houses. The chain stores, which buy direct from the producer or buy direct from the manufacturer, or which manufacture their own products and sell direct to the consumer, will be able to sell for from 2 to 20 percent, yes, sometimes 30 percent, lower than the independent merchant, whose product has gone through many hands, has been involved in many financial transactions, each time paying the 2-cent tax, while the chain store has had but one or two transaction taxes to pay and pass on. What do you think of the plan, you independent merchants?

WHAT IS THE TOWNSEND PLAN?

Before gentlemen criticize opponents of the Townsend plan they should tell us what the plan is. The Townsend Weekly says that it is $200 per month. Dr. Townsend, in his sworn testimony—pages 684 and 685—said it went to everyone, rich and poor, who qualified. The McGroarty bill does not call for $200 a month and it limits those eligible to persons with an income of $2,400 or less per year.

Dr. Townsend would extend the plan to those 45 or 50 years of age.

On page 751 of the doctor's sworn testimony I find this:

So let us start with the age of 60. It will not be 5 years until we will reduce it to the age of 45 or 50, because machine production is going to increase infinitely from this time on.

It is understood that our critics are lecturing in favor of the plan which provides $200 a month, to be spent within 30 days. There is a great difference between what the Townsend Weekly prints, the Townsend lecturers say, Dr. Townsend's testimony and the McGroarty bill. Does the gentleman intend to follow Dr. Townsend with a pension of $200 for those 45 or 50?

The gentleman is telling his audiences that they will get $200 a month. Does he not know that the McGroarty bill does not provide for any such sum? Were he in Congress, would he represent all the people of the district, or would he take the orders of Dr. Townsend?

In the Townsend Weekly of December 30, 1935, under the heading "A warning to Congress", beginning on the first page, is an article which concludes on the third page with this statement:

Now, you take our orders or—get out.

This gentleman, undoubtedly a candidate for Congress at the next election, tells you, if he tells you anything, that he will take his orders from the Townsend organization "or get out." That is his privilege. For myself, I can only repeat: True service to the district and its people will not permit me to take orders from Dr. Townsend, whose newspaper, one of his former associates says, is paying him $2,000 a week and whose organizations are collecting from his followers hundreds of thousands of dollars a month, a man who lives in California, and serve him, rather than all the people of the district.

This gentleman cites the World War, saying that the removal of 3,000,000 men raised salaries to unknown levels. He forgets that during the war there was an extraordinary market for materials produced in America and sold abroad, and it was the demand, as well as the scarcity, which raised the price of labor.

The old dodge of asking the critics of the Townsend plan to produce something better carries its own answer. If the theory be correct, and if a 2-percent transaction tax will produce a pension of $200 for those 60 or over; if, by

taxing all for the benefit of a class will bring prosperity to all, why not make the tax 10 percent or more, make everybody eligible, everyone happy, and enjoy the benefit of the added prosperity which the greater tax would give?

DR. TOWNSEND BLEEDING THE AGED OF THEIR LIFEBLOOD TO ENRICH HIMSELF

EXTENSION OF REMARKS

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the Townsend plan.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection (p. 72, Jan. 6, 1936).

* * * * * * *

Mr. BLANTON. Mr. Speaker, on yesterday I obtained permission to extend my remarks on the Townsend plan. I desire to incorporate some excerpts and data that I think would be enlightening to my colleagues, and I ask that permission.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection (p. 132, Jan. 7, 1936).

* * * * * * *

Mr. BLANTON. Mr. Speaker, I got permission the other day to extend my remarks in the RECORD on the Townsend plan. I ask that that be extended to be dated on Monday next.

The SPEAKER. Is there objection?

There was no objection (p. 590, Jan. 17, 1936).

Mr. BLANTON. Mr. Speaker, being pressed for time, I was unable to finish my speech on the Townsend plan, hence will conclude it now.

I beseech every Townsend follower to read with an unbiased open mind the facts I have collated, and they will be forced to the conclusion that they have been misled, and are being robbed, and they will get no returns whatever for their hard-earned money they are expending.

INEVITABLE DISAPPOINTMENT AWAITS THEM

If all 435 Congressmen and all 96 Senators today were to pass unanimously the Townsend plan, and the President were to sign it, they would never get any money. The Supreme Court immediately would annul it and set it aside, because clearly it is unconstitutional.

IN PERFORMING DUTY, BECAME TARGET FOR ATTACKS

It will be remembered, Mr. Speaker, that as soon as the Townsend plan was proposed, I spoke against it, first because the proposed transactions tax is unconstitutional, in that it proposes to tax all of the 120,000,000 people to pay a $24,000,000,000 gratuity to a particular class of 10,000,000 people 60 years old, and second, because our annual revenues from every possible source being less than $4,000,000,000, it would be absolutely impossible to raise an additional $24,000,000,000 needed to pay this pension.

I knew my speech would bring wrath upon my head. I knew it would make me a central target for attacks. But I was willing to make the sacrifice if I could save 10,000,000 aged people from sure and certain disappointment. I knew absolutely beyond all doubt that they would never be paid this proposed $200 per month, and I did not want them to be exploited out of money they could not afford to waste on propagandists.

THEN THE DELUGE CAME

Last January, in his Record Ledger, at Tujunga, Calif., our beloved new colleague from California, JOHN STEPHEN MCGROARTY, who is now my personal friend, and for whom I have the highest respect and regard, who is the author of and introduced the bill in the House for the Townsend plan, published a statement about my speech, and then admonished Californians as follows:

> However, it remains to be seen whether or not the Honorable BLANTON may change his mind. One way to cause him to change his mind is for all Texans residing in California to go after him in the mail and by telegraph. The thing to do is to get the people of BLANTON'S district to organize Townsend Clubs in numbers and strength on a parallel with our clubs at home.
>
> BLANTON might have a change of heart and of mind if made aware that he might stand no more chance than a jack rabbit to come back to Congress.
>
> Let the order of the day in the Townsend Clubs be to contact all Texans.

You will note that he told Californians that the thing for them to do was for Californians "to get the people of BLANTON'S district to organize Townsend Clubs in numbers and strength on a parallel with our clubs at home."

PAID ORGANIZERS SENT THROUGHOUT MY DISTRICT

Paid organizers were sent into the counties of my district. I was simply deluged each day with threatening letters and telegrams, which at first came mostly from California and the Western States, and then after the organizing in my district had gotten under way, some came from the counties of my district.

SHACKELFORD COUNTY

The press reported that Drexal Chapman, a paid organizer from Dallas, appeared at the courthouse in Albany on Wednesday, January 16, 1935, to organize Shackelford County Townsend Club, and that any person under 60 years could become a member by paying $1 per year.

PALO PINTO COUNTY

I mentioned Friday the letter Townsend Club officials at Mineral Wells sent me January 21, 1935, stating they represent 1,500 voters in Mineral Wells, and have the signatures of 2,000 voters in Palo Pinto County, and of 40,000 of the best people in my congressional district, who demand that I support the Townsend plan or resign my position. I will shortly explain just how these voters have been misled in gaining their signatures.

TAYLOR COUNTY

In the Abilene Times, April 19, 1935, Mr. I. M. Bennett published a double-column attack against me, disclosing that Mr. D. J. McNamara, of 2501 Jennings Avenue, Fort Worth, on behalf of the Towsendites had been to Mineral Wells and made a speech in the Carlsbad Pavilion attacking me, and claimed there were 100,000 Townsend supporters in my district and 30,000,000 of them in the United States and were rapidly increasing, Bennett stating, "We are going to have a man groomed and ready to take care of you and he will turn your political toes up to the daisies." Bennett also stated he had just spent 3 months in Dallas, speaking to the 48 Townsend clubs in Dallas. On November 8, 1935, Mr. Bennett published another statement that he had just returned from the Townsend club meeting in Chicago, and that the 6,078 delegates there had pledged themselves to return to their congressional districts to push the organization of Townsend clubs in every voting precinct, preparatory to electing Congressmen and Senators in 1936. United Press Staff Correspondent Gordon K. Shearer last Tuesday reported Representative Fred Harris as saying that there are now 50 Townsend clubs in the city of Dallas.

MAKING GOOD THEIR THREATS

A Dallas item last Tuesday stated that State Senator Claud C. Westerfeld, as a Townsend candidate, had announced against Congressman HATTON W. SUMNERS. Another item stated that Joseph H. Price, of Fort Worth, a Townsend candidate, had announced against Senator MORRIS SHEPPARD, and that Julien Hyer, of Fort Worth, a Townsend candidate, had announced against Congressman FRITZ LANHAM.

COMANCHE COUNTY

Last January the Comanche Chief announced that Joseph B. Worthington, of Fort Worth, Townsend organizer for the Townsend Clubs in the Seventeenth Congressional District of Texas, would speak in Comanche, and quoted Mr. L. H. Creamer, chairman of the county club, as saying:

> We have got to get the number of every candidate for Congress.

The Comanche Chief, February 15, 1935, reported that "Ex-Congressman Oscar Callaway made the address for the Townsend mass meeting", and said:

> Callaway told the group that he was opposed to pensions and Government aid for individuals of all kinds, but since the Government was dishing out money he advised the group to organize and get the money while it is flowing freely. L. H. Creamer said it was his intention to draft a resolution to send TOM BLANTON and Roosevelt, but as they wouldn't read the names, he thought it best to wire them, as that bunch of brainless wonders don't know anything but play politics.

The De Leon Free Press, March 22, 1935, reported that on Monday Oscar Callaway addressed the Townsend plan advocates in De Leon.

The Dublin Progress reported that Oscar Callaway would speak for the Townsend Club on the night of March 22, 1935, in Dublin.

On December 16, 1935, Mr. W. G. West, route 3, Comanche, Tex., wrote me that he was secretary of the Comanche County Townsend Club, which embraced 90 percent of the Comanche County voters, and that they authorized him to request me to attend their mass meeting on January 6, 1936, to advise them of my intention to support the Townsend O. A. R. P. bill. As I was forced to come to Washington in December to help hold hearings on the War Department Appropriation bill, I was deprived of attending such meeting, but this speech will give them a clear idea of my position. The Townsend literature he enclosed me carried a subscription blank to the Official Townsend Weekly, with blank for enclosing $2 for 1 year, with this urgent admonition:

Do your part in helping to accomplish our great objective and subscribe for the Official Townsend Weekly. Read and pass on to a friend.

Dr. Townsend's former close friend and business associate, Mr. Frank Peterson, states that these subscriptions are now netting Dr. Townsend and R. E. Clements $2,000 per month, which goes into their own pockets, and that this Townsend Weekly, owned by Dr. Townsend and Clements, has a circulation of 150,000 copies weekly, sold either 5 cents per copy, or $2 per year by subscrption.

TWENTY-FIVE THOUSAND DOLLARS PER MONTH DONATIONS

The Washington Times, for Thursday, January 16, 1936, carried a statement from Dr. Townsend denying that donations to his national headquarters were as much as $100,000 per month, but he admitted that donations received were as much as $25,000 per month, and that up to last October, $600,000 had been contributed, and that receipts have been increasing. The Times further quoted Dr. Townsend as stating that while the convention turned down a proposal that club members should pay 10 cents dues each month, "many clubs have voluntarily placed themselves on that basis, and are paying 10 cents per member dues each month."

QUALIFICATIONS AND WORTHINESS NOT THE ISSUE

When friend McGROARTY, author of the Townsend bill, urged Californians to organize my district, he intended only that they should force me to change my views but did not want me defeated. He says so himself:

WASHINGTON, D. C., *February 3, 1935.*

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

MY DEAR COLLEAGUE: I learn with deep regret indeed that rumors have reached you to the effect that I am engaged in efforts to undermine you in your district, with the avowed purpose of defeating you in the next election.

The rumors are utterly without foundation. I have never made such efforts and would not be guilty of them. In the first place, it would be an impertinence on my part and certainly it would not be to my credit.

From my observation of you in the House of Representatives since I became a Member of that historic body, I am free to say that your district is most effectively represented by you. All of your colleagues and mine whom I have met regard you as one of the most useful men in the Congress of the United States, which is my own opinion of you.

I do not hesitate to say that, in my judgment, your defeat in your district at the next election, or any succeeding election, would be a serious loss, not only to your constituents but to the Nation itself.

Please accept the expression of my high esteem and good will.

Faithfully yours,

JOHN STEPHEN McGROARTY.

If, in spite of my opposition to his Townsend bill, Author McGROARTY says my defeat "would be a serious loss, not only to your constituents but to the Nation itself", why are his Townsend followers so determined to get me out of Congress?

OUTSIDE ORGANIZERS DO THE ORGANIZING

Their modus operandi is to send a paid organizer to a county, have him make Townsend speeches, and then arrange to have some county official help him to get petitions circulated and signed by citizens advocating the proposal, and then have that county official send the signed petitions to Members of Congress. And then they claim every person who signed the petition as a member of the Townsend Club. The following letter will illustrate their plan of operation:

C. L. (CLYDE) GARRETT.
COUNTY JUDGE, EASTLAND COUNTY,
Eastland, Tex., January 21, 1935.

Hon. THOMAS L. BLANTON,
Washington, D. C.

DEAR JUDGE: Sometime during the month of November an attorney from Fort Worth came to this county and made several talks favoring the Townsend old-age-pension plan and urged our people to secure all signatures possible to petitions urging you, Senators CONNALLY and SHEPPARD, to support the plan. I drew up a dozen or more petitions, and they were circulated over the county, and some 3,000 signatures were secured on them, and at the request of this attorney I mailed them on January 9 to Senator CONNALLY and requested him to call your attention to receipt of them.

As I stated to Senator CONNALLY in writing him, I cannot say that I am altogether sold on the Townsend plan, for there are several features about it which I do not like. * * *

With best wishes and kind personal regards, I am,

Yours very sincerely,

C. L. GARRETT, *County Judge.*

HOUSE OF REPRESENTATIVES,
Washington, D. C., January 24, 1935.

Hon. C. L. GARRETT,
County Judge, Eastland, Tex.

DEAR CLYDE: Replying to your letter, I am enclosing a copy of my remarks made on the Townsend plan.

We will pass in this session a proper old-age pension, but the Townsend plan is an utter impossibility.

With kindest regards, I am,

Your friend,

THOMAS L. BLANTON.

You will note that it was an attorney from Fort Worth, which is not in my district, who went to Eastland and did the organizing, making the Townsend speeches, and urging the people to secure all the signatures possible to petitions urging SHEPPARD, CONNALLY, and myself to support the plan. Even though Judge Garrett says, "I cannot say that I am altogether sold on the Townsend plan, for there are several features about it I do not like", yet, nevertheless, he "drew up a dozen or more petitions and they were circulated over the county and some 3,000 signatures were secured." And you will note that Judge Garrett says, "At the request of this attorney, I mailed them on January 9 to Senator CONNALLY and requested him to call your attention to the receipt of them." Hence if Judge Garrett had not allowed this outside Fort Worth attorney to come to his county and use him as a go-between with Congressmen there would probably have been no petitions for the Townsend plan sent from Eastland County.

THREE THOUSAND TOWNSEND MEMBERS A MYTH

Many of these splendid people of Eastland County who signed these "dozen or more petitions Judge Garrett prepared", although he did not believe in it, have written me that as they were in favor of an old-age pension, they signed the petition without favoring one plan over another, but believing that Congress would provide a lawful plan.

THE "WEAKLY" RECORD

At Eastland Mr. V. O. Hatcher publishes the Weekly Record. When last August we were trying to amend the Texas Constitution so that the aged people of Texas, as others were to do in the other 47 States, could receive the $30-per-month old-age pension provided for by Congress, Editor Hatcher knocked the proposed amendment with the following editorial:

Those who pay taxes may perhaps remember that it will ultimately mean an additional taxation of about 40 million dollars per year. Where is it coming from? We hate to contemplate where we are drifting. Let's cut a watermelon and go to the show.

But Editor Hatcher and his "Weakly" Record did not defeat the old-age pension with his knocks and sarcasm. The amendment passed August 24 by a tremendous majority in every county in my district. I feel that I had some part in it, as I sent to every voter in my 12 counties an urgent appeal to support the amendment.

TOWNSEND MAKES THE WHEELS GO ROUND

In his "Weakly" Record, on January 10, 1936, Editor Hatcher, in an editorial about the Townsend plan, said:

We note that the more the plan is explained the more friends it has. No candidate, as yet, who has espoused the plan has ever gone down in defeat. As we understand Dr. Townsend's

plan, every person over the age of 60 years, who does not have an income equal to $200 per month, is to receive a pension of $200 per month. The money must be spent, not hoarded. In Eastland there are about 500 men and women who would be eligible for the pension. That amount of money spent monthly in our city will make the wheels go round.

When it is a matter of the Government raising and spending $24,000,000,000 per year, which must be raised by an unconstitutional 2-cent transaction tax "on every bottle of milk and loaf of bread", Editor Hatcher and his "Weakly" Record say, "That's not bad", and it "will make the wheels go round." But when it comes to the great State of Texas raising its part to pay its $15 so that with the $15 paid by the Government each needy person in Texas 65 years old may receive a deserved pension of $30 per month, which is constitutional, and can be raised and paid, Hatcher cries out, "It means an additional taxation of about $40,000,000 per year to Texans." "Where is it coming from?" "How can we do it?" "We hate to contemplate where we are drifting."

GROOMING TOWNSEND CANDIDATES

In his editorial July 19, 1935, Editor Hatcher said in his "Weakly" Record:

The many friends of County Judge Clyde L. Garrett are insisting that he be a candidate (for Congress). Cylde has worn out two courthouses in Eastland County.

On December 13, 1935, Editor Hatcher, in his "Weakly" Record, said:

No word has been received stating whether Mr. BLANTON expects to make the race. It is reported that Judge Garrett has had strong solicitation from every county in the district to make the race. This county would give him 90 percent of the votes over an out-of-county man.

Upon observing the above, my secretary, on January 10, 1936, wrote Editor Hatcher:

Eastland friends advise that for months you and an Austin propagandist have been trying to incite opposition there against Congressman BLANTON. You have this right, and no one objects to your exercising it, provided you do not misrepresent and deceive.

And then my secretary called his attention to his many deceiving misrepresentations, and asked him to correct same by publishing her letter. He refused to do it, but again deceived and misrepresented by saying editorially in his paper last Friday:

The Record has been highly honored with a letter from Hon. THOMAS L. BLANTON, in which he takes us severely to task. The letter reminded us that Judge Garrett is in for a decisive licking.

He received no letter from me. The letter he got was from my secretary, who has been my secretary for 20 years, and who watches such misrepresentations and replies to them and rarely ever bothers me with such routine matters. And nowhere in my secretary's letter can Editor Hatcher find any statement that "Judge Garrett is in for a decisive licking." Hatcher made that up and fabricated it.

But to show the country what kind of humans these professional Townsend propagandists are, I quote the following from Editor Hatcher's editorial of January 17, 1936:

Our United States Supreme Court, ever the servile minion of wealth. * * * If American people cannot run their Government except when it pleases nine old fossils, formerly corporation lawyers, steeped in the ancient and hallowed doctrine of "The sacred rights of capital", then we are no longer a free people.

PITILESS PUBLICITY

The only way to checkmate Dr. Townsend in his "bleeding of the aged" is pitiless publicity. We must let the people in our districts know exactly what is going on around them. I intend to keep my constituents informed about it. The following letter received from Eastland is quite interesting:

EASTLAND, TEX., *December 16, 1935.*

Congressman THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

DEAR JUDGE BLANTON: The same bunch who for years have tried to get you out of Congress are still after you. Recently Raymond Brooks, of Austin, tried to sound out whether Collie could beat you in Eastland County. He got no encouragement. Brooks is the one who in 1934 sent articles from Abilene and Cisco to the newspapers of your district predicting your defeat, and asserted that Chastain would carry Eastland County solidly, and would beat you in Taylor County. Just the reverse happened. In the primary you carried every voting precinct in Taylor County with a majority over both opponents, and beat Chastain in every voting precinct of Eastland County.

Your enemies now are trying to use Clyde Garrett as their catspaw to pull their chestnuts out of the fire. They have whispered to him that he might defeat you. They have led him to believe that they will finance his campaign. He has been contacting people in several counties to see if he can hope for their support. He will probably run for your enemies have filled his ears with glowing prospects.

I have talked with many people. It is my candid opinion that Clyde can't beat you in Eastland County, though naturally he will get a fair vote complimentary to any home man. You will swamp him in all the other counties. He is counting on much support from Towsendites, as he has been playing into their hands, but they are beginning to realize that such a Utopian dream is impossible. Eventually they will turn against the man who fools them with idle promises. Don't have any uneasiness. Your friends in Eastland County will look after your interests. We all wish you a happy Christmas.

Your friend,
(Name withheld.)

I realize, of course, that inevitably I will have opposition. I have never taken "the path of least resistance." I never keep silent when it is my duty to speak. I fight either on one side or the other of every issue that confronts Congress. And I always put my whole soul into the fight. Naturally, I will have opposition. I had just as soon have Clyde Garrett as any other opponent. We have been friends for years.

"GANGING-UP" ON ME

I have just received the enclosed letter from a good friend in Erath County:

STEPHENVILLE, TEX., *January 15, 1936.*

Hon. THOMAS L. BLANTON,
Washington, D. C.

DEAR CONGRESSMAN: Your friends here now have a proper opportunity to administer a deserved rebuke to Sam Russell. He is preparing to run against you, as he is being nosed out of his own job. Tam Chandler has announced against Russell for district judge, and Wallace Scott may announce, and Sam realizes that one of them will down him; hence to save his scalp he thinks he would have a better chance in a big district where the people are unacquainted with his antics and depend on the disgruntled postoffice applicants and the Townsend converts helping him to defeat you.

None of us liked it when Sam left his bench during the last race and campaigned the district against you. He covered it from Hamilton to Sweetwater. Every time you attended a picnic he would follow you there and speak after you, attacking you in a mean way. He would show people an old CONGRESSIONAL RECORD, and tried to make them believe you and Garner are enemies, when we knew that you and Garner had become good friends and that several times Garner had you to preside for him as Speaker of the House.

Although Sam thinks he runs this county, and is Chastain's nephew, and they have kinfolks scattered around, you got 347 more votes in Erath County than Chastain did, and at Bluff Dale, where Chastain was born, you got 22 more votes than he did in that small box. In Hamilton County, where Sam Russell campaigned so vigorously against you, and begged the people if they couldn't vote for Chastain to vote for Hamlin, you received 1,234 more votes than Chastain did. It was Sam Russell you defeated in 1934, and he is still sore about it.

Sam also did everything he could against our county judge, but Wallace Scott won out by a handsome majority in the second primary. At the time Russell was wasting his time meddling in yours and Scott's campaigns, there were a number of untried suits pending on his dockets here, and in a careful check-up I made, I found that on July 1, 1934, in his court at Granbury, there were 13 criminal cases, 22 civil cases, and 4 divorce cases untried, and in his court at Palo Pinto there were then 49 criminal cases, 40 civil cases, 40 tax suits, and 30 divorce cases on the dockets there untried. The people don't like for a judge thus to neglect his business.

You need not waste any time worrying about this section, as your friends will attend to Sam's case for him, and take good care of you on election day. Please send me the daily RECORD.

Yours sincerely,
(Name withheld.)

"THE LORD TEMPERS THE WIND TO THE SHORN LAMB"

One of the greatest statesmen who ever served in this House, after faithfully devoting 40 years of service to the public, was defeated because he conscientiously voted against entering the World War. He once said to me: "Tom, I do not believe there is an ounce of gratitude in the whole public breast for good service." But he was mistaken. Once in a while the public is swayed by spasmodic impulse, but generally you can depend upon it to do justice. While apparently we are encompassed roundabout by Townsend organizers, our friends, too, are busy back home. I quote

the following from one of my good friends in Sweetwater, who, without mentioning to me his intentions, has done much for me:

I am mailing you signatures of members joining the "BLANTON for Congress" clubs being organized over your district. I trust you will not think we have overstepped ourselves, but your friends felt that you were entitled to reelection without being bothered with an active campaign, so we are organizing a campaign committee, and are going to have your district so thoroughly organized that opposition will be eliminated. You will note numerous signatures from every town and community in your district.

I feel confident that you will receive a larger vote in Sweetwater this next election than ever before, due to the fact that Sweetwater has made so many requests of you this past year and you have responded in every instance. You gave us a C. C. C. camp, extensions of rural routes out of Sweetwater, and especially are we grateful to you for extended city delivery service and for getting the W. P. A. approval for our South Ward school-building project. I do not know of a single instance wherein you have failed to be of service to any of your constituents if within your power to do so, and it is this outstanding service that has created in the hearts of these people a determination to so thoroughly organize your district that it will not be necessary for you to make an active campaign.

Sincerely, your friend,

JOE BOWEN.

A FAIR CROSS SECTION OF CAMPAIGN COMMITTEE

In order to show Dr. Townsend, and my good friend MCGROARTY, and my colleagues in Congress the kind of citizens who, in spite of Townsend influence, will voluntarily stand behind their Congressmen, I want to print the names of a part of this committee for Taylor and Shackelford Counties, and for Cisco, Gorman, and Rising Star, in Eastland County, and Anson and Hamlin, in Jones County. This will show a fair cross section for my district. In addition to the names sent me, I have letters from many friends who did not know of the organization who assure me of active support:

ORGANIZATION OF FRIENDS

To Citizens of the Seventeenth Congressional District:

We, the undersigned, who are voluntarily organizing together as a campaign committee, without the knowledge of Congressman THOMAS L. BLANTON, present the following important facts regarding his most valuable service:

In Congress, ripe experience, intimate familiarity with the history of legislation and of Government departments, bureaus, and commissions, and thorough knowledge of parliamentary rules and procedure, and use and application of same in committees and on the House floor, are highly important and vitally necessary for a district to be properly represented. Congressman BLANTON has ripe experience. He is an expert on parliamentary rules and procedure. He is intimately familiar with precedents of Congress, and their application. He has intimate knowledge of the history of legislation, and of all Government bureaus.

But, above all in Congress, seniority is most important. The Members who head and control important committees are the influential Congressmen, whose prestige means everything to their constituents. Seniority is acquired only through long, uninterrupted service. The longer the service, the greater is the influence of the Member.

JOE BYRNS, of Tennessee, is now Speaker of the House by reason of his seniority, which likewise made WILL BANKHEAD, of Alabama, Democratic leader, and placed ED TAYLOR, of Colorado, in charge of the House floor.

Texas people have shown great wisdom in returning their faithful Members each election, for through long service they have acquired prestige and seniority. It caused John Garner to become Vice President now presiding over the Senate. It made Senator SHEPPARD the dean of Congress. It has given Texas the chairmanship of such important committees as the great Committee on Appropriations, the Committee on Interstate and Foreign Commerce, the Judiciary Committee, the Committee on Agriculture, the Rivers and Harbors Committee, and the Committee on Public Buildings and Grounds. It has given Texas strategic places on the Committee on Rules, the Ways and Means Committee, the Banking and Currency Committee, the World War Veterans Committee, and on every other important committee of Congress.

The experience, seniority, and prestige of Congressman THOMAS L. BLANTON, and the influential committee position he now holds respecting all supply bills and appropriations, are of inestimable value and of most vital importance to his constituents and the State of Texas, and it behooves every county in his district to retain him in Congress. More than at any other time in our history it is important that our Congressman should be able to devote all of his time and attention to imperative legislative matters constantly arising, and he should not be bothered or diverted by a campaign for reelection. In the last primary he carried all of the 30 voting precincts of his home county by a clear majority over both opponents, and likewise carried all voting precincts of his old home county of Shackelford, and he defeated Legislator Chastain in every one of the 27 voting precincts of Eastland County where Mr. Chastain lived, demonstrating that the people are backing him.

Therefore, fully realizing the above, we, the undersigned friends and constituents, without BLANTON'S request or knowledge, do hereby voluntarily form ourselves into a Blanton campaign committee, pledged to look after his interests in the 1936 primary, and while we do not believe any opposition will announce against him, if it does we pledge ourselves to do everything within our power to overcome it, and to look after his political interests in our respective counties, so that he may remain at his post of duty in Washington and not be diverted:

Taylor County—Abilene: R. W. Haynie; Fred Cockrell; Jas. P. Stinson (Democratic county chairman); C. L. Johnson (mayor of Abilene); Frank Grimes (editor, Abilene Reporter-News); Tom K. Eplen (president, Chamber of Commerce); E. N. Kirby (former mayor of Abilene); Rev. Willis P. Gerhart; D. D. Parramore; Rev. T. S. Knox; W. R. Sibley (chief of police); C. W. Barnes; Rupert Harkrider; J. J. Hollinquist; H. J. Bradshaw; D. M. Oldham, Jr.; C. O. Savage; W. E. Hiatt; E. J. Sharp; W. Victor Womack; Henry Dennington; W. R. Davis; J. O. Middlebrooks; Guy Pope; R. L. Muston; W. E. Beasley; Earl Hughes; Hugh P. Simmons; Dr. Scott W. Hollis; C. E. Adams; C. W. Gill; J. M. Hardie; W. H. Free; Joe Smith; W. J. Bryan; H. J. Bass; John B. Ray; Dr. T. B. Bass; George L. Minter; W. D. Minter; J. G. Davis; J. W. Clements; George Minter, Jr.; W. Coke Mingus; Ross G. Hall, Jr.; Lyman C. Bartee; Mrs. Earl Bradley; Miss Lena Ries; Lillie Bell Scott; Eva Dee Allen; M. Adams; Ruth Mullins; J. W. Bogar; Mrs. Floyd Bogar; Maude Taylor; Faye C. Wiggins; Nina Roberts; Mrs. Alma Jones; Mrs. E. Flesher; Mrs. H. C. Anderson; Mrs. H. P. Bounds; Mr. and Mrs. A. L. Roberts; Mrs. Chloe Fariss; Mrs. L. D. Boyd; Kittie Powell; Mrs. E. A. Cazaux; L. M. Buchanan; S. H. Leach; Ruth Pierce; Mrs. O. A. Hale; Emmogene Hall; Lester L. Higgs; Lloyd B. McCarty; John W. Thomas; M. E. Mayfield; Henry K. Bass; C. C. Sellers; Mrs. J. M. Radford; Mrs. J. W. Wooters; J. W. Wooters; T. N. Carswell; Myrtle Sublett; G. O. McDonald; N. C. Bennett; H. O. Wooten; Sterling Wooten; Gus J. King; C. L. Starr; J. Pink Wooten; Anne Moore; Tom W. Pearce; Gray Browne; D. S. Kirk; C. D. Cox; Dr. L. H. Magee; Henry James; B. L. Ellis; Paul Jones; K. Walls; D. G. Barrow; J. E. Grissom; J. H. Culwell; T. C. Campbell; Claude Young; T. C. Campbell, Jr.; Dallas W. Murphy; Floyd Hendrix; Mrs. O. E. Radford; Mrs. Eunice H. Lee; Mrs. T. L. Fagg; Mrs. Jack Simmons; Zelma Markum; Mrs. R. L. Oden; Pat Campbell; George W. Midland; Kirby Williams; Gus Motz, Jr.; E. V. Compere; C. R. Pennington; Dr. R. A. Maddox; M. Shaw; John Bowyer; W. P. Gilbreth; J. T. Handy; O. E. Radford; H. N. Harrison; George R. Morris; R. G. Cogdell; W. P. Bounds; J. D. Moore; Jesse F. Winters; R. D. Batjer; Caleb Reed; O. A. Hale; Lila Fern Martin; Mrs. Clyde Stayton; Vivial Fryar; Clyde Beasley; E. T. Brooks; J. W. Turner; D. H. Jefferies; Jack Linton; Emmette Chandler; Mrs. Emmette Chandler; D. T. Laughter; J. L. Warren; W. Henry Haney; F. E. Behrens; J. P. Hendricks; R. C. Brown; C. S. Brown; John A. White; Holland C. Cogdell; E. E. Cogdell; C. M. Presley; B. D. Bryan; J. M. Stevenson; Jim Hefley; Will Watson; Mrs. C. W. Barnes; W. B. Lewis; Lee F. Signor; A. D. Whisenant; J. A. Barnes; W. J. Behrens; B. Holley;

Merkel: R. E. McCleary; Dent Gibson; Lynn Shelton; W. P. Lanham; Herbert Patterson; N. M. Campbell; Lester Patterson; Max Mellinger; Robert N. Campbell; Mrs. W. P. Lanham; Mrs. Lorinda Campbell; Mrs. R. I. Grimes; Mrs. J. A. Milliken; Tom Sargent; C. M. Sargent; Louis Curb; W. A. Sheppard; Lee Harrell; W. H. West; Claud Perry; D. H. Vaughn; J. Parker Sharp; D. Grimes; Mrs. H. H. Teaff; O. N. Buford; M. B. Bell; W. O. Boney; T. L. Grimes; Chas. Davis; Byron Patterson; O. B. Patterson; W. F. Patterson; Weldon Coats; Bill Harris; O. C. Vick; O. B. Leach; L. J. Renfro; Fred A. Baker, Jr.; F. M. Allday; W. C. Black; W. A. Whatley, Jr.; Byron Curb; Mrs. F. R. McFarland; Eli Case; Milton Case; E. M. McDonald; C. B. Williams; G. W. Blake; Mrs. G. W. Blake; C. V. Shelton; H. E. West; J. A. Buford; R. O. Pearson, Jr.; Max E. Swafford; S. L. Grayson; W. S. Hickman; Jim Burns; S. A. Coates; F. A. London; W. D. Williams; J. S. Stalls; Thos. Durham; E. O. Carson; Geo. Woodrum; J. T. Kiny; J. P. Sharp; Mrs. Thomas Durham; J. S. Thomas; N. Wrenn Durham; Roger A. Burgess; S. P. Nesmith; Warren C. Smith; Clark Meindix.

Tuscola: Sam Carter; J. W. Vickrey; W. C. Holloway; G. C. Oliver; M. G. Jenkins; Mrs. M. G. Jenkins; Guy M. Williamson; Curtis Travis; O. E. Blackwood; Ernest McIntyre; Max Standard; Elmore Akerby; Sam Pierson; Carrol A. Dickenson; Mrs. C. A. Dickenson; A. R. Christopher; Lloyd Johnson; A. Rann Reddell; H. H. Lofland; Leslie McCormick; M. A. Jones; W. E. Beard; Mrs. Leslie McCormick; J. P. Townsen; Walter J. Taylor; Mrs. L. H. Vaughn.

Shackelford County committee—Albany: Richard H. McCarty; John F. Sedwick; A. W. Reynolds; T. E. Dodge; W. L. Hatcher; Charles A. Fryar (editor, Albany News); J. C. Miller; A. M. Howsley; Dr. D. C. McCord; O. D.

Williams; L. A. Sanders; W. P. Key; F. B. Cloud; Dr. J. J. Hunchman; John H. Sedwick; R. L. Robinson; J. T. Lowry; Joe M. Lowry; Burney Davis; J. L. Castleberry; W. E. Dawson; W. R. Biggs; Mack Hays; F. C. Posey; J. H. Nail, Jr.; J. Carter King; W. L. Burrows; L. C. McKelvy; S. K. Plummer; Proctor K. Clarke; W. L. Hill; W. H. Green; I. E. Burham; S. Z. Freeman; J. O. Gordon; Perry Fite; H. Herron; B. H. Ezell; Jay Davis; M. A. Stewart; Berry Brown; Clem McCracken; J. N. George; Richard Dyess; R. S. Long; Ross Tuggle; G. B. King; George Callihan; W. G. Davis; Merrick Davis; W. R. Hammer; A. C. Bumpers; W. R. Nail; Roy Matthews; Wyatt W. Lipscomb; Moode Burnett; Arthur Adams; O. L. McClure; Aubrey Adams; Joe M. Overton; Carl L. Lieb; Jesse A. Pate; Ed Greer; B. M. Elick; B. G. Reynolds; Joe M. Clarke; Ollie C. Clarke; L. R. Rodriquez; John A. Hallman; W. W. Fox; Earl D. Lieb; A. H. Thurman; M. Pash; Jack Dunford; P. H. Williams; Harry J. King; A. M. Russ; Charles W. Zug, Jr.; R. J. Dick Moberly.

Moran: W. E. Raymond; Mrs. C. Harper; W. A. Lummis; Mrs. W. O. Hunt; Bob Taylor; A. J. Taylor; Avis J. Waters; W. R. Jackson; Mrs. W. R. Jackson; O. F. Etheredge; P. L. Kelley; Mrs. O. F. Etheredge; Pearl Donaway; Ova Milling Brown; Mrs. W. D. Lummus; A. L. Black; Mrs. A. L. Black; Mrs. Delia Bumpus; Mrs. Ida Leftwich; N. J. Brewster; J. A. Clement; Floyd C. Pool; L. L. Walker; S. M. Gardner; R. B. Pool; Mrs. S. M. Gardner; W. V. H. Brewster; Fay Brewster; Mrs. E. J. Brewster; Mattabel Downing; Laura Snyder; Irma Lee Midkiff; Yates Clayton; Mrs. Yates Clayton; E. M. Raymond; Bert Brooks; Mildred Smith; Mrs. J. C. Smith; C. A. Waters; Mrs. C. A. Waters; Ray McKelvain; Mrs. Carl Lummis; Carl Lummis; Mrs. W. P. Grace; Mrs. Will Townsend; Mrs. Gertie Greer; Lou Marion Grace; LaVerne Grace; Mary E. Townsend; C. B. Snyder; Eugene Oyler; Glenn Luttrell; John H. McGaughey; W. L. Stapp; Ben Waters; Lee Dunn; B. B. Brewster; W. E. Cannon; F. E. Bratton; Mrs. F. E. Bratton; Sidney Brooks; Cole Jackson; J. V. Roberts; H. E. Roberts; J. E. Linton; P. W. Walthall; S. H. Sherman; Ernest Willis; T. H. Sherman; H. N. Sherman; Theodore Henry; Mrs. Ernest Willis; J. D. Allen; H. W. Grisham; J. G. Terry; Mrs. J. G. Terry; E. M. Scott; H. E. Butler; Mrs. H. E. Butler; E. C. Robinson; Mrs. J. G. Rice; Tropal Brooks; N. M. Freeman; Mrs. Tropal Brooks; J. R. Thomas; Fisher Burton; Mrs. Fisher Burton; Mrs. Oscar Parish; Mrs. Marcus H. Ward; Mrs. W. T. Stapp; Mrs. Fred Pool; Mrs. H. S. Coats; H. A. Coats; Robert L. Martin; Fred Pool; Mrs. Clyde Pettit.

Cisco: J. M. Flournoy; Mrs. J. M. Flournoy; Glenn Little; J. J. Little; A. V. Clark; Blair Clark; C. J. Qualls; F. M. Hooks; Mrs. F. M. Hooks; James T. Moore; W. J. Donovens; J. V. Heyser; James Floyd; Richard Lewis; V. L. Donoven; J. B. Coats; W. W. Donohoe; J. P. McCanliss; J. R. Harper; W. D. Forham; Mrs. H. D. Gorham; Mrs. J. E. Chesley; Yancey J. McCrea; Mrs. Yancey McCrea; Willie Lee Baylor; L. C. Moore; N. C. Fowler; J. E. Burman; J. G. Rupe; C. L. Kimmel; H. L. Dyer; J. D. Franklin; Johnny Cox; Mrs. Johnny Cox; J. N. Bearman; A. R. Daniel; Mrs. A. R. Daniel; Mrs. T. Hunter Foley; W. Hubert Seale; Will St. John; Mrs. Will St. John; L. F. Mendenhall; Mrs. L. F. Mendenhall; L. C. Heltzel; Tom Foley; C. B. Foley; Mrs. Nettie Heltzel; Mrs. P. R. Warwick; N. D. Gallagher; Mrs. N. D. Gallagher; W. J. Armstey; Harry Donica; Mrs. Harry Donica; J. C. Donica; Mrs. Jessie Donica; Carl Baird; Mrs. Carl Baird; G. N. Mahoney; Lee Mahoney; Mrs. Etta Judia; Mrs. M. E. Mahoney; C. R. Cogswell; B. W. Martin; Mrs. B. W. Martin; Celia A. McCrea; Ella B. McCrea; H. A. Bibb; V. W. Penn; J. H. James; M. A. Koenig; Jack Montgomery; Clark Webster; Fred B. Jennings; Lewis E. Starr; J. L. Dill; Mrs. Lewis E. Starr; Hawood Cabaness; E. J. Clements; Mrs. R. A. Ledbetter; Mrs. Dennis Moore; Oscar Cliett; C. S. Karkalets, Jr.; C. J. Collins; Ruth Willhelm; Mrs. W. E. McWhorter; H. O. Bourland; P. O. Brown; D. A. Pelfreys; O. E. Candless; Doyl Campbell; G. R. Nance; W. M. Statham; Mrs. C. H. McCall; Jay Richardson, F. C. Hutton; Jack Elkins; Mrs. Hubert Seale; F. W. Dill; Muriel Whitaker; Mrs. R. R. Bradshaw; Mrs. J. G. Bean; Mrs. John D. Roach; Mrs. Henry Morris; Mrs. S. R. Wood; J. H. Hyatt; Marie Winston; E. F. Johnson; L. E. Vaughan; A. D. Estes, Jr.; Clifford Estes; Martha J. Coleman; Mrs. Floyd Cooper, Jr.; Floyd Cooper, Jr.; R. E. Kizer; Mrs. Charles S. Sandle; Mrs. M. E. Goldberg; Edmund Sumner; W. E. Brown; M. E. Goldberg; A. L. Starling; C. O. Ross; C. H. Parish; T. H. Purvis; B. I. Stanley; J. A. Smith.

Gorman: Mrs. R. E. Boucher; W. S. Wood; T. S. Ross; R. E. Boucher; J. Frank Dean; Mrs. J. Frank Dean; Miss LaRue Dean; Mrs. S. S. Alsabrook; Shelley Hill Alsabrook; Ozella Pulley; B. N. Ross; Dr. E. C. Blackwell; O. D. Brogdon; Mrs. O. D. Brogdon; Homer R. Nason; M. F. Allen; Mrs. Katherine (Love) Allen; Willie Clark; Grace Jones Clark; Mrs. M. S. Wood; W. C. Smith; Mrs. W. C. Smith; R. E. L. Smith; W. B. Hooker; Mrs. W. B. Hooker; L. L. Hooker; Miss L. M. Boucher; L. A. Greer; W. M. Jemison; Mrs. L. A. Greer; G. L. Smith; Minnie Lee Smith.

Rising Star: J. E. Smith; C. H. Bowden; L. T. Allen; O. R. Shutts; C. L. Smith; Raymond Gray; C. G. Shults; Charles D. Ballew; A. T. Shults; T. W. Cunningham; Claud Hammett; Lucy Hammett; R. A. Horton; L. L. Culwell; Mrs. Love Shults; C. K. Lee; J. S. Belvin; Frank Gattis; J. King; C. D. Trice; Roy Allen; A. Snead; F. E. Adams; Nick Higginbotham; O. C. Crownover; J. W. Smith; H. Burnes; T. M. Goodwin; J. W. Carley; Mrs. Nick Higginbotham; R. O. Burns; T. W. Martin; W. N. Nunnally; T. S. Goss; George L. Goss; Lawrence Roach; W. H. Duggan; B. W. Hobbs; O. E. Davis; Cecil G. Shultz, Jr.; L. B. Bishop; M. D. Gibson; Mrs. C. G. Schults; J. T. Poe; Mrs. Ruby Shults Ballew; Mrs. Dan G. Johnson; Dan G. Johnson; Buy Brogdon; Zonita Brogdon; D. M. Jacobs; H. L. Carter; Jim Bolding; H. J. Whitehall; J. H. Nunnally; W. A. Bucy; J. J. Deens; Dr. J. R. Hill; H. S. Childress; W. M. Roscoe; J. W. Thornton; C. P. Bearden.

Anson: E. E. Farnsworth; E. G. Bartlett; H. R. McCowan; Lee Garrett; C. B. Edwards; G. V. Rosser; R. J. Day; Sid L. Gentry; A. S. Reaves, Jr.; Mrs. A. S. Reaves, Jr.; Bishop Van Ness; Mark Melson; Mrs. Mark Melson; Bessie Dean; T. P. Hudson; J. D. Pickens; Jap Spraberry; Dew Womack; Mrs. Dew Womack; Neal C. Hartwich; C. C. Scott; T. M. Knox; R. J. Barrett; Mrs. R. J. Barrett; Mrs. F. T. Knox; Bill Neville; Mrs. Bill Neville; Jeff E. Taylor; Don Hymer; R. M. Myers; J. H. Graves; Mrs. N. A. Blackstick; E. M. Spraberry; Mrs. E. M. Spraberry; Johnnie M. Colbert; F. C. Prichard; Mrs. F. C. Prichard; Mrs. George Baker; Miss Edith Baker; F. A. Arnold; Mrs. F. A. Arnold; Rosser Purifoy; Mrs. Rosser Purifoy; Miss Jessie Rodgers; R. L. Propst; Mrs. F. A. Gardner; C. W. Bartlett; Mrs. C. W. Bartlett; Mrs. W. H. Boyd; Mrs. George Harrell; Mrs. Mattie Fisher; Rose Fisher; G. C. Russell; Mrs. G. C. Russell; S. J. Isbell; C. D. Hudson; Frank B. Holmes; C. Y. Holmes; Virg Griffith; J. J. Cass; Oran A. Dean; Mrs. Oran A. Dean; Frank Wilson; S. W. Wilson; E. J. McClung; S. H. Mays; Roy H. Mays; Emery Mays; Sam Rosser; W. C. Baker; D. L. Fenter; Homer Gipson; Viola Ward; Mildred Fry; G. A. Rainwater; Mattie McCarty; D. T. Norman; Mr. and Mrs. Lee Hauk; Harry London; Mrs. Harry London; A. Heidenheimer; H. M. Graves; Mrs. E. S. Simmons; Mrs. W. T. Lindsey; J. A. Arwood; George Putnam; L. R. Reid; M. B. Ball; J. W. McCarty; Hub M. Holland; Dr. J. McK. James; T. B. Rogers.

Hamlin: W. K. Boyd; John F. Green; T. J. Nall; Paul Bryan; N. V. Wright; R. B. Belyen; Ross Jones; T. C. Farrow; T. E. Shelburne; J. J. Waggoner; J. Frank Johnson; Frank G. Waggoner; W. C. Russell; L. E. Griffin; Mrs. L. E. Griffin; Mrs. J. V. Harrell; E. Saunders; Oscar Owen; Oscar Owen, Jr.; Mrs. Paul Cain; Mrs. Oscar Owen; S. D. McMahon; Mrs. E. M. Wilson; Mrs. W. J. Reynolds; Mrs. J. F. Tally; J. F. Talley; Mrs. R D. Moore; Sallie Joiner; G. H. Joiner; Mrs. J. E. Bury; J. R Reynolds; Mrs. J. R. Reynolds; Mrs. W. R. Carter; Mrs. F. L. Reynolds; Jess Young; W. A. Albritton; E. M. Thompson; Ruby Thompson; W. M. Rankin; F. Y. Wilson; L. G. Fletcher; Mrs. W. C. Russell; Mrs. N. Haines; C. R. Reynolds; Lennie Greenway; H. W. Carter; Everett Tormley; John May; M. P. May; L. A. Sanford; Iris V. Pribble; Mrs. Frank Waggoner; J. P. Morris; W. Henry Allbretton; W. J. Reynolds; Mrs. W. Henry Allbritton; Pearl Hudson; J. O. Hopper; Mrs. M. P. May; J. B. Hopper; L. H. Hopper; W. W. Fletcher; Ruth Fletcher; Mrs. W. L. Fletcher, Jr.; W. L. Fletcher, Sr.; Mrs. W. L. Fletcher, Sr.

WHEN MONEY MAKERS FUSS, WE LEARN THE FACTS

The first 2 months Dr. Townsend spent in Washington his inseparable companion and associate was Frank Peterson. One of their main disciples from Colorado was Joe Gross. They finally became disgusted with the money-making scheme and denounced it. When Frank Peterson made his speech in Denver Joe Gross introduced him. I quote the following from their speeches:

FROM JOE GROSS' INTRODUCTORY SPEECH

A year ago the old people of America had their hearts made glad by a project which originated with Dr. F. E. Townsend in California. He would have the Government pay to every citizen 60 years old $200 per month.

Very eagerly the old people of the country—and hundreds of thousands of young people as well—took Dr. Townsend at his word and enlisted under his banner. They bravely trudged from door to door getting signatures to the Townsend petitions. They organized themselves into thousands of Townsend Clubs. Freely did the people of the country subscribe of their moneys—they did not stint in their donations to the Townsend treasury.

At last the time came for battle. Dr. Townsend girded his loins and announced he would lick the life out of Congress.

The Townsend Clubs of Colorado were so anxious to be of service; to see that Dr. Townsend was properly aided that in addition to sending thousands of dollars to the national treasury of the Townsend organizations, they also raised hundreds of dollars

to send three Colorado delegates to Washington to see that Dr. Townsend had proper help.

First, Mr. Oliver McIntosh came back with a wretched tale. He said Dr. Townsend and Mr. Clements were not making a sincere fight for an old-age pension in Congress. He said they were more interested in the money-making possibilities of the Townsend organization than anything else; that they preferred not to have a pension bill enacted by this Congress in order that they might continue in their money-making activities from the public for another year at least.

A few weeks later I returned from Washington and gave a report similar to Mr. McIntosh's. I, too, had seen the evidence of graft and corruption in Washington. I told the people of Denver the truth about the Townsend situation.

Last of all, Mr. Otto Moore, one of the most highly respected members of the Denver bar, came back from Washington. He repeated what McIntosh and I had said.

Dr. Townsend said he would show no mercy on Denver rebels; and, after his spellbinder sent here proved ineffective, Dr. Townsend spoke in Denver 2 nights ago. He appealed for loyalty. He admitted that none of the persons who handled the money were bonded. Four Clements and two Townsends handle the money at Los Angeles; and no company would bond where so many in one family handle all the money. Even now Dr. Townsend is hurrying to Riverside, Calif., where an investigation of graft has been demanded. Townsend clubs in Texas have already broken away and formed an independent organization.

The man I introduce tonight is fresh from the Washington scene. For 2 months he lived with Dr. Townsend in a three-room suite in a Washington hotel. Often he put Dr. Townsend to bed; often he rubbed the circulation back into the tired old legs of Dr. Townsend. His official title was national publicity director of the Townsend movement, and Washington newspapermen say that he made a national figure of Dr. Townsend. I present Mr. Frank Peterson, of Los Angeles.

QUOTATIONS FROM FRANK PETERSON'S SPEECH

I am fresh from Washington. I left there last Tuesday, the last of the Townsend delegation to depart, and I had been the first to arrive in Washington.

For 2 months Dr. Townsend and I were the only representatives of the Townsend organization in Washington. I was the committee mentioned in the official Townsend bulletin.

During these 2 months Dr. Townsend and I shared a three-room suite in a Washington hotel. We lived together, ate together, played cribbage together, planned together. I contacted the press men and the magazine writers and coaxed them to come and visit Dr. Townsend and write him up for their papers. I spent 3 weeks in a vain attempt at the White House to arrange an interview with President Roosevelt for Dr. Townsend. I chiseled the Columbia Broadcasting Co. and other chains into letting Dr. Townsend speak over their networks on a gratis basis. If Dr. Townsend had had to pay for this broadcast, it would have cost him $15,000 a talk. I took Dr. Townsend to New York and there, too, acted as his birddog. I crashed Frank Vanderlip's office and had him meet Dr. Townsend, and through him we obtained the services of the famous economist, Mr. Doane. I got Dr. Townsend into a radio debate with the famous Socialist, Norman Thomas. I wrote the speech Dr. Townsend delivered. It was necessary for me immodestly to mention my activities to show that I speak with authority. Dr. Townsend told me, "Pete, I would have been lost here without you."

Now, why did the Townsend plan receive only 55 votes in Congress? I propose to act as coroner tonight over the dead body of the Townsend plan. Why did it die so quickly? Congress still has 2 months to run before adjournment, and yet Dr. Townsend has withdrawn everyone of his representatives from Washington.

More than any other individual, Mr. Robert E. Clements caused it. This national treasurer of the Townsend organization formerly worked as a real-estate speculator in California. The acquisitive instinct is strongly ingrained in him. There is no room in a humanitarian movement for the greedy acquisitive instinct. He began to see the Townsend plan as a beautiful money-making scheme for himself and Dr. Townsend. A year ago he was broke. He and Dr. Townsend got down on their hands and knees in the first Townsend headquarters and painted the floor, so poor were they. Today Mr. Clements possesses a beautiful Lincoln car back in California, his clothes are of the finest weave, he lives at the finest hotels and uses airplanes almost exclusively for travel purposes. All of this from pennies and nickels and dimes of the poor old people of California. Early in January Mrs. Clements went on a shopping tour on Fifth Avenue, New York. Her overcoat is really a beautiful thing.

In addition to this Mr. Clements is now a 50-percent owner of the official Townsend weekly. This newspaper has a circulation in excess of 150,000.

It is truly a valuable piece of property created by the pennies and nickels and dimes of the poor old people of this land. When the third issue of this paper came off the press, Mr. Clements told Congressman MCGROARTY that the paper was already showing a profit of $300 a week. Lately Mr. MCGROARTY learned from what he considers reliable authority that the paper is netting Dr. Townsend and Mr. Clements $2,000 a week. This is truly a wonderful gift offering by the poor old people of America to Brother Clements. At first Messrs. Clements and Townsend tried to hide their ownership of the paper from the people. In the third issue of the paper is a signed statement by Dr. Townsend telling the people that "not one nickel they spend on other pension papers finds its way into the national treasury at Los Angeles"—thereby implying that every nickel spent on the official Townsend weekly found its way into the Townsend treasury instead of into the pockets of Messrs. Clements and Townsend. But lately when ownership of the paper could no longer be hidden Dr. Townsend and Mr. Clements have brazenly admitted owning the paper and stated "What of it?" In a letter to a prominent Denver citizen Dr. Townsend wrote that if the prominent Denver citizen didn't like it he could go jump in the lake!

By delaying the passage of the old-age pension bill for another year, many hundred thousand dollars more could be collected from the anxious and eager old folks and their relatives.

The one thing Congressman MCGROARTY needed during the week the revised McGroarty bill was up for vote was to have Dr. Townsend on the radio appealing to the American people to bury the Congressmen under a snowstorm of telegrams.

At this time I wrote to Dr. Townsend that I had obtained three free coast-to-coast radio hook-ups for him. This letter was intercepted by Mr. Clements, and the result was that Dr. Townsend never utilized this opportunity at this crucial time.

Just as Mr. Clements is guilty of using the Townsend movement through the means of the official Townsend Weekly as a means of personally enriching himself, so, too, is Dr. Townsend guilty, for he has a 50-percent interest in the paper. Just as he has persisted in allowing Mr. Clements to remain as his right-hand advisor despite the protests of Townsend organizations in practically every State in the Union, so much is he responsible for the havoc brought on by Mr. Clements.

Despite an assertion of personal honesty made here in Denver two nights ago, I know, and can prove, that Dr. Townsend pocketed many hundreds of dollars which were handed to him as a speaker's fee by Townsend clubs in Buffalo, Rochester, Grand Rapids, Syracuse, Lima, and many other cities. I booked these speaking dates for Dr. Townsend and wrote the letters asking the Townsend clubs in these communities to guarantee stated sums ranging from $150 to $400 for a speech by Dr. Townsend. I know, too, that these sums were never turned in to the national Townsend treasury by Dr. Townsend. They were kept in a private safe deposit box in our Washington hotel by Dr. Townsend in the form of cash.

There are many other things which could be raised against this witness, but the time does not permit. Neither does the time permit of the calling of other witnesses who played a prominent part in the wrecking of the hopes of old people at Washington, such as Mrs. Clements, whose main function it was to sow seeds of * * *.

Congressman MCGROARTY gave me the key to that problem last Sunday when I spent several hours in his office. He pointed out that Lincoln had to experiment with several leaders before he finally found Grant, and under Grant won the Civil War.

Last night the directors of the Colorado Townsend Clubs, Inc., sent a message to Congressman JOHN STEVEN MCGROARTY asking him to assume the leadership in this fight. I am positive Congressman MCGROARTY will accept the bill of the Colorado Townsend leaders. I am sure that with him at the head of our movement we will be invincible and victorious in Congress in January 1936.

The Townsend plan is dead; yes. It will remain forever pigeonholed in the Ways and Means Committee. But the revised McGroarty bill—the handiwork of Otto Moore, of Denver, and of Glen Hudson and of Daniel Carmichael and of a dozen Congressmen, including Mr. MCGROARTY—is not dead.

In conclusion let me read to you from a telegram I received an hour ago from Congressman MCGROARTY. His message says: "Success can only be attained through an intensive and wide-spread national organization in which all shall have a voice and in which every dollar contributed or otherwise raised shall be strictly and publicly accounted for. Regards and best wishes. Signed, JOHN MCGROARTY."

ANCIENT AND ACCEPTED SCOTTISH RITE OF FREEMASONRY

The Scottish Rite News is published under the direct supervision of Grand Commander John H. Cowles, 33°, by the Supreme Council, 33°—Mother Council of the World—of the Ancient and Accepted Scottish Rite of Freemasonry, office at 1735 Sixteenth Street, NW., Washington, D. C. I quote from its issue of December 30, 1935, the following:

THE TOWNSEND PLAN

This plan appeals to the imagination as no other proposal does. It immediately stirs the sympathies, for few there are who begrudge those in declining years comfort and ease. It arouses hope of relief in those who are heavily laden and upon whom the care of the aged falls. There are also millions to whose avarice the plan silently appeals—to children and grandchildren who would welcome an opportunity to help "Pa" and "Ma", or "Grandma" and "Grandpa" dispense of their $200, each, monthly pensions. Perhaps the greatest applause for the plan comes from this group, for among the older generation there is yet that sense of thrift and independence of character which would revolt from such an unnecessary orgy of taxing and spending as the Townsend plan would entail for their ostensible sakes.

While it is probably true that a considerable proportion of the taxes needed to cover the $1,500,000,000 monthly pension fund would come from those who could afford it, the bulk of it would be likely to come out of those whose salaries and incomes were much lower than those of the pensioners. In other words, the

load of carrying the pensions would be on the backs of the people who work for small incomes, and according to the law governing the pyramiding of taxes the system would shortly break down, leaving the whole of society bankrupt and demoralized.

The higher the prices of things, the fewer the transactions by the poor; the fewer the transactions, the lower the standard of living; the lower the standard of living, the lower our civilization will fall. In other words, the way analysts and publicists see it, the weight of the plan falls on the workers—not on the well-to-do capitalistic groups who make the prices and profits. This would result in the country's becoming more enslaved to vested interests on the one hand, and to old people, on the other hand—if the whole scheme did not blow up with a sickening inflationary explosion.

The Rotan Advance, ably edited by Mr. H. C. Shelton, in Fisher County, Tex., recently stated that "the Texas Weekly has compiled statistics that show how utterly impractical and impossible the Townsend plan is", and I quote from it the following:

THE TEXAS WEEKLY SAYS

The year 1929 witnessed the greatest production of wealth in the United States, in dollar value, in the country's history. And yet the amount Dr. Townsend proposes to distribute among the aged people the first year of the operation of his plan is equal to more than the combined value of all the wheat, corn, rye, oats, and all other grains, plus the value of all the fruits and nuts, all of the vegetables, all the cotton and cottonseed, all the cattle and calves, all the hogs, all the sheep and wool, all the poultry and eggs, all the milk and dairy products, all the automobiles and motor trucks, all the women's clothing, all the men's clothing, all the perfumes and cosmetics, all the beverages and all the moving pictures produced in this country in 1929, and yet all of the above is still $118,000,000 short of the needed sum Dr. Townsend requires to pay his proposed pension the first year.

There is not the remotest danger of a serious threat to put the Townsend plan into effect, but the ill effects of the propaganda is in holding out this hope to those who do not and will not see its impossibility. There have been cases where the aged have been so sure of getting this pension that they have deeded their property away so as to be eligible.

If the plan was in effect, it would take practically all the wages being paid to employees in the United States. It would pauperize practically all except those drawing the pensions, and there would be nobody able to pay any kind of a tax to raise the pension money. It would be a tax of $48 per month on every family in the United States, and since there are many families that cannot pay a tax, it would take all the earnings of practically all the wage earners of the Nation.

It is sad to see our old people deluded with such a dream, and to see them contribute of their meager wealth to support the Townsend Clubs.

DR. TOWNSEND STILL AFTER POOR'S MONEY

After Congress adjourned last year Dr. Townsend issued a printed pamphlet, which he distributed all over the United States, begging money from people least able to contribute. It is headed:

THIS WAY TO VICTORY

By Dr. Francis E. Townsend

I quote from Dr. Townsend's pamphlet the following:

There are scores of congressional districts still unorganized. I feel sure that when our people fully realize the urgent necessity for every club meeting its quota there will follow an immediate and full-hearted response. Organize every congressional district in the United States; we can then confidently look forward to enacting our plan into law.

No one knows better than I; thousands of our people are impoverished; other thousands are unemployed; many of our people are poor in pocketbook; think of a solution and meet the quota on a 100-percent basis. The club quota is the road over which we must pass to the verdant land of lasting prosperity.

Organizers are being sent into all congressional districts as rapidly as quota funds become available, but this expense of organizers is small in comparison to other organization expenditures.

The fact that we propose building a national organization with a quota of 10 cents per member per month, or $1.20 a year, is causing astonishment everywhere.

We found some months ago that we could not enact the Townsend plan into law with a financial structure based on 25-cent membership dues. Added to the quota, the monthly average eventually will be 12 cents per member per month. I will not be satisfied until we have organized every congressional district. If we hold the balance of power when Congress convenes in 1936, we will enact the Townsend plan into law. Otherwise we shall fail, as we failed in the spring of 1935. If all clubs meet the quota, we will cover the distance rapidly. But whether we travel rapidly or slowly, let us each say with General Grant, "I propose to fight it out on this line if it takes all summer."

Meeting the club quota in full is the collective way of achieving ultimate victory. Our future happiness hinges on four words: Meeting the club quota.

I am advised, Mr. Speaker, that the foregoing "appeal for more money" was prepared for Dr. Townsend by the "acquisitive" Mr. George E. Clements, who, Mr. "Old-Man-Friday" Peterson says was broke when he hooked up with Dr. Townsend, but is now rolling in money.

While in the Washington Times last Thursday Dr. Townsend admitted that although his Townsend convention turned down for all of his club members to pay 10 cents dues each per month, many clubs nevertheless have voluntarily placed themselves on that basis and paying dues of 10 cents per member each month, and that his present receipts are $25,000 per month, and that the last audit when the convention met in October showed that they had received contributions of $600,000. The Times last Thursday also reported Dr. Townsend as saying:

The present program, he said, is to delay the Townsend national convention until after both the Democratic and Republican Conventions are held. We do not expect anything from them. They are alike. There is no hope from parties controlled from the same source. There is little hope of action in the present session of Congress.

The Washington News, December 27, 1935, reported that on the preceding night Dr. Townsend addressed several thousand followers in El Centro, Calif., and quoted him as follows:

Unless one of the major political parties endorses the Townsend old-age-pension plan, a third-party candidate for President will be ejected into the 1936 race.

The third party is organized and ready to move into the field with a candidate if we know Republicans and Democrats do not intend to endorse our plan.

We are organizing in every State and have all the legal data necessary to put a new party into operation. We will go on every State primary ticket, if necessary.

We are apprehensive that Dr. Townsend has not all the legal data necessary. He took the stump in the congressional campaign in the Third District of Michigan last year and made impassioned speeches for Candidate MAIN. He did this as the national chairman of his national political organization, which he asserts will run a candidate for President this year and will go on every State primary ticket. Yet, in accordance with the requirements of law, he has wholly failed to file any account whatsoever with the Clerk of the House of Representatives.

FEDERAL CORRUPT PRACTICES ACT

The term "political committee" includes any committee, association, or organization which accepts contributions or makes expenditures for the purpose of influencing or attempting to influence the election of candidates or Presidential and Vice Presidential electors (1) in two or more States, or (2) whether or not in more than one State if such committee, association, or organization (other than a duly organized State or local committee of a political party) is a branch or subsidiary of a national committee, association, or organization;

The term "contribution" includes a gift, subscription, loan, advance, or deposit, of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution;

The term "expenditure" includes a payment, distribution, loan, advance, deposit, or gift, of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure.

The term "person" includes an individual, partnership, committee, association, corporation, and any other organization or group of persons.

Every political committee shall have a chairman and a treasurer. No contribution shall be accepted, and no expenditure made, by or on behalf of a political committee for the purpose of influencing an election until such chairman and treasurer have been chosen.

It shall be the duty of the treasurer of a political committee to keep a detailed and exact account of—

(1) All contributions made to or for such committee;

(2) The name and address of every person making any such contribution and the date thereof;

(3) All expenditures made by or on behalf of such committee; and

(4) The name and address of every person to whom any such expenditure is made and the date thereof.

It shall be the duty of the treasurer to obtain and keep a receipted bill, stating the particulars, for every expenditure by or on behalf of a political committee exceeding $10 in amount. The treasurer shall preserve all receipted bills and accounts required to be kept by this section for a period of at least 2 years from the date of the filing of the statement containing such items.

The treasurer of a political committee shall file with the Clerk of the House of Representatives on the 1st day of January a state-

ment containing, complete as of the date next preceding the date of filing—

(1) The name and address of each person who has made a contribution to or for such committee in one or more items of the aggregate amount or value, within the calendar year, of $100 or more, together with the amount and date of such contribution.

(2) The total sum of the contributions made to or for such committee during the calendar year and not stated under paragraph (1).

(3) The total sum of all contributions made to or for such committee during the calendar year.

(4) The name and address of each person to whom an expenditure in one or more items of the aggregate amount or value within the calendar year, of $10 or more has been made by or on behalf of such committee, and the amount, date, and purpose of such expenditure.

(5) The total sum of all expenditures made by or on behalf of such committee during the calendar year and not stated under paragraph (4).

(6) The total sum of expenditures made by or on behalf of such committee during the calendar year.

The statement filed on the 1st day of January shall cover the preceding calendar year.

PUNISHMENT

Any person who violates any of the foregoing provisions of this title shall be fined not more than $1,000, or imprisoned not more than 1 year, or both.

Any person who willfully violates any of the foregoing provisions of this title shall be fined not more than $10,000 and imprisoned not more than 2 years.

You will note that the law makes the penalty much more severe where the violation is willful than if it were inadvertently done. If the officers of a national political organization, which engages itself in making and breaking Congressmen, Senators, and Presidents has acquired "all the legal data necessary" to attempt to control the primary ticket in every State and to "put a new party into operation", and it ignores and violates the law, then its violation is "willful", but where it did not have any legal data, and knew nothing about the law, only the lesser punishment would be inflicted.

Since Dr. Townsend brags about having all the legal data necessary, and has been organizing congressional districts in various States, and has collected at least $600,000 in contributions, besides the $2,000 per month he and Clements pocket each month from subscriptions, why is not his violation willful, when he has wholly failed and refused to file the itemized expense account with the Clerk of the House of Representatives, which the law required him to file on January 1, 1936?

URGING THE AGED TO GET EXEMPTIONS

In the recent issue of the Mineral Wells Index appears an urgent appeal from Mr. D. C. Dove, secretary of the Townsend forces, stating, "Our country has broken down morally and economically", and urging all people 60 years of age to secure their exemption certificates before February 1 so they may vote.

From an editorial in the Daily Monitor, of Concord, N. H., December 3, 1935, I quote the following:

STILL BEING BORN

Dr. Townsend in his recent Nashua speech gave New Hampshire notice that the Townsend plan is still alive. That is, it is still seeking converts or members of Townsend clubs, at so much per, on the promise that every citizen aged 60 or more is to obtain $200 a month on the single condition that it be spent during the month. For New Hampshire alone the plan would cost the Government $150,000,000 a year, which is about one-quarter of the total assessed valuation of all real property in the State.

New England should recall the amiable Mr. Ponzi, who had a plan for getting rich quick. It worked for a while but when it collapsed there was a fearful thud. And so would the Townsend plan, if it ever came into being. The world's wealth cannot be increased at the rate which the Townsend plan would require. The transaction taxes which the plan calls for would very shortly destroy the farming, manufacturing, and mining activities upon which all earthly wealth is based.

Dr. Townsend and his enthusiasts simply have another racket in the promotion of which they are basking in the glamour of the great American "fall guy" population and bleeding their admirers for a comfortable living while the plan remains a mirage. Americans are particularly susceptible to rackets, it would seem. Sometimes they are sentimental and harmless, like the Dr. Coue fad. But more often they cost Americans real coin, like the gambling rage of the past few years, the stock-market rampage of the preceding years, or the land booms of Florida, the Carolinas, and in Western farm lands.

Over and over again it has been demonstrated by sad experiences that something cannot be had for nothing. Yet each generation still convinces itself that this cannot be so, not once but repeatedly. The Townsendites are merely proving once more that Barnum was right and that suckers are still being born every minute.

Dr. Walter E. Spahr is chairman of the department of economics, school of commerce, in the New York University. From his speech he made January 3, 1936, I quote the following:

When the Townsend plan first appeared, its complete and utter ridiculousness was so obvious that no economist felt it necessary to pay the slightest attention to it. The scheme was looked upon as just another part of the froth which the seething of a depression brings to the surface. No economist wished to waste time pointing out the economic fallacies of the thing. No economist wished to dignify the movement with so much as an answer. It was supposed that in due time the followers would come to their senses and that the movement would die as have others of the same type.

When the followers of this fantastic delusion finally wake up, as they must in time, there doubtless will be some bitter people in this country, because few things sting human beings more deeply than the discovery that their sacred religion has been violated and has been used as the means of leading them astray. Such people usually become especially bitter when they realize that, in addition, they have paid out their good money for the privilege of being thus imposed upon.

The good Dr. Townsend, his aides, and organizers, and those Congressmen who subscribe to the plan are carving out for themselves a most unenviable and uncomfortable place in the history of this country.

According to the census of 1930 there are 10,479,028 persons in the United States 60 years of age or over. Thus the cost, if all were pensioned, would be $2,096,000,000 per month, or $25,152,000,000 per year. This is about eight times the present normal revenue of the Federal Government.

The Townsendites claim only 8,000,000 persons would qualify, thus costing only $20,000,000,000. To be conservative we will accept their estimate.

Townsendites propose to give 6 percent of the population 40 percent of the national income, leaving the other 60 percent of the income for distribution among the 94 percent of the population.

If the national income of fifty billion were distributed evenly among the 127,000,000 population, each person would receive $394. Since the Townsend plan proposes to take 40 percent of it, each person would have left $236. Thus 94 percent of the citizens of this country would have their income cut to an average of $236 per year so that 6 percent of the citizens may enjoy net incomes of $1,440 per year ($2,400 less the 40 percent tax) or more than 6 times as much.

For every individual pensioned it would require the complete annual income of more than two and one-half laborers to pay the bill, using $900 as the income per average laborer in the United States—another conservative estimate, according to the most reliable data. If 8,000,000 persons are pensioned in the manner proposed, it would require the entire annual income of over 22,000,000 average laborers to pay the cost.

The great mass of people, who would have to pay this bill, simply could not exist with such a load on their backs. There would be revolution, and our economic and social system would collapse.

The very best estimates indicate that about 67 percent of our national income is paid to laborers in the form of wages and salaries, hence laborers would pay $13,400,000,000 per year of this tax money going to the aged.

Thus Dr. Townsend would give to the aged man and wife a sum five times as great as he would leave in the hands of the average wage and salary earner with a family to support.

THE TRANSACTIONS TAX WOULD TURN US INTO A NATION OF LIARS AND LAWBREAKERS

A tax on every transaction is an appalling thing to contemplate and it would be an amazing thing to witness. The bookkeeping involved would be tremendous. Evasions would be practiced daily, and our country, of necessity, would be turned into a Nation of liars and lawbreakers. This would be the only alternative to complete ruin. People would not endure such a situation. The old Whisky Rebellion would be as nothing compared with the rebellion that probably would sweep this country if Congress should be so foolish as to enact into law this fantastic and impossible plan of the misguided Dr. Townsend.

Is there anyone who cannot imagine the state of affairs that would exist if all businesses were to be licensed by the Federal Government? Is there anyone who cannot imagine the swarm of Government agents and inspectors that would be let loose upon the people of this country? Every person who would attempt to sell anything would be brought under the arbitrary authority of the Secretary of the Treasury. Our conventional and constitutional rights in property, our right to make a living, would disappear. The czars of Russia never had a power over their subjects equal to the power that this Townsend plan would place in the hands of the Federal Government.

Of course, such a scheme would be unconstitutional; but that fact apparently has no significance in the minds of Dr. Townsend or of his aides.



THIS IS WHAT MUST BE SAID ABOUT THE ECONOMICS OF THE TOWNSEND PLAN

It would wreck the country. It would tax people beyond their capacity to endure the burdens. It would fall most heavily upon the wage earner and the poor. It reveals the Townsend plan as the Nation's greatest single enemy of the poor. It provides for an unconstitutional licensing plan. It confuses money with wealth. It would destroy the American standard of living. It would penalize thrift, saving, investment, insurance, and prudent living. It assumes that the world owes this selected class of people a living. It reveals a harsh and inhuman attitude toward others equally deserving. It shows the extent to which the unhealthy reasoning of some of the country's "reformers" have gone. It reveals how far those groups of persons, who would like to be supported by others, have bored their way into the vitals of this country.

CHANGES HIS PLAN

When Dr. Townsend testified before our Ways and Means Committee, he was then enthusiastically in favor of paying his $200 per month to everybody, and stated he favored paying it to such multimillionaires as John D. Rockefeller, J. P. Morgan, Henry Ford, and Andrew W. Mellon. When his followers rebelled, he has now changed it to those whose annual income, outside of their salaries or wages, is less than $2,400 per annum.

In conclusion, Mr. Speaker, if the facts I have collated are helpful to the aged in realizing that they will never receive $200 from the Townsend plan, and will save them from being bled further by Dr. Townsend and his real-estate partner, Mr. Clements, so that they will stop contributing to his continually swelling exchequer, then my trouble will not have been in vain. The $30 pension provided by Congress will be a godsend to our needy aged people, and I know that they will appreciate it and will not want to take from every laborer in the United States one-half of his earnings that should go to the support of his wife and little children.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To Mr. KEE (at the request of Mr. EDMISTON), on account of illness.

To Mr. GEHRMANN for Tuesday and Wednesday, on account of urgent business.

To Mr. MONTET (at the request of Mr. MILLER) for 10 days, on account of important business.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1162. An act to regulate the business of making small loans in the District of Columbia, and to amend an act to regulate the business of loaning money, etc., approved February 4, 1913; to the Committee on the District of Columbia.

S. 2804. An act to authorize the payment of retired pay to William Mitchell; to the Committee on Military Affairs.

S. 2953. An act to provide for the inspection, control, and regulation of steam boilers and unfired pressure vessels in the District of Columbia; to the Committee on the District of Columbia.

S. 3284. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Dexter P. Reynolds; to the Committee on the District of Columbia.

S. 3467. An act amending the Shipping Act, 1916, as amended; to the Committee on Merchant Marine and Fisheries.

S. 3268. An act to authorize and direct the Secretary of the Interior to make a lease for the Agua Caliente or Palm Springs Band of Mission Indians of California; to the Committee on Indian Affairs.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on January 18, 1936, present to the President, for his approval, bills of the House of the following titles:

H. R. 1299. An act giving jurisdiction to the Court of Claims to hear and determine the claim of the Cherokee Fuel Co.;

H. R. 1550. An act for the relief of Douglas B. Espy;

H. R. 4436. An act conferring jurisdiction upon the United States District Court for the Western District of Washington to hear, determine, and render judgment upon the claims of Alta Melvin and Tommy Melvin; and

H. R. 4799. An act to provide for the reimbursement of certain officers and enlisted men or former officers and enlisted men of the Navy and Marine Corps for personal property lost, damaged, or destroyed as a result of the earthquake which occurred at Managua, Nicaragua, on March 31, 1931.

ADJOURNMENT

Mr. O'CONNOR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 14 minutes p. m.) the House adjourned until tomorrow, Tuesday, January 21, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

605. A letter from the Acting Secretary of the Interior, transmitting a report of withdrawals of public lands by the President in certain cases; to the Committee on Expenditures in the Executive Departments.

606. A letter from the Acting Secretary of the Interior, transmitting a report of the extension of leases in accordance with the act approved March 4, 1931 (46 Stat. 1523; U. S. C., Supp. V, title 30, sec. 226); to the Committee on the Public Lands.

607. A letter from the Acting Secretary of the Interior, transmitting a report of the extension of leases in accordance with the act approved March 4, 1931 (46 Stat. 1523; U. S. C., Supp. V, title 30, sec. 226); to the Committee on the Public Lands.

608. A letter from the Acting Secretary of the Interior, transmitting a report of the extension of leases in accordance with the act approved March 4, 1931 (46 Stat. 1523; U. S. C., Supp. V, title 30, sec. 226); to the Committee on the Public Lands.

609. A letter from the Chairman of the Federal Power Commission, transmitting the fifteenth annual report of the Federal Power Commission; to the Committee on Interstate and Foreign Commerce.

610. A communication from the President of the United States, transmitting a draft of a proposed provision to make existing funds available to make payments under the 1935 cotton price adjustment payment plan (H. Doc. No. 393); to the Committee on Appropriations and ordered to be printed.

611. A letter from the national president of the American War Mothers, transmitting their annual report covering from October 1, 1934, to October 4, 1935; to the Committee on World War Veterans' Legislation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. WOOD: Committee on War Claims. H. R. 9472. A bill for the relief of officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace, April 11, 1899; without amendment (Rept. No. 1918). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 10297) authorizing the President of the United States to appoint Corp. Robert Slover as a first lieutenant in the United States Marine Corps and place him

on the retired list; Committee on Military Affairs discharged, and referred to the Committee on Naval Affairs.

A bill (H. R. 9353) granting an increase of pension to Mary L. Garrison; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 9848) granting a pension to Isabelle H. Brynes; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CURLEY: A bill (H. R. 10381) prohibiting revelations of confidential communications made to editors, news reporters, correspondents, journalists, and publishers; to the Committee on the Judiciary.

By Mr. CHANDLER: A bill (H. R. 10382) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. HOFFMAN: A bill (H. R. 10383) to repeal section 904a of title 26 of the United States Code, and sections 311a, 316a, 316b, 405a, 448 to 448e, inclusive, 734a, and 734b of title 31 of the United States Code; to the Committee on Ways and Means.

By Mr. MALONEY: A bill (H. R. 10384) to authorize the Secretary of War to reconvey certain land in the State of Louisiana to the parish of Jefferson, La., subject only to the easement required by the Government for the operation, maintenance, and future enlargement of the Barataria Bay waterway; to the Committee on Military Affairs.

By Mr. RAYBURN: A bill (H. R. 10385) to amend the act creating the Federal Trade Commission, to define its powers and duties, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BEITER: A bill (H. R. 10386) to promote the public health, safety, and welfare by providing for the elimination of insanitary and dangerous housing conditions, to relieve congested areas, to aid in the construction and supervision of low-rental dwelling accommodations, and to further national industrial recovery through the employment of labor and materials; to the Committee on Ways and Means.

By Mrs. NORTON: A bill (H. R. 10387) to establish a Racing Board in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. McSWAIN (by request): A bill (H. R. 10388) to aid the veterans' organizations of the District of Columbia in their joint Memorial Day services at Arlington National Cemetery and other cemeteries on and preceding May 30; to the Committee on Military Affairs.

Also, a bill (H. R. 10389) relating to the appointment of cadets to the United States Military Academy; to the Committee on Military Affairs.

By Mr. REED of Illinois: A bill (H. R. 10390) to grant retired pay and allowances to certain retired officers who have been advanced on the retired list under the provisions of Public Act No. 123, approved May 7, 1932, or its amendments; to the Committee on Military Affairs.

By Mr. SISSON: A bill (H. R. 10391) to make more effective the law against advocating communism in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. STUBBS: A bill (H. R. 10392) to provide for the construction of a post-office building at Tulare, Calif.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 10393) to provide for the construction of a post-office building at Paso Robles, Calif.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 10394) to provide for the construction of a post-office building at Oxnard, Calif.; to the Committee on Public Buildings and Grounds.

By Mr. McGRATH: A bill (H. R. 10395) to make it unlawful to take or receive California sardines (pilchards) for reduction on the high seas contiguous to the Pacific coast of the United States; to the Committee on Merchant Marine and Fisheries.

Also, a bill (H. R. 10396) to make it unlawful for any person subject to the jurisdiction of the United States, and for certain vessels, to deliver California sardines (pilchards) for processing on the high seas off the western coast of the United States, except in accordance with the laws of the Western Coastal States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

Also, a bill (H. R. 10397) to provide that persons and property in connection with the taking, delivery, receipt, and processing of California sardines (pilchards) on the high seas off the western coast of the United States shall be subject to the laws of the respective adjoining coastal States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. PITTENGER: A bill (H. R. 10398) to authorize the Reconstruction Finance Corporation to make loans secured by receipts on account of national-forest reserves, and for other purposes; to the Committee on Banking and Currency.

By Mr. BURNHAM: A bill (H. R. 10399) placing certain noncommissioned officers of the Corps of Engineers on the retired list, in the first grade; to the Committee on Military Affairs.

By Mr. HEALEY: A bill (H. R. 10400) to extend for 1 year the joint resolution approved August 31, 1935, relating to neutrality; to the Committee on Foreign Affairs.

By Mr. McGRATH: A bill (H. R. 10401) to amend paragraph 1730 (a) of the Tariff Act of 1930, as amended, to provide that oil, meal, and other products produced from the processing of sardines by reduction process shall not be exempt from duty; to the Committee on Ways and Means.

By Mr. McSWAIN: A bill (H. R. 10402) to validate payments, and to relieve the accounts of disbursing officers of the Army on account of payments made to Reserve officers on active duty for rental allowances; to the Committee on Military Affairs.

Also, a bill (H. R. 10403) to validate payments, and to relieve disbursing officers' accounts of payments made to Reserve officers promoted while on active duty; to the Committee on Military Affairs.

By Mr. REILLY: A bill (H. R. 10404) to amend section 2169 of the Revised Statutes relating to naturalization of aliens; to the Committee on Immigration and Naturalization.

By Mr. VINSON of Georgia: A bill (H. R. 10405) for the relief of the State of Georgia; to the Committee on the Judiciary.

By Mr. HILL of Alabama: A bill (H. R. 10406) relating to the jurisdiction of the judge for the northern and middle districts of Alabama; to the Committee on the Judiciary.

By Mr. SCHULTE: A bill (H. R. 10407) to impose an excise tax on stores in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. BEITER: A bill (H. R. 10408) to authorize the Federal Government to contribute funds in the improvement of a section of the New York State Barge Canal, provided the State of New York makes an appropriation of $10,000,000 for the same purpose; to the Committee on Ways and Means.

By Mr. BUCKLER of Minnesota: A bill (H. R. 10409) to establish a Red Lake Chippewa fund from the present fund of Chippewa Indians of Minnesota; to the Committee on Indian Affairs.

By Mr. HUDDLESTON: A bill (H. R. 10410) to amend section 43 of chapter 3, title 2, of the Code of the United States; to the Committee on the Judiciary.

By Mr. ELLENBOGEN: Resolution (H. Res. 399) to investigate recent disasters in air commerce, to recommend legislation providing for the safety and security of air commerce, and for other purposes; to the Committee on Rules.

By Mr. SCOTT: Joint Resolution (H. J. Res. 462) providing for an amendment to the Constitution; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Commonwealth of Kentucky, regarding United States neutrality; to the Committee on Foreign Affairs.

Also, a memorial of the Legislature of the Commonwealth of Kentucky, opposing the Federal gasoline tax; to the Committee on Ways and Means.

Also, a memorial of the Legislature of the Commonwealth of Kentucky, favoring payment of the bonus; to the Committee on Ways and Means.

Also, a memorial of the Legislature of the Commonwealth of Kentucky, regarding the neutrality of the United States; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 10411) granting an increase of pension to Elizabeth Patterson; to the Committee on Invalid Pensions.

By Mr. BOEHNE: A bill (H. R. 10412) granting an increase of pension to Mary J. Aikens; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10413) for the relief of Addison B. Hampel; to the Committee on Claims.

By Mr. BOILEAU: A bill (H. R. 10414) granting a pension to Elizabeth Ellen Barker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10415) granting a pension to Wilhelmina Skilling; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10416) granting a pension to Sarah A. De Gross; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10417) granting a pension to Sarah Jane Bump; to the Committee on Invalid Pensions.

By Mr. BURNHAM: A bill (H. R. 10418) granting a pension to Neville S. Tout; to the Committee on Invalid Pensions.

By Mr. CASTELLOW: A bill (H. R. 10419) for the relief of S. H. Prather; to the Committee on Claims.

By Mr. COLE of New York: A bill (H. R. 10420) granting an increase of pension to Emma S. Dolaway; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10421) granting a pension to Sarah J. Clarkson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10422) granting an increase of pension to Ella J. Winegar; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10423) granting an increase of pension to Carrie L. Fay; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10424) granting an increase of pension to Elizabeth Clark; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10425) granting an increase of pension to Harriet Brownrigg; to the Committee on Invalid Pensions.

By Mr. DOCKWEILER: A bill (H. R. 10426) for the relief of Joseph Leo Burns; to the Committee on Naval Affairs.

Also, a bill (H. R. 10427) granting an increase of pension to L. Georgia D. Crane; to the Committee on Invalid Pensions.

By Mr. McREYNOLDS: A bill (H. R. 10428) granting a pension to Sarah Hall Swafford; to the Committee on Invalid Pensions.

By Mr. DOCKWEILER: A bill (H. R. 10429) granting a pension to Laura A. Garrison; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10430) granting a pension to Alice Mitchell; to the Committee on Invalid Pensions.

By Mr. GRAY of Indiana: A bill (H. R. 10431) granting a pension to Hazel G. White; to the Committee on Pensions.

Also, a bill (H. R. 10432) for the relief of James W. Kiplinger; to the Committee on Military Affairs.

By Mr. GRISWOLD: A bill (H. R. 10433) for the relief of Anson W. Oden; to the Committee on Military Affairs.

By Mr. HAINES: A bill (H. R. 10434) granting a pension to William Paine Cope; to the Committee on Invalid Pensions.

By Mr. HILL of Alabama: A bill (H. R. 10435) for the relief of Emma Hastings; to the Committee on Claims.

By Mr. HOFFMAN: A bill (H. R. 10436) for the relief of the heirs of Margaretta D. Fenn, deceased, to the Committee on War Claims.

By Mr. LAMNECK: A bill (H. R. 10437) granting an increase of pension to Columbia Hankins; to the Committee on Invalid Pensions.

By Mr. LEWIS of Maryland: A bill (H. R. 10438) for the relief of Hext P. Ware; to the Committee on Claims.

By Mr. LUCKEY: A bill (H. R. 10439) for the relief of John B. Ricketts; to the Committee on Claims.

By Mr. McREYNOLDS: A bill (H. R. 10440) for the relief of certain officers of the Foreign Service of the United States, who, while in the course of their respective duties, suffered losses of personal property by reason of war or other causes; to the Committee on Foreign Affairs.

By Mr. MASSINGALE: A bill (H. R. 10441) granting a pension to Ransom Payne; to the Committee on Pensions.

By Mr. MORAN: A bill (H. R. 10442) granting a pension to Mary A. Hayes; to the Committee on Invalid Pensions.

By Mrs. O'DAY: A bill (H. R. 10443) for the relief of Joseph Harris (Joseph Hersh); to the Committee on Immigration and Naturalization.

By Mr. POWERS: A bill (H. R. 10444) for the relief of Theodore Rosenberg; to the Committee on Immigration and Naturalization.

By Mr. ROBSION of Kentucky: A bill (H. R. 10445) for the relief of John B. Knuckles; to the Committee on Military Affairs.

By Mr. SADOWSKI: A bill (H. R. 10446) for the relief of Arthur Gajeske; to the Committee on Claims.

By Mr. SNELL: A bill (H. R. 10447) granting an increase of pension to Margaret V. Besa; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10448) granting an increase of pension to Eliza P. Cook; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10449) granting an increase of pension to Sarah A. Bulluck; to the committee on Invalid Pensions.

Also, a bill (H. R. 10450) granting an increase of pension to Agnes C. Johnson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10451) granting an increase of pension to Hattie G. Dyer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10452) granting an increase of pension to Mariah C. Kent; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10453) granting an increase of pension to Laura M. Shipman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10454) granting an increase of pension to Deborah Pond; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10455) granting an increase of pension to Ida M. Lent; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10456) granting an increase of pension to Clara F. Tower; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10457) granting an increase of pension to Rose Ann Richards; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10458) granting a pension to Sarah E. Sutton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10459) granting a pension to Jennie S. Bogardus; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 10460) granting an increase of pension to Van Letsinger; to the Committee on Pensions.

Also, a bill (H. R. 10461) for the relief of Virgil O. Powell et al.; to the Committee on Claims.

By Mr. THOMAS: A bill (H. R. 10462) granting an increase of pension to Nellie Murray; to the Committee on Pensions.

By Mr. VINSON of Kentucky: A bill (H. R. 10463) granting an increase of pension to Kate P. Shannon; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9556. By Mr. AYRES: Petition of R. A. Strait and 31 other residents of Grass Range and Blakeslee, Mont.; to the Committee on the Post Office and Post Roads.

9557. Also, petition of J. P. Kane and 18 other residents of Pryor and Edgar, Mont.; to the Committee on the Post Office and Post Roads.

9558. Also, petition of Olive B. Tindall and 21 other citizens of Tindall, Benzien, and Sand Springs, Mont.; to the Committee on the Post Office and Post Roads.

9559. Also, petition of Jake Brand and 39 other citizens of Denton, Mont.; to the Committee on the Post Office and Post Roads.

9560. Also, petition of C. C. Daugherty and 25 other citizens of Billings, Rapelje, Molt, and Wheat Basin, Mont.; to the Committee on the Post Office and Post Roads.

9561. Also, petition of Frank T. Peters and 19 other citizens and patrons of star route no. 63295, Jordan to Haxby, Mont.; to the Committee on the Post Office and Post Roads.

9562. By Mr. BACON: Petition of the Bay Shore Post, American Legion, Bay Shore, N. Y., favoring payment of adjusted-compensation certificates; to the Committee on Ways and Means.

9563. Also, petition of the Joseph Kovarik Post, American Legion, Bohemia, N. Y., with signatures of residents of Bohemia, urging enactment of measure providing for full payment of adjusted-compensation certificates; to the Committee on Ways and Means.

9564. By Mr. BURDICK: Petition demanding the passage of the Frazier-Lemke bill; to the Committee on Agriculture.

9565. Also, petition demanding the appropriation of sufficient funds to meet the payment of outstanding Agricultural Adjustment Administration contracts; to the Committee on Agriculure.

9566. By Mr. CARPENTER: Petition of citizens of Dickinson County, Kans., favoring the Guyer bill (H. R. 8739), which is to prohibit within the District of Columbia the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors whatsoever, etc.; to the Committee on the District of Columbia.

9567. Also, petition of citizens of Riley County, Kans., favoring the Guyer bill (H. R. 8739), which is to prohibit within the District of Columbia the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors whatsoever, etc.; to the Committee on the District of Columbia.

9568. Also, petitions of citizens of Marion County, Kans., favoring the Guyer bill (H. R. 8739), which is to prohibit within the District of Columbia the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors whatsoever, etc.; to the Committee on the District of Columbia.

9569. Also, petition of citizens of Montgomery County, Kans., favoring the Guyer bill (H. R. 8739), which is to prohibit within the District of Columbia the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors whatsoever, etc.; to the Committee on the District of Columbia.

9570. Also, petition of citizens of Jewell and Republic Counties, Kans., favoring the Guyer bill (H. R. 8739), which is to prohibit within the District of Columbia the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors whatsoever, etc.; to the Committee on the District of Columbia.

9571. Also, petition of citizens of Geary County, Kans., favoring the Guyer bill (H. R. 8739), which is to prohibit within the District of Columbia the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors whatsoever, etc.; to the Committee on the District of Columbia.

9572. Also, petition of Lovewell Woman's Christian Temperance Union, Jewell County, Kans., favoring the Guyer bill (H. R. 8739), which is to prohibit within the District of Columbia the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors whatsoever, etc.; to the Committee on the District of Columbia.

9573. Also, petition of citizens of Osage County, Kans., favoring the Guyer bill (H. R. 8739), which is to prohibit within the District of Columbia the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors whatsoever, etc.; to the Committee on the District of Columbia.

9574. Also, petition of citizens of Marion County, Kans., favoring the Guyer bill (H. R. 8739), which is to prohibit within the District of Columbia the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors whatsoever, etc.; to the Committee on the District of Columbia.

9575. By Mr. COLE of New York: Petition of citizens of Troupsburg, N. Y., and Knoxville, Pa., to extend all existing star-route contracts; to the Committee on the Post Office and Post Roads.

9576. By Mr. GUYER: Petition of citizens of El Paso, Tex., asking restoration of the prohibition laws to the District of Columbia through the enactment of House bill 8739; to the Committee on the District of Columbia.

9577. Also, petition of citizens of Ottawa, Franklin County, Kans., asking restoration of the prohibition laws to the District of Columbia through the enactment of House bill 8739; to the Committee on the District of Columbia.

9578. Also, petition of citizens of Redfield, Bourbon County, Kans., asking restoration of prohibition laws to the District of Columbia through the enactment of House bill 8739; to the Committee on the District of Columbia.

9579. By Mr. FISH: Petition of 93 patrons of star route no. 7478, Dutchess County, N. Y., favoring enactment of legislation for indefinitely extending all existing star-route contracts, and increasing compensation thereon to an equal basis with that paid to other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9580. By Mr. FOCHT: Petition of citizens in towns served by star route no. 10971, running out of Lewistown, Mifflin County, a part of the Eighteenth Pennsylvania District, favoring legislation that will indefinitely extend all star-route contracts, and increase the compensation to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9581. By Mr. GOODWIN: Petition of Greene County Farm Bureau Association, Ashland, N. Y., opposing any lowering of tariffs on dairy products, maple products, poultry products, or, in fact, any of its agricultural products now protected, as a result of the reciprocal trade agreements being made with Canada; to the Committee on Interstate and Foreign Commerce.

9582. By Mr. JOHNSON of Texas: Petition of Ellis County Agricultural Association, urging that immediate action be taken regarding an agricultural program that will take the place of the agricultural legislation declared unconstitutional by the Supreme Court; to the Committee on Agriculture.

9583. Also, petition of Guy M. Gibson, Byron Cheney, L. I. Griffin, and W. C. Pearce, of Corsicana, Tex., favoring legislation to take the place of the agricultural legislation declared unconstitutional by the Supreme Court; to the Committee on Agriculture.

9584. Also, petition of F. W. Smith, of the Lyon-Gray Lumber Co., Corsicana, Tex., favoring further extension of title I of the Federal Housing Act; to the Committee on Banking and Currency.

9585. Also, memorial of Woman's Missionary Society, Methodist Episcopal Church South, Mexia, Tex., favoring passage of House bill 8739, prohibiting the sale of intoxicat-

ing beverages in the District of Columbia; to the Committee on the District of Columbia.

9586. By Mr. MOTT: Petition signed by 90 citizens and patrons of star route no. 73156 from Jewell to Clatskanie, Oreg., urging that legislation be enacted which will indefinitely extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9587. Also, petition signed by N. R. Fisher and 119 citizens of Douglas County, Oreg., urging that legislation be enacted which will indefinitely extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9588. Also, petition signed by Vera A. Judy and 49 other citizens of Reedsport, Oreg., urging that legislation be enacted which will indefinitely extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9589. By Mr. O'BRIEN: Petition of the Federation of the Italian World War Veterans in the United States of America, Inc., of Melrose Park, Ill., protesting against the stopping of exportation of so-called war materials, including oil, to Italy; to the Committee on Foreign Affairs.

9590. By Mr. PFEIFER: Petition of 1,250 members and friends of the Rex-Spinola Democratic Club, Brooklyn, N. Y., concerning neutrality legislation; to the Committee on Foreign Affairs.

9591. By Mr. ROMJUE: Petition of residents of Knox County, Mo., recommending indefinite extension of all existing star-route contracts, with increased compensation to the carriers; to the Committee on the Post Office and Post Roads.

9592. By the SPEAKER: Petition of the Southwest Kansas Bar Association; to the Committee on the Judiciary.

9593. Also, petition of the Third United States Congress Against War and Fascism; to the Committee on Military Affairs.

9594. Also, petition of the depositors committee of all closed banks for the State of Illinois; to the Committee on Banking and Currency.

9595. Also, petition of the Greenville Trades and Labor Council, Greenville, S. C.; to the Committee on Agriculture.

9596. Also, petition of the West Virginia League of Municipalities; to the Committee on Education.

9597. Also, petition of the National Annuity League, Inc.; to the Committee on Rules.

9598. Also, petition of the National Federation of National Farm Loan Associations; to the Committee on Agriculture.

HOUSE OF REPRESENTATIVES

TUESDAY, JANUARY 21, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, Thou who holdest in Thy heart the secret of life and the mystery of death, harken as we pause with a bowed and sorrowing world. A noble sovereign, grandly human and just, has passed through the portals of time. He has left a heritage of wisdom, power, and goodness which reaches to the ends of the earth. Lord God of the nations, we praise Thee for his rich Christian character, for his fidelity to the right, and for the way he mastered the rush of feeling in the darkest moments of his realm. Great soul, he marked the star in the darkness, he heard the music on the waters and the still small voice in the deluge. O comfort his people we pray. As we approach our tasks, may we believe in the resurrection and in the life eternal. We wait for the breath of God. In the name of our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed, with an amendment, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 9870. An act to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes.

DEFICIENCY APPROPRIATION BILL

Mr. TAYLOR of Colorado, by direction of the Committee on Appropriations, reported the bill (H. R. 10464, Rept. No. 1919) making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and for prior fiscal years, and for other purposes, which was read a first and second time, and, together with the accompanying report, referred to the Committee of the Whole House on the state of the Union and ordered printed.

Mr. TABER. Mr. Speaker, I reserve all points of order.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 6137. An act for the relief of the Otto Misch Co.

DEATH OF KING GEORGE V OF ENGLAND

Mr. McREYNOLDS. Mr. Speaker, I rise to call the attention of the House to the death of His Majesty George V, known throughout the world as a great ruler, very much beloved by his people, and respected throughout the world on account of his clean life. I offer the following resolution, which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 400

Resolved, That the House of Representatives of the United States of America has learned with profound sorrow of the death of His Majesty George V, and sympathizes with his people in the loss of their beloved sovereign.

Resolved, That the President of the United States be requested to communicate this expression of sentiment of the House of Representatives to the Government of Great Britain.

Resolved, That as a further mark of respect to the memory of King George the House do now adjourn.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

ADJOURNMENT

Accordingly (at 12 o'clock and 14 minutes p. m.) the House adjourned until tomorrow, Wednesday, January 22, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

612. A letter from the Chairman of the Interstate Commerce Commission, transmitting a report and recommendations from the Federal Coordinator of Transportation, with comments upon his recommendations; to the Committee on Interstate and Foreign Commerce and ordered to be printed.

613. A letter from the Acting Secretary of the Treasury, transmitting the report of the Secretary of the Treasury on the War Finance Corporation (in liquidation) covering the period from January 1, 1935, to December 31, 1935; to the Committee on Banking and Currency and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. TAYLOR of Colorado: Committee on Appropriations. H. R. 10464. A bill making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for

the fiscal year ending June 30, 1936, and for prior fiscal years, and for other purposes; without amendment (Rept. No. 1919). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. TAYLOR of Colorado: A bill (H. R. 10464) making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and for prior fiscal years, and for other purposes; to the Committee on Appropriations.

By Mr. CARMICHAEL: A bill (H. R. 10465) to legalize a bridge across Second Creek, Lauderdale County, Ala.; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARENDS: A bill (H. R. 10466) granting an increase of pension to Mary Warman; to the Committee on Invalid Pensions.

By Mr. CHAPMAN: A bill (H. R. 10467) for the relief of Charles M. Haggan; to the Committee on Naval Affairs.

By Mr. CHRISTIANSON: A bill (H. R. 10468) granting a pension to William S. Morrison; to the Committee on Invalid Pensions.

By Mr. CROWE: A bill (H. R. 10469) for the relief of Frank P. Boyd; to the Committee on Claims.

By Mr. HESS: A bill (H. R. 10470) to correct the military record of Arthur E. Roberts; to the Committee on Military Affairs.

By Mr. LEE of Oklahoma: A bill (H. R. 10471) for the relief of Earnest B. Carleton; to the Committee on Military Affairs.

By Mr. LORD: A bill (H. R. 10472) granting a pension to Rose S. Wood; to the Committee on Invalid Pensions.

By Mr. LUDLOW: A bill (H. R. 10473) for the relief of Homer J. Williamson; to the Committee on Claims.

By Mr. ROBSION of Kentucky: A bill (H. R. 10474) granting a pension to Molly Akin; to the Committee on Invalid Pensions.

By Mr. SCHNEIDER of Wisconsin: A bill (H. R. 10475) granting a pension to Carrie Washburne; to the Committee on Invalid Pensions.

By Mr. STARNES: A bill (H. R. 10476) for the relief of J. H. Richards; to the Committee on Claims.

By Mr. WERNER: A bill (H. R. 10477) granting an increase of pension to Fred W. Fox; to the Committee on Pensions.

By Mr. WIGGLESWORTH: A bill (H. R. 10478) granting a pension to Sarah M. H. Nickerson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10479) granting a pension to Bertha L. Wade; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10480) granting a pension to Dora B. Mann; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10481) granting a pension to Mary Spear; to the Committee on Invalid Pensions.

By Mr. ZIMMERMAN: A bill (H. R. 10482) granting a pension to Charles C. Bray; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9599. By Mr. ARENDS: Petition of 141 patrons of star route 35136, in the State of Illinois, asking that legislation be enacted by Congress to increase the compensation of star-route contractors for the extension of their contracts, etc.; to the Committee on the Post Office and Post Roads.

9600. By Mr. CRAWFORD: Petition of 41 members of the Orleans (Mich.) Methodist Episcopal Church, asking Congress to enact the Capper bill (S. 541); to the Committee on Interstate and Foreign Commerce.

9601. By Mr. PFEIFER: Petition of Buskwick Democratic Club, Inc., Brooklyn, N. Y., concerning the neutrality policy; to the Committee on Foreign Affairs.

9602. By Mr. RICH: Petition of Harry L. Ryder and others of Williamsport, Pa., protesting against the Copeland food, drug, and cosmetic bill in its present form; to the Committee on Interstate and Foreign Commerce.

9603. By Mrs. ROGERS of Massachusetts: Petition of the Cambridge (Mass.) Federation of Teachers, condemning the Kramer bill to make it a crime to advocate the overthrow of the Government by force and violence; to the Committee on the Judiciary.

9604. Also, petition of the Cambridge (Mass.) Federation of Teachers, opposing the Tydings-McCormack bill; to the Committee on Military Affairs.

9605. By Mr. THOMASON: Petition of Midland County, Tex., farmers and businessmen, regarding operations of the Agricultural Adjustment Administration; to the Committee on Agriculture.

9606. By the SPEAKER: Petition of Chapter 152, Railroad Employees National Pension Association, to the Committee on the Judiciary.

SENATE

WEDNESDAY, JANUARY 22, 1936

(Legislative day of Thursday, Jan. 16, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of Monday, January 20, 1936, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 1626. An act for the refunding of certain countervailing customs duties collected upon logs imported from British Columbia;

S. 2421. An act to amend the act entitled "An act forbidding the transportation of any person in interstate or foreign commerce, kidnaped or otherwise unlawfully detained, and making such act a felony", as amended;

S. 2887. An act authorizing the Perry County Bridge Commission of Perry County, Ind., to construct, maintain, and operate a toll bridge across the Ohio River at or near Cannelton, Ind.;

S. 3120. An act to authorize and direct the Secretary of the Treasury to transfer certain moneys to "Funds of Federal prisoners";

S. 3131. An act to extend the times for commencing and completing the construction of a bridge and causeway across the water between the mainland, at or near Cedar Point, and Dauphin Island, Ala.; and

S. 3425. An act authorizing an appropriation for payment to the Government of Norway in settlement of all claims for reimbursement on account of losses sustained by the owner and crew of the Norwegian steamer *Tampen*.

The message also announced that the House had passed the following bills of the Senate, each with an amendment, in which it requested the concurrence of the Senate:

S. 3245. An act to extend the times for commencing and completing the construction of a bridge across the Columbia River at Astoria, Clatsop County, Oreg.; and

S. 3328. An act to provide an official seal for the United States Veterans' Administration, and for other purposes.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H. R. 6137) for the relief of the Otto Misch Co.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 4178) for the relief of the International Manufacturers' Sales Co. of America, Inc., A. S. Postnikoff, trustee, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. KENNEDY of Maryland, Mr. RAMSPECK, and Mr. PITTENGER were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 1415. An act to provide for the establishment of the Richmond National Battlefield Park, in the State of Virginia, and for other purposes;

H. R. 3565. An act to authorize the Secretary of War to effect exchange of certain rights-of-way in Hawaii;

H. R. 8024. An act to authorize the Secretary of War to dispose of material no longer needed by the Army;

H. R. 7225. An act authorizing a revolving reimbursable fund for the Lac Du Flambeau Band of Chippewa Indians in Wisconsin;

H. R. 8172. An act to authorize the transfer by the United States to the county of Mohave, Ariz., of all public lands in sections 20, 28, and 30, township 20 north, range 15 west, Gila and Salt River meridian, for public park, recreational, and other municipal purposes;

H. R. 8180. An act to prohibit the use of the mails for the solicitation of the procurement of divorces in foreign countries;

H. R. 8287. An act to establish an assessed valuation real-property tax in the Virgin Islands of the United States;

H. R. 8300. An act to authorize a preliminary examination of Suwannee River, in the State of Florida, from Florida-Georgia State line to the Gulf of Mexico;

H. R. 8940. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

H. R. 9871. An act to amend an act entitled "An act providing for the participation of the United States in the California-Pacific International Exposition to be held at San Diego, Calif., in 1935 and 1936; authorizing an appropriation therefor, and for other purposes", approved March 7, 1935, to provide for participation in the California-Pacific International Exposition to be held at San Diego, Calif., in 1936, to authorize an appropriation therefor, and for other purposes;

H. R. 10104. An act to aid in providing the people of the United States with adequate facilities for park, parkway, and recreational-area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof;

H. J. Res. 215. Joint resolution to amend Public Act No. 435, Seventy-second Congress;

H. J. Res. 307. Joint resolution authorizing the erection of a memorial to the early settlers whose land grants embrace the site of the Federal City; and

H. J. Res. 321. Joint resolution granting the consent of Congress to the minimum-wage compact ratified by the Legislatures of Massachusetts and New Hampshire.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 6137) for the relief of the Otto Misch Co., and it was signed by the Vice President.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts and joint resolution:

On January 16, 1936:

S. 85. An act for the relief of Homer H. Adams;

S. 2257. An act to amend the act entitled "An act to provide additional pay for personnel of the United States Navy assigned to duty on submarines and to diving duty", to include officers assigned to duty at submarine training tanks and diving units, and for other purposes;

S. 2774. An act for the relief of certain officers on the retired list of the Navy and Marine Corps who have been commended for their performance of duty in actual combat with the enemy during the World War;

S. 2845. An act to provide for the retirement and retirement annuities of civilian members of the teaching staffs at the United States Naval Academy and the Postgraduate School, United States Naval Academy;

S. 2950. An act granting the consent of Congress to the county of Saline, Mo., to construct, maintain, and operate a toll bridge across the Missouri River at or near Miami, Mo.; and

S. 3280. An act for the relief of Doris Allen.

On January 17, 1936:

S. 1142. An act to reserve certain public-domain lands in Nevada and Oregon as a grazing reserve for Indians of Fort McDermitt, Nev.;

S. 1422. An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of William E. B. Grant;

S. 1690. An act for the relief of R. G. Andis; and

S. 2616. An act for the relief of the estate of Joseph Y. Underwood.

On January 20, 1936:

S. 978. An act authorizing the Secretary of War to convey to the University of Oregon certain lands forming a part of the Coos Head River and Harbor Reservation;

S. 1016. An act to empower the health officer of the District of Columbia to authorize the opening of graves, and the disinterment and reinterment of dead bodies, in cases where death has been caused by certain contagious diseases;

S. 1059. An act authorizing adjustment of the claim of Francis B. Kennedy;

S. 1277. An act to amend section 24 of the Judicial Code by conferring on district courts additional jurisdiction of bills of interpleader, and of bills in the nature of interpleader;

S. 2013. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Pak Chue Chan;

S. 2519. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of F. Mansfield & Sons Co., and others;

S. 2939. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Ronald A. Cox;

S. 3077. An act for the relief of Constantin Gilia;

S. 3078. An act for the relief of C. R. Whitlock; and

S. 3195. An act for the relief of Guiry Bros. Wall Paper & Paint Co.

On January 21, 1936:

S. 430. An act for the relief of Anna Hathaway; and

S. J. Res. 144. Joint resolution to provide for the payment of compensation and expenses of the Railroad Retirement Board as established and operated pursuant to section 9 of the Railroad Retirement Act of June 27, 1934, and to provide for the winding up of its affairs and the disposition of its property and records, and to make an appropriation for such purposes.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Brown	Copeland	Glass
Ashurst	Bulkley	Costigan	Gore
Austin	Bulow	Couzens	Guffey
Bachman	Burke	Davis	Hale
Bailey	Byrd	Dickinson	Harrison
Bankhead	Byrnes	Dieterich	Hastings
Barbour	Capper	Donahey	Hatch
Barkley	Caraway	Duffy	Hayden
Benson	Carey	Fletcher	Holt
Bilbo	Chavez	Frazier	Johnson
Black	Clark	George	Keyes
Bone	Connally	Gerry	King
Borah	Coolidge	Gibson	La Follette

Lewis	Moore	Pope	Thomas, Okla.
Logan	Murphy	Radcliffe	Thomas, Utah
Lonergan	Murray	Reynolds	Townsend
McAdoo	Neely	Robinson	Trammell
McCarran	Norbeck	Russell	Truman
McGill	Norris	Schwellenbach	Vandenberg
McKellar	Nye	Sheppard	Van Nuys
McNary	O'Mahoney	Shipstead	Wagner
Maloney	Overton	Smith	Walsh
Minton	Pittman	Steiwer	White

Mr. LEWIS. I announce that the Senator from Maryland [Mr. TYDINGS] and the Senator from Montana [Mr. WHEELER] are necessarily absent from the Senate.

Mr. AUSTIN. I announce that the senior Senator from Rhode Island [Mr. METCALF] is necessarily absent.

The VICE PRESIDENT. Ninety-two Senators have answered to their names. A quorum is present.

HUEY PIERCE LONG

Mr. OVERTON. Mr. President, on the 8th day of September 1935 in the forty-second year of his life, HUEY PIERCE LONG, senior United States Senator from Louisiana, was stricken with a fatal wound and died 2 days later in Baton Rouge, the capital of the State.

He was felled by the bullet of an assassin. He was shot down in the majestic capitol which his own genius had conceived and builded. He was, by direction of the Louisiana Legislature, laid to rest within its grounds and under the shadows of its lofty spire, which rises as a mighty shaft to mark his grave.

There, "after life's fitful fever", he sleeps, beloved and revered as no other man in Louisiana's history by the great majority of her citizens.

His critics have repeatedly charged that through fear he had established a dictatorship in his State. But the multitude that gathered from Louisiana's northern hills to her southern marshes to attend the last rites and pass in procession before the funeral bier, and the tears that, unabashed, flowed down the cheeks of youth and age alike, are a complete refutation of that indictment.

Yesterday, Mr. President, was primary election day in the State of Louisiana. It was the day on which Senator LONG, if he had lived, would have offered himself for renomination to the office of United States Senator. It was the day on which the Democratic Party nominated its candidates for all elective State offices from Governor on down, and for the House of Representatives, and on which candidates were nominated to fill the unexpired term of Senator LONG and to succeed him in the United States Senate. The partial returns of that election, coming in last night and this morning, show that the Long organization candidates for the State and National offices were nominated by majorities far greater than have ever been polled by the Long organization in its remarkable record of uninterrupted victories. Why this stupendous majority in favor of the Long organization? Was it fear of Senator LONG? Was it fear of Senator LONG, alleged dictator, who 4 months ago passed into the silence and inaction of the grave? No, Mr. President, it was not this. It was the reendorsement by the splendid manhood and womanhood of Louisiana of the constructive and progressive policies of the Long organization in the State of Louisiana. It was more than this. It was a remarkable tribute of love and affection by Louisianans to their slain leader. And more than this, it was a solemn protest against the deep damnation of his assassination. And it was, furthermore, a just rebuke and warning to those who seek, through Washington, to run the State of Louisiana.

Senator LONG's enemies, Mr. President, had constantly sought, and by various methods, his political destruction. They undertook time and again to defeat him at the polls, but they failed in election after election. They tried to oust him from the governorship of Louisiana by impeachment, but they failed. They endeavored to have him expelled from the Senate of the United States, but they failed. They sought to accomplish his ruin by having him indicted in Federal and State courts, but they failed. At last, there were those who, in sheer desperation, resorted to "one man, one gun, and one bullet", and they succeeded. It took, Mr. President, the bullet of the assassin to cause the senior Senator from Louisiana to yield to his foes.

No one in the political history of our State had at his age been elected to the high offices or attained the national and international prominence held by Senator LONG. When only 37 years old he had occupied in succession the offices of chairman of the Louisiana Railroad Commission, Governor of Louisiana, and United States Senator; and at his death he was, with the possible exception of the executive heads of our greatest world powers, better known and more discussed throughout the world than any other man in public or private life.

It has been repeatedly contended by many of his critics that Senator LONG rose to political power by ruthless and unscrupulous methods. But those who make this charge, Mr. President, fail to appreciate, or else ignore, both the modern political history of Louisiana and the political career of the man they have sought to disparage. For some 25 years prior to Senator LONG's election as chief executive of Louisiana that State had been controlled by governors elected from the upper stratum of society and subservient largely to the interests of the wealthy classes. None could aspire to high office unless he was "to the manor born" and was accorded the support of a certain political organization long dominant in the affairs of the State. The politicians of this regime did nothing toward a constructive development of the State or a recognition of the rights, necessities, and hopes of the humbler classes; yet their domination of the State and its affairs seemed to be permanent and unshakable.

Against this long and firmly entrenched political aristocracy HUEY P. LONG, in 1928, unfurled his standard as candidate for Governor. He was a mere stripling; he was of humble origin; he was unschooled; he was ungrammatical; he had no organization, no power, no influence. But he came with irresistible enthusiasm and dynamic force, hurling defiance at big corporate influences and political war lords and championing with convincing sincerity the cause of what his opposition had long contemptuously derided as the "poor white trash." He was then, as he continued to be afterward, the exponent of the rights of the poor, the humble, and the lowly. He was a champion of the masses, and he had their love and confidence. He was victorious. He did—

> * * * break his birth's invidious bar,
> And grasp the skirts of happy chance,
> And breast the blows of circumstance,
> And grappled with his evil star.

And, being victorious, he ousted and kept out of power and continued to keep out of power the political lords of the old regime. That, Mr. President, was his great, unpardonable sin.

The discredited political forces became determined that nothing should be left undone to drive him from power.

Then began that ruthless warfare against Governor LONG that is perhaps without a parallel in the history of our Government. His chief measures were fought before the legislature, before the people, and in the courts. Almost every conceivable attempt was made to discredit him and his administration. He himself was held up daily to public ridicule; his character was assailed, his motives misrepresented. So unrelenting were his enemies that they sought to subject to their political boycott all those who dared support him and his State policies. Within a year after his inauguration the old-line politicians, the big dailies and certain powerful corporate interests united in an effort to drive from the Governor's chair the man they could not defeat at the polls.

Thus, Mr. President, was changed the complexion of LONG's political life and career. Before his election as Governor he said to me, with evident sincerity, that it was his ambition to give Louisiana a splendid, constructive administration, and then retire to the practice of law, which was his first and greatest love. But, in order to save himself, his friends, and associates from political annihilation, it was necessary for him to build and maintain an organiza-

tion as ruthless, perhaps, as was the opposition. To the perfection of such an organization he brought to bear the unusual combination of a genius for organizing and a mass appeal as a public speaker excelled by few, if any, of his day and generation. This body itself has witnessed the many times he has filled the Senate galleries as he rose to address the Senate, and emptied them when he resumed his seat. His greatest political asset was the affection that the common people entertained for him and the confidence that they reposed in him. They regarded him as one of them. He might be called Governor in Baton Rouge, doctor of laws at Loyola University, or Senator in Washington, but he was "Huey" to those who live down on the bayous and at the forks of the roads.

Mr. President, no man within my knowledge possessed greater political courage than did Senator LONG. He was at no time subservient to any man, set of men, or organization. He did not hesitate to enter the arena against any foe, however influential and however long entrenched in power. In his memorable senatorial campaign of 1930, immediately following his attempted impeachment as Governor, he arrayed himself against a combination of the daily press of Louisiana, the regular organization in New Orleans, and all the erstwhile political powers of his State, and succeeded in completely routing them by the greatest popular majority ever polled in Louisiana up to that time.

While it is true that in the United States Senate he put through to final passage no bill or measure, yet it may be said without exaggeration that in the 4 years of his service as a Member of this body he acquired a national following as an independent leader and established a reputation as a skillful debater excelled by none in our public life. So great had become his following that it can be said with truth that the assassin's bullet that sent him to his untimely grave likewise shot despair into the hearts of hundreds of thousands of his countrymen; for he was regarded by the common people generally as the poor man's friend and as a great apostle of the rights of the laboring classes in city and country. He was possessed of the brain, the energy, the persuasive power, and the purpose, had he lived, to have established during the many years of ordinary life expectancy that lay before him a long record of useful and splendid service to the toiling masses and the underprivileged of humanity.

When, however, Mr. President, we turn from his work in the Senate to his career as Governor of Louisiana we find that he left as Governor a record for constructive administration of a State's affairs unsurpassed by that of any other executive in our national history.

He literally lifted Louisiana out of the mud and left her with one of the finest systems of hard-surfaced and graveled roads in the United States. He abolished our toll ferries, substituting therefor magnificent toll-free bridges over the many broad rivers and bayous of Louisiana, and culminating in the great Huey P. Long Bridge that spans the Mississippi River at New Orleans.

He lifted more and more the burdens of public education from the poorer communities, equalized educational opportunities throughout Louisiana, and more than doubled the State's contribution to the cause of public education.

He enacted into law the permanent policy of distributing free of cost schoolbooks to every child in Louisiana attending school, public or private, and regardless of race, color, or creed.

He enfranchised the "poor whites" of Louisiana by repealing the poll tax prerequisite to vote.

He substantially relieved the poor man's taxes by exempting all homes up to a potential value of $2,000, and by shifting generally tax burdens from the masses to the wealthy classes.

Before LONG occupied the executive chair of Louisiana, legislatures had assembled and adjourned, Governors had come and gone in monotonous succession for over a quarter of a century, and all had left the Pelican State practically as they found it. But within the span of a few years LONG made Louisiana noted throughout the world for its spirit of progress, and studded the surface of the State with the monuments of his inspired vision, dynamic energy, and capacity for achievement.

Mr. President, he was a loyal friend—surely I may bear testimony to that fact—and he was an open foe. He fought none secretly. He battled always in the open. He was a man of strong convictions; and neither fear nor favor, nor dread of punishment, nor hope of gain, prevented the outspoken expression and advocacy of his views. There was no duplicity about him. The same opinions and sentiments that he uttered in private discourse he maintained upon the hustings and on the floor of the Senate. Shortly before his death, in the rapid fire of debate in this body, he gave the following truthful characterization of himself, eloquent in its frank simplicity:

> Mr. President, I am not undertaking to answer the charge that I am ignorant. It is true. I am an ignorant man. I have had no college education. I have not even had a high-school education. But the thing that takes me far in politics is that I do not have to color what comes into my mind and into my heart. I say it unvarnished. I say it without veneer. I know the hearts of the people because I have not colored my own. I know when I am right in my own conscience. I do not talk one way in the cloak room and another way out here. I do not talk one way back there in the hills of Louisiana and another way here in the Senate. I have one language. Ignorant as it is, it is the universal language of the sphere in which I operate. Its simplicity gains pardon for my lack of letters and education.

This deprivation of educational advantages in his youth made him especially interested throughout his political career in the cause of public education. During his administration the public schools of Louisiana received from the State more generous contributions than during the administration of any preceding Governor. He builded the Louisiana State University, a State-maintained institution, from a mediocre college into the greatest seat of learning in the South. He was its very lifeblood from the athletic field to the director's room. He had evolved and was about to put in execution a plan giving the opportunity of a collegiate education to every boy and girl in Louisiana. His death was an irreparable loss to both elementary and higher free public education in our State.

Upon his bed of death his mind dwelt unselfishly upon this great plan of collegiate training which he had conceived. His last uttered thought was a hope, a doubt, a prayer, all in one, for the students of Louisiana State University and the youth of Louisiana. "What will now become of my boys?" was the cry of anguish, the last articulate thought of the dying Senator.

Thus into life eternal passed a great soul that in its brief earthly pilgrimage struggled fiercely, sometimes, perchance, erringly, but at all times bravely, strongly, and unselfishly for the weak, the humble, and the oppressed.

"The friend of the poor" is the epitaph which, I think, he would himself have preferred to all others. It is the epitaph which hundreds of thousands of fellow Americans have bestowed upon him. It is an epitaph whose verity none may justly question.

Mr. LEWIS. Mr. President, our diplomatic history records that in 1870 the French Ambassador here at Washington committed suicide. There was at that time the conflict well known to us between France and Germany. The German Ambassador passed a fitting comment of kindness upon the dead French official. Some officer of Government, turning to him said, "How is it that you speak so highly or at all of the French Ambassador?" To which the German Ambassador responded, "After death there is no war."

Mr. President, I think the CONGRESSIONAL RECORD will disclose that the last passage which might be called a thrust of blades between the late Senator from Louisiana and opponents was between himself and myself. It was in the final moments of the last session of Congress, just at the instant of adjournment. This event is mentioned only to disclose that in wholly political matters there was a very wide variance between that eminent official of Louisiana and myself.

Mr. President, the scholars around me will recall that the Stoic, when in Latin moralizing on the duty to the dead, gave to mankind the admonition, "Of the dead speak nothing but good." The philosopher did not mean to coun-

sel that without regard to one's deserts we should say that which is good. He meant to say that in all lives there is that which some would regard good, some ill; therefore, let the speaker, whoever speaks, comment on that which to him or her is good, leaving that which is else to silence.

Mr. President, I beg to call the attention of Senators who recall this celebrated dead to the fact that in all his efforts he was a man of courage. Right or wrong, from the standpoint of any other man, he neither feared a foe nor cultivated a friend at the expense of his convictions. To that we accord title of merit and praise.

Sir, he had his loyalty to those who were his friends and allies. Unto neither of these was there a surrender or compromise. In that virtue he offers us a commendable example. He was a proof to the young Americans of the land that struggling young manhood could upon merit rise to reward and renown. The apostrophe of the eminent orator who has just closed in a fitting quotation from Tennyson upon one who "breaks his birth's invidious bar" and has risen above the barriers that barricaded his progress was eminently descriptive of the dead Senator, to his honor.

I, sir, wish to conclude by saying that there was another element in this man that was attractive to those who heard him from this body. We recall, Mr. President, from tradition, that when someone expressed doubt as to the existence of a God, speaking in the presence of Napoleon, the master Bonaparte turned his eyes to the gleaming stars of the firmament and, pointing to the lustrous moon, asked, "Who made that?" We remember that this distinguished dead rarely addressed this body without bringing to his sustenance and support quotations from the Holy Scriptures, with his allusion to the infinity of the Creator, and asserting his belief in the rewards of the hereafter to the worthy, or the punishment of those who purposely afflicted their fellow mankind. This example of his faith and his trust can well be referred to as indicative of his character. It pointed to the fact that he believed in God, and moved ever so to conduct his own life that he could be worthy of reward and to shun action that could bring divine punishment.

In all of this, sir, we may say, in conclusion, that there will be an epitaph from this honorable body to this honorable dead, "Pace humani"—"This man, may he rest in peace", ever decorated with the love of friends and sanctified with the adoration of family and kinsmen.

Mrs. CARAWAY. Mr. President, the Senator from Louisiana [Mr. OVERTON] has paid tribute where tribute is due. There are some who do not believe as he does, but there is not one in this body who does not regret that Senator LONG came to his death as he did. Only a few times in the history of this Republic have there been political assassinations. I do not recall that a Member of this body has ever before met such a death.

Senator LONG was my political friend, as evidenced by his work in my campaign for reelection. That he had little to gain if I won and much to lose in prestige should my campaign fail everyone knows. I won, and it is indicative of his greatness that I can stand here and assert that he never once presumed upon the fact of his assistance to try to influence my course in matters of legislation. He at all times showed me every courtesy and consideration, as has every Senator here.

I feel that I would be doing less than my duty if I did not at this time express my keen regret at the loss of a friend. I deeply deplore the fact that one endowed with such exceptional ability and courage, with youth, and an enthusiasm notable everywhere should no longer be here. In his fight for the rights of the people, the bone and sinew of this country, he was not always polite, but he was effective in keeping before the country the issues as he saw them.

Whether in accord with his policies or not, each Senator here must have admired the dynamic energy motivating him, the eternal youth which made him such a contradictory character. His wife and children, than whom there are none better, have lived most normal lives despite the storms raging around him, which is only another strange proof of his control of circumstances. No more fitting words can be found in writing finis to the chapter of his life than those of the poet who said:

After life's fitful fever he sleeps well.

Mr. THOMAS of Oklahoma. Mr. President, Senator LONG in his early youth lived almost in sight of my home in Oklahoma. For a time he attended the State University of my State.

Shortly after the last Congress adjourned I started for my home in Oklahoma. At St. Louis I was apprised of the attempt upon his life at Baton Rouge. When I reached Claremore, Okla., I was apprised of the death of my friend the senior Senator from Louisiana. When I reached Tulsa, Okla., I received a commission from the Senate to be one of a committee to attend his funeral. I deviated from my course, took an airplane at Tulsa, and flew to Fort Worth, Tex., in order to arrive at the Louisiana capital in time for the funeral. From Fort Worth, I took the train, but I could not reach Baton Rouge directly. I had to leave the train across the river from Baton Rouge, some 25 or 30 miles. My party was met at the train by automobiles and we started for Baton Rouge by motor. This was about 3 o'clock in the morning, the morning preceding the afternoon of his burial. As we started for Baton Rouge we found the roads at that early hour cluttered with traffic. The roads were full of conveyances, automobiles, wagons, buggies, and men and boys afoot. When we reached the ferry crossing the river at Baton Rouge the ferry was crowded. We had to wait our turn to get across the river. Upon arriving at Baton Rouge at about 5 o'clock, before it was light on that September morning, the capitol grounds were alive with people. A long line was waiting to go through the capitol to pay their last respects to the departed dead. The hotels were crowded.

During the day the crowd increased in Baton Rouge. The railway tracks were crowded for space to accommodate special trains coming for the funeral. I was advised that later in the afternoon the roads leading to the city were blocked and that traffic could not get to the city. The opposition press in Baton Rouge and in Louisiana generally in broad headlines made the statement that 100,000 people had passed through the capitol during the night and the day preceding Senator LONG's burial at 4 o'clock in the afternoon. The same press stated that 150,000 people were on the grounds when he was laid at rest on the capitol grounds.

As members of the senatorial delegation headed by my friend the Senator from Louisiana [Mr. OVERTON], and consisting of the Senator from Arkansas [Mrs. CARAWAY], and the late Senator Schall from Minnesota, when we proceeded to leave the capitol for the burial ground, which is in the center of the capitol park, and as we left the building this was the scene before us. In front of the capitol is a park some four blocks in area. As we marched from the capitol it was like entering a giant stadium. Those four blocks were covered with humanity. The streets had been lined with guards, the grounds, streets, and sidewalks were full of Louisianians. The windows on buildings surrounding those four blocks were full of people. The tops of buildings were likewise covered with humanity. I was not surprised at the estimate which was made of 150,000 people being on the capitol grounds at that time. I believe it was a reasonable estimate.

Mr. President, after the funeral services were over I had time and opportunity for making inquiries, and I began to inquire in Baton Rouge of those with whom I came in contact why this great outpouring of the citizens of Louisiana at the burial of their senior Senator. This was the information which Louisianians gave me: They said that when Mr. LONG was a candidate for Governor he promised the voters and the people of Louisiana that if he was elected Governor he would build good roads through the swamps and over the crooked trails of Louisiana, and when he was elected Governor he built the roads.

He promised when he was a candidate that he would give them schools. As Governor he gave them schools. He promised the children of Louisiana that if he was elected

Governor he would give them free textbooks. As Governor he gave them free textbooks.

He promised the people of Louisiana as a candidate that if elected he would build them bridges. As Governor he built the bridges.

He promised them hospitals. As Governor he built and improved the hospitals. Today in New Orleans I think we have perhaps one of the best hospitals in the world. It is so generally recognized.

He promised the people of Louisiana that he would raise the standards of the colleges of that State. As Governor he raised the standards of the colleges. Today Louisiana State University stands as one of the best universities in the Nation.

Mr. President, after all those promises had been made by the candidate the Governor fulfilled the promises.

I was somewhat astonished to know that Louisiana is financing those improvements by a decreased tax upon the poor and an increased tax upon the rich. Even the rich are not complaining, and the poor, of course, are delighted.

I was further somewhat surprised to know that of all the States of the American Union the credit of the State of Louisiana in the marts of trade and finance stands at the very top.

I give this, in connection with the eloquent address just made by the Senator from Louisiana [Mr. OVERTON], as an explanation of the tribute given Senator LONG by his home folks in Louisiana.

HON. HUBERT D. STEPHENS

Mr. HARRISON. Mr. President, a few days ago the President sent to the Senate the nominations of five directors of the Reconstruction Finance Corporation. All of those who are now directors of the Corporation were renominated except my former colleague, ex-Senator Hubert D. Stephens.

It will be recalled that former Senator Stephens, after a service in the House of Representatives of 10 years, voluntarily retired. When he became a candidate for the Senate it was not his wish to do so, but he yielded to the solicitation of friends and became a candidate. When he accepted the position of director of the Reconstruction Finance Corporation he told the President at that time that he would serve only for a short period.

I desire to put into the RECORD a letter from former Senator Stephens to the President expressing the wish that he be not reappointed, and the reply of the President to Senator Stephens expressing his regrets and deep appreciation of his splendid services while a member of the Reconstruction Finance Corporation.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JANUARY 16, 1936.

The PRESIDENT,
The White House, Washington, D. C.

DEAR MR. PRESIDENT: A few days after I was defeated for reelection to the Senate, Senator PAT HARRISON told me that you wanted to appoint me to some position. I said to him, "I appreciate that very much, but I have no desire to be given any position."

In February 1935 I came to Washington on a business matter. While here Senator HARRISON urged me to accept an appointment. Again I told him that I was not interested. After several conversations with him I said that there was only one position that I would accept—director of the Reconstruction Finance Corporation. I also told him that I would not care to hold it very long.

You gave me the appointment. This expression of friendship and confidence was greatly appreciated. My association with the directors and with the other persons employed here has been exceedingly pleasant.

I was informed a few days ago that you had stated you would reappoint all of the directors. I deeply appreciate this further evidence of your friendship and confidence. It has never been my intention to accept a reappointment. So, I am writing to inform you of this fact.

I wish for you much happiness and success in the future.

Respectfully yours,

H. D. STEPHENS.

THE WHITE HOUSE,
Washington, January 17, 1936.

Hon. HUBERT D. STEPHENS,
Member of the Board, Reconstruction Finance Corporation, Washington, D. C.

MY DEAR HUBERT: In accepting with sincere regret your decision to retire from the Reconstruction Finance Corporation I want to express to you my deep appreciation of your loyalty and your willingness to accept the responsibilities you undertook and performed over the past year.

I know your reasons for accepting the post for a limited period only, and for that reason do not urge you to stay on.

With warm personal regards,

Cordially,

FRANKLIN D. ROOSEVELT.

RECIPROCAL TRADE AGREEMENT WITH CANADA—LETTER OF HON. CORDELL HULL, SECRETARY OF STATE

Mr. COSTIGAN. Mr. President, on November 2, 1935, a joint telegram was received by me from the Intermountain Livestock Marketing Association and the Intermountain Livestock Credit Corporation, stating:

NOVEMBER 2, 1935.

Hon. EDW. P. COSTIGAN,
Denver, Colo.:

It is rumored the State Department, Washington, considering reciprocal trade treaty with Canada which would mean lowering tariff on livestock imports. Any such measure would be extremely detrimental to livestock producers of western range States and tend to demoralize markets. Livestock men this section just getting back on their feet on basis present prevailing markets. Representing more than 10,000 livestock producers and feeders this intermountain section, we urge you oppose vigorously any contemplated action with view of lowering tariffs.

INTERMOUNTAIN LIVESTOCK MARKETING ASSN.
INTERMOUNTAIN LIVESTOCK CREDIT CORPORATION.

The message was transmitted by me to the distinguished present Secretary of State as a sample of various other messages at that time being received from representatives of western livestock producers. In my letter to the Secretary of State, I recalled recent explanations by him following similar suggestions with respect to the sanitary agreement with Argentina, stating that his earlier comments had been helpful and that any he might offer on the foregoing message would be welcome. In response to my letter of transmittal, the Secretary of State, on November 26, made a reply, in which, with characteristic directness and clearness, he presents an analysis of that agreement. The law under which the Secretary of State acted, and this detailed explanation of the careful manner in which the law is being applied are of importance, not only to members of livestock associations but to all citizens.

I ask unanimous consent that the letter of the Secretary of State, which I now present, may be properly referred and printed in the RECORD, following and as part of my remarks.

There being no objection, the letter of the Secretary of State was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
November 26, 1935.

The Honorable EDWARD P. COSTIGAN,
210 Flat Iron Building, Denver, Colo.

MY DEAR SENATOR COSTIGAN: I was very glad to receive your letter of November 2, 1935, enclosing, as a sample of various messages received by you from representatives of western livestock producers, a telegram from the Intermountain Livestock Marketing Association and Intermountain Livestock Credit Corporation urging that no reduction be made in the duty on livestock in connection with the trade agreement with Canada.

When your letter was received the trade agreement with Canada was in the final stages of negotiation. I therefore thought it desirable to await the perfection of the agreement and the publication of its terms in order that I might be in a position to deal fully with the subject on the basis of all the details. I greatly appreciate the opportunity you have offered me of commenting upon this matter.

As you, of course, know, the full details of this agreement were published in the newspapers of Monday, November 18. The reductions in duty of interest to the domestic cattlemen are limited to the following:

(1) On cattle weighing 700 pounds or more each the duty has been reduced from 3 cents to 2 cents a pound, to apply annually to no more than three-quarters of 1 percent of the average annual total number of cattle (including calves) slaughtered in the United States during 1928 to 1932.

(2) For calves weighing less than 175 pounds each the duty has been reduced from 2½ cents a pound to 1½ cents a pound, to apply to no more than one-quarter of 1 percent of the same average annual domestic slaughter of cattle.

(3) The duty on dairy cows weighing 700 pounds or more each has been reduced from 3 cents to 1½ cents a pound, the reduction to apply to not more than 20,000 head annually.

When consideration is given to these provisions and to the circumstances to which they relate, it will be clearly seen that the limitations imposed on the imports which can benefit by these

reductions in duty assure the most ample protection to our domestic cattle producers.

Before examining more fully the provisions of the agreement regarding cattle I should like to comment upon the messages which we both received from evidently anxious domestic cattle-growing interests during the period immediately preceding the conclusion of this agreement. The anxieties which these messages express were clearly aroused by an incorrect impression of what was being done. It is not unlikely that this mistaken impression was in some way connected with the publication on September 7, 1935, of the correspondence which I exchanged with the Canadian Minister in Washington in November and December 1934 on the subject of a trade agreement. In a letter addressed to me on November 14, 1934, the Canadian Minister in Washington outlined a basis for a trade agreement proposed by his Government, which contained the suggestion that our import duties on various agricultural products, including cattle, be cut by 50 percent. In my reply of December 27 I stated, in referring to these proposals:

"* * * In communicating to you the willingness of the Government of the United States to enter upon negotiations with your Government looking to a trade agreement calculated to increase trade in both directions, I must, of course, make it clear that in advance of negotiations this Government cannot make any commitment as to whether it will be possible to agree to a reduction in the rates of duty on particular products, each of which must be carefully studied in the light of existing economic conditions before any decision can be reached."

Subsequent to this exchange of correspondence there was issued on January 21, 1935, the announcement of intention to negotiate a trade agreement with Canada, as provided for in the Trade Agreements Act of June 12, 1934, and March 11 and 18, respectively, were set as the dates for the submission of written statements and for the oral presentation of views by interested parties to the Committee for Reciprocity Information. The trade agreement which was announced by the President in his Armistice Day address on November 11, 1935, and which was formally signed on November 15, was the culmination of exhaustive preparations conducted during the intervening months. All of the agencies of the Government which regularly participate in the intensive preparations for trade-agreement negotiations, including the Departments of State, Commerce, and Agriculture, the Treasury and the Tariff Commission, cooperated in this preparatory work in order that each of the many problems involved might receive the fullest and most thorough consideration. All of the vast fund of information available from official sources, as well as the many statements and expressions of views submitted by interested persons, were painstakingly studied. During the entire course of the detailed and extended negotiations that followed the position and needs of our domestic producers were constantly borne in mind. The results of this most thorough procedure are to be seen in the agreement concluded.

The trade between the United States and Canada has always been of primary importance to both of the countries, but in the difficult years which have followed the enactment of the Hawley-Smoot Act, and the subsequent Canadian tariff increases, this trade had fallen very considerably. One of the most effective opportunities for aiding substantially in the restoration of production and employment in the United States lay in the negotiation of a trade agreement which would restore the opportunities for larger and less restricted trade between the two countries.

Because of the vital importance of the cattle trade to the Canadian prairie provinces, a concession with respect to cattle was effectively a sine qua non to any substantial trade agreement between the two countries. The difficulties which our domestic cattle producers had been experiencing were most clearly in our minds. The agreement concluded affords the evidence that the two sets of interests were not irreconcilable, and when the factual basis on which the concessions were made is fully understood this conclusion will surely be accepted by all who are willing to consider the subject reasonably and fairly.

In the first place the reductions made in the rates of duty are moderate. The duty on cattle weighing 700 pounds or more is to be 2 cents per pound instead of 3 cents under the Smoot-Hawley tariff, while the duty on calves weighing less than 175 pounds is to be 1½ cents per pound instead of 2½ cents. The new rates are the same for calves and for cattle over 1,050 pounds as those in force from 1922–30 under the Fordney-McCumber tariff, while for cattle between 700 and 1,050 pounds they are still one-half cent per pound, or 33⅓ percent, higher than the 1922–30 rates. It should not be forgotten in this connection that between 1913 and 1921 cattle of all weights were on the free list.

In the second place the numbers of imported cattle and calves which may benefit from these reduced rates are specifically limited. For the cattle of 700 pounds and over the reduced duties are to apply annually to no more than three-fourths of 1 percent of the average annual total number of cattle (including calves) slaughtered in the United States during 1928–32, while for the calves under 175 pounds the limit has been fixed at only one-fourth of 1 percent of this same figure. This means that the reduced rates apply to only 51,933 head of calves and 155,799 head of cattle per calendar year. Any cattle or calves which may enter the United States in any year in excess of this limitation will have to pay the Smoot-Hawley rates.

Certainly these moderate reductions in duty, limited to so small a percentage of the average annual domestic slaughter, cannot be of any appreciable injury to the domestic cattle producers. The total number of cattle and calves annually slaughtered in Canada amounts to less than one-tenth of the corresponding annual slaughter in the United States, and by the means adopted in the agreement a concession has been provided which, while of definite interest to Canada, is surrounded with such limitations as to make it of negligible significance from the point of view of our own cattle producers.

It is also to be borne in mind that, following last year's drought and the emergency measures taken in connection therewith by this Government to rescue the cattle growers from their difficult position, cattle slaughter in the United States at present and in the immediate future is below average. Under these conditions imports of cattle tend to afford some measure of assurance to the consumer.

Small as the increased imports may be in comparison to the total number of cattle annually raised in the United States, they will not be without direct benefit to American agriculture, for ordinarily they will be largely confined to feeder cattle requiring domestic feed to finish them off for the market.

My comment would be far from complete if I failed to call attention to the larger aspects of the subject by pointing out the very real benefits which the agreement, considered in its entirety, will bring to all of our agriculture, industry, and commerce, including our domestic cattle producers. The Canadian tariff concessions provided by this agreement for the benefit of our export trade will mean increased sales in Canada of a long list of our agricultural products, such as fresh and canned meats, vegetables, and fruits; the concessions obtained for our exports include tariff reductions on products of such direct interest to Colorado producers as wool, mining, and quarrying machinery, lard, lead, and zinc. Larger sales of our agricultural products to Canada will mean increased income for our agricultural producers in Colorado and other States; larger sales of our industrial products to Canada as a result of the extensive industrial concessions provided by the agreement, will mean increased production and increased pay rolls in our factories. All of this means increased purchasing power, and therefore increased consumption of all the things that our population needs and wants. It is well to bear in mind in this connection that increased purchasing power among our consumers is of particular importance to those producers whose products, such as beef, are omitted from the family table or displaced by cheaper substitutes, when the family purchasing power fails. It is not our producers for export alone but all our producers for our domestic markets, including those agricultural growers in Colorado and other States producing for domestic consumption, who stand to gain from the increased trade which this new agreement with Canada will lead to.

The small concession which we have granted on cattle, restricted as it is by its quota limitation, and preserving every necessary safeguard for our domestic cattle industry, must be considered, if its real significance is to be appreciated, in the broad light of the entire agreement of which it is a part, and of the benefits which we will derive from this agreement in the shape of hundreds of millions of dollars in increased exports, a large part of which will actually consist of agricultural exports, while the remainder of the increase will be in industrial products which through enlarged pay rolls and augmented purchasing power will inevitably redound to the further benefit of our farming and cattle-raising sections.

It is necessary thus to consider the agreement in its entirety to gain a correct appreciation of its meaning to all concerned. The essential significance of this agreement lies in the fact that it opens the way to a vastly increased exchange of goods, to hundreds of millions of dollars in increased trade, and so to that stimulation in our commercial and industrial activity, to that increase in our employment and pay rolls, to that expansion of purchases of our agricultural products of every sort, which is the central aim of our endeavors. I am convinced that such objections as have been raised against the trade agreement with Canada are largely the result of a misunderstanding of the actual facts and of a failure to appreciate their real significance, and that when the true facts are known to, and their meaning is fully understood by, those who have raised objections, most of them at least will agree that we have taken wise, prudent, and well-considered action, and that the agreement concluded with Canada lies along that path of increasing production, consumption, and trade for all concerned that is the road toward full recovery and sound prosperity.

I am very glad to have had this opportunity to make the foregoing comment, and with kindest regards, I am,

Sincerely yours,

CORDELL HULL.

REPORT ON WAR FINANCE CORPORATION (IN LIQUIDATION)

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Treasury, transmitting, pursuant to law, a report on the War Finance Corporation (in liquidation), covering the period from January 1, 1935, to December 31, 1935, which, with the accompanying papers, was referred to the Committee on Finance.

REPORT OF FEDERAL COORDINATOR OF TRANSPORTATION

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Interstate Commerce Commission, transmitting, pursuant to law, the fourth report of the Federal Coordinator of Transportation on transportation legislation, with the comments of the Interstate Commerce

Commission upon his recommendations, which, with the accompanying report, was referred to the Committee on Interstate Commerce.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a concurrent resolution of the Legislature of the State of Kentucky, expressing approval of and urging the continuance of a policy of strict neutrality on the part of the United States Government in international disputes not affecting this Nation, which was referred to the Committee on Foreign Relations.

(See concurrent resolution printed in full when presented by Mr. LOGAN on the 20th instant, p. 675 of the CONGRESSIONAL RECORD.)

The VICE PRESIDENT also laid before the Senate papers in the nature of petitions numerously signed by sundry citizens of the United States, praying for the adoption of measures to end the destruction of life by war, and to lead the nations of the world toward the light of mutual tolerance and understanding, which were referred to the Committee on Foreign Relations.

He also laid before the Senate resolutions adopted by Chapter 152 of the Railroad Employees National Pension Association, Sunbury, Pa., favoring the adoption of a constitutional amendment restricting the power of the Supreme Court of the United States and providing for the election of the members thereof by popular vote, which were referred to the Committee on the Judiciary.

He also laid before the Senate a letter in the nature of a petition from Bessie L. Maygard, of Whitfield, Ala., praying for the adoption of measures for the benefit of fourth-class postmasters, which was referred to the Committee on Post Offices and Post Roads.

He also laid before the Senate resolutions adopted by officers and members of the Pontier Democratic Association, Inc., assembled at Jamaica, N. Y., favoring the prompt enactment of legislation providing for the immediate payment of adjusted-service certificates of World War veterans, which were ordered to lie on the table.

Mr. CAPPER presented a petition numerously signed by members of the Woman's Christian Temperance Union of Osage, Kans., praying for the enactment of legislation to prohibit the advertising of intoxicating liquors, which was referred to the Committee on Interstate Commerce.

Mr. WALSH presented a letter in the nature of a memorial from the Appalachian Mountain Club, Boston, Mass., remonstrating against the transfer of the Forest Service from the Department of Agriculture to another department, which was referred to the Committee on Agriculture and Forestry.

He also presented resolutions adopted by the board of selectmen, of Sharon, and the selectmen of the town of Dedham, in the State of Massachusetts, favoring in the administration of Federal relief projects the granting of power to local authorities to recommend persons for employment, which were referred to the Committee on Appropriations.

He also presented a resolution adopted by Branch No. 107, National Association of Letter Carriers, of Gloucester, Mass., favoring the enactment of legislation placing special-delivery messengers under the classified civil service after 2 years' service, which was referred to the Committee on Civil Service.

He also presented a resolution adopted by the Greater Boston (Mass.) Federation of Neighborhood Houses, favoring the formulation of a policy of American neutrality that does not penalize the victim of aggression while ostensibly preserving a state of impartial neutrality, which was referred to the Committee on Foreign Relations.

He also presented a letter in the nature of a petition from members of North End Post, No. 53, the American Legion, of Boston, Mass., praying for the adoption of a fair and impartial neutrality policy by the United States, which was referred to the Committee on Foreign Relations.

He also presented a declaration adopted by a convention of world psychiatrists at The Hague, Holland, in October 1935, favoring a strongly financed organization of the nations looking toward peace, which was referred to the Committee on Foreign Relations.

He also presented a paper in the nature of a memorial from the Boston Chamber of Commerce and the Maritime Association of the Boston Chamber of Commerce, in the State of Massachusetts, remonstrating against the enactment of legislation repealing the so-called long- and short-haul clause of the Interstate Commerce Act, which was referred to the Committee on Interstate Commerce.

He also presented a letter in the nature of a petition from the Springfield (Mass.) Branch of the National Association for the Advancement of Colored People, praying for the adoption of Senate Resolution 211 (submitted by Mr. VAN NUYS), authorizing an investigation in connection with certain lynchings in the United States, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the Cambridge (Mass.) Federation of Teachers, protesting against the enactment of legislation abridging the freedom of speech and of the press, which was referred to the Committee on the Judiciary.

He also presented a letter in the nature of a petition from the Massachusetts Rural Letter Carriers' Association, favoring the enactment of legislation for the benefit of rural carriers, which was referred to the Committee on Post Offices and Post Roads.

He also presented a resolution adopted by the Cambridge (Mass.) Federation of Teachers, protesting against the enactment of legislation making it a crime, by mere utterance or publication, to incite soldiers and sailors to disobey orders, which was ordered to lie on the table.

REPORTS OF COMMITTEES

Mr. BULKLEY, from the Committee on Banking and Currency, to which was referred the bill (S. 3699) to authorize the coinage of 50-cent pieces in commemoration of the fiftieth anniversary of Cincinnati, Ohio, as a center of music, and its contribution to the art of music for the past 50 years, reported it without amendment and submitted a report (No. 1472) thereon.

Mr. McADOO, from the Committee on Patents, to which was referred the bill (S. 3121) to vest in the register of copyrights the registration of copyright prints and labels, reported it with amendments and submitted a report (No. 1473) thereon.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MINTON:

A bill (S. 3776) for the relief of Addison B. Hampel (with an accompanying paper); to the Committee on Claims.

By Mr. HARRISON:

A bill (S. 3777) to authorize the Secretary of the Treasury to execute an agreement of indemnity to the First Granite National Bank, Augusta, Maine; to the Committee on Finance.

By Mr. CAPPER:

A bill (S. 3778) granting a pension to Ella Crouse (with accompanying papers); and

A bill (S. 3779) granting a pension to Charles G. Hostutler (with accompanying papers); to the Committee on Pensions.

By Mr. BANKHEAD:

A bill (S. 3780) to make further provision for the conservation and proper utilization of the soil resources of the Nation; to the Committee on Agriculture and Forestry.

By Mr. BAILEY:

A bill (S. 3781) limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases; to the Committee on the Judiciary.

By Mr. McKELLAR:

A bill (S. 3782) to provide for loans to farmers for crop production and harvesting, and for other purposes; to the Committee on Agriculture and Forestry.

A bill (S. 3783) for the relief of Dr. T. J. Coble (with accompanying papers); to the Committee on Claims.

By Mr. SCHWELLENBACH:

A bill (S. 3784) to extend the benefits of the Adams Act, the Purnell Act, and the Capper-Ketcham Act to the Territory of Alaska, and for other purposes; to the Committee on Agriculture and Forestry.

A bill (S. 3785) for the relief of Sam Larson, guardian of Margaret Larson, a minor; to the Committee on Claims.

By Mr. LOGAN:

A bill (S. 3786) for the relief of Col. J. P. Barney; to the Committee on Claims.

A bill (S. 3787) to establish a United States Administrative Court to expedite the hearing and determination of controversies with the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. POPE:

A bill (S. 3788) granting a pension to Marion Oliver; to the Committee on Pensions.

By Mr. BYRNES:

A bill (S. 3789) authorizing the Secretary of Commerce to convey the Charleston Army Base Terminal to the city of Charleston, S. C.; to the Committee on Commerce.

By Mr. CHAVEZ:

A bill (S. 3790) to authorize amendment of the act of February 25, 1927, for the payment of damages caused by reason of the overflow of the Rio Grande on August 17, 1921; to the Committee on Claims.

A bill (S. 3791) to amend the postal laws so as to provide for a minimum salary of $5,000 a year for postmasters at central-accounting offices; to the Committee on Post Offices and Post Roads.

A bill (S. 3792) to provide for the grant of a certain concession to Jim White, discoverer and explorer of Carlsbad Cavern, N. Mex.; to the Committee on Public Lands and Surveys.

By Mr. STEIWER:

A bill (S. 3793) authorizing officers and employees of the Government to attend rifle meets at Camp Perry; to the Committee on Military Affairs.

A bill (S. 3794) to correct the naval record of John B. Dolan; to the Committee on Naval Affairs.

By Mr. SHIPSTEAD:

A bill (S. 3795) granting a pension to Matilda Davison; and

A bill (S. 3796) granting a pension to Ida S. Nolterieke; to the Committee on Pensions.

By Mr. STEIWER:

A bill (S. 3797) to amend an act entitled "An act authorizing certain tribes of Indians to submit claims to the Court of Claims, and for other purposes", approved May 26, 1920; to the Committee on Indian Affairs.

By Mr. BLACK:

A joint resolution (S. J. Res. 200) to extend the period of suspension of the limitation governing the filing of suit under section 19, World War Veterans' Act, 1924, as amended; to the Committee on Finance.

By Mr. CHAVEZ:

A joint resolution (S. J. Res. 201) to authorize under certain conditions the executive departments, independent offices, and agencies of the United States to lease lands under their jurisdiction and to grant rights-of-way over such lands; to the Committee on Public Lands and Surveys.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and referred, or ordered to be placed on the calendar, as indicated below:

H. R. 1415. An act to provide for the establishment of the Richmond National Battlefield Park, in the State of Virginia, and for other purposes; and

H. R. 8172. An act to authorize the transfer by the United States to the county of Mohave, Ariz., of all public lands in sections 20, 28, and 30, township 20 north, range 15 west, Gila and Salt River meridian, for public park, recreational, and other municipal purposes; to the Committee on Public Lands and Surveys.

H. R. 3565. An act to authorize the Secretary of War to effect exchange of certain rights-of-way in Hawaii; and

H. R. 8024. An act to authorize the Secretary of War to dispose of material no longer needed by the Army; to the Committee on Military Affairs.

H. R. 7225. An act authorizing a revolving reimbursable fund for the Lac du Flambeau Band of Chippewa Indians in Wisconsin; and

H. J. Res. 215. Joint resolution to amend Public Act No. 435, Seventy-second Congress; to the Committee on Indian Affairs.

H. R. 8180. An act to prohibit the use of the mails for the solicitation of the procurement of divorces in foreign countries; and

H. R. 8940. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

H. R. 8287. An act to establish an assessed valuation real property tax in the Virgin Islands of the United States; to the Committee on Territories and Insular Affairs.

H. R. 8300. An act to authorize a preliminary examination of Suwanee River in the State of Florida, from Florida-Georgia State line to the Gulf of Mexico; to the Committee on Commerce.

H. R. 9871. An act to amend an act entitled "An act providing for the participation of the United States in the California-Pacific International Exposition to be held at San Diego, Calif., in 1935 and 1936; authorizing an appropriation therefor, and for other purposes", approved March 7, 1935, to provide for participation in the California-Pacific International Exposition to be held at San Diego, Calif., in 1936, to authorize an appropriation therefor, and for other purposes; to the Committee on Foreign Relations.

H. R. 10104. An act to aid in providing the people of the United States with adequate facilities for park, parkway, and recreational-area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof; to the calendar.

H. J. Res. 307. Joint resolution authorizing the erection of a memorial to the early settlers whose land grants embrace the site of the Federal City; to the Committee on the Library.

H. J. Res. 321. Joint resolution granting the consent of Congress to the minimum-wage compact ratified by the Legislatures of Massachusetts and New Hampshire; to the Committee on Education and Labor.

MEASUREMENT OF VESSELS USING THE PANAMA CANAL—AMENDMENT

Mr. BAILEY submitted an amendment intended to be proposed by him to the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes, which was ordered to lie on the table and to be printed.

ACCEPTANCE OF MEDALS, ETC., BY OFFICERS AND ENLISTED MEN—AMENDMENT

Mr. SHEPPARD submitted an amendment intended to be proposed by him to the bill (S. 1975) authorizing certain officers of the United States Navy and officers and enlisted men of the Marine Corps to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered, which was ordered to lie on the table and to be printed.

AMENDMENT TO NAVAL APPROPRIATION BILL

Mr. McNARY submitted an amendment intended to be proposed by him to the bill (H. R. ——) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1937, and for other purposes, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page —, line —, to insert the following:

"There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $1,500,000, to be used for the further development of the naval base at Tongue Point, Oreg.

"The Secretary of the Navy is authorized and directed to expend the appropriation of $1,500,000, made pursuant to this act, for the following purposes:

"For constructing hangars, ramps, barracks, shops, storehouses, and any other facilities required for the use and maintenance of naval aviation squadrons and their personnel;

"For dredging;

"For maintaining existing piers and shore facilities heretofore constructed;

"For enlarging existing piers and shore facilities heretofore constructed, if found necessary and desirable by the Secretary of the Navy."

THE REVISED ANNOTATED CONSTITUTION

Mr. ASHURST submitted the following concurrent resolution (S. Con. Res. 28), which was referred to the Committee on the Judiciary:

Resolved by the Senate (the House of Representatives concurring), That 5,000 additional copies of the revised annotated Constitution be printed for the use of the Congress, 1,500 copies for the Senate, and 3,500 copies for the House of Representatives, and that the Senate Committee on the Judiciary be, and it is hereby, authorized to employ a competent person to assist in bringing the same up to date, his compensation to be paid out of the contingent fund of the Senate: *Provided*, That the Public Printer shall print not more than 10,000 additional copies of said revised annotated Constitution, and offer the same for sale at the cost of printing and binding, plus 10 percent, to persons who agree not to resell or distribute the same for profit.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES—ADDRESS BY SENATOR BYRNES

Mr. ADAMS. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address delivered by the Senator from South Carolina [Mr. BYRNES] on January 21, 1936, on the subject The Payment of the Adjusted Compensation Certificates.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The bonus fight is over. The bill providing for the payment at this time of the adjusted-compensation certificates held by the veterans of the World War passed the Senate yesterday by a vote of 74 to 16. Tomorrow the bill will be reported to the House. A motion will be made to concur in the Senate bill. That motion will be adopted and the bill will then go to the President for his approval or disapproval. Should the President approve it, it will immediately become the law. Should the President disapprove it, the vote in the House and the Senate clearly indicates that the bill will be passed by the Congress over the veto of the President.

Because of this situation it is interesting to know what the bill provides. Today approximately 3,750,000 veterans hold adjusted-compensation certificates issued in 1925 and maturing in 1945. These certificates are obligations of the Treasury. They are just as much part of the national debt as any other obligation. The bill which is now to become law provides that in exchange for these certificates the veterans will be given bonds of the United States for the full face value of their certificates, less any amount borrowed upon such certificates, which bonds will bear interest at 3 percent, and can be cashed by the veteran at any time he desires to receive the money. The Secretary of the Treasury will designate the places, including post offices, at which the bonds can be cashed.

There is no creation of a new debt. It is simply the payment of an old debt by the issuance of these bonds.

The bonds will be issued as of June 15, because that is the date upon which other Treasury obligations mature. The object of issuing them in the denomination of $50 is to encourage thrift on the part of the veteran who receives the bonds.

Slightly over 3,000,000 of the veterans have borrowed from the Government upon their certificates. As a result of these loans the average amount to be paid to the veterans in bonds is $525. This payment will be made by issuing to the veteran a check for $25 and ten $50 bonds. It is the belief of those of us who sponsored this legislation that if a veteran desires to pay a bill or to make a purchase he will cash one or two of these bonds and will retain the others. As an incentive to hold the bond they will receive interest at the rate of 3 percent. This 3 percent will begin to run as of June 15, 1936, the date the bond is issued. However, if a veteran cashes his bond before June 15, 1937, he will not receive the interest. For this there are good reasons. The veteran has claimed that he was entitled to payment in full in cash. If he cashes his bond, he will get just what he claims he was entitled to. However, if he exercises good judgment and holds his bonds, he will get more than he claims he was entitled to. He will get in June 1937, or any date thereafter, 3 percent on the amount due him from June 15, 1936, to date of payment.

If payment in cash were made, the money would have to be borrowed. We are simply providing that instead of paying the 3 percent to the banks or bond investors, that it should be paid to the veterans who have the good judgment to hold their certificates. It is asserted by the opponents of the measure that the 3,000,000 men who have heretofore borrowed upon their certificates will immediately cash all of their bonds. I do not believe it. These men have now reached mature years. They have children to support. I picture what will occur when the average veteran receives the average settlement of $525; a check for $25 and $500 in $50 bonds. Most of his pleasure he anticipates in showing to the family the evidence of his wealth. Just to celebrate the occasion he may make a purchase on the way home. But when he reaches there and those ten $50 bonds come into the possession of his "commanding officer", he will soon conclude that breaking the Hindenberg line was an easy task compared to getting those bonds away from her. In any event I hope I am correct and that she will hold the line and hold the bonds. Because, after all, these bonds will be as good as the Government. They will pay more interest than a savings bank, and will be better than any other bonds of the Government, because, while other bonds may sell for less than face value, these bonds can at any time be cashed for full value.

As to the effect upon the Treasury, it is evident that to the extent the bonds are held by the veterans, the less will be the drain upon the Treasury. When you remember that these obligations have to be paid in any event, the only additional charge upon the Treasury is the interest that must be paid upon the bonds. If the Government borrows upon short-term loans at the low rate of interest it has been borrowing, it will mean but a relatively small additional expenditure for interest each year from now until 1945, when these bonds become due.

I recognize that notwithstanding our effort and the efforts of the commanders of the veterans' organizations to induce veterans to hold their bonds that a large number will be cashed. The veterans are typical Americans. Some are thrifty. Some are improvident. Because this is true, it is interesting to speculate as to what those who cash their bonds will do with the money. Last fall before this bond plan was proposed, and when it was expected by the veterans that cash would be paid, the American Legion conducted a survey to ascertain how the veterans intended to spend their bonus money. Answers were received from 42,500 veterans. The study showed that 53.94 percent of the veterans expected to pay old bills. A total of 31.36 percent of the total bonus payments will be used for this purpose. Thirteen and seven one-hundredths percent of the total will go for home building and repairs. The survey indicates that 19.26 percent of the veterans will repair homes which they now own, while 4.56 percent will start construction of new homes. Furniture, rugs, electric refrigeration, oil furnaces, radios, and home equipment and furnishings will take 7.82 percent of the total paid.

The study shows that 28.5 percent of those who cash their certificates will buy clothes for their wives, while but 26.01 percent will buy a suit or overcoat for themselves. Approximately one out of four—25.88 percent—will buy clothes for their children. Investment in insurance, education, stock, bonds, and savings will receive 16.54 percent of the payments, while automobiles and trucks will be bought by approximately 10 percent of the veterans. They will spend 5.46 percent of the total sum paid them for these conveniences.

As an illustration of what this vast spending means, let me take the clothing industry into which 6.18 percent of the bonus payments will go. These payments will create, according to an estimate of the Bureau of Foreign and Domestic Commerce of the United States Department of Commerce, sufficient work to employ 30,000 to 35,000 persons for a period of 1 year.

Commander Van Zandt, of the Veterans of Foreign Wars, and Commander Harlan, of the Disabled American Veterans, who, with Commander Murphy, of the Legion, have been active in presenting the cause of the veterans, state that from their investigations they reach the same conclusion as to the intentions of the thousands of veterans who belong to those two organizations.

The bill provides that the veteran will be forgiven any interest due upon money borrowed upon his certificate since October 1, 1931. Congress authorized loans not to exceed 50 percent. Only approximately 1 percent of the interest has been paid.

Opponents of the veterans charge that this interest should not be canceled. However, the fair-minded citizen will, in my opinion, agree that there is force in the contention of the veteran that this bonus should have been paid November 11, 1918, and that he should not be charged interest upon money which should have been paid to him the day of the armistice. The opponents of the veterans, however, assert that no bonus should have ever been paid. Consider the compensation of the veteran, amounting to $30 per month. Out of this he was forced to send $15 to his dependents. He was practically forced to take out life insurance, for which he was charged $6.60 per month. He was forced to purchase Liberty bonds, for which an amount was deducted from his compensation. With what remained of his $30 he was supposed to have a good time. He was good natured about it. Upon his return, he agreed with much of the statement so often made, that the services of those who remained at home was essential to maintain an army at the front. But then he learned what had been paid for the services of those at home. He saw the compensation of the railroad companies adjusted. He saw adjusted the compensation of the contractors, who worked upon a cost-plus basis. He saw the civilian employees of the Government enjoying a bonus of $240 per year. He learned of the wages that had been received by workmen at the camps and in the shipyards, and the profits of those who were upon the farms during the war. He then concluded, and the Congress of the United States concluded, that he was entitled to a bonus.

At the close of the Revolutionary War George Washington was offered and accepted a bonus in land. Abraham Lincoln accepted a bonus. They were not ashamed to accept it, and the veterans of the United States armed forces during the World War are not ashamed to accept it.

It is said now that the mistake was made when the bonus was not paid in cash. I agree. But that was not the fault of the veteran. Critics say that when we gave them the adjusted-compensation certificates payable in 1945, it was a contract and the veteran should not violate the contract. A contract must be mutually agreed to. There was no agreement on the part of the veteran about the adjusted-compensation certificates. Congress passed the law and the veteran could take it or leave it. That is not the spirit of a contract.

When this bill is finally acted upon it is to be expected that some veterans will want their bonds the next morning. The friends of the veterans must explain to them that these bonds cannot be issued before June 15, 1936. When the original adjusted-compensation certificates were authorized by Congress in March 1924 the law provided that the certificates be issued as of January 1, 1925, because it was recognized that it would take months to prepare and issue the certificates. The accounts of 3,750,000 veterans must be credited with the interest which is canceled. Then the amount due each veteran must be determined. An application blank must be mailed to the veteran and returned by him. Approximately 35,000,000 bonds must be printed, and checks for the odd amounts must be drawn. All of this cannot be done before June 15. The veteran must be patient. After all, he must remember that June 15, 1936, is almost 9 years earlier than January 1, 1945, the date he would have received payment for his certificate.

The overwhelming vote of the Senate and House clearly represents the sentiment of the people of the United States that this question should be disposed of. The bill that is now about to become law disposes of it in an intelligent and just way, giving to the veteran an obligation of the Government which he can cash at any time but which it is to his interest to hold. It involves no charge upon the Treasury for a new venture or new activity. It involves the issuance of one obligation of the Government as a substitute for another obligation of the Government.

The enactment of this bill into law will do justice to the veterans of the World War and will cause them to feel that the sacrifices they willingly made are appreciated by the American people.

REDUCTION OF TRAFFIC ACCIDENTS

Mr. VANDENBERG. Mr. President, the Automobile Manufacturers Association of the United States is today proposing a broad program of attack upon the traffic hazards of the country. I ask that its statement be printed in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

NEW YORK, January 21.—A Nation-wide effort to reduce traffic accidents in 1936, by uniting all branches of the motor industry with nationally recognized safety agencies in a coordinated working program was announced today by Alvan Macauley, president of the Automobile Manufacturers Association.

Definitely stamping highway safety as a localized problem, the campaign will have State and community appeal as the primary approach. To that end, the entire motor industry is underwriting the cost of specific projects to be sponsored by the cooperating organizations, which will provide additional impetus to their present safety activities.

ATTACK PROBLEM ON BROAD FRONT

New and supplementary activities include the stimulation of intercity safety contests, renewal of public-school safety essay and safety lesson contests, expansion of schoolboy patrol and high-school driver training work, vigorous support for law enforcement, dissemination of films, literature, and educational material in a wide range of contacts with State and local civic and fraternal groups, assistance in the training of traffic-control personnel and more effective cooperation with all agencies concerned through automobile dealers and car owners.

Paul G. Hoffman, chairman of the safety traffic committee of the Automobile Manufacturers Association, which formulated details of the broad program said that "the primary responsibility for highway safety belongs with the public officials, who are charged with the duty of building and maintaining the facilities and controlling their use." He pointed out that the chief function of private groups who represent organized public sentiment is to support the official agencies with a broad, vigorous program of public education.

ALL BRANCHES OF AUTOMOTIVE INDUSTRY UNITED

All members of the industry, including automobiles, truck, parts, and accessory makers, finance companies, and rubber manufacturers have joined in "the most comprehensive, cooperative educational program for greater safety on our streets and highways that has yet been attempted by the industry", Mr. Macauley stated.

Officials of such outstanding organizations as the following have pledged their utmost efforts in this cooperative expansion of safety education, Mr. Macauley announced: American Association of Motor Vehicle Administrators; American Association of State Highway Officials; American Automobile Association; American Legion; General Federation of Women's Clubs; Highway Education Board; International Association of Police Chiefs; National Bureau of Surety & Casualty Underwriters; National Congress of Parents and Teachers; National Grange; National Safety Council; United States Bureau of Public Roads; United States Department of Commerce; United States Office of Education.

CONTINUING CAMPAIGN VITAL

"The motor industry is keenly aware of the futility of sporadic attacks on the driver accident problem", said Mr. Macauley. "Such attacks emphasizing the morbidity and horror aspects are not effective. In fact, we are inclined to believe that they may actually add to the hazards of the situation.

"Motor manufacturers and allied interests have devoted a great deal of time and money to the safety problem. Individually, car makers have put their best efforts into building the safest possible vehicle and will continue to do so. Millions of publications have been distributed, safety films presented, and free vehicle inspections offered. Collectively, among other things, we have sponsored safety essay and lesson contests in schools, with the assistance of interested public officials. We have participated in the development of uniform traffic laws. It is apparent, however, that all concerned must redouble their efforts. Greater safety can only be achieved through concentration on all known methods of relief."

STATEMENT OF POLICY FORMULATED

Recognizing the need for sound guiding principles, the organized automobile industry some time ago crystallized its past policies by the adoption of a definite safety platform.

"This is more than a statement of policies, it is a working guide", said Mr. Macauley. "Some phases of this platform were put into effect with the industry's $54,000 grant to Harvard University for carrying on research activities, training of traffic-control personnel, and other functions of the Bureau for Street Traffic Research."

Mr. Hoffman pointed out that detailed plans of individual organizations would be announced as they complete their arrangements. They will initiate and carry out projects on their own responsibility, he said:

"At the same time, we are expanding the scope of safety activities of the Automobile Manufacturers Association", said Mr. Hoffman. "Through dealers and related groups of the industry we hope to deal constructively with this difficult problem."

Members of the Safety Traffic Committee of the Automobile Manufacturers Association, responsible for the industry's broadened activity include: Mr. Hoffman, president of the Studebaker Corporation, as chairman; Lee J. Eastman, vice president, Packard Motor Car Co.; R. P. Fohey, secretary, Chrysler Corporation; Paul W. Garrett, director of public relations, General Motors Corporation; R. P. Page, Jr., president, the Autocar Co.; Alfred Reeves, vice president and general manager, Automobile Manufacturers Association; and Norman Damon, manager of the safety divison of the association.

The safety platform, adopted a few months ago, which is given full force and effect by the latest action, follows:

1. We will continue to build vehicles with every safety factor which intensive research and engineering ingenuity makes available.
2. We will merchandise our product under circumstances which emphasize the importance of safe construction, safe maintenance, and safe use.
3. We will assist our dealers in keeping a constructive safety message before their customers and their communities.
4. We will encourage our dealers and service organizations to deliver cars, new or old, in safe driving condition, and only to persons legally entitled to use the public highways.
5. We will continue to support a sound, scientific approach to a solution of the traffic problem, believing that the same methods which have given America safe cars will protect their safe use.
6. We will work for highways of the highest quality, consistent with traffic needs, and best adjusted to the safe use of the modern vehicle.
7. We will aid in the development and application of sound traffic regulations designed to gain maximum safety from existing streets and highways.
8. We will aid the school system in protecting the young and in developing good citizens conscious of their highway duties.
9. We will assist sound educational efforts through our own channels and through cooperation with other recognized safety educational agencies working for greater safety, economy, and happiness in the use of the public highways.
10. We will cooperate with the police departments and other enforcement agencies in a vigorous selective program of traffic-law enforcement designed to remove the reckless from the highways, to curb the careless, and to protect the right of the good citizen to use the highways safely and free from molestation.

JUSTICE ROBERTS AND JUSTICE STONE

Mr. NORRIS. Mr. President, I ask unanimous consent to have printed in the RECORD an article appearing in the New Republic of January 22, 1936, by John T. Flynn, entitled "Justice Roberts and Justice Stone", together with the editorial note.

There being no objection, the article was ordered to be printed in the RECORD, as follows:



[From the New Republic of Jan. 22, 1936]

JUSTICE ROBERTS AND JUSTICE STONE

(The following article, which takes the place of Mr. Flynn's regular department for this week, is based upon the opinion and the dissenting opinion of the Supreme Court in the A. A. A. case. The dialog reproduces faithfully, for the most part, the precise words of the two opinions; a few minor changes of a word or a phrase have been made to adapt the material to this form or to shorten it. The spectator's inquiry is introduced to clarify the obscure language of the Court on two occasions. The object of the article is to render plain and make readily available the heart of this epoch-making decision.—THE EDITORS.)

Mr. Justice ROBERTS. The Government contends that under article I, section 8, of the Constitution the Congress has the power to levy this tax (a tax on processors of farm products to pay benefits to the farmers). The clause which the Government thinks authorizes the legislation—the first clause—confers upon Congress the power "to lay and collect taxes, duties, imposts, and excises to pay the debts and provide for the common defense and promote the general welfare of the United States."

Now, as we see it, this is the great and controlling question in this case. And we approach its decision with a sense of our deep responsibility to render judgment in accordance established for the governance of all three branches of the Government.

(Observing a deprecatory grimace on the face of Mr. Justice Brandeis:)

No misunderstanding, please! We know it is sometimes said (with a glance toward Mr. Brandeis) that the Court assumes a power to overrule or control the action of the people's representatives. This is a misconception. When an act of Congress is challenged in the courts as not conforming to the constitutional mandate, the judicial branch of the Government has only one duty—to ascertain and declare whether the legislation is in accordance with or in contravention of the Constitution.

Mr. Justice STONE. True. But while the unconstitutional exercise of power by the executive and legislative branches of the Government is subject to judicial restraint, the only restraint upon our own exercise of power is our own sense of self-restraint. For the removal of unwise laws from the statute books appeal lies not to the courts but to the ballot and the processes of democratic government. (Tense silence.)

Justice ROBERTS. Let us get on!

Hamilton maintained that the taxing and general-welfare clause confers a power separate and distinct from those later enumerated, that Congress has the power to tax and appropriate limited only by the requirement that it shall be exercised to provide for the general welfare of the United States. This Court agrees with this.

Justice STONE. Well, with the present depressed state of agriculture, which is Nation-wide, there is certainly no basis for saying that the expenditure of public money in aid of farmers is not within the specific grant of power to Congress to levy taxes "to provide for the general welfare", is there?

Justice ROBERTS. We are not now required to ascertain whether an appropriation in aid of agriculture falls within this grant of power.

Justice STONE. Then you don't decide on that point?

Justice ROBERTS. No; we do not.

Justice STONE. Then it is not denied that Congress in aid of the general welfare may make an appropriation in aid of agriculture?

Justice ROBERTS. We neither affirm nor deny.

Justice STONE. Then on what ground do you outlaw the tax?

Justice ROBERTS. There is a difference, let me remind my learned colleague, between making an appropriation "in aid of agriculture" and adopting a plan—of which the tax is merely a part—to regulate agriculture. The right to regulate agriculture is reserved to the States. It was never granted to the Federal Government. That being so, it is an established principle that the attainment of a prohibited end may not be accomplished under the pretext of the exertion of powers which are granted.

The power of taxation, which is expressly granted, may, of course, be adopted as a means to carry into operation another power also expressly granted. But resort to the taxing power to effectuate an end which is not within the scope of the Constitution is obviously inadmissible. This Court has held this over and over since Marshall laid it down in *McCulloch* v. *Maryland*. Therefore the taxing power may not be used to enforce a regulation of matters of State concern, with respect to which the Congress has no authority to interfere.

Justice STONE. But how is Congress regulating agriculture here?

Justice ROBERTS. Not having the power to regulate agriculture, Congress undertakes to purchase that power by paying benefits to farmers for compliance which Congress is powerless to command. Congress has no power to enforce its commands on the farmer to the ends sought by the Agricultural Adjustment Act. It must follow that it may not indirectly accomplish those ends by taxing and spending to purchase compliance.

Justice STONE. But the farmer is placed under no legal compulsion to reduce acreage.

Justice ROBERTS. That's what the Government contends, that its end is accomplished by voluntary cooperation. But it is not in fact voluntary. The farmer, of course, may refuse to comply, but the price of refusal is the loss of benefits. The amount offered is intended to be sufficient to exert pressure on him to agree to the proposed regulation.

Justice STONE. But it is threat of loss, not hope of gain, which is the essence of economic coercion.

Justice ROBERTS. The power to confer or withhold unlimited benefits is the power to coerce or destroy. If the cotton grower elects not to accept the benefits, he will receive less for his crops. Those who receive payments may be able to undersell him. The result may well be financial ruin.

Justice STONE. There is nothing to indicate that those who accepted benefits were impelled by fear of lower prices. After all, look at what actually happened. Fourteen percent of all acreage of cotton land—6,343,000 acres—refused to participate the first year and 6 percent the second. One-third of all the cotton farms in 1934 and 13 percent in 1935 did not participate.

Justice ROBERTS. The coercive purpose of the A. A. A. is not obscured by the fact that it is not perfectly successful.

Justice STONE. Well, the suggestion of coercion finds no support in the record or in the data showing the actual operation of the act. The presumption of constitutionality is not to be overturned by an assertion of its coercive effect which rests on nothing more substantial than groundless speculation.

The Constitution requires that public funds shall be spent for a defined purpose—the promotion of the general welfare. Their expenditure usually involves payment on terms which will ensure use by the recipients within the limits of the constitutional purpose. Expenditures would fail of their purpose and thus lose their constitutional sanction if the terms of payment were not such that by their influence on the action of the recipients the permitted end would be attained.

A SPECTATOR. Whoa there, Mr. Justice! Let me see if I get that. To achieve the general welfare the funds raised must be paid out by the Government to individuals, and those individuals must use the money for the purpose intended by Congress. Unless the money is spent for that purpose, the constitutional objective—the general welfare—will not be attained. Hence payments are usually made upon condition that they will be used as intended or they will lose their constitutional sanction. Therefore, payments are usually conditional.

Justice STONE. Quite right. Thank you for the translation.

Justice ROBERTS. Of course, I know it is contended that much of the total expenditure by Congress is made by appropriating money to executive officers to be spent under contracts between the Government and the individuals. But appropriation and expenditures under contracts for proper governmental purposes cannot justify contracts which are not within the Federal power.

A SPECTATOR. Pardon me, Mr. Justice Roberts. Do I understand your contention to be this: That Congress may tax and spend on declared purposes for the general welfare? And that these purposes may not be within the powers of the Federal Government under any of its special grants of power? But that if conditions are annexed to the payments of money, they must be for performance in a field over which Congress has control?

Justice ROBERTS. Precisely. And contracts for the reduction of acreage and the control of production are outside the range of that power. The Congress cannot invade State jurisdiction to compel individual action; no more can it purchase such action.

Justice STONE. Mere annexing of a condition to a payment of money by the Government cannot be called usurping regulation. The power of Congress to spend is inseparable from persuasion to action over which Congress has no control. Congress may not command that the science of agriculture be taught in the State universities. But if it would aid the teaching of that science by grants to State institutions, it is appropriate, if not necessary, that the grant be on the condition, incorporated in the Morrill Act (12 Stat. 593), that it be used for the purpose intended.

"Let the end be legitimate," said the great Chief Justice Marshall. "Let it be within the scope of the Constitution and all means which are appropriate, which are plainly adapted to that end, which are not prohibited but consistent with the letter and spirit of the Constitution, are constitutional." This cardinal guide to constitutional exposition must now be rephrased so far as the spending power of the Federal Government is concerned.

Let the expenditure be to promote the general welfare still, if it is needful in order to insure its use for the intended purpose to influence any action which Congress cannot command because within the sphere of State government, the expenditure is unconstitutional.

Congress through the Interstate Commerce Commission has set aside intrastate railroad rates. It has made and destroyed intrastate industries by raising or lowering tariffs. These results are said to be permissible because they are incidents of the commerce power and the power to levy duties on imports. The only conclusion to be drawn is that results become lawful when incident to the similarly granted power to tax and spend.

The limitation now sanctioned must lead to absurd consequences. The Government may give seeds to farmers, but may not condition the gift upon their being planted in places where they are most needed, or even planted at all.

The Government may give money to the unemployed, but may not ask that those who get shall give labor in return, or even use it to support their families. It may give money to sufferers from earthquake, fire, tornado, pestilence, or flood, but may not impose conditions—health precautions designed to prevent the spread of disease or induce the movement of population to safer or more sanitary areas.

The Government may spend its money for vocational rehabilitation, but it may not, with the consent of all concerned, supervise the process which it undertakes to aid. It may spend its

money for the suppression of the boll weevil, but may not compensate the farmers for suspending the growth of cotton in the infected areas.

It may support rural schools, but may not condition its grant by the requirement that certain standards be maintained. It may appropriate moneys to be expended by the Reconstruction Finance Corporation "to aid in financing agriculture, commerce, and industry" and to facilitate "the exportation of agriculture and other products."

Do all its activities collapse because, in order to effect the permissible purpose, in myriad ways the money is paid out upon terms and conditions which influence action of the recipients within the State, which Congress cannot command? The answer would seem plain. If the expenditure is for a national public purpose, that purpose will not be thwarted because payment is on condition which will advance that purpose.

Justice ROBERTS. We are referred to numerous types of Federal appropriations which have been made in the past and it is asserted no question has been raised to their validity. We need not stop to examine or consider them. As was said in *Massachusetts* v. *Mellon*, "as an examination of the acts of Congress will disclose, a large number of statutes appropriating or involving the expenditure of moneys for Federal purposes have been enacted and carried into effect." As the opinion points out, such expenditures have not been challenged because no remedy was open for testing their constitutionality in the courts.

But we are not here concerned with conditional appropriations. * * * By the A. A. A. the amount of the tax is expended only in payment under contracts whereby the parties bind themselves to regulation by the Federal Government. There is an obvious difference between a statute stating the conditions upon which moneys shall be expended and one expended only upon assumption of a contractual obligation to submit to a regulation which otherwise could not be enforced.

Justice STONE. The action which Congress induces by payments of money to promote the general welfare, but which it does not command or coerce, is but an incident to a specifically granted power, but a permissible means to a legitimate end. If appropriation in aid of a program of curtailment of agricultural production is constitutional, and it is not denied that it is, payment to farmers on condition that they reduce their crop acreage is constitutional. It is not any the less so because the farmer at his own option promises to fulfill the condition.

Justice ROBERTS. If the act before us is a proper exercise of the taxing power, then the regulation of all industry throughout the United States may be accomplished by similar exercises of the same power.

A possible result of sustaining the claimed Federal power would be that every business group which thought itself underprivileged might demand that a tax be laid on its vendors or vendees, the proceeds to be appropriated to the redress of its deficiency of income.

The expressions of the framers of the Constitution and the great commentators will be searched in vain for any suggestion that there exists in the Constitution the authority whereby every fair implication from that instrument may be subverted, the independence of the individual States obliterated, and the United States converted into a central government exercising uncontrolled police power, superseding all local control or regulation of the affairs of the States.

Justice STONE. That argument—that the power of Congress must be curtailed by judicial fiat because it may be abused by unwise use—hardly rises to the dignity of an argument. [Looking fixedly at Mr. Justice Roberts.] So may judicial power be abused.

Justice ROBERTS. Strange, it seems never to have occurred to the framers of the Constitution that the general welfare of the United States (which has aptly been termed an indestructible union of indestructible states) might be served by obliterating the constituent members of the Union.

Justice STONE. A tortured construction is not to be justified by recourse to extreme examples of reckless congressional spending which might occur if courts could not prevent expenditures which, even if they could be thought to effect any national purpose, would be possible only by action of a legislature lost to all sense of public responsibility. Such suppositions must leave unmoved any but the mind accustomed to believe that it is the business of courts to sit in judgment on the wisdom of legislative action.

Courts are not the only agency of government that must be assumed to have capacity to govern. Congress and the courts both unhappily may falter or be mistaken in the performance of their constitutional duty. But interpretation of our great charter of government which proceeds on any assumption that the responsibility for the preservation of our institutions is the exclusive concern of any one of the three branches of the Government, or that it alone can save them from destruction, is far more likely, in the long run, "to obliterate the constituent members" of "an indestructible union of indestructible States" than the frank recognition that language even of a Constitution may mean what it says: That the power to tax and spend includes the power to relieve a Nation-wide economic maladjustment by conditional gifts of money.

JOHN T. FLYNN.

OLD DEAL AGAINST NEW DEAL

Mr. ROBINSON. Mr. President, I ask leave to have printed in the RECORD a comparative statement published in the Philadelphia Record under date of January 21, 1936, having relation to labor, agriculture, industry, commerce, securities, and public utilities in certain periods embraced in what are known as the Old Deal and the New Deal.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Record of Jan. 21, 1936]

Last 3 years of the Old Deal compared with first 3 years of the New Deal

OLD DEAL					NEW DEAL				
					Labor				
Unemployment	Apr.	1, 1930	3,188,000		Unemployment	Apr.	1, 1933	13,178,000	
	Apr.	1, 1933	13,178,000	Advance 313%		Dec.	1, 1935	9,177,000	Decline 30%
					Agriculture				
Cotton	Mar.	1, 1930	15.10 cents per pound		Cotton	Mar.	1, 1933	5.90 cents per pound	
	Mar.	1, 1933	5.90 cents per pound	Decline 61%		Jan.	1, 1936	11.35 cents per pound	Advance 92%
Wheat	Mar.	1, 1930	$1.16 per bushel		Wheat	Mar.	1, 1933	48 cents per bushel	
	Mar.	1, 1933	48 cents per bushel	Decline 59%		Jan.	1, 1936	101.5 cents per bushel	Advance 111%
Corn	Mar.	1, 1930	68.40 cents per bushel		Corn	Mar.	1, 1933	24.12 cents per bushel	
	Mar.	1, 1933	24.12 cents per bushel	Decline 73%		Jan.	1, 1936	60.87 cents per bushel	Advance 152%
					Industry				
Industrial production	Jan.	1, 1930	110.4		Industrial production	Jan.	1, 1933	61.4	
(Index: 1926=100%)	Jan.	1, 1933	61.4	Decline 44%	(Index: 1926=100%)	Jan.	1, 1936	92.9	Advance 51%
Steel production	Jan.	1, 1930	2,903,012 gross tons		Steel production	Jan.	1, 1933	861,034 gross tons	
(Month ending)	Jan.	1, 1933	861,034 gross tons	Decline 70%	(Month ending)	Jan.	1, 1936	3,081,000 gross tons	Advance 257%
Auto registration	Jan.	1, 1930	161,830 units		Auto registration	Jan.	1, 1933	55,105 units	
(Month ending)	Jan.	1, 1933	55,105 units	Decline 66%	(Month ending)	Jan.	1, 1936	235,000 units	Advance 326%
					Commerce				
Wholesale prices	Jan.	1, 1930	92.5		Wholesale prices	Jan.	1, 1933	61.0	
(Index: 1926=100%)	Jan.	1, 1933	61.0	Decline 34%	(Index: 1926=100%)	Jan.	1, 1936	81.0	Advance 33%
Total exports	Jan.	1, 1930	$3,843,000,000		Total exports	Jan.	1, 1933	$1,675,000,000	
(Year ending)	Jan.	1, 1933	$1,675,000,000	Decline 56%	(Year ending)	Dec.	1, 1935	$2,228,000,000	Advance 33%
Total imports	Jan.	1, 1930	$3,061,000,000		Total imports	Jan.	1, 1933	$1,450,000,000	
(Year ending)	Jan.	1, 1933	$1,450,000,000	Decline 52%	(Year ending)	Dec.	1, 1935	$1,993,000,000	Advance 37%
					Securities				
Listed stocks	Mar.	1, 1930	60.52		Listed stocks	Mar.	1, 1933	15.20	
(Average)	Mar.	1, 1933	15.20	Decline 75%	(Average)	Jan.	1, 1936	35.62	Advance 134%
Listed bonds	Mar.	1, 1930	96.19		Listed bonds	Mar.	1, 1933	74.89	
(Average)	Mar.	1, 1933	74.89	Decline 22%	(Average)	Jan.	1, 1936	91.55	Advance 22%
					Public utilities				
Power production (Month ended)	Jan.	1, 1930	7.87 billion kilowatt-hours		Power production (Month ended)	Jan.	1, 1933	7.14 billion kilowatt-hours	
Power production (Month ended)	Jan.	1, 1933	7.14 billion kilowatt-hours	Decline 9%	Power production (Month ended)	Jan.	1, 1936	8.50 billion kilowatt-hours	Advance 19%

To eliminate seasonal differences where they are a factor, the corresponding months in calendar years are used

TARIFF RATES UNDER RECIPROCAL TRADE TREATIES

Mr. DICKINSON. Mr. President, I ask unanimous consent to have printed in the RECORD a statement giving a comparison of the rates in effect under the previous tariffs with those in effect under the various reciprocal-trade agreements entered into by the United States with other nations.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

SCHEDULE 1. CHEMICALS, OILS, AND PAINTS

Paragraph	Article	Rates of duty: Old rate	Rates of duty: New rate	Country
1	Acetic acid containing by weight more than 65 percent acetic acid	2 cents per pound	1¼ cents per pound	Canada.
2	Vinyl acetate and synthetic resins made in chief value therefrom	6 cents per pound+30 per cent.	3 cents per pound+15 per cent.	Do.
4	Amyl alcohol	6 cents per pound	4 cents per pound	Netherlands.
4	Fusel oil	do	do	Do.
5	Laundry sour	25 percent	15 percent	Do.
5	Ammonium silicofluoride	do	do	Do.
5, 23	Haarlem oil	do	do	Do.
6	Aluminum sulphate	0.2 cent or 0.375 cent per pound.	0.2 cent per pound	Belgium.
10	Copaiba balsam, natural and uncompounded, and not containing alcohol (ad valorem).	10 percent	5 percent	Brazil.
10	Tolu balsam, natural and uncompounded, and not containing alcohol (ad valorem).	do	do	Colombia.
10	Balsams, not specially provided for, natural and uncompounded, and not containing alcohol.	do	5 percent ad valorem	Honduras.
15	Caffeine	$1.25 per pound	90 cents per pound	Netherlands.
15	Theobromine	75 cents per pound	65 cents per pound	Do.
20	Chalk or whiting or paris white:			
	Dry, ground, or bolted	0.4 cent per pound	0.2 cent per pound	
	Ground in oil (putty)	0.75 cent per pound	0.5 cent per pound	Belgium.
24	Flavoring extracts containing more than 50 percent alcohol	80 cents per pound+25 per cent.	60 cents per pound+18 per cent.	Netherlands.
24	Flavoring extracts, and natural or synthetic fruit flavors, fruit esters, oils, and essences, all the foregoing and their combinations, containing more than 20 percent and not more than 50 percent of alcohol.	40 cents per pound and 25 percent ad valorem.	30 cents per pound and 18 percent ad valorem.	Belgium.
27	Naphthalene which after the removal of all water present has a solidifying point of 79° C. or above.	7 cents per pound and 40 percent ad valorem.	3.5 cents per pound and 20 percent ad valorem.	Do.
29	Cobalt oxide	20 cents per pound	10 cents per pound	Canada.
29	Cobalt sulphate	10 cents per pound	5 cents per pound	Belgium.
32	Vulcanized fiber	30 per cent ad valorem	20 percent ad valorem	Sweden.
35	Ipecac natural and uncompounded, but advanced in value or condition by shredding, grinding, chipping, crushing, or any other process or treatment whatever beyond that essential to proper packing and the prevention of decay or deterioration pending manufacture, not containing alcohol.	10 percent ad valorem	5 percent ad valorem	Brazil.
35	Ipecac, natural and uncompounded, but advanced in value or condition by shredding, grinding, chipping, crushing, or any other process or treatment whatever beyond that essential to proper packing and the prevention of decay or deterioration pending manufacture, and not containing alcohol.	10 percent ad valorem	5 percent ad valorem	Colombia.
35	Maté, natural and uncompounded, but advanced in value or condition by shredding, grinding, chipping, crushing, or any other process or treatment whatever beyond that essential to proper packing and the prevention of decay or deterioration pending manufacture, not containing alcohol.	do	do	Brazil.
37	Amyl acetate	7 cents per pound	4 cents per pound	Netherlands.
41	Edible gelatin valued under 40 cents per pound	5 cents per pound+12 per cent.	2½ cents per pound+12 per cent.	Do.
42	Glycerin, crude	$0.008 per pound	$0.004 per pound	Cuba.
42	Refined glycerin (⅜ cent per pound differential over 1-cent rate on crude glycerin guaranteed).	2 cents per pound	1½ cents per pound	Netherlands.
52	Sperm oil, crude	5 cents per gallon [1]	2½ cents per gallon	Canada.
58	Distilled or essential grapefruit oil	20 percent	10 percent ad valorem	Cuba.
58	Cajeput oil	25 percent	12½ percent	Netherlands.
71	Acetylene black	20 percent	15 percent	Canada.
72	Lead pigments: White lead	2.5 cents per pound	2.1 cents per pound	Belgium
77	Lithopone containing less than 30 percent of zinc sulphide	1¾ cents per pound	1½ cents per pound	Netherlands.
81	Sodium phosphate (except pyro phosphate):			
	Containing by weight less than 45 percent of water	1.5 cents per pound	1 cent per pound	Belgium.
	Not specially provided for	0.75 cent per pound	0.5 cent per pound	Do.
83	Potato starch	2½ cents per pound	1¾ cents per pound	Netherlands.
84	Dextrine made from potato starch or potato flour	3 cents per pound	2¼ cents per pound	Do.

SCHEDULE 2. EARTHS, EARTHENWARE, AND GLASSWARE

201 (a)	Firebrick, not specially provided for	25 percent	15 percent	Canada.
202 a)	Cement floor and wall tiles:			
	Valued at not more than 40 cents per square foot	$0.08 per square foot, but not less than 40 percent nor more than 56 per cent ad valorem.	$0.04 per square foot, but not less than 20 percent nor more than 28 percent ad valorem.	Cuba.
	Valued at more than 40 cents per square foot	48 per cent ad valorem	24 percent ad valorem	Do.
203	Lime, hydrated	12 cents per 100 pounds	8 cents per 100 pounds	Canada.
203	Lime, not specially provided for	10 cents per 100 pounds	7 cents per 100 pounds	Do.
203	Limestone, not suitable for monumental or building stone, crude	5 cents per 100 pounds	2½ cents per 100 pounds	Do.
205 (b)	Roman, portland, and other hydraulic cement or cement clinker	6 cents per 100 pounds, including weight of container.	4.5 cents per 100 pounds, including weight of container.	Belgium.
207	Feldspar, crude	50 cents per long ton [2]	35 cents per long ton	Canada.
207	Sand containing 95 percent or more of silica and not more than 9/16 of 1 percent of oxide of iron and suitable for use in the manufacture of glass.	$2 per ton	$1 per ton	Belgium.
209	Talc, steatite or soapstone, ground, etc. (except toilet preparations), valued not over $12.50 per long ton.	35 percent	25 percent	Canada.
214	Dead-burned basic refractory material containing 6 percent or more of lime and consisting chiefly of magnesia and lime.	30 percent	27½ percent	Do.
218 (f)	Engraved ornamental glassware valued over $8 per piece	60 percent ad valorem	30 percent ad valorem	Sweden.
220	Laminated glass composed of layers of glass and other material or materials, and manufactures wholly or in chief value of such glass.	do	45 percent ad valorem	Belgium.
222 (a)	Plate glass, by whatever process made: Not exceeding 384 square inches	12.5 cents per square foot	8.3 cents per square foot	Do.
222 (a)	Plate glass, by whatever process made:			
	Above that, and not exceeding 720 square inches	17 cents per square foot	11.3 cents per square foot	Do.
	Above that, and not exceeding 1,008 square inches	17.5 cents per square foot	11.7 cents per square foot	Do.
	All above that	19.75 cents per square foot	13.2 cents per square foot	Do.
	Provided, that none of the foregoing measuring one-half inch or over in thickness shall be subject to a less rate of duty than.	50 percent ad valorem	50 percent ad valorem	Do.
222 (b)	Plate glass containing a wire netting within itself:			
	Not exceeding 384 square inches	15 cents per square foot	10 cents per square foot	Do.
	Above that, and not exceeding 720 square inches	20 cents per square foot	13.2 cents per square foot	Do.
	All above that	23 cents per square foot	15.3 cents per square foot	Do.

[See footnotes at end of table]

SCHEDULE 2. EARTHS, EARTHENWARE, AND GLASSWARE—continued

Paragraph	Article	Rates of duty		Country
		Old rate	New rate	
222 (d)	Rolled, cylinder, crown, and sheet glass, not plate glass, if ground wholly or in part (whether or not polished), otherwise than for the purpose of ornamentation, or if ¼ of 1 inch or more in thickness and obscured by coloring prior to solidification.	Subject to specific duties in 222 (a) or (b) above.	Subject to specific duties in 222 (a) or (b) above.	Do.
	Provided, That none of the foregoing measuring ⅛ inch or more in thickness and not containing a wire netting within itself shall be subject to less than the following rates of duty:			
	If ground wholly or in part (whether or not polished) otherwise than for the purpose of ornamentation.	50 percent ad valorem	50 percent ad valorem	Do.
	If not ground wholly or in part	do	40 percent ad valorem	Do.
226	Lighthouse lenses	40 percent ad valorem, 35 percent ad valorem+10 cents per dozen pairs.	25 percent ad valorem, but not less than 17½ percent ad valorem+5 cents per dozen pairs.	Sweden.
231	Opal, enamel or cylinder glass tiles and tiling	40 percent ad valorem	30 percent ad valorem	Belgium.
234 (a)	Granite paving blocks	60 percent ad valorem	40 percent ad valorem	Sweden.
234 (a)	Granite, unmanufactured	25 cents per cubic foot	20 cents per cubic foot	Do.

SCHEDULE 3. METALS AND MANUFACTURES OF

301	Sponge iron	$2.25 per ton	$1.25 per ton	Sweden.
302 (a)	Manganese ore (including ferruginous manganese ore) or concentrates, and manganiferous iron ore, all the foregoing containing in excess of 10 percent of metallic manganese (per pound on the metallic manganese contained therein).	1 cent per pound	½ cent per pound	Brazil.
302 (d)	Ferromanganese, containing not less than 4 percent carbon on manganese content.	1⅞ cents per pound	1⅝ cents per pound [3]	Canada.
302 (i)	Ferrosilicon, containing at least 8 percent but less than 30 percent of silicon.	2 cents per pound on silicon content.	1½ cents per pound silicon content.	Do.
302 (k)	High-carbon ferrochrome	2½ cents per pound on chromium content.	1¼ cents per pound on chromium content.	Sweden.
302 (k)	Low-carbon ferrochrome and chromium metal	30 percent ad valorem	25 percent ad valorem	Do.
302 (m)	Ferrotitanium, ferrovanadium, and ferrouranium	25 percent	15 percent	Canada.
303	Muck bars valued above 2½ cents per pound	0.8 cent, 1.0 cent, and 1.5 cents per pound.	0.5 cent, 0.8 cent, and 1.0 cent per pound.	Sweden.
303	Muck bars, pieces thereof except crop ends, bar iron, and round iron in coils or rods, iron in slabs, blooms, loops, or other forms less finished than iron in bars and more advanced than pig iron, except castings; all the foregoing valued at not above 1½ cents per pound.	0.3 cent per pound	0.25 cent per pound	Belgium.
304	Steel ingots, cogged ingots, blooms and slabs, by whatever process made; billets and bars, whether solid or hollow, weighing more than 30 pounds per linear foot:			
	Valued at not above 1½ cents per pound	0.3 cent per pound	0.25 cent per pound	Do.
	Valued above 1½ cents and not above 2½ cents per pound	0.5 cent per pound	0.375 cent per pound	Do.
304	Billets and bars, whether solid or hollow, weighing not more than 30 pounds per linear foot, and concrete reinforcement bars:			
	Valued at not above 1½ cents per pound	0.3 cent per pound	0.25 cent per pound	Do.
	Valued above 1½ cents and not above 2½ cents per pound	0.5 cent per pound	0.4 cent per pound	Do.
304	Unfinished steel, steel bars, sheets, and slabs valued 2½–8 cents per pound	0.8, 1.0, and 1.7 cents per pound.	20 percent ad valorem	Sweden.
304	Die blocks or blanks; shafting; pressed, sheared, or stamped shapes, not advanced in value or condition by any process or operation subsequent to the process of stamping; hammer molds or swaged steel; gun-barrel molds not in bars; all descriptions and shapes of dry sand, loam, or iron molded steel castings; sheets and plates and steel not specially provided for; all the foregoing:			
	Valued at not above 1½ cents per pound	0.3 cent per pound	0.25 cent per pound	Belgium.
	Valued above 1½ and not above 2½ cents per pound	0.5 cent per pound	0.4 cent per pound	Do.
305 (1)	Alloy steels valued over 3½ and not over 8 cents per pound (supplemental rates on alloy steels in specified paragraphs).	8 percent ad valorem additional duty on total value of alloy steel plus specific rates on alloy contents.	4 percent additional duty on total value of alloy steel plus present specific rates on alloy contents.	Sweden.
307	Boiler or other plate iron or steel, except crucible plate steel and saw plate steel, not thinner than 109/1000ths of 1 inch, cut or sheared to shape or otherwise, or unsheared, and skelp iron or steel sheared or rolled in grooves, valued at not above 3 cents per pound.	0.5 cent per pound	0.35 cent per pound	Belgium.
308	Sheets of iron or steel, common or black, of whatever dimensions, and skelp iron or steel, valued at 3 cents per pound or less:			
	Thinner than 109/1000ths and not thinner than 38/1000ths of 1 inch	0.45 cent per pound	0.35 cent per pound	Do.
	Thinner than 38/1000ths and not thinner than 22/1000ths of 1 inch	0.55 cent per pound	0.45 cent per pound	Do.
	Thinner than 22/1000ths and not thinner than 10/1000ths of 1 inch	0.75 cent per pound	0.60 cent per pound	Do.
	Thinner than 10/1000ths of 1 inch	0.85 cent per pound	0.70 cent per pound	Do.
	Corrugated or crimped	0.75 cent per pound	0.60 cent per pound	Do.
312	Beams, girders, joists, angles, channels, car-truck channels, tees, columns and posts, or parts or sections of columns and posts, and deck and bulb beams, together with all other structural shapes of iron or steel; any of the foregoing machined, drilled, punched, assembled, fitted, fabricated for use, or otherwise advanced beyond hammering, rolling, or casting.	20 percent ad valorem	15 percent ad valorem	Do.
314	Hoop or band iron, and hoop or band steel, cut to lengths, or wholly or partly manufactured into hoops or ties, coated or not coated with paint or any other preparation, with or without buckles, or fastenings, for baling cotton or any other commodity.	0.25 cent per pound	0.2 cent per pound	Do.
315	Wire rods: Rivet, screw, fence, and other iron or steel wire rods, whether round, oval, or square, or in any other shape, nail rods and flat rods up to 6 inches in width ready to be drawn or rolled into wire or strips, all the foregoing in coils or otherwise, valued at not over 2½ cents per pound.	0.3 cent per pound	0.25 cent per pound	Do.
315	Wire rods:			
	Valued over 2½ and not over 4 cents per pound	0.3 cent per pound	0.3 cent per pound [4]	Sweden.
	Valued over 4 cents per pound	0.6 cent per pound	0.6 cent per pound [4]	Do.
316 (a)	Round wire, valued over 6 cents per pound	25 percent ad valorem	20 percent ad valorem	Do.
316 (a)	Flat wire and steel strips:			
	Not exceeding 1/100 inch in thickness	do	15 percent ad valorem	Do.
	From 1/100 to 1/500 inch in thickness	do	20 percent ad valorem	Do.
321	Antifriction ball and roller bearings	10 cents per pound+45 percent ad valorem.	8 cents per pound + 35 percent ad valorem.	Do.
325	Anvils weighing over 5 pounds	3 cents per pound	2 cents per pound	Do.
339	Enameled ware, household utensils	5 cents per pound+30 percent ad valorem.	5 cents per pound + 15 percent ad valorem.	Do.
340	Crosscut, hand, back, and saws not specially provided for, valued over 5 cents each.	20 percent ad valorem	15 percent ad valorem	Do.
340	Mill, pit, drag, and steel band saws	do	12 percent ad valorem	Do.

[See footnotes at end of table]

SCHEDULE 3. METALS AND MANUFACTURES OF—continued

Paragraph	Article	Rates of duty		Country
		Old rate	New rate	
353	Electrical cooking stoves and ranges, and parts	35 percent	25 percent	Canada.
353	Electric vacuum cleaners and motors therefor	35 percent ad valorem	35 percent ad valorem [5]	Sweden.
353	Calculating machines operated by electric motor	do	25 percent ad valorem	Do.
353	Electrical X-ray apparatus	35 percent	17½ percent	Netherlands.
354	Pocket knives with etched steel handles valued over $6 per dozen	35 cents each+35 percent ad valorem.	17½ cent seach+27½ percent ad valorem.	Sweden.
256	Machine knives	20 percent ad valorem	20 percent ad valorem [4]	Do.
361	Slip-joint pliers valued over $2 per dozen	60 percent ad valorem	40 percent ad valorem	Do.
361	Pliers other than slip-joint, valued over $2 per dozen	$1.20 per dozen+60 percent ad valorem.	$0.80 per dozen+40 percent ad valorem.	Do.
362	Files 7 inches or over	77½ cents per dozen	45 cents per dozen	Do.
365	Shotguns:			
	Valued at not more than $5 each	$1.50 each and 45 percent ad valorem.	75 cents each and 22½ percent ad valorem.	Belgium.
	Valued at more than $5 and not more than $10 each	$4 each and 45 percent ad valorem.	$2 each and 22½ percent ad valorem.	Do.
	Valued at more than $10 and not more than $25 each	$6 each and 45 percent ad valorem.	$3 each and 22½ percent ad valorem.	Do.
	Valued at more than $25 and not more than $50 each	$10 each and 45 percent ad valorem.	$5 each and 22½ percent ad valorem.	Do.
	Valued at more than $50 each	65 percent ad valorem	32½ percent ad valorem	Do.
365	Barrels for shotguns, further advanced in manufacture than rough bored only.	$4 each and 50 percent ad valorem.	$2 each and 25 percent ad valorem.	Do.
365	Stocks for shotguns, wholly or partly manufactured	$5 each and 50 percent ad valorem.	$2.50 each and 25 percent ad valorem.	Do.
365	Parts of shotguns and fittings for shotgun stocks or barrels, finished or unfinished.	50 percent ad valorem	27½ percent ad valorem	Do.
365	Shotguns imported without a lock or locks or other fittings	$10 each and 55 percent ad valorem.	$5 each and 27½ percent ad valorem.	Do.
365	Shotgun barrels, in single tubes, forged, rough bored	10 percent	5 percent ad valorem	Do.
372	Reciprocating gang-saw machines	27½ percent ad valorem	27½ percent ad valorem [5]	Sweden.
372	Calculating machines operated by hand power	do	25 percent ad valorem	Do.
372	Machines for making paper or pulp	do	20 percent ad valorem	Do.
373	Forks, hoes, and rakes, and parts thereof	15 percent ad valorem	15 percent ad valorem [5]	Do.
373	Scythes, sickles, grass hooks and corn knives	30 percent ad valorem	20 percent ad valorem	Do.
397	Kerosene or gasoline compressed-air stoves	45 percent ad valorem	25 percent ad valorem	Do.
397	Stoves, heating and cooking	do	do	Do.
397	Blow torches and incandescent lamps	do	do	Do.

SCHEDULE 4. WOOD AND MANUFACTURES OF

401	Lumber and timber:			
	Douglas fir and western hemlock	$1, tax $3	$0.50, tax $1.50	Canada.
	Reduced duty to apply to not more than 250,000 M board feet per calendar year.	Per thousand feet	Per thousand feet	
401	Lumber and timber:			
	Spruce, pine, eastern hemlock, larch and fir other than Douglas fir	$1, tax $3	$0.50, tax $1.50	Do.
1803 (1) sec. 601 (c) (6), Revenue Act of 1932.	Lumber and timber: Other softwood and hardwood, not specially provided for, if not of balsa or teak.	Tax $3	Tax $1.50	Do.
404 and sec. 601 (c) (6), Revenue Act of 1932.	Mahogany in the form of sawed boards, planks, deals, and all other forms not further manufactured than sawed.	12 percent ad valorem and $2.40 per thousand board measure.	6 percent ad valorem and $1.20 per thousand feet board measure.	Cuba.
412	Ice hockey sticks of wood	33⅓ percent	20 percent	
412	Spring clothespins	20 cents per gross ad valorem	15 cents per gross	Sweden.
412	Clothespins other than spring	33⅓ percent ad valorem	25 percent ad valorem	Do.
402	Flooring of maple (except Japanese maple), birch, and beech	8 percent	4 percent	Canada.

SCHEDULE 5. SUGAR, MOLASSES, AND MANUFACTURES OF

501	Sugars, tank bottoms, sirups of cane juice, melada, concentrated melada, concrete and concentrated molasses, testing by the polariscope not above 75 sugar degrees, and all mixtures containing sugar and water, testing by the polariscope above 50 sugar degrees and not above 75.	$0.010275 per pound	$0.006165* per pound	Cuba.
	For each additional degree or fraction in proportion, shown by the polariscope.	$0.000225 per pound	$0.000135* per pound	
	NOTE.—In addition and outside of the scope of the agreement, the United States has allotted to Cuba a quota on dutiable sugar of 1,902,000 short tons during the calendar year 1934.			
503	Maple sugar	6 cents per pound [3]	4 cents per pound	Canada.

SCHEDULE 6. TOBACCO AND MANUFACTURES OF

601	Cigar wrapper tobacco:			
	Unstemmed	$2.275 per pound		
	Not later than June 30, 1936		$1.875 per pound	Netherlands.
	After June 30, 1936		$1.50 per pound	Do.
	Stemmed	$2.925 per pound		
	Not later than June 30, 1936		$2.525 per pound	Do.
	After June 30, 1936		$2.15 per pound	Do.
601	Wrapper tobacco and filler tobacco when mixed or packed with more than 35% of wrapper tobacco, if unstemmed.	$1.82 per pound	$1.50* per pound	Cuba.
601	Filler tobacco, not specially provided for:			
	If unstemmed	$0.28 per pound	$0.175* per pound	Do.
	If stemmed	$0.40 per pound	$0.25* per pound	Do.
603	Scrap tobacco	$0.28 per pound	$0.175* per pound	Do.
605	Cigars, cigarettes, cheroots of all kinds, and paper cigars and cigarettes, including wrappers.	$3.60 per pound plus 20 percent ad valorem.	$2.25* per pound plus 12½ percent ad valorem.	Do.
	NOTE.—The quota on tobacco and tobacco products of Cuban origin imported into the United States shall not exceed 18 percent of the total quantity of tobacco and tobacco products used in the manufacture of cigars in registered factories of continental United States in the preceding calendar year.			

[See footnotes at end of table]

SCHEDULE 7. AGRICULTURAL PRODUCTS AND PROVISIONS

Paragraph	Article	Rates of duty		Country
		Old rate	New rate	
701	Cattle weighing 700 pounds or more each	3 cents per pound	2 cents per pound	Canada.
701	Calves weighing less than 175 pounds each	2½ cents per pound	1½ cents per pound	Do.
	Reduction to apply annually to no more than ¾ of 1 percent for cattle and ¼ of 1 percent for calves, of the average annual total number of cattle (including calves) slaughtered in the United States during 1928–32.			
701	Dairy cows weighing 700 pounds or more each (duty reduced on not over 20,000 head annually).	3 cents per pound	do	Do.
707	Cream, fresh or sour (duty reduced on not over 1,500,000 gallons annually)	56.6 cents per gallon	35 cents per gallon	Do.
710	Cheddar cheese in original loaves	7 cents per pound, minimum 35 percent.	5 cents per pound, minimum 25 percent.	Do.
710	Edam and Gouda cheese	do	do	Netherlands.
711	Live poultry	8 cents per pound	4 cents per pound	Canada.
712	Chickens and guineas, dead	10 cents per pound	6 cents per pound	Do.
714	Horses, valued at not more than $150 per head	$30 per head	$20 per head	Do.
716	Honey	$0.024 per pound	$0.012* per pound	Cuba.
717 (a)	Fish, fresh or frozen (not advanced):			
	Halibut	2 cents per pound	1 cent per pound	Canada.
	Salmon	do	1½ cents per pound	Do.
	Swordfish, fresh only	do	do	Do.
	Eels	1 cent per pound	½ cent per pound	Do.
	Lake fish: Chubs, fresh water mullet, jacks, lake trout, sugers, tulli bees, white fish, and yellow pike.	do	¾ cent per pound	Do.
717(a)	Nonspecified fish, fresh or frozen	$0.008 per pound	$0.004* per pound	Cuba.
717(b)	Fish, fresh or frozen, filleted, skinned, boned, sliced, or divided into portions, not specifically provided for.	$0.02 per pound	$0.01* per pound	Do.
719	Fish, pickled or salted:			
	(1) Salmon	25 percent	20 percent	Canada.
	(5) Alewives (bulk)	1¼ cents per pound	¾ cent per pound	Do.
719 (4)	Holland herring	1 cent per pound	¾ cent per pound (net wt.)	Netherlands.
720 (a)	Smoked herring:			
	(2) Hard dry-smoked, whole or beheaded but not further advanced	1¼ cents per pound	⅝ cent per pound	Canada.
	(3) Boned, whether or not skinned	3 cents per pound	1½ cents per pound	Do.
721 (b)	Razor clams, canned	23 percent [3]	15 percent	Do.
722	Pearl barley	2 cents per pound	1 cent per pound	Netherlands.
724	Corn or maize, including cracked corn	$0.20 per bushel of 56 pounds	$0.10* per bushel of 56 pounds.	Cuba.
726	Hulled oats, unfit for human consumption	16 cents per bushel (32 pounds).	8 cents per bushel (32 pounds)	Canada.
727	Broken rice	⅝ cent per pound	5/16 cent per pound	Netherlands.
729	Wheat, unfit for human consumption	10 percent	10 percent [4]	Canada.
730	Byproduct feeds and mixed feeds dutiable at 10 percent	do	do.[4]	Do.
731	Screenings, scalpings, etc., of grains and seeds	do	do.[4]	Do.
732	Cereal breakfast foods	20 percent	15 percent	Do.
734	Apples, green or ripe	25 cents per bushel (50 pounds).	15 cents per bushel (50 pounds).	Do.
736	Fresh strawberries	1¼ cents per pound	¾ cent per pound	Do.
736	Blueberries, prepared or preserved or frozen	35 percent	25 percent	Do.
737	Cherries in their natural state	2 cents per pound	1 cent per pound	Do.
742	Hothouse grapes in bulk, crates, barrels, or other packages	25 cents per cubic foot of such bulk or the capacity of the packages according as imported.	25 cents per cubic foot of such bulk or the capacity of the packages according as imported.	Belgium.
743	Limes	$0.016 per pound	$0.008* per pound	Cuba.
743	Grapefruit, imported and entered for consumption from Aug. 1 to Sept. 30, inclusive.	$0.012 per pound	$0.006* per pound	Do.
747	Pineapples:			
	In crates	0.50 per crate of 2.45 cubic feet.	0.35 per crate of 2.45 cubic feet.	Honduras.
	In bulk	1¼ cent each	0.009 each	Do.
747	Pineapples:			
	In crates		0.35 per crate of 2.45 cubic feet.	Haiti.
	In bulk		0.009 each	Do.
747	Pineapples:			
	In crates	$0.40 per crate of 2.45 cubic feet.	$0.20* per crate of 2.45 cubic feet.	Cuba.
	In bulk	$0.00½ each	$0.005* each	Do.
	Candied, crystalized, or glace	28 percent ad valorem	14 percent* ad valorem	Do.
	Otherwise prepared or preserved	$0.016 per pound	$0.008* per pound	Do.
751	All jellies, jams, marmalades (except orange marmalade), and fruit butters	28 percent ad valorem	14* percent ad valorem	Do.
752	Guavas prepared or preserved, and not specially provided for		17½ percent ad valorem	Haiti.
752	do	35 percent ad valorem	do	Honduras.
752	Mango pastes and pulps and guava pastes and pulps	28 percent ad valorem	14* percent ad valorem	Cuba.
752	do		28 percent ad valorem	Haiti.
752	do	35 percent ad valorem	28 percent ad valorem	Honduras.
753	Flower bulbs:			
	Tulips	$6 per thousand	$3 per thousand	
	Narcissus	do	$6 per thousand	
	Crocus corms	$2 per thousand	$1 per thousand	
	All other bulbs, not specially provided for	30 percent	15 percent	Netherlands.
754	Seedlings and cuttings of rose stock	$2 per thousand	$1 per thousand	Do.
757	Cream or Brazil nuts:			
	Not shelled	1½ cents per pound	¾ cent pound	
	Shelled	4½ cents per pound	2¼ cents per pound	Brazil.
762	Castor beans	½ cent per pound	¼ cent per pound	Do.
762	do	do	do	Colombia.
762	Poppy seed	32 cents per 100 pounds	16 cents per 100 pounds	Netherlands.
763	Grass and clover seeds:			
	Alfalfa	8 cents per pound	4 cents per pound	
	Alsike clover	do	do	
	Sweet clover	4 cents per pound	2 cents per pound	
	Timothy	2 cents per pound	1 cent per pound	
	Bluegrass	5 cents per pound	2½ cents per pound	Canada.
764	Garden and field seeds:			
	Beet (except sugar beet)	4 cents per pound	3 cents per pound	
	Cabbage	12 cents per pound	6 cents per pound	
	Carrot	4 cents per pound	3 cents per pound	
	Kale	6 cents per pound	do	
	Mangelwurzel	4 cents per pound	2 cents per pound	
	Radish	6 cents per pound	3 cents per pound	
	Spinach	1 cent per pound	½ cent per pound	

[See footnotes at end of table]

SCHEDULE 7. AGRICULTURAL PRODUCTS AND PROVISIONS—continued

Paragraph	Article	Rates of duty: Old rate	Rates of duty: New rate	Country
764	Garden and field seeds—Continued.			
	Turnip	5 cents per pound	4 cents per pound	
	Rutabaga	do	do	
	Flower	6 cents per pound	3 cents per pound	
	All others, not specially provided for	do	do	Netherlands.
765	Lima beans, green or unripe, imported and entered for consumption from Dec. 1 to the following May 31, inclusive.	$0.028 per pound	$0.014* per pound	Cuba.
769	Peas, green: Duty reduced only from July 1 to Sept. 30	3.9 cents per pound [1]	2 cents per pound	Canada.
769	Split peas	2½ cents per pound	1¼ cents per pound	Netherlands.
769	Peas, prepared or preserved in any manner, valued at 10 cents or more per pound.	2 cents per pound on entire contents of container.	1.5 cents per pound on entire contents of container.	Belgium.
771	White or Irish seed potatoes Duty reduced on not over 750,000 bushels per 12-month period beginning Dec. 1.	75 cents per 100 pounds	45 cents per 100 pounds (60 cents Dec. 1 through February).	Canada.
771	White or Irish potatoes, imported or entered for consumption from Dec. 1 to the last day of the following February, inclusive.	$0.60 per 100 pounds	$0.30* per 100 pounds	Cuba.
772	Tomatoes in their natural state, imported and entered for consumption from Dec. 1 to the last day of the following February, inclusive.	$0.024 per pound	$0.018* per pound	Do.
773	Turnips and rutabagas	25 cents per 100 pounds	12½ cents per 100 pounds	Canada.
774	Cucumbers, imported and entered for consumption from Dec. 1 to the last day of the following February, inclusive.	$0.024 per pound	$0.012* per pound	Cuba.
774	Eggplant, imported and entered for consumption from Dec. 1 to the following Mar. 31, inclusive.	$0.012 per pound	$0.006* per pound	Do.
774	Okra, imported and entered for consumption from Dec. 1 to the following May 31, inclusive.	40 percent ad valorem	20 percent* ad valorem	Do.
774	Peppers in their natural state imported and entered for consumption during the period from Jan. 1 to Apr. 30, inclusive.	$0.02 per pound	$0.015* per pound	Do.
774	Squash in its natural state imported and entered for consumption from Dec. 1 to the following May 31, inclusive.	$0.016 per pound	$0.012* per pound	Do.
774	Cabbage	2 cents per pound	1½ cents per pound	Netherlands.
774	Endives in their natural state	50 percent ad valorem	35 percent ad valorem	Belgium.
775	Sauerkraut	50 percent	25 percent	Netherlands.
775	Onions, pickled in brine	35 percent	do	Do.
776	Chicory, crude	2 cents per pound	1.5 cents per pound	Belgium.
776	Prepared chicory	4 cents per pound	3 cents per pound	Netherlands.
777	Cocoa and chocolate:			
(a)	Unsweetened:			
(b)	Cocoa	3 cents per pound	1½ cents per pound	
	Chocolate	do	do	
	Sweetened:			
	Chocolate, in bars of 10 pounds or more	4 cents per pound	2 cents per pound	
	In other forms, 10 cents or more per pound	40 percent	20 percent	Do.
777 (c)	Cocoa butter	25 percent	12½ percent	Do.
779	Hay	$5 short ton	$3 short ton	Canada.

SCHEDULE 8. SPIRITS, WINES, AND OTHER BEVERAGES

802	Whisky (aged not less than 4 years in wood containers)	$5 per proof gallon	$2.50 per proof gallon	Canada.
802	Rum in containers holding each 1 gallon or less		do	Haiti.
802	Rum in bottles, each containing 1 gallon or less	$4 per proof gallon	$2.50* per proof gallon	Cuba.
802	Gin	$5 per proof gallon	$2.50 per proof gallon	Netherlands.
807	Pineapples prepared or preserved in any manner containing ½ of 1 percent or more alcohol.	$4.00 per proof gallon	$2.50* per proof gallon on the alcohol contained therein in addition to any other duty.	Cuba.

SCHEDULE 9. COTTON MANUFACTURES

907	Waterproof cloth, wholly or in chief value of cotton or other vegetable fiber, whether or not in part of India rubber.	40 percent ad valorem	30 percent ad valorem	Belgium.
912	Garment labels	50 percent	25 percent	Netherlands.
921	Imitation oriental rugs, wholly or in chief value of cotton	35 percent ad valorem	20 percent ad valorem	Belgium.

SCHEDULE 10. FLAX, HEMP, AND JUTE, AND MANUFACTURES OF

1001	Flax, not hackled, valued at $340 or more per ton	1.5 cents per pound	1 cent per pound	Belgium.
1005 (a)	Sisal cordage, ¾ inch and larger in diameter	2 cents per pound	1 cent per pound	Netherlands.
1005 (a)	Sisal cordage, less than ¾ inch in diameter	2 cents per pound+15 percent.	1 cent per pound+7½ percent.	Do.
1005 (a)	Cordage, including cables, tarred or untarred, composed of 3 or more strands, each strand composed of 2 or more yarns, wholly or in chief value of sunn, or other bast fiber, but not including cordage made of jute.	2 cents per pound	1.5 cents per pound	Belgium.
1005 (b)	Cords and twines of manila, sisal, henequen, or other hard fibers	40 percent	20 percent	Netherlands.
1009 (b)	Woven fabrics, such as are commonly used for paddings or interlinings in clothing, wholly or in chief value of flax, or hemp, or of which these substances or either of them is the component material of chief value, exceeding 30 and not exceeding 120 threads to the square inch, counting the warp and filling, and weighing not less than 4½ and not more than 12 ounces per square yard.	55 percent ad valorem	40 percent ad valorem	Belgium.
1009 (c)	Woven fabrics, in the piece or otherwise, wholly or in chief value of vegetable fiber, except cotton, filled, coated, or otherwise prepared for use as artists' canvas.	45 percent ad valorem	30 percent ad valorem	Do.
1010	Woven fabrics, not including articles finished or unfinished, of flax, hemp, ramie, or other vegetable fiber, except cotton, or of which these substances or any of them is the component material of chief value, not specially provided for.	40 percent ad valorem	do	Do.
1012	Pile fabrics of vegetable fiber other than cotton, pile partly cut	50 percent	30 percent	Netherlands.

SCHEDULE 11. WOOL AND MANUFACTURES OF

1109 (a)	Woven green billiard cloths, in the piece, weighing more than 11 ounces but not more than 15 ounces per square yard, wholly of wool.	50 cents per pound and 50, 55, or 60 percent ad valorem.	50 cents per pound and 40 percent ad valorem.	Belgium.
1109 (b)	Wool felt	50 cents per pound +50, 55, or 60 percent ad valorem, depending on value.	50 cents per pound +25, 27½, or 30 percent ad valorem, depending on value.	Sweden.

[See footnotes at end of table]

SCHEDULE 14. PAPERS AND BOOKS

Paragraph	Article	Rates of duty: Old rate	Rates of duty: New rate	Country
1402	Paperboard and wallboard not processed	10 percent ad valorem	10 percent ad valorem [4]	Sweden.
1402	Pulpboard in rolls for wallboard, not processed	10 percent	5 percent	Canada.
1405	Vegetable parchment paper by whatever name known	3 cents per pound and 15 percent ad valorem.	2 cents per pound and 10 percent ad valorem.	Belgium.
1406	Sensitized paper, to be used in photography	30 percent ad valorem	22½ percent ad valorem	Do.
	Transparencies, printed lithographically or otherwise:			
	In not more than 5 printings (bronze printing to be counted as 2 printings).	40 percent ad valorem	30 percent ad valorem	Do.
	In more than 5 printings (bronze printing to be counted as 2 printings)	50 percent ad valorem	37½ percent ad valorem	Do.
1410	Unbound prayer books, bound prayer books except those bound wholly or in part in leather, and sheets or printed pages of prayer books bound wholly or in part in leather, all the foregoing not specially provided for, if of bona fide foreign authorship.	15 percent ad valorem	7½ percent ad valorem	Do.
	All other prayer books, not specially provided for	25 percent ad valorem	12½ percent ad valorem	Do.
1404	Provided that none of the foregoing composed in chief value of india paper or bible paper shall be subjected by virtue of the first proviso of par. 1404 to a higher rate of duty than—	4 cents per pound and 15 percent ad valorem to 6 cents per pound and 20 percent ad valorem.	3 cents per pound and 10 percent ad valorem.	Do.
1407 (a)	Bristol board over 15 cents per pound and weighing 8 pounds or over per ream.	3 cents per pound plus 15 percent.	2 cents per pound plus 10 percent.	Netherlands.
1409	Strawboard and straw paper from 8/1000 to 12/1000 inch in thickness	30 percent	15 percent	Netherlands.
1409	Wrapping paper	30 percent ad valorem	25 percent ad valorem	Sweden.
1413	Ribbon fly catchers or fly ribbons in chief value of paper	35 percent ad valorem	27½ percent ad valorem	Belgium.
1413	Pulpboard in rolls for wallboard, surface stained or dyed, lined or vat-lined, embossed or printed.	$14.50 [3] short ton, minimum 15 percent, maximum 30 percent.	15 percent	Canada.
1413	Paperboard, processed	30 percent ad valorem	$14.50 ton, but not less than 15 percent.	Sweden.

SCHEDULE 15. SUNDRIES

1501 (c)	Asbestos shingles and articles in part of asbestos, if containing hydraulic cement or hydraulic cement and other material:			
	If not coated, impregnated, decorated, or colored, in any manner	0.75 cent per pound	0.60 cent per pound	Belgium.
	If coated, impregnated, decorated, or colored, in any manner	1 cent per pound	0.75 cent per pound	Do.
1502	Lacrosse sticks	30 percent	15 percent	Canada.
1502	Ice skates and parts	20 percent	do	Do.
1504	Harvest hats valued at less than $3 per dozen	25 percent	12½ percent	Netherlands.
1516	Matches in small boxes (plain stems)	20 cents per gross boxes	17½ cents per gross boxes	Sweden.
1520	Hatters' furs, or furs not on the skin, prepared for hatters' use, including fur skins carroted.	35 percent ad valorem	27½ percent ad valorem	Belgium.
1525	Hair felt, made wholly or in chief value of animal hair, and manufactures of hair felt, all the foregoing not specially provided for.	25 percent or 35 percent ad valorem.	20 percent ad valorem	Do.
1529 (a)	Laces, lace fabrics, and lace articles, if exceeding 2 inches in width and made wholly by hand without the use of any machine-made material or article provided for in par. 1529 (a); articles made wholly of any of the foregoing; and articles, not wearing apparel, in part of any of the foregoing and containing no machine-made material or article provided for in par. 1529 (a); all the foregoing, finished or unfinished, however, described and provided for in par. 1529 (a):			
	Valued at more than $50 and less than $150 per pound	90 percent ad valorem	60 percent ad valorem	Do.
	Valued at $150 or more per pound	do	45 percent ad valorem	Do.
1530 (b):				
(3)	Harness or saddlery leather (bovine)	12½ percent	10 percent	Canada.
(4)	Patent leather (bovine)	15 percent	do	Do.
1541 (a)	Pipe organs (church) and parts thereof	40 percent or 35 percent [1]	25 percent	Do.
1543	Sponges commercially known as velvet	20 percent ad valorem	12 percent[4] ad valorem	Cuba.
1545	Nonspecified sponges	12 percent	6 percent[4]	Do.
1551	Photographic dry plates, not specially provided for	20 percent ad valorem	15 percent ad valorem	Belgium.
1551	Photographic films, sensitized but not exposed or developed, of every kind except motion-picture films having a width of 1 inch or more.	25 percent ad valorem	12½ percent ad valorem	Do.
1551	Motion-picture films, sensitized but not exposed or developed, having a width of 1 inch or more.	0.4 cent per linear foot	0.2 cent per linear foot of the standard width of 1⅜ inches, and all other widths of 1 inch or more shall be subject to duty in equal proportion thereto.	Do.
1552	Tobacco pipes with clay bowls and stems of material other than clay	5 cents each plus 60 percent	2½ cents each plus 30 percent.	Netherlands.

[1] Margin of preference to Cuba.
[3] Presidential proclamation.
[3] Duty to be 1¼ times duty on manganese ore plus ¾ cent; at present rate on manganese ore this amounts to 1⅝ cents.
[4] Bound against increase.

"FREE" ITEMS—RECIPROCAL TRADE AGREEMENTS

Par.	Articles	Country
1601	Sulphuric acid or oil of vitriol	Canada.
1602	Maté, natural and uncompounded and in a crude state, not advanced in value or condition by shredding, grinding, chipping, crushing, or any other process or treatment whatever beyond that essential to proper packing and the prevention of decay or deterioration pending manufacture, not containing alcohol.	Brazil.
1602	Root of ipecac, crude, natural and uncompounded, not advanced in value or condition by shredding, grinding, chipping, crushing, or any other process or treatment whatever beyond that essential to proper packing and the prevention of decay or deterioration pending manufacture, and not containing alcohol.	Colombia.
1602	Ipecac, natural and uncompounded and in a crude state, not advanced in value or condition by shredding, grinding, chipping, crushing, or any other process or treatment whatever beyond that essential to proper packing and the prevention of decay or deterioration pending manufacture, not containing alcohol.	Brazil.
1602	Aloes, crude	Netherlands.
1604	Agricultural implements: Plows, tooth or disk harrows, headers, harvesters, reapers, combination harvesting and threshing machines, agricultural drills and planters, mowers, horserakes, and cultivators, whether in whole or in parts, including repair parts.	Canada.
1606 (a) and (b).	Horses (subject to the provisions of par. 1616 (a) and (b))	Belgium.
1609	Gambier	Netherlands.
1616	Asbestos, unmanufactured, asbestos crudes, fibers, stucco, and sand, and refuse containing not more than 15 percent of foreign matter	Canada.
1618	Bananas, green or ripe	Colombia.
1618	do	Haiti.
1618	Plantains, green or ripe	Do.
1618	Bananas, green or ripe	Honduras.
1618	Plantains, green or ripe	Do.

"FREE" ITEMS—RECIPROCAL TRADE AGREEMENTS—continued

Paragraph	Articles	Country
1619	Barks from which quinine may be extracted	Netherlands.
1623	Bread, Swedish type	Sweden.
1641	Calcium: Cyanamide or lime nitrogen	Canada.
1651	Dead or creosote oil	Belgium.
1652	Cobalt and cobalt ore	Canada.
1653	Cocoa or cacao beans, and shells thereof	Haiti.
1653	do	Brazil.
1653	do	Honduras.
1654	Coffee, except coffee imported into Puerto Rico and upon which a duty is imposed under the authority of sec. 319	Haiti.
1654	Coffee, except coffee imported into Puerto Rico	Brazil.
1654	Coffee, except coffee imported into Puerto Rico and upon which a duty is imposed under the authority of sec. 319	Colombia.
1654	do	Honduras.
1667	Sodium cyanide	Canada.
1668	Emeralds, rough or uncut, and not advanced in condition or value from their natural state by cleaving, splitting, cutting, or other process, whether in their natural form or broken, not set.	Colombia.
1670	Logwood	Haiti.
1672	Crude artificial abrasives, not specially provided for	Canada.
1681	Furs and fur skins, not specially provided for, undressed: Mink, beaver, muskrat, and wolf	Do.
1681	Undressed moleskins	Netherlands.
1684	Sisal fiber	Haiti.
1684	Kapok, not dressed or manufactured	Netherlands.
1684	Sisal, not dressed or manufactured	Do.
1685	Basic slag	Belgium.
1685	Precipitated bone of a grade used chiefly for fertilizers or chiefly as an ingredient in the manufacture of fertilizers	Do.
1685	Ammonium sulphate	Netherlands.
1686	Copal	Do.
1689	Ossein	Belgium.
1697	Gutta balata	Brazil.
1697	Gutta balata, crude	Colombia.
1697	Crude gutta percha and gutta siak	Netherlands.
1716	Wood pulp: Mechanically ground and soda, unbleached or bleached; and sulphite, bleached	Canada.
1716	Sulphate wood pulp, bleached and unbleached	Swedcn.
1719	Zirconium ores or concentrates	Brazil.
1727	Babassu nuts and kernels	Do.
1728	Sarsaparilla root	Honduras.
1731	Distilled or essential caraway oil not containing alcohol	Netherlands.
1731	Distilled or essential citronella oil not containing alcohol	Do.
1732	Babassu-nut oil, expressed or extracted	Brazil.
1732	Palm oil (processing tax of 3 cents per pound bound against increase)	Netherlands.
1734	Nickel ore, nickel matte, and nickel oxide	Canada.
1743	Plaster rock (including anhydrite) and gypsum, crude	Do.
1744	Platinum, unmanufactured or in ingots, bars, sheets, or plates not less than ⅛ of 1 inch in thickness, sponge, or scrap	Colombia.
1748	Quinine sulphate and all alkaloids and salts of alkaloids derived from cinchona bark	Netherlands.
1753	Crude sago and sago flour	Do.
1756	Sea herring and smelts, fresh or frozen, whether or not packed in ice, and whether or not whole	Canada.
1760	Shingles of wood (provided, that the United States reserves the right to limit the total quantity of red cedar shingles which may be entered, or withdrawn from warehouse, for consumption during any given half of any calendar year to a quantity not exceeding 25 percent of the combined total of the shipments of red cedar shingles by producers in the United States and the imports of such shingles during the preceding half year).	Do.
1761	Lobsters, fresh or frozen (whether or not packed in ice), or prepared or preserved in any manner (including pastes and sauces), and not specially provided for.	Do.
1761	Clams, quahaugs, oysters (except seed oysters), and crabs, fresh or frozen (whether or not packed in ice), and not specially provided for	Do.
1761	Scallops, fresh but not frozen (whether or not packed in ice)	Do.
1765	Deerskins, raw	Brazil.
1765	Reptile skins, raw	Colombia.
1765	Deerskins, raw	Honduras.
1765	Reptile skins, raw	Netherlands.
1768	Ginger root, not preserved or candied, unground	Haiti.
1768 (1)	Unground cassia	Netherlands.
1768 (1)	Unground mace	Do.
1768 (1)	Unground nutmegs	Do.
1768 (1)	Unground black and white pepper	Do.
1768 (2)	Caraway seed	Do.
1772	Standard newsprint paper	Canada.
1778	Tagua nuts	Colombia.
1779	Tamarinds	Do.
1781	Tapioca, tapioca flour, and cassava	Netherlands.
1796	Carnauba wax	Brazil.
1796	Beeswax, not specially provided for	Do.
1803	Cabinet woods in the log	Do.
1803 (1)	Timber hewn, sided, or squared, otherwise than by sawing, and round timber used for spars or in building wharves; sawed lumber and timber, not further manufactured than planed, and tongued and grooved; all the foregoing, if not of balsa or teak, and not specially provided for.	Canada.
1803 (2)	Logs; timber, round unmanufactured; pulpwoods; firewood, handle bolts, shingle bolts; and laths; all the foregoing, not cabinet woods, and not specially provided for.	Do.
1804	Posts, railroad ties, and telephone, trolley, electric light, and telegraph poles of cedar or other woods	Do.
1805	Pickets, palings, hoops, and staves of wood of all kinds	Do.
1806	Rattan sticks, unmanufactured	Netherlands.
1716	Sulphite wood pulp, unbleached	Sweden.

RESPONSIBILITIES AND DUTIES OF NAVAL OFFICERS—ARTICLE BY REAR ADMIRAL BELKNAP

Mr. MOORE. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Rear Admiral Reginald R. Belknap, United States Navy, retired, entitled, "How Officers Must Think."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW OFFICERS MUST THINK

By Rear Admiral Reginald R. Belknap, U. S. Navy, retired

In the many contests in sports of various kinds to which people go in crowds to witness, the players on both sides are expertly trained, physically fit, and familiar with the task before them. They are ready to exert their skill and powers to best effect. Such readiness was exemplified in the fleet some years ago, when the admiral said, "We are ready for a fight or a frolic"; and again at the latest Army-Navy football game, when a charming girl, facing about toward the midshipmen's seats and thinking she caught the eye of a friend, waved her hand; whereupon the midshipmen arose as one man, with caps waving and cheerful greetings. The kind of training we are now considering is quite different, but it requires the same standard; for alertness in national defense is far more important than that complete fitness which we take for granted in the world of sport. Where the stake is a cup or a ribbon we expect readiness to the minute. In national defense the stake is many lives, even the Nation's welfare. To measure up to such a responsibility how must an officer think?

As basis in the field of the Army, General MacArthur's hearing in April 1933 before the House Committee on Military Affairs, describes the background of the National Defense Act of 1920 very instructively. With his experienced views all officers may well make themselves familiar; for none are too young to study the road already traveled, and no training can be assimilated properly without comprehending the larger pattern into which each part is to fit. Napoleon's suggestion, that a corporal's knapsack contained a marshal's baton, holds good for military training generally; for the goal of all is ability to surmount emergency, though the emergency cannot be gaged in advance. A sergeant, a captain, any officer, may suddenly succeed to responsibilities far above his experience; and duties of the staff, too, are always in possible prospect for an officer, involving the coordination, effective employment, and welfare of many units.

In order that "reasonable preparation may substitute efficiency for muddling", the National Defense Act affords "a method whereby the citizen soldier, in various degree, would obtain partial preparation, so that he could reach the battlefront prepared and ready for the crisis of an enemy's attack." And to impress the vitalness of trained officers, General MacArthur emphasizes that, if it became necessary to cut down the National Defense Act, the last element to go should be the officer corps, as "the foundation of all the system, the mainspring of the whole mechanism."

Our ghastly record of wasted life and resources, through the persistent neglect of training and other essentials of security, is not creditable to our collective intelligence. Yet indifference to preparedness was natural enough to our people, spread over a vast continent between wide oceans, feeling far removed from potential enemies, if indeed we had any to fear. In our new, expanding Nation, men's own concerns were paramount, affairs of common weal arousing little interest. The hardy self-reliance of frontier spirit dismissed the thought of national danger, as easily disposed of when the time came, if come it ever did. Assurances of no more war operated powerfully to turn our backs on each war's bitter lessons. Our eyes were blinded to them by the dazzling triumphs of returning troops; and victories, even when delayed, suggested, perhaps, the most potent of arguments, that, since always successful in spite of unpreparedness, so could we be again. Why worry over remotest of possibilities?

Unhappily for the country, added to such indifference and blindness came the active opposition of people whose general prominence lends weight to all their utterances. High standing in some civil or scientific or literary field has been accepted as authority also in international and military affairs. Woeful waste of life and treasure has resulted from their undermining influence, however well meant. When emergency comes, they are powerless to rectify their sad handiwork. Yet, not being officially responsible, they are not brought to account; seldom even held up to public reproach.

Needless to say, such reasoning has not prevailed within the military services. Since the Civil War officer training in the Army has progressed constantly, if for many years slowly. Schools and courses for officers were set up, one after another, until in 1903, 38 years after the Civil War, the teachings of that war and of subsequent wars and military administrations abroad were recognized by establishing in Washington the Army General Staff and the Army War College. Both were due to statesmanlike grasp of our country's need for them by the Secretary of War, Elihu Root.

The Army War College capped the Army system, making its training comprehend every degree of command or staff responsibility. Additional schools and courses were provided as later requirements developed, notably the Plattsburg and similar training camps before and during the war. Afterward, by the National Defense Act of 1920, the Reserve Officers' Training Corps, the citizens' military training camps, and the civilian rifle clubs became essential parts of the Army system, by which the Nation, through reasonable preparation in time, may confront emergency with a fair measure of efficiency, instead of the confusion, hurry, extravagance, and ineffectiveness of eleventh-hour improvising.

In the Navy, during 20 stagnant years after 1865, except for torpedo work and naval construction, the Naval Academy was the only school. International law, navigation, surveying, hydrography, astronomy, and electricity received considerable attention; but applied study of the art and conduct of naval warfare received little support, still less of official stimulus. Much credit is due to officers who studied and wrote professionally, and to the officers as a body for maintaining high standards with what material they had, despite its being antiquated and despite their being overage in minor duties—subordinate officers abroad meeting foreign commanders young enough to be their sons. Our countrymen, indifferent enough to the Army, mostly knew little and cared less about the Navy, if indeed they understood at all what a Navy was for. American shipping carried only 10 percent of our foreign trade, the national interest was directed inland, and friends of sea power were at a minimum.

Fortunately our Navy had in Admiral Stephen B. Luce, a seaman of highest quality, an officer of rare insight, indefatigable energy, and resolute perseverance. As a captain he had codified naval seamanship with a comprehensiveness never before attempted nor since surpassed. He had succeeded after long endeavor in firmly establishing the training of naval apprentices, as a reliable source of petty officers of distinctly American brand. And in 1884 he brought into being the Naval War College, the first school for higher naval command in any country.

Against the conservatism inherent in the seafaring profession, acceptance of the Naval War College was painfully slow. More than once its further existence was seriously threatened, even after publication of the illuminating works of Mahan. But the War with Spain wrought a great change in both services. Promotion in the Navy improved radically, the fleet was built up, technical postgraduate courses were established, and by 1913 the War College had gained firm standing.

The idea that experience and good performance in a lower grade sufficed to qualify for higher responsibilities was being called in question. It was the doctrine of the "practical" men, who called dissenters highbrow. The salty man despised the scientific. But younger, active minds were seeing more clearly, thanks to the underlying persistence of Admiral Luce, despite his 80 years. One characteristically "practical" commander, soon after taking up the college course, explaimed, "All my life I have been a boatswain! Only now do I begin to understand the duty of an officer."

Except in the lowest grade, proficiency in routine duties was seen to be not enough for those who would be more than hewers of wood and drawers of water. And this new attitude, besides impressing the importance of systematic study by all officers, led to the establishment of courses preparatory to the War College, to the greater profit there through better grounding.

And now the Army and the Navy are cultivating a better mutual understanding through the interchange of officers, as both students and instructors, in their colleges and schools. Lately a further combination has been set up at the Marine Corps base at Quantico as a school for combined expeditions. All these provisions make for effective cooperation of the several services toward their common purpose of national defense, for concerted action, and for the studious planning on which to base not only operations but also matured advice to the President and Congress.

It often appears that in the public mind, so far as interested in the subject at all, military men are regarded as narrow and arbitrary, devoting their time and attention and interest solely to the business of war in the field, seeing and able to see only from their own point of view, dwelling and counting on and perpetuating ideas and methods of the past. To whatever extent this may have been true formerly, certainly in this country it is not so now. Study and postgraduate study are the order of the day in every field, but nowhere in such high quarters as in the services. Not merely majors, colonels, and naval captains attend the war colleges but generals and admirals of 30 years' service are not above digging into arduous study there in order to keep pace with developments affecting their grave responsibilities. And the scope of officers' studies, far from being limited to war operations, tactics, and the strictly professional, embraces the background of causes and general conduct of wars, international relations, national policies, economics, trade, also history and biography. The fine arts, belles-lettres, and music are not included, but any narrow view of the officers' proper horizon is dispelled by lectures on a wide variety of subjects given by men of high attainment in civil life.

Another apparently popular misbelief is that officers' thinking is dictated by their superiors, especially by "gold-laced graybeards", generals and admirals of reactionary conservatism, imposing wooden acquiescence in the obsolete. Nothing could be farther from the truth. In our Navy especially, suggestions from all officers, and from enlisted men, too, are welcomed, and, according to their merit, are put to use and credited. Freedom and invitation for improvement are open to all to a degree unsurpassed and rarely equaled anywhere.

In the Naval War College, and similarly in the Army's College, the Army, Marine Corps, and every staff corps except chaplain are represented, as well as the naval line. Experts are present in gunnery, engineering, torpedoes, submarines, aviation, communications, and intelligence. Lecturers come from other branches of the Government, from the universities, and various fields in civil life, including an international lawyer of world-wide recognition. In the discussion of maneuvers and problems, the rank of officers does not figure, and to remove any suggestion of rank, student officers do not wear uniform. They have no military duty nor administrative or other responsibility; simply to improve their minds amid utmost freedom of thought, with every incentive to take the opportunity seriously. Originality, initiative, comment, and criticism are encouraged. And a cardinal principle is not to determine a fact by majority vote. All officers pool their knowledge and experience, to test each step as in a laboratory, and thresh out a conclusion that will stand up against rough handling.

Thus are bias and prejudice eliminated, clear reasoning cultivated, and a habit formed to follow through to a decision on which to plan and draw up instructions for action. The guiding precept is to search for the principles affecting a situation and then apply them as experience and the facts indicate to be practical. Or, as one fine officer expressed it, to plan the right thing, rightly applied, in time. The Naval Academy motto, Sea Mastery Through Knowledge, has become at the War College, Victory Through Unity, a step forward that indicates the change hoped for by Admiral Harry C. Taylor, the Navy's professional head in 1902, when he said: "We have clung too long to the idea of single ships; we shall not be strong until we learn to think in squadrons."

A fundamental of the training systems is that each course contemplates more than a single degree or field of duty. Each is a step and a support to something higher and larger, the preparation on which fulfillment of a greater responsibility will depend. For no military duty stands alone. The steersman of a ship plies a simple art, once learned and practiced to proficiency. Normally, it affects only the ship's navigation. But in the battle line the steering has far greater importance, affecting the rapidity and accuracy of the battery's fire. And in the general case of the trained men in the ranks as well as the trained officer, it becomes instinctive to have regard for his support by others on each side and also to feel responsible for the support he gives to them. His own performance and his training for it, however good in themselves, are not complete unless they fit the larger scheme.

The German Army alternated staff duty and service with troops, successively selecting those of best performances at each stage for further alternating terms of duty. The best among the staff were promoted and sent to command, and after sufficient experi-

ence with troops, the best of these came again to the staff for higher duties there. By this method the ablest men had both staff and troop experience, advancing under the strongest incentive and at the ages most favorable for development. This gave the army in every grade of command and staff work officers of thorough training and proved ability, who were also mentally and physically in their prime. In other words, the training system contemplates an officer's progress. Those of inferior capacity or application are set aside along the way.

A further gain, of utmost value, has come through the training systems, in the soundness of military advice to Government, the highest and most far-reaching duty to which an officer may be called. Where formerly the civil power had to rely in the larger military matters upon personal opinions of individual officers or on reports of occasional boards assembled for the purpose, there are now the Army General Staff and the Naval General Board. The lack of provision for competent general advice, planning, and control, before and during the Civil War, is marked by thousands of Grand Army graves all over the country and by naval records of waste or delay of effort. For similar lack, our war with Spain contrasted sadly with the Japanese campaign of only 3 years before. For the Navy's part, the Department had to improvise a Board of Strategy to coordinate its comparatively simple efforts.

But now the President and Congress have within the War and Navy Departments permanent bodies responsible for reliable advice. They are composed of officers of thorough training and mature experience, having at disposal all obtainable information, trained assistance, time, and freedom for deliberate consideration. These advisory bodies have a judicial quality, going deeply into the facts, tendencies, and probabilities, and on that evidence reaching a considered conclusion. This distinguishes their recommendations from the reports of occasional boards convened from various sources. While these are valuable, often necessary, on special subjects; for regular use, as formerly the case, they are a weak dependence. They are lacking in comprehensive grasp of all that may be involved, lack time to digest and weigh the information, lack the familiarity with one another which makes for thorough consideration, and may not be of training and experience pertinent to the subject. Perhaps most serious, they lack continuity; lack also further responsibility after rendering their report.

In still greater contrast are the personal views of individuals. All officers are responsible for advice as well as action in their respective provinces; but sometimes they are asked, and give, their opinions on matters outside their official ken, a practice for many years quite common. Getting several such opinions substantially in agreement made it possible to quote "agreement of many high officers" in support of almost anything. The fact that those officers were not fully informed nor responsible in the matter would not be mentioned. One Assistant Secretary would appeal on any subject to anyone who happened to be in his office. That was trustfulness in military men indeed. One Secretary said he could get support from some naval officer for any proposal whatever, and unfortunately it was too nearly true. It is only human to express one's views, but such willingness to give an opinion when asked, and also the pushing of pet projects, have been costly to naval efficiency and wasteful of much money. Happily these practices are in rapid decline.

These distinctions are important, for the soundness of a recommendation by the General Staff or General Board, compared with an officer's opinion, is analogous to a Supreme Court decision against an outside lawyer's hypothesis. The individual may be conscientious, and his opinion may be right as far as he knows. But consideration by the responsible staff is more searching, and its result not personal opinion but the unbiased, unprejudiced, impersonal finding of a deliberative body, officially charged as advisory and having the information, assistance, and time for investigation far beyond an individual's command. Such advice now guides the training preparation and the material expenditure in hundreds of millions to forestall or meet a crisis that may not become acute for years, but when it comes, comes quickly.

Such is the range of duty from the smallest command formation to the highest responsibility. And such is the systematic, studious, and thorough training deemed requisite for the regular service. In military contests, especially in one of national magnitude, the readiness of the reserve may be decisive; and in our country the dependence on the citizen force is very large. Is it not then incumbent on Reserve officers, collectively and singly, to qualify by every means available? At best Reservists' opportunities are meager compared with those of Regulars; yet in emergency requiring practical performance, but without benefit of the Regular's constant familiarity, the Reservist must be competent for his task. When action is at hand the period of preparation is gone by. It is for this readiness of the officer, Reserve as well as Regular, in which we have been neglectful, that the training systems are designed to provide. Success depends upon how well each officer prepares himself by serious work, wide grasp of duty, most of all by well-informed thought.

Thus, officers must think of their own work as parts of larger effort, on which depend not only the immediate objective but continued progress in an operation, in which the present task is but one step. Such grasp of a task, far from lessening the duty in hand, enhances it, requiring complete success to be attained at minimum cost; that is, with highest military efficiency; for thereby the maximum force is conserved, available for further service.

Mechanical routine and parade precision are to the public mind typical of military duty. So it is depicted by the stage and romantic books and such minutiae are not recognized as corresponding to the practicing of scales by a musician. Some machinelike requirements are indispensable also for corporate living, for cultivating self-control and most of all instinctive responsiveness. The civilian admires the neatness and cleanliness of a ship, but does not grasp what it means to present her and 1,000 crew, with every part and man in perfect turn-out, ready for critical inspection at 9 o'clock of a morning. So with the German goose-step, frequently laughed at here. When done in ranks of 50 front, over a stretch of 100 yards, it is seen to be a test of will and stamina; and officers say that a man who cannot do it well seldom becomes a reliable soldier.

The general effects of service discipline are well portrayed by the late John W. Burgess, professor of political science in Columbia University, who devoted his life to the cause of peace. As a student in Berlin University in 1873, when he expressed regret on his professor's son being called away from study for a year of military service, the old German replied:

My dear young friend, you Americans do not understand the import of this custom among us. This strenuous service is the greatest possible benefit to our country and therefore to each one who renders it. In the first place, it is a school, best possible school, of physical training. It straightens the figure, relieves the organs, makes the muscles hard and tense, and adds 10 years more to the life of our men. In the second place, it is a school of morals. At the very period of life when our young men fall under the greatest temptation to go wrong, it places them under strict discipline and guards them against drunkenness, gambling, and sexual dissoluteness. In the third place, it is a school of science and intellectual culture, in which our young men are not taught simply military drill and the manual of arms, but also languages, geography, topography, mathematics, physics, metallurgy, and engineering. In the fourth place, it is a school of manners, in which the deference exacted from inferior to superior, and from those of equal rank to each other, transforms the rudest peasant to something like a gentleman. And finally, it is a school of patriotism, in which our young men, brought together from our still loosely constructed country, learn to know each other and to throw off provincialism for nationalism.

From the outset, an officer should strive to expand his knowledge without cramping his imagination and freedom of judgment. John Ruskin, philosophical art critic and author, in no sense a military man, said in a lecture to young British Army students at Woolwich:

" * * * While for others all knowledge is often little more than a means of amusement, there is no form of science which a soldier may not at some time or other find bearing on the business of life and death * * * the fates of those who will one day be under your command hang upon your knowledge; * * * no good soldier in his old age was ever careless or indolent in his youth."

Field Marshal Earl Robertson quotes General Smith-Dorrien's training instructions:

"Modern war demands that individual intelligence should be on a high plane. Battlefields now cover such extensive areas that control by officers is very difficult; consequently noncommissioned officers and even private soldiers often find themselves left to their own resources; and it is only by being accustomed in peace training to use their common sense and intelligence that they are likely to be equal to their duties in war."

From these quotations, typical of similar expressions in numerous military works, it follows that manuals and other standard instructions are not to be taken as rigid or as complete. They are ground work, but not the whole structure. Essentially they teach the language and mark the fairway, embodying what experience has shown to be wise and profitable measures, sound and expeditious methods, with necessary caution. Their aim is to facilitate action with vigor, by removing the trammels of inexperience. As in other arts, good technique makes for good performance, and the more one masters technique, the better he qualifies for the unexpected. For mastery requires understanding what are essentials, what can be altered or omitted. The man on the spot must decide; the book is not a master but a guide.

Naval history has notable instances of this, as when Admiral Byng was tried and executed on charges growing out of too close adherence to the book. When Admiral Rodney had brought about a long-sought tactical situation for routing the enemy fleet, it was frustrated by his leading captain keeping to the book. But Nelson, off St. Vincent, not yet an admiral but grasping his admiral's purpose, went directly against the book, and brought a victory sorely needed by his country, and made his chief a peer. Training courses were meager in those days, especially in the navy; but Nelson, like Napoleon and Wellington, admitted no bounds to the knowledge and study required in their profession.

"The object of training and instruction", wrote Admiral Mahan, "is not merely to mold the individual, but to impress upon each a common type, not of action only, but of the mental and moral processes which determine action; so that within a pretty wide range there will be in a school of officers a certain homogeneousness of intellectual equipment and conviction, which will tend to cause likeness of impulse and of conduct under any set of given conditions. The formation of a similar habit of thought, and of assurance as to the right thing to do under particular circumstances, reinforces strongly the power of cooperation, which is the

essential factor in military operations. Combination and concentration, two leading ideas and objects in war, both indicate unity of energy by the harmonius working together—cooperation—of many parts.

"Obviously such harmony is not best when merely mechanical, for a mechanical mind is easily deranged in presence of the unexpected. It is the inspiration of common purpose and common understanding which, when the unexpected occurs, supplies the guiding thought to meet the new conditions and bend them to the common end. If this condition be adequately attained, the mind of the commander in chief will be omnipresent throughout his command; the most unexpected circumstances will be dealt with by his subordinates in his spirit, as surely as though he were present bodily. It is difficult to overestimate the importance of such a result."

In the second place, officers in the field must be able to think from the standpoint of the staff. This is not only for better work and cooperation in the field but also in preparation for possible detail to the staff. To most officers duty with troops is more attractive; but captains, even lieutenants of the present, may be thrust into the staff. They should recognize this now and prepare accordingly. And even if never so detailed, such training is well worth while. The staff experience of Robert E. Lee during the Mexican War was of incalculable value afterward to him as general, Wellington and Earl Roberts acknowledged their indebtedness to such experience as young officers. Without the officers' schools and War College of the Army training system the achievements of the American Expeditionary Force would have been impossible. In his report after the war, Field Marshal Haig wrote:

"The experience gained in this war alone, without the study and practice of lessons learned from other campaigns, could not have sufficed to meet the ever-changing tactics which have characterized the fighting. There was required also the sound basis of military knowledge supplied by our training manuals and staff colleges. * * * The course of the war has brought out very clearly the value of an efficient and well-trained high command, in which I include not merely commanders of higher formations but their staffs also. * * * The magnitude of our operations introduced a situation for which no precedent existed. * * * In expansion from 6 divisions to 60, many officers had to be recruited for staff appointment, from good regular officers chiefly, but also from officers of our new armies. * * * Good staff work is an essential to success in all wars."

In further comment on the importance of staff work, Colonel Henderson, in the Life of Stonewall Jackson, says:

"The influence of a good staff is seldom apparent except to the initiated. If a combination succeeds, the general gets all the credit. If it fails, he gets all the blame; and while no agents, however efficient, can compensate by their own efforts for the weakness of a conception that is radically unsound, many a brilliant plan has failed in execution through the inefficiency of the staff."

As previously alluded to, there has always been, and in the nature of human affairs always will be, a considerable number who style themselves "practical" men and who disdain the thought of study. They include fine officers, and their qualities of magnetism, force, hardihood, and personal gallantry are invaluable. Strong leaders in action, they make difficult undertakings succeed; to their courage, experience, and shrewdness in the field a higher commander may confide his daring conception. History teems with their brilliant deeds. But while indispensable in every service, they do not personify all the qualities requisite. And they know it. Even the best ones will admit that study has some value. A story is told of Marshal Blucher, known as "Marshal Vorwaerts", for his constantly urging forward; a "practical" man indeed. To the assembled officers after Waterloo he declared that he was the only man there who could kiss his own head; then put his arm around his chief of staff and kissed him on the forehead.

To the present subject of how officers must think, the application is twofold: The practical men accomplish more, the better they grasp their commander's conception; and the greatest leaders were themselves most practical.

Trafalgar exemplified the first. The attack which Nelson ordered would for a considerable period of time place his leading ships in chancery. He could dare to make his plan, because his captains were imbued with his ideas and his spirit. As for the second, Wellington was an outstanding example. As Colonel Henderson, in The Science of War, said of him:

"He was exceedingly observant both of men and things. No new discovery in science or in mechanics escaped his investigation. As he himself told one of his chief officers, it was his invariable habit to give up some hours daily to the study of his profession * * * he had not been content with the knowledge that suffices for the regimental officer; he had endeavored to qualify himself for higher things; and when his time came for greater responsibilities, he proved himself capable of bearing the weightiest burden that ever fell on a general's shoulders * * * it was by hard work, in peace as well as in war, by devotion to duty in its highest sense, by doing whatsoever his hand found to do with all his might, that Wellington not only won his battles but made his soldiers the most formidable in Europe."

And there are examples nearer home. Admiral Sims as a younger man was intensely practical, though a student of other things than the science of war. He scoffed at the Naval War College and, when ordered to take the course there, was for 6 months most recalcitrant of students. Then a light dawned upon him; he became an ardent supporter of the college, was twice its president, was an excellent commander of a destroyer force, and his command of the vast naval force in European waters was brilliant. And General Ely, on his retirement, was eulogized most highly not only for leadership in the field but also for unfailing improvement of every chance for study.

Circumstances limit the training opportunities for Reservists, but in war they will come into full responsibility. The passing years bring the younger men now ever nearer to higher duties. Now is their time for study. It is never too early to cultivate the habit, and they who could fulfill duty in the way the Nation will expect cannot afford to be only practical. Years ago, when the conduct of war in the field, the extent of operations, the variety of implements, were all much simpler than in our time, Lord Wolseley, as quoted by Von der Glotz in the Conduct of War, said:

"* * * The officer who has not studied war as an applied science, who is ignorant of modern military history, is of little use beyond the rank of captain."

That our country has never lost a war is said repeatedly; and it is true, despite repeated waste of life and treasure. Such waste is all the more regrettable, nationally, sinful, because our national wealth, material resources, men, and native intelligence and spirit are unequaled. The response of our men and the support of our women has been all that could be desired. When the time for action comes response is general and wholehearted, and success has been won at length.

For timely preparation in the quiet of peace, the appeal is not so popular. The hardest kind of work is study, yet it cannot be neglected or taken lightly if our country's record is to be kept unbroken. And we have now, under the National Defense Act and similar provisions for the Navy, opportunities and official encouragement and leading such as never before offered. At the best they contemplate a degree of preparedness which is only the minimum for a country such as ours. Their effectiveness will depend largely upon the earnest fidelity of Reserve officers voluntarily. They may have the encouragement, however, of knowing that the studious effort which the great leaders agree is essential soon becomes increasingly interesting; and it leads to that broadening of character which brought from one of that great family of diplomats, Presidents, and historians, Brooks Adams, this tribute:

"* * * I never fail to enjoy meeting officers of our services. They are the most intelligent, the least selfish, and on the whole, to my thinking, the most valuable body of men whom our civilization has ever produced."

POWER OF THE SUPREME COURT

Mr. MOORE. Mr. President, I present an article appearing in the Philadelphia (Pa.) Record of Sunday, January 12, 1936, by Dr. Edward S. Corwin, entitled "How Far Should the Power of the Supreme Court Extend?" I ask that the article may be published in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Record of Jan. 12, 1936]

HOW FAR SHOULD THE POWER OF THE SUPREME COURT EXTEND?—ONLY TO PARTICULAR CASE IT'S DECIDING, LAW EXPERT HOLDS—TRIBUNAL AND CONGRESS BOTH "ON THE SPOT" IN CONSIDERING LIMITS OF THEIR POWER; "WILL OF THE PEOPLE" FINAL

(Dr. Corwin, outstanding authority on the Constitution and the Supreme Court, is McCormick professor of jurisprudence at Princeton. He is the author of a number of books on political science, his most recent being Twilight of the Supreme Court, which has gone into its third printing.)

By Dr. Edward S. Corwin

Aside from repealing the A. A. A., which was perhaps the great thing, the Supreme Court seems, in the A. A. A. case, to establish the proposition that the National Government cannot use its taxing power to compel a person to contribute to a special fund from which Congress may make donations to other persons on the condition that the donee agrees beforehand to do something the National Government could not otherwise require him to do.

Besides this there is an implication running through Justice Robert's opinion that the appropriation power of Congress is in some way limited by the powers of the States. This implication is strongly and convincingly attacked by Justice Stone in his admirably lucid dissenting opinion. Actually the Court seems to have laid down a doctrine, which by its own admission, it would not ordinarily be in a position to enforce.

As to the Court's apprehensions lest the spending power may be abused—when hasn't it been abused? And as Justice Stone points out, all powers are subject to abuse. Indeed, he might have carried his argument further. Congress could, by its currency powers, apparently authorize the payment of all debts in dollars not worth the hundredth part of the dollar which was loaned. It could deflate the currency even more radically than Germany did the mark some years ago. It could conscript every man, woman, and child in the country into the Army and Navy and put them under military discipline, even including the Justices of the Supreme Court. Or it could enlarge the Court to a size sufficient to include all the voters—which may be necessary sooner or later in order to restore popular government in this country.

CURBS ON COURT SUGGESTED

Many people are questioning whether the Court did not abuse its power on this occasion, as well as on some others, and proposals are pending in Congress for cutting down the Court's power.

One suggestion is an act of Congress requiring a special majority of the Justices for throwing out acts of Congress on constitutional grounds. Another is an act of Congress whereby the lower Federal courts and the Supreme Court, on appeal, would be deprived of jurisdiction over cases in which constitutional questions arise. Still another possibility is that Congress might "pack" the Court.

The power of Congress to enlarge the Court indefinitely is, of course, not questioned. Nor could it be questioned that Congress would have the power to set up an entirely new court, along the lines of the old Commerce Court, to which all questions arising under certain designated laws of Congress would be appealed finally and exclusively, including all questions of their constitutionality. For it is admitted that the appellate jurisdiction of the Supreme Court is at the mercy of Congress.

All such devices seem to me unnecessary and undesirable. What is necessary and desirable is to rid the principle of judicial review of certain ancillary doctrines that have come to adhere to it, especially the doctrine that when the Court makes an interpretation of the Constitution for the purpose of deciding a case, such interpretation must be regarded by Congress and the President as henceforth a part of the Constitution, which they are bound by their oaths to support. This is not at all in harmony with the argument upon which Chief Justice Marshall first based the right of the Court to declare an act of Congress unconstitutional.

Thus, he cited the oath which the judges are required to take to support the Constitution, and argued that it would be immoral to impose this oath upon them if they could not read the Constitution for themselves. But Congress and the President also take oaths to support the Constitution. How immoral, therefore, to impose such an oath upon them unless they can read the Constitution independently.

And in very recent years, too, the Court has carefully explained that it has no substantive power from the Constitution to set aside an act of Congress, but that it does so simply in consequence of its duty to decide cases in accordance with the law, of which the Constitution is a part. As law of the case, the Court's view of the Constitution is the Constitution, but not farther.

ATTACKED BY PRESIDENT LINCOLN

For the contrary view, which is today one of the numerous constitutional fallacies being promulgated by the American Liberty League, proslavery was largely responsible in the first instance. Realizing in 1848 that they now dominated the Court, the proslavery people started then and there the drive which culminated 9 years later in the Dred Scott case, to elevate decisions of the Supreme Court interpretative of the Constitution to a level with the Constitution itself. But, as is well known, President Lincoln, in his first inaugural, attacked this theory as utterly without basis.

"The candid citizen", Lincoln pointed out, "must confess that if the policy of the Government upon vital questions affecting the whole people is to be irrevocably fixed by decisions of the Supreme Court, the instant they are made in ordinary litigation between parties in personal actions, the people will have ceased to be their own rulers, having to that extent practically resigned their Government into the hands of that eminent tribunal. Nor is there in this any assault upon the Court or the Judges. It is a duty from which they may not shrink to decide cases properly brought before them, and it is no fault of theirs if others seek to turn their decisions to political purposes."

In short, while the Court can, and must, decide cases according to its own independent view of the Constitution, it does not in so doing decide questions.

For that matter, the Court has never regarded its past interpretations of the Constitution as binding itself. These it has abandoned by one device or another many, many times. Why, then, should they bind the national legislative power?

Discarding, therefore, this spurious gloss upon the principle of judicial review, where do we arrive?

We arrive at clear recognition that the national legislative body, Congress and the President, are vested not only with the power but with the duty to read the Constitution for themselves. To be sure, they are entitled to consult the opinions of the Court for such light as these may shed on particular questions of constitutional power; but they are not entitled to abdicate their own official function of independent judgment on the plea that such opinions are the authentic Constitution.

And being entitled and required to reach its own independent construction of the Constitution, Congress is entitled and required to frame such legislation as in its judgment the country needs and as is permitted by such independent construction of the Constitution.

IT PUTS COURT "ON THE SPOT"

But this, it will be objected, means "putting the Court on the spot." Exactly; and the Court ought to be put on the spot when it subscribes to such labored and far-fetched opinions as those upon which it based its reversal of the Railway Retirement Act and A. A. A., or when it subscribes to such ambiguous opinions as that of the Chief Justice in the poultry case.

The latter, indeed, was a virtual request by the Court to be "put on the spot"; and when he asked Congress to pass the Guffey Coal Act the President but complied with this request. He would, however, have done better to call Congress's attention to the reasonableness of doubts as to the unconstitutionality of this measure than to use the precise language he did.

And if the Court is put on the spot, so also is Congress.

In other words, the above view of the constitutional duty of Congress brings both the Court's and Congress's interpretations of the Constitution to the test of public opinion and so leaves the issue of finality to be settled by what Madison termed "the national will."

In "a government of the people, by the people, and for the people" that is just how it ought to be settled.

AMERICAN AGRICULTURE—ARTICLE FROM YANKTON (S. DAK.) PRESS

Mr. BULOW. Mr. President, I present an article appearing in the Yankton (S. Dak.) Press and Dakotan of the 18th instant entitled "A Brief Survey of Some Elemental Subjects", which I ask may be published in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Yankton (S. Dak.) Press and Dakotan of Jan. 18, 1936]

A BRIEF SURVEY OF SOME ELEMENTAL SUBJECTS

Even in politics and at the beginning of what promises to be one of the most bitter of national campaigns there should be some semblance of proper decency and an adherence to truth, to such a degree, at least, as to make attacks sound plausible.

The Chicago Tribune is published in a large city; but the paper and the city itself, perhaps unfortunately for the city and the agricultural region that surrounds it, has reached its sprawling massiveness because of the greatness of the farming country of which it is the center, and both Chicago and the Tribune have lived and fattened upon the support of the farmers and must continue so to do.

But the Tribune, Chicago's representative paper, lets its special Washington writer, Arthur Sears Henning, in commenting on the recent Supreme Court decision, say:

"The Court has invalidated the A. A. A. * * * The President has bowed to the authority of the Court. * * * He has undertaken to construct a new system of restriction of agricultural production by other means than that held unconstitutional in the A. A. A. case. The new plan is based on the principle of promoting the general welfare of conservation of soil fertility. It will provide for the distribution of about $500,000,000 annually to the farmers, approximately the same amount they received under the A. A. A.

"The new project will go eventually to the Supreme Court for determination of its constitutionality, but it cannot possibly reach the Court until after the Presidential election in which the support of the farmers is essential to the reelection of Mr. Roosevelt. This subsidy is relied upon to hold the West in line for the President."

Undoubtedly the President does want "to hold the West in line." Also it is true that "the support of the farmers is essential to the reelection of Mr. Roosevelt." But it is in no sense a fair or honest inference that Mr. Roosevelt is interested in the farmers only for their votes or that he is intent upon repairing, to the best of his ability, the damage done to American agriculture by the recent Supreme Court decision by some new plan that may or may not, in its time, be unconstitutional, for the sole purpose of retaining those votes.

Mr. Roosevelt had those votes in 1932. He secured them by fair and open promises that he would do everything he could possibly do to better the deplorable condition of agriculture. He made good those promises in a remarkable degree. He honestly earned and was entitled to the support he had secured. He is now hastening into the breach that is again promising the total destruction of agriculture and is ready to continue the battle to save the farmer, no matter what it may cost him in losses in the industrial East, because, I believe, he is honestly enlisted in the fight for the forgotten producer of food and cotton crops and will win or lose with him in the contest.

Undoubtedly he expects the farmer vote. He has had it, has earned it in championing the farmer's cause, and is still in the fight front for him.

While on the subject, let me call attention to yet another political charge that is being made without any apparent effort to give the whole truth to the voters of America, and yet with every intent and purpose to influence their thinking and to control their voting.

The Liberty League in an attack January 12 on the Roosevelt proposed Budget for 1936 and 1937 charged that it provided for "the greatest orgy of peacetime spending by any nation in the history of the world." The Chicago Tribune, again, in its news story of this attack says: "The league held the first step toward Budget balancing to be abandonment of work relief and temporary substitute of relief."

It is true that the Democratic platform of 1932 promised that the National Budget should be balanced and that Roosevelt accepted that platform and promised his best endeavors to carry out its provisions. It is also true that the Budget is not balanced and that there is little hope of its being balanced in the near future unless the relief of which the league speaks is abandoned. But it is no less true that that relief is the humanitarian feeding, clothing, and keeping alive of millions of America's citizens who without this "orgy of spending" and this "unbalancing of the Budget" would have starved and been out of their misery long

ago and that conditions today have not improved enough so they can survive if the spending stops.

No political party in power and no political sophistry in a preelection campaign can change this fact, and no administration in power can save the lives of the millions in dire need without spending money to do it. The relief had to be given if lives were to be saved. That it has changed to "work relief" is only the making of an effort to get some permanent value back to the public for the money that had to be spent in the service of suffering people.

It is true the money could have been saved and the lives lost. That alternative is still open. China has chosen that way many times in the past. Russia is said to have done so recently in her effort to build a successful communistic state. Perhaps money is the more valuable and our Government has been mistaken, but thank God it has made this error, if it is such, and pray God it will continue to make it, while hunger and human suffering can be relieved in no other way.

Later, when the terrible destruction of war has been absorbed and the mad orgy of spending and wasting of the "big bull market" of the late '20's, with its attendant destruction of the living of millions who believed the promises of Cities Service, the Van Sweringens, Mitchell, Morgan, the Wall Street bankers, insiders, promoters, and manipulators, has been somewhat replaced in slow, painful earning, is time to begin the balancing of a Budget that is going into the red a few billion a year in the effort to preserve a semblance of life in millions of human beings, ruined in large part, by that same war spending and by those hundreds of billions wiped out and utterly wasted in the uncontrolled madness of the so-called 7 fat years from 1922 to 1929.

This paper is and has been consistently Republican for 74 years, because it believes in the old-time principles of the Republican Party. But it has lived and prospered or suffered privations with the farmers of South Dakota and the Middle West. It must continue to so live or be wiped out with them.

We know, as they know, that agriculture, as an industry, is facing new conditions and must work out, with the aid of Government, an equitable, tenable position for itself; just as industry battled for subsidy, through tariffs and other methods, until it was firmly placed. We all know that relief, direct, by work, or otherwise must be continued for farmers and for others throughout the region dependent upon farming until such a position is secured and stabilized. Today these are our issues and we honestly believe the paramount issues of agriculture.

If these are the issues that have been forced upon us, then we must fight for them until we win or go down to disastrous defeat with the rest of agriculture. We must continue to support those in power, or who come into power, who are supporting agriculture and helping to solve farm problems and work them out to definitely helpful conclusions.

Here in South Dakota we cannot eat the Constitution, though we might get warmth by burning the fat out of the Liberty Leaguers who would "balance the Budget" no matter what became of human lives that must perish without food or warmth during this winter season.

W. C. LUSK.

ADDRESS BY HON. J. F. T. O'CONNOR TO AMERICAN BANKERS ASSOCIATION CONVENTION

Mr. McADOO. Mr. President, I present an address delivered by Hon. J. F. T. O'Connor, Comptroller of the Currency, before the American Bankers' Association convention, at the Roosevelt Hotel, in New Orleans, La., on November 13, 1935, which I ask may be published in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

On two former occasions—in Chicago in September 1933 and in Washington in October 1934—it was my privilege to address your association. It is a pleasure to be with you again on this occasion.

The annual reports made to Congress by the Comptroller of the Currency during the past 72 years contain an interesting history of the banking conditions of the Nation. When Abraham Lincoln appointed Hugh McCullough as the first Comptroller of the Currency on May 9, 1863, under authority of the act of February 25, 1863, definite form was given to a national banking system in the United States. The Comptroller of the Currency was charged with the responsibility for chartering national banks, approving branches thereof, conversions from State to National institutions, and for the examination, liquidation, reorganization, mergers, and proper adjustment of the capital structure of national banks, as well as their general supervision. These tasks have not been light during the past 3 years. Daniel Webster said, in his famous reply to Senator Hayne, "When the mariner has been tossed for many days in thick weather, and on an unknown sea, he naturally avails himself of the first pause in the storm, the earliest glance of the sun, to take his latitude and ascertain how far the elements have driven him from his true course." The banking storm is now definitely over. My purpose in appearing before you today is to present an accurate picture of the national banking situation now that the storm has passed, and to recount some of the work that has been done to repair its ravages.

It will be interesting to consider first, the progress made in the reopening of conservatorship banks; secondly, the work of liquidating closed national banks; thirdly, the strengthening of the capital structure of national banks; fourthly, a summary of some of the more important amendments to the National Banking Act; and, finally, the present condition of our national banks.

General statements, when not supported by unimpeachable evidence, are of little value, and that is my justification for presenting figures in some detail in order that no possible misunderstanding can arise. Many of the statistics will be released today for the first time. They will appear later in the annual report made by my office to Congress for the year ending October 31.

The most pressing problem before the Comptroller's office after the banking holiday in March 1933, was that of dealing with 1,417 national banks which failed to reopen and were placed in conservatorship. There was due to the unsecured creditors of these banks $1,924,473,019, and there has been made available to these creditors $1,427,056,746, or 74.15 percent of the amount due. These conservatorship banks owed to secured creditors $333,066,987, of which $325,946,756, or 97.86 percent, has been made available. It is significant that 489 of these banks have paid all their creditors in full. The statistics given are for June 30, 1935, the last date for which these figures have been compiled in our office.

If the figures for secured and unsecured creditors are combined, and the amount paid is deducted, we find a total balance due creditors on June 30 of $504,536,504, or 22.34 percent of the amount due on March 16.

The next problem which challenged the attention of the Comptroller's office was the orderly liquidation of all national banks in receivership, including those closed before and after the banking holiday. There are now 1,423 banks in receivership under the Comptroller's supervision. Of these banks, 832 were placed in receivership prior to March 16, 1933, with deposits of $779,635,584, of which sum the depositors have received $420,360,305, or 53.92 percent. Subsequent to March 16, 1933, 593 of these 1,423 banks were placed in receivership with deposits at time of closing of $1,067,524,707, of which the depositors have received $631,012,603, or 59.11 percent. These figures are as of October 31, 1935.

The largest number of active receiverships in the history of the Comptroller's office was 1,568, and this was on July 19, 1934. These were reduced to 1,423 on October 31, 1935. The largest number of active receivers was 833 on June 30, 1934. There are now 655.

Since March 16, 1933, there has been distributed to depositors in receivership banks $680,227,575. This large distribution has been accomplished by the orderly liquidation of the assets of these banks, and also by obtaining loans from the Reconstruction Finance Corporation. Our receivers borrowed from the Reconstruction Finance Corporation up to October 31, 1935, the sum of $337,016,740, and have repaid $242,698,243, leaving a balance unpaid of $94,318,497, or 27.99 percent. If we take the total number of national receiverships finally liquidated from the year 1865 to October 31, 1935, inclusive, numbering 1,367, we find the average percentage of expenses to collections to be 7.47 percent. In other words, out of every dollar collected by our receivers, over 92 cents has been paid to the depositors. The percentage of cost for the year ending October 31, 1935, was 8.57. The slight increase in cost is due largely to the system of borrowing from the Reconstruction Finance Corporation. Our receivers have paid $6,412,977 in interest up to the end of October.

During the past year particular attention has been given to the disposition of real estate included among the assets of insolvent national banks. A plan has been formulated and successfully followed in a number of States which has resulted in the selling to excellent advantage of real estate owned by the insolvent national banks in such States. For the first time in the history of the Comptroller's office we have tried a new procedure which involves extensive advertising and a public sale. You will be interested in the story of the results of this procedure in Gulfport, Miss.

At Gulfport the First National Bank has been in receivership since December 1931. Gulfport has a population of approximately 16,000, and derives its principal support from tourist trade. It receives some income from shipping, and also from one large cotton compress which is in operation there, although the surrounding territory is not generally considered an agricultural section. In this trust we had 344 separate pieces of real estate, some of it city property, and some of it farm acreage, most of which was nonproductive. We were advised that it was impossible to sell any real estate in this small community, as the people had no money and there was no demand for the property. We obtained the services of an energetic real-estate salesman, who went to work with vigor and dispatch. He ran a half-page advertisement on 7 consecutive days in 12 newspapers. He advertised in the adjoining State of Louisiana and in four towns and cities adjacent to Gulfport. Ten thousand copies of a pictorial booklet were circulated by hand. Ten thousand blotters were distributed. Five thousand cards were circulated in connection with a guessing contest on the prices which would be paid for certain pieces of property. Three thousand eight hundred letters were mailed to those depositors who held certificates in the closed banks. Ninety-four large oilcloth signs, 6 feet by 4 feet, and six signs, 12 feet by 4 feet, were used, as well as 500 automobile stickers. Seventeen thousand five hundred lists containing a description of each piece of property were distributed. Sixty consecutive announcements were made over the local radio stations and seven over the New Orleans radio station, while a sound truck traveled 1,800 miles and was used to amplify the sound on the day of the sale. The cost of all this was something in excess of $7,500.

About 2,000 people gathered in the city park at 10 o'clock on the morning of the sale. The Parent-Teachers Association furnished luncheon at a small profit to that worthy organization.

The sale was adjourned an hour for dinner, and after dinner a crowd of approximately 5,000 people were present. The sale continued until 1 o'clock in the morning, when the last piece of real estate was sold, and approximately six or seven hundred people remained until the end of the sale.

What was the result? The success of the sale surprised everyone. The bids amounted to $178,672, one-third of which was required to be paid in cash and the balance in 1 or 2 years. In many instances, however, the full amount was paid. In addition, the purchasers assumed the back taxes on the property, which amounted to a total of $35,284, making the entire proceeds of the sale $213,956. Several offers were made to purchase at par the paper received. A purchaser of this paper knows that he is taking very little chance when one-third of the price of the property has already been paid. These results were obtained notwithstanding the fact that each purchaser of property knew that title did not pass at the time of the sale, as the Federal statutes require the approval of the Comptroller of the Currency and the approval of a court of competent jurisdiction.

There are financial institutions in every part of the country which have similar problems. However, their task is much easier. We were dealing with a closed institution, with property in the morgue, where title did not pass when the auctioneer's hammer dropped, and where we were not in a position to assist in financing any part of the purchase price paid. We did more than merely sell all of the real property in this trust; we recreated values in this little town, stimulated activity in real-estate sales, and created a new psychology toward investments. No one believed it could be done. No one believed it was possible to obtain over $200,000. Yet that was the result of the sale. It is anticipated that this plan will be placed in operation in other sections of the country as rapidly as the necessary details may be arranged. It has been noted that interest in the acquisition of real estate for investment purposes has revived to a considerable extent, which will, of course, materially benefit the creditors of those insolvent national banks which have substantial real-estate investments.

A few items will give you an idea of the enormity of this particular problem. We hold title to 2,404 farms, containing 480,942 acres, with an estimated gross value of $7,257,020. In addition, we have mortgages on 3,690 farms, containing 839,028 acres, with an estimated gross value of $12,665,270. We hold title to 7,347 residences with an estimated gross value of $25,481,082, and hold mortgages on 16,380 residences with an estimated gross value of $48,925,143. We have title to 2,451 business properties with an estimated gross value of $19,660,344, and we have mortgages on 2,249 pieces of business property with an estimated gross value of $22,998,078. In addition to these items, we have title to 5,002 unimproved city properties with an estimated gross value of $4,480,295, and hold mortgages on 3,885 unimproved city properties with an estimated gross value of $3,358,326. We have 917 bank buildings with an estimated value of $39,729,877, and 1,050 miscellaneous items whose estimated gross value is $7,422,139.

The third problem confronting the Comptroller's Office was the strengthening of the capital structure in our national banks. On June 30, 1932, 6,150 national banks had capital stock of $1,568,983,000, and on June 30, 1935, 5,431 national banks had capital stock of $1,813,970,000. Although this indicates a reduction of 719 in the number of national banks, or 11½ percent, there has been a net increase in the capital of $244,987,000, or 15½ percent.

The selling of preferred stock enabled many banks to carry along loans which otherwise would have been foreclosed, and in other instances made it possible for banks to extend greater credit to the community in the time of stress. Approximately 2,000 national banks sold $550,729,300 in preferred stock of which $63,318,932 was purchased locally and the balance by the Reconstruction Finance Corporation. Of this total amount, $21,417,637 has been retired, leaving $529,311,663 in preferred stock still outstanding in our national banks.

A number of measures affecting the banks of the Nation have been considered and passed by Congress since 1933. Probably the most sweeping and far-reaching was the act creating the Federal Deposit Insurance Corporation. The Board of that Corporation is composed of Hon. Leo T. Crowley, Chairman, former United States Senator Phillips Lee Goldsborough, of Maryland, and the Comptroller of the Currency. The Board is bipartisan. At your Chicago meeting in September 1933 a considerable part of my address was devoted to this measure. The statements made at that time have been more than justified. This legislation has caused millions of dollars to be brought out of hoarding and back into circulation; confidence has been restored in the safety of deposits, and the wrongs resulting from vicious propaganda against the banks have been completely overcome.

The act of Congress permitting the Reconstruction Finance Corporation to purchase preferred stock in national banks and capital debentures or notes of State banks, and the elimination of the double liability on bank shares on new common capital issued as a result of an increase in the bank's capital, has encouraged investments in these stocks. In this connection, the depositors of such banks have been given the added protection of laws which require the building up of a surplus equal to the bank's common capital, this increased surplus operating to take the place of the potential, but uncertain, protection formerly provided through assessment liability on shareholders.

Another provision made it possible for less than all the shareholders and depositors of a closed institution to reorganize and reopen such institution on a basis equitable alike to depositors and shareholders, thereby avoiding the delays and losses incident to receivership. Under this provision many institutions have been reopened and are operating today, which otherwise would have been placed in receivership.

Congress further authorized the Federal Reserve Banks and the Reconstruction Finance Corporation to make, to participate in the making of, or to give commitments with respect to loans to industry for the purpose of providing it with working capital, particularly where such industry is unable to obtain requisite financial assistance on a reasonable basis from the usual sources. As a result of the authority thus given, banks are enabled, either individually or in cooperation with the Federal Reserve Banks or the Reconstruction Finance Corporation, to extend, with the utmost safety, financial assistance under conditions where it would not otherwise be possible to make such loans.

Further assistance has been given to the borrowing public and to the banks through the insurance of mortgages and improvement loans by the Federal Housing Administration. Through the protection given to the banks by such insurance, there has been opened to them a broader field for the utilization of their cash resources, and untold benefits have been afforded to home owners.

The congressional act prohibiting the payment of interest-on-demand deposits and placing certain restrictions on the payment of time deposits has been of great benefit to the banks. During the 5 years prior to the passage of this law member banks alone paid on demand deposits $1,230,242,000, or an average of $246,048,500 per annum. The total assessment paid to the Federal Deposit Insurance Corporation to date by all insured banks in the United States during the nearly 2 years of operation is $41,031,652.85. Annual assessments under the permanent plan are estimated at $35,000,000. The practice of paying interest on demand accounts was generally condemned and denounced by the bankers, but they were powerless to correct the evil until Congress acted. This practice caused unwarranted competition between banks through the payment of high interest rates, which in turn necessitated unsound investments and loaning policies and unreasonable rates of interest to the borrower in order to earn and maintain the payment of interest on demand deposits.

Congress, further, has prohibited loans to executive officers. At the last session the time within which old loans could be paid by executive officers was extended by Congress, largely because of the favorable showing made by executive officers in paying their indebtedness to their banks.

This matter was covered fully in my testimony before the Glass subcommittee of the Senate Banking and Currency Committee in the last session. The committee accepted the recommendation to extend the time of payment. Restrictions and limitations have been placed upon banks with regard to loaning money to affiliates of such banks through the requirement that publicity be given to such relations between the banks and their affiliates. Banks have also been required to divorce their securities affiliates, and institutions which deal in or underwrite securities have been prohibited from taking deposits.

Both the depositing public and organized banking institutions have been aided by legislation designed to eliminate unregulated private banking. It is no longer lawful for anyone to engage in the banking business unregulated by either State or Federal authority. Under the Glass-Steagall Act of 1933 private banks not under State supervision were required to make reports to the Comptroller of the Currency. Five calls were made to these banks for reports of condition, the first one for June 30, 1934, the last one for June 29, 1935. As of June 29, 1935, there were 144 private banks reporting in the United States with total assets of $131,177,000 and total deposits of $68,488,000. In my annual report to Congress recommendation was made that this provision be eliminated for the reason that there seemed to be no corrective power over these banks which could be constitutionally lodged in the Comptroller. The provision was removed, and instead the private banks are required to submit to periodic examinations by the banking authority of the State and are required to make published periodic reports.

Greater latitude has been provided as to time of repayment and the character of assets on which loans may be obtained from Federal Reserve banks. This should prove to be a bulwark in times of stress.

Much has been accomplished in the light of past experiences, and, with intelligent leadership in the banking world and among our public, the causes which brought about the total collapse of the banking structure should never recur. It is a sad commentary on American leadership that 12,677 banks with $7,510,640,000 in deposits have closed during the past 12 years. Some of these failures have been due to poor management and bad investments, but, in addition, this Nation has been overbanked. A mad scramble to establish a bank opposite every gasoline station across this continent is not a situation which can be contemplated with any degree of satisfaction. For the first time in the history of banking in this country, Congress has provided a means to correct this condition by giving to the Federal Deposit Insurance Corporation the power to refuse to insure a State bank until certain conditions have been complied with and, particularly, until a necessity for the State institution has been shown.

From October 31, 1932, to October 31, 1935, only 66 primary national banks have been chartered by the Comptroller's Office; 29 for the year ending October 31, 1933; 26 for the year ending October 31, 1934; and 11 for the year ending October 31, 1935. This is the smallest number of national banks chartered in any 3-year period during the past 30 years. Prior to that time the office records were not segregated as to primary organizations as distinct from conversions or reorganizations.

We shall now consider the present condition of our national banks. Let us compare the call report for national banks for June 30, 1934, with that for June 30, 1935. Loans and investments in 1935 were $18,085,103,000, an increase of $1,038,807,000 over 1934; total assets were $26,061,065,000, an increase of $2,159,473,000; total deposits were $22,518,246,000, an increase of $2,585,586,000. If we include all banks, national, State, and private, comparing the same two periods, we find an equally favorable picture. Loans and investments on June 30, 1935, were $44,632,286,000, an increase of $1,911,641,000 over 1934; total assets were $60,393,057,000, an increase of $4,233,132,000; total deposits were $51,586,123,000, an increase of $4,961,082,000.

On December 31, 1928, national banks reported the largest amount of deposits and assets ever reported in the national banking system. Let me give you these figures as of December 31 for 1928 and the succeeding years. On December 31, 1928, total assets amounted to $30,589,156,000; for the same day in 1929 they were $28,882,483,000; in 1930, $28,799,684,000; in 1931, $24,662,286,000; in 1932, $23,310,974,000; in 1933, $21,747,483,000; in 1934, $25,629,580,000; and on June 30, 1935, they were $26,061,065,000. Total deposits on December 31, 1928, amounted to $24,347,380,000; for the same day in 1929 they were $22,773,493,000; in 1930, $22,871,646,000; in 1931, $19,244,347,000; in 1932, $18,518,107,000; in 1933, $17,589,882,000; in 1934, $21,676,303,000; and on June 30, 1935, they were $22,518,246,000.

It will be noted that total assets and total deposits continued to decrease from December 31, 1928, to December 31, 1933. They showed a marked increase on December 31, 1934, and again on June 30, 1935. On the latter date the total assets were 85.20 percent of the total assets on December 31, 1928, and the total deposits on June 30, 1935, were 92.49 percent of the December 31, 1928, figure, which was the largest in the history of the system. It should not be overlooked that on June 30, 1935, there were 2,204 less national banks than on December 31, 1928.

Probably a more significant figure is that for bills payable and rediscounts. On December 31, 1928, national banks had borrowed and were indebted in the sum of $785,309,000, and on June 30, 1935, the national banks owed $4,643,000, or less than 1 percent of the figure for December 31, 1928.

During the past year there probably has been more discussion of the earnings of banks than of any other subject connected with banking. For the year ending June 30, 1932, the national banks had a deficit of $139,780,000, or 8.91 percent based on capital; for the year ending June 30, 1933, a deficit of $218,384,000, or 14.39 percent; and for the year ending June 30, 1934, a deficit of $303,546,000, or 17.46 percent. On June 30, 1935, the situation completely changed, and there was a profit of $71,372,000, or 3.93 percent.

Nearly all of this recovery of $71,000,000 as represented in profits was obtained in the first 6 months of the present year. On December 31, 1934, the deficit was $4,893,000.

There is no more important function exercised by our national banks than the administration of trust powers. Those who create trusts in the trust departments of our national banks repose in the officers the highest confidence that one person can place in another. Here the trustor places the whole future of those dependent upon him, and, in many cases, of children unborn. Proper emphasis has not been placed upon this most important function of our banking system. When one contemplates the number of trusts, the amounts involved, and the increase in this particular branch of business, one cannot but feel that a high compliment is implied to the integrity of those entrusted with what might be called nearly sacred powers.

There are 1,578 national banks with active trust departments. They are administering 129,711 individual trusts with assets aggregating $9,251,291,947, and in addition are administering 16,801 corporate trusts, and are acting as trustees for outstanding note and bond issues amounting to $11,605,145,026. Compared with the year 1934, these figures represent a net increase of 8,577, or 6.2 percent in the number of trusts being administered; an increase of $734,740,203, or 8.6 percent, in the volume of individual trust assets under administration; and an increase of $120,683,289, or 1.05 percent, in the volume of note and bond issues outstanding for which national banks have been named as trustees.

An analysis of the $8,341,958,034 of invested trust funds belonging to the private and court trusts under administration revealed that 48.74 percent was in bonds, 29.28 percent in stocks, 7.96 percent in real-estate mortgages, 7.16 percent in real estate, and 6.86 percent consisted of miscellaneous assets. The investment of these trust funds is of the highest importance, and, therefore, this analysis, which is now given out for the first time, should be of considerable interest.

The impressive development of trust activities in national banks is further emphasized by comparing the record in 1935 with that of 1926. This comparison reflects an increase during the 9-year period of 120,459, or 462.36 percent, in the number of trusts being administered, an increase of $8,328,963,270, or 903.04 percent, in the volume of individual trust assets under administration, and an increase of $9,141,591,710, or 371.07 percent, in the volume of note and bond issues outstanding for which national banks were acting as trustees.

It has always been my custom simply to present the facts and never to make a prophecy. These facts, however, and my general knowledge of the banking situation, impel me now to predict that the present 6 months' period will be the best the banks of the Nation have enjoyed for more than 4 years.

In conclusion, permit me to express my deep appreciation of the enthusiastic and wholehearted support which the bankers of the Nation have accorded my rather inexpert efforts to outline what, in my opinion, are proper standards for bankers. The lawyers, the doctors, and members of other professions have boasted of their codes of ethics, and their boasts seem justified, for a large part of the progress these professions have made in claiming and holding public esteem is due to their adherence to a code of ethics.

The storms of yesterday have subsided; the picture presented to you today is one of hope and good faith. You have the facts. A few, no doubt, will still imitate the ostrich with its head in the sand, but the great majority of our financial leaders are looking toward clearing skies with high resolve, with courage, and with faith.

Let us go forward together, rendering a service to a mighty people, and deeply appreciative of their confidence. And may our actions vindicate their faith.

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

The Senate resumed consideration of the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

Mr. BARBOUR. Mr. President, I should like to address myself to the unfinished business, which is Senate bill 2288, being Calendar No. 654, to provide for the measurement of vessels using the Panama Canal, and for other purposes.

Last year I submitted a minority report at the time that the committee voted out the bill favorably. I should be very glad to read that report, Mr. President. If I may say so, I think it is concise, to the point, and convincing. On the other hand, I am reluctant to take the time to read any report which has already been printed, has been on the desk of Senators, and which they have had an opportunity of reading if they cared to do so. Therefore, Mr. President, instead of reading it, I ask unanimous consent that these observations of mine which constitute the minority report on the measurement of vessels using the Panama Canal, being Calendar No. 654, be placed in the RECORD at this point as a part of my remarks.

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). Without objection, it is so ordered.

The views of the minority are as follows:

The bill (S. 2288) is sponsored by the War Department and the Canal authorities for the purpose of eliminating the United States Rules of Measurement in determining the tonnage upon which is levied the tolls for vessels transiting the Panama Canal. The bill provides that after September 1, 1936, tolls shall be assessed only on tonnage determined under the Panama Canal Rules of Measurement. These rules may be amended from time to time by Presidential proclamation without further legislative action.

The rate of tolls to be prescribed by the President may not exceed $1 per net vessel-ton as determined under these rules nor be less than 60 cents. Lower rates of tolls are made mandatory for vessels transiting the Canal in ballast, and exemption from payment is prescribed for deck loads except to the extent that they exceed 20 percent of the net vessel tonnage.

The result of the bill is to effect a marked redistribution of the toll burden between different classes of ships, and to make possible a substantial increase in the total tolls that may be collected.

In his annual report for 1933, the Governor of the Panama Canal recommended the assessment of tolls at the maximum rate authorized in this bill. However, after consideration of protests received from steamship lines, the Secretary of War advised the Committee on Interstate and Foreign Commerce of the House of Representatives, in May 1934, that if legislation similar to the bill were enacted he would recommend to the President the adoption of a toll on laden vessels of not more than 90 cents. If applied to the traffic through the Canal during the fiscal year 1934, this rate would slightly reduce the aggregate toll collections. However, it would effect a very marked redistribution in the toll burden between different classes of ships as the following table demonstrates:

Type and nationality of ship	Increase or decrease	Percentage increase or decrease	Increase or decrease per transit
Passenger ships:			
United States registry	$471,762	22	$1.371
Foreign registry	375,171	10	471
Total	846,933	15	742
Shelter-deck cargo ships (usually 3-deck ships):			
United States registry	147,229	7	349
Foreign registry	101,488	2	95
Total	248,717	4	167



Type and nationality of ship	Increase or decrease	Percentage increase or decrease	Increase or decrease per transit
Other dry-cargo ships (usually 2 or less decks):			
United States registry	[1] 92,950	[1] 3	[1] 109
Foreign registry	[1] 285,794	[1] 9	[1] 364
Total	[1] 378,744	[1] 6	[1] 231
Oil-tank ships:			
United States registry	[1] 577,910	[1] 17	[1] 913
Foreign registry	[1] 342,195	[1] 19	[1] 1,107
Total	[1] 920,105	[1] 18	[1] 977

[1] Decrease.

Thus it is apparent that even if there is no increase in the aggregate tolls collected, nevertheless the effect of the bill will be to impose large increases in the tolls of the passenger and general-cargo ships which, under present-day conditions, are least able to bear this added burden, and to effect corresponding reductions in the tolls paid by bulk carriers most of which are industrially owned and none of which have protested against the existing system.

The enormity of the burden imposed upon the leading American lines using the canal is evident from their testimony at the hearings both before this committee and the House Committee on Interstate and Foreign Commerce. In the case of one passenger and general-cargo line it was testified that the annual increase in tolls at the 90-cent rate would be $400,000 and $551,000 at the maximum rate of $1. Another line's tolls would be increased $208,000 annually at the 90-cent rate and $297,000 at the $1 rate. A third line would pay $140,000 more at the 90-cent rate and $276,000 more at the proposed maximum. Representatives of a fourth line testified that its tolls would be increased between $290,000 and $300,000 at the maximum rate.

The ships operated by these lines are among the most desirable in American merchant marine, and of the type whose operation it is most necessary to encourage in the interest of both commerce and national defense. The imposition of this large additional burden at a time when they are already suffering operating losses is entirely unwarranted, particularly as the passenger and general-cargo ships are paying more than their share of the tolls, based on weight-carrying capacities.

No sound reason has been advanced for abandoning the tonnage determined under the United States Rules of Measurements as the basis for the assessment of tolls at the Panama Canal. Our national registry rules have developed out of our maritime experience and that of other seafaring nations. Their principal object and primary purpose is to afford a fair and equitable basis for the assessment of dues and charges for the use of publicly improved and publicly maintained waterways. They are almost universally accepted throughout the world for the purpose for which they were designed. In addition, in many ports, they are accepted by private parties as a basis for the assessment of charges for use of facilities or services rendered to ships, such as drydocking, dockage, pilotage, etc. It would seem most unreasonable to assume that tonnage determined under these rules would not furnish an equally suitable basis for assessment of Panama Canal tolls.

Moreover, the bill perpetuates a dual system under which American ships will continue to be measured according to two systems of measurement, one administered by the Department of Commerce, the other by the War Department. This "dual system" of measurement creates conflicting standards with which the American shipowner is compelled to comply, and unnecessarily complicates the efficient management of his business. No other maritime nation has two sets of rules for the measurement of ships which fly its flag.

From the point of view of the Government, this system has resulted in disagreement and friction between two coordinate departments, and involves duplication of effort and overlapping of functions for which there is no reasonable justification. The enactment of the bill would perpetuate this system, which is not only inconsistent with sound organization, but violates the principles prescribed by Congress for the reorganization of executive departments, as set forth in the act approved June 30, 1932:

"TITLE IV. REORGANIZATION OF EXECUTIVE DEPARTMENTS

"DECLARATION OF POLICY

"SEC. 401. In order to further reduce expenditures and increase efficiency in government it is declared to be the policy of Congress—

"(a) To group, coordinate, and consolidate executive and administrative agencies of the Government, as nearly as may be, according to major purpose;

"(b) To reduce the number of such agencies by consolidating those having similar functions under a single head;

"(c) To eliminate overlapping and duplication of effort."

If the elimination of the dual system of measurement is really to be accomplished, the proper course of procedure would be to establish a single set of measurement rules under which ship tonnage could be determined for all purposes, including the payment of Canal tolls. Only in this way can overlapping functions be eliminated and administrative costs reduced. Moreover, their administration is a commercial function with which the War Department should neither be required nor expected to deal, and for this reason it should be centralized in the Bureau of Navigation of the Department of Commerce.

The proponents of this bill have cited the Suez Canal as an illustration of an improved waterway which has adopted its own rules of measurement for ascertaining tonnage upon which to assess tolls. The Suez Canal is owned and operated by a private corporation, and for this reason it cannot properly apply the measurement rules of any nation. Furthermore, its primary object is to earn as large a return as possible for its stockholders, rather than the equitable distribution of operating costs over all commercial traffic. Its success in attaining this objective is strikingly demonstrated by the fact that distributions of profits to stockholders have averaged over 200 percent annually over a period of years and that its shares are currently quoted at about 20 times the original investment. Clearly a system of measuring ships designed to yield such profits should not be accepted as the pattern for the charges to be assessed by our Government against American ships which transit through the Panama Canal.

The majority report alleges that the enactment of the bill is necessary to prevent shipowners from effecting large reductions in their tolls by making minor alterations which, without reducing the actual earning capacity of the ships, have reduced the net tonnage as determined under the United States Rules of Measurement. Instances are cited of alterations to 38 American ships during 1933 by means of which substantial reductions in tolls were effected.

In the putting forward this argument the proponents of the bill ignore these vital factors:

(1) The carrying capacity of cargo ships is materially reduced by reason of these alterations. One company which effected changes in 18 of its ships during 1933 pointed out that the weight-carrying capacity of these ships was reduced by 1,362 tons per ship as a result of these alterations, although the reduction in the United States net tonnage was only 972 tons per ship.

(2) The interpretation and administration of the United States rules rests entirely within the control of the executive department of the Government. If this administration has been lax, the remedy does not lie in setting up another set of measurement rules for the sole purpose of assessing canal tolls, which rules can be changed at will by the Chief Executive.

(3) The United States rules have been uniformly applied without discrimination, thus affording equality of opportunity to all.

The Canal authorities admit that the Panama Canal rules of measurement require modification and that unless modified an undue hardship will be suffered by certain types of ships. For this reason the President is authorized in section 2 to appoint a special committee of three to recommend such changes in the Panama Canal rules as in its judgment are necessary to provide an equitable system of levying tolls. There is no requirement in the bill that such a committee be appointed or that the rules be revised, and the basis of assessing tolls provided for in section 1 goes into effect on September 1, 1936, whether or not such revision is undertaken or made.

Obviously it is not fair to the shipowner to enact the legislation before revising the rules of measurement. Unless he knows what changes are to be made in the rules he cannot pass judgment on their fairness as applied to his fleet. No valid reason is cited why this procedure cannot be followed.

Moreover, the enactment of section 1 places unreasonable restrictions on the committee's consideration of all factors involved in an equitable system of levying tolls. For example, section 1 requires that tolls be "based on net vessel-tons of one hundred cubic feet each of actual earning capacity. * * *" This mandate would restrict the committee's consideration, to the cubical content of the ship, and would prevent its giving due consideration to weight-carrying capacity as well as to many other relevant factors which have been suggested during the course of the hearing. Should the committee ignore the restrictions imposed in section 1, and recommend a system of assessing tolls not in harmony therewith, the President is powerless to put such recommendations into effect without further legislation by Congress. The folly of authorizing an investigation into the method of assessing tolls and simultaneously prescribing a particular method without awaiting the recommendations of the investigating agency is too obvious to require further elaboration. Clearly, further legislation must logically await the result of such an investigation.

Opposition to the bill may be summarized as follows:

1. The bill increases very drastically the tolls on American general-cargo and passenger ships, which are now operating at a loss.

2. In proportion to their weight-carrying capacities, the general-cargo and passenger ships are now paying more than their share of the toll burden.

3. The bill increases tolls on American general-cargo and passenger vessels by larger percentages than it does similar ships of foreign registry. Moreover, the reductions effected in tolls of American oil tankers are relatively smaller than those received by tankers of foreign registry.

4. Our national registry rules represent the result of our maritime experience and afford an equitable basis for charges for the use of waterways improved and maintained at public expense. There is no valid reason why they should be eliminated as a basis for assessment of Panama Canal tolls. These rules, by exempting spaces which do not contribute to the buoyancy of the ship, give due consideration to both weight-carrying capacity as well as to cubic capacity and, for this reason, afford a more equitable basis for the assessment of tolls.

5. The bill permanently establishes two conflicting systems of measurement of American vessels by separate departments of our Government. This duplication of effort is unwarranted and places in the War Department what is admittedly a commercial function—that of measuring commercial vessels.

6. The administration and interpretation of the United States Rules of Measurement is vested in the Department of Commerce, and consequently other more appropriate remedies are available for such abuses as may exist in the present system. Moreover, such alterations as the Canal authorities have complained of have had the effect of reducing the weight-carrying capacities of the ships in which such changes were made.

7. The enactment of new legislation should await the investigation authorized under section 2. The absurdity of authorizing an investigation into an equitable and just system of levying tolls and then simultaneously prescribing a particular method without awaiting the result of the investigation must be clearly apparent.

W. WARREN BARBOUR.

Mr. BARBOUR. To those who will have read the RECORD, what I am now going to say in a sense will be superfluous. For the purpose of this address, however, I do wish to add a short message, and in doing so I shall recapitulate, so to speak, the facts which I think are most pertinent and which I feel are brought out very clearly in the minority report already mentioned.

Section 1 of the bill provides for the establishment of tolls on tonnage determined under the Panama Canal rules of measurement, somewhat modified in this bill. In other words, the rules that I have referred to, as I have just said, are modified in certain respects in the bill now before the Senate.

Section 2 provides for an investigation to ascertain the best method of measurement of ships for the assessment of tolls, and a report to be made to the President 6 months prior to the effective date of section 1.

Manifestly, Mr. President, if such an investigation is to be made, permanent legislation should await the information made available by such an investigation.

Mr. DUFFY. Mr. President, will the Senator yield?

Mr. BARBOUR. I yield.

Mr. DUFFY. I do not recall that the Senator from New Jersey was present the other day when this bill came up, but the chairman of the committee at that time announced that he intended to move that section 2 be stricken from the bill as reported out by the committee.

Mr. BARBOUR. Mr. President, I am grateful to the Senator for drawing that fact to my attention. I was not in the Senate chamber when the distinguished Senator the chairman of the committee made that observation, but it seems to me what he suggests is very definitely putting the cart before the horse, if he did make any such observation as that.

I can understand, however, why anyone who is desirous above all else of having these rates put into effect should do everything he could to avoid the investigation in the meantime, but I cannot understand the logic of first setting the rates and then making an investigation of what the rates should be and on what basis as far as this matter of measurement is concerned.

Mr. GORE. Mr. President, will the Senator yield?

Mr. BARBOUR. I am glad to yield to the Senator.

Mr. GORE. I think I can explain that to the Senator. The pending bill fixes a maximum rate of a dollar and a minimum rate of 60 cents. Those constitute the maximum and minimum fixed rates. Under this bill, if passed, the President will fix the exact tolls to be charged within those limits, between the maximum of a dollar and the minimum of 60 cents. The object of creating the committee was that their report and findings should be submitted to the President, and upon that report the President would fix the exact rates to be imposed and collected between the upper and lower rates, the maximum and the minimum.

As I suggested at the time, the shipping interests seemed to take exception to that provision and I thought were taking advantage of it to make a plea for unnecessary delay. I felt that if they objected to that provision I would consent to strike it out, which would perhaps lessen their objection. I may say, however, to the Senator that I am assured by the Canal officials that an investigation will be made even though section 2 be stricken from the bill.

Mr. BARBOUR. Mr. President, I am glad always to have heard the Senator's views, and he knows how highly I respect him and his views.

Mr. COPELAND. Mr. President, will the Senator from New Jersey yield to me?

Mr. BARBOUR. I yield very gladly.

Mr. COPELAND. I am not quite sure that I understood the Senator from Oklahoma. Did I understand him correctly to say that the only purpose of section 2 was that the committee proposed to be appointed should make an investigation to determine what the rates should be?

Mr. GORE. No; not to determine what the rates should be, but to ascertain the facts, the changes in the construction of ships since the original measure passed in 1912, and on changes also that have been made in order, I take it, to accommodate the ships to the rules and regulations of the Commissioner of Navigation; and then to lay the facts before the President, the President himself under this bill, as under the original act, to fix the tolls.

Mr. COPELAND. Mr. President——

Mr. BARBOUR. I was going to say, if I may, before I yielded again to the Senator from New York—and I will be very glad to yield again to him in a moment—that section 2 provides for an investigation to ascertain the best method of the measurement of ships for the assessment of tolls.

Mr. GORE. Yes, indeed; there are two provisions, the one referring to measurement and the other to tolls.

Mr. BARBOUR. The last is just as important as is the first.

Mr. COPELAND. It is more so.

Mr. BARBOUR. The two things are each a part of the whole equation. And it is just this fact that I was going to point out following the remarks of the Senator from Oklahoma. In other words, just what I have just now said following the inquiry of the Senator from New York.

Mr. GORE. There are two points, the rules of measurement and the rates of toll.

Mr. COPELAND. Mr. President, will the Senator from New Jersey yield further?

Mr. BARBOUR. I gladly yield.

Mr. COPELAND. If I can understand the English language, the second section provides for "a study and investigation of the rules for the measurement of vessels" as well as of the tolls to be charged.

Mr. BARBOUR. That is correct.

Mr. COPELAND. So far as I am concerned, I would welcome the enactment in the bill of the second section, because some agency of the Government ought to take time enough to study this problem with a view to the establishment of rules of measurement and rates of toll and to decide the questions in such a way as not to impose a further burden upon American shipping, which will be done if this bill shall pass in its present form.

Mr. BARBOUR. Mr. President, I agree wholeheartedly with the Senator from New York and, so far as I am concerned, if the second section of this bill were the burden of the bill itself, I would be for it rather than against it.

However, to continue, if I may, we have the United States rules of measurement for ships, which rules are applied in every conceivable case save for the one purpose of ascertaining tolls on vessels using the Panama Canal. Tolls are now assessed there in accordance with the United States rules, and there seems to exist no good reason, from my point of view, why the War Department should make a different set of rules for this one purpose than the rules prescribed by the Congress and administered by the Department of Commerce and otherwise universally applicable.

It has been said that the Suez Canal has its own set of rules for fixing tolls, and I believe that is so. The Suez Canal, however, is owned by a private corporation that pays 200 percent annually in dividends to its stockholders and is concerned solely with charging what the traffic will bear. I do not say that in a critical or invidious sense, but it is a situation which most certainly does not and should not prevail so far as the Panama Canal is concerned.

The Canal authorities maintain that if a 90-cent rate is applied the total of tolls under the proposed system will not

vary greatly from the existing total. That may be true; but let me point out, Mr. President, that the burden on various classes of ships will differ very materially. The provisions of section 1 will increase tolls on passenger ships and general cargo ships, which already pay more than any other type of ship in proportion to their weight-carrying capacity by more, as a matter of fact, than a million dollars a year, which will thus correspondingly reduce the tolls on bulk carriers, tankers, and ships of that kind. In other words, the common carriers and the producers whose commodities they transport will be penalized in the neighborhood of a million dollars annually in order to relieve the industrially owned private carriers of substantially the same amount.

I wish to say in the same breath, however, in that connection, Mr. President, that I do not mean for one moment to indicate that I feel for a moment that this proposed legislation was introduced in the interest of anybody or any type of carrier or anything of that sort. My own interest is just as much in one type of carrier as in another, and I believe there has not been any pressure brought upon anyone for any particular type of carrier. The fact remains, however, that there will be a great difference brought about and that a much greater burden will be put on what might be called in lay language the ordinary type of passenger and freight ships, and that an equal burden in tolls will be lifted from the industrially owned vessels that carry their own products or commodities.

Mr. COPELAND. Mr. President, may I ask the Senator a question at that point?

Mr. BARBOUR. Certainly.

Mr. COPELAND. If the charge is increased on the common carriers, as the Senator has just stated, who is going to pay for that? Of necessity it must be American citizens who ship goods through the canal. There will have to be imposed on them an additional tax sufficient to pay this addition to the tolls. Am I not correct in that contention?

Mr. BARBOUR. The Senator is absolutely correct.

Mr. DUFFY. Mr. President, will the Senator yield?

Mr. BARBOUR. I am glad to yield to the Senator.

Mr. DUFFY. In the last few years vessels have been cutting holes in their decks and bulkheads and thereby reducing, by that artificial means, the rates which they have to pay to go through the canal. Have those savings been reflected in any way by a lessening of the rates that the shippers have had to pay? I do not think that was brought out in the committee, and I am just asking for information regarding it.

Mr. BARBOUR. The Senator may be entirely correct as far as the pact is concerned. That is a very pertinent and sensible question, but I think I have just as pertinent and sensible an answer for it as far as the situation at present is concerned. The whole point being that the premise of the Senator is certainly no longer applicable since the enactment of the Coastwise Load Line Act of 1935, approved August 27, 1935. In other words, it is no longer possible to exempt any of the cargo-carrying space under the United States rules of measurement without—and this is important—at the same time affecting a corresponding reduction in the ship's weight-carrying capacity.

Mr. DUFFY. Mr. President, will the Senator yield again? I do not wish to interrupt him if it is not agreeable.

Mr. BARBOUR. I am glad to yield.

Mr. DUFFY. Is it not a fact that shipowners are continuously cutting holes in the decks of their ships because of the saving thereby accomplished? As I understand, during the last few years the Japanese have materially reduced the cost of the tolls paid by their vessels going through the Panama Canal by cutting these tonnage openings in the decks and in the bulkheads.

Mr. BARBOUR. The force of the explanation which I have just made, I thought was entirely clear, but apparently it has escaped the Senator. The answer is: If they do that, they are forced to carry less tonnage.

Mr. DUFFY. Certainly; but they would not do it if they were not thereby saving money in the aggregate; otherwise there would not be any sense in doing it.

Mr. BARBOUR. Exactly; and they do not do it any longer, because if they do it they do not gain anything by it.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. BARBOUR. Very gladly.

Mr. COPELAND. I think the Senator from New Jersey made an effective answer. This practice on the part of the Japanese and others—perhaps by some of our own shipping—has now been thwarted by the load-line enactment. There is a limit now to what the ships may carry. The Senator from New Jersey has mentioned that all of them are on the same plane because of the limitation placed on the load line.

Mr. BARBOUR. Mr. President, there is one point which I intended to make a little earlier and to which I will return, though I welcome the interruptions, if I may call them such, because they are pertinent and helpful.

It has been said, I think either by the Senator from Oklahoma [Mr. GORE], or possibly in the hearings which, as a member of the committee, I attended last year, that it was the expectation and hope that because of increased business generally through the Canal there would be quite naturally a reduction in tolls; in other words, the Canal would charge less as it did more business. As a matter of fact, there is apparently no hope of any such thing. If Senators will examine the printed hearings of the joint committee on the bill at pages 29, 30, and 31, they will see that the revenues of the Canal have been mounting and not going down. The revenues in 1933 were $553,000,000; in 1934, $539,000,000; and in 1935, $549,000,000. It will be found also that there is a fixed expense of between $15,000,000 and $16,000,000 a year for interest; in other words, the debt structure expense.

I think it is fair to point out—though I do so in the same spirit in which I pointed out certain other facts, because I am not criticizing the management of the Canal in this instance—that there are many charges which are more expensive in relation to the Panama Canal than is so in relation to anything approaching a first-class port anywhere else. I refer specifically to transfer charges for moving cargoes on the docks, pumping charges in relation to tankage, and other such charges, which, if studied, will show that those who use the Canal are paying the full price for that character of service.

Mr. DUFFY. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Wisconsin?

Mr. BARBOUR. I am very glad to yield.

Mr. DUFFY. The charges for the military, the forts, and all that sort of thing are not included.

Mr. BARBOUR. No. I am glad the Senator brought out that point, because in my reference to expense of the conduct of the Canal I have, I think, eliminated everything in reference to the fortifications and other Army aspects of the undertaking.

Mr. BONE. Mr. President, will the Senator yield?

Mr. BARBOUR. I am glad to yield.

Mr. BONE. I note in the report of the committee that the cost of handling at the present time is about $543,000,000. Can the Senator advise whether any part of that reflects the cost of the fortifications of the Canal?

Mr. BARBOUR. No; my understanding is that it does not.

Mr. BONE. I wondered if the committee hearings indicated whether any portion of that amount is properly allocated in that way?

Mr. BARBOUR. Perhaps the Senator from Maine [Mr. WHITE] can enlighten the Senator from Washington.

Mr. WHITE. Mr. President——

Mr. BARBOUR. I yield to the Senator from Maine.

Mr. WHITE. A number of years ago a study of the cost of the Canal was made and an effort was made to arrive at that part of the cost of the Canal which should be charged to the military value of the Canal and what part should be allocated to the commercial uses of the Canal. While I do not have the exact figures in mind, I have a vague impression that it was somewhere around one-third of the costs of the Canal which are properly to be charged to its defense features and advantages. It was at least that much. The exact figures appear somewhere in the hearings.

Mr. BONE. I wondered whether the receipts of the Canal in past years have been sufficient to carry the operating costs and to provide any fund to amortize the cost of the Canal. Has there ever been any effort to set up a fund to amortize the cost of the Canal reflected in its outstanding bond issue? I only seek information.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. BARBOUR. Gladly.

Mr. COPELAND. If I am correctly advised, the amortization fund which is set up provides for the payment of the cost of the Canal and also the cost of the military defenses.

Mr. DUFFY. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Wisconsin?

Mr. BARBOUR. Certainly.

Mr. DUFFY. Surely the Senator from New York would not intentionally make an incorrect statement, but I distinctly recall the testimony was that it did not include anything that has to do with the military features of the defense of the Canal. I believe that is the fact.

Mr. COPELAND. If the Senator has the evidence, I hope he will bring it before us because that is an important matter.

Mr. BONE. Are the revenues of the Canal sufficient to carry the operating costs and provide any reasonable or safe margin over and above the operating costs?

Mr. BARBOUR. I believe the revenues are well in excess of the operating costs.

Mr. BONE. Perhaps the Senator from Oklahoma [Mr. GORE] can enlighten us. I am inclined to look upon a public operation of that sort as something that ought to be conducted as cheaply as possible, of course, having in mind always efficiency of operation, but if the revenues now and over a period of years have been sufficient to cover the elements of cost, is there any legitimate reason now for attempting to raise the rates?

Mr. GORE. Mr. President——

Mr. BARBOUR. I yield to the Senator from Oklahoma.

Mr. GORE. The question propounded by the Senator from Washington is pertinent. The receipts balance the Budget, running about $25,000,000 a year, about $10,000,000 of which covers the expense of operation and about $15,000,000 of which covers the capitalized value of the Canal.

Mr. BARBOUR. That is, the interest charges?

Mr. GORE. Yes. It is not the purpose of the proposed legislation to increase aggregate receipts from the operation of the Canal. Under the measure the rates are reduced from $1.20 a ton to $1 as the maximum. The aggregate receipts will be approximately the same. The Secretary of War has already announced that if this measure becomes a law he will not recommend that the President impose a maximum of $1 but will recommend a maximum of 90 cents.

The point is that under the bill all tolls will be assessed on tonnage and all ships will be required to pay the same charge on their cargo-carrying capacity, on their earning capacity. The tolls will be regulated by law and by rules and regulations issued in accordance with the law and will not be subject to the caprice and manipulation of individual shipowners and individual shipping concerns.

Was the Senator from Washington present when I made reference to the *Empress of Britain* the other day?

Mr. BONE. No; I was absent at the time.

Mr. GORE. I may merely add that when the *Empress of Britain* passes through the Suez Canal she pays a toll of $28,000 or $29,000. When the same vessel transits the Panama Canal she pays a toll of $18,900. One reason for that is that under the United States rule of measurement—not the Panama Canal rule, but the United States rule of measurement—passenger space is exempt. On that great vessel, one of the finest that sails the seas, there is a social deck comprising 3,300 tons. There was a cloak room on that deck where the passengers checked their wraps. The owners of the vessel were advised that by converting that cloak room into a so-called cabin they could lift the 3,300 tons out of the toll-paying space and make it exempt space.

Accordingly, they placed a bed in that room, with a portable washstand and chiffonier. The room has never been used for sleeping quarters and never will be so used, but under the technical rules adopted by the United States Commissioner of Navigation, that took 3,300 tons of cargo-carrying space or passenger-carrying space or social space out of the requirement to pay tolls, and excused that vessel on that one item alone of paying $4,400 each transit through the Canal to the Government of this country.

Mr. BARBOUR. Mr. President, I know the chairman of the committee, my distinguished friend from Oklahoma, will not misunderstand me if I continue. I wish to occupy only a moment more anyway.

Mr. GORE. I beg the Senator's pardon for interrupting him.

Mr. BARBOUR. That is quite all right.

In a nutshell, to sum up the matter, the actual result of section 1 would be, regardless of what we may say about it or of what our views may be in respect to the justice or injustice of that section, that the ordinary type of what I term "passenger ships" and "freight carriers", vessels that take passengers and the merchandise made by the manufacturer, the products of the farm, and others, through the Canal, is going to be burdened to the tune of about an additional million dollars, which million dollars is going to inure to the benefit of another type of ship; and that type of ship is the industrially owned vessel, such as the tanker, the ore ship, and other vessels of that kind.

Again I say, as I said before, that I am not intimating for one moment that the owners of the latter type of shipping have sought this legislation because of the relief it will accord them. I do not say for one moment either that any Senator who is interested in this bill has any such idea at all; but I do say that that is going to be the result nevertheless. I do say, as I said at the outset, that section 2 calls for an investigation not only of rates but to ascertain the best method of measurement of ships for the assessment of tolls; and when that is the very point in this whole legislation I cannot for the life of me see the logic of not having the investigation first, and then seeing what is the proper method to pursue and what are the proper tolls to charge. Why there should be this very special, unusual treatment of the general premise of measurements and tolls so far as the Panama Canal is concerned is a mystery to me.

Mr. GORE. Mr. President, I do not believe the Senator quite appreciates the purpose of this measure and the point of it.

The pending bill fixes the maximum and the minimum rates of toll for passing through the Panama Canal. The maximum rate is $1. The minimum rate is 60 cents. Between the maximum and the minimum the President is authorized to fix the tolls under this bill, as he was authorized to do under the original act.

The purpose of the proposed legislation in section 2 is to create a committee to investigate both subjects—the rules of measurement and the rates of toll—and submit that report within 6 months or within a given time after the passage of the measure. Then the President, under the general authorization in section 1, could consider the recommendations of the committee, the recommended rules, the recommended tolls, and could proceed by proclamation to fix the proper rules and the proper rates. The purpose of this is to avoid endless delay.

This measure miscarried through an opinion of the Attorney General rendered 20 years ago. Efforts have been made at every session since that time to enact this proposed legislation. Every Secretary of War has recommended its enactment. The measure has four times passed the House of Representatives. President Wilson recommended it. President Roosevelt has recommended it. It never has passed the Senate.

There will be no delay. If this measure passes, the investigation will be made by the committee. If the measure had passed as it was drawn, when the report was submitted

the President would consider the rules, the recommendations as to rates, would fix the rules and the rates, and then it would go into operation.

Those who are sponsoring this measure do not want another 20 years' delay after section 2, if it shall be passed alone, shall be acted upon, the rules recommended, and the rates recommended before we stop the discriminations that are going on, and of which advantage is being taken by shipping concerns under the existing rules and regulations.

Mr. BARBOUR. Mr. President, I am always glad to yield to the Senator from Oklahoma.

Mr. GORE. I thought the Senator had concluded.

Mr. BARBOUR. No; I was not through; but I am glad to yield to the Senator at any time.

Mr. GORE. I beg the Senator's pardon.

Mr. BARBOUR. That is perfectly all right. I am always glad to yield to the Senator from Oklahoma.

The Senator has said that, in a sense, the meat of the coconut is that rates between one figure and another have been fixed. I do not know how they have been arrived at, and I do not know why those particular figures were fixed. I know that if we should have the examination that is proposed here, we should know whether that range is correct. It is perfectly fair to assume that it is somewhere in that range, of course; but why should we be in such terrible haste at this particular time to seize rigidly on a range of rates when we admit that there is to be an investigation to determine what the actual rate should be in respect to a study of the rules of measurement in relation to it?

Furthermore, please bear in mind that as far as a 20-year delay or a 10-year delay or any other delay is concerned, the bill calls for an investigation and a report within 6 months. It has to be within that time. Then we will know "where we are at."

Mr. President, I feel that we have gone about this whole important matter, so far as this particular bill is concerned, as I said when I began, "hind-end on", to put it bluntly. I feel that the charge that certain vessels are misinterpreting their space, so to speak, was taken care of, if they ever were doing any such thing, by the Coastwise Load Line Act of 1935, which I mentioned before. Please remember, there is no objection on my part to an examination of the question of Panama Canal tolls with a view to a possible revision up or down, so far as I am concerned.

Mr. GORE. Mr. President, I think the Senator misinterprets the effect of the Load Line Act which we passed in August last, or the rules and regulations made under it. The load line law was applied to foreign ships engaged in foreign commerce passing through the Canal as far back as 1929; and, in spite of that, all this manipulation has been under way, as I shall show again in a few minutes. It was applied to the coastwise trade, I believe, last August. The load line relates to weight, whereas tolls are imposed upon space, tonnage.

Mr. BARBOUR. Mr. President, we sometimes have our honest differences of opinion. I am sure no one can disagree about that. It does not mean that I am always right, for I am by no means always right; but I am perfectly convinced, and absolutely sincere in my conviction, that the thing to do is to make the investigation first, and limit the time as rigidly as we like within which a report shall be made. This is a very difficult subject. It is an especially technical subject. I think there are few Senators who understand it. Certainly I do not pretend to be an expert on maritime matters myself. The question is a very technical one as I have said, except in its general phases and general applications.

I very much hope, particularly after reading the minority report, of which I spoke at the beginning of my remarks, and which I took the liberty of having inserted in the RECORD—I almost wish now I had read it rather than having that done—that the Senate will feel I was justified in making the minority report, and maintaining the position I still take in relation to the proposed legislation.

Mr. BONE. Mr. President, will the Senator answer a question?

Mr. BARBOUR. I shall be very glad to do so.

Mr. BONE. What particular type, if any, of boats would be directly affected by the pending bill, or are taking advantage of the present law to make the changes the Senator from Oklahoma suggests, as to cutting holes in the deck and putting a cabin on a deck where no cabin normally would be? What type of ships are now particularly able to take advantage of the existing toll regulations?

Mr. BARBOUR. Mr. President, I do not think they can now take the advantage which they may or may not have taken heretofore. We have labored over that same question heretofore, and I think I have already answered it. The Senator from Oklahoma feels that they still can do so. I think, because of the subsequent legislation of which I have spoken, that they cannot.

To answer the Senator's question specifically, however, obviously they cannot take advantage of anything of this kind except by virtue of the type of ship involved. That is true of oil tankers or any others that are to be benefited if this bill goes through. So by the same token the only kind of a ship that has sufficient elasticity, so to speak, in its construction, to do any such thing as we have been speaking of, is the ordinary sort of ship that carries passengers and the usual freight cargo. But I reassert that these ships are not doing, and cannot do, this sort of thing any longer because of the Coastwise Load Line Act of 1935.

Mr. BONE. Mr. President, the Senator from Oklahoma referred a moment ago to the *Empress of Britain*, I believe, where a cabin for sleeping purposes was deliberately built on a deck which was ordinarily used for social purposes.

Mr. GORE. Yes.

Mr. BONE. Can the Senator advise me what there is in existing regulations that would permit the owner or owners of a vessel deliberately to do that, and thereby remove over 3,000 tons of dead weight from the operation of tolls? What sort of elastic regulations exist that permit that?

Mr. GORE. I do not wonder at the Senator's inquiry. He stated that he was not present when the bill came up a few days since. The present condition is an anomaly. It is not rational. It is not logical. It resulted from what we regard as a misinterpretation by the Attorney General of the original act of Congress.

The original law, passed in 1912, fixed a maximum of $1.25 and a minimum of 75 cents according to which tolls might be levied and collected. In other words, tolls might not exceed $1.25 per registered ton nor be less than 75 cents per registered ton.

The President was authorized to issue a proclamation fixing the rate between those two points. He did issue a proclamation fixing the toll to be charged under the Panama Canal rules at $1.20 per ton for laden vessels and 40 percent less, or 72 cents per ton, on vessels in ballast.

Some of the shipping concerns on the west coast operating lumber ships raised a question contending that the words "net registered ton" in the statute were controlling, and that they related to registered tons as ascertained and determined by the Commissioner of Navigation.

I repeat what I said the other day on that point for the information of the Senator. We have now, as a result of that opinion, two sets of rules for the measurement of vessels, one known as the United States rules, the other known as the Panama Canal rules, the latter the result of a great deal of investigation. The first set of rules of measurement, the United States rules, has been developed during the last three-quarters of a century, designed to ascertain the tonnage on which the vessel should pay taxes and should pay port charges and harbor dues in this country and in foreign ports.

Mr. BONE. Is that rule applied by the Customs Service?

Mr. GORE. Yes; it would be.

Mr. BONE. I wondered what governmental agency applied the so-called United States rules.

Mr. GORE. They have been evolved and developed by the Commissioner of Navigation; now, I believe, they call

it the Bureau of Navigation. The objective was to secure as low a tonnage registry as possible in order to reduce the port charges and harbor dues to as low a point as possible.

I may say to the Senator that commercial nations have a sort of comity in that respect. Foreign governments accept our registry when they impose charges upon our ships in entering their ports. In return we accept their registered tonnage without question when their vessels enter our ports. That has constituted a constant motive on the part of every government to reduce its registered tonnage in order to reduce the port charges, lighterage, and charges of that sort in foreign ports and in home ports.

It had no reference to the earning capacity of a ship, no reference to the cargo-carrying capacity of a ship, and the rules were designed for an entirely different object, namely, in order to cut down port charges and similar charges.

The Panama Canal rules, which were patterned largely after the Suez Canal rules, were based on the cargo-carrying capacity of the ship, were based on the earning capacity of the ship, and applied to every ship alike in accordance with its earning capacity.

I will say to the Senator, to illustrate, in addition to the instance of the *Empress of Britain*, during 17 years, running from 1915 to 1931, inclusive, the aggregate tonnage passing through the Panama Canal, according to the United States rules of measurement, were 272,000,000 tons, whereas under the Panama Canal rules of measurement they would have amounted to 331,000,000 tons.

There was a difference of 60,000,000 tons resulting from the different rules of measurement, and the United States Government lost more than $60,000,000 as a result of this dual system of measurements, which nobody intended should happen in the beginning.

During 10 years running out in 1931 the difference between the tonnage passing through the Panama Canal under the United States rules and the Panama Canal rules amounted to 52,000,000 tons, and the Government lost in the neighborhood of $60,000,000 as a result of this accidental dual system, which was not a matter of design.

During the year 1934 the total tonnage passing through the Canal under the United States rules was 24,000,000 tons. Under the Panama Canal rules it would have amounted to 31,000,000 tons. There was a difference of 7,000,000 tons, involving a loss to the United States Government of more than $8,000,000.

I will say to the Senator that he and I could have companion ships, sister ships, identical in every detail from stem to stern and from keel to topmast. I would cut a hole in the weather deck of my ship 4 feet wide and 18 feet long, cover it with a tarpaulin, and I would take out the entire deck space between that deck and the next deck below it, in some instances a space of 2,000 tons, and that tonnage, even though the space were loaded to the uttermost inch with cargo, would go through, without paying tolls. The Senator not cutting a hole in the weather deck of his ship would pay on the space between the weather deck and the next deck below, on the entire tonnage space, even though he did not have 1 pound of cargo in the space.

Mr. President, that is the monstrous anomaly that has resulted from this dual system, and the pending legislation is intended to correct that mistake, and that is its only purpose.

No ship, if this bill shall become a law, will pay more tolls than it ought to pay. Some of the ships will pay more tolls than they have been paying. A privilege will be taken away from them of which they have availed themselves by cutting a tonnage opening in the weather deck. I ought to add, for the Senator's information, that when I cut this little slot in the weather deck of my ship I could not reduce the tolls by that device alone; I would have to put a freeing port in the side of the ship near the deck below, a little contraption about 18 inches square, a flap that lets the theoretical water out when it comes through this theoretical tonnage opening above. That would not be quite enough. In addition to that I would have to put in three scupper pipes on each side about 3½ inches in diameter, to drain out the remaining parts of this theoretical water. I could close those scupper pipes with rubber or with wooden plugs, making them airtight and watertight, and I would still be within the rules and escape the tolls. But if I close them with a steel cap or with cement, then I have made a permanent sealing of the scupper pipes, and I would have to pay the tolls.

Mr. BAILEY. Mr. President——

The PRESIDING OFFICER (Mr. MURRAY in the chair). Does the Senator from Oklahoma yield to the Senator from North Carolina?

Mr. GORE. I yield.

Mr. BAILEY. I should prefer not to interrupt the Senator if he wishes to go ahead with his argument, but I have some questions to ask, which I can put to the Senator when he presents the bill. I understand the Senator is now answering questions.

Mr. GORE. Yes. One more point and I shall be glad to answer, now or later, as the Senator may choose.

Some of the commercial ships would pay more tolls than they pay now, because they have been availing themselves of the privilege to which I have referred. Some other ships of commerce would pay less than they pay now, because they have not availed themselves of this privilege. They have not cut holes in the decks of their ships; therefore they pay full tolls.

It is true, as I understand, that as a class the oil-tank vessel or the tank steamers would benefit ratably more than the others. That is not the design of the proposed legislation, as the Senator says, and the concerns owning such ships did not appear before the committee. They made no representations, so far as I know.

The reason why they will profit by the pending bill in a reduction of rates is due to the particular kind of traffic in which they are engaged. They bring oil from the west coast, they come east through the Canal laden, but as a matter of necessity they make the return trip in ballast. They have no cargoes going back, they have no earnings on the return trip to the west, and this measure will result in a lower charge on ships in ballast, which is the reason why they will profit from the legislation.

Mr. BONE. Mr. President, may I ask the Senator one more question?

Mr. GORE. Certainly.

Mr. BONE. Under the so-called United States rules, I understand the Senator suggests that shipping companies, for the purpose of using these rules for their advantage, have fixed the value of boats for taxation purposes, and that those values have been accepted. Is that the case?

Mr. GORE. I would not want to go so far as to speak on the question of taxation under the various State laws, because I am not advised as to that, but they have reduced their tonnage for the purpose of paying tolls, which to that extent has the same effect, of course.

Mr. BONE. It is a rather interesting commentary on this situation, although it would be a side issue, that the owners of a vessel may fix its value for taxation purposes. It would be a very lovely situation for the average home owner in the United States if he could do that.

Mr. GORE. That is exactly what they are doing with reference to the Panama tolls, and that is exactly what this legislation is designed to stop.

I say this to the Senator from Washington: There is a gentleman in this country who makes a business of advising shipping concerns as to how they can take advantage of the United States rules of measurement, how they can cut holes in their decks and reduce the tolls they pay to the Government of the United States. He splits the profits and the savings with the shipping companies, and I am advised that he has profited so generously that he took a trip across the sea in order to carry the glad tidings to foreign shipping companies, so that they could avail themselves of his learning and his wisdom, and could cut gashes in their decks, thus reducing the revenues received by his Government from the transit of those ships through the canal.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. BAILEY. I wish to ask the Senator a question on the point of his present remarks. I read on page 5 of the minority report:

> The bill increases very drastically the tolls on American general-cargo and passenger ships, which are now operating at a loss.

I should like the Senator from Oklahoma to give me his view about that statement.

Mr. GORE. First, I will say to the Senator that under our United States rules of measurement much of the passenger space does not pay any tolls at all. The stately passenger ships which ply the Canal have much of their passenger space exempted from the payment of tolls. We are the only Government on the globe which grants such a liberal concession to passenger ships. Of course, granting it to our own ships, we are obliged to grant it to the ships of other countries, and if the proposed legislation be passed it will bear more upon foreign shippers than upon our own.

I shall give a further illustration. In 1934 the Japanese concerns owned 84 ships which transited the Canal. Up to that time they had not taken advantage of these rules. They had not scuttled their decks. Two of those old vessels have lately had slight structural changes made in them which have materially reduced their tolls.

I think the Senator from Washington will be interested in this. The way in which the reduction on those two ships was effected was not by cutting holes through the decks, but they were converted from coal burners to oil burners. They carried the oil in double tanks in the bottom of the ship. That left the coal bunkers no longer in requisition for use or service. So they cut doors between the coal bunkers and the engine room. By that device alone they materially cut down the tolls which they paid.

I know that is mystifying to Senators until I make one further explanation.

These two Japanese ships—and undoubtedly the rest will follow suit—the owners of these Japanese vessels cut doors between the coal bunkers and the engine room, and that materially reduced the tolls they pay when they pass through the Panama Canal. Why? Before they cut the openings their engine rooms occupied less than 13 percent of the gross tonnage, and therefore was deducted from the cargo-carrying tonnage only to the extent of the exact percentage it constituted of the total registered tonnage. But when they cut doors beween the coal bunkers and the old engine rooms then the coal bunkers became a part of the engine room, and raised the percentage of the engine room to the entire gross tonnage above 13 percent of the total, and by that automatically and at once the vessel became entitled to an exemption of 32 percent for engine rooms and propelling space.

Why did they deduct only the actual percentage so long as it is 13 percent or less on the gross tonnage and why the moment it exceeds 13 percent they jump it up to 32 percent of the total gross tonnage and exempt that amount from the toll-paying space? That is one of the devices.

Fourteen new Japanese vessels were constructed last year and passed through the Canal for the first time in 1935. They had gotten wise to these devices. And the tonnage of those 14 vessels constructed to take advantage of those devices, under the United States rules of measurement, are only 70 percent as much as they would be if measured according to the Panama Canal rules of measurement.

Now I shall be glad to hear from the Senator from North Carolina.

Mr. BAILEY. I did not suppose the Senator was answering my question. He was continuing his argument.

Mr. GORE. Yes.

Mr. BAILEY. The question was this: On page 5 of the report of the minority I find this statement:

> The bill increases very drastically the tolls on American general-cargo and passenger ships, which are now operating at a loss.

I should like the Senator to inform me if that is correct.

Mr. GORE. I will say this to the Senator: It will raise the tolls in certain cases, but only where their ships have taken advantage of this privilege and this device, and have been paying less tolls than they ought to pay. Whether ships are going through the Canal now at a loss, I do not know.

Mr. BAILEY. I find further in the report of the hearings the general statement that the increase in the tolls of commercial cargo ships will be about $500,000 a year, whereas there would be a corresponding decrease of $500,000 a year on the industrial or tanker type of ships. Is that correct?

Mr. GORE. I would not undertake to say as to the precise figure.

Mr. BAILEY. Is that generally correct?

Mr. GORE. I will explain that. There is no way to tell how many ships, or I do not know how many ships have taken advantage of these privileges and are paying less tolls than they ought to pay. Some ships have not taken advantage of it and are paying at least in accordance with the Panama Canal rules. They are at a serious disadvantage in competition with the ships which have availed themselves of that privilege. Neither do I know nor can I approximate what the reduction would be on the tanker-ship tolls. There would undoubtedly be some reduction, not on their loaded ships, except as that applied to all loaded ships alike, but it would operate to their advantage insofar as it would take account of the fact that they make return in ballast instead of in cargo. And I think that ought to be taken into account.

Mr. BAILEY. On page 3 of the hearings I find the statement in response to a question by the senior Senator from New York [Mr. COPELAND], that the Standard Shipping Co. would get a reduction of $135,000, the Standard Oil Co. of California would get an annual reduction of $85,000, the Sun Oil Co. would get a reduction of $78,000, the Union Oil Co. of California would get a reduction of $42,000, and the miscellaneous tanker lines would get a reduction of $238,000. I think that will aggregate approximately one-half million dollars.

I should like to get a clear statement as to why there should be a great reduction of the tolls on the tanker oil-carrying ships and the great increase on the commercial ships which must carry out cotton from the Atlantic coast to the Gulf coast through the Panama Canal to the Orient. The matter comes home to me as a comparison, not absolutely or wholly but certainly for the moment as between cotton and oil.

Mr. GORE. Mr. President, under this measure, if it shall pass, there would be a fixed toll per net ton on laden ships, whether they bore cotton or whether they bore oil, whether they bore diamonds or whether they bore coal.

Mr. BAILEY. The Senator would agree that that would be a reduction in the freights or tolls on oil, under this act, and probably an increase on the freights or tolls on cotton, under this act, is that right?

Mr. GORE. There would be an increase in the tolls paid by certain ships, those which have been availing themselves of this privilege; there would be a reduction in the tolls paid by other commercial ships, such as those carrying cotton, which have not availed themselves of this device and have not been paying less tolls than they ought to pay.

Mr. BAILEY. That is to say that the other ships would be lifted up to the level, so far as tolls are concerned, of the ships, of which the Senator now speaks, carrying cotton? Is that correct?

Mr. GORE. No; the present rate is $1.20. Under this bill it could not exceed a dollar. The Secretary of War will recommend 90 cents. There will be a reduction, a general reduction, on all ships excepting those that have gone to the extreme in artificially reducing their tonnage measurement by these special devices.

Mr. BAILEY. I believe the Senator is going to agree that, while there would be a reduction, the reduction on the tank ships, oil-carrying ships, would be all out of proportion to the reduction on cotton-carrying or general-cargo-carrying ships?

Mr. GORE. Not at all. The oil-carrying ship would pay exactly the same tolls, ton for ton, that a ship carrying cotton would pay.

Mr. BAILEY. I understand that; but now let us consider the question of the transfer of a burden with which we began. According to the report and according to the statement which the Senator so far has not controverted, and with which I began this questioning by reading, there will be an increase of approximately half a million dollars in the tolls on the general-cargo ships passing through the Canal, and there will be a decrease of approximately half a million dollars in the tolls of ships of the tanker type carrying oil or ships of the industrial type. I should like to have an explanation of that.

Mr. GORE. I cannot answer categorically because I do not know on what toll basis the calculation was made, whether it was on the basis of $1.20 or $1 or 90 cents; for that reason I cannot answer categorically, but I do not hesitate to tell the Senator what I have already stated time and time again, that there would be a reduction in the aggregate tolls paid by tank ships carrying oil. That would result from the fact that when they go through the Canal loaded with oil they would pay exactly the same toll per ton as a ship passing through the Canal that carries cotton; there would be no discrimination whatever, no favoritism whatever shown to oil and no prejudice or antagonism whatever shown to cotton, they would be taxed and taxed alike, as I think they should be, but——

Mr. BAILEY. That is true now, is it not, I will ask the Senator?

Mr. GORE. No.

Mr. BAILEY. What is the difference?

Mr. GORE. Here is the point: Tank ships return through the Canal in ballast. The prevailing rate on ships in ballast is high. There will be a reduction, or it is anticipated that there will be a reduction, in the tolls imposed on ships going through the Canal in ballast. Of course, if the ship to which the Senator refers carries cotton one way through the Canal and goes back in ballast the tanker will have no advantage; the oil will have no privilege over the cotton. It just happens that a tank steamer is not adapted to carrying any other cargo than that of liquids—petroleum. So that when it delivers a cargo at Baltimore and returns to California for another load, it goes through the Canal in ballast, and it pays a high toll charge. Under this plan it is expected that the tolls levied on a ship transiting the Canal in ballast, whether a cotton ship or an oil ship, will be lower than they are now. That is the reason why the tank ships will realize some advantage from this measure. I will say to the Senator that I think some parade was made of the fact at the hearings that the ships owned by the Standard Oil Co. would receive some reductions in tolls. I think they would; I think a ship going through in ballast ought not to be taxed as much as if it were laden, as sometimes happens under the existing dual system; I think that this measure, if enacted, would bring some relief to all ships passing through the Canal in ballast, and I think it ought to do so.

Mr. BAILEY. Now, let me call the Senator's attention to the statement on page 2 of the minority report, that passenger ships under United States registry would have an increase of $471,762, or a percentage increase of 22, while passenger ships of foreign registry would have an increase of $375,171, or an increase of only 10 percent.

Will the Senator explain to me why we should adopt a measure that would place a 22-percent increase upon American passenger ships and only a 10-percent increase on foreign ships passing through the Panama Canal? If that is a fact, it is a very serious fact to me, and I should like to get more light on it.

Mr. GORE. I will say to the Senator that I think, as a general proposition, it cannot be taken as true; but that is not my only or final answer. Americans are more or less renowned—and I think justly so—for their enterprise. American shipowners have been rather enterprising in availing themselves of the privileges resulting from the dual system of measurement of their vessels, and they have been pretty free in cutting holes in the decks of their ships in order to excuse their tonnage from paying tolls.

I have here a list of 38 American ships owned by 5 different American companies which during the last year or two by cutting holes in the decks of their ships and by other devices have reduced their own tolls 24 percent. One concern—I believe the Panama Pacific Line—reduced its toll a little less than 20 percent—19.7 percent. Another concern automatically reduced its own tax 20 percent. Another concern, the Luckenbach, reduced its own tolls and paid to the Government 26 percent less than it formerly paid; and the Grace Line, in the case of four ships—and they were all saints—the *Santa Rosa*, the *Santa Elena*, the *Santa Lucia*, and one of the saints I have forgotten—cut holes in the decks of these American passenger ships owned by enterprising Americans; and so the Grace Line reduced its own tolls on its own ships by its own devices 33.9 percent and paid the Government $2 when it ought to have paid the Government $3, and would have so paid the Government but for this dual system of measurement, which permits them to bring about the reduction I have indicated. I will say to the Senator that in measuring tonnage we do not count passenger space situated above the first deck which is not a deck to the hull.

Mr. BONE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Washington?

Mr. GORE. I yield.

Mr. BONE. The questions of the Senator from North Carolina interest me, because he suggests an increase in tolls. The explanation of the Senator from Oklahoma indicates, if the facts he has set forth are accurate, that it is not an increase but rather a restoration of taxes and tolls imposed under the Panama Canal rules prior to the practice of cutting holes in the decks of vessels. Is that correct?

Mr. GORE. I think the Senator from North Carolina was speaking of tolls in the aggregate. There might be an aggregate increase in tolls on certain groups of ships such as I have mentioned here. The Grace Line probably would have an increase in its tolls. I was speaking more directly of rates, and the rate per ton would be the same on all ships regardless of the cargo carried.

Mr. BAILEY. Of course we agree that the rate per ton would be the same, as it is the same under present conditions. We are not, however, talking about rates per ton. What I wish to get at is the effect of the bill. I am reading from the minority report, and I will say to the Senator I have read the majority report. The majority report certainly does not meet the facts set out in the minority report, and I wish the Senator could meet those facts.

I read just now showing that under the proposed legislation there would be an increase in the tolls paid by ships of foreign registry of only 10 percent, whereas on ships of American registry there would be an increase of 22 percent. The Senator answers that by saying that the American ships cut holes in their decks and thereby reduced their tolls 22 percent. I imagine that a shipowner is not going to cut a hole in the deck of his ship unless it is useful to the structure. I do not think that meets the situation; but let us go for the moment. I wish to call the Senator's attention——

Mr. GORE. The Senator is entirely mistaken. I have here a statement from one of our own admirals, who states that the cutting of holes, tonnage openings in the decks, impairs the safety of the ship and its structural strength.

Mr. BAILEY. That would come under the general control of the shipping laws; that would not relate to freight. The United States Government is not going to permit unsafe ships to sail the ocean.

Mr. DUFFY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Wisconsin?

Mr. GORE. I yield.

Mr. DUFFY. May I suggest to the Senator from North Carolina, in answer to his questions, that the charts appearing on the wall on the other side of the room show the saving to all United States vessels as compared to the saving to vessels of foreign registry? There was no dispute by either side represented at the hearings that these holes were

cut into the decks precisely for the purpose of reducing the tolls the ships had to pay, and in the few remarks which I will make later I will quote authorities showing that it does seriously interfere with the safety of a vessel. There are certain limits beyond which shipowners cannot go, but they cut these holes and then put tarpaulins over them. They cannot, however, permanently close them, or they could not get the benefit.

Mr. BAILEY. The shipowner may cut holes in the deck of his vessel, to use that expression, but I imagine that it would have to be something more than a hole for the purpose of conforming a vessel to the law and thereby getting a reduced rate. I do not think, on its face, that that savors at all of fraud; that may be a very sound thing. However, my point is that we would be increasing the rate on American ships and decreasing the rate on foreign ships.

I wish to call attention to the second item in the table, relative to "shelter-deck cargo ships", and I see the increase on American ships would be 7 percent and the increase on foreign ships would be but 2 percent.

We go all the way down through the table. There are the facts. I should like to have them thoroughly discussed and I should like to know just why we should at this stage be placing additional burdens upon ships of American registry passing through the American Panama Canal.

Mr. GORE. I stated as a generalization that I think the lines read by the Senator could not be accepted as correct. It is possible to except groups of ships here and there and reach that conclusion. That may be true in some instances. However, I have a statement showing that certain groups of American ships during a given period cut down their tolls $900,000 and foreign ships cut theirs down $1,300,000. Eighty-four of the old type Japanese ships measured by the United States rules aggregated for the several transits 1,100,000 tons on which they paid tolls, and on the basis of the Panama rules would have paid on 1,400,000 tons. They saved the tolls on 300,000 tons.

If there is any difference at all it is due to the fact that the foreigners have not availed themselves of this privilege to the same extent as our own vessel owners, because if this measure is passed and becomes a law, foreign and American ships will pay on exactly the same basis, a dollar a ton or 90 cents a ton or 60 cents a ton on their cargo-carrying space. There will be no discrimination, as there should not be under the treaties under which the Panama Canal was constructed. If there be any apparent discrimination it is due to the fact that the vessels which will pay the increased rates have simply gone further or gone faster in exempting their own tonnage from the tolls.

Mr. BARKLEY. Mr. President, before the Senator yields the floor I wish to ask him a question.

Mr. GORE. Very well.

Mr. BARKLEY. When I was a Member of the House of Representatives I was a member of the committee which had charge of all Panama Canal legislation and I was somewhat familiar with the method of measuring vessels for passage through the Canal. The other day in a private conversation I was told by a man who claims to know—and I am not passing on the question of whether he does or not—that the effect of this bill would be to decrease the rate at which oil tankers could go through the Canal, and to increase the rate at which all ordinary freight carriers could go through the Canal.

I have no prejudice against any type of American ship. I am intensely concerned in the development and maintenance of an American merchant marine. Would the effect of the bill be to the disadvantage of the ordinary American freighter which is engaged in attempting to carry American products to the markets of the world, and especially to South America, as compared, for instance, to any other type of vessel, with particular reference to oil tankers?

Mr. GORE. The Senator was probably out of the Chamber at the time that point was pretty thoroughly discussed.

Mr. BARKLEY. Yes; I was out of the Chamber.

Mr. GORE. I can answer the Senator in a sentence. Under this measure every vessel under our flag, no matter what it carries, and every foreign vessel, no matter what it carries, when it goes through the Panama Canal laden will pay exactly the same toll per ton. There will be no discrimination between our own ships. There will be no discrimination between our own ships and foreign ships. They will all pay exactly the same tolls on their tonnage, the same rates. That is the object of the legislation. Under the existing law there are instances where a ship pays exactly the same tolls when it passes through the Canal in ballast as when it passes through with cargo.

There will be some reduction on tank ships, on oil ships, resulting from the fact that they come laden from the west coast to the east coast and, owing to their peculiar type of structure and cargo, are obliged to make return trips in ballast. Under this bill the tolls for ships passing through the Canal in ballast will be reduced as compared with the present law, rules, and regulations. To that extent only it will operate to reduce the tolls of tank ships, but any other vessels passing through the Canal in ballast will enjoy the same privileges and the same tolls as tankers passing through in ballast.

Mr. BARKLEY. I supposed, judging from the Senator's remarks, that a larger portion of oil tankers come back through the Canal in ballast than of ordinary freighters which seek to bring back freight.

Mr. GORE. I think the tankers return in ballast, necessarily. It is a burden which they have been bearing heretofore under the tolls which have heretofore prevailed.

Mr. BARKLEY. The Senator's contention is that it is an incidental effect because of the particular type of ship and the circumstances under which it returns and is not due to a design to favor one type over another.

Mr. GORE. The tankers returning in ballast have been penalized under the existing system. They will be relieved from that penalty in the future. That is what it amounts to.

Mr. BONE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Washington?

Mr. GORE. Certainly.

Mr. BONE. Were any figures made available to the committee which might indicate the possible gross revenues under this bill were it enacted into law and under the existing system of collecting tolls?

Mr. GORE. It is the general purpose under this bill so to regulate the tolls as merely to realize sufficient revenue to pay the operating expenses of the canal and to pay the carrying charges on the indebtedness. There is no purpose to increase the aggregate receipts of the canal. That is not the point at all. It is intended merely to iron out the inequalities.

Mr. WALSH. Mr. President, I ask unanimous consent that there be printed in the RECORD as a part of the debate on the subject of Panama Canal tolls, at the conclusion of the remarks of the Senator from Oklahoma [Mr. GORE], telegrams which I have received from some persons interested in the port of Boston.

The PRESIDING OFFICER (Mr. MURRAY in the chair). Without objection, it is so ordered.

The telegrams are as follows:

BOSTON, MASS., *January 14, 1936.*

Hon. DAVID I. WALSH,
United States Senator:

Understand unanimous consent has been obtained for vote on Senator GORE's Panama Canal tolls bill. Also that amendment will be proposed to eliminate section 2, which provides for appointment of commission to completely investigate before any legislation is enacted. It is our view that, in order to protect New England shipping port and industrial interests, section 1, providing for assessment of proposed tolls, when bill is enacted, should be eliminated and section 2, which delays assessment of proposed tolls pending investigation by commission, should be retained. May I bespeak your careful consideration accordingly when bill comes up for vote?

FRANK S. DAVIS,
Manager, Maritime Association of the Boston Chamber of Commerce.

BOSTON, MASS., *January 14, 1936.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.:

Informed Senate vote imminent on Senator GORE's Panama Canal tolls bill. Believe further investigation by commission, as suggested in section 2, essential before assessment proposed tolls. Boston Port Authority, representing Commonwealth of Massachusetts and city of Boston, favors retention of section 2 and elimination section 1, which provides for application proposed tolls when bill enacted. Request your consideration our viewpoint when bill comes to vote.

RICHARD PARKHURST,
Vice Chairman, Boston Port Authority.

BOSTON, MASS., *January 17, 1936.*

Hon. DAVID I. WALSH,
Senate Office Building, Washington, D. C.:

It is for the best interest of the port of Boston that you oppose Panama Canal toll bill (S. 2288). Would appreciate your strongest opposition to this bill from the floor if possible.

ROSCOE H. PRIOR.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 9870) to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 9870) to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes, and it was signed by the Vice President.

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

The Senate resumed consideration of the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

Mr. DUFFY. Mr. President, I have before me a chart of which I shall make use in the few remarks I shall submit as soon as I can get the floor in my own right. The chart shows that the rates of toll for the Panama Canal will be fixed by this proposed legislation at approximately what they were in the years 1934 and 1935. The tables will show that if the rates go into effect as expected under this bill, the tolls paid by all ships will be considerably less than they have been heretofore up to 1935. The tables will also show that the tolls which will be imposed will in several instances be less than paid prior to the time the structure of certain ships was manipulated by cutting holes in their decks.

Mr. BONE. Is it to be assumed that there will be adequate revenues to finance the operation of the Canal, its operating overhead, and take care of the funded debt by amortization?

Mr. DUFFY. That is why the Secretary of War has recommended the 90-cent rate to go into effect. There is a leeway of which the President can take advantage if he so desires, but he will probably take the recommendation of the Secretary of War.

Mr. BONE. I am wondering if any suggestion has ever been made to amortize the outstanding funded debt of the Canal. Has a suggestion of that kind ever been made or is it the purpose of Congress to maintain perpetually that debt structure intact? I think some step ought to be taken by Congress to amortize that frightful debt structure so that ultimately there may be a tremendous reduction in tolls through the Canal. There never can be any reduction in tolls if we are not going to amortize any of this debt.

Mr. COPELAND. Mr. President, if I am not entirely mistaken, the present tolls on the Canal are sufficient to maintain and operate it, and also to amortize the original expenditure, including expenditures for military purposes.

Mr. BONE. I cannot find any information here, and seemingly none is available, to indicate whether or not any part of the capital structure is ever going to be retired. The outstanding bonds are now used as a basis for currency in the national bank system.

Mr. FLETCHER. Mr. President, there is provision at present for the creation of a sinking fund.

Mr. BONE. There is no evidence of it. Certainly a consideration so important as that ought not to be obscured here. Members of this body ought to know whether or not the Government will ever undertake that to amortize and retire the debt.

Mr. GORE. Mr. President, I will say that the plan was more general, not a fixed and concrete policy to amortize the capital cost of the Canal. It was assumed that in a hundred years amortization would take place. The last figures I saw had reduced the period to 85 years.

A portion of the original bonds issued and sold to construct the Canal bore interest at the rate of 2 percent annually, while others bore 3 percent, the bonds aggregating $134,000,000, and the Canal has been realizing, over and above the cost of operation, about 3 percent. Last year, I believe, the return was only 2.85 percent, but it has not been reduced to a fixed and concrete policy to set aside a certain portion of the receipts as a sinking fund to amortize the debt in the long run. The authorities have gone on the theory that they were realizing generally a little over 3 percent on the capitalized value and that that would amortize the debt.

Mr. BONE. Of course, the trouble with the tolls is that in the tolls is reflected the amount necessary to preserve intact the present capital structure. If that shall continue indefinitely, and no effort shall be made to amortize out any of it, we shall perpetuate to future generations the burden about which we have had all this discussion. Senators have occupied the floor talking about the size of the tolls, and what a burden they are upon commerce, and yet apparently no effort ever has been made to eliminate the one thing which leads to all this discussion at this time. I am astounded that some fund has not been set apart to pay off these bonds.

Mr. GORE. No; the Senator is mistaken about the purpose and object of the proposed legislation. The purpose and object of it is to obviate and get rid of these discriminations and inequalities.

I appreciate the importance of the point the Senator has made. As I suggested a moment ago, the Government has proceeded on the theory, and a good deal of the time on the fact, that it was realizing 3 percent and a little more on the capitalized cost of the Canal, and that the carrying charges on the bonds was about 2 percent, and that the difference might be treated as a sinking fund which would ultimately amortize the capital cost. It has not been set aside as a sinking fund in a definite and concrete policy of that sort.

Mr. KING. Mr. President, I desire to ask the Senator from Oklahoma whether he is entirely accurate in stating that the receipts from the operation of the Canal have been sufficient, year in and year out, to return 3 percent or even 2 percent upon the invested capital of three or four hundred million dollars.

Mr. GORE. Generally they have been; yes. Last year, I believe, the receipts dropped below 3 percent. I think the return in that year was approximately 2.80 percent upon the invested capital. I have forgotten the fraction.

Mr. KING. Did the Senator take into account the cost of operating the Canal?

Mr. GORE. Oh, yes. The operating cost is about $10,000,000. The capitalized cost of the Canal is $540,000,000. One hundred and thirty-four million dollars, as heretofore stated, was raised by the sale of bonds. It is the plan to realize enough revenue to pay the $10,000,000 of operating cost and to realize $15,000,000, in addition to cover the carrying charge and, if you please, a return or amortization charge on the capital cost of the Canal.

Mr. KING. May I ask the Senator another question? What have been the gross returns year by year since the Canal was put into operation?

Mr. GORE. Last year the gross return was, I believe, between $25,000,000 and $26,000,000. I think perhaps at the bottom of the depression it dropped down 1 year to $19,000,000; but I speak from memory.

Mr. KING. One other question: It is not considered, is it, that the railroad which is operated in connection with the Canal is a part of the Canal system in the sense that if any amortization plan should be set up the cost of operating the railroad, together with the cost of construction of the railroad, would be considered as a part of the general scheme?

Mr. GORE. I am speaking now rather offhand; but my understanding is that the $10,000,000 to cover operating cost does include the operation of the railroad and all the costs, including the government of the zone as well.

Mr. KING. My understanding is that the railroad, taken alone, if it may be segregated from the cost of operating the Canal, realizes a loss of 1 percent annually. That is to say, the cost of operating the railroad with a large number of employees thereon is greater than the amount received for services in connection with the railroad.

Mr. GORE. The Senator may be right. I do not know.

Mr. COPELAND. Mr. President, I should like to make a brief reply to the Senator from Washington [Mr. BONE]. I happened to be a member of the subcommittee which gave consideration to a bill similar to this one in 1930. In the hearings on that bill, at page 49, are found the figures which answer the question propounded by the Senator from Washington. I shall not give them in extenso, but they seem to show that a continuing effort has been made, through amortization, to wipe out the capital debt.

Mr. BONE. The report of the committee seems to indicate that there is now charged to the Canal approximately $542,000,000. There must have been steady accretions to the capital account. I do not know how much is outstanding in the way of these 2-percent bonds, nor is it indicated anywhere in the report that any of the bond issue has been retired.

Mr. COPELAND. One of the great complaints of those who have studied the Canal problem is the fact that in the attempted amortization, payment was made not alone for the Canal itself, but for the military additions made at the time of construction, and those which have since been made.

Mr. WHITE. Mr. President, I think anyone considering the subject will have to concede that the Senator from Oklahoma [Mr. GORE] is accurate in the statement that there have been anomalies and inconsistencies and perhaps inequities in the administration and in the levying and collection of Panama Canal tolls. I am generally familiar with them; but to me, speaking very generally, they seem relatively unimportant. The changes that have been made in ship construction and the superstructure of ships have in no instance, so far as my knowledge goes or so far as the testimony before the committee indicates, violated the laws of the United States with respect to the construction of vessels, or the laws of any other nation whose ships have passed through the Canal.

The changes which have been made, in no respect whatsoever depart from the provisions for the safety of life at sea laid down by international convention. Changes have been made, manifestly, and no one can controvert the fact, for the purpose of reducing the tolls paid by vessels in the transit of the Canal; but, so far as I am concerned, so long as the income from the Canal is sufficient to meet the carrying charges of the Canal, I welcome toll reduction, for I see in a reduction of tolls the possibility of a reduction in freight charges, which are a burden upon the commercial interests of the United States and upon all persons who utilize service by water in the movement of their commodities to the markets of the world and of the United States. I see no harm in, and indeed I wholly approve, all efforts of vessel owners to reduce tolls so long as those efforts have due regard for the safety of life at sea, due regard for the laws of the United States and for the laws of other maritime nations. When that is done I conceive it proper for them to endeavor to reduce the tolls paid in the transit of the Canal.

Mr. President, two purposes are assigned for the introduction and report of the proposed legislation. It is said, and it is true, that the bill is designed to do away with the dual system of measurement in vogue at the canal, and to have tolls through the canal based on the earning capacity of vessels moving through that great structure.

Before the completion of the canal, the United States had its long-established system for the measurement and registration of its vessels, a system still in force, and that will continue in force in the event the proposed legislation is passed; a system recognized by all the nations and authorities of the world, and a system which, as I have said, will remain in force after the proposed legislation shall have been enacted.

In 1911, Congress by law authorized tolls for the use of the Canal to be established and to be based upon registered tonnage, net or gross, or on displacement tonnage or otherwise; but it further provided that tolls on ships of commerce should not exceed $1.25 per net registered ton and should not be less than 75 cents per net registered ton.

Somewhat later the Attorney General ruled that in fixing these maximum and minimum rates Congress used the term "net registered tonnage" as defined by the statute and as determined by the Department of Commerce. The Attorney General further held that if in a particular instance tolls exceeded such maximum of $1.25 per net registered ton they would be illegal to the extent of that excess, and if they fell below the minimum of 75 cents per net registered ton then such minimum per net registered ton must be the legal rate and must be collected.

As the result of this decision, Canal authorities felt it necessary to determine net registered tonnage of all vessels, foreign and domestic, transiting the Canal, under both the Panama Canal rules and under the general registry rules of the United States, and, as I have already indicated, it limited the rates the President could apply.

There have been instances in which vessel changes have resulted in reduced tolls. Some inconvenience has resulted to the Canal authorities, but no substantial harm has resulted either to the United States or to the commercial interests of the United States or of the world.

These changes have not adversely affected the revenues of the Canal. The interest on the bonds and the maintenance charges of the Canal, including that part of the cost chargeable to its military value, amount to about $24,000,000 or $25,000,000 a year. For the years 1928, 1929, and 1930 the tolls collected amounted to about $27,000,000 a year, or substantially in excess of the carrying charges, and no one doubts that in normal times the system complained of will meet the carrying cost of the Canal. In those circumstances I see no reason why effort should not be made to reduce these tolls and these charges levied upon the commerce of the United States.

This dual system exists only at the Canal. It is complained of only by Canal authorities. This complaint might justify a change; it does not, however, justify what is proposed in the pending legislation.

I invite the attention of the Senate to precisely what the bill before us proposes to do. First of all, it works a redistribution of the toll burden. Using the rates which it has been said will be put into effect under the bill, that is, the 90-cent rate and the 54-cent rate, there would be a decrease in tolls in the amount of $754,900, and there would be an increase in tolls on other classes of vessels in the amount of $706,000.

On its face, this would show a decrease of approximately $50,000 a year in the tolls collected, but the important and significant thing is, where does the increase fall, and who is the beneficiary of the decreases which would result from this changed system?

I invite attention to the evidence presented by the proponents of the legislation before the committee as it appears in the hearings. Assuming the 90-cent rate which it is said the Secretary of War will put into effect as the maximum, and assuming the 54-cent rate, which it is said will be the lower rate, it is shown that a group of tankers made up of ships belonging to a subsidiary of the Standard Oil Co. of New Jersey, the Standard Oil Co. of California, the Sun Oil Co., the Union Oil Co. of California, and some other

miscellaneous tanker lines, would receive the benefit of a decrease in tolls under the proposed system of $578,000 a year.

There is another tabulation in this hearing, showing another group of ships which would have the tolls reduced. That tabulation shows a reduction in the aggregate of $176,900; and I notice with interest in that category of ships that a subsidiary of the Bethlehem Steel Co. would receive a reduction of more than $63,000. I note also that another industrial carrier, the United Fruit Co., would receive a reduction in tolls under the proposed classification and method of measurement.

These are the beneficiaries of this proposed chang[illegible] Who is it who will bear the increases which will result? I state again that I am taking the testimony introduced into the record by the proponents of the legislation. There is a small group of ships, some six lines, all commercial vessels—and I am reading from page 4 of the record—whose tolls will be increased to the extent of $231,000 or a little more. There is another group of cargo and passenger ships whose tolls will be increased, even upon the basis which it is said will be put into effect, $475,000. So that the net result of the changes will be that these industrial carriers, the subsidiaries of the oil companies and the Bethlehem Steel Co. and the United Fruit Co., will secure benefits exceeding $700,000, and the common carriers of the Nation transporting the commodities of the people of the United States, moving the cotton of the South through the Canal to the East, and all the other things which move from the farms and the industries of our Nation, which pay tolls to common carriers—those carriers will feel an added burden of something like $706,000. That is the first and the outstanding result of the changes proposed in the legislation.

Mr. DUFFY. Mr. President——

The PRESIDING OFFICER (Mr. MOORE in the chair). Does the Senator from Maine yield to the Senator from Wisconsin?

Mr. WHITE. For a question.

Mr. DUFFY. Does the Senator agree to the statement that, if there is to be any increase by reason of this legislation being enacted into law, the particular lines about which he has been talking will be paying less in toll charges under the proposed new law than they paid before they started manipulating their vessels by cutting holes and changing the structure?

Mr. WHITE. I cannot answer that question and do not care what the answer is. I am not in favor of any system if it can be avoided which will increase the tolls of common carriers moving through this Canal, because I see in increased tolls the probability of increased freight rates, and I see in such increased rates an added burden to the industrial and to the agricultural life of the Nation.

Mr. DUFFY. Will the Senator yield further?

Mr. WHITE. I yield.

Mr. DUFFY. A number of these lines have saved a considerable amount by making these structural changes. Has the Senator heard of these lines passing any saving to the people who ship cargoes in those vessels?

Mr. WHITE. I think the proposed legislation has been hanging over them ever since the changes were made, and I do not blame them very much, under the threat of this measure, for not reducing their tolls.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. WHITE. I yield.

Mr. COPELAND. I should like to ask the Senator from Wisconsin if he has any doubt, if this legislation shall be enacted and higher tolls shall be charged, that there will be passed on certainly the higher expense of operating through the Canal, even though the people up there did not get the benefit of the lower rate for the reasons suggested by the Senator?

Mr. DUFFY. If the Senator from Maine will permit, the answer is that in the aggregate there is going to be a reduction on United States ships going through this Canal.

Mr. COPELAND. Yes; when we count oil tankers and steel carriers and private carriers and foreign vessels there will be a decrease, but the ships carrying the apples and citrus fruit and other products of the Pacific coast through the Canal and the ships carrying cotton and other products from the Atlantic coast through the Canal will pay more after this bill shall be enacted. It is inevitable.

Mr. DUFFY. I will answer the Senator in my own time.

Mr. WHITE. Mr. President, I next invite the attention of the Senate to other specific criticisms which may properly be directed toward this proposed legislation. The first section of the bill provides in the first instance that tolls shall be based on net vessel tons of 100 cubic feet each of actual earning capacity.

That is the principle laid down for the determination of tolls. Then the legislation destroys the principle and the effectiveness of it by, first, exempting deck loads from tolls, and, second, by providing a very much lower rate to vessels moving through the canal in ballast.

No one can be sure what amount in dollars is involved in exempting deck loads in ballast, but it is substantial.

The evidence and common knowledge tell us that when cargo is carried in deck space it contributes to the earning capacity of the ship. There are ships today carrying as much cargo on deck as below deck. I contend moreover that is unwise in the extreme, to incorporate such a provision because it makes a direct contribution to greater hazard at sea.

There is a committee of the Senate, I think under the chairmanship of the Senator from New York [Mr. COPELAND], undertaking a study, at the direction of the Senate, of methods by which hazards at sea may be reduced to a minimum, and I venture the assertion that if this matter were referred to that special committee of the Senate, charged with the study of those things which contribute to the safety of life at sea and safety of cargo at sea, with a unanimous voice they would say that any scheme or any method which induces the loading of decks is a dangerous practice to be encouraged, and this proposed legislation is subject to the infirmity, in that, as I have said, no tolls would be charged on the deck space used in the transportation of cargoes.

This proposed rule of basing the toll upon the tons of earning capacity of the vessel is again repudiated by the provision of section 1, that the toll on vessels in ballast shall be less than the rate of toll for vessels with passengers or cargo. How much less the toll shall be the section does not state, nor does it provide for the determination of this lesser rate by any rule or by any method or by any person. It simply says that there shall be a lesser rate of toll on vessels moving in ballast. There is no statutory definition, there is no statutory limit of the amount of reduction, and no rule by which anyone can determine what it shall be, and with no authority in any particular person to determine it.

If any deduction from the established rate is to be accorded because a vessel is in ballast, why should there not be a graduated scale of toll based on the proportion of her earning space occupied by cargo? To illustrate, why should we give a reduced rate to a 3,000-ton ship moving in ballast and charge another ship having 10,000 tons of earning capacity for the full 10,000 tons of capacity even though she has but a hundred tons of cargo on board?

I mentioned, in speaking of the general effect of these proposed rules, that the industrial carriers would be the chief beneficiaries thereof. These carriers, as a matter of fact, are largely tankers. I again emphasize that the oil tankers in larger degree than any other ships move through the Canal in ballast one way. So that the chief beneficiary of this reduced rate for the ship in ballast will be largely the tankers of the great oil companies.

There is one other comment I wish to make. The proposed rule is based on net vessel tons of 100 cubic feet of actual earning capacity. This refers only to space devoted to cargo. It ignores completely the weight of cargo a ship can carry, and so disregards actual earning capacity of a vessel. It is perfectly obvious that two vessels may have the same net tons of 100 cubic feet and at the same time have widely different earning capacities. A substantial part of the world's commerce consists of weight cargo, and a

rule which ignores the weight-carrying capacity of the ship does not reflect her earning capacity. This may be illustrated by a vessel loaded with lumber and another loaded with ore. The first boat may have her entire space below deck filled without settling the vessel to her load-line marks. Her decks may be completely filled before the vessel is sunk to her load line. This vessel carrying this type of cargo may load to every vessel ton and earn thereon. An ore carrier may be submerged to the depth permitted by our load-line law with only one-half of her measurement capacity utilized. Yes under this bill, ignoring as it does this factor of weight, this ore vessel would be required to pay on her full measurement earning capacity. A proposed system ignoring this weight factor is not sound.

Mr. President, a further and to me a fatal objection to the bill is found in its uncertainty. I have in mind the assurance which has been given the Senate that a 90-cent rate and a 54-cent rate is fixed by the statute, but it does not work out that way when we analyze the language of the bill. It lays down no definite rule for the fixing of tolls. In the present law there is a definite maximum and a certain minimum of legal charge. The toll may not exceed $1.25 a net registered ton; it may not be less than 75 cents per net registered ton. Such a ton is defined by statute. In the pending bill the charge is to be based on net vessel tons of earning capacity determined not by a statutory rule but by rules prescribed by the President and as amended from time to time by him. Here is no certainty of charge. The tolls will move up or down in accordance with no statutory provision or of statutory rule, but they will vary as the President without guide or restraint varies his rules of measurement.

Mr. President, conceding the inequalities and confusion of results under existing practice, I still insist that the legislation before us does not meet the problem. If adopted, there will be continued the inequities already alluded to. There will still be dual systems of measurement throughout the world; there will be multiplied complaints and new injustices.

It seems to me there is only one sensible course. This is a problem of great complexity. It was said this morning that this matter had been before the Congress for 20 years of time, and that is true, in one form or another. But in that 20 years of time, so far as my knowledge goes, no one but the Canal authorities have urged the enactment of this pending provision. Over and over again the Canal authorities have come here with a different form of legislation, a different method proposed to meet this situation, and this is only the last child of their minds.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. WHITE. I yield.

Mr. WAGNER. I wish to ask the Senator whether there were any hearings before the committee relative to this proposed legislation?

Mr. WHITE. There were hearings before the Committee on Interoceanic Canals. There have been no hearings so far as I know before any committee having responsibility for the commercial interests of the United States, having responsibility for the shipping interests of the United States.

Mr. WAGNER. I understand that jurisdiction is really within the Committee on Commerce of the Senate, and I wondered whether there had been any hearings held by that committee.

Mr. WHITE. There have not been any hearings held by the Committee on Commerce. There were members of the Committee on Commerce who were invited to sit in with the Committee on Interoceanic Canals in these hearings, and I believe I did so.

Mr. WAGNER. I have received some complaints from constituents of mine that they did not have an opportunity to present their views, and they are very much opposed to this measure and feel that if enacted it will be destructive of their industry.

Mr. WHITE. In my opinion it will be harmful to the general commerce of the United States. The confusion that is complained of will be confounded. In view of the changing views of the Canal authorities in respect to the legislation they want, the sensible thing for us to do is to eliminate section 1 from the bill and write into law section 2, which authorizes the appointment of a committee to study this whole problem and to make its recommendations and have a study of the problem made, have the judgment of the shipping interests of the United States with respect to what should be done, and then bring before Congress a bill which meets the situation, if it can be met—one which will respond to the commercial interest of the United States. This bill does not do so, in my opinion.

Mr. FLETCHER. Mr. President, in answer to the inquiry of the Senator from New York [Mr. WAGNER], I will say that there were joint hearings on the bill before the Committee on Interoceanic Canals and a Subcommittee on Merchant Marine of the Committee on Commerce. The hearings are printed.

Mr. DUFFY. Mr. President, I have heard some discussion today in the Senate as to whether the shippers of oil or the shippers of cotton would be discriminated against. I assure Senators that there is neither cotton nor oil produced in my State. I have no such interest, and I knew nothing about this legislation until I sat as a member of the Committee on Interoceanic Canals in the hearings on the bill.

I was somewhat surprised to hear the Senator from Maine [Mr. WHITE] say that no one else had advocated this measure. Perhaps he is technically correct in saying "this particular measure", but I am informed that similar measures have passed four times through the House of Representatives. I am informed that Presidents heretofore have asked for the passage of similar legislation, at least starting with President Wilson, and I have in my hand extracts from letters from various Secretaries of War, Mr. Garrison, Mr. Baker, Mr. Weeks, Mr. Hurley, and Secretary Dern, all of them urging the enactment of at least similar legislation, and to save the time of the Senate I ask unanimous consent that these extracts from letters or communications from the various Secretaries of War be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

EXTRACTS FROM LETTERS OF SECRETARIES OF WAR RECOMMENDING PASSAGE OF BILLS PROVIDING FOR THE MEASUREMENT OF VESSELS AT THE PANAMA CANAL SO THAT TOLLS WILL BE PAID UNDER THE PANAMA CANAL RULES ONLY

On February 1, 1915, in a letter to the chairman, Committee on Interstate and Foreign Commerce, House of Representatives, Secretary of War Lindley M. Garrison recommended the passage of bill H. R. 20899, stating: "With either of the above amendments the bill would meet my approval, although, as indicated, I feel that the first-mentioned amendment would be more satisfactory."

On February 15, 1915, in a letter to the chairman, Committee on Appropriations, United States Senate, Secretary of War Garrison requested that section 3, relating to Panama Canal measurement rules, be reinserted in the sundry civil bill, H. R. 21318, stating: "I enclosed herewith a copy of a letter addressed to me by the President under date of February 15, which I think indicates clearly the present status of the subject of collection of tolls for vessels passing through the Panama Canal and shows the difficulty under which we are working, which difficulty would have been cured if the proposed section 3 were passed."

On January 22, 1916, in a letter to the chairman, House Committee on Interstate and Foreign Commerce, Secretary of War Garrison, with regard to bill H. R. 6832, stated: "I quote below a modification of section 1 of the bill referred to, which modification I feel will meet the situation more completely than the wording of the bill as referred to me. * * * There is great need for this legislation * * *."

On July 13, 1916, in a letter to the chairman, Senate Committee on Interoceanic Canals, Secretary of War Baker stated: "I have the honor to invite your attention to the difficulties at present being experienced by the Panama Canal authorities in connection with the levying of tolls on vessels using the Canal, which would seem to require remedial legislation by Congress at the earliest possible date."

On January 23, 1917, in a letter to the chairman, House Committee on Interstate and Foreign Commerce, Secretary of War Baker, with regard to bill H. R. 9818, stated: "I sincerely hope that it will be possible for you to bring the matter before Congress in such a way that it may realize the gravity of the situation and speedily enact appropriate remedial legislation."

On February 7, 1919, in a letter to the chairman, Committee on Interoceanic Canals, Secretary of War Baker, with regard to bill S. 831, stated: "I would again urge the enactment of legislation during the present session of Congress to remedy these matters. Senate bill 831 fully covers the subject."

On February 7, 1919, in a letter to the chairman, Committee on Interstate and Foreign Commerce, Secretary of War Baker, with regard to bill H. R. 1655, stated: "I would again urge the enactment of legislation during the present session of Congress to remedy these matters. House bill 1655 fully covers the subject."

On March 1, 1920, in a letter to the chairman, Committee on Interoceanic Canals, Secretary of War Baker stated: "I desire to invite your attention again to the urgent necessity of legislation regarding the method of measuring vessels in connection with levying Panama Canal tolls. A bill (H. R. 7015) passed House of Representatives on October 1, 1919, which would overcome the existing difficulties if it were enacted into law."

On June 6, 1921, in a letter to the chairman, Committee on Interstate and Foreign Commerce, Secretary of War Weeks stated: "A bill (H. R. 250) entitled 'Governing the tolls to be paid at the Panama Canal' was recently introduced in the House of Representatives by Mr. Denison, which, if enacted into law, would remedy the present unfortunate situation."

On June 13, 1921, in a letter to the chairman, Committee on Interoceanic Canals, Secretary of War Weeks stated, with regard to bill H. R. 250: "It is respectfully requested that you take steps to introduce a similar bill in the Senate, so that this subject can be given early consideration by your committee, for if this bill were enacted into law it would remedy the present unfortunate situation."

On January 29, 1924, in a letter to the chairman, Committee on Interoceanic Canals, Secretary of War Weeks stated: "This matter is extremely important from the standpoint of equitable and efficient administration of the rules governing the collection of Panama Canal tolls. * * * I would request that you introduce a bill in the Senate substantially in the form submitted, and trust that your committee will give early and favorable consideration to the bill."

On January 29, 1924, in a letter to the chairman, Committee on Interstate and Foreign Commerce, Secretary of War Weeks advised that same as quoted in the foregoing paragraph.

On February 17, 1925, in a letter to the chairman, Committee on Interoceanic Canals, Secretary of War Weeks stated: "I desire to urge that every effort be made to have H. R. 7762 reported to the Senate and passed before the expiration of the present Congress."

On February 25, 1925, in a letter to the chairman, Senate Committee on Commerce, Secretary of War Weeks, with regard to bill H. R. 7762, stated: "It is also understood that the Committee on Commerce will hold hearings on this bill on the 26th instant, and I trust that every effort will be made to have it reported in the Senate and passed before the expiration of the present Congress."

On March 21, 1930, in a letter to the chairman, House Committee on Interstate and Foreign Commerce, Secretary of War Hurley stated: "I concur in the governor's comments contained in his report of March 5 on H. R. 9587, as modified by the remarks contained in his radiogram of March 19, regarding H. R. 10583, which was substituted for H. R. 9587, and I favor the pending bill."

On April 8, 1930, in a letter to the chairman, Senate Committee on Commerce, Secretary of War Hurley, with regard to bill H. R. 10583, stated: "I strongly favor the passage of the pending legislation."

On February 6, 1934, in a letter to the chairman, Committee on Interoceanic Canals, Secretary of War Dern, with regard to bill S. 2517, stated: "I recommend the passage of the pending legislation in order to remedy a situation which requires early correction as, with each year's delay, further inequities are developing."

On May 26, 1934, in a letter to Hon. JOSEPH T. ROBINSON, United States Senate, Secretary of War Dern stated: "I earnestly request your assistance in securing the enactment at this session of Congress of bill S. 2517 or the similar bill H. R. 7667, to provide for the measurement of vessels using the Panama Canal."

On May 26, 1934, in a letter to the chairman, Committee on Interoceanic Canals, Secretary of War Dern, with regard to bill S. 2517, stated: "I earnestly recommend that prompt action be taken thereon by the Committee on Interoceanic Canals. It is very desirable that this legislation be enacted at the present session of the Congress."

On May 24, 1935, in a letter to Hon. JOSEPH T. ROBINSON, United States Senate, Secretary of War Dern stated: "I am again, as I did last year when you favorably responded, requesting your assistance in securing the enactment at this session of Congress of bill S. 2288, "To provide for the measurement of vessels using the Panama Canal."

Mr. DUFFY. The bill before us carries out the recommendations of the Canal administration, which has repeatedly urged the revision of the law so as to base the tolls charged at the Panama Canal on the basis of tons of 100 cubic feet of all the interior spaces usable for the carriage of cargo and of passengers. The present law provides that the amount of tolls collectible shall be limited on the basis of the net tonnage as determined by the United States rules of measurement for the registry of vessels. These United States rules, Mr. President, were in effect long before the Canal was constructed. They were designed for an entirely different purpose. We try to give as light a tonnage to vessels under our registry as we possibly can under our rules, so that when they go to foreign ports where the charge is made of so much per ton for lighterage or dockage they will get the benefit of the lower rates. That is done by all nations. But those rules were not in any way designed for and I think are not suitable for the charging of tolls on vessels going through the Canal.

Mr. KING. Mr. President, will the Senator yield?

Mr. DUFFY. I yield.

Mr. KING. Is there reciprocity between the United States and other nations with respect to the charging of rates so that, for instance, if we should establish a lesser rate, other nations would follow that example?

Mr. DUFFY. I understand it has been the practice of the various nations for many years back, where a vessel is registered under their flag, to make as many exemptions and use as many devices as possible to have the vessel as light as possible, so when it goes to foreign ports they will get out as light as they can with respect to various charges which are made.

That seems to be recognized and in practice by the various nations; but that is not, it seems to me, in any way applicable to what the charge should be for shipping passing through the Panama Canal. This bill is not designed to increase the present revenues of the Canal but to prevent further and unjustified continuing decreases in its revenues.

The pending bill provides a method of measurement which cannot be subject to manipulation. The bill will be quite free from administrative difficulties and will have direct relationship to the earning capacity of vessels. It seems to me that the earning capacity of vessels is the only logical basis for the levying of toll charges.

The argument has been made that this will unduly burden that part of our merchant marine using the Canal. It is difficult for me to understand why a few who are unduly benefiting, after having taken advantage of an unfair situation, should be allowed to block legislation that will lighten the toll burdens of industry as a whole.

Mr. President, I wish to invite attention to the letter which President Roosevelt sent to the chairman of the Committee on Interoceanic Canals, the Senator from Oklahoma [Mr. GORE], with reference to this particular legislation. He points out that under the present law many inequalities have arisen and that the earning capacity of a vessel no longer governs the amount of tolls paid.

The President likewise points out that under the present law the United States rules are administered by the Bureau of Navigation and the Department of Commerce, which has no responsibility whatever for the Canal; and the President is of the opinion—and I thoroughly agree with him—that the rules themselves have never been considered suitable for determining Canal tolls.

As I understood the Senator from Maine [Mr. WHITE] and several other Senators who have spoken, they would leave the impression that the shipping industry, as a whole, is opposed to this proposed legislation, or that generally they are opposed to it. I have in my hand a magazine called the Marine Review. It is stated to be "The national publication covering the business of transportation by water." I know nothing about the various marine magazines, but this apparently appears to be one of a general character. It is stated that it was founded in 1878; so it has existed for a considerable period of time. I merely wish to quote a paragraph or two from an editorial found on page 9 of the March 1935 issue, which goes to show that there are those interests within the merchant marine that believe that the measure now before the Senate should be adopted. The editorial says, among other things:

There can be no reasonable disagreement, however, on any grounds of logic, convenience, and safety as to the wisdom of discarding the existing pernicious system of dual classification. A single system would be preferable in every way. I would do away with the subterfuges that now must be used to reduce tonnage. It is merely a legal way of evading the real intent of the rules and is vicious, unsatisfactory, and absurd. It would be far better if the ship were allowed to remain as properly designed and built and the spaces deliberately exempted from measurement.

The editorial says further:

We are convinced that opposition to a single system of measurement is not the logical or reasonable approach to the solution of this problem.

One final sentence:

The Panama Canal rules are the logical standards for assessing the tolls. They represent a thorough survey and study of vessel measurement. They embody the experience of the past. By adopting a single system, using these rules, endless controversy and continual inconvenience are forever eliminated.

Mr. ADAMS. Mr. President——

Mr. DUFFY. I yield to the Senator from Colorado.

Mr. ADAMS. I should like to make an inquiry with reference to this matter. Perhaps it is not especially pertinent at this point, but I will make it none the less. Why did it seem justified to the committee to recommend a lowering of the maximum unit charge for freight? As I understand from the bill, the fixing of a unit charge rests in the discretion of the President. I do not understand why the proposed limitation should be placed on the President. Why does not the bill provide the existing maximum and leave to the judgment of the President the fixing of the tolls within that maximum?

Mr. DUFFY. That is the law.

Mr. ADAMS. That is the law today, but under that law the maximum is $1.25, and now it is proposed to make it a dollar.

Mr. DUFFY. The pending bill provides a maximum of a dollar and a minimum of 60 cents.

Mr. ADAMS. My inquiry is, why should it be proposed to restrict the President's discretion, in face of the fact that, apparently, the Panama Canal, in certain years, at least, is not earning upon its cost a return adequate to take care of its indebtedness and to provide necessary repairs and replacements?

Mr. DUFFY. The Panama Canal authorities, after years of study, are of the opinion, and the Secretary of War has agreed with them in that respect, that by the adoption of this bill and charging a 90-cent rate the balance will be maintained, and they will still have the leeway of going up to a dollar, which is far more than is anticipated will be required. For instance, I have a table here showing how the new Japanese ships which have been designed for the purpose of obtaining lower rates in the Canal by manipulation of their structure are going through the Canal at 68 or 70 cents a ton, while others that have not changed the structure of their ships will be paying a dollar or a dollar and five cents or a dollar and ten cents. It is figured, if this manipulation could be stopped, as it would be by the enactment of this proposed legislation—and then they would have at least a leeway of from 60 cents to a dollar—that from everything that may be anticipated 90 cents will be sufficient, and it is intended, if this legislation shall be enacted, that the 90-cent rate will be put into effect.

Mr. ADAMS. I have no conflict with the theory that there should be a change in the method of computing the tonnage upon which the charge is made. My inquiry is as to why it is necessary to reduce the maximum and tie the President's hands so that if he should find that there should be a charge of a dollar and one cent or a dollar and ten cents he could not make it. In other words, I am not much in favor of reducing maximums in the charging for the use of property of this kind.

Mr. DUFFY. I will say to the Senator that I have in my hand a chart, which has been prepared by the Canal authorities, which gives a picture of what has happened. I think the chart will provide an answer to his question.

The chart shows in the black figures, if the provisions of this bill had been in effect in 1930, that the ships that used the Canal would have saved $1,577,400 in that year. In other words, they paid more in 1930 by over a million and a half dollars than they would have paid if this bill had been in effect. The amount was reduced the following year to $1,100,000; in 1932 they paid $503,000 more than they would have paid under the 90-percent rate. This bill seeks to stop this downward line which is shown on the chart and which is rapidly getting to the point where large losses will be caused to the Canal. In other words, we are not worried about the maximum. If this bill should go into effect, the Canal authorities are positive that a maximum of $1 would give sufficient leeway to take care of anything that can be reasonably anticipated and that a 90-cent rate would be sufficient; but if this bill should not be enacted by manipulating the vessels which have not been changed, by cutting more holes in the decks and by cutting doors through the bunker room, the vessel owners will continue to reduce the tolls on ships that will come into the Canal; so if the present rate should be continued there would be a loss of $1,500,000 by the year 1939. In other words, they are not worried about the rate; they feel that $1 will give ample leeway; but they are worried the other way, for where, not by direct action, not by open and aboveboard methods, but rather by manipulating a change in a single vessel tolls can be reduced, there seems to be no end to the process, and there seems to be a constantly decreasing amount of revenue from tolls.

Mr. ADAMS. As I understood the Senator from Oklahoma, he stated—and I think the same statement is in the report—that the cost of the Panama Canal is some $543,000,000; that we have outstanding a commensurate bond issue; that in 1919 the net return of the Canal was less than $10,000,000.

Mr. DUFFY. I think the Senator from Colorado misunderstood. I think it never got below $19,000,000.

Mr. ADAMS. No; nineteen million was the gross return, and then they had nine and a half million to deduct from it as the cost of operation; so that the net dropped down to practically $9,000,000 or $10,000,000. It seems to me that we are not securing an adequate return for this vast governmental investment, nor are we in a position to lay aside a sinking fund and pay the interest and to make the necessary replacements. I do not think we ought to furnish these great facilities and not make a reasonable and adequate charge for them.

Mr. STEIWER. Mr. President, will the Senator from Wisconsin yield?

Mr. DUFFY. I yield to the Senator from Oregon.

Mr. STEIWER. As I understand the question propounded by the Senator from Colorado [Mr. ADAMS], he assumes that the pending bill will naturally result in limiting the President so that the maximum rate he could establish would be lower than the present rate. I am not sure that I am correct in the interpretation which I have placed upon the Senator's question; but it occurs to me, under the new method of measurement to be provided by the pending legislation, if enacted, that the rate of $1 a ton would provide more revenue than the existing rate of $1.25 a ton. Does the Senator from Wisconsin agree to that?

Mr. DUFFY. I think that is correct. It is contemplated that a 90-cent rate will, in the aggregate, bring in about the same amount of tolls as now received or, at least, as were received at the end of the year 1934. But if this process of whittling down the tolls paid by changing the structure of ships continues, of course, the returns from the Canal must go much lower.

Mr. STEIWER. In other words, if there is a minimum limitation of 60 cents and a maximum of $1, in order to increase the present revenues or even to hold them substantially near the present figure, it would not be necessary to charge the maximum rate of $1.

Mr. DUFFY. That is correct.

Mr. STEIWER. But in all likelihood a lower rate, which the Senator assumes might be 90 cents?

Mr. DUFFY. The Secretary of War has investigated and has stated that if the legislation is enacted he will recommend to the President a rate of 90 cents, and it is assumed the President will adopt the recommendation. The charts and arguments and tables are presented with the idea that it is certain the 90-cent rate will be made effective.

Mr. STEIWER. I observed that statement in the report of the committee. It might be well for the Senator from Wisconsin to say that some members of the shipping industry calculate that a rate of 85 cents would produce an

amount of revenue substantially the same as the present rate under the present system of loading.

Mr. DUFFY. I will hand to the Senator from Oregon the chart which shows the point at which it is assumed now to fix the gross income, which would be somewhere between $211,000—the shipping lines paid more in 1934—and the income of 1935, which would be $435,000 the other way.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. DUFFY. Certainly.

Mr. ADAMS. Leaving the maximum alone would not do any damage. In other words, there is no injury in the maximum figures being where they are now.

Mr. DUFFY. I do not know, but I assume by reason of the fact that certain rather powerful shipping interests have always opposed legislation where the tolls might be increased that that provision was put in as a sort of guaranty that they could not go above that figure. I do not know that to be a fact.

Mr. ADAMS. My only contention is that the wider the range the safer they would be in making the provision.

Mr. DUFFY. I see the force of the argument of the Senator, but the bill has been presented, and after the hearings it was assumed that would be the proper way to do it. I am an humble member of the committee and knew nothing about the legislation until I sat in on the hearings.

Mr. President, there has been some comment here about the Japanese shipping interests changing the structure of their vessels so as to take advantage of the anomalous situation we now have to get their ships through the Canal at much lower rates than the average paid by American shipping or by the shipping of any other country. I have the figures, for instance, of a new Japanese freight ship, which I believe used the Canal for the first time during the year 1935. The name of the ship is the *Awobosan Maru*. The interesting figures I can give the Senate are that when this ship goes through the Suez Canal the tolls amount to $11,700. When she goes through the Panama Canal, under the prevailing system, she pays $4,700; but if this legislation should be enacted, under the rate of 90 cents per ton this Japanese vessel would pay some increase over the present amount, in other words, $6,200. Even at the $6,200 rate it is paying scarcely half the rate that is charged when that ship goes through the Suez Canal.

Mr. COPELAND. Mr. President——

Mr. DUFFY. I yield to the Senator from New York.

Mr. COPELAND. The same rule would apply to all other ships passing through both canals, would it not?

Mr. DUFFY. I am merely pointing out what can be done by taking advantage of structural changes by having openings made in the decks of certain of the Japanese ships. I understand they have engaged the services of a gentleman by the name of Ryan, who is advising the nations of the world, which use the Panama Canal, how they can alter the structure of their ships in order to take advantage of our peculiar situation and get a much lower rate.

I have here a list of 14 Japanese ships which are mentioned at page 105 of the Governor's annual report as having been recently constructed to take advantage of the rules which are now in existence and which ships passed for the first time through the Panama Canal during the year 1935. They paid tolls upon 193,000 tons, whereas if this bill becomes a law the 14 new Japanese vessels would pay on 279,000 tons. In other words, they would be paying upon the cargo-carrying capacity of the vessels, and that is what it seems to me they should be charged.

Mr. President, may I invite the attention of Senators to the chart which has been placed on the wall? The Senator from North Carolina [Mr. BAILEY] asked a question a while ago which I wish to answer. He said, "You are going to benefit the tankers, but what about the vessels carrying cotton?" At the bottom of the chart is represented a cargo-carrying vessel. It is the kind of vessel that could carry cargo, such as cotton or any other cargo of that kind. It will be noted that the way that cargo ship was constructed under the rules, those parts of the ship which are outlined in red were not measured as part of the carrying capacity of the vessel, but all that part shown in blue was used in carrying freight, bales of cotton, or any other cargo.

In the decks of those vessels were cut a tonnage hatch, some small, round openings called scuppers, and a little square opening called a freeing port. They carry just as much freight on that deck which is shown in blue as they did before they put in those openings, but by using that device they exempt themselves from paying any toll on that entire deck which is shown in blue. They can do it legally under the rules under which we are now operating, but if this bill shall be enacted into law it would not be possible for them to do it any longer.

I invite attention to the top part of chart where is shown another type of vessel. At the top the boat deck is shown. That was not considered space for which the ships could receive pay, but the next deck, indicated on the chart as B deck, is passenger-carrying space. By the device of going back to the end of B deck and putting in a little opening called a tonnage hatch, and a freeing port, and scuppers on the part shown in green, they lifted that whole B deck out of the classification upon which it would have had to pay charges or tolls, and paid no charges or tolls upon it whatsoever although it is bringing money to them and they are renting those cabins to people who travel on that ship. In other words, the tolls have been reduced by resorting to a device which never was intended by Congress when the legislation was originally enacted.

In 1934 these exemptions amounted to 2,159,505 tons. Of those which have been exempted in that way, 656,000 tons were United States ships and 1,503,000 tons in foreign ships.

The charts show the foreign vessels would not save more than the United States vessels. The charts show the savings to the United States vessels in yellow and in similar manner show the savings to foreign vessels. I shall not take the time to explain fully the chart, but it shows there is considerably more saved now by foreign vessels than there would be after the enactment of this measure into law, when the saving will be to United States vessels rather than to foreign vessels. But that is not the primary purpose of this legislation. Some foreign ships, like Japanese ships, up to the last year did not take advantage of the opportunity to change their vessels by cutting holes in their decks and changing the structure in that way so as to get that advantage.

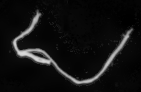
With the traffic at the level at which it has been during the past few years, the exemption of cargo-carrying space in shelter-decks and superstructures amounts to approximately 2,816,000 net tons per year. Of these, about 1,000,000 tons are on United States vessels, and nearly twice the amount, or 1,826,000 tons, are on foreign vessels.

While United States vessels form over 45 percent of the total transits through the Canal, yet the exemptions are about 32 percent of the total for this type of vessels. That shows why, if this legislation shall be enacted, there will be greater savings to United States vessels than to those of foreign countries, because so many foreign countries have adopted the advice of this gentleman who goes around advising them how to cut down their Panama Canal tolls.

I am of opinion that if there is the opportunity to cut down tolls—and, of course, foreign vessels should have the same advantage of it and will get the same advantage of it under the treaty as our own—we should do it openly and aboveboard, and say we are reducing the rates, and not permit some nation or some line or some individual ships to reduce the toll upon their own particular vessels by the device of cutting a hole in the deck and cutting some scuppers in the sides.

The Senator from North Carolina [Mr. BAILEY] said he did not believe that any vessel or any line would deliberately cut a hole in its vessel for the purpose of reducing the rate. As I understand the practice the Senator is very much misinformed. There is not any question about the matter in the mind of anybody who knows. This gentleman, Mr. Ryan, offers his services for compensation to various governments and ship lines, and tells them that if they will make this change here, and cut out this place over there, they





can exempt the whole deck, although the deck may be crammed full of cargo for which they are getting freight charges; and yet, under that device, the Canal authorities are helpless. It seems to me a reasonable proposition that we ought to adopt a schedule of tolls based upon the cargo which a vessel can receive in its hold and on which it can make some money.

Mr. President, some Senator quoted from the figures given in the minority report. I believe the figures given in the minority report are incorrect. I have in my hand a copy of a letter which was sent to the Senator from New Jersey [Mr. BARBOUR] under date of May 27, 1935, by the Panama Canal authorities, calling attention to the fact that the figures quoted in the minority report are incorrect. I wish to read now from this letter, which was addressed to the Senator from New Jersey, a few paragraphs to show that the figures given there are not accurate, according to the statistics maintained by the Panama Canal authorities:

In view of the statement in the minority report, this office requested the Governor—

Meaning the Governor of the Panama Canal—

by radio to verify the figures which had been used in the table on pages 3 and 4. The Governor's radio reply, from which the figures in the last column are obtained, is quoted below for your information, and shows clearly that the claims of the various companies are out of all reason as compared with the existing facts.

To save the time of the Senate, I ask at this point unanimous consent that the entire letter, giving the figures as to the ships *Virginia, California,* and *Pennsylvania* of the Panama-Pacific Line, and the ships of the Grace Line, the American-Hawaiian Line, the Luckenbach Line, and the Dollar Line, may be included in the RECORD as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter referred to is as follows:

THE PANAMA CANAL,
Washington, May 27, 1935.

Hon. W. WARREN BARBOUR,
United States Senate, Washington, D. C.

MY DEAR SENATOR BARBOUR: At the request of Governor Schley I am submitting the following relative to your minority report (No. 624, pt. 2) to accompany bill S. 2288, providing for the measurement of vessels using the Panama Canal. The following statement on page 2 of the report appears to contain the basic reasons for your objection to this legislation:

"The enormity of the burden imposed upon the leading American lines using the Canal is evident from their testimony at the hearings both before this committe and the House Committee on Interstate and Foreign Commerce. In the case of one passenger and general-cargo line it was testified that the annual increase in tolls at the 90-cent rate would be $400,000 and $551,000 at the maximum rate of $1. Another line's tolls would be increased $208,000 annually at the 90-cent rate and $297,000 at the $1 rate. A third line would pay $140,000 more at the 90-cent rate and $276,000 more at the proposed maximum. Representatives of a fourth line testified that its tolls would be increased between $290,000 and $300,000 at the maximum rate."

The figures given in the above paragraph, evidently taken from statements made by the representatives of the interested lines, differ so much from the figures contained in the table submitted by the Panama Canal and found on pages 3 and 4 of the hearings (being inserted in conformity with the agreement made by Chairman GORE with Senator COPELAND), that it appears that the exact result of the proposed legislation was overlooked. A comparison of figures based upon the 90-cent rate appears below:

Steamship line	Increase claimed by companies 90-cent rate	Increase shown in hearings (p. 4) [1]	Corrected figures
Panama Pacific	$208,000	$195,000	$112,260.15
Grace Line	400,000	263,000	177,593.25
American-Hawaiian	140,000	132,000	124,196.05
	$1.00 rate		
Luckenbach Line	$290,000–$300,000	59,000	63,643.87

[1] At the foot of the table printed on p. 4 of the hearings it was stated that the increases indicated for the first 2 lines, the Panama-Pacific and the Grace Line, would be materially reduced by the proposed elimination of charges for public rooms. It was also stated that the increase for the American-Hawaiian Line would be reduced if that line continued the present practice of closing the shelter deck on some of their east-bound transits and paying on an increased tonnage increasing the tolls about $1,200 per transit.

In view of the statement in the minority report, this office requested the Governor by radio to verify the figures which had been used in the table on pages 3 and 4. The Governor's radio reply, from which the figures in the last column are obtained, is quoted below for your information, and shows clearly that the claims of the various companies are out of all reason as compared with the existing facts:

"Your 59 in 1934 Panama Pacific paid $579,701.25. Under 90-cent rate on present Panama Canal net would pay $775,967.40, an increase of $196,266.15. This would be reduced by possible revision of Panama Canal rules eliminating public rooms and allowing crew serving passengers, estimated 93,340 tons, or $86,006, leaving increase of $112,260.15. Would pay $691,961.40, which is $30,354.85 less than these vessels would have paid if they had not been reconditioned to reduce United States tonnage. Example: *Virginia* paid $15,086.25 per transit for 78 transits, would pay approximately $14,589 per transit; *California* paid $14,918.75 for 63 transits, would pay $14,078.70; *Pennsylvania* paid $15,022.50 for 31 transits, would pay $14,613.30.

"Grace Line passenger ships paid $865,038.75; would pay $1,127,945.70, an increase of $262,906.95, which, minus the estimated amount of public rooms and crew space of 94,790 tons, or $85,311, leaves increase of $177,593.25. Would pay $1,042,632, which is $51,460 less than would have been paid if installation had not been made. Example: *Santa Clara* paid $6,287.50 per transit for 31 trips, would pay approximately $6,169.50 under proposed plan. Grace Line cargo ships paid $20,071.25, would pay $18,361.80, a decrease of $1,709.45.

"American-Hawaiian paid $1,031,581.25, would pay $1,155,777.30, increase of $124,196.05. No passenger ships, no public rooms, or additional crew, but this would be reduced if practice continued closing shelter deck on some vessels east-bound. This is $33,555.20 less than would have been paid if no installation had been made whereby exemption of shelter-deck space was secured.

"Luckenbach Line paid $971,929.43, would pay $1,035,573.30, an increase of $63,643.87; passenger cabins negligible. This is $94,212.38 less than they would have paid if no alterations had been made.

"Dollar Line paid $652,646.25, would have paid $669,343.50, an increase of $16,697.25; estimated reduction on account public rooms and crew, 49,241 tons, or $44,316.90, making decrease repeat decrease of $27,619.65. Tolls then would be $625,026.60 or $104,758.40, less than would have been paid if alterations had not been made."

In response to a request of a representative of the Luckenbach Steamship Co. the Governor was requested to check the estimated increases specified for that company. A copy of the reply of the acting executive secretary of May 22, 1935, together with a copy of a detailed statement listing each of the vessels of the company transiting the Canal during the fiscal year 1934, is attached for your information. This statement indicates the care that was taken in the preparation of the figures used.

The Governor has been requested to comment upon other features of your report and it is hoped that you will give careful consideration to the above-corrected figures and to any further comments which may be made by him in reference to the subject of this bill, the passage of which is so essential to the proper administration of the Panama Canal.

Very respectfully,

A. L. FLINT,
Chief of Office.

Mr. DUFFY. Mr. President, I am one of those who believe in protecting the merchant marine of this country. I am one of those rather old-fashioned persons who would even be willing to grant a subsidy where it is necessary to keep our vessels afloat, and give us protection in time of war. I do not know what all the insinuations are about some vessels belonging to the Standard Oil Co. or to some other concern. I suppose vessels carrying oil are just as valuable to this country in time of a great national emergency, in bringing fuel to the fleet, and so forth, as would be cargo vessels that might bring food or clothing. I do not care; it does not make any difference to me which particular line may get some small benefit. I think it cannot be gainsaid that the ship lines in this country whose tolls will be raised as the result of the proposed legislation even so will be paying less than they paid before they started manipulating their vessels and reconstructing them to take advantage of the anomalous system of measurement that they are now required to go through at the Canal.

In other words, the cargo vessel shown here on the chart, when this proposed law becomes effective, will not pay as much toll for going through the Canal as it did before the time those structural changes were made; but, of course, it will pay a higher rate than it is paying now, and I think it ought to do so. Why should it not pay tolls based upon the deck that we see marked in blue, that is just filled with cargo, for carrying which the vessel is being paid? Why

should that deck be exempted because of the artificial device of making a hole in the deck above?

The theory, of course, is that if there is a hole in the deck above, the deck marked in blue cannot be used for cargo purposes, and that it will not be any good to the ship, and therefore, under the present rules they have it exempted; but, as a matter of fact, they put tarpaulins around it. They can do everything to close up those holes and protect the cargo from the weather except to seal it permanently. So we have the unique situation of somebody telling fairy tales. In other words, a ship comes through the Canal, and because it has a little extra hole in the deck, and scuppers in the sides, that deck is exempted on the ground that it cannot be used for cargo, and yet it is packed plumb full of cargo. It is just a foolish device. If we wish to give subsidies of that kind, let us give them openly to our own ships; but in this way we are giving a subsidy to foreign vessels as well as our own, because the foreign vessels may use exactly the same device as our own vessels that have so changed the structures of their ships.

Mr. President, I wish now to cite merely one or two other typical cases and read one or two more paragraphs from the letter of Governor Schley which he addressed to the chairman of our committee, the Senator from Oklahoma [Mr. GORE]. The last paragraph, which sums up the other parts of his letter, I think is very instructive, and I think his statements are entirely borne out by the facts:

> The passage of this bill will not increase the aggregate of the toll collections; it will eliminate inequalities in charges between different vessels; it will stop the making of structural changes in vessels which in many cases reduce the safety of the vessels at sea; it will make unnecessary the measurement of vessels transiting the Canal except under one set of rules especially adapted to the purpose, such rules being an improvement upon, though similar to those applicable to the Suez Canal; it will eliminate an expensive indirect subsidy which up to now has accrued to foreign vessels in much greater proportion than to United States vessels; it will stop the apparently endless reduction in tolls paid by a vessel, and it will so fix Panama Canal income that a change therein will be effected, as it should be, by a change in the rate per ton ordered by the President within the limits prescribed by Congress, rather than by arbitrary changes in the measurement of vessels.

Mr. President, it does seem to me that the Governor of the Canal Zone states the case in a very few words and in a very able manner.

The Senator from Maine [Mr. WHITE] said that the changes which were made did not affect the safety of the vessels; that putting holes in the decks and putting scuppers in the sides did not affect the safety of the vessels, because of certain regulations that were in effect. I have in my possession a statement by Admiral Tawresey, who was our representative at the conference which was held with reference to safety of life at sea. I thought I could lay my hand on it, but I do not find it at the moment. I ask to have it printed at the end of my remarks, and as a part of them.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

Mr. DUFFY. Mr. President, the whole situation as to the proposed legislation, as I see it, is as follows:

The President has requested the legislation. Practically every Secretary of War, Republican or Democrat, who has looked into this matter—and they have had charge of the administration of the affairs of the Canal—has recommended it. It will not in the aggregate increase the tolls, but it will fix them so that this artificial device can no longer be used. It will stop the indirect subsidy which we are giving to foreign vessels at the expense of our own vessels; and it does seem to me that the shipping interests that are opposing the measure are taking a very unreasonable and rather selfish attitude. In other words, they have made structural changes in their vessels for the purpose of obtaining reduced rates, and now that they have them made they wish to keep on operating their ships in that manner.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. DUFFY. I yield.

Mr. BLACK. From whose letter was the Senator reading?

Mr. DUFFY. The letter is from the Governor of the Canal Zone, Governor Schley.

Mr. BLACK. Has the War Department taken any position on this bill?

Mr. DUFFY. Oh, yes! The Senator probably was out of the Chamber at the time; but I had introduced into the RECORD, as a part of my remarks, extracts from the recommendations of practically every Secretary of War from the time of Mr. Garrison down to the present Secretary.

Mr. BLACK. What were their recommendations?

Mr. DUFFY. That such legislation should be enacted, and there should be an end to the present anomalous situation of measurement as it relates to the Panama Canal.

Mr. BLACK. A few moments ago I heard a statement that the effect of enacting this bill would be to lower the charges to oil tankers and to raise the charges to other vessels. What is the basis for lowering the charge to oil tankers?

Mr. DUFFY. I pointed out—the Senator was out of the Chamber at the time—that in the case of vessels shown on the bottom part of the chart, vessels designed to carry cotton, and which I assume do carry cotton, those that have not changed their structure by cutting an extra hole in the deck to reduce the rate will benefit in exactly the same way that tankers will, except that there is a lower rate for vessels returning in ballast. Tankers return in ballast more frequently than other vessels do; but any vessel that returns in ballast will get exactly the same benefits that a tanker will get which returns in ballast.

Mr. BLACK. Mr. President, let me ask the Senator, does the War Department take the same position as that indicated by what the Senator has just read as representing the position of the Governor of the Canal Zone? I mean by that, does the War Department take the position that the foreign vessels are subsidized by the present condition to the disadvantage of the American vessels?

Mr. DUFFY. I do not know that I have heard that exact language used. They are very much in favor of the enactment of the pending bill into law, and I think there can be no answer to the argument that by permitting these artificial devices to be taken advantage of, we are in effect cutting down the tolls at the Canal year after year, and giving the benefit of that fact either to such foreign lines or our own as have adopted the device to which reference has been made, and therefore it is an indirect subsidy.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. DUFFY. I yield.

Mr. COPELAND. I find on page 3 of the hearings that in response to a request of my own there was inserted by Mr. Flint, chief of the Washington office of the Panama Canal, certain figures showing the effect of these new rates on shipping. Does the Senator question the figures there given?

Mr. DUFFY. I do not have those figures before me now.

Mr. COPELAND. These figures indicate that the Standard Shipping Co., which is the Standard Oil Co. of New Jersey, will, under the bill before us if it becomes a law, have a reduction in tolls of $135,000; that the Standard Oil Co. of California will have a reduction of $85,000; that the Sun Oil Co. will have a reduction of $78,000; that the Union Oil Co. of California will have a reduction of $42,000 and that miscellaneous tanker lines will have reduction of $238,000. Does the Senator dispute those figures?

Mr. DUFFY. Not at all, but I assume that when there is a tanker, a hole cannot be cut in the side of the vessel or scuppers and freeing ports and holes in the deck, as in the case of some of these other cargo vessels.

Mr. COPELAND. I am not talking about tubs such as the Senator has pictured here. How many ships are there like that transiting the Canal?

Mr. DUFFY. I have not the figures here, but I can get them for the Senator very readily.

Mr. COPELAND. Are there many such vessels?

Mr. GORE. I can furnish the list. I have a list of 38 belonging to different big concerns.

Mr. COPELAND. Thirty-eight ships out of how many?

Mr. GORE. I say, I can furnish a list of 38 ships now, in answer to the Senator's request.

Mr. COPELAND. Out of how many ships using the Canal?

Mr. GORE. I stated a while ago that from 1915 to 1931 the total tonnage of ships passing through the Canal altogether, as measured by the United States rules, amounted to 272,000,000 tons. If they had been measured by the Panama Canal rules, they would have measured 331,000,000 tons. There would have been 60,000,000 tons more, which would have brought between seventy and seventy-five million dollars in addition into the Treasury of the Government. I do not know at the moment how many ships there are altogether.

Mr. COPELAND. May I say, in all courtesy, that, in my opinion, the answer of the Senator has not been responsive? He says there are 38 tubs like the one pictured on the wall; out of how many?

Mr. DUFFY. Is the Senator reflecting on the draftsman of the chart by calling the illustration a tub?

Mr. COPELAND. Not at all.

Mr. GORE. Following up my point, I was using this as illustrative of all the ships which have done this thing. I do not have a list showing all the ships of all the nations which have resorted to this device to reduce their own tolls. I cannot answer at the moment the Senator's question in gross, but I happen to have a list of 38 ships on my desk, which illustrates the device to which the owners of these vessels have resorted, and the advantage which they have taken of this dual system of measuring, and I will insert the list in the RECORD at this point. The Grace Line has reduced its own toll charges 33.9 percent by resorting to these methods.

The list referred to is as follows:

During the year 1933 the following 38 ships secured a reduction in tonnage under the United States rules of measurement and therefore secured a reduction in tolls charges at the Panama Canal as shown in the following table:

List of vessels that have recently had United States tonnage reduced

LUCKENBACH LINE—REDUCTION OF 26.1 PERCENT

Vessel	United States net		Reduction in—	
	Former	New	United States tonnage	Tolls charges
	Tons	*Tons*	*Tons*	
Dorothy Luckenbach	5,370	3,999	1,371	$1,713.75
Harry Luckenbach	5,381	3,967	1,414	1,767.50
J. L. Luckenbach	5,374	3,999	1,375	1,718.75
Jacob Luckenbach	5,741	3,549	2,192	2,740.00
Lena Luckenbach	4,211	3,200	1,011	1,288.75
Lillian Luckenbach	5,374	3,999	1,375	1,718.75
Mathew Luckenbach	4,702	3,635	1,067	1,333.75
Susan V. Luckenbach	4,671	3,623	1,048	1,310.00
Walter A. Luckenbach	5,212	3,758	1,363	1,703.75
AMERICAN-HAWAIIAN LINE REDUCTION OF 23.1 PERCENT				
Californian	4,927	3,653	1,274	$1,592.50
Panaman	4,067	3,159	908	1,135.00
Texan	5,506	4,428	1,078	1,347.50
Hawaiian	3,836	2,899	937	1,171.25
Ohioan	4,033	3,138	895	1,118.75
American	3,778	2,840	938	1,172.50
Montanan	3,821	2,878	943	1,178.75
Minnesotan	4,059	3,135	924	1,155.00
Alaskan	4,266	3,300	966	1,207.50
Mexican	5,457	4,442	1,015	1,268.75
Pennsylvanian	4,070	3,132	938	1,172.50
Dakotan	4,086	3,150	936	1,170.00
Missourian	4,927	3,653	1,274	1,592.50
Kansan	3,880	2,864	1,016	1,270.00
Oregonian	3,830	2,870	960	1,200.00
Columbian	3,748	2,861	887	1,108.75
Kentuckian	4,039	3,180	859	1,073.75
Iowan	4,053	3,137	916	1,142.50
GRACE LINE REDUCTION OF 33.9 PERCENT				
Santa Paula	5,814	3,840	1,974	$2,467.50
Santa Rosa	5,814	3,840	1,974	2,467.50
Santa Elena	5,814	3,840	1,974	2,467.50
Santa Lucia	5,814	3,840	1,974	2,467.50

List of vessels that have recently had United States tonnage reduced—Continued

DOLLAR LINE REDUCTION OF 20.6 PERCENT

Vesse	United States net		Reduction in—	
	Former	New	United States tonnage	Tolls charges
	Tons	*Tons*	*Tons*	
President Lincoln	8,361	6,787	1,574	$1,967.50
President Taft	8,447	6,627	1,820	2,275.00
President Pierce	8,425	6,604	1,784	2,230.00
President Wilson	8,319	6,684	1,635	2,043.75
PANAMA PACIFIC LINE REDUCTION OF 19.7 PERCENT				
Virginia	12,168	9,782	2,385	$2,981.25
California	11,935	9,512	2,423	3,028.75
Pennsylvania	12,018	9,703	2,315	2,893.75

NOTE.—These 38 vessels made approximately 400 transits of the Canal with a saving to them or, in other words, a loss of revenue to the Canal of approximately $710,000 per year.

Mr. COPELAND. I assume the Senator will admit that there are several thousand ships using the Canal.

Mr. GORE. Thousands of ships use it, and hundreds of ships have resorted to this device.

Mr. COPELAND. The Senator admits that there are thousands of ships using the Canal, but he is only jumping to a conclusion when he says that thousands have used this device. He said a moment ago that there were 38 ships now——

Mr. GORE. No; I did not say that. I said I had a list of 38 on my desk which had done it. How many hundreds and how many thousands have done it I do not know, and therefore I could not answer the Senator's question categorically. I do not know the exact number of ships which have resorted to this device. But I will put it in the RECORD later.

Mr. COPELAND. Then, so far as the Senator does know, there are 38 ships like that pictured on the wall.

Mr. GORE. Thirty-eight, belonging to five American concerns. I have not information as to the number of British ships, Swedish ships, Japanese ships, using the device. All of them resort to this device. I was only referring to five American companies, and only 38 ships belonging to them, but the list typifies and illustrates what all countries are doing. They are all taking advantage of this situation, and depleting our receipts at the Canal by resorting to this device.

Mr. COPELAND. I should like to say, in respect to that, if the Senator will permit me, that there has been no contention on the part of the Senator from Oklahoma that the receipts of the Canal would be increased under this new plan.

Mr. GORE. Not at all. There has been no purpose and there is no purpose in this proposed legislation to increase the aggregate receipts, which ought to amount to twenty-five or twenty-six million dollars in order to cover the operating cost and the service of the capital cost of the Canal. The rates will be reduced under the pending bill, if it be enacted into law, so that the aggregate receipts will not exceed the aggregate receipts at present. The point is that the receipts as they now come in are unequal. Some ships avail themselves of this device; other ships do not; and the Senator from Wisconsin has just instanced a Japanese ship, and says that when it passes through the Suez Canal it pays $11,000 toll, and when it passes through the Panama Canal, as it did last year, it pays a little over $4,000 toll. Under the pending bill, if it be enacted, that particular ship would pay an increase in its tolls, and it ought to do so. On the other hand, there are Japanese ships, no doubt, that will pay a smaller toll if this measure shall be enacted, because they have not availed themselves of the privilege to which I have referred. The ships which pay increased tonnage under the new law will simply be paying in proportion to

the privilege they have been enjoying in the past. They will lose the privilege and will pay an increased toll in accordance with the privilege they have heretofore been enjoying—of which they will be deprived.

Mr. DUFFY. Mr. President, I should like to conclude the few remarks I have intended to make. I have now in my hands the communication to which I referred a few minutes ago.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. DUFFY. I yield.

Mr. O'MAHONEY. I have not had the opportunity of listening to all the discussion, but as much as I have heard seems to relate almost exclusively to the comparative rates paid by various shipping lines. Can the Senator tell me the effect of the pending bill upon freight rates in the aggregate?

Mr. DUFFY. That brings out a very good point. I tried to bring out that information by a question I asked a little while ago.

During the past few years there have been American ships and foreign ships which have cut these holes in their decks and saved themselves thousands and thousands of dollars in the way of tolls, and I have not yet heard that one nickel of that saving was ever passed on down to the people who were shipping the cargoes on the vessels. In other words, I do not think that the small amount involved here will affect freight rates at all.

The aggregate which the American vessels will pay in the way of toll charges after this proposed legislation shall go into effect will be approximately the same as what they pay today. Some few, those which have used this device of changing the structure of their ships and artificially reducing their own rates, will pay more, while their competitors and others who were trying to play the game and did not do that will benefit. But I have not heard of the savings being passed on to the people who ship cargoes on those vessels.

Mr. O'MAHONEY. I observe, on line 2, page 2, that there is a maximum rate of $1 per net vessel-ton and a minimum rate of 60 cents per ton. From the report of the majority, it would appear that under the present system there is a maximum of $1.25 and a minimum of 75 cents. I ask, therefore, would not the enactment of this proposal reduce the average cost per ton of transporting freight through the Canal?

Mr. DUFFY. In the aggregate I think it will remain about the same as it now is. I will say to the Senator that the present rate, although this refers to $1.25 as a maximum, is based upon the United States rules, which really have nothing to do with the carrying capacity of a vessel going through the Canal; but each nation, when a ship registers under its flag, tries to cut its tonnage as low as possible in order that the charges for docking at foreign ports may be as low as possible.

When the Canal was built, long before those rules were in effect, by an opinion of the Attorney General, clearly contrary, in my opinion, to what Congress intended, he held that it was the United States rules which had to be used down at the Panama Canal, instead of the rules based upon the carrying capacity of the vessel.

I think in the aggregate there will not be much change. There may be a slight change downward, but I think in the aggregate there will not be much change.

Mr. O'MAHONEY. What I am trying to determine is whether or not the bill will enable the Canal to compete more efficiently with the transcontinental railroads. Can the Senator answer that question?

Mr. DUFFY. I do not think it is going to make any substantial difference in the income which the Canal gets.

Mr. O'MAHONEY. That is not the question. The question is whether freight can be carried at a lower rate per ton under this measure than under the present system. I am not now interested in what it will cost a particular vessel to get through. I am interested in determining what it will cost a ton for a particular commodity to get through.

Mr. DUFFY. One of the costs of operating a vessel through the Canal is the Canal toll. Of course, when certain vessels use these artificial devices to change the structure of their boats they do not pay as much as they did before. They could have passed that on to the people shipping on their vessels in a reduction of freight rates, but I never heard of anything like that being done. So I cannot understand the Senator's inquiry further than to say that I do not think it is necessarily going to make any change.

I should like to conclude, Mr. President. I started to quote from Rear Admiral J. G. Tawresey, United States Navy, retired, who represented the United States as delegate to the International Conference on Safety of Life at Sea, as well as to the International Load Line Conference. I have a copy of a report he wrote to the Panama Canal authorities in answer to an inquiry as to what his opinion was as to the structural changes which these various lines had taken advantage of in order to reduce the toll they would have to pay, and he said:

> I understand the inquiry to refer to certain openings that are cut in ships' decks, sides, and bulkheads to secure exemption of interior spaces from the vessel's net tonnage. Such openings are a potential danger to the ship and may become a major contributing cause of disaster, as happened in the loss of the *Vestris*. The nearer they are to the load water line the greater the hazard.
>
> One function of the ship's side structure and of the deck and bulkhead structures is to keep the water out of the vessel, or, if some water enters, to confine it to the leaking compartments.

In other words, in spite of the references that are made in the Senate that it would not make any difference as to the safety of the vessels, yet here is a very eminent authority who has represented this country at various international conferences who says that in his opinion there is a potential danger.

I now merely wish to cite in answer to some of the inquiries that are propounded three typical kinds of vessels and give Senators the comparative figures. The first vessel is a passenger vessel known as the *President Pierce*. The next is an open-shelter-deck cargo vessel, call it, of the type of the *Hanover*, and the third is a closed-shelter-deck vessel such as the *Robin Goodfellow*. The *President Pierce*, under the present dual system, pays $8,300 in going through the canal. If this bill shall become a law, the *President Pierce* would be charged an additional sum of $900, or $9,200. On the same vessel going through the Suez Canal the charge would be nearly $20,000.

With respect to the *Hanover*, the Panama Canal charge at present is $4,500. There would be a slight increase, in case the bill shall be passed, to $5,300, but the charge through the Suez Canal would be about $11,500.

The figures on the *Goodfellow* would be: The present charge, $5,300; if this bill shall become effective there would be a reduction to $5,000; while if the *Robin Goodfellow* went through the Suez Canal the charge would be $11,200.

In other words it depends upon what structural changes have been made, or whether some of the new vessels have been constructed with the idea of taking advantage of the double system of measurement which now exists.

So, I wish to conclude, Mr. President, by saying that those administering the Panama Canal have not any particular ax to grind. They merely desire to get enough income so they may pay the certain charges for operating and the fixed overhead charges. They are interested in that. But they have seen how there has been a steady chiseling process over a period of years where certain ship lines and certain ship owners have, by changing and weakening the construction of their vessels, reduced their toll charges. There is no sense, there is no logic to that sort of a system, and I contend that this bill, which the President of the United States asks us to pass, which the Panama Canal authorities ask us to pass, which every Secretary of War from the time of Garrison has been in favor of, ought to be enacted.

EXHIBIT A

WASHINGTON, D. C., *June 16, 1934.*

Mr. A. L. FLINT,
Chief of Office, Panama Canal,
Munitions Building, Washington, D. C.

DEAR SIR: Replying to your inquiry as to the effect on safety at sea, because of the rules for making deductions from the gross tonnage of vessels to determine their net registered tonnage:

I understand the inquiry to refer to certain openings that are cut in ships' decks, sides, and bulkheads, to secure exemption

of interior spaces from the vessel's net tonnage. Such openings are a potential danger to the ship, and may become a major contributing cause of disaster, as happened in the loss of the *Vestris*. The nearer they are to the load water line the greater the hazard.

One function of the ship's side structure, and of the deck and bulkhead structures, is to keep the water out of the vessel, or, if some water enters, to confine it to the leaking compartments. Some openings in the structure are necessary. Safety requires that they have the most efficient closing appliances known, such as watertight hatch covers, watertight doors, covers, valves, etc.

The tonnage regulations prohibit permanent, watertight closing appliances if the spaces concerned are to be exempted from gross tonnage. Hinged watertight doors and covers and regularly installed valves are not allowed, but some less efficient closing must be used to secure the exemption.

The tonnage openings, and the necessary accompanying freeing ports and scuppers, add nothing to safety; their only purpose is to reduce the net registered tonnage, without reducing the available interior space in the vessel.

Yours very truly,

J. G. TAWRESEY,
Rear Admiral (C. C.) U. S. Navy, Retired.

Rear Admiral J. G. Tawresey, United States Navy, retired, has represented the United States as delegate to the International Conference on Safety of Life at Sea, as well as to the International Load Line Conference. Vessels built to use the Panama Canal are constructed so as to secure the lowest tonnage possible under registry rules and minimize the toll charges. As Admiral Tawresey points out, the openings required in order to take advantage of shelter-deck exemption do not make the vessel safer but make her less safe. Openings are cut in the deck and bulkheads and also freeing ports and scuppers are placed in the side walls of the vessel, which are not allowed to be permanently and efficiently closed but are permitted to be closed temporarily and inefficiently. These openings serve no purpose of safety or any other purpose than a technical compliance with the rules to secure exemption of space from measurement. The freeing ports and scuppers are a potential danger, for instead of caring for leakage they may admit water and be at least a potential cause for the loss of a vessel.

At the hearings held in 1934, the shipping interests maintained that if the bill passed and the maximum rate of $1 per Panama Canal net ton applied, there would result a substantial increase in tolls and a financial burden put upon American shipowners.

A hearing was granted the steamship interests by the Secretary of War, after which the Secretary wrote Senator GORE under date of May 26, 1934, as follows:

"After a full study of the situation and especially after consideration of the objections which have been raised by steamship interests, I have determined that I will recommend to the President after the enactment of the legislation with the proposed maximum rate of $1 per ton, that he establish a tolls rate on laden vessels of not more than 90 cents."

With this rate applied to the 1933 figures, then current, American vessels would have paid $232,398 less than they actually did pay, while Norwegian would have paid $53,500 more; French would have paid $41,190 more; German would have paid $82,350 more; Dutch would have paid $15,140 more; British would have paid $150,435 less; Japanese would have paid $103,517 less; not even taking into consideration the additional saving they would secure by the revision of the rules. At that time United States vessels were paying a larger rate per ton than any of the maritime nations, except Japan.

The effect on the 1934 figures is indicated on the chart and shows, after allowing for the reductions that will be secured by a revision of the rules, a saving to American vessels of $321,869, or approximately 3 percent.

Thus, it will be seen that on the 1933 and 1934 figures United States vessels would save at the 90-cent rate and the revision of the rules more than the vessels of any other nation, and, in fact, more than all the foreign nations combined.

Mr. COPELAND. Mr. President, I do not know what the dispositon of my leader is. I wish to make some reply to the argument which has been presented on the pending bill. Would the Senator from Arkansas care to have it go over until tomorrow?

Mr. ROBINSON. If the Senator would prefer to go on with his address tomorrow, I am ready to move an executive session.

Mr. COPELAND. Very well.

INTERNATIONAL MANUFACTURERS' SALES CO. OF AMERICA, INC.

The PRESIDING OFFICER (Mr. MOORE in the chair) laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 4178) for the relief of the International Manufacturers' Sales Co. of America, Inc., A. S. Postnikoff, trustee, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BAILEY. I move that the Senate insist upon its amendment, agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BAILEY, Mr. LOGAN, and Mr. WHITE conferees on the part of the Senate.

COLUMBIA RIVER BRIDGE, ASTORIA, OREG.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3245) to extend the times for commencing and completing the construction of a bridge across the Columbia River at Astoria, Clatsop County, Oreg., which was, on page 1, line 8, to strike out "1935" and insert "1936."

Mr. McNARY. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

AMENDMENT OF SILVER PURCHASE ACT

The PRESIDING OFFICER laid before the Senate House Resolution 396, which, with the accompanying Senate bill 3260, was referred to the Committee on Agriculture and Forestry, as follows:

Resolved, That the bill (S. 3260) to amend Public Law No. 438, Seventy-third Congress, entitled "An act to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes", in the opinion of this House contravenes that clause of the Constitution of the United States requiring revenue bills to originate in the House of Representatives, and is an infringement of the prerogatives of this House, and that said bill be respectfully returned to the Senate with a message communicating this resolution.

CLAIM OF EBERHART STEEL PRODUCTS CO., INC.—VETO MESSAGE (S. DOC. NO. 149)

The PRESIDING OFFICER laid before the Senate a message from the President of the United States, which was read, and, with the accompanying paper, ordered to be printed, as follows:

To the Senate:

I return herewith, without my approval, Senate bill 2996, entitled "An act for the relief of the Eberhart Steel Products Co., Inc."

The bill proposes to confer upon the Court of Claims jurisdiction over the claim of the Eberhart Steel Products Co., Inc., growing out of certain contracts made by the company with the United States for the manufacture and delivery to the War Department of certain material and parts for military trucks. In addition, the measure proposes to waive certain substantive defenses that the Government may have to any suit that may be brought on this claim, including a defense that the suit is barred by the fact that a settlement contract was entered into between the parties, which resulted in an adjustment of the matter and the payment of a substantial sum by the Government to the claimant.

In cases in which a claimant is accorded a day in court by a special act, the Government should naturally be permitted, as it is in all cases, to interpose and present such proper defenses to the merits of the claim as its counsel deem wise and appropriate to advance. No reason appears why the Government should be denied such right in this instance.

For the foregoing reasons, I am constrained to withhold my approval from the bill.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 21, 1936.*

Mr. COPELAND. I move that the President's message be referred to the Committee on Claims.

The motion was agreed to.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. MOORE in the chair) laid before the Senate messages from the President of the United States submitting several nominations and withdrawing a

nomination, which were referred to the appropriate committees.

(For nominations this day received and nomination withdrawn, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. FLETCHER, from the Committee on Banking and Currency, reported favorably the following nominations:

Stewart McDonald, of Missouri, to be Federal Housing Administrator for the unexpired portion of a term of 4 years from June 30, 1934, to which office he was appointed during the last recess of the Senate, vice James A. Moffett, resigned;

Samuel D. Sanders, of Washington, to be cooperative bank commissioner in the Farm Credit Administration, to which office he was appointed during the last recess of the Senate, vice Francis Winfred Peck, resigned;

William O. Douglas, of Connecticut, to be a member of the Securities and Exchange Commission for the remainder of the term expiring June 5, 1939, vice Joseph P. Kennedy, resigned; and

Jesse H. Jones, of Texas; Charles B. Henderson, of Nevada; C. B. Merriam, of Kansas; Frederic H. Taber, of Massachusetts, and Charles T. Fisher, Jr., of Michigan, to be members of the board of directors of the Reconstruction Finance Corporation for terms of 2 years from January 22, 1936. (Reappointments.)

The PRESIDING OFFICER. The reports will be placed on the calendar. If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

NATIONAL EMERGENCY COUNCIL

The legislative clerk read the nomination of Lyle T. Alverson, of New York, to be Acting Executive Director, National Emergency Council.

Mr. COPELAND. I ask that that nomination go over.

The PRESIDING OFFICER. Without objection, the nomination will be passed over.

POSTMASTERS IN MINNESOTA

The legislative clerk proceeded to read sundry nominations of postmasters in Minnesota.

Mr. ROBINSON. I do not know what the pleasure of the Senator from Nebraska is concerning the nominations of postmasters in Minnesota. I ask that they go over for the day.

The PRESIDING OFFICER. Without objection, the nominations of postmasters in Minnesota will be passed over.

THE JUDICIARY

The legislative clerk read the nomination of James W. Morris, of Florida, to be Assistant Attorney General.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Seth Thomas, of Iowa, to be judge of the United States Circuit Court, Eighth Circuit.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of David J. Davis, of Alabama, to be judge of the United States District Court, Northern District of Alabama.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Robert E. Mattingly, of the District of Columbia, to be judge of the municipal court, District of Columbia.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Charles F. Uhl, of Pennsylvania, to be United States attorney for the western district of Pennsylvania.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Roulhac Gewin to be United States marshal for the southern district of Alabama.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of John E. Hushing to be United States marshal, district of the Canal Zone.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of E. Marvin Sessoms to be United States marshal for the northern district of Florida.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Henry Clayton Walthour to be United States marshal for the southern district of Georgia.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters on the calendar, with the exception of the Minnesota postmasters, whose nominations I understand have gone over for the day, be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters, with the exception of the Minnesota postmasters, are confirmed en bloc.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. SHEPPARD. I ask unanimous consent that the nominations in the Army be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

That completes the calendar.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock p. m.) the Senate took a recess until tomorrow, Thursday, January 23, 1936, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 22 (legislative day of Jan. 16), 1936

UNITED STATES DISTRICT JUDGE

T. Whitfield Davidson, of Texas, to be a United States district judge, northern district of Texas, vice Edward R. Meek, retired.

PUBLIC HEALTH SERVICE

The following-named surgeons to be senior surgeons in the United States Public Health Service, to rank as such from the dates set opposite their names:

Edward C. Ernst, January 15, 1936.

Peter J. Gorman, January 19, 1936.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 22 (legislative day of Jan. 16), 1936

ASSISTANT ATTORNEY GENERAL

James W. Morris to be Assistant Attorney General.

UNITED STATES CIRCUIT JUDGE

Seth Thomas to be judge, eighth circuit.

UNITED STATES DISTRICT JUDGE

David J. Davis to be judge, northern district of Alabama.

MUNICIPAL COURT JUDGE, DISTRICT OF COLUMBIA

Robert E. Mattingly to be judge of the muncipal court, District of Columbia.

UNITED STATES ATTORNEY

Charles F. Uhl to be United States attorney for the western district of Pennsylvania.

UNITED STATES MARSHALS

Roulhac Gewin to be United States marshal for the southern district of Alabama.

John E. Hushing to be United States marshal for the district of the Canal Zone.

E. Marvin Sessoms to be United States marshal for the northern district of Florida.

Henry Clayton Walthour to be United States marshal for the southern district of Georgia.

APPOINTMENTS IN THE REGULAR ARMY

Col. Frank C. Burnett to be Assistant The Adjutant General with the rank of brigadier general.

Lt. Col. Henry Harley Arnold to be Assistant to the Chief of the Air Corps with the rank of brigadier general.

Col. Wallace DeWitt to be Assistant to the Surgeon General with the rank of brigadier general.

CHAPLAINS

To be chaplains with the rank of first lieutenant

Ralph Emmerson McCaskill
John Frazer Chalker
Harold Henry Schulz

MEDICAL CORPS

To be first lieutenants

Lewis William Kirkman
William Donald Graham
Thomas William Mattingly
Joseph Frank Peters
Edward Morris DeYoung
Harold Everus Harrison
Stephen Christopher Sitter
James Clark Van Valin
Victor Robert Hirschmann
Paul Hartsock Leach
Clifford Paul Michael
James Augustus McCloskey

DENTAL CORPS

To be first lieutenant

George Farrer Jeffcott

VETERINARY CORPS

To be first lieutenants

Velmer Wayne McGinnis
John Howard Rust, 3d
Bernard Francis Trum
Lloyd Christopher Tekse
Edwin Louis Millenbruck
Thomas Carlyle Jones

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO ADJUTANT GENERAL'S DEPARTMENT

Maj. Ralph Brundidge Lovett
Capt. John Glenn Brackinridge

TO JUDGE ADVOCATE GENERAL'S DEPARTMENT

Capt. Ernest Marion Brannon
Capt. Charles Emmett Cheever
Capt. John Henry Corridon
Capt. James Lowe Harbaugh, Jr.
Capt. David Sanderson McLean
Capt. Loren Francis Parmley
Capt. Edgar Harvey Snodgrass
Capt. Robert Montgomery Springer
Capt. Edward Joseph Walsh
Capt. Charles Whitney West

TO QUARTERMASTER CORPS

Maj. Rufus Boylan
Maj. Brisbane Hanks Brown
Maj. William Booth Van Auken
Capt. Theodore Anton Baumeister
Capt. Joseph Henry Burgheim
Capt. James Lawrence Keasler
Capt. Elam LaFayette Stewart
Capt. James Longstreet Whelchel
Capt. Michael Henry Zwicker

TO FINANCE DEPARTMENT

Capt. John Bartlett Hess
Capt. Ray Homer Larkins
Capt. Richard Kemp LeBrou
Capt. Hiram Barricklow Turner
Capt. Thomas Patrick Walsh

TO CORPS OF ENGINEERS

First Lt. Oscar Benjamin Beasley
First Lt. James William Park
Second Lt. Paul Henry Berkowitz
Second Lt. Austin Wortham Betts
Second Lt. Clarence Bidgood
Second Lt. William Beehler Bunker
Second Lt. John Dudley Cole, Jr.
Second Lt. Frederick Benjamin Hall, Jr.
Second Lt. Clarence Carl Haug
Second Lt. Stanley Tage Birger Johnson
Second Lt. Ellery Willis Niles
Second Lt. John Richards Parker
Second Lt. Craig Smyser
Second Lt. Robert Morris Stillman
Second Lt. Langfitt Bowditch Wilby

TO ORDNANCE DEPARTMENT

First Lt. Horace Alvord Quinn
First Lt. David Louis Van Syckle

TO SIGNAL CORPS

Capt. Elton Foster Hammond
First Lt. Earle Fremont Cook
First Lt. William Little

TO CAVALRY

First Lt. Brendan McKay Greeley
First Lt. Graves Collins Teller

TO FIELD ARTILLERY

Capt. Escalus Emmert Elliott
Second Lt. Carl Darnell, Jr.

TO AIR CORPS

First Lt. Walter Campbell Sweeney, Jr.
Second Lt. Harvey Thompson Alness
Second Lt. Paul Carter Ashworth
Second Lt. Herbert Marvin Baker, Jr.
Second Lt. John George Benner
Second Lt. Byron Elias Brugge
Second Lt. William Monte Canterbury
Second Lt. George Bernard Dany
Second Lt. William Milton Gross
Second Lt. Paul Tompkins Hanley
Second Lt. John dePeyster Townsend Hills
Second Lt. John Monroe Hutchison
Second Lt. Richard Andrew Legg
Second Lt. Elvin Seth Ligon, Jr.
Second Lt. Arno Herman Luehman
Second Lt. Lawson S. Moseley, Jr.
Second Lt. Wilson Hawkes Neal
Second Lt. Jack Jerome Neely
Second Lt. Frank Carter Norvell
Second Lt. Raymond Judson Reeves
Second Lt. Jack Edward Shuck
Second Lt. Curtis Delano Sluman
Second Lt. Dale Orville Smith
Second Lt. William Sebastian Stone
Second Lt. Hudson Hutton Upham
Second Lt. John William White
Second Lt. Albert Theodore Wilson, Jr.
Second Lt. William Harvey Wise

TO QUARTERMASTER CORPS

Maj. Paxton Sterrett Campbell
Capt. Thomas Edmund Mahoney

TO CORPS OF ENGINEERS

Second Lt. William Loveland Rogers

TO CAVALRY

Second Lt. John Baird Shinberger

PROMOTIONS IN THE REGULAR ARMY

MEDICAL CORPS

To be majors

Kincheon Hubert Bailey
Richard Emmons Elvins

To be captains

Max Naimark
Vernon James Erkenbeck
Arthur Herbert Thompson
Wilson Theodore Smith
Clarendon Barron Woods
Joe Alexander Bain
Cecil Spencer Mollohan
Francis Whitney Hall
Joseph Sibley Cirlot
Richard Howard Eckhardt
John Mars Caldwell, Jr.
Charles Parmalee Ward
Elmer Arthur Lodmell
Lester Paul Veigel
George Lewis Beatty
Harold Irvin Amory
John Albert Egan
George Gustavo Guiteras
Edgar Louis Olson
Charles Edwards Spellman

DENTAL CORPS

To be colonels

Minot Everson Scott
George D. Graham

To be lieutenant colonels

Thomas Chester Daniels
Frederick Randolph Wunderlich
Bruce Harold Roberts

VETERINARY CORPS

To be colonel

Burton Alpheus Seeley

To be captains

Russell McNellis
Richard George Yule

MEDICAL ADMINISTRATIVE CORPS

To be captain

Douglas Hall

To be first lieutenants

Homer Clarence McCullough
Joseph Carmack

CHAPLAINS

Edward Larose Branham to be chaplain with the rank of lieutenant colonel.

John Thomas DeBardeleben to be chaplain with the rank of lieutenant colonel.

Samuel Johnson Miller to be chaplain with the rank of lieutenant colonel.

John Thomas Axton, Jr., to be chaplain with the rank of lieutenant colonel.

Earl Dudley Weed to be chaplain with the rank of lieutenant colonel.

William Loren Fisher to be chaplain with the rank of lieutenant colonel.

Emerson Etherage Swanson to be chaplain with the rank of lieutenant colonel.

Thomas Edward Swan to be chaplain with the rank of lieutenant colonel.

Frank Hallie Hayes to be chaplain with the rank of lieutenant colonel.

Aristeo Vincent Simoni to be chaplain with the rank of lieutenant colonel.

Peter Joseph Kilkenny to be chaplain with the rank of lieutenant colonel.

Orville Earl Fisher to be chaplain with the rank of lieutenant colonel.

Peter Joseph Quinn to be chaplain with the rank of major.

Vernon Paul Jaeger to be chaplain with the rank of captain.

APPOINTMENTS IN THE NATIONAL GUARD OF THE UNITED STATES

Charles Elmo McPherren to be major general, National Guard of the United States.

Herbert Jay Paul to be major general, National Guard of the United States.

George Perry Rains to be major general, National Guard of the United States.

John Critcher Coleman to be brigadier general, Adjutant General's Department, National Guard of the United States.

Harry Hamilton Morehead to be brigadier general, Adjutant General's Department, National Guard of the United States.

William Kern Herndon to be brigadier general, National Guard of the United States.

George Emerson Leach to be brigadier general, National Guard of the United States.

Gilson Don Light to be brigadier general, National Guard of the United States.

Charles William Nimon to be brigadier general, National Guard of the United States.

William Ottmann to be brigadier general, National Guard of the United States.

Heinrich August Pickert to be brigadier general, National Guard of the United States.

REAPPOINTMENTS IN THE OFFICERS' RESERVE CORPS OF THE ARMY OF THE UNITED STATES

Brice Pursell Disque to be brigadier general, Reserve.
Hugh Samuel Johnson to be brigadier general, Reserve.
Richard Coke Marshall, Jr., to be brigadier general, Reserve.
John Henry Sherburne to be brigadier general, Reserve.
Benedict Crowell to be brigadier general, Inactive Reserve.

POSTMASTERS

FLORIDA

Schubert S. Welling, Babson Park.
Ora S. Goforth, Caryville.

MISSOURI

Avery L. Dreier, Billings.
Joseph E. Soutee, Marionville.
Verna F. Whisner, Sarcoxie.
Grailie B. Windes, Washburn.

NORTH CAROLINA

James Franklin Greene, Bakersville.
John R. Giles, Glen Alpine.
Carl V. Bundy, Jamestown.
Frank L. Hoyle, Sr., Shelby.

PENNSYLVANIA

Francis J. Pension, Abington.
LeRoy W. Stengel, Bally.
Edith M. Cockins, Canonsburg.
Isaac A. Hiorth, Chester.
Curtis R. Bloom, Clymer.
William K. Wrigley, Curwensville.
John H. Renstrom, Fayette City.
Caroline E. W. Curry, Glen Olden.
Isaac W. Edgar, Glenshaw.
John Johnston, Library.
James P. Dennehy, Lock Haven.
Matthew C. Fox, Jr., Media.
James Mosco Ott, Orbisonia.
James W. Nash, Portage.
John W. Connelly, Prospect Park.
William F. Halligan, Jr., Radnor.

Charles F. McCartney, Reedsville.
LeRoy Walker, Ridley Park.
Stephen G. McCahan, Saxton.
Ralph Blaine Althouse, Sharon Hill.
Mabel J. Stover, Shrewsbury.
Julia W. Lightner, Sinnamahoning.
William S. Becker, Temple.
Ella R. Williams, Vandergrift.
Harold G. Seyler, Weiser Park.
Charles E. Fullwood, Wellsboro.
Jacob F. Hertzog, West Lawn.

WITHDRAWAL

Executive nomination withdrawn from the Senate January 22 (legislative day of Jan. 16), 1936

POSTMASTER

FLORIDA

Albert S. Herlong, Jr., to be postmaster at Leesburg, in the State of Florida.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JANUARY 22, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Heavenly Father, enable us to realize each day our great responsibilities. Ever lead us to put our labors on the side of right, truth, and justice. We beseech Thee to strengthen us by a serene and sober optimism, quickening our consciences, and walking in the light of Thy countenance. Give Thy blessing to all tired bodies, jaded minds, and sick souls. Let the revelation of Thy only begotten Son be our ideal; we pray that our knowledge and influence may soften the burdens of society and hasten on the better days. In the name of our Lord and Master. Amen.

The Journal of the proceedings of yesterday was read and approved.

REAR ADMIRAL ARTHUR LEE WILLARD

Mr. ROMJUE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD concerning the character and achievements of Rear Admiral Arthur Lee Willard.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ROMJUE. Mr. Speaker and Members of the House of Representatives, I know there are a large number of Members of this body who were well acquainted with the person, character, and distinguished services of Rear Admiral Arthur Lee Willard, who died April 7, 1935, in Washington, D. C.

Rear Admiral Willard had a long and distinguished career in the service of his country; he was born February 21, 1870, at Kirksville, Mo., and was appointed as naval cadet in the Naval Academy by Hon. William H. Hatch, then a Member of Congress from the First Missouri District, September 7, 1887, and during his service as cadet he distinguished himself by his excellent demeanor and achievements. He was promoted to the position of ensign July 1, 1893, and his services to his country were so distinguished and his achievements so successful that he was given the rank of rear admiral June 5, 1924.

Having been born and reared in the First Congressional District of Missouri, which I have the honor to represent, I had the pleasure and good fortune to know him personally for a good many years, and to know him well. He was not only a gentleman of the highest order but was one of the most distinguished naval officers of our country. He retired from the service with a most enviable record for efficiency, and I can truthfully say that whatever he undertook to do was done well, and his record in the Navy Department is one of which all true Americans may well be proud. He enjoyed the distinction of having many warm personal friends, and even in his boyhood and young manhood he stood out prominently as one of great promise.

During the War with Spain he achieved a most signal distinction and rendered most effective and efficient service; he was the first to plant the American flag on Cuban soil during the War with Spain, and in honor of this achievement the State of Missouri, the home of his birth, recognizing his splendid service to his country, through its own legislature voted and gave to him a gold sword as a token of Missouri's appreciation of his sterling qualities.

The First Congressional District of Missouri, which I have the honor to represent, has the distinction of having had born within its boundaries not only Rear Admiral Willard, but also Admiral Robert E. Coontz, of Hannibal, Mo.; General Pershing, of Laclede, Mo.; and General Crowder, of Grundy County, Mo.; and a very remarkable thing is that Admiral Coontz, Rear Admiral Willard, General Crowder, and General Pershing were all residents of the same town at the same time in the First Congressional District.

Rear Admiral Willard was one of the most pleasant characters it has been my pleasure to know; he was a man of tremendous energy and devotion to duty; he was always keenly alive to the best interests of his country; took great pleasure and spent much time, aside from his official duties, to study the problems that had bearing on his country's history.

Rear Admiral Willard and his wife, Isabel Ellison Willard, were always held in the highest esteem by those who knew them. Mrs. Willard was the daughter of Judge Andrew Ellison, who for many years distinguished himself as a Missouri jurist. The Ellison family furnished a long line of judicial officers in the history of Missouri; they were a family of distinguished lawyers, upright and splendid citizens.

The last time and opportunity I ever had to see Rear Admiral Willard was at a Missouri Society meeting where we were then conducting exercises in honor of Admiral Robert E. Coontz, deceased.

We mourn with their loved ones; and in bereavement we recall that, while all men must meet death somewhere on the way, our friend met his death with honors full upon him. I am sure he was able to join voices with that valiant spirit who sang:

Under the wide and starry sky,
Dig the grave and let me lie.
Glad did I live and gladly die,
And I laid me down with a will.

This be the verse you grave for me,
Here he lies, where he longed to be.
Home is the sailor, home from the sea,
And the hunter home from the hill.

THE CONSTITUTION AND THE SUPREME COURT

Mr. DUNN of Mississippi. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein a speech I delivered over the National Broadcasting Co. as of January 20, 1936.

The SPEAKER. Is there objection?

There was no objection.

Mr. DUNN of Mississippi. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which I delivered over the radio on January 20, over the N. B. C. System.

When the Constitution of the United States was first framed, it consisted of an enacting clause and seven articles, and it is interesting to examine the enacting clause, generally known as the preamble. "We, the people of the United States, do ordain and establish this Constitution of the United States"—(1) "In order to form a more perfect union; (2) to establish justice; (3) to insure domestic tranquility; (4) to provide for the common defense; (5) to promote the general welfare; and (6) to secure the blessings of liberty to ourselves and our posterity."

In these 57 words we find a definite and succinct statement of the objectives for which such an instrument was created and to analyze each of the objectives would entail voluminous discussion; but I do desire to examine one or two of the objectives in order to reach a comparable slant on the minds of the framers of the Constitution and on the minds of present-day legislators and jurists.

In the first case, one of their objectives was to advise the people of the newly created union, that in order to be a happy people, a composed people, tranquillity needs must be had. Surely this philosophy is as applicable today as it was then. We now come to

the question of whether the word "tranquillity" as used in the objective of the preamble by the framers of the Constitution was meant only to direct the future Government of the United States of America toward a course of ordinary composure in our affairs of government, irrespective of changes in the social order of things and the natural progress of science. As for myself, I do not so interpret this objective, nor do I give it credence when so interpreted by the courts of the land. I believe that when the words "domestic tranquillity" were used by the statesmen and framers of the Constitution, they had in mind that these words should make for an economic composure and peace; a tranquil condition, which, under all circumstances, would make our Nation a nation free from chaos and poverty, thus, in turn, giving us a tranquil spirit of heart and soul—for without economic peace and composure there can be little or no other kind of peace and composure.

Therefore, if this be logical—and I hope you agree with me—is it not the rational thing to say that this sort of tranquillity must be met according to the times? Must not our courts regard this statement in the preamble as a sort of barometer in overcoming precedents which have long since outlived themselves? And then comes the statement in the preamble, "To promote the general welfare." This objective certainly speaks for itself, and its very commonplace meaning seems to abhor as well as condemn old and worn-out precedents that belong to an order of affairs long since shelved by the modern laws of economics.

I believe if the framers of the Constitution were living today and preparing such a sacred statement of objectives, they would add the following: "To promote the general welfare by meeting changing conditions with adequate legislation", and that is exactly what Franklin D. Roosevelt has been assiduously trying to do, even in the face of paramount obstacles.

In other words, my friends, there must be some flexibility in all laws, and certainly this applies to the Constitution of the United States, because its enacting clause contains such objects as "to insure domestic tranquillity" and "promote the general welfare", and both of these objectives certainly imply the sacred rights of a government to meet emergency conditions with the sort of legislation necessary to promote the general welfare and to insure domestic tranquillity.

So much for this very personal observation.

Much discussion is now being heard, mostly political discussions among party leaders, concerning the power of the Supreme Court and especially its recent decision on the Agricultural Adjustment Act, which became a law in May 1933. As to their legal judgment or conclusions I have nothing to say but I have observed a growing tendency among its members to hairsplit an issue and to opine that certain precedents, none of which aline themselves with modern conditions, must control irrespective of the constitutional objective that we must promote the general welfare—nor do I propose that constitutional amendments are necessary to meet such emergency legislation as the Agricultural Adjustment Act because I believe the right to salvage by Federal legislation the hopes and prosperity of 30,000,000 farmers is plainly written in the Constitution itself, and I have found no more pertinent statement or opinion among numerous opinions recently handed down by Federal courts than the decision in the case of *Economy Dairy Co., Inc.*, v. *Henry A. Wallace, Secretary*, and *Milton R. Beck* v. *Henry A. Wallace, Secretary*, reported in 61 Washington Law Reports, page 633, in the Supreme Court of the District of Columbia. Here the validity of the Agricultural Adjustment Act was involved and on August 29, 1933, Mr. Justice O'Donoghue refused to grant temporary injunctions and dismissed the bills of complaint on the following grounds, "Because the court finds that a national emergency exists and that the welfare of the people and the very existence of the Government itself are imperiled"; further, the justice stated:

"The day has passed when absolute vested rights in contract or property are to be regarded as sacrosanct or above the law. Neither the necessity of life nor the commodities affected with a public interest can longer be left to ruthless competition or selfish greed for their production or distribution, and, therefore, the court finds that the Agricultural Adjustment Act passed by Congress May 12, 1933, is constitutional and that the regulations and licenses promulgated and issued thereunder are reasonable and valid."

And even in the United States Supreme Court itself we find dissension. Just a short time ago we find Justice Cardozo accusing the majority of the Supreme Court of using a process of "psychoanalysis" to impute meaning to acts of Congress. His statement implied very strongly that the judiciary was tampering with the domain belonging strictly to the legislative and the executive departments of government. Be this as it may, to say the least, the Supreme Court itself is well divided as to what actually is the proper interpretation of the Constitution as affects such modern emergency legislation as the Agricultural Adjustment Act, which certainly did, during its existence, insure domestic tranquillity and promote the general welfare of 30,000,000 farmers which, necessarily in turn, either directly or indirectly insured domestic tranquillity and promoted the general welfare to a mighty extent to every other commercial and industrial agency in the United States, because it is a recognized fact that agriculture is the taproot of all prosperity, and when it lags behind all other commodities are affected.

Let us look for a moment at that part of the Supreme Court's decision affecting the Agricultural Adjustment Act which I consider highly pertinent to this discussion and equally as inconsistent in interpretation. The opinion held that the Congress had no right or power to authorize the spending of money for the aid of agriculture—it held that while the Congress had the authority to tax and spend for the national welfare it could not do so by contracting with farmers because this was a right reserved unto the States. The Court also held that agriculture was not a matter of national concern. Then, in quite the next breath, we find the Court saying that any and all industrial plants in whatever States they may be located may be aided by certain tariff taxes authorized by the commerce clause found in the Constitution. Now for the inconsistency. This all mighty and powerful tribunal has actually told the Congress of the United States that it may go ahead and aid industry in the States by virtue of the commerce clause in the Constitution but that the general-welfare clause does not authorize aid to agriculture, without which the commerce clause and industry would amount to little.

I say that when 30,000,000 Americans are faced with economic destruction; when they are hungry and socially depressed then the general welfare of the Nation is concerned to a paramount extent, and legislation enacted to sustain assistance to them should be held to be constitutional. And in the words of Justice Stone of the United States Supreme Court in his dissenting opinion in the Agricultural Adjustment Act decision: "The interpretation of our great charter of Government which proceeds on any assumption that the responsibility for the preservation of our institutions is the exclusive concern of any one of the three branches of Government, or that it alone can save them from destruction, is far more likely in the long run, to obliterate the constituent members of indestructible States than the frank recognition that language, even of a Constitution, may mean what it says. That the power to tax and spend includes the power to relieve a Nation-wide maladjustment by conditional gifts of money."

It was said not so long ago by a Justice of the Supreme Court, and there has been no argument as to the truth of the statement coming from his associates, that the depression we have been in for almost 6 years is an emergency worse than war. Surely this is the truth, and legislation to aid 30,000,000 people sorely distressed, whose patriotism has been challenged by the laws of adversity, certainly comes within the fair rule applicable to national welfare which would make the Agricultural Adjustment Act constitutional.

Laws must fit in with modern civilization. Antiquated interpretations are foul to modern progress. I have the very highest regard for our Supreme Court, but if it cannot and will not regard the welfare of 30,000,000 farmers in their hour of economic and physical misery because of legal technicalities, which I have been unable to find in the present case, then it is up to the National Congress to correct the situation and do it quickly.

Why should not such a situation be corrected by legislation if the effect of such legislation is to insure domestic tranquility and bring us once again from the abyss of economic misery? Is it to be said that any law that shall approach an abrogation of age-old and musty precedents is an insult to the wisdom of our American institutions? Certainly not. One who becomes ill this day and time and perhaps needs the handiwork of a surgeon certainly would not trust the handiwork of the surgeon who practiced according to the art of 100 years ago. One would naturally want the surgeon who practices the modern and scientific way. And just as experience and changed conditions has compelled the surgeon of yesterday to abandon musty precedents and employ methods commensurate with the science of the times, so also must not only the laws be made to meet a similar situation as regards our economic system, but the minds of men, including jurists, must articulate also according to changed and modern conditions.

And so, in closing, I must say again that I do not feel that amendments to our Constitution are necessary, but if there is no other way out, then it is up to the National Government to find a way to deal nationally with matters of a national nature; matters which, as in the Agricultural Adjustment Act, are beyond the reach of the States of the Union insofar as aid is concerned.

Just as man has learned from experience to build over his head suitable shelter from endangering elements, so also must the Government find shelter through patriotic legislation as needs be to care for its people during an economic hurricane, because, as Thomas Jefferson once wrote to a friend, as recorded on pages 177, 178, and 179 of the writings of Thomas Jefferson, volume 7, and compiled under act of Congress from the original manuscript, "The Judges are not the ultimate arbitrators of our constitutional questions"; and in another letter, addressed to Monsieur A. Coray and dated October 31, 1823, Thomas Jefferson wrote as follows: "At the establishment of our Constitution the judiciary bodies were supposed to be the most helpless and harmless members of the Government. Experience, however, soon showed in what way they were to become the most dangerous; that the insufficiency of the means provided for their removal gave them a freehold and irresponsibility in office; that their decisions seeming to concern individual suitors only, pass silent and unheeded by the public at large; that these decisions, nevertheless, become law by precedent, sapping by little and little the foundations of the Constitution, and working its change by construction, before anyone has perceived that that invisible worm has been busily employed in consuming its substance. In truth, man is not made to be trusted for life, if secured against all liability to account."

Finding Jefferson taking a stand of this sort, then surely in our modern ways this philosophy ought to appeal to us as a guiding light in maintaining domestic tranquillity and promoting the general welfare, because yesterday is a remembrance, tomorrow a hope, and today alone is ours.

PROGRESS IN COMMUNICATIONS

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address by Hon. George Henry Payne, Federal Communications Commissioner.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOYLAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of George Henry Payne, Federal Communications Commissioner, January 13, 1936, at the Graduate School of Business Administration of Harvard University, Cambridge, Mass.

In the year and a half of its existence the Federal Communications Commission has made distinct contributions to the improvement and regulation of the industries for which it is the governmental regulating body. This statement will be challenged by some, laughed at by others, but I feel safe in assuring you that no one will arise with an offer to debate it in public.

Some of those who have been bettered and improved are not quite conscious of it yet. Some of them are still breathing a little strenuously in the rarified high altitude into which they have been somewhat involuntarily raised. Nevertheless, I think we may say in the language of Galileo, as translated by Artemus Ward, "The world do move"—referring, of course, to the world of communications.

When I appeared here last spring the Commission was just emerging from its swaddling clothes. It still has its growing pains. Not infrequently, I believe, when I am not around, I am referred to as one of the most distinct ones. Despite this fact, our relationship with the companies under our regulation are marked by amiability that almost may be considered dangerous.

The problems that confront all three divisions of the Communications Commission—the problems of telegraphy, telephony, and broadcasting—while of interest to most groups, although from different angles, are all three problems, with which business, businessmen, and what is known as the business world are particularly interested.

First, there is the Division whose activities are confined to the regulation of the telegraph field. This is one of the few countries in the world where the telegraph is in the hands of private individuals. This is one of the few countries in the world where we have competitive companies, privately owned, cutting each others throats with unction and glee at the expense of the public. One of the first things that the Telegraph Division of the Federal Communications Commission did was to make an investigation into the possibilities of merger, under section 4 (k) of the act which brought us into being. Our recommendations to Congress were not treated with a great deal of respect by Congress, due, in part I imagine, to the fact that we were not very popular for a while.

Since that time and since the Postal-Telegraph Co. has been reorganized, there has developed, I believe, more of a sympathetic attitude toward our recommendations.

In the Telephone Division great progress has been made in the very momentous undertaking of an investigation of the very large and important company—the American Telephone & Telegraph Co. Seemingly a mere incident in its work, it was a notable accomplishment to establish radiotelephonic communication with France, not without quite a few difficulties. Up to the time that this was done there seemed to be a belief that the Government had very little to say in the matter because the telephone system, on this side of the water, was a private corporation. By deciding to give part of the existing facilities for radio trans-Atlantic telephone transmission to a country other than Great Britain, we established, I believe, in quarters where there was some confusion on the subject the fact that our Government intends to control its own communications.

At a recent hearing, the attorney for the American Telephone & Telegraph Co. made an illuminating remark. He said, "If the company has not been completely frank in the past it will be so in the future."

Such a statement as the able attorney for the American Telephone & Telegraph made augurs well for the future.

Several weeks ago, speaking at the University of Syracuse, I stated that, "the Commission has also had to suffer from the most efficient propaganda of the telephone company, as, for instance, in the case of the coaxial cable, with regard to which it was printed from one end of the country to the other that the Commission, by not granting the American Telephone & Telegraph Co. an unrestricted license to lay the coaxial cable, was holding back the coming of television for many years."

It was one of the distinguished representatives of the telephone company who came to me with clippings that he had collected from newspapers in all sections of the country and admitted that those clippings justified the statement, but wished me to know that in no case had the company encouraged the apparent propaganda and that, as a matter of fact, it had exerted every possible human effort to trace the source of these articles which represented the position of the company.

I have referred to these matters because they reflect what I believe should be the proper attitude of large business units toward governmental agencies. It is true that in these same hearings of the coaxial cable another distinguished attorney of the same company—not only a brilliant man but one with a most ingratiating personality—did state, when he was asked what restrictions the Government should put on the granting of the licenses that would permit the company to lay a cable between New York and Philadelphia, that he would prefer "that there be no restrictions at all." The laughter that followed this observation was due, doubtless, to the fact that his remark certainly represented the worn-out philosophy of another day. "Rugged individualism", they called it, but it was individualism only for those powerful enough to tell the Government they wished no restrictions on their operations and no regulation. There was little individualism for those not powerful enough to defy not only the Government but public opinion. There was little individualism and little opportunity for the many who had to take what the powerful business units were pleased to give them.

DEVELOPMENT IN COMMUNICATIONS

The fascinating part of these problems of communication is the widely spread belief among scientists and others that we are on the threshold of even greater developments than those marvels that have been revealed to us in the past 20 years or so. It was Mr. David Sarnoff who stated that he believed the time would come when a man would be able to turn on a small apparatus, the size of a wrist watch, to call up his house and state that he was going to be late for dinner because he had to go and see, possibly, a sick friend. Marvelous as is the thought, it is not without some suggestion of horror if, along with the ability to turn on the frequency for voice transmission, he or his wife, in turn, were able to turn on a frequency permitting picture transmission or television.

There are those who even say that the time may come with the development of the radio spectrum when there will be instant communication for every man, woman, and child in the United States. If that astonishing day ever does arrive and the complaints that need adjustment over the use of frequencies increase proportionately, I can imagine no unhappier job than being a member of the Federal Communications Commission. Those who have given little thought to the subject may think that these advantages of the future are extravagant. Charles William Taussig, Jr., called my attention to an incident within our own memory that is just as remarkable as anything that has been prognosticated in radio development. During the early part of the war, practically the only marine radio was that which existed between ships in the same neighborhood for a distance of half a mile or thereabouts. At about this time, Edwin H. Armstrong, a radio inventor, went abroad and in cooperation with the British Admiralty set up an apparatus in Whitehall, London, in the Admiralty office. Overnight the British Admiralty was able to pick up all the messages being exchanged by the German fleet, located at Kiel, without the Germans knowing anything about it.

The most important of the many problems that have confronted the Federal Communications Commission in the year and a half of its existence has been that of combating the impression that the new Commission was or could be dominated by the bodies, industries, or corporations over which it was given by Congress the power to regulate. There was a belief that our predecessor, the old Radio Commission, was dominated by the industry that it was supposed to restrain and control. I am very happy to say that such is not the case, and that many of the corporations over which we have jurisdiction are quite convinced that the Commission, or those divisions with which they deal, form independent judgments without bias or without prejudice and with no other interest or consideration than regard for their oath of office.

Just as there has been improvement in the relations between the Commission and the broadcasting companies under our regulation, so there is evidently a very steady trend of improvement in the character of the programs broadcast throughout the country, although I am frank to admit there is still a considerable distance to go. It would be unfair on my part if, when I had so sharply criticized those responsible for programs and advertising that were distasteful, I did not frankly admit that there is a new and better attitude of mind in the matter of the broadcasters' responsibilities to the public. The idea is beginning to take hold that the widespread criticism is not merely the yawping of splenetic faultfinders. It is beginning to be admitted that the advertiser, from his purely mercenary point of view, should not be the dominating factor in deciding what a hundred million people should be forced to listen to. In the mere matter of advertisements for liquor and alcoholic beverages, the protests are bearing fruit.

A gentleman who is one of the powerful financial factors in radio, with whom I talked over this matter some months ago, took the most encouraging point of view. I think the broadcasters missed their opportunity when they permitted Dr. James M. Doran, administrator of the Distilled Spirits Institute, consisting of liquor distillers and manufacturers, to make the first public pronouncement that he had such a regard for public opinion and the rights of the people to decide what messages should come into their homes, that the members of his association would discontinue radio advertising.

I don't know whether I have brought much information or comfort to the students here when I first began my series of talks 8 months ago, but I will tell you frankly that the talks here at Harvard and those at Cornell, Columbia, and Syracuse Universities, and elsewhere, have been a great comfort and encouragement to me.

The theory that government is best when it is conducted around a table by a couple of "good fellows" is fundamentally unsound. It has contributed to most of the vices of government; it has contributed to much of the degradation of business. I don't intend to imply that relations should not be amicable or that men cannot have friends among those with whom they deal in the governmental capacity, but standards of friendship should be as high as the standards of official duty and business conduct.

There are many men who are intimate friends during a lifelong period and possibly not one word passes between them that might not be heard by anyone or everyone. There is, however, the other type—the person who meets you in the Pullman car and because you ask him for a match immediately wants to know if you have heard the latest of Mae West's.

It was Goethe who said, in substance, that you find in Rome what you bring with you. It is the same everywhere, and particularly so in business life.

In a radio speech that I made shortly after the present Commission began its work I quoted President Theodore Roosevelt to the effect that "the Commission (referring to the Interstate Commerce Commission) cannot do permanent good unless it does justice to the corporations precisely as it exacts justice from them. The public, the shippers, the stock and bond holders, and the employees all have their rights, and none should be allowed unfair privileges at the expense of the others."

Those were the words of Theodore Roosevelt. Let me add to them, in closing, the lofty thought of another great man, applicable not only to this Commission but to all government:

"All the grand sources of human suffering", said John Stuart Mill, "are in a great degree, many of them almost entirely, conquerable by human care and effort, and though their removal is grievously slow, though a long succession of generations will perish in the breach before the conquest is completed, yet every mind sufficiently intelligent and generous to bear a part, however small and unconspicuous, * * * will draw a noble enjoyment from the contest itself which he would not for any bribe in the form of selfish indulgence consent to be without."

PERMISSION TO ADDRESS THE HOUSE

Mr. SWEENEY. Mr. Speaker, after other Members have made their requests, I ask unanimous consent to proceed for 3 minutes to make a statement.

The SPEAKER. The Chair does not recognize the gentleman for that purpose until after the bonus bill is disposed of.

PROMISE AND PERFORMANCE

Mr. McGRATH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein the promises and performances of the administration.

The SPEAKER. Is there objection?

There was no objection.

Mr. McGRATH. Mr. Speaker, political platforms have been altogether too often regarded as things on which to ride into office. They are regularly adopted by national conventions which regard themselves as bound by no laws, and which went out of existence with the adoption of the platform and the nomination of its candidates for President and Vice President. Nobody held himself responsible for the birth and nobody seriously considered the terms; whatever any group demanded was usually inserted—and forgotten.

The candidate for the Presidency received the notice of his nomination some time later and promptly wrote his own platform. The official document was almost without exception full of vague declarations of principles and even these were all too often phrased in "weasel" words. On June 27, 1932, a new page was written into major party history. The Democratic National Convention drafted and adopted a platform which was so brief as to be read; so plainly stated as to be understood; and so straightforward as to be a challenge and revive the almost dead hopes of our people. In addition it contained this solemn pledge:

Believing that a party platform is a covenant with the people to be kept faithfully by the party when entrusted with power, and that the people are entitled to know in plain words the terms of the contract to which they are asked to subscribe, we hereby declare this to be the platform of the Democratic Party.

Remember the dramatic, precedent-breaking, custom-smashing trip through the air when the Governor of New York flashed from Albany into Chicago and there, in the presence of the very men and women who had adopted the ringing declaration of principles, with the deepest emotion and the simplest language made their platform his solemn pledge?

That pledge was repeated and amplified during the campaign. Frankly and without qualification, the Democratic Party and their President which it proudly furnished the Nation are entitled to be called to account and to render the report of the squaring of performance with promises of action with words.

We are not merely meeting a challenge; we are not answering an indictment. We are proudly and with no evasions coming to our people with the declaration that our President and our party have been faithful to the trust reposed in us.

In the language of one of our great leaders, "Let us look at the record." However, before we can test the record we may well find and agree upon a yardstick. That yardstick is in the platform. It is plain, simple, and may be used on all occasions and for all purposes. Fortunately, this measure is not only in the platform but it is there with striking emphasis. It was deliberately adopted as the sole floor amendment to the platform as it came from the committee. It is the summing up of the party purposes and the declaration of the party goal. We are willing to stand or fall on that record when measured by this basic statement out of the heart of that great convention. Let us repeat it:

We advocate the continuous responsibility of government for human welfare.

Human misery stalked the land with ever more menacing tread from 1929 to 1932. Statistical charts show the stagnation of commerce, the flight of credit, the collapse of the banking structure, the ruin of business; but the memory of human hearts alone can picture and evaluate the thwarting of ambitions, the darkening of hope, the wiping out of savings, the loss of jobs, the foreclosure of mortgages, the gnawing of hunger, the stark despair which gripped the heart of our people—the brutal corruption under Harding, hitting a new low level with its debauchery of public morals; the smug complacency of the Coolidge days, ignoring the national orgy of paper profits; and the hopeful corner watching of Hoover, whirling down the spiral of disaster.

Closed factories, silent mills, deserted mines, foreclosed homes, bankrupt men, jobless workers, striking farmers, hungry children, and hopeless prospects were the legacy of 12 years of Republican rule. The hundreds of thousands of foreclosed homes and farms, the bottomless prices of agriculture, the 10,000 banks closed prior to September 1932, the literally countless millions of unemployed, and the uniform bankruptcy of our municipalities were the heritage of Harding corruption, Coolidge indifference, and Hoover donothingism. Franklin Delano Roosevelt cannot be charged with that record, but it must be reproduced to keep the record straight. To understand where we are we must remember where we were.

First of all, our hopeless and bewildered people despaired of leadership, but when Franklin Delano Roosevelt stood at the east portico of the Capitol and assumed leadership, the heart of America leapt. Its lifeblood began to flow; its will to live reasserted itself, and the Nation lifted its face to the future. Its banks were closed, to be reopened only when the remaining savings of our people were safe.

In this crisis the expenses of government were drastically reduced. Excepting only the Federal judges, every public servant from the President in the White House to the humblest scrub woman in the smallest Government building accepted a cut in wages equal in percentage. The veterans made a mighty contribution. Immediately Government credit was restored, and the day was won. From that hour the defeat of depression was as certain as sunrise. Thus the first of our pledges was redeemed. The National Budget as to its normal expenditures was balanced, but, fortunately, the Budget was not made a sacred calf.

No man worthy of the name figures the price of water when his house is on fire; no father stops the surgical operation because his son's operation will strain his credit or exhaust his resources. He pledges everything to save his boy's life. He considers his obligation to his son superior to his pledge to deposit part of his salary in the saving bank. So

a nation! Confronted as we were with actual hunger and the destruction of human life itself, remembering our platform, we made human welfare the task and we immediately used our restored credit to take the boys off the streets and put them in the C. C. C. camps.

We chose to recreate men rather than to recruit gangsters. We bought up the mortgages and gave our tottering farmers and home owners a chance to save their farms and homes. We poured out billions to our railroads and to our banks that they might assume their places as effective servants of our people. We threw the mighty resources of our Nation behind the humble and the great. We repudiated the philosophy that would help the powerful in the blind hope that they might pass on a broader charity to the ordinary citizen. We restored the Jacksonian concept that the humblest citizen was entitled to the full support of his Nation's might.

We so successfully restored the credit of our currency that our dollar is the soundest money in the world. Our land is the refuge of the capital in the world in these troubled days. When the world becomes sane again our stable currency will be the rallying point of world finance.

Through reciprocal trade agreements we have reopened the markets of the world. We are breaking down the artificial barriers which had reduced our foreign trade to the vanishing point.

We have extended our credit to our weakened State and local governments. Without the strong hands of the Federal Government millions of our citizens would have starved.

We have started a great and comprehensive program of useful public works, possible only with the Federal funds and credit. We have at the same time conserved national resources and furnished work. We have built for the future and at the same time we have not pauperized our people. We have declared that work is honorable, but that charity to the able-bodied is degrading.

We have used too much water here; we have lost some hose there; we have wasted some efforts in this place and that; but we have carried on through the world's greatest conflagration and have definitely defeated starvation, revolution, and disaster. We have restored 5,000,000 jobs in private industries and we are clearing out the last smoking remains of the red ruin.

We have established as a definite policy that the Federal Government owes a responsibility for unemployment of the willing worker and for the comfort of the worthy aged. True, the amount granted is not yet adequate, but with returning prosperity we can increase the Federal contribution until the horrors of the old days will have become but unpleasant memories.

We promised to restore the purchasing power of agriculture, and we have done so in the great basic commodities. If you say, "Yes; but you did it by unconstitutional methods", we answer that the reasoning of the minority opinion of the Triple A decision, so ably stated by Justice Stone, seems sound law to us. We will find some method of securing a permanent justice for our farmers, even if we have to revamp the mechanics of government. The fathers dedicated our Government to the general welfare and we will fulfill that trust, even if the old engine has to be readjusted, even as our fathers would have acted. They followed ideals and not methods. We need to consider the results to be gained rather than solely the tools to be used. Even the best-tempered steel edge needs some sharpening.

We have maintained the Army and Navy at the highest point of efficiency, and we are providing an adequate national defense for any contingencies which may come from a world possibly again about to commit wholesale destruction. We will have peace, but we cannot close our eyes to the terrible fact that the strong marauder still robs the weak.

Business cried out for salvation and was given its first Nation-wide opportunity to cooperate within itself, with the benefit of Federal guidance, direction, and assistance.

Under N. R. A. business did survive the chaos of 1933. The greatest impetus in history was given to the elimination of unfair trade practices, the protection of labor in respect to hours, wages, and working conditions, and a real attempt was made to secure consumer representation. Although the Supreme Court ruled that most business was outside the scope of Federal control and that our Government was powerless to protect child labor from the unscrupulous boss, to limit hours and conditions of work, to prevent vicious oppression of weaker competitors, or to secure rights for consumers, a start has been made and many industries are carrying out the principles first established by N. R. A.

We have declared our natural resources to be under the public trust and we have revived the standard of Theodore Roosevelt—that our natural heritage should be passed onto our children, better developed and more valuable than when we received it from our fathers.

We have used every power and resource of government to compel the sellers of stocks and bonds to give the ordinary purchaser—the investing public—true and accurate information as to bonuses, commissions, principal actually invested, and the real interest of the sellers. In other words, to tell the truth.

We have, in exact compliance with the platform, used the full power of the Federal Government to regulate holding companies in the utility fields, to restrict within the limitation of fair returns the rates of utility companies, and to prevent a recurrence of the Insull outlawry, with its attendant ruin to millions.

We have liquidated the frozen bank deposits with a minimum of loss to the depositors. We have revised the banking act to make banks more effective medium for the general good. We have restored the Federal Reserve System more nearly to its purpose, as established under Woodrow Wilson—to serve the business and commercial interests rather than speculators and gamblers of the exchange. We have limited banks to their true function—banking.

In the midst of a crumbling world of war-mad leaders and hysterical peoples we have steered the Ship of State through peaceful waters. We have secured the most nearly perfect understanding between all of the Americas. We have made the Stars and Stripes the true emblem of the good neighbor. We have fostered and built a spirit of true cooperation between peoples.

We have refused further to compromise the debts owed us by our former allies, although the precedent established under Republican so-called leadership undoubtedly gave ground for the expectation that the taxpayer of the United States should and would pay the cost of the World War. In this connection, those who freely gave billions of the taxpayers' money to foreigners as a rebate on legal and just debts appear in bad grace when they violently protest the use of Government credit for the benefit of our own citizens.

We have fulfilled our pledge to grant independence to the Philippine Islands, and we have already seen their people take their place as members of the family of nations.

We have built a most magnificent Division of Criminal Investigation which has made the interstate operations of gangsters so unprofitable and dangerous that they have ceased to be major menaces. J. Edgar Hoover has made kidnaping a losing game. Thanks to the work of the Department of Justice, your child and my child are safe at home.

We have seen fit to live up to the spirit as well as to the letter of our platform by not only publishing the names of our financial supporters but we have paid our party debts by the modest contribution of our citizens rather than by the second-hand donations of the ultrawealthy, stealthily slipped to that illegitimate child of reaction—the American Liberty League.

We have repealed the notorious eighteenth amendment and have restored the control of the habits and customs of our people to their own localities. Neither here nor elsewhere do we favor regimentation. Federal action is justified when other means have failed, and then only. There is no parallel here with the agricultural program. Farming, in spite of the decision of the Supreme Court, is not a matter of local concern.

The Government no longer acts as the agent for the House of Morgan in peddling foreign securities. We have brought the capital of the Nation from the stock exchanges to the banks of the Potomac.

We have restored the ideals of the fathers in again using as the national guide this declaration: "Equal rights for all, special privileges for none."

We have fought the fight! We have kept the faith! With the leadership of that master humanitarian, Franklin Delano Roosevelt, and under the guidance of a divine Providence, we will reestablish a democracy in which in spirit and in truth the goal of government—the welfare of its citizens—shall be reached.

We are proud of our leader. We pledge a new and greater battle for human rights and a final victory in the interest of the ordinary citizen.

TRIBUTARY FLOOD CONTROL

Mr. FERGUSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a speech I delivered at the Mississippi Valley Association on November 26.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. FERGUSON. Mr. Speaker, I want to call attention of the House to H. R. 10302, introduced in the Senate by Senator NORRIS, and in the House by me. This bill will solve the great problem of conserving the national resources. This bill embraces the whole Mississippi Valley and accomplishes for that area what I hoped to accomplish for the Arkansas Valley in two bills I introduced last year, H. R. 5712 and House Joint Resolution 275. My views on the subject are in this speech.

ADDRESS OF HON. PHIL FERGUSON, OF OKLAHOMA, BEFORE THE MISSISSIPPI VALLEY ASSOCIATION CONVENTION, ST. LOUIS, MO., NOVEMBER 25, 1935

Mr. President, members of the Mississippi Valley Association: It possibly is strange that a Member of Congress from the "dust bowl" should be here as a speaker at the Mississippi Valley Association. I probably represent the driest district in the United States. It was my home that furnished all those clouds of dust that descended on this country last spring. As a result of living in that country, when I went to Congress it was not an accident that I got on the Flood Control Committee. After investigating the activities of the various committees that I had a chance to make as a new Member, I asked for position on the Flood Control Committee and was fortunate enough to receive an appointment. I asked for that committee because I felt it was within the realm of that committee in Congress to attack the problem of flood control, of soil conservation, of the best use of our natural resources.

When we think about what has happened to this country we must realize that we have probably dissipated our natural resources in a shorter time than any other nation in history. Because we had an opportunity to move west, as was described so vividly by General Markham, it was considered good form to destroy the land and move on and take up new land, to plow new sod every year, because it made a better crop; to log the entire timber off the hillside, off the mountainside, and move on to the next place where they could get the greatest amount of timber at the least cost.

We have probably destroyed more natural wealth than any country in the history of the world had to begin with. It has been a national policy to follow this up; and you cannot get this picture unless you start noticing what has happened to the surface, fly over it, drive through it, with an eye to seeing what the surface of this United States looks like today. Drive across Tennessee or Arkansas or Oklahoma or Texas, and see every field, where it has a sufficient amount of slope, gashed and scarred by water. You can see where the water and the winds cut down to the clay, the topsoil is gone, the productive part of the land is gone; nothing is left that will produce.

As a member of the Flood Control Committee, I investigated what legislation had been passed to meet this problem of controlling floods on the lower Mississippi. In 1928 the first actual Flood Control Act was passed. This recognized the problem of controlling floods on the lower Mississippi below Cape Girardeau, Mo. Three hundred and twenty-five million dollars was appropriated under that act, or, rather, authorized to be appropriated. This bill was passed after the flood had destroyed millions of dollars of property and taken the many lives described to you by Congressman WHITTINGTON, of Mississippi.

Now, this $325,000,000 was spent on the recommendation of the Army Engineers to solve forever the danger of floods in the lower Mississippi. The people were assured that the problem was going to be solved and those who lived behind the levees never need worry again about being destroyed by floods. The levees were raised higher and higher, the cut-offs were created, divisions were built, the program neared completion, and yet everyone who lived behind those levees knew they were in just as much danger from a flood of the proportions of 1928 as they were before the expenditure of all that money. The problem had not been solved, but our land, our topsoil from the Western States, from the tributaries of the Mississippi, had been piled on the banks of the Mississippi and carried out into the Gulf of Mexico, never again to be of any use to this Nation.

The first bill to be laid before the flood-control committee at this session asked for $273,000,000 more. For what purpose? To continue the construction of levees below Cape Girardeau, Mo.; to build new diversions; to continue the policy that had proved a failure. $273,000,000 recommended by the Corps of Army Engineers to complete the flood-control program.

When this bill came up for hearing, naturally delegations from the States affected appeared. We had delegations from Mississippi who told us the bill was the only solution, the only way to solve the problem. Why? Because the bill proposed to run the excess water of the Mississippi across the States of Louisiana and Arkansas. Naturally, the people from Arkansas and Louisiana, who lived in this territory that was to be made into a man-made river, also appeared, they also testified, but they were not nearly as enthusiastic about the proposition as the people from Mississippi.

This plan recommended to our committee, to solve the problem, called for the construction of a new river across the full length of the State of Louisiana, banked on either side by levees, to carry the excess water that was to be taken out, in case of floods, at Eudora, Ark. A new stream as great as the Mississippi, 10 miles wide, with big levees on either side, to carry the excess water.

We had hearings for months on that proposition, day hearings and night hearings. Some of the members of the committee thought that the principle of building reservoirs on the tributaries should have some recognition. We proposed to eliminate this floodway and substitute the construction of reservoirs on the White and Arkansas.

Although I believe a majority of the members were in favor of trying this reservoir system of flood control, giving it a fair trial by constructing a complete system on rivers, we were never able to bring it to a vote in the committee, because of the opposition of the members from the lower Mississippi, who insisted that diversions were the only way to solve the problem. Well, that bill, at least, never came out of committee.

While we were in that kind of shape, the Mississippi Valley Association, working with our chairman, Mr. Wilson, proposed an omnibus bill that would include projects from all over the United States. They were justified in drawing up such a bill. I hold in my hand bills introduced, every one of these a separate bill, by Members who lived and represent districts on various streams in the United States, that favored building reservoirs on the White or on the Arkansas or on the Monongahela, or on the various rivers of the United States. Each one introduced a separate bill for his own river. There was no national plan.

The Mississippi Valley Association, as I say, working with Mr. Wilson, combined all these bills as best they could into what is known now as House bill 8455. The first bill that recognized the principle of building reservoirs on the tributaries, the first bill that recognized the principle that if you will retain the water at the head waters, it will not be a problem on the lower Mississippi.

Let me give you an example that is very close to me: I live on a tributary of the Arkansas, the North Canadian River. Three or four times a year that river is a raging torrent—it comes down that dry bed a veritable wall of water, destroying property on both sides for miles, taking lives, even in our State capital, and then when the spring freshets are over, it becomes dry, shifting sand.

In this bill there is provision for two reservoirs that will impound enough water to make that stream run the year around. Think of the difference between a country which is a dust bowl and a country supplied with waters from two reservoirs; whose economic status will be changed because the people can be assured of a crop through irrigation; whose social problems will be improved because they will have water for people and animals. And it is that same water that is the difference between our very existence, when it reaches the lower Mississippi, causes swamps, destroys lands, and no matter how high your levees, it increases the amount of backwater to destroy thousands more acres of the richest land in the world.

There you are: Hold it on the tributaries and save the life and economic future of those people, or let it go down to the Mississippi, make the new rivers to run it over the good land, the lower Mississippi, cause new swamps, make bigger backwaters. There is your choice.

As I say, every man in Congress, who had individual streams, tried to draw a bill, and, at last, they were combined into an omnibus flood-control bill that tried to solve the problem on a national scale.

This bill, while not perfect, is a step very decisively in the right direction. As a Member, and a new Member, I am proud of the part I had to play in passing this omnibus flood-control bill.

Mr. DRIVER, of Arkansas, who talked to you here this morning, finally got a preferential rule through the Rules Committee that gave us a chance to get this legislation up in the closing 3 weeks of Congress. That was a step and a big hurdle to make, but then we had to get recognition. Although the Speaker promised Mr. DRIVER that he would recognize him on several occasions, the press of administration legislation, the press of last-minute legislation got in the way, he was turned down and we thought we had lost the battle.

At last, on Thursday before we adjourned, we were all huddled together back there—DRIVER and the members of the Flood Control Committee—wondering if we were going to get a chance to get recognition; JOHN O'CONNOR, the floor leader, came and told us

that he did not think we had a chance, and we decided to take desperate measures. I stood up and served notice on the House of Representatives that if they did not recognize the fact that we had a preferential rule, that we were entitled to their consideration, that I was going to object to the consideration of any further legislation that day. Whether it was due to that threat or not, we got recognition. Mr. DRIVER put his rule through the House. At 10 o'clock that night the first flood-control bill, recognizing the principle of building reservoirs to stop floods, passed the House of Representatives by a margin of 10 votes. [Applause.]

As I say, I almost got into trouble sponsoring that bill. I did a lot of maneuvering before time. I had a break-down made. Congressmen do not always follow legislation; they do not have a chance to do so; so I had a break-down made by districts and by States, and I collared every Member there for 3 weeks and told him about this bill.

As a result of my efforts on behalf of the bill the ranking minority member, Mr. RICH, when opposing the bill had this statement read into the records: "Representative FERGUSON, of Oklahoma, member of the Flood Control Committee, which approves the bill, made a break-down by States and districts and then buttonholed each Congressman whose district would be benefited on behalf of the bill." I am very glad—although he called it a "pork-barrel bill" and they made a lot of fun of it—that we did get it through, and I think it is a fine piece of legislation.

That was in the House. We went over to the Senate, and the Committee on Interstate and Foreign Commerce added some $200,000,000 of projects to what was in the bill. We had gotten it through the House with the addition of only $300,000 in amendments and were proud of that, but the Interstate and Foreign Commerce Committee added on $200,000,000. Before they ever had it printed they reported it out.

I was over there at the time it was called up—they give Congressmen the privilege of the floor—and Senator TYDINGS decided it was a bill that should not pass the Senate, and if there is anyone more clever than Senator TYDINGS when he desires to oppose propositions, I do not know who it is. I want to read you some of the statements in the speech made by Senator TYDINGS while opposing this bill. He thumbed through the bill he had in his hand until he came to the authorization of the appropriation for Council Grove, Kans., and this was his comment:

"That great metropolis of Council Grove, Kans., bursting with its millions of people, and these great ocean liners going up there laden down to the gunwales with freight from all four corners of the earth. I can see now the miles of docks along the water front in Council Grove, Kans., the busy steamships occupying the slips with their gigantic funnels sending smoke into the air, while down 100 railroad spurs there comes freight train after freight train."

The next item is the Pensacola Reservoir on Grand (Neosho) River in Oklahoma, for flood control and other incidental benefits; report to Congress not yet made; survey completed and data in office of Chief of Engineers; cost $6,263,000.

"I wish we had the Neosho River over in Maryland.

"Yet, think of those great rivers out West where the giant ocean liners come laden down, where the babble of many languages is heard on the foredeck up around the forecastle, where the Chinamen and the Lithuanians and the Portuguese and the Morrocans and the Italians and the Englishmen and the Irishmen all man the decks when the liner sails up the Neosho River out in Kansas, and the 5 tugboats come out to warp her into the docks, and the 1,000 people of Council Falls who happen to be standing on the wharf, and the million back in the interior of the city are waiting for friends returning from Addis Ababa, Abyssinia. They have to have deep water, or that great port will perish."

And so the Senator, with his biting sarcasm, caused the bill to be recommitted. He attacked that bill as if it were a rivers and harbors bill, holding it up to ridicule, and he did a good job of it. As I say, I was over there, seated in the Senate at the time he was talking, and although I knew he was strangling our child I had to laugh. He is a master of the English language.

But this same Senator TYDINGS, who attacked the bill on the ground that we were trying to improve navigation, his home city of Baltimore, this year, is going to receive $23,000,000 to improve the port.

I have been out on Chesapeake Bay and I have seen channels marked on either side, so that ships could carry their cargoes up to Baltimore; every port has a harbor. Congressman BLAND, of Virginia, told me that one of the finest projects he knew that was going forward under W. P. A. was removal of shoals in Chesapeake Bay, so his crab fishermen could come in whether the tide was in or out.

Money has been expended on river and harbor projects for years, yet when the West, the great valley of the Mississippi, comes in with a proposition to save our land, to save our industry which is falling into destruction by water, to save our buildings, our houses, our towns, we are held up to ridicule.

I have a letter from General Pillsbury, of the Army Engineers, stating a billion, ninety million dollars has been expended in the last 10 years on river and harbor projects. We come, asking for the expenditure of three hundred and seventy million on a proposition that is not only worth the expenditure from its local benefits, but is the beginning of a policy of reservoir control of floods on the lower Mississippi.

I feel entirely too strongly on this subject to leave St. Louis without asking this group of men to carry away a determination to help the passage of this bill. It has passed the House, it is in the Committee on Interstate and Foreign Commerce in the Senate. If that committee will report it out and the Senate passes it, we will have an opportunity to see basic flood-control legislation on our books.

I just want to read you some figures here—you people are from all over the country—of the States and amounts involved in this legislation. We are all interested in our own State, we all would like to see these projects constructed.

Alabama	$686,100
Arkansas	61,135,000
California	70,607,000
Colorado	7,728,000
District of Columbia	571,000
Florida	132,600
Georgia	855,000
Illinois	26,523,325
Indiana	10,285,200
Iowa	2,226,300
Kansas	15,405,700
Kentucky	5,878,000
Louisiana	4,899,800
Massachusetts	66,000
Minnesota	464,000
Mississippi	3,160,000
Missouri	9,450,100
Montana	184,700
New Mexico	8,691,000
New York	43,000
North Dakota	28,200
Ohio	192,000
Oklahoma	53,977,000
Pennsylvania	21,876,000
South Dakota	1,139,300
Texas	16,459,000
Vermont	354,000
Washington	10,735,700
West Virginia	15,318,400
Wisconsin	29,000

Now, don't think those amounts of money are appropriations. This bill authorizes the appropriation of this money. Every project that is constructed will have to get its money through the Appropriations Committee. In addition to that, it says that local interests must supply the rights-of-way; must maintain and operate these works after they are constructed. It isn't any "pork barrel" proposition. Projects that are not meritorious simply will not get the necessary backing from their local communities. The local communities are not going to pay for rights-of-way, are not going to pay for maintenance on projects that do not have enough to justify their construction.

In tackling this problem of sponsoring this bill let us not be too selfish about things in our own district and in our own State. This is the initial bill; we should have flood-control bills for years to come, until the problem is complete.

I had a very vivid personal experience on personalities, on selfishness: One member of the Oklahoma delegation voted against the bill because his pet project was not included. Your own DEWEY SHORT, from Missouri, who has long been an advocate of water resources, is vice president of the River and Harbors Congress, voted against the bill because an individual project of his was not included. We cannot get the initial legislation if we have to have every project in it. We must start some place. Let us sacrifice selfishness in order to put the original bill through.

In conclusion, I want to leave this thought with you: When I come into St. Louis and see smoke and murkiness, it reminds me of the millions of people who are now living in cities, who cannot continue to live there and be economically justified in doing so. We are going to have to shift our population; we are going to have to move it some place. We cannot take care of it on the dole. We have to have land, and when I say land, I do not just mean a place for them to build a house and starve. It must be productive land, and the only way we can get that land is by keeping that water out in the West, in the Northwest, and in the East, where it belongs, and utilizing it to reclaim millions of acres. We can reclaim millions of acres of the finest land in the South, by keeping the water out of the Mississippi, and the day is coming when we have to have a place to put those people, and it is coming fast, because we cannot maintain them just by feeding them in the cities, as we are doing today.

When we talk about the expenditure, even if it costs a billion, two hundred million dollars for complete systems of reservoirs, as is estimated, if we have a flood damage of $300,000,000 every year, that is almost 30 percent on the investment. I think that is a pretty good return. And if we do not construct reservoirs on the tributaries, we have no assurance the three hundred and twenty-five million, plus the local contributions, which probably bring the amount up to a billion dollars that has already been expended on flood-control works in the South, if we do not construct reservoirs we have no assurance that that entire effort will not be wiped out in one great flood. It is insurance that the present works and the works that will be built in the future will handle the floods, and I think it is insurance that we have to have.

So, it solves your problem of what to do with the people and it solves the problem of your lower Mississippi. It not only does that, if we do not maintain the productivity of our soil, if we do not make it possible for people to produce on this land, if

we allow it to continue to be eroded and washed down to the Mississippi and the Gulf of Mexico, our national debt can never be paid. We have to have something to produce with.

We have heard a lot, today, about transportation, about rates. You have to have something to haul, and if we do not protect our natural resources, we will not have anything to haul on these rivers and on these railroads, after we get them built. [Applause.]

Now, the last thought: We are not always going to have lump-sum appropriations, in fact, the way I feel now, I will never again vote for another lump-sum appropriation. [Applause.] I think the committees in Congress are perfectly capable of drawing legislation; I think the Flood Control Committee can formulate a policy that will build national public works of national value that will constantly form a "backlog" to take people off the unemployed lists and leave works that will be a monument to Congress, to the committee, and to this great association that has been so instrumental in pushing this kind of work. We can do things that we will be remembered for, that will be of lasting value, and I am glad to have had a part in promoting the legislation sponsored by this group. I know that this group, if they really set their heart and mind to it, if they really make a conscientious effort, when we meet here again, if I have the privilege of coming back to your convention, we will have a flood-control bill passed by the Senate and signed by the President. You have the power to do it, and I hope you will see fit to make the effort necessary to put it through at the next session of Congress. [Applause.]

THE AGRICULTURAL PROBLEM MEASURED WITH THE A. A. A. DECISION

Mr. AYERS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. AYERS. Mr. Speaker, recovery is well on its way; and that it started in the spring of 1933 is admitted by all. Yes, it is even admitted by the Liberty League, arch enemy of the New Deal.

Agriculture is the cornerstone of whatever measure of success recovery has had. That destruction of the cornerstone will destroy the structure is the only conclusion we can reach. It does not take the special training and the experience of statesmen, jurists, or Liberty Leaguers to know that it is the only conclusion possible to draw. It takes only the exercise of the ordinary common sense, that is all, just common sense to draw the proper construction.

Farm prices may remain at the present level for a time; may even advance for a time due to the instant removal of the processing tax; but if legislation restoring the benefits that have been accomplished under A. A. A. is not enacted, prices of agricultural raw materials will descend again to less than the cost of production. This will be caused by the loss of the processing tax which was ultimately paid to the farmer and which in fact is only an equalization of the tariffs so that the producer of agricultural products may have, in part at least, his just benefit of the tariff laws. Then, too, if remedial legislation is not promptly enacted, we will lose control of production. All of this will result in lower price levels and we will go back to world prices for our agricultural raw materials.

A. A. A. IN CORNERSTONE OF RECOVERY

A. A. A. was the very mortar in the cornerstone of recovery. It had remedied these things; it had given the producer a share of the benefits of the tariffs; it had controlled production to fit consumption and had made a price for agricultural products above the cost of production. It had taken us out of competition with cheap farm labor of foreign countries. The farmer could live under the operations of the A. A. A., but it is impossible to say as much for him during the 5 years before its enactment.

NEW FRONTIERS HAVE EXPIRED

For something like 150 years before A. A. A., the farmer had been selling on a world market and buying on a protected market. Up to 1929 he had been able to stand it—after a fashion. This disadvantage had been to some extent, which grew less all the time, offset by the fact that we were a new country and had within our borders "new empires to conquer" and had a continued increase in our population. We had been, in a measure, solving our problems by opening up new frontiers, but when we had no more new frontiers, then we woke up to the fact of the unsoundness of this economic system.

FARM FAILURE OF PAST ADMINISTRATION

From 1929 to March 1933 efforts were made to put the farmer upon a national economic basis with industry, but none of these efforts were directed at the source of the trouble. They were directed to the banks, the trust companies, the insurance companies, the railroads, and to the processors and manufacturers, with the apparent idea that the result of these efforts would drift down through the funnel and adjust agricultural prices. But not so. Those in authority had directed all governmental efforts and funds to the wrong end. They did not realize or else did not desire to admit that the banks, the trust companies, the insurance companies, and the processors and manufacturers all depend primarily upon agriculture, and that without it and its success, nothing else could be successful. They refused to recognize that agriculture was and is the basic industry that oils the wheels of all other industry.

FAILURE OF FARMER MEANS FAILURE OF ALL

When the farmer fails, the merchant goes down. When the merchant goes down, he takes the processor and the manufacturer with him—not only the processor and manufacturer of food and clothing commodities which come from the farms but all other processors and manufacturers, for they cannot operate without the products of the soil. When the farmers, the merchants, the processors, and the manufacturers go down, the wage earners become destitute. When this condition is brought about, what is left for the transportation companies and necessarily what is there to keep the banks, the trust companies, and the insurance companies going? Ah, when agriculture fails we are right back where we started in March 1933—at the depths of depression.

INDUSTRY NEEDS CUSTOMERS, NOT LOANS

What the merchant needs, what the wholesaler needs, what the processor and the manufacturer need, is not money from the Government but customers to buy their goods. And what the insurance companies and the trust companies and the mortgage companies need is borrowers who can pay their interest, and what the banks need is depositors. None of these needs can be brought about unless the primary industry of this Nation—agriculture—is successful.

PRESENT ADMINISTRATION'S UNDERTAKING

In March 1933 this administration undertook to restore prosperity, not in the old way that had been tried and had failed but in a new way, namely, by beginning at the source of the trouble. It started by building up the selling price of agricultural products, which restored the buying power of the farmer, the basic producer of all that lubricates the wheels of success and prosperity. Economists and theorists, processors, manufacturers, bankers, financiers, and the Liberty League all put together, and for good measure throw in all the big daily papers controlled and directed by big business, may draw their fine lines on theoretical cures, and they may spin all the yarns they desire about the depression, its cause and its cure, but you cannot have recovery, you cannot have good times again, unless you get money into the hands of the producer. Hoover's administration tried to effect recovery by making loans to the banks, the insurance and trust companies, the railroads, the factories, and processors. It did not work. It could not work any more than you can stop a squeak in the spindle of a wagon wheel by greasing the driver's seat. You have to grease the squeak if you are going to stop it. It was not loans that these institutions at the top needed; it was customers, and customers could only be made by restoring buying power, and that could only be done by starting at the source.

BUYING POWER RESTORED

President Roosevelt immediately undertook to bring about recovery by restoring buying power to the farmers. First, because they are the largest of all producers, and they produce the things that feed and clothe the human race; and, second, because they are the largest of all consuming groups; hence, without their success, nothing else can succeed.

The President and the new Congress recognized that under the then existing conditions with which the Government was confronted, the proposition was to either remove the tariff



walls and permit the law of supply and demand to operate naturally on the manufacturer and the processor, as well as the farmer; or, second, give the farmer a tariff that would stimulate his price, for it was recognized that he could no longer sell on a world market and buy on a protected market. That program was too one-sided, for him, to exist. The latter method was decided upon and to that end the A. A. A. law was speedily enacted.

Under the administration of A. A. A., checks began going out to the agricultural producers of the Nation. For the first time in more than 4 years lifeblood had again found its way to the dry veins and arteries of prosperity. It had reached the very foot that made the first step toward recovery. Cash had reached the producer. Farm prices immediately increased. In many instances they doubled, trebled, and quadrupled. From two bits which the farmer was getting in 1932, he got $1 in 1935 for his wheat. The beef-cattle producer's price had gone from 4 cents to 12 cents. The sheepman was getting 25 cents for his wool instead of 7 cents. Corn had raised from 15 cents to 75 cents, and hogs from 3 cents to 10 cents. Butterfat for the dairy farmer had more than doubled. Cotton had done likewise. The rise in the income of the producer who came directly under A. A. A. had its beneficial effect upon all other agricultural products, including all classes of livestock.

This increased the purchasing power of the farmer from three to five times what it was. Money began finding its way into the channels of trade. It went to town. It paid old bills. It bought new clothes, new machinery, new harness. It bought material to repair buildings. It bought paint and new furniture. It bought new automobiles and new trucks. In turn this money went to the wholesaler and jobber, and on to the manufacturer and processor. Bank deposits grew enormously. The wheels of industry started rolling again, and laborers went back to their jobs all along the line. Why this movement toward recovery? Because the farmer was again producing and selling at a price above the cost of production. His purchasing power had been restored, and it in turn restored purchasing power all along the line. The start had been made at the bottom, at the source, and it was successful.

There could be no start on national recovery so long as gross economic inequality prevailed. Therefore the efforts of this administration were directed to the elimination of that inequality.

AGRICULTURE'S PLACE IN RECOVERY

Agriculture has produced and will continue to produce food and fiber to sustain life, but it demands and must demand a fair return for its service. The proof of agriculture's recent economic distribution and contribution is all around us. No one can escape it. You see it everywhere. It is in the metropolitan centers, in the industrial districts, in the banks, on the railroads, on the highways by the increase in truck tonnage, in the store, and on the farms and ranches themselves.

It was agriculture that caused the economic spiral to uncoil its spring. Consumers, industrialists, merchants, toilers—all began to share in recovery when agriculture began to buy. Disagree, if you will, as to what caused agriculture to start buying, but you cannot put aside the indisputable fact that economic prosperity and economic stability spring from the soil. The man on the land creates the basic new wealth of this Nation. When it was made possible for him to produce at a profit his buying power was restored, basic new wealth had been found, and the backbone of the depression was broken.

Attribute the cause for the general increase in all purchasing power where you will, you will have to admit that it started with agriculture and that agriculture has been its main stimulant.

A. A. A. ADMITTEDLY HELPED AGRICULTURE AND ALL ELSE

In all the arguments against A. A. A. that I have heard or read I have yet to hear or see one statement that A. A. A. has not been helpful to agriculture. Then, it must have had to do with restoring the farmer and, in turn, all else. Taking that as a fact, let us see, then, to what extent the restoration of agriculture has helped in other lines. I shall quote from Roger Babson, one of the Nation's greatest and most reliable statisticians. In his report of October 30, 1935, Mr. Babson tabulates the percentage of gain on items since March 4, 1933. I shall quote a few of these, giving those which I consider as leading barometers of conditions since President Roosevelt's inauguration.

	Percent gain
Industrial production	55
Factory pay rolls	92
Automobile sales	512
Steel-ingot output	270
Residential building	322
Factory employment	45
Electric power consumed	39
Freight-car loadings	30
Lumber production	186
Rural-store sales	112
Department-store sales	49
Corporation profits	86
Stock prices	194
Cash farm income	62
National income	25

Mr. Speaker, the general grasp of all business has been steadily upward during the New Deal, and particularly since A. A. A. was put into operation. The Nation's income itself has increased by 25 percent. The greatest single attribute to these better conditions is the workings and the successful administration of A. A. A.

THE SUPREME COURT DECISION

Now we are confronted with the Supreme Court's decision nullifying the law under which the agricultural program was successfully working. That decision knocked the mortar from the rocks out of which the foundation of recovery is being built.

It is with great deference, Mr. Speaker, that I approach a discussion of this decision of the Supreme Court. However, representing as I do the largest diversified agricultural district in the Nation, the largest not only in area but in people of agricultural pursuits, and the producers of the greatest variety of agricultural products, the gravity of our situation constrains me in an expression of my views on this decision and the position in which it leaves us.

For 10 years I was a trial judge and also sat upon the bench of the supreme court of my State. My tenure as a judicial officer and my training as a lawyer prompt me to accord that decision and the high Court that rendered it the respect which is due. However, my training and experience also prompt me to the conclusion that honest difference of opinion among good lawyers ofttimes makes lawsuits. And ofttimes when lawsuits get to the court of last resort that court is divided. That is the reason we always have odd numbers on our supreme courts—so there can not be a tie. I have known supreme courts, on a rehearing, to take the opposite view to that originally decreed, and I have also known supreme courts of their own voluntary motion to set aside their own decision and enter a new one expressing the opposite view. I mention these facts only to remind you, Mr. Speaker, that there is nothing sacrosanct about the instant decision. I think it was a sadly strained construction of the Constitution. I accept it, of course, as the law of the case, but I cannot agree with the learned Court that made it. I believe the minority opinion is the correct construction on the points involved.

Assuming that two constructions can be put on a legislative or congressional act, one pointing to constitutionality and the other pointing to unconstitutionality, then the construction should be adopted which is consistent with the constitutionality of the act. That was one of the first principles of constitutional law that I learned as a law student and I have since heard and read it many times as reenunciated by supreme courts. The Court that rendered this decision said so, and not so very long ago, either. It was in March 1923. You will find the decision in Two Hundred and Sixty-first United States Reports, at pages 379 to 383. On this point the decision reads:

The rule is fundamental that if a statute admits of two constructions, the effect of one being to render the statute unconstitutional and the other to establish its validity, the courts will adopt the latter.

So, Mr. Speaker, the rule is fundamental. And I contend that the act was subject to two constructions. There was a 6-to-3 division of the Court itself as to that question. Then surely one would conclude, in conformity with the fundamental rule, that the Court should adopt that construction which is consistent with the constitutionality of the act.

The Court had a choice of deciding that the A. A. A. law was a scheme to use the taxing power to compel regulation in a field the Federal Government had no power to regulate which would make the law unconstitutional, or the Court could have taken the position that the law was the exercise of the power granted by the Constitution to lay an excise tax and use and collect it in the interest of the general welfare and that in the use of it save the agricultural industry of the Nation. Congress might reasonably be held to have acted in the general welfare and, therefore, the act be constitutional. However, the Court did not decide the point of general welfare at all. That point was passed, with a statement that the Court was not required to pass upon it, which statement I will quote later.

THE SUBJECT OF GENERAL WELFARE

On the subject of general welfare, permit me to remark, Mr. Speaker, that it is common knowledge existing for more than 10 years prior to 1933 that the agricultural industry of this Nation had gradually gone toward the rocks of destruction, and it all but reached there in the fall of 1932, when the farmers' crops did not bring a price equal to the cost of harvesting, and, at the same time, their farms were being taken wholesale by mortgage foreclosure or by tax title. The fruits of a lifetime of toil were being taken before their very eyes, and they were hopelessly helpless insofar as their ability to pay was concerned, which helplessness had been brought about through no fault of their own. All efforts on the part of the Government to assist them had failed and they had been abandoned to drift with the current while the Government was exerting every effort and advancing fabulous sums of public money to help other classes of industry, financiers, and the bondholders of the Nation. This drove the farmers to distraction. Armed with weapons, they barricaded the highways and poured milk into the drain gutters; they prevented sheriffs' sales and likewise prevented the issuance of tax titles, and in at least one instance organized and forcibly threatened to hang a trial judge because he entered a decree in a foreclosure case. That was the picture confronting this administration when the A. A. A. was enacted. It was an emergency never before paralleled. Something for general welfare must be done.

CHESTER DAVIS SUCCESSFUL ADMINISTRATOR

Chester Davis was made Administrator and he hurried to put the act into operation. It worked, and it has continued to work. It has increased agricultural prices, agricultural buying power, and buying power all along the line as I have indicated. The farmers' success helped everyone. These things are common knowledge—judicial knowledge, if you please—that class of knowledge which is so common that it needs neither evidence nor argument to establish it. Really, one would think that the Court would have approached consideration of this case with these facts uppermost in its mind, and, with such approach, held that this act was a valid exercise of the taxing power, and that the collection and use of the tax to save the agricultural industry of this Nation was in the interest of the general welfare and therefore constitutional.

TAXING POWER NOT QUESTIONED

The constitutional power of Congress to levy an excise tax upon the processors of agricultural products was really not questioned in the decision. The levy was held invalid not for any want of power in Congress to lay such a tax to defray public expenditures, including those for the general welfare, but because the use to which the moneys collected under the tax was put is disapproved by the Court. On this subject the Court said:

The tax can only be sustained by ignoring the avowed purpose and operation of the act.

The depressed state of agriculture being Nation-wide in extent and effect, there can be no basis for saying that the expenditure of public moneys in aid of farmers is not within the specific powers of Congress, granted by the Constitution, to levy taxes to provide for the general welfare.

On the proposition of the general-welfare clause of the Constitution the decision said:

We are not now required to ascertain the scope of the phrase "general welfare of the United States" or to determine whether an appropriation in aid of agriculture falls within it.

Then the Court went on to discuss and determine the rights reserved to the States by the Constitution—State rights. It then said, referring to the Agricultural Adjustment Act:

It is a stautory plan to regulate and control agricultural production, a matter beyond the powers delegated to the Federal Government. The tax, the appropriation of the funds raised, and the direction for their disbursement, are but parts of the plan. They are but means to an unconstitutional end.

Assuming that the A. A. A. is not constitutional unless it comes within the general-welfare clause or unless agriculture is an interstate business, let us consider it. I have pointed out the reasons why it is within the general-welfare clause. The Court decided, as I have just quoted, that it was not required to ascertain the scope of that clause—which to me was the gist of the case. Now we will go on the States' rights conclusion of the Court.

THE STATES' RIGHTS QUESTION

In this instance the Court went on to hold, as I have also quoted, that Congress has no right to regulate and control agricultural production. Let us see if that is the logical conclusion. Is agriculture an interstate business or an intrastate business? If it is intrastate, then it is confined solely within a State. If it is interstate, then it is an industry, the operation of which is not confined to any one State, and Congress does have authority over it. If it is determined to be intrastate, then the product must lose its agricultural identity when it is taken from the ground that produced it, for the raw materials of agriculture are invariably the subject of interstate commerce, not intrastate. For instance, in my State—Montana—no raw agricultural product is wholly consumed within the State. By far the greater portion of our wheat goes to Minneapolis, Duluth, and Chicago. A greater portion of our beef goes as beef-on-foot to Sioux City, St. Paul, Omaha, and Chicago; all of our wool, as it comes from the sheep, goes to Chicago, Boston, and other East coast markets. Our corn is fed to hogs and they, on foot, are sold in States both east and west of us. Likewise, a greater percentage of our alfalfa seed, our mustard seed, and our flaxseed is sold beyond the border of our State, and a considerable portion of our sugar beets are processed in another State. In all instances, except that of wheat, the title to these agricultural products remains in the grower until sold by him in foreign States.

Much the same condition exists in all other agricultural States. As a matter of fact State lines, artificial in most instances, have very little indeed to do with agriculture. In all cases the price of the product is fixed at the terminal and the local price becomes the terminal price less transportation charges and selling commissions. All these things point to agriculture's being interstate and not intrastate, and if so, States' rights were not invaded.

REMEDIAL LEGISLATION CAN BE ENACTED

Getting down to the basis of the decision, we have the Court finding a fact to support the conclusion that the act is unconstitutional. The fact found was that agriculture is intrastate, and, naturally, after finding such fact, the conclusion is against the act. That is the decision and nothing more. Therefore, unfortunate as the decision may be, our situation is by no means hopeless.

Being mindful of the decision and working in harmony with it, Congress may yet levy the tax. The right to do so is not denied. The tax, when levied and collected, goes into

the Treasury. Then the Congress is authorized to appropriate it. No limitation is placed upon appropriations, except that there is a time limit on Army appropriations and on all others that the expenditure be made for the purpose and in accordance with the act making the appropriation. The use of appropriations by Congress is not mentioned in the Constitution except in these two instances, and there is no limit upon the object of appropriations except that the appropriation is restricted to the purpose for which it is made, such as the payment of national debt, provide for national defense, and the general welfare; it must be for governmental purposes. So far all is well. Nothing in the decision says Congress cannot enact a new law levying the tax and getting it into the Treasury. Then Congress can appropriate it in aid of agriculture under the general-welfare clause. There is nothing in the decision forbidding it. The most that can be said is that the Court dodged that point. Who can say that if that point is decided the Court will not agree with the dissenting opinion? Until this moment we have no expression of the Court on that point except what the three dissenting justices said in their opinion. In view of the facts I have pointed out, can it be said that such appropriation and expenditure would not be in the interest of the general welfare? Is it possible for anyone to say that such appropriations and expenditures are not related to the general welfare? I do not think so. And I do not believe that the Supreme Court will so decide.

Although the Court has committed the agricultural industry to the States, I believe that when these questions are put to it for the rendering of a decision on the general-welfare clause of the Constitution, it will decide that agriculture as a whole is of national concern and that when it is affected the general welfare of the Nation is affected.

COURT HAS NOT HAMSTRUNG CONGRESS

Notwithstanding the fact that the general word has gone out, and that the big newspapers and the general news services of the country have broadcasted the idea, that the A. A. A. and all its principles have gone everlastingly to the legislative graveyard, I have concluded, after careful study of the Supreme Court decision, that a decidedly false impression has been created. The Court has not hamstrung the Congress at all. The Court decided only one point, and that wash-out can be bridge.

Now, Mr. Speaker, I urge action or remedial legislation to meet this crisis, and I hope my humble remarks may encourage Members who are in sympathy with such action. A whole meal is not spoiled because of a fly in the soup.

WILL OF PEOPLE IS SUPREME

This is a grave problem, and this decision, if it stops Congress here, leaves the country in a mighty serious position. This country has had other grave problems and it has overcome them. I have faith that it will do so in this instance. I have faith in the people, in the Congress, and in the courts. The people want a law to revive the equitable benefits that prevailed under the A. A. A. To that end our colleague from Texas [Mr. JONES], chairman of the Agriculture Committee, has today introduced a bill. I believe Congress will enact it and I believe the Supreme Court will sustain it. However, if the Court in its wisdom does not do so, then, under the Constitution itself, the people may act in their own behalf and amend it in accordance with its own provisions. This is the way the drafters of the Constitution made the will of the people supreme.

PAYMENT OF THE ADJUSTED-SERVICE CERTIFICATES

Mr. CROWE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CROWE. Mr. Speaker and Members of the House. I am a consistent supporter of the bonus. My vote for it today is in keeping with my entire record in the House and before I came to Congress.

I have consistently opposed an interest charge to veterans who borrowed on their adjusted-service certificates and on the grounds the money was theirs. It is payment already long past due. Why be charged interest? At numerous times in the House I have spoken in the interest of paying the so-called "bonus." On June 15, 1932, I pointed out on the floor of the House that our Government had given a bonus of $1,600,000,000 to the railroads at the close of the war and $2,000,000,000 to war contractors. I further pointed out we had canceled some $11,000,000,000 to the nations of Europe in our settlement with them. Again on March 12, 1934, I spoke on the floor of the House in support of the bonus pointing out many reasons why it should be paid at that time.

Quite true, the boys were drafted. It was an honor to serve our country in time of war. While serving at $30 per month, the Government sent home $15 for dependents, deducted for life insurance, so in the final analysis, the private only received a few dollars a month. Certainly, it was an honor to go to the front for this great United States. Others too, had honored positions at home in their work supporting our country, but not for $1 a day. Men in factories, mills, cantonments making shot and shell did their part but not for $1 a day. They received from $8 a day up and some jobs paying $12 and $14 and up to $20 per day, going home to comfort at night, to their friends and families. This was far different from the barracks or the dugout at $1 to $1.25 a day.

The bonus is a positive, direct obligation of our Government. Figured as all other debts are figured it is a long time overdue. The veterans now hold Government bonds, which they cannot use. It is high time they are given securities they can use instead of those they cannot use.

CONCERNING THE IMMEDIATE PAYMENT OF THE ADJUSTED-SERVICE CERTIFICATES

If the face or maturity value of these certificates is paid in full at this time, there will be a remainder due the veterans in each county of the Ninth Congressional District of Indiana approximately as follows—this information compiled from information obtained from the Veterans' Administration, Statistical Division of the Bureau of Internal Revenue, and from other governmental sources—all other districts will likewise share in these benefits:

Bartholomew	$409,286.31
Brown	85,070.45
Clark	506,406.21
Dearborn	346,602.82
Franklin	238,651.58
Jefferson	315,754.91
Jackson	390,736.00
Jennings	194,239.80
Lawrence	585,731.77
Ohio	61,679.35
Orange	287,392.60
Ripley	297,581.96
Scott	109,696.11
Switzerland	138,799.16
Washington	268,067.39

THE SUMMONS OF THE NEW REPUBLICANISM

Mr. FENERTY. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein a radio address delivered by myself.

The SPEAKER. Is there objection?

There was no objection.

Mr. FENERTY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech delivered by myself over the Columbia Broadcasting System's network from Philadelphia Thursday, December 5, 1935:

In beginning his historic reply to Hayne, Daniel Webster substantially stated that, when the mariner has been tossed for many days upon an angry sea, he takes advantage of the first opportunity to find his bearings and determine how far the ruthless elements have driven him from his course. So, too, we may similarly pause in the realization that there has been perhaps no time since the Civil War when thinking Americans have so seriously pondered the necessity of ascertaining how far the New Deal winds have cast the Nation from the course of ordered constitutional government. There are echoes of strange rumblings and rumors of strange forebodings, as we fear the "rock and tempest's roar" and see the "false lights on the shore."

At this ending of the third year of the New Deal Government and the beginning of the year in which the problem of America's future must be accurately solved, we find the battle lines distinctly and definitely drawn. The issue confronting our citizens during the coming months involves the momentous decision as to whether they will timidly abandon their ancient American loyalties and

pledge allegiance to a new system of alien ideas germinated in the chancelleries of foreign lands, or whether they will steadfastly and devotedly cling to those timeless ideals that for a century and a half have kept America steady in a changing and restless world.

It is now time to appraise understandingly the policies of the "brain trust" and ask ourselves whether, generally speaking, they have advanced recovery or have retarded it. It requires no detailed analysis to realize that, in spite of the actual tons of New Deal propaganda poured forth from Washington every week—$300,000 being annually wasted for mimeographed sheets to bombard the newspapers alone; despite the regiment of publicity experts paid $1,000,000 a year from your taxes to convince you that everything is happy and serene, it is now apparent that all is not quiet along the Potomac tonight.

Three years ago we were smilingly told that a new dawn had broken upon the world, and like the ghost of Hamlet's father, the ineffectual shades of Washington and of Jefferson, of Madison and of Hamilton, were expected to slink timorously into the uncertain and vanishing gloom before the effulgent and revealing light of the Rooseveltian sun. The millenium was here—and into our eager, outstretched hands there was bountifully dropped, all wrapped in red cellophane, the roseate promise of the more abundant life.

The year 1 had arrived! And, like the post-bellum world created by Woodrow Wilson, it was to be a better place to live in, a languorous utopia in which a benign and paternal Government would relieve us of the lowly and plebian necessity of earning our own money, conducting our own business, thinking our own thoughts, living our own lives. With Mr. Tugwell, we have discarded our hysterical attachment to an American Constitution that had grown too old-fashioned for our new national sages; with Secretary Wallace, we realized that the time had come when we unenlightened Americans needed to have our thinking done for us by the Greek-letter collegians; we were to be ushered into the more ample and radiant life where, we were led to believe, the Hopkins' would cease from troubling and the Ickes' be at rest.

But to those whose senses had not been lulled into political lethargy by the siren song of the New Deal Lorelei the invitation sounded suspiciously like the now shattered promises with which the Soviet Government had once lured Russian energy into early atrophy and final decay. The Bolshevist dictators had decreed that any Russian who owned more than three cows thereby became a capitalist and that, to prevent its confiscation by force, the property must be at once surrendered to the State. Our own benevolent New Deal dictatorship decreed that if any American possessed more than $100 in gold he had the alternate choice of summarily surrendering it to the State or eventually going to jail.

Whereupon, by reducing the gold content, for every dollar the professors confiscated they returned to you 59 cents and then boasted that they had made $2,800,000,000 profit on the transaction. It was the ancient system of "clipping the coin", old as the Caesars and just as honest.

Again, the Soviet decrees that it will use no coercion to induce the Russian peasant to surrender his property to the agricultural associations, the Russian equivalent of the A. A. A., but if the peasant fails to comply, he is compelled to pay as many as four separate prices for what he must purchase in the market. Our genial New Deal decrees that the cotton farmer is at liberty to grow as much cotton as he chooses, but if he produce one bale more than is directed by the bureaucratic buccaneers at Washington he is robbed by a confiscatory tax collected by force. Other American farmers are generously informed that they may plant as much as they wish but if they freely agree not to exercise this freedom, they will be compensated for not planting—and the Government forcibly collects from the people the moneys paid to the farmers for thus lessening the food supply in a hungry world. In other words, under the New Deal administration, a worker in New York or Philadelphia or Chicago or San Francisco may be taxed so that elsewhere another individual may be bribed not to work. The Supreme Court will shortly have something to say about this un-American policy.

Furthermore, just as in Soviet Russia, manufacturing was destroyed, the Government taking over most of the work, so in "brain trust" America no man is exclusive proprietor of the industry or business created by his own ability and initiative. The management of business, like the control of agriculture, is transferred to a New Deal politician, who never created a business or managed a farm, upon the theory, no doubt, that all politicians are infallibly wise, unerringly businesslike, and incorruptibly honest.

Is it any wonder that the people look on in wide-eyed bewilderment when the professors tell them that the accumulated wisdom of the centuries has, by New Deal ukase, suddenly become nonsense, and a supine Congress, losing faith in itself, hastens to echo the pretense that a group of callow classroom theorists are more competent to guide the Nation than those whose lives have been devoted to testing theory in the toilsome laboratory of practice.

Of course, ladies and gentlemen, you cannot make an expert out of a nonentity by giving him a lucrative position on the Federal pay roll, and it is not astonishing that the near Americans in control of the experiments on the body politic soon began to juggle the wrong test tubes. Industry was butchered to make a "brain trust" holiday. The dollar was devalued upon the theory that if it were cut in half it would buy more, which was tantamount to saying that if the foot-rule of 12 inches were reduced to 7 it would make the object measured 5 inches longer. It must have been a "brain truster" who, on first beholding a grapefruit, enthusiastically exclaimed, "It wouldn't take many of those oranges to make a dozen!"

As a singular illustration of the New Dealers' contradictory attitude toward the Nation's business, the professors, though condemning holding companies to death without trial, nevertheless cunningly concealed the inconsistent chartering by the Government in the State of Delaware of six great holding companies under orders of the administration, through four Cabinet members and nine bureau chiefs. Stealthily were the papers of incorporation marked "Secret; do not publish." Documentary evidence proves that chartered Federal corporations have been created to take the place of successful business activities throughout the country. As the eminent Senator Schall, of Minnesota, has revealed, this Fabian approach to the socialization of the United States by the artful method of incorporating Delaware holding companies is not a newly contemplated scheme, but a concrete actuality with a strong international organization behind it.

Though chartered as emergency agencies, they are labeled perpetual, they are enabled to engage in any form of business and, since a Delaware corporation is answerable only to Delaware law, incorporation in that State was apparently intentionally sought so that, as the distinguished Senator said, Government officials might not need to answer for every dollar of property entrusted to them, and the bureaucrats of the alphabetical groups might thus elude opinions by the Attorney General as to legality and have their projects removed from the jurisdiction of the Federal courts to those of the State of Delaware. If Congress, through an agent, can thus nullify the Constitution with its checks and balances, then Congress itself can be nullified by this indirect and insidious circumvention of the Constitution, and the way is prepared for the Super-Government of the United States of America, Inc., and the disappearance of all private rights. In this fashion the New Deal, paying no taxes, without responsibility for losses, with the taxpayers' own money, has sought to scare industry into confidence, has entered into competition with American business, and has its deadly fingers around the arteries through which pulses the lifeblood of the Nation.

It is furthest from my thoughts, ladies and gentlemen, to issue a blanket condemnation of all the policies of the present national overseers, for some of them have won commendation; but perhaps, without being accused of partisanship, I may mention a few of the inconsistencies with which the administration is beclouding the intelligence of the people in its endeavor to have them believe that the New Deal is an unmitigated blessing.

Six days ago, in the city of Atlanta, the President made a startling confession. Surrendering at last to the oft-repeated Republican contention that self-respecting Americans are outraged by the dole and demand real employment and work relief, the President, though alleging that conditions have improved, made the amazing admission that "the average of our citizenship lives today on what would be called by the medical fraternity a third-class diet."

You can readily understand why the masses of our people are thus underfed, when the President's own Secretary of Agriculture, with White House approval, has followed the indefensible and inhuman policy of destroying food while our people starve, of taxing the people for food that is eaten and for food that is not grown, of punishing, by fine or imprisonment, the farmer who dares to sell a potato beyond his allowance without permission from Washington, of penalizing the housewife who buys a bootleg potato, as well as the individuals who know of such a purchase and fail to inform on the criminal. As a result of this policy of sabotage, for the first time in history, the United States has become dependent upon foreign nations for food, and your tax dollars to the extent of hundreds of millions are being sent to the Argentine, Rumania, and the British Empire to purchase wheat and corn, barley and rye, meat, and other foodstuffs to take the place of that which the "brain trust" savants destroyed. Money that should be paid to American farmers is being wantonly siphoned off to enrich the farmers of other lands.

Although the administration has consistently pursued this nature-defying plan of raising prices by promoting scarcity, of seeking to cure starvation in a land of plenty by abolishing the plenty, the President actually told his Georgia audience that: "You and I are enlisted today in a great crusade in every part of the land to cooperate with nature and not to fight her * * * to seek to provide more and better food for the city dwellers of the Nation."

I need not tell you housewives of the stratospheric prices of food today compared with those of a year ago. With the cost of the necessities of life 10 to 250 percent higher, how can any American possibly obtain more and better food? And yet, in spite of this, the President amiably attempts to defend his policy of destroying abundance in the name of the more abundant life.

Does it not cause the average citizen to doubt the wisdom or sincerity of the administration when the President thus speaks of being engaged in a crusade of cooperation with nature to provide more and better food, while less than 1 minute later, in the same address, he admits that our American people, whose tax moneys are being thus paid to foreign nations, are compelled to exist on a third-class diet because they do not have "the purchasing power (as he says), to eat more and better food"?

But, to add to the confusion of the people, the President then complacently proceeds to tell them that although the country was insolvent when he assumed office, now that he has impulsively increased the public debt to some thirty billions—we have suddenly and mysteriously become solvent again. In other words, if

you are in debt and insolvent this evening, all you need to do is to increase your indebtedness and thereby become solvent. I confess myself a stranger to such abstruse reasoning. We are deeper in debt than ever before. We are merrily squandering our way into affluence at the rate of $20,000,000 a day. Our taxes are higher, our pockets are empty, our cost of living increasing, and yet we are blandly told that we are ridding ourselves of insolvency by becoming more insolvent. Truly, if this be so—as the Governor of Georgia has said—you can make water run up hill and you can drink yourself sober.

When you are commanded, ladies and gentlemen, to follow blindly in the footsteps of the professors who now dominate our destinies, ask yourselves these questions: If 3 years ago Mr. Roosevelt, as a candidate, had frankly said: "Elect me and I will place a tax of 25 cents on every sack of flour you buy; I will put 53 taxes on every loaf of bread; I will raise the price of food and clothing; I will destroy wheat and hogs while people are in want; I will take half a billion dollars from American farmers and give it to their Canadian competitors; I will fill warehouses with foreign butter churned in Denmark and in Holland; I will repudiate the promises of my platform; I will expand governmental expenditures by 70 percent; I will each month disburse an amount equal to the cost of the Panama Canal; I will enlarge the number of Federal employees to three-quarters of a million and pay these favorites the money which should be used for the relief of the hungry and unemployed; I will abrogate the right of freedom of speech and have enacted a public-utility law that will make it illegal, under penalty of fine or imprisonment, for any citizen to talk or write even to his own Representative in Congress without formal authority from one of my New Deal commissions; I will compel the people to pay and pay in taxes until it hurts; I will call this system the New Deal, even though it has been unsuccessfuly tried in other lands and no phase of it is less than 300 years old; I will cause ridicule to be hurled at the Supreme Court; I will deride the American Constitution which I swore to defend and term it a relic of the horse-and-buggy days—and when the people complain, I will blame it on American business, on the Supreme Court, and our traditional system of Government!" If Candidate Roosevelt had made such statements before his election, would you have voted for him? And might you not now logically inquire: "Mr. President, do your promises of today mean only as much as your promises of 1932?"

Yes; ladies and gentlemen, more than ever before we need honesty and candor to lead us into the light of the new America. The America of the last 3 years is not the real America. It will pass, as do all such unhappy eras, and leave to true Americans a fantastic and humiliating memory of a time when America was not herself. We need today a bold spirit of enterprise, an aggressive and confident national spirit builded upon clear thinking, comprehensive education, and intelligent leadership. We need less showmanship and more statesmanship; less government in business and more business in government; less bureaucracy to tax us and more industry to feed us. We need men who will think, not of the next election but of the next generation.

Conscious of the political forces that grip the world today, realizing the historic role which an inspired and reanimated Republicanism must play in checking the world drift toward collectivism, remembering that the defense of American institutions can be safely entrusted only to those who believe in America—we call all our citizens to the battlefront for the old ideals of free opportunity and constitutional government. To this struggle for the new liberalism, the old Americanism, we call new men, new energies, a new spirit of initiative, new blood. We call the young, as well as those whose American hearts have never grown old. I summon you all, men and women of America, to look American freedom unflinchingly in the eyes, to stand fearlessly face to face with ancient American tradition. I give you a rendezvous with liberty—in 12 months' time! How many of you will have the courage to be there?

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent for the consideration of House Resolution 401, which I send to the Clerk's desk.

The Clerk read as follows:

House Resolution 401

Resolved, That immediately upon the adoption of this resolution the bill H. R. 9870, with the Senate amendment thereto, be, and the same hereby is, taken from the Speaker's table to the end that the Senate amendment be, and the same is hereby, agreed to.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. SNELL. Reserving the right to object, and I do not intend to object, I understand probably the gentleman from North Carolina will give some reasonable time for debate, as there are a few Members who desire to express their opinions on this subject?

Mr. DOUGHTON. That is the purpose of the chairman.

Mr. SWEENEY. Reserving the right to object, I wish to propound a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SWEENEY. If this is carried, will it foreclose the right of the Patman forces to present their issue—that is, the plan for paying this obligation?

The SPEAKER. The Patman bill is now upon the Union Calendar.

Mr. SWEENEY. But this will be tantamount to concurrence in the Senate bill?

The SPEAKER. The Chair is not passing on the effect of the resolution. The gentleman will have to pass on that himself.

Is there objection to the request of the gentleman from North Carolina [Mr. DOUGHTON]?

There was no objection.

The SPEAKER. The gentleman from North Carolina is recognized for 1 hour.

Mr. DOUGHTON. Mr. Speaker, I yield 10 minutes to the gentleman from Kentucky [Mr. VINSON].

Mr. VINSON of Kentucky. Mr. Speaker, we are now in the final moments of the consideration of H. R. 9870, the bill which passed this body a few days ago by a vote of 356 to 59. It is my purpose to call the attention of the House to the material differences that exist between the House bill and the bill which passed the Senate a few days ago by a vote of 74 to 16.

The Senate took the House bill as the basis for their substitute. As a matter of fact, there is only one major change. There is one other item that might be characterized as a major change, but, as I see it, there is only one major change in the bill which passed the House. That is section 4. The House bill—H. R. 9870—as the membership will recall, provided for the payment of the certificates in cash upon applications made prior to April 6, 1937, at the face value of the certificates; upon application for cash payment made after that date, then the face value would be paid plus interest at the rate of 3 percent per annum from the date of the enactment of the law until they were paid.

The Senate bill provides for the issuance of nonnegotiable bonds that will be delivered to the veterans in substitution for the adjusted-service certificates. Under this section the veterans will have the opportunity of procuring cash for the face value of the bonds at any time after June 15, 1936. If, however, the bonds are not cashed until after June 15, 1937, they draw interest at the rate of 3 percent per annum from June 15, 1936, until cashed. The bonds are nonnegotiable. They can be used by the veterans to procure cash, and if the veterans hold them they will receive interest on the bonds instead of someone else receiving the interest. This is the major change.

Sections 1 and 2 of the bill now under consideration have an amendment that deals with the cancelation of accrued interest. The Members will remember that under the bill we passed all interest that had accrued or was to accrue was canceled. The Senate drew an arbitrary line, October 1, 1931; and the bill passed by the Senate provides for the cancelation of all interest that has accrued since that date. It does not, however, provide for the cancelation of interest prior to that date. The amount of interest accruing before October 1, 1931, is $61,000,000. The interest accruing since that date to June 15, 1936—which is canceled—is some $263,000,000

Mr. LAMBETH. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Kentucky. I yield to my friend from North Carolina.

Mr. LAMBETH. The gentleman stated that under the terms of the Senate bill interest that had accrued would be canceled. The veteran, however, who might have paid interest will not have that interest refunded, will he?

Mr. VINSON of Kentucky. That is correct as to the refund of interest paid. Only interest accruing since October 1, 1931, is canceled.

Mr. LAMBETH. In no case will interest which has been paid be refunded.

Mr. VINSON of Kentucky. That is correct. The refund item was in the bill as originally introduced. The Ways and Means Committee struck it out. The veterans' organizations were agreeable to the striking. The House passed

it without the refund item; and the Senate bill does not contain the refund item. As heretofore stated, the refund item is about six and a half or seven million dollars.

Mr. LAMBETH. How does the gentleman justify penalizing the veteran who has paid his interest but giving a premium to the veteran who has failed to pay his interest? In other words, why make fish of the one and flesh of the other?

Mr. VINSON of Kentucky. If the gentleman would care to take the time to look at my remarks made when the bill was before the House, he would find them set forth in full on this subject.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. ROBSION of Kentucky. Has the Senate amendment which is now before us in the form of a substitute for the House bill been approved by the three great veterans' organizations?

Mr. VINSON of Kentucky. I am glad to say to my friend from Kentucky that the three major veterans' organizations of this country are wholeheartedly behind this measure under consideration at this time. While they have spoken in their conventions resolutions with reference to refund of interest and the cancelation of all interest accrued, they recognize the practical difficulties that confront legislation of this character. The main objective is the immediate payment in cash of the adjusted-service certificates—that was accomplished under the bill that passed the House and under the bill that passed the Senate and is now before us for consideration. As I have heretofore stated, there is one major difference, and that refers to the use of bonds in substitution for the certificates, but, as the veterans may cash any or all of these bonds at such time as they choose, it certainly cannot be considered to be other than a cash payment to those who want cash.

The American Legion, the Veterans of Foreign Wars of the United States, and the Disabled American Veterans urge the passage of this measure.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Kentucky. I yield to my friend from Texas.

Mr. BLANTON. If we pass this resolution the bonus bill will go to the White House today.

Mr. VINSON of Kentucky. That is correct.

Mr. BLANTON. I would much prefer that it carried the Patman plan, so that it would be paid in Government Treasury notes instead of Government interest-bearing bonds. We would save the 3-percent interest and millions of dollars in bookkeeping and incidental expenses. There would be no difference whatever in the stability of the Government's obligation. One would be just as sound as the other. There is no difference between the Government printing Government Treasury notes made sound by reserve gold in the Treasury, and the Government printing baby bonds bearing 3-percent interest. It is the credit of the Government, after all, that makes both sound and secure. While I hate to see the Government lose this 3-percent interest, when there is no occasion for it, I shall vote for this resolution, so that the bill will go to the White House today. And if it is vetoed, I shall vote to override the veto. I wanted to get the above views in this RECORD during this debate.

Mr. VINSON of Kentucky. It was the thought of the committee and of the House that section 4 of the original bill, providing that the certificates should bear interest in lieu of the issuance of bonds, would be a lesser strain upon the Treasury. It is thought by those in the other body, and, as I understand it, by gentlemen who are in another section of town, that the veteran who would want to obtain a small portion of his money through the use of these bonds could perhaps cash one or two bonds as his need demanded, and that the strain upon the Treasury would be lighter. It certainly is a debatable question. If it assists in the enactment of the measure into law, we are willing to accept it.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Kentucky. I yield to my neighbor.

Mr. JENKINS of Ohio. I wish to congratulate the gentleman on the long, arduous, and successful fight he has made for the payment of the bonus. No Member of Congress deserves more credit than he. I should like to ask him one or two questions. As I understand the philosophy back of the issuance of bonds, it is hoped those who receive the bonds may hold them a long time and not cash them, thereby removing as much immediate strain from the Treasury as possible. This being true, why does not the bill carry a provision that those who retain their bonds will be allowed interest from June 1936?

Mr. VINSON of Kentucky. The bill does that if the bonds are not redeemed prior to June 15, 1937. The gentleman understands, of course, the difficulties under which the united front was presented in the House, and I know the gentleman is practical enough to realize the situation that obtained in the Senate. We have definite assurance that the pending bill will do something that no other bill has heretofore done, and that is, it will be able to withstand a veto, if any. So far as I am concerned, I feel that the interest should run from the date of the enactment of the law, rather than from June 15, 1936, but it is a small item and I think we can very well yield on this point.

Mr. JENKINS of Ohio. I appreciate that the gentleman is the real spokesman for many of those vitally interested. I, too, have done my part in this fight to have the bonus paid. Can the gentleman tell those of us whether those to benefit from the passage of this act are satisfied with the proposition that the interest should commence June 15, 1936, if not redeemed prior to June 15, 1937.

Mr. VINSON of Kentucky. I may say that the three veterans' organizations are wholeheartedly cooperating in the passage of this bill and desire the largest vote the House can give in support of the motion.

Mr. DOUGHTON. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Kentucky. With pleasure.

Mr. DOUGHTON. It is a fact, is it not, that the bill provides that certificates not cashed until after June 15, 1937, shall draw interest from June 15, 1936?

Mr. VINSON of Kentucky. That is my understanding. The following proviso appears on page 12 of the bill in lines 18 to 20:

Provided, however, That no interest will be paid on any bond redeemed prior to June 15, 1937.

Interest on bonds not cashed until after June 15, 1937, runs from June 15, 1936.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Speaker, I yield 5 additional minutes to the gentleman from Kentucky.

Mr. SNELL. In the final analysis, what is the real and fundamental difference whether we print bonds to pay the bonus or print greenbacks?

Mr. VINSON of Kentucky. I feel that with the political philosophy that has been evidenced so splendidly by the gentleman from New York that this question can better be answered by him.

Mr. SNELL. I have no political philosophy about this at all; I am trying to get information and facts. The gentleman opposed the Patman bill because it was inflationary. I would like to have the gentleman tell the House what is the real fundamental difference.

Mr. VINSON of Kentucky. I think the gentleman had better realize the exact position I have maintained. The bill which I introduced last year did not have the inflationary feature of the Patman plan, and I preferred it to the Patman plan. I felt that it had better chance of passage, but I have also supported the Patman plan. The point involved is this——

Mr. SNELL. I think this is important; I should like to have an answer to my question.

Mr. VINSON of Kentucky. I think the question should be answered. The philosophy has grown up in this country due to the able utterances of the gentleman from New York, and other gentlemen of the same school of thought, that the issuance of printing-press money, the issuance of Treasury notes, even though they have safe and secure brakes at the control end, is inflationary and objectionable and hurtful to the credit of the Nation. At the same time it is the gentleman's philosophy—and I certainly do not see that he could disagree with us——

Mr. SNELL. I am not interested in the gentleman's interpretation of my philosophy, I am interested in an answer to my question.

Mr. VINSON of Kentucky. The issuance of bonds will not have the inflationary, destructive, harmful effect upon the credit of the Nation.

Now, with reference to section 1, the only amendment therein deals with the October 1, 1931, cancelation of accrued interest.

Section 2 likewise limits the cancelation of interest to that which has accrued since October 1, 1931.

The House bill provided that notice should be given by the Administrator of Veterans' Administration to any bank or trust company holding the note and certificate to present them to the Veterans' Administration for payment of the loan and the interest thereon. The time of length of notice in the House bill was 45 days and this is changed to 15 days after the mailing of such notice.

I have already dealt with section 4 and the differences there involved.

Section 5 is identical in language with the House bill.

Section 6 in the two bills are identical.

Section 7 in the immediate bill provides that no deduction on account of any indebtedness of the veteran to the United States other than the lien against the adjusted-service certificate shall be made from the amounts due hereunder. This is a new section. We had the identical language submitted to us by the Veterans' Administration, but they came with it at a late hour and it was not included in the House bill. There is one angle in this section that may not have occurred to you. This would slow up the payment of moneys due in a very appreciable degree. It would increase the expense of administration several millions of dollars. It would be necessary that every point in our Government, where a veteran could possibly be indebted to the Government, be checked and certificate made of the finding. It is stated that even the accounts back in the days of service would have to be audited and in the opinion of those who ought to know, it would be of tremendous difficulty and cost.

Section 8. The language in section 8 is identical with the language in section 7 of the House bill.

Section 9. The language in section 9 is identical with the language in section 8 of the House bill.

Section 10. This section of the Senate bill is a new section which carries the usual language relative to the making of any false or fraudulent statements. As I understand it, this is the same language carried in the World War Adjusted Compensation Act.

Section 11. The language in section 11 of this bill is identical with section 10 of the House bill.

I have gone over the bill section by section in order for the Members to know that the two material changes is the substitution of bonds to take place of the certificates, and the limiting of the cancelation of interest since October 1, 1931.

THE CANCELATION OF INTEREST

There is one thought that I want to bring to the attention of the House and that is the cost that will ensue in the cancelation of interest upon loans made the veteran. Many Members, who oppose the payment in full of the certificates, have stated to me that they thought we should proceed to the cancelation of interest charges on loans made to veterans. This statement is based on the assumption that the interest charged upon the loans under the law will, at the maturity date of the certificate, January 1, 1945, practically eat up the remainder of the certificate. These Members who were opposing the cash payment recognize the unfairness of this happening and our failing to cancel the accrued interest and the interest that would accrue upon the loans.

I first had my attention called to the enormity of the figure represented by the cancelation of interest on loans, accrued and to accrue, in the cash-payment hearings before the Ways and Means Committee in 1932. Brig. Gen. Frank T. Hines, Administrator of Veterans' Affairs, testified at this hearing that the cost figure that would follow such cancelation of interest to the Government would be, as of January 1, 1945, $1,016,708,521 (p. 566, Hearings Before the Committee on Ways and Means of the House, 1931). This figure, of course, was based upon the interest rate then prevalent of 4½ percent per annum, compounded annually.

We are told by Col. Harold W. Breining, Assistant Administrator, Veterans' Administration, that as of December 31, 1935, there is an interest accumulation of $297,350,000. He says, further, that computing interest at 3½ percent, compounded annually, interest would accumulate between January 1, 1936, to January 1, 1945, in the amount of $641,602,514.80, and that the total amount of interest that would accumulate as of that latter date, January 1, 1945, would be $938,952,514.80, almost $1,000,000,000. It is self-evident that if the the interest accrued and to accrue upon loans made to the veterans should be canceled at any time between now and January 1, 1945, that it would be necessary for the Government to make good to the adjusted-service certificate sinking fund $938,952,514.80. I do not believe that there are 10 Members in this House, nor that there will be 10 Members in the Congress which convenes January 1, 1945, who would advocate the collection of interest accruing on veterans' loans. I cannot believe that the Congress would dare to be a Shylock, extracting the pound of flesh, in the collection of interest upon moneys which represent the adjustment of pay in the World War.

ADJUSTED-SERVICE CERTIFICATE SINKING FUND

Passage of this bill saves $1,451,000,000 necessary to be paid into the adjusted-service certificate fund. Upon the authority of Col. Harold W. Breining, Assistant Administrator of the Veterans' Administration, if we continue the nine annual payments of $112,000,000 into the sinking fund, on January 1, 1945, there would be a deficit of $371,000,000. The nine annual payments totalling $1,080,000,000 added to the $371,000,000 deficit in the fund as of January 1, 1945, and you have a grand total of $1,451,000,000 that must be paid into the adjusted-service certificate fund between now and January 1, 1945.

It is self-evident that the moneys necessary to pay in full the World War veteran certificate holders which is said to be $2,237,000,000 as of June 15, 1936, is not added costs. Assuming that the interest charged veterans on loans will not be collected, I respectfully submit to you that settlement of this matter at this time saves money to the Federal Treasury. If you take the $1,451,000,000 necessary to make whole the adjusted-service certificate sinking fund as of January 1, 1945, based upon 9 annual payments to the fund of $112,000,000 and the deficit shown aforesaid and add to that the costs of cancelation of interest, to wit, $938,952,514.80 and you have a total of $2,389,952,514.80 or a saving to the Treasury of the United States of $152,952,514.80. Of course, I want to be plainly understood that this is based upon the cancelation of interest on loans. I do not recall anyone who contemplates that such interest is to be collected.

THE CREDIT OF THE NATION

Just one word in conclusion. Much has been said in regard to the credit of the Nation and the effect of this expenditure upon the credit of the Nation. I present in argument the balance sheet of the public debt, of June 30, 1937, appearing on the front page of the United States News, of January 13, 1936.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. VINSON of Kentucky. This is the same United States News of which Mr. David Lawrence, as I recall it, is the editor.

Mr. Speaker, I ask unanimous consent to include in my remarks the balance sheet referred to.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Balance Sheet of the Public Debt, June 30, 1937

LIABILITIES

Public debt	$31,351,000,000
Work relief for 1937 (estimated)	1,000,000,000
Soldier bonus payments (estimated)	2,000,000,000
Contingent liabilities (H. O. L. C. bonds, F. C. A. bonds, etc., as of Nov. 30, 1935)	4,530,000,000
Total	38,881,000,000

ASSETS

Cash in Treasury	1,504,000,000
Recoverable assets (Government loans as of Nov. 30, 1935)	4,493,000,000
Contingent assets (home owners loans, farm loans, etc., as of Nov. 30, 1935)	4,530,000,000
Allied war loans (Finland)	8,000,000
Stabilization fund (from gold profits)	2,000,000,000
To be raised by future taxation	26,346,000,000
Total	38,881,000,000

Mr. VINSON of Kentucky. Mr. Speaker, these are the figures of David Lawrence, the same David Lawrence, one of the most prominent political commentators in our country, who did not know throughout the year 1932 that Mr. Hoover was not going to be returned to the White House and who was not fully convinced that he had been defeated until the electors met and cast their formal votes.

I submit that this balance sheet proves conclusively that this is not such a burden that endangers the credit of the United States. In these figures he shows a total of $38,881,000,000 in assets. Included in those assets is $1,504,000,000 in cash; included in those assets are recoverable assets of almost four and one-half billion dollars; included in those assets are contingent assets of four and a half billion dollars; included in those assets is the $2,000,000,000 stabilization fund, the gold profit.

He states here in his balance sheet, "To be raised by future taxation, $26,346,000,000.

Mr. Speaker, on February 28, 1933, the indebtedness of this country was $20,713,000,000. When we subtract that figure from the amount to be raised by future taxation, using the Lawrence figures, we have $5,633,000,000. I say that such sum compares favorably with the expenditures that we saw in the Hoover administration; in other words, a debt increase from $16,000,000,000, March 4, 1929, to $20,713,000,000, February 28, 1933, during those 4 years.

Mr. Speaker, in conclusion, I know that we are all happy that we are this far along toward payment in cash of the adjusted-service certificates. As a cub Member of this House in 1924, a few days before the original bill came on the floor under suspension of the rules, which did not permit of amendment, I voiced my hope that the veterans should be paid in cash. I have never changed my mind from that position. This is an adjusted compensation for personal services rendered a Nation in time of great crisis. I submit that the person who performs the personal service is the person entitled to any adjustment in compensation therefor. Further, I submit that he or she is entitled to the adjustment pay in their lifetime. Eighty World War veterans die each day. Five hundred thousand World War veterans on January 1, 1945, will never be able personally to receive this adjusted pay.

Mr. Speaker, this is a meritorious bill that does justice to the soldiery of this country, and we are all happy that we are near unto a favorable conclusion. [Applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker and Members of the House of Representatives, in 1924, after the great World War Congress adjusted with the ex-service men the amount to be paid extra for services rendered their country during the war, by paying $1.25 a day for foreign service and $1 a day for home service plus 25 percent extra, interest from 1918 to 1924 made the average amounts of the certificates about $550. This was agreed to by ex-service men's organizations and by Congress to be a satisfactory adjustment in 1924, to be extra compensation or an insurance policy due in 1945. It was a contract between the ex-service men and the Government of the United States.

To be paid today on a strictly business basis would require $847, the surrender value of the original $550 certificate and interest. The face value in 1945, which is the surrender value at that time, would be $1,205. Thus, by paying the certificate today, Members of Congress are actually making further donation to the ex-service men of $358 on each certificate, a gratuity that is an added burden to your country's Treasury and must be met by future taxation. Members of Congress, do you know what you are doing?

That is not all. As suggested by the Senate bill, the bonus be paid in baby bonds—baby bonds—sounds like the Seventy-fourth Congress—if an ex-service man wishes to let his baby bond run to maturity, he gets 3 percent interest on same—more interest than the Government can borrow money for today through normal channels. Is this helping the Federal Treasury or is it a further grant to the ex-service men? The latter surely applies. If they demand the bonus be paid today and our Treasury is sound as you think it is, then pay them the money and borrow it at 1½ percent or less. Why pay 3 percent?

Our duty today is to the country at large, not to any minority group. If you are going to pay the bonus, do it today at its face value without any additional gratuities.

I always thought a contract was sacred and binding on all parties thereto. Is it possible our people of our Nation—as represented by the Seventy-fourth Congress—have no regard for contracts and no regard for their oath?

This is a business proposition, pure and simple and one that requires sound thinking, common sense, and true Americanism. Members of Congress, think of your country—not of yourself. Our country is in the greatest danger morally and financially it has ever been in in its history. Build up our national debt until you must repudiate all of them, and then America loses its form of government and its freedom.

Where will you get the money? [Applause.]

Mr. Speaker, I want to point out to the Members of Congress the Treasury statement as of January 18, 1936, issued by Mr. Morgenthau, Secretary of the Treasury of the United States, showing a growing deficit of $30,521,348,638.11. As stated a few minutes ago by the gentleman from Kentucky [Mr. VINSON], we will pay this bonus either in baby bonds or in cash. You are going to pay it in baby bonds—not cash—creating a further bonded debt on this country. When Mr. Morgenthau was asked a few days ago if the Treasury could stand it, he just laughed. He did not say it could or that it could not. He either did not know or else he was afraid to say that it would be an awful strain on an overburdened National Treasury. The largest debt in our national history, and growing in debt faster and faster each day, notwithstanding the fact the President said, January 3, we were approaching the balancing of the Budget. Let me state to the House of Representatives, it is not the truth, our National Treasury statement does not say so. Our national debt has increased this year $1,820,456,013.66, or $392,564,107.94 more than last year, to this same date of January 18, 1936.

If the Treasury of the United States can stand this additional burden at this time, then let us pay it in cash, like the gentleman from Kentucky [Mr. VINSON] said we were going to pay it and not in baby bonds.

I also want to call your attention to the fact that in 1910 this 100 German mark I hold in my hand was worth 24 cents plus in gold per mark; today it is worthless, not worth the paper it is written on. What is the value of our money going to be 10 years from now if we continue to plunge our

Nation into debt as we are doing at the present time? I hold in my hand a $10 bill of the United States of America. It states on it, "This certificate is legal tender for all debts, public and private." Five years ago our dollars were worth 100 cents in gold. Today they are worth 60 cents gold of the same value. The President can make it worth 50 cents in gold of same value by the stroke of a pen. Nationally, our monetary system is not stable. We are building on sand. If we crumble, ex-service men, you lose all Government obligations. I feel confident there is not an ex-service man who will be alive in 10 years that will not thank me for voting "no" on this proposed legislation.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Speaker, I yield such time as he may desire to use to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Speaker, we are nearing the end of a long battle. This is probably the last chapter in the fight for the payment of the soldiers' adjusted-service certificates.

I know it is contended by some people that these certificates are not due, but I call your attention to the fact that if the veterans had been allowed the same interest on this debt that was paid to financial interests on their loans, or to the munition makers on money which we owed them, then these certificates would have all been due and payable, at their full face value, in October 1931.

Therefore I feel fully justified in supporting this measure to pay this debt in full.

While I shall vote for this resolution in order that this debt to the veterans may be paid, yet I must say that I am not satisfied with the manner of its payment. A majority of the veterans will cash these bonds without delay. Then, if the Government has to issue additional bonds with which to secure the money to pay off these bonds provided for in this bill, there will be an additional burden of interest charges piled upon the American people in the years to come. If that debt is carried over a period of 40 years, then the money changers will get as much out of it as the veterans will, and the American people will pay in taxes twice as much as this bill calls for, or twice as much as the veterans will receive. In other words, we will be paying the big bankers a bonus in interest charges amounting to as much, over a period of 40 years, as the veterans now receive on these certificates.

In my opinion, that would be unfair, both to the veterans and to the taxpayers.

As everyone knows, I have advocated a reasonable controlled expansion of the currency ever since the beginning of the Hoover panic in 1929. I have urged that the currency be expanded to provide the money to pay off these certificates. That could have been done at any time since 1929, and could be done now, without in any way impairing our gold reserve or injuring the credit of the United States. We have more than ten billions in gold now, with only about half that amount of money in circulation, including currencies of all kinds. Yet the country is suffering from the want of an adequate circulating medium.

I suggested the other day to the "sound money" Members of the House that we might coin $2,200,000,000 of this gold and either pay it out to the veterans or set it aside and issue gold certificates, or United States notes, against it, and thereby give us a reasonable controlled expansion of the currency to the amount necessary to pay these certificates off. Then it would not have been necessary to issue these bonds, and the country would have saved billions of dollars in the interest charges that will be piled upon this debt as the years go by.

Not only that, but such an expansion of the currency, with that currency put into circulation in every nook and corner of the United States, would have done more to restore prosperity to the American people than everything else that has been done since 1929.

Under the present law the President of the United States has the right, under the authority given him during the last Congress, to expand the currency by issuing United States notes. He could issue $2,200,000,000 in currency, with 100-percent gold coverage back of it, without impairing our gold reserve in the least. In fact, we would still have a surplus of gold after allowing 100-percent gold coverage for all the money now in circulation, even including United States notes and silver certificates.

When the veterans begin to cash these so-called baby bonds, as they will do as soon as they receive them, if the President would follow the course I have outlined here, and exercise the power given him by Congress to expand the currency in this way—if he would do that and pay these baby bonds off as the veterans turn them in, instead of issuing additional interest-bearing bonds, then these certificates could be paid off without piling onto the backs of the overburdened taxpayers of this country a single additional dollar in future interest.

That would not be what the money power loves to call wild inflation. It would simply be a liberal controlled expansion. It would be paying this debt out of our own resources, without the accumulation of billions of dollars of interest in the years to come.

Besides, such an expansion would have a most salutary effect upon our economic life. Conditions would begin to improve immediately, farm prices would advance rapidly to their normal levels, without the necessity of curtailing production. The prices of wheat and cotton and corn and land and lumber and dairy products and all other raw materials would rise. The farmers' prosperity would be restored; this would give him purchasing power to buy the things he and his family need. That would start goods to moving and the wheels of industry to turning. This would necessitate the employment of more people in industrial enterprises, and commerce would be stimulated as it has not been for many a day. Our bread lines would melt away, our soup kitchens would disappear, our relief rolls would diminish to the vanishing point, and in the enjoyment of this new prosperity which would reach into every State in the Union, into every nook and corner of these United States—in the enjoyment of that new prosperity the American people would forget the horrible depression through which we have been passing.

Of course, this might not suit the old guard, the Wall Street element of the Republican Party, who are nagging and criticizing every movement the President makes and attempting to frighten the American people by continuously yelling "inflation."

They would rather see the return of prosperity postponed beyond the election, in the hope that they might again gain control of this Government. They know that if the President should pursue the course which I have outlined, and expand the currency sufficiently to cancel these bonds, they know that it would produce such rapid recovery, such prosperity throughout the country, that no power on earth could prevent his reelection.

Nothing would please the soldiers better than to see this country happy and prosperous as result of the payment to them of this debt, which is more than 4 years overdue. I sincerely trust that the President will sign this measure and that he will then use the power given him by Congress to expand the currency as I have indicated and bring back prosperity to all the American people. [Applause.]

This money will be equitably distributed throughout the country; it will go into every precinct in the United States. The number of veterans to be paid and the amount to be received by them in each State is as follows:

	Number of veterans	Amount
Alabama	50,867	$26,888,528.74
Arizona	10,870	6,068,187.11
Arkansas	43,849	21,993,238.27
California	200,424	122,833,011.86
Colorado	34,259	19,362,089.24
Connecticut	44,043	26,914,018.40
Delaware	4,884	3,527,070.50
District of Columbia	28,281	16,278,716.59
Florida	39,535	21,921,858.79
Georgia	58,583	32,262,946.70
Idaho	13,575	7,411,798.88
Illinois	253,843	141,472,589.16
Indiana	95,587	50,730,694.28

	Number of veterans	Amount
Iowa	79,814	$41,019,480.37
Kansas	57,114	31,436,030.43
Kentucky	63,696	34,261,787.60
Louisiana	53,885	27,849,762.05
Maine	21,412	12,121,627.12
Maryland	48,424	27,931,248.31
Massachusetts	137,113	83,147,947.57
Michigan	134,009	77,476,794.12
Minnesota	85,532	52,789,520.36
Mississippi	36,802	19,308,411.76
Missouri	111,706	60,820,922.70
Montana	18,106	10,281,687.92
Nebraska	40,233	21,802,190.95
Nevada	3,066	1,771,846.11
New Hampshire	12,370	7,298,113.14
New Jersey	116,440	69,579,645.59
New Mexico	10,101	5,810,422.87
New York	377,182	221,373,427.96
North Carolina	63,926	34,622,162.80
North Dakota	16,174	8,762,475.18
Ohio	182,692	106,061,344.03
Oklahoma	67,181	35,202,766.82
Oregon	35,376	20,679,034.90
Pennsylvania	259,931	155,594,459.25
Rhode Island	20,789	12,356,383.60
South Carolina	35,747	19,316,831.04
South Dakota	22,713	11,757,600.97
Tennessee	59,009	32,497,586.52
Texas	148,771	83,696,221.25
Utah	14,387	8,035,096.92
Vermont	8,243	5,042,465.50
Virginia	63,132	36,811,791.20
Washington	56,335	34,079,306.15
West Virginia	43,294	23,345,392.42
Wisconsin	88,036	47,177,680.61
Wyoming	11,177	6,329,955.57

MISSISSIPPI

In the State of Mississippi, which I have the honor in part to represent, 36,802 certificate holders will receive $19,308,411.76.

The following amounts will be paid to the veterans in each county in the State:

Counties and amount to be paid	
Adams	$226,497.17
Alcorn	227,352.64
Amite	189,471.75
Attala	250,248.42
Benton	94,322.56
Bolivar	682,942.22
Calhoun	173,784.96
Carroll	189,981.18
Chickasaw	200,266.02
Choctaw	118,602.47
Claiborne	116,805.03
Clarke	189,154.55
Clay	172,352.78
Coahoma	445,295.13
Copiah	303,873.77
Covington	144,449.14
De Soto	244,510.06
Forrest	289,465.38
Franklin	117,920.02
George	72,311.08
Greene	102,310.13
Grenada	161,500.83
Hancock	109,720.98
Harrison	424,302.52
Hinds	818,154.22
Holmes	370,388.81
Humphreys	237,695.15
Issaquena	55,115.21
Itawamba	175,178.70
Jackson	153,532.48
Jasper	179,110.01
Jefferson	137,365.10
Jefferson Davis	137,268.98
Jones	398,821.11
Kemper	210,320.18
La Fayette	192,028.54
Lamar	123,454.98
Lauderdale	507,013.78
Lawrence	119,871.26
Leake	209,570.44
Lee	339,428.56
Leflore	514,299.68
Lincoln	253,343.49
Lowndes	288,235.05
Madison	344,071.16
Marion	191,499.88
Marshall	239,404.83
Monroe	347,387.30
Montgomery	144,266.51
Neshoba	256,553.90
Newton	220,210.92
Noxubee	$245,682.72
Oktibbeha	183,771.83
Panola	275,364.58
Pearl River	186,520.86
Perry	78,789.57
Pike	309,516.02
Pontotoc	211,790.81
Prentiss	185,175.18
Quitman	243,222.05
Rankin	195,633.04
Scott	201,026.47
Sharkey	133,385.73
Simpson	200,861.97
Smith	176,908.86
Stone	56,826.85
Sunflower	637,890.77
Tallahatchie	341,879.62
Tate	167,853.66
Tippah	179,340.70
Tishomingo	157,742.54
Tunica	204,091.60
Union	204,428.02
Walthall	123,328.06
Warren	343,965.42
Washington	522,027.72
Wayne	147,025.54
Webster	116,576.34
Wilkinson	134,154.69
Winston	204,149.27
Yalobusha	170,613.00
Yazoo	358,162.35
Total	19,308,411.76

Mr. DOUGHTON. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. Mr. Speaker, in the unavoidable absence of the distinguished gentleman from Texas [Mr. PATMAN] I have been delegated to act as chairman of the steering committee of the Patman group. We had meetings with Mr. PATMAN before he left, and we have decided to concur in the Senate bill today. We should like, of course, to have the Patman bill to pay the adjusted-service certificates with currency and thereby bring about a much-needed expansion of the currency, but we are interested primarily in the passage of the soldiers' bonus to do justice to the veterans of the United States; therefore we intend to vote to concur in the Senate bill. I should like to pay the tribute which he so greatly deserves, to WRIGHT PATMAN today, but as the time for debate is limited, I hope at some future time to take this floor and pay fit tribute to my dear friend the distinguished gentleman from Texas [Mr. PATMAN], who has worked so hard, assiduously, and unselfishly in the cause of the veterans, and who has put in long hours day and night for years in valiant efforts to pass a bonus bill for the men who served their country in war. At some future time I intend to do this.

I have looked up the records, and I find the first bonus bill for World War veterans introduced in the Congress was introduced by the late Honorable James A. Gallivan, a Congressman from Massachusetts, a Democrat, representing the Twelfth Congressional District of Massachusetts. He was a brilliant Member of Congress, and I considered it an honor to call him my friend and colleague. It seems to me peculiarly fitting that my distinguished friend and colleague, the Honorable JOHN W. MCCORMACK'S name should be upon this Vinson-Patman-McCormack bill, representing as he does the same district that Congressman Gallivan formerly represented, a district in South Boston where Mr. MCCORMACK was born and where Mr. Gallivan was born, a district where, during the war, there was no need of the draft. There were so many volunteers from South Boston that they had no draft in that section, their quota being entirely filled and more by volunteers. [Applause.] I am very proud of this fact, because one of the companies in my own regiment, the One Hundred and First Infantry of the Twenty-sixth Division, came from South Boston. JOHN MCCORMACK has always battled in this House for the veterans. As a veteran himself, with other veterans in his family, he knows the real story of the veteran and has always upheld the rights of his comrades. So I say it is peculiarly appropriate that the name of the gentleman from Massachusetts [Mr. MCCORMACK] should be on this

bill in connection with the name of the distinguished gentleman from Texas [Mr. PATMAN] and the distinguished gentleman from Kentucky [Mr. VINSON], who, during all his service in Congress, has worked constantly in an effort to do justice to the veterans of this country. During many years in this House FRED VINSON, as a member of Ways and Means, has worked incessantly to bring about legislation to do justice to veterans and their dependents.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. CONNERY. I should like to yield to my friend from Kentucky, but I have only 5 minutes, and as debate is limited I do not want to ask for further time. I hope my friend will excuse me.

I am glad to pay a tribute to these three Members—VINSON, PATMAN, and MCCORMACK—today. They are Members of this House of whom we should all be proud.

I hope the President of the United States will sign this bill in spite of the tremendous propaganda which has been poured in upon him from the vested interests of the United States, who were perfectly willing to see these men go off to France to save their millions and billions, but when it comes time to do justice or attempt to do justice to these men in adjusting their compensation, which was $1 a day or $30 a month during the war, deductions for Liberty bonds, deductions for insurance, deductions for their allotments to their homes, and having little or nothing left of their pay at the end of the month—when we attempt to do a little bit of justice to these men, your big Wall Street interests, your big corporations, step in and say, "No, Mr. President, millions for the profiteers, millions for the moneyed men of the country, but nothing for the veteran who bared his breast on the fields of France to defend the flag of the United States of America."

I hope the President will sign this bill and do eternal honor to himself. [Applause.]

Mr. DOUGHTON. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma [Mr. NICHOLS].

Mr. NICHOLS. Mr. Speaker, ladies and gentlemen of the House, my remarks at this time will be very brief, as I have many times in the past expressed my feelings and opinion on this legislation.

We have now under consideration the proposition of whether or not the Senate bill providing for the payment of the soldier's adjusted-compensation certificates, through the issuance of baby bonds of $50 denomination, will be substituted for the authorization bill which we passed through the House only a few days ago. This bill will be adopted by an overwhelming majority, and for this I am exceedingly happy, because it will in due time pay to the deserving ex-service men of this Nation a debt long past due, but I am not at all pleased with the means provided in this bill for the payment of said obligation. I shall vote for the passage of this bill. I vote for it for two reasons. First, because I have ever said, and have not changed my mind, that the method of paying this obligation was secondary to the payment itself, and I am here keeping faith with the ex-service men of my district and the Nation in voting for the first bill which came before the House providing for a method of paying their certificates. Second, because under the existing rules of the House, and by reason of the fact that this bill is now before us for consideration under unanimous consent, there is no alternative. In other words, there will be no opportunity to offer as an amendment or a substitute any other method of paying these certificates, other than the method provided for in the bill under consideration, because the rules of the House will not permit even the offering of such an amendment or substitute. Therefore, all of you will be compelled to either vote for or against this bill, with no opportunity to alter it by the dotting of an "i" or the crossing of a "t." However, the fight is not yet over.

The passage of this bill will insure the ex-service men of this Nation the payment of their adjusted-compensation certificates. I sincerely hope, however, that the method of raising the money to retire the baby bonds given to the soldiers, in payment of these certificates, is not yet a closed book, and to this I wish to address myself for only a moment.

I should like to refer this House to a speech made by the distinguished senior Senator from Oklahoma, Mr. ELMER THOMAS, on the floor of the Senate on January 18, last Saturday, wherein he pointed out that to pay these certificates under this method would cost the taxpayers of the United States $2,000,000,000 plus, in excess of the $2,300,000,000 required to pay the face value of the certificates at this time. This caused by reason of the fact that some three or four bond issues will have to be floated in order to raise the money to pay the baby bonds, and, of course, I am against the raising of the money by this method.

When the bill which we now have under consideration finally becomes a law, it will provide for the issuance of baby bonds in $50 denomination. Then immediately arises the question as to where the money will come from to pay the soldier in cash for his bond, or bonds, when he presents it, or them, for payment to the post office, bank, or some other place. There are only two methods by which this money can be raised. One would be by the time-honored banker's method of floating additional tax-exempt, interest-bearing Government securities, the payment of which must come from the taxpayers of this Nation. This is the method proposed under the pending bill, but this Congress could, and I sincerely hope that it will before very long, pass legislation which would provide that United States notes—currency—be issued against the gold and silver reserve now in the United States Treasury, and use that money to retire these baby bonds, thus eliminating the necessity of the levy of additional taxes against the already tax-weary citizens of the United States, and this is the other method.

Therefore, since the battle is won for the ex-service men of this Nation, I pledge myself here and now to carry on the fight, to the end that they will not be burdened with additional taxes amounting to in the end almost dollar for dollar, with which to pay back to the Government the benefits that the Government is now giving them. Thus you will find me on the firing line, fighting for legislation which will provide for the issuance of currency against our metallic reserves in the Treasury, or for the issuance of bonds to be given to the Federal Reserve banks of this Nation as collateral to them for them to issue their currency and retire these bonds, and providing that they should not receive interest on the bonds, but only a service charge for the issuance of such currency.

Either one of these two plans, which incidentally was the Thomas amendment to the present bill in the Senate, would pay these bonds without additional tax burden to the citizens of the United States.

Mr. DOUGHTON. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker and Members of the House, I have no objection if any Democrat claims the credit for introducing the first adjusted-service certificate bill; the RECORD alone can determine that. Nor do I object to the speech of the gentleman from Massachusetts [Mr. CONNERY], in which he praises members of his own party for the fight they made for the passage of this bill. But I think it is only fair to point out that the adjusted-service certificate bill originated with the Republicans, in a Republican administration, and was put over the veto of a Republican President by a majority in both Houses of Congress which were then Republican. I am perfectly willing that both sides should claim credit, and those who made the fight deserve that credit. [Applause.]

This is the end of the fight that has been waged for 15 years in Congress to partially adjust the pay of World War veterans by a grateful Government, provided the President signs the bill; otherwise it will come back for the determination of the Congress, and the veto will be overridden by a tremendous vote.

I admit that if the Patman bill had been passed by Congress providing for $2,000,000,000 in greenbacks, printing-press or inflationary money, that it would not have impaired

the soundness of the dollar with ten billions in gold and a billion in silver in the Treasury.

I have opposed it on principle because I did not want the Congress to start the printing press for payment of the service certificates to the veterans, as once such principle is invoked the Congress might just as well pay off the national debt, the salaries of Members of Congress, and the running expenditures of the Government by issuing greenback or inflationary money.

It is true we have ten billion in the Treasury in gold and one billion in silver, and that we have less than $6,000,000,000 in currency. An additional two billion in currency, if and when needed, would not cause serious inflation.

But the American Legion took the position that the bill should not be involved in the question of inflation, and rightly so. Many members of the Legion feel that the attempt to use the adjusted-service certificate bill as a vehicle for currency expansion was the cause of its failure to be enacted into law last year.

I take the liberty to read into the RECORD the resolution passed at the last national convention of the American Legion, held at St. Louis in September 1935, as follows:

Be it resolved, That—

1. We request immediate cash payment of the adjusted-service certificates at face value, with cancelation of accrued interest on loans, and refund of interest paid, and do hereby reaffirm the Miami convention resolution on this subject.

2. We request the immediate favorable action of the Congress and the approval of the President of the United States upon this clear-cut and single issue, without having it complicated or confused by other issues of Government finance or theories of currency with which the Legion does not intend to become involved.

3. We hereby ratify and approve the efforts of National Commander Belgrano and the national legislative committee on behalf of the Legion's bill at the last session of Congress.

I ask unanimous consent to insert a brief statement of the American Legion as to how this money will be spent by the World War veterans, which I think the American people are entitled to know. I ask unanimous consent to include that in my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. FISH. A preliminary check of figures for 40,000 questionnaires is given herewith showing what the veterans propose to do with the cash received from the adjusted-service certificates:

	Percent
Agricultural implements	6.22
Automobile	9.25
Auto truck	1.29
Battery	1.50
Tires	4.63
Build new house	4.52
Clothes for children	25.74
Suit or overcoat for self	26.00
Clothes for wife	28.50
Education, home study course	3.40
Electric or gas refrigerator	5.07
Farm	4.32
Furniture	15.85
Housefurnishings	14.51
Insurance	13.94
Invest in own business	10.46
Invest in stocks or bonds	1.29
Lot for home site	3.28
Men's shirts	11.31
Men's furnishings	13.92
Men's hats	10.03
Men's shoes	13.28
Oil or gas furnace	1.72
Paint house	12.90
Pay notes, mortgages, loans, or old bills	51.80
Purchase home	6.56
Radio	4.36
Repair house	19.16
Rugs	5.87
Start or increase savings account	10.20
All other (miscellaneous)	7.37

It will be noted from the figures that better than 50 percent of the men who will receive adjusted compensation are going to pay up old bills with it. The next thing they are going to do is to take care of the needs of their families and their homes. Thirty per cent are going to provide new clothes for their wives, 29 percent are going to get a suit or overcoat for themselves, and 28 percent will buy new clothes for their children. Approximately 21 percent are going to repair their homes and 14 percent are going to paint their houses. Seventeen percent will buy new furniture and 15 percent other housefurnishings. The tremendous stimulant that will be accorded business of all kinds throughout the United States is readily seen by perusal of the above figures.

Mr. McCORMACK. Will the gentleman yield?

Mr. FISH. I yield.

Mr. McCORMACK. I think it is fair to say that a great percentage of the money which will be received by the veterans will be spent for serviceable things. Does the gentleman agree with that statement?

Mr. FISH. I am convinced of it.

Mr. COOPER of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. COOPER of Tennessee. In that connection I think it should also be observed, and I believe the figures which will be inserted by the gentleman from New York will show, according to the estimate made by the Veterans' Administration, that only about 7 percent of the money heretofore received by the veterans on their certificates has been, as it is called, wasted or unaccounted for.

Mr. FISH. I go further than the gentleman and say that this money is adjusted-service compensation, to be paid to these veterans because they received only $1 a day during the war when laborers at home received $10 a day, and they have a right to dispose of it in any way they see fit. [Applause.] I believe it will be spent for the benefit of their families, and that most of the veterans are in debt, many are in need and unemployed, and some are actually destitute.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. DOUGHTON. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I am glad to listen to the concluding remarks of my distinguished friend from New York [Mr. FISH], because I feel that placing into the RECORD the manner in which the money will be spent is a decided contribution to a discussion of this bill at any stage, and particularly at the present stage. When we made provisions for the 50-percent loan, there was considerable argument advanced that the money would be wasted, and, as the gentleman from New York undoubtedly had in mind, and as my distinguished friend from Tennessee [Mr. COOPER], by his questions, had in mind, a survey of the Veterans' Bureau shows that a very small percentage of the money borrowed at that time was spent in an unwise manner. As the gentleman from Tennessee said, less than 7 percent, and as Mr. FISH said, probably less than that, of the total amount borrowed was spent unwisely. That is a remarkable record. It is a remarkable piece of evidence; it is a very sustaining piece of evidence to those of us who are going to vote for the passage of this bill, and who have fought for such legislation in the past—that the money received will be used by the veterans for purposes which are commendable. While I am speaking on that subject, only a few days ago I was talking with a businessman in Washington who had always opposed the payment of the bonus. He told me that he has changed his mind, and undoubtedly countless businessmen throughout the country have also changed their minds as a result of similar experiences. He told me that five veterans recently visited his place of business, each one of whom owned an automobile. Each one contemplated buying a new car, within their means, and they were going to turn in as a part of the purchase price, as we all do, the cars they now own.

What impressed him was that each one of these men owned a car at the present time and was contemplating buying another car, and that each and every one of them said, "When I get my bonus I intend to come back and see you." That man did not have alone in mind the fact that he was getting business, but what impressed him was that each one of these men owned a car. They were men used to the ownership of a car; they were men who intended to buy a new car which was within their means, and they were going to do so when the bonus bill passed. That man was impressed by the wise and serious manner in which those

men were contemplating spending their money. That same thing exists throughout the country. Many veterans when they get their money are going to pay doctors' bills and other bills that they have contracted for themselves and for their families and buy something for their homes for the happiness of themselves and their families. Ninety-five percent of them, at least, are going to make proper expenditures of the money they receive. The gentleman from New York [Mr. FISH] and the gentleman from Tennessee [Mr. COOPER] have each made a powerful and very fine contribution to the discussion of this bill today when they so properly and so ably referred to the manner in which the money will be expended.

I hope the veterans of the country, when they spend their money, when they go into stores and buy, after they have received their money, will say, "If I had not received the bonus I would not have been able to make these purchases." They will be conveying to the business men of their communities the fact that they are wisely spending their money and the fact that the businessmen of their community are receiving the benefits of the bonus which has been paid.

I am very appreciative of the remarks made by my distinguished friend from Massachusetts [Mr. CONNERY], and I know that my friend from Kentucky [Mr. VINSON], and my friend from Texas [Mr. PATMAN], also appreciate them. Mr. CONNERY has been a hard fighter for the veterans and the veterans will always remember him. They should also remember all their friends. I do not think the veterans should hold against any man who voted against the bonus the fact that he did so, if that man honestly exercised his judgment with a complete disregard of the rest of his record. I do not think the veterans should put themselves in the position of voting against a man because of one vote only. They should judge a man's whole record, and yet those who have fought for it should be remembered by them, whether they are Democrats or Republicans, and foremost among those who have consistently fought for the payment of the bonus and for the best interest of the veterans is our distinguished friend from Massachusetts [Mr. CONNERY]. [Applause.]

Mr. DOUGHTON. Mr. Speaker, I yield 4 minutes to the gentleman from Kentucky [Mr. MAY].

Mr. MAY. Mr. Speaker, upon the convening of the first session of the Seventy-third Congress the first vote I cast, on I think the first roll call, was one to grant authority to the President of the United States to take action in connection with the banking emergency, when the American banking system was in chaos. The second vote I cast at that session of Congress, and I believe the third day of the term, was a vote against what is commonly known as the nefarious economy bill that robbed many veterans. Since that time I have cast two votes for the payment of the adjusted-service certificates, and have likewise in each case cast two votes to override Presidential vetoes. For one of those votes I was denounced by a subsidized and partisan public press as a traitor. I am not ashamed of either of them, and if it were to be done over today, and if it becomes necessary tomorrow, I shall not only again vote for the payment of the adjusted-service certificates but I shall again vote to override a Presidential veto, if such veto should again be presented to this House. I voted for this payment because of two things: First, I realized, as I realize now, that it meant the payment of a just debt to a deserving class of creditors of the United States. Second, I believed then, as I believe now, that this is one of the best recovery measures that can possibly be passed by the Congress of the United States. This money will go to every nook and corner of this country where the little blue cards went in 1916 and 1917 when we were calling to the colors of the country the veterans whom we now owe and must pay what is admitted to be a legitimate past-due debt.

I agree with my colleague from Kentucky, Mr. VINSON, and with my colleague from Texas, Mr. PATMAN, and with the two gentlemen from Massachusetts, Mr. MCCORMACK and Mr. CONNERY, who have been warriors for the payment of this debt from the time it was first proposed during this administration, that they are entitled to a leading part in credit for the promotion of this legislation and for payment of these certificates in cash. I shall continue to believe that when we have paid this we have merely met an obligation that we owed to an honest creditor of the Government. [Applause.]

My votes on this question and the record of my activities have been along a line of absolute consistency. Then, if I am again charged with treason, then I say to those who charge it, if that be treason then let them make the most of it. [Applause.]

Mr. DOUGHTON. Mr. Speaker, I yield 5 minutes to the gentleman from Oklahoma [Mr. JOHNSON].

Mr. JOHNSON of Oklahoma. Mr. Speaker, I have no desire to unduly prolong this debate. The war veterans are not interested in debate. Everyone understands the issues involved. What the veterans want is less talk and more action by this Congress now. [Applause.]

May I say that I have consistently supported legislation to pay this just obligation of the Government from the beginning of this long fight. I have also consistently supported what is known as the Patman plan, to pay the adjusted-service certificates by issuing new money against the $10,000,000 of actual gold lying idle in the Federal Treasury. I still believe in that plan. One thing is certain, this debt must be paid either by bills or bonds.

This Congress, it seems, has decided to pay it by bonds, by the highly advertised baby-bond method.

But even though I still much prefer the Patman plan, this baby-bond plan is less objectionable than the original plan of the so-called sound-money advocates. It will pay the veterans the cold cash without a lot of red tape and delay, and undoubtedly will greatly stimulate business by placing from one to two billions of money in circulation. It will go into every nook and corner of the United States; it will save the homes of thousands of worthy veterans and permit others to meet other pressing obligations.

When the authorization bill came up in the House, January 9, and during the preliminary conferences we were told over and over again that this was only an authorization bill, and that when the measure came back to the House, Members would have an opportunity to decide what method of payment they desired. The RECORD will show that during the debate on the floor of the House, January 9, I asked the gentleman from Massachusetts [Mr. CONNERY] the following question:

> Does not the gentleman understand there has been a gentlemen's agreement between the various groups here, including the so-called leaders of this House, that those of us who favor the Patman bill will be given an opportunity somewhere down the line to express ourselves by a vote as to what particular method of payment of the bonus we prefer?

The gentleman's answer was:

> The understanding that I have is that those with whom we conferred would endeavor to obtain that for us, to the best of their ability; but in the event they are not able to obtain that, I suggest that we have a caucus, and in that caucus suggest that a rule be brought in permitting us to offer legislation on the appropriation bill along the line of the Patman bill.

Yet, in the face of that record, we find ourselves in a position where we must support the Senate bill carrying the baby-bond plan or nothing. Under the present rules of the House, those of us advocating the Patman plan and who have exhausted every possible effort to effect payment of this solemn obligation by issuing new money instead of the bond route have no possible opportunity to offer that plan at this time.

Let me say here that I was really surprised that the gentleman from New York [Mr. FISH], who spoke a few minutes ago, should inject partisan politics into this debate. The distinguished and ambitious gentleman, however, has been barnstorming the country for the past several years discussing partisan politics so persistently that it appears impossible for him to make any kind of a speech on the floor of this House without injecting partisan politics into the debate. But all of us know that politics have no place in this discussion.

Mr. NICHOLS. Will the gentleman yield?

Mr. JOHNSON of Oklahoma. I will be glad to yield to my colleague from Oklahoma.

Mr. NICHOLS. Do I understand the gentleman to say that the rules of the House today are such that it will not be possible for anyone to offer an amendment to this bill that suggests a different method of payment than that provided in the bill?

Mr. JOHNSON of Oklahoma. That is correct. And I might add that, for all practical purposes, it is impossible for those of us who endorse the Patman plan to express ourselves by a vote on that plan today, although this House by a record vote has demonstrated that it prefers the Patman plan to the bond method.

Mr. O'CONNOR. Will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield.

Mr. O'CONNOR. The gentleman is aware that we are proceeding under unanimous consent?

Mr. JOHNSON of Oklahoma. That is true.

Mr. O'CONNOR. Any one person could have objected to this proceeding.

Mr. JOHNSON of Oklahoma. Yes; but it would be too bad for anyone who did object. [Laughter and applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Speaker, I yield such time as he may care to consume to the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Mr. Speaker, during the discussion of the payment of the adjusted-service certificates to veterans of the World War, I have continually heard the opponents of this measure denounce those who are handling the financial policies of this administration. I believe that, for the information of the Members of the House and the country at large, there should be placed in the RECORD at this time the proportionate per capita national debt existing in three great major countries. In France the per capita debt is $717. In Great Britain it is $524. In the United States it is but $219. I say to the Members of this House, regardless of how individuals may stand upon the payment of the adjusted-service certificates, we in this country are in good condition today in comparison to the other countries.

Mr. SNELL. Will the gentleman yield?

Mr. RANDOLPH. I trust, as I believe the majority of the membership of this House trusts, that the President will approve this bill when it is sent to him.

Mr. SNELL. Will the gentleman yield?

Mr. RICH. Will the gentleman yield?

Mr. RANDOLPH. I do not yield, Mr. Speaker.

Mr. DOUGHTON. Mr. Speaker, I yield 5 minutes to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Speaker, time marches on! We are today about to do what several of us urged Congress to do in 1919 and 1920. At that time the question of additional pay to the defenders of our country was being pressed in Congress. At that time we had a Democratic administration. Mr. Wilson was in the White House. The administration was against the bonus. It was contended that sufficient money was not available to pay this additional sum to the veterans. As I recall, it was estimated at that time it would take $1,492,000,000 to give the veterans this additional pay—that is, $1 per day additional for service in this country and $1.10 per day additional for service overseas.

I introduced a bill providing for this additional pay to the veterans and for the Government to issue bonds to them. This would enable those who needed it to get their pay in cash immediately and those who did not want the money could hold the bonds as an investment. As I now recall a few others, Republicans and Democrats, introduced similar bills. This is the very thing we are doing today in adopting the Senate amendment to the soldiers' bonus bill that we passed in the House some days ago.

This Senate amendment proposes that bonds be issued to each veteran for the full amount of the adjusted pay now due him. Those who desire can cash these bonds at any post office, and, of course, those who do not need the cash can hold their bonds until 1945, the bonds paying 3-percent interest.

I would not attempt to take away from any Member of this House any credit that may be due to him, either Republican or Democrat, for the service he has rendered in bringing about this legislation. In the early part of this fight, from 1919 up to and including 1924, many of the outstanding leaders on the Democratic side of the House were against the bonus and made vigorous fights against it, and on the other hand there were a number of distinguished Members on the Republican side who opposed the soldiers' bonus. I wish to congratulate Chairman DOUGHTON and my distinguished colleagues from Kentucky, Mr. VINSON, and Mr. JENKINS, from Ohio, and many others on the Ways and Means Committee and in the House here who have pushed this fight to a successful conclusion.

If, in 1919, Congress had issued bonds as it is proposed to do today, $1,492,000,000 would have paid the debt; but we put it off and put it off for nearly 17 years, and we are now confronted with the same situation, but with a large increase in the amount of bonds necessary to pay the obligation.

Mr. COLDEN. Mr. Speaker, will the gentleman yield?

Mr. ROBSION of Kentucky. I yield.

Mr. COLDEN. Is it not a fact that Congress found several billions to pay munitions makers and the railroads after the war?

Mr. ROBSION of Kentucky. Yes; and that is what irked the defenders of our country. We found the money to pay the war contractors, the railroads, and others, but we could not find the additional $1 per day to pay the defenders of our country.

I believed the other day when I made a speech in favor of this measure that it would be the last; but it is now necessary to act on the Senate amendment, and it is a pleasure to me to raise my voice again in behalf of this just cause. The bonus bill with the Senate amendment as now before us, as I understand, has the sincere approval and the earnest support of the American Legion, the Veterans of Foreign Wars, and the Disabled American Veterans. It is very gratifying indeed to all of the friends and supporters of this legislation to see these three great World War veterans' organizations fighting shoulder to shoulder in this great cause, as they did in defense of our country.

Let us indulge the hope that President Roosevelt will not veto this bill, as he did the bill in the last Congress. This proposal is right. I was for it in 1919, I have been for it ever since, and I am for it today, and will welcome an opportunity to vote to override the President's veto if he should so act.

I thank you for your patient hearing. [Applause.]

Mr. DOUGHTON. Mr. Speaker, I yield one-half minute to the gentleman from California [Mr. BURNHAM].

Mr. BURNHAM. Mr. Speaker, I wish to read the following short letter from Mr. John E. Staley, commander of the Veterans' Prosperity Organization, with national headquarters in Los Angeles, Calif.:

VETERANS' PROSPERITY ORGANIZATION,
LOS ANGELES, CALIF., *January 20, 1936.*

Hon. GEORGE BURNHAM,
House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN: On the occasion of the loan legislation affecting adjusted-compensation certificates in 1931 considerable difficulty was experienced by the many veterans in securing application blanks, with the result that in Los Angeles these were printed, in large part, by the Los Angeles Examiner and given to the applying veterans.

The pending legislation will require the printing of more than 40,000,000 bonds, which includes the bonds to be issued directly to the veteran and the Treasury financing debentures.

Necessarily considerable accounting in the computation of interest between the period of the last loan by the veteran and the date of interest cessation will incur the need of expert services, requiring the enlargement of personnel in the Veterans' Administration and other departments concerned. If civil-service requirements cannot be relaxed to permit of this work being speedily accomplished, special legislation should be enacted.

Veterans' Administration offices in the various cities should provide a corps of notaries public to expeditiously acknowledge the veterans' applications.

These suggestions are prompted by extensive experience in the matter, and I hope that you see fit to give them your consideration.

Respectfully,

JOHN E. STALEY.

Mr. DOUGHTON. Mr. Speaker, I yield to the gentleman from Michigan [Mr. RABAUT] such time as he may desire.

Mr. RABAUT. Mr. Speaker, the payment of the adjusted-service certificates will prove of tremendous importance to the city of Detroit, the home of the automotive industry, and to the many employees engaged in this highly technicalized activity. There is no doubt that a very proper proportion of the huge fund released under this bill—becoming a law—will find its way into various channels of trade. And who in America today would divorce a just proportion of this sum from being spent for the manufactured products of the automotive industry? Accordingly, Mr. Speaker, I correctly stated a dynamic city's position in my opening remark—that the payment of the adjusted certificates will prove of tremendous importance to the workers in the automotive industry at Detroit; the automotive industry whose glorious ascent to supremacy diminishes, so to speak, the story of the Arabian Nights; the automotive industry captained by men of forethought, men of genius, men of action; the automotive industry that has climbed to a pinnacle of accomplishment second to none; the automotive industry that has brought to the traveling public the best and the most economical transportation of the age; the automotive industry that has done things for business and agriculture, bringing of necessity into being the existence of the good road. Yes; Mr. Speaker, the automotive industry awakened and rejuvenated a great city, for from every nook and corner of the land came those mechanically inclined geniuses whose combined effort gives you the perfect automobile of today. Over $2,000,000,000 will be released by this bill or, taking it closer to home, Wayne County's share is $29,998,906.70. So, to those desiring to improve their present mode of transportation, I recommend not only to the veterans receiving their long-cherished, so-called bonus, but even to those Members of this body within the hearing of my voice, the advantages to be gained and the comfort to be acquired and the joy to be instilled by the touch of the wheel of Detroit's new and glorious automobiles. Truly they are the wings of America!

Mr. DOUGHTON. Mr. Speaker, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. ELLENBOGEN].

Mr. DOUGHTON. Mr. Speaker, we are nearing the time when the last vote will be taken on the question of payment of the adjusted-service certificates. I hope the resolution I have presented today will be overwhelmingly, if not unanimously, adopted.

There is very little difference between the bill passed by the House some days ago, the Vinson-McCormack-Patman bill, and the Senate amendment of the House bill. They both provide for the veterans getting their money, and that is what we are driving at; that is what we are anxious to do.

The bill as passed by the Senate appears to be satisfactory to those who represent the soldiers, especially the organizations. The American Legion, the Veterans of Foreign Wars, and the Disabled American Veterans all say this bill is satisfactory to the veterans; and it is, in my judgment, also fair to the Government.

It is maintained by some that it is more than the original contract. Perhaps this is true so far as some interest is concerned; but, in my judgment, it is no more than the original contract should have been. The soldiers were compelled to accept this settlement. They never have been satisfied with it. They now say they will be satisfied with the settlement proposed in the bill under consideration.

It is said by others that this is a hard time for the Government to pay this bonus; and it is, with the many demands, extra demands upon our Government for relief and recovery purposes. We all realize that it is a hard time for the Government to meet this obligation; but, Mr. Speaker, it is much harder for the American veterans in distress to go without this assistance than it is for the Government to pay it at this time; and I hope this resolution will be overwhelmingly adopted.

Mr. HEALEY. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. HEALEY. There is no provision in the Senate amendment which confers any benefit on the veterans for retaining their present adjusted-service certificates.

Mr. DOUGHTON. Not for retaining them, but if they hold the bonds provided in this bill, they will draw 3-percent interest.

Mr. Speaker, I move the previous question on the adoption of the resolution.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the resolution.

Mr. DOUGHTON. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The Clerk called the roll; and there were—yeas 346, nays 59, answered "present" 1, not voting 25, as follows:

[Roll No. 9]

YEAS—346

Adair	Daly	Hildebrandt	Miller
Allen	Darrow	Hill, Ala.	Mitchell, Ill.
Amlie	Deen	Hill, Knute	Mitchell, Tenn.
Andresen	Delaney	Hill, Samuel B.	Monaghan
Arends	Dempsey	Hoffman	Moran
Ashbrook	DeRouen	Holmes	Moritz
Ayers	Dickstein	Hook	Mott
Bacharach	Dies	Hope	Murdock
Bankhead	Dietrich	Houston	Nelson
Barden	Dingell	Huil	Nichols
Barry	Dirksen	Imhoff	Norton
Beam	Disney	Jacobsen	O'Brien
Beiter	Ditter	Jenckes, Ind.	O'Connell
Bell	Dondero	Jenkins, Ohio	O'Connor
Berlin	Dorsey	Johnson, Okla.	O'Leary
Binderup	Doughton	Johnson, Tex.	O'Malley
Blackney	Doutrich	Johnson, W. Va.	Owen
Blanton	Doxey	Jones	Palmisano
Bloom	Driscoll	Kahn	Parks
Boehne	Driver	Keller	Parsons
Boileau	Duncan	Kelly	Patterson
Boland	Dunn, Miss.	Kennedy, Md.	Patton
Boykin	Dunn, Pa.	Kennedy, N. Y.	Pearson
Boylan	Eagle	Kenney	Peterson, Fla.
Brennan	Eckert	Kerr	Peterson, Ga.
Brewster	Edmiston	Kinser	Pettengill
Brooks	Eicher	Kleberg	Pfeifer
Brown, Ga.	Ekwall	Kloeb	Pierce
Brown, Mich.	Ellenbogen	Kniffin	Pittenger
Buck	Engel	Knutson	Polk
Buckbee	Englebright	Kocialkowski	Powers
Buckler, Minn.	Evans	Kopplemann	Quinn
Buckley, N. Y.	Faddis	Kramer	Rabaut
Bulwinkle	Farley	Kvale	Ramsay
Burdick	Fenerty	Lambertson	Ramspeck
Burnham	Ferguson	Lambeth	Randolph
Caldwell	Fiesinger	Lamneck	Rankin
Cannon, Mo.	Fish	Larrabee	Ransley
Cannon, Wis.	Fitzpatrick	Lea, Calif.	Rayburn
Carlson	Fletcher	Lee, Okla.	Reece
Carmichael	Focht	Lemke	Reed, Ill.
Carpenter	Ford, Miss.	Lesinski	Reed, N. Y.
Carter	Frey	Lord	Reilly
Cartwright	Fuller	Lucas	Richards
Cary	Fulmer	Luckey	Richardson
Casey	Gambrill	Ludlow	Risk
Castellow	Gasque	Lundeen	Robinson, Utah
Celler	Gassaway	McAndrews	Robsion, Ky.
Chandler	Gavagan	McClellan	Rogers, N. H.
Chapman	Gearhart	McCormack	Rogers, Okla.
Church	Gilchrist	McGehee	Romjue
Clark, Idaho	Gildea	McGrath	Rudd
Clark, N. C.	Gillette	McGroarty	Ryan
Cochran	Gingery	McKeough	Sabath
Coffee	Goldsborough	McLaughlin	Sadowski
Colden	Granfield	McLeod	Sanders, Tex.
Cole, Md.	Gray, Ind.	McMillan	Sauthoff
Collins	Gray, Pa.	McReynolds	Schaefer
Colmer	Green	McSwain	Schneider, Wis.
Connery	Greenway	Maas	Schuetz
Cooley	Greenwood	Mahon	Schulte
Cooper, Ohio	Greever	Main	Scott
Cooper, Tenn.	Gregory	Mansfield	Scrugham
Costello	Griswold	Marcantonio	Sears
Cravens	Guyer	Marshall	Secrest
Crawford	Gwynne	Martin, Colo.	Seger
Creal	Haines	Martin, Mass.	Shanley
Crosby	Halleck	Mason	Shannon
Cross, Tex.	Hamlin	Massingale	Short
Crosser, Ohio	Hancock, N. C.	Maverick	Sirovich
Crowe	Hart	May	Smith, Conn.
Crowther	Harter	Mead	Smith, Wash.
Cullen	Healey	Meeks	Smith, W. Va.
Cummings	Hess	Merritt, N. Y.	Snyder, Pa.
Curley	Higgins, Mass.	Michener	Somers, N. Y.

South	Thomas	Wallgren	Wilson, Pa.
Spence	Thomason	Walter	Withrow
Stack	Thompson	Warren	Wolcott
Starnes	Thurston	Wearin	Wolfenden
Steagall	Tolan	Weaver	Wolverton
Stefan	Tonry	Welch	Wood
Stubbs	Turner	Werner	Woodruff
Sutphin	Turpin	West	Young
Sweeney	Umstead	Whelchel	Zimmerman
Taylor, Colo.	Underwood	White	The Speaker
Taylor, S. C.	Vinson, Ga.	Wilcox	
Taylor, Tenn.	Vinson, Ky.	Williams	

NAYS—59

Andrew, Mass.	Drewry	Lewis, Md.	Sisson
Andrews, N. Y.	Duffy, N. Y.	McLean	Smith, Va.
Bacon	Eaton	Mapes	Snell
Biermann	Ford, Calif.	Merritt, Conn.	Sumners, Tex.
Bland	Gifford	Millard	Taber
Bolton	Goodwin	Montague	Tarver
Burch	Hancock, N. Y.	O'Day	Terry
Cavicchia	Hartley	O'Neal	Tinkham
Christianson	Higgins, Conn.	Perkins	Tobey
Claiborne	Hobbs	Peyser	Treadway
Cole, N. Y.	Hollister	Plumley	Utterback
Cox	Huddleston	Rich	Whittington
Culkin	Lanham	Robertson	Wigglesworth
Darden	Lehlbach	Rogers, Mass.	Woodrum
Dobbins	Lewis, Colo.	Russell	

ANSWERED "PRESENT"—1

Wadsworth

NOT VOTING—25

Buchanan	Flannagan	Maloney	Sullivan
Citron	Gehrmann	Montet	Thom
Corning	Harlan	Oliver	Wilson, La.
Dear	Hennings	Patman	Zioncheck
Dockweiler	Hoeppel	Sanders, La.	
Duffey, Ohio	Kee	Sandlin	
Fernandez	McFarlane	Stewart	

The SPEAKER. The Clerk will call my name.

The Clerk called the name of Mr. BYRNS, and he voted "aye."

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Patman (for) with Mr. Wadsworth (against).
Mr. McFarlane (for) with Mr. Corning (against).

General pairs:

Mr. Oliver with Mr. Stewart.
Mr. Sandlin with Mr. Thom.
Mr. Harlan with Mr. Dear.
Mr. Montet with Mr. Duffey of Ohio.
Mr. Wilson of Louisiana with Mr. Zioncheck.
Mr. Hennings with Mr. Maloney.
Mr. Dockweiler with Mr. Sanders of Louisiana.

Mr. WADSWORTH. Mr. Speaker, I voted "nay" on this resolution; however, I have a pair with the gentleman from Texas, Mr. PATMAN, who is unavoidably detained. It is understood, of course, that if the gentleman from Texas, Mr. PATMAN, were present he would have voted "yea" on this resolution. I must therefore withdraw my vote of "nay" and answer "present."

Mr. CULLEN. Mr. Speaker, my colleague from New York, Mr. SULLIVAN, is ill at his home, and therefore unavoidably absent. However, he wishes me to state to the Members of the House that if present he would have voted "yea" on this resolution.

Mr. THOMASON. Mr. Speaker, my colleague, the gentleman from Texas, Mr. MCFARLANE, is unavoidably absent on account of important business. He has always voted for this measure, and if present today he would have voted "yea." However, he does have a pair with the gentleman from New York, Mr. CORNING.

Mr. BOILEAU. Mr. Speaker, my colleague the gentleman from Wisconsin, Mr. GEHRMANN, is unavoidably absent. He has been a consistent supporter of this legislation. He asked me to announce that if present he would have voted "yea" on this resolution.

Mr. DEROUEN. Mr. Speaker, my colleague from Louisiana, Mr. FERNANDEZ, is unavoidably absent. If present, he would have voted "yea."

Mr. CONNERY. Mr. Speaker, the gentleman from Texas, Mr. PATMAN, is unavoidably absent. If present, he would have voted "yea" on the resolution.

Mr. EDMISTON. Mr. Speaker, my colleague the gentleman from West Virginia, Mr. KEE, is absent on account of illness. If present, he would have voted "yea."

Mr. CELLER. Mr. Speaker, my colleague the gentleman from Connecticut, Mr. CITRON, is detained at home unavoidably on account of illness. If present, he would have voted "yea" on this resolution.

Mr. BLAND. Mr. Speaker, my colleague the gentleman from Virginia, Mr. FLANNAGAN, is unavoidably absent. He has wired me to say that if present he would have voted "yea."

The result of the vote was announced as above recorded.

On motion of Mr. DOUGHTON, a motion to reconsider was laid on the table.

EXTENSION OF REMARKS—ADJUSTED-SERVICE CERTIFICATES

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the measure just passed.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

ADJUSTED-SERVICE CERTIFICATES A PAST-DUE DEBT

Mr. DORSEY. Mr. Speaker, the bonus question should be as free from politics as American neutrality. It involves all of America and America's honor. Both sides of the aisle should observe it that way. Before I ever dreamed of entering Congress I participated in the adjusted-compensation fight as a member in the ranks of the American Legion. The same arguments were advanced then as now, for the case of the veteran has not changed. The justice of his claim has not altered. Oratory will not satisfy the man who wore the khaki or Navy blue in 1917–19. A bill collector cannot be turned away by the description of a sunset or a funny story. He wants pay. After many a weary battle we once more urge immediate payment, and the hour for that accomplishment seems imminent. We may clothe the pro-bonus arguments in slightly varying verbiage, but there are just so many words in the English language and they have almost all been laid end on end in annual array by bonus advocates. When reduced to lowest terms, they say one simple thing: "The adjusted-compensation certificates represent a past-due debt. Pay it."

The manufacturer of World War equipment has long since banked his plenteous profits of 1917–19 days. His lowliest employee has probably spent the generous bonus granted to reduce surtaxes of the employer and received for doing an ordinary day's work at high salary, amid no discomforts or inconveniences. Meanwhile the ex-service man has waited patiently for an adjustment that would at least place a value on his war services equal to that given to noncombatant and unskilled laborers of the war period, who toiled at home. That is what the adjusted-compensation certificates attempted to balance. Some instances of inequalities that never could be liquidated by mere money were cited in my address on this same subject during the last session of this Seventy-fourth Congress. The payment of this past debt has been deferred while the need of the creditor has become immediate. The manufacturer, his employees, and even civilian Government workers have been paid their bonuses and high war salaries, but the soldier still holds an I O U, 17 years after the debt was contracted. In every large family there is apt to be a less demanding member who always is served the neck of the chicken. For 17 long years the ex-service man has been getting the neck, while the war contractor and his employees have had early and generous access to the white meat.

I like to think of our early battles to gain our deserved adjusted compensation. That was before I ever thought of becoming a congressional candidate, for the simple justice of our claim was all that caused me to fare forth. We were arrayed against powerful adversaries. However, we fought with some of the teamwork that service life had taught us but a few years previous. Our opponents were, in fact, if not in name, the Liberty Leaguers of the early 1920's and many of them have survived to fight us up to this last stand and victory. Then, as now, they were alined against any measure which caused them to be taxed. They were quite



willing to accumulate huge profits from war but were staunchly opposed to any but regular service pay to the combatant who risked his life. Eugene Grace, of Bethlehem Steel, felt smug and contented with his bonus of several million dollars, but a thousand-dollar adjustment to a man who had cut through the barbed wire of no man's land should be considered as ruinous to America and American principles. Grace and his cohorts had had the white meat so long that they believed they were created to eat white meat and the neck was passed on to the soldier. After all, he should be content with his ideals. Andrew W. Mellon and a number of large and reactionary corporations were the Liberty Leaguers of this period when we began our fight for the bonus. "Andy" and his ilk are the Liberty Leaguers of today.

Once a Liberty Leaguer always a Liberty Leaguer seems to be their motto. The same crowd that "ganged up" on us in the early days of our bonus fight are now lining up against President Roosevelt, and for the same reason. If they cannot get special privilege, they will spend millions to prevent the everyday American from getting what rightfully belongs to him. Today they prate about the Constitution; then they spoke of the bonus ruining America. Andy Mellon had muscled his way into that curious Cabinet of President Harding; and while Colonel Forbes was creating the first odor that became a national stench before Harding's death, Mr. Mellon was being spoken of for his resemblance to Alexander Hamilton—mostly by people unfamiliar with the biography of the versatile first Secretary of the Treasury. These were days when we had not only to fight for justice in the bonus issue; we were combating corruption within the Bureau which was charged with taking care of our disabled. While the Ohio gang was writing its malodorous record of graft, Andy Mellon was directing the policy of Mr. Harding on the bonus question. He was the tin god of big business, for it felt that the adjusted compensation could be averted as long as the modern Hamilton held office.

Mellon constantly implied ruin if the bonus were paid. The Liberty Leaguers of that day decided to bear down on their employees just as they will do this fall. In the 1920's they coerced their employees into writing their Congressmen, and even supplied the sample letters to guide their workers in the style of communication for address to the legislators. They were to bring these into the factory or office, unsealed, for the boss to check and mail—or else. Do I hear you say that this sounds curiously similar to the plan the holding companies employed last summer? Well, there is something in the thought processes of a Liberty Leaguer that makes him believe he can get away with murder as far as the public is concerned. Money has always done anything he asked it to do. Hire a few high-priced executives like Jouett Shouse and several sly publicity men—and presto. But it did not work where the bonus was concerned, and it will not work next fall. John W. Citizen is a pretty smart bird, regardless of what the Liberty Leaguers think of him. When it came to our early bonus fight, we had a cheap little paper called the American Legion Weekly. It came in common newspaper stock and it was not much for looks. But it showed up Mellon, the Hamiltonian, in his true colors. I do not know where or how it got its facts—and who cares?—but it disclosed that Andy was financing a fake soldier organization, opposed to the bonus.

The correspondence it reported and the copies of exhibits it displayed were never disclaimed to my knowledge by the ruler of three Presidents. He maintained a reserved and dignified silence after they appeared in the cheap little sheet that went to every Legionnaire weekly. Andy may have ignored the articles but Congress did not. Despite the loaded poll of the Literary Digest, "Do you vote for the bonus or tax reduction?" the bonus was passed over the Coolidge veto. We had won our fight over the arrayed money powers because we had right and the public on our side. And all the trick ballots of the Digest could not alter the real verdict. America, through its duly elected representatives had acknowledged the bonus debt, Andy, the Liberty Leaguers, and the Literary Digest, notwithstanding. But the ex-service man had yielded some ground along the way. The matter of payment was not what the veteran had in mind. His certificate was an endowment policy, payable in 1945. It was something of a compromise in his mind but then he could struggle along until the pay-off. However, he reckoned not with the Hoover panic and the slow painful pull out of the worst depression of our time. Job went first and then came savings and the regular insurance policy. Finally, as any creditor would, the veteran cried: "Pay me now while my need is great, I may not be here in 1945." In this latter statement he is more accurate than he knows, for veterans are dying at a much higher rate than non-veterans. Arlington, the little country church yards, and the urban cemeteries are testimony to the fact that a large portion of veterandom will have heeded the last call before the year designated on the adjusted-compensation certificates. Their present death rate will probably show even a greater increase within the next 5 years. It may not have been manifest in the immediate post-war days but the World War took something out of the man that cannot be replenished.

While "the greatest Secretary of the Treasury since Alexander Hamilton" was dictator of American finance it was enough to wrest a compromise victory over the Coolidge veto. Seven months after the Hoover accession, America was on the skids, and many veterans were jobless and living off what accumulations they were able to lay up. Business recovery was always around the corner, and veterans and nonveterans alike were straining their eyesight looking for it. Meanwhile Pollyanna utterances emanated from the Hoover study and the offices of Cabinet members. They failed to inspire confidence among the citizenry, so this was not a propitious time for veterans to present their bill. Hoover's financial policy was to deflate to the limit if America was ruined in the process. He could not find the remedy, so he had a way of ascribing our difficulties to Nature and Europe and—well to everything but the 12 years of Republican rule, including Hoover. Clearly, he did not know what it was all about and how to set it right. So there was little chance to prime the pump in the Hoover days, for he believed utterly in inserting Government funds at the top, as with the Dawes bank in Chicago.

Now, we are definitely through with the "let us talk ourselves into prosperity" days. Look at the trade indexes and read the stock quotations in the daily papers. There is no skyrocketing of prices, but the trend is unmistakably upward. Better still, ask the telephone repair man, the grocer, the office-specialty man, and others: "How is business?" Depression has taught them to be conservative, but you will get a good report. Because we are on our way out. Luxury industries are an excellent barometer. You do not have to buy a radio, for instance. It is a luxury.

Well, Philco Radio & Television Corporation, in the heart of my district, has greatly increased its number of workers and its pay roll in dollars since March 1933. Every employee is a member of the radio and television union, which is associated with the A. F. of L. If radio sales are on the increase, staples must be. Other industries, large and small, are on the upswing, some of them for the first time in 6 long years. More and greater taxable incomes will be reported this year. So let us do what any family does as it emerges from debt. Let us pay first the creditor who has waited longest. He is the ex-service man.

Revaluation of gold and other deflation arresting measures of the New Deal have returned the confidence of a sorely afflicted Nation. Our hopes and our accomplishments are turning upward. It is now possible to pay the bonus, and I believe this will be done.

Some churches in my district have made a great ceremony of burning the mortgage which encumbered their house of worship. The members have heard the clergyman read out each month by what sum they have gradually reduced the indebtedness on their edifice. Month after month they learn of the slowly but constantly diminishing amount due and no wonder they look with anticipation to the day when the debt on their church property will be cleared. Finally

the great day arrives. The members and their families congregate around the specially prepared pyre and amid much rejoicing the evidence of indebtedness is thrust into the flames. The clergyman must heave a sigh of relief that he does not have to henceforth detail the amounts due and the congregation is no less relieved because the mortgage problem is over with. That is how America will feel when the perennial bonus discussion is history. The citizen will heave a great sigh and relax. In fact a public burning of the adjusted-compensation certificates might be a good idea. The annual agitation for payment will at last be ended.

I could not forego mentioning some of those early days in the bonus fight. We have seen the various agencies of the immediate post-war days merged into the Veterans' Bureau and later, another consolidation which gave us the Veterans' Administration. If we do not get perfection now, we at least have nothing of the corruption that marked the Harding days when Forbes and his buddies lined their pockets while many a veteran died without benefit of hospitalization. We have met and defeated Mellon and his assortment of Liberty Leaguers. We have fought the good fight for simple justice. They have been defeated on the bonus issue but they will, in one guise or another, organize themselves to secure the special privilege which they believe to be their divine right. A Du Pont contributes $128,000 in 1 year to save the dear old Constitution. In the 1920's they were saving America from ruin through their opposition to bonus legislation. We found that they were wrong then and they are no more right now.

The American public presents them with a defeat on the bonus. Over two Republican vetoes, the debt was finally acknowledged. It is now 17 years past due and we can pay. Let's do it.

BRIDGE ACROSS THE ST. CLAIR RIVER AT PORT HURON, MICH.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the action in the House on last Monday in connection with the passage of the bill (S. 1788) authorizing the State of Michigan to construct, maintain, and operate a toll bridge across the St. Clair River at or near Port Huron, Mich., and to acquire other transportation facilities between said State and Canada be vacated, and that further action in reference to this bill be indefinitely postponed.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. SNELL. Mr. Speaker, reserving the right to object, what is the reason?

Mr. BANKHEAD. Will the gentleman make some explanation?

Mr. WOLCOTT. Mr. Speaker, a similar bill was introduced in the Senate, being the companion to this bill introduced by me in the House. It involves the construction of a bridge over the St. Clair River at Port Huron, Mich.

Mr. BANKHEAD. Has the gentleman taken this up with the majority members of the committee?

Mr. WOLCOTT. Not as yet. I may say to the gentleman that because of the opposition of certain Members to bridge bills last year, we passed an omnibus bill. This bill was included in the omnibus measure, but was inadvertently left on the calendar and passed last Monday.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

COMMITTEE ON INSULAR AFFAIRS

Mr. DOUGHTON. Mr. Speaker, I offer a resolution which I send to the Clerk's desk.

The Clerk read as follows:

Mr. DOUGHTON submits the following resolution:

Resolved, That CAROLINE O'DAY, of New York, be, and is hereby, elected a member of the standing committee of the House on Insular Affairs.

The resolution was agreed to.

GEORGE WASHINGTON'S FAREWELL ADDRESS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that on February 22, next, immediately after the reading of the Journal and disposition of matters on the Speaker's desk, the gentleman from New Jersey [Mr. MCLEAN] may be given time to read Washington's Farewell Address.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

LIBERTY AND LAW

Mr. PETTENGILL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. PETTENGILL. Mr. Speaker, at the request of the South Bend (Ind.) Tribune I wrote the following "guest editorial" on Liberty and Law, which appeared in their issue of January 5, 1936:

Law is a restraint against liberty. In logic, therefore, the two cannot exist at the same time. But life, which is so much wiser than logic, knows that without law there can be no liberty; that law wisely written enlarges the liberty of John Citizen by restraining Bill Sykes from destroying that liberty. I do not like the expression "liberty under law." It implies that law is superior to liberty. On the contrary, liberty is the end, and law is only a means to that end. Law is valuable only insofar as it guarantees the equal liberty which is the right of all men.

The state is only a ladder by which man may climb from the jungle to the plateau of civilization and there pursue his happiness on equal terms with his fellows. Worship of the state as an end in itself is always dangerous. It assumes that the state always acts with Godlike benevolence. All history disproves that assumption. The "invisible government" throughout the centuries and under every form of law—monarchy, feudalism, democracy, or dictatorship—has always been at work to use the processes of lawmaking to give Bill Sykes the chief place at the feast of life. John Citizen should carefully scrutinize the state. "Eternal vigilance is the price of liberty", the only price.

On the other hand, history records its purple pages when government under inspired leadership has served the general welfare as against the privilege of the few. Government can be a great agency for good.

The exact boundary between liberty and law has never been drawn and never can be drawn. It must be moved to right or left as civilization develops. The law is a traffic officer at the crossroads of life. In a tiny hamlet we do not need the traffic officer. In a great city we do. We surrender a part of our liberty to pass and repass at will. But all others yield a like freedom. The result is that you and they have actually gained by the exchange. By obeying the officer we all have a greater freedom of movement than before; traffic jams are avoided. In such case control of liberty increases liberty.

This is the yardstick by which we should measure all legislation. Does it enlarge the liberty and equalize the right of all citizens to travel on life's highway? Does it keep the gates of opportunity open to all men? If it does, welcome it regardless of its name or form. But do not under the name of law ask a privilege for yourself which you are not willing to grant to your fellows. That is treason to democracy. If persisted in, it may mean the end of democracy.

Our objective under the ceaseless flux of human destiny is to draw that fine line between that degree of liberty without which law is tyranny and that degree of law without which liberty is anarchy.

It is a hard task. Government by the people, busy as they are with the daily round, is at once the most precious and the most difficult of all governments.

But because it is your Government assume responsibility for it. Do not rely alone on law, Government, Congress, the courts, or the Constitution to protect your liberty.

The aim of democracy is the economic and political application of the Golden Rule. It is your inheritance from a great and blood-stained past. It is your legacy from the fathers. To guard and bequeath it to your children is your privilege and job.

THE POWER OF THE SUPREME COURT TO DECLARE ACTS OF CONGRESS VOID—THE POWER TO INTERPRET THE CONSTITUTION IS THE POWER TO MAKE THE CONSTITUTION

Mr. RAMSAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. RAMSAY. Mr. Speaker, it is claimed by those who support the theory of court determination of acts of Congress that those who oppose such application of power are opposed to the Constitution and seek to destroy our courts of justice.

To my mind, this is a gratuitous insult to a great mass of splendid lawyers and students of our jurisprudence, who assert that the court's duty is to interpret the law and not seek to form the law by the veto of legislation, because the

power to interpret the Constitution is the power to make the Constitution.

Speaking for myself, I not only respect but revere our splendid courts, who have done so much to aid the great cause of liberty and freedom of the American people.

I realize that in a great republic like ours that the confidence of the people in their courts and their laws reposes the sure and certain assurance of the perpetuity of our institutions.

Since the foundation of the great American Republic there have been two lines of thought uppermost in the minds of American statesmen.

Did the fathers of our country have in mind the general welfare of the whole people when writing the Constitution, or did they have in mind the restriction of the general welfare whenever this great motive would conflict with the right to own or control property?

The founders of my political party and faith claim that the "preamble" of the Constitution meant what it said, and that all forms and action of government should be diverted and used to promote the general welfare of the people. Therefore they held that the judiciary should have no part in declaring the kind and character of laws Congress should enact, nor should the courts have any right, power, or privilege to declare any act or acts of Congress void.

Those opposed to this view of government claim that the preamble of the Constitution meant nothing and could not be looked to in deciding upon the acts of Congress, and unless specifically authorized by the Constitution, Congress has no power to legislate.

If the Supreme Court had been so careful in marking out its powers to so adjudicate, under specific authorization, under the Constitution, this conflict would never have occurred, because the Constitution in none of its provisions authorizes the courts to hold any acts of Congress void and unconstitutional.

Today we are, in the final analysis, governed by a theory of government that was supposed to have died with the Federalist Party, but we now feel the dead and withered hand of Alexander Hamilton directing through our Supreme Court the policies of every administration, regardless of which political party may be in power.

The decision of the Court in the Marbury case was the first declaration of the right of the Supreme Court to declare acts of Congress void. This decision was the most brazen judicial announcement of a political faith ever made by any body of men in this country. This opinion merely set forth the principles of federalism as announced by Hamilton. It was an obiter dictum opinion, because the Court first announced it did not have jurisdiction, then went on to say what the Court would have decided, if it had jurisdiction. Upon this opinion, rendered without authority or citation, the Court has built up its theory of vetoing and outlawing acts of Congress, thereby placing itself in the position of dictating the political policies of this country. Such decisions of our courts are mere political opinions and not judicial decisions, and are wholly unauthorized by the Constitution, laws, and traditions of our form of government.

When we realize that no court in Great Britain has dared declare any act of Parliament unconstitutional in the past 200 years, and that neither France, Belgium, Germany, nor Italy have any court empowered to set aside the laws of their Parliament, we stand aghast at it all, and as we realize that every court in America, even every justice of the peace, can set aside the acts of Congress and declare the political course our political parties must pursue, we shudder and wonder what the outcome will be.

How long will the American people permit the courts of America to defeat the expressed will and intent of the people of this country by avoiding and destroying the laws that people are demanding? By a decision of 5 to 4 will they continue to permit this Court to deny their Legislature the right to correct the evils and abuses of the ownership of property that have for the past 50 years dictated the course of legislation at the expense of human welfare? The courts apparently will not or cannot recognize the changing social needs of the United States.

To determine whether or not those of us who deny the power of the Court to nullify acts of Congress are radical and opposed to the Constitution, let us, for a moment, review the expressions of our great American statesmen of the past.

The Constitutional Convention held in 1787 three times refused to adopt a resolution that would have granted to the Supreme Court the right to declare acts of Congress void or unconstitutional. (See Reports of Federal Convention, by James Madison, pp. 51, 406–407, and 475.) The last statement on this subject in said record, at page 475, written by Madison himself, reads:

> It was generally supposed that the jurisdiction given (Supreme Court) was constructively limited to cases of a judicial nature.

It was further argued by Madison and others that the Constitution did not grant the right to such Court to declare acts of Congress void. In discussing this question, James Madison said:

> I beg to know upon what principle it can be contended that any one department draws from the Constitution greater powers than another in marking out the limits of the powers of the several departments. Nothing has yet been offered to invalidate the doctrine that the meaning of the Constitution may as well be ascertained by the legislative as by the judicial authority.

Thomas Jefferson, in writing to Mrs. Adams on September 11, 1804, wrote:

> The opinion which gives to the judges the right to decide what laws are constitutional and what not, not only for themselves in their own sphere of action but for the legislature and executive also in their spheres, would make the judiciary a despotic branch.

In a letter written by Jefferson to Mr. Johnson on June 12, 1823, discussing this same question, he stated:

> There must be an ultimate arbiter somewhere. True there must; but does that prove it is either the Congress or the Supreme Court? The ultimate arbiter is the people of the Union, assembled by their deputies in convention at the call of Congress or of two-thirds of the States.

Charles Pinckney, one of the signers of the Constitution, says in discussing this subject:

> On no subject am I more convinced that it is an unsafe and dangerous doctrine in a republic ever to suppose that a judge ought to possess the right of questioning or deciding upon the constitutionality of laws or any act of legislature. It is placing the opinion of an individual, or of two or three, above that of both branches of Congress, a doctrine which is not warranted by the Constitution, and will not, I hope, long have any advocates in this country.

President Jackson, in discussing McCullough against Maryland and of Osborn against United States Bank, in a message to Congress said:

> The Congress, the Executive, and the Court must each for itself be guided by its own opinion of the Constitution. Each public officer who takes an oath to support the Constitution swears he will support it as he understands it and not as it is understood by others.

It is as much the duty of the House of Representatives or the Senate and of the President to decide upon the constitutionality of any bill or resolution which may be presented to them for passage or approval as it is of the Supreme Court when it may be brought before them for judicial decision. The opinion of the Judges has no more authority over Congress than the opinion of Congress has over the Judges. The authority of the Supreme Court must not, therefore, be permitted to control the Congress or the Executives when acting in their legislative capacities.

Abraham Lincoln, in his first inaugural address as President of the United States, said:

> The candid citizen must confess that if the policy of the Government, upon vital questions affecting the whole people, is to be irrevocably fixed by decisions of the Supreme Court the instant they are made, the people will have ceased to be their own rulers, having to that extent practically resigned their Government into the hands of that eminent tribunal.

Justice Clark, of the Supreme Court, in discussing this question in the Ninth American Bar Association Journal, October 1923, page 691, said:

> It is no new suggestion that if the Court would give real and sympathetic effect to this rule by declining to hold a statute unconstitutional whenever several of the Justices conclude that it is valid—by conceding that two or more being of such opinion in any case must necessarily raise a "rational doubt"—an end would be made of five to four constitutional decisions, and great

benefit would result to our country and to the Court. To voluntarily impose upon itself such a restraint as this would add greatly to the confidence of the people in the Court and would very certainly increase its power for high service to the country. Anyone at all acquainted with the temper of the people in this grave matter must fear if the rule is not observed in some such manner a greater restraint may be imposed upon the Court by Congress or by the people, probably to the serious detriment of the Nation.

Of course, I am aware that the courts and many in the legal profession contend that the courts have an inherent right to declare acts of the legislative branch of the Government void as a professional dogma or a matter of faith rather than reason. But may I not observe that while this right in question has long been claimed by the judiciary, no judge has ventured to discuss it, except Chief Justice Marshall in the Marberry case, and if the argument of such a distinguished jurist is found to be inconclusive and inconvincing, it must be attributed to the weakness of his position and not to his ability.

The Constitution is a collection of fundamental laws, not to be departed from in practice, nor altered by judicial decisions. Therefore, if the courts assert this right, instead of resting on the claim that it has been universally assumed by the American courts, they ought to be prepared to maintain it on the principles of the Constitution.

I, therefore, maintain that in this country the powers of the judiciary are divisible into those that are political and those that are civil.

The political powers of the judiciary are extraordinary and are derived from certain peculiar provisions in the Constitution, from the common fountain of all political power.

On the other hand, its civil powers are its ordinary powers, existing independently of any grant in the Constitution. But where government exists by virtue of a written constitution, the judiciary does not derive from that circumstance any other than its ordinary and appropriate powers.

Our judiciary is constructed upon the principles of the common law. In adopting the common law, we take it with just such powers and capacities incident to it, at the common law, except where there have been express changes made by our Constitution and enacted law. With us, the people, through their Constitution, have seen fit to clothe Congress with sovereignty and power, to pass and enact laws, and denied this right to other branches of the Government.

It must be conceded, then, that the ordinary and essential powers of the judiciary do not extend to the annulling of an act of Congress. Nor does it follow, because the Constitution did not invest this power in any department of our Government, that it belongs to the judiciary, and I take it that this power could not rest in the judiciary without producing a direct authority for it in the Constitution, either in terms or by the strongest implication from the nature of our Government, without which this power must be considered as reserved for the immediate use of the people.

The Constitution contains no practical rules for the administration of law by the courts, these being furnished by the acts of ordinary legislation enacted by Congress, who are exclusively, with the President, the representatives of the people.

The Constitution and the right of Congress to pass a certain act may be in collision, but is that a legitimate subject for judicial determination? If it is, the judiciary must be a peculiar organ to revise the proceedings of Congress and to correct its mistakes. And where, oh where, are we to look for this proud prerogative in the Constitution?

Viewing it from the other angle, what would be thought of an act of Congress declaring that the Supreme Court had put the wrong construction on the Constitution in the N. R. A. case, and that the judgment ought to be reversed?

I can hear now the howls of usurpation of judicial power.

The passage of an act of Congress is an act of sovereignty, and sovereignty and legislative power are said by Blackstone to be convertible terms.

It is the business of the judiciary to interpret the laws and not to scan the authority of the lawgiver. If the judiciary has the power to inquire into anything other than the form of enactment, where shall it stop? There certainly must be some limitation to such an inquiry. Those who claim this right for the judiciary, claim the legislative branch has no right of legislation, unless specifically granted by the Constitution. Therefore, if the authority to pass certain legislation is not found in the Constitution, such acts are not the acts of the people, but of the Congressmen themselves. But this is putting the argument on bold ground; to say that a high public representative of the people themselves shall challenge no more respect in the passage of legislation than a private individual must be rejected by every fair mind.

The further argument is made that when the Supreme Court holds an act of Congress void, it must acquiesce, although it may think the construction of the judiciary is wrong. But why must it acquiesce? Only because it is bound to show proper respect to the Supreme Court, which it in turn has a right to exact from the Supreme Court. This is the argument.

But it cannot be contended that the Congress has not, at least, an equal right with the judiciary to place a construction on the Constitution, nor can it be said that either are infallible, nor that either ought to surrender its judgment to the other. Certainly the framers of our Government never intended that the legislative and judiciary branches of our Government should ever clash upon the construction of our Constitution, yet we know this has occurred time and again during the history of our country.

What I am trying to say is that the judiciary, if at all possible, should yield to the acts of Congress the same respect that is claimed for the acts of the judiciary.

The great number of cases that have been decided by the Court by a decision of 5 to 4 clearly illustrates that repugnancy to the Constitution is not always self-evident, and that to avoid them requires the act of some tribunal competent, under the Constitution—if any such there be—to pass upon their validity.

The judiciary was not created by the fathers of the Constitution for that purpose. But in theory all the organs of Government were to have equal capacity, or if not equal, each was supposed to have superior power only for those things which peculiarly belong to it, and as legislation peculiarly involves the consideration of those limitations which are put on the lawmaking power, and the interpretation of laws, when made, involves only the construction of the laws themselves, it follows that the construction, in this particular, belongs to the Congress, which ought, therefore, be taken to have superior capacity to judge the constitutionality of its own acts.

The very definition of "law" which is said to be "A rule of civil conduct prescribed by the supreme power in the State", shows the intrinsic superiority of the Congress.

It will be said the power of Congress also is limited by prescribed rules. It is so. But it is the power of the people, and sovereign as far as it extends.

The foundation of every argument of every advocate of the judiciary to declare acts of Congress void rests upon the oath taken by the judiciary upon entering their office. Neither the oath of such officer nor his official duty contemplates an inquiry into the authority of Congress.

The fallacy of the argument that courts in approving acts of Congress adopt them as their own leads some of us to believe that this alone requires and compels the court to pass upon the constitutionality of acts of Congress, whereas the enactment of a law and the interpretation of it are not concurrent acts, and as the judiciary is not required to concur in the enactment, neither is it in the breach of the Constitution which is the fault of Congress, and upon it the responsibility rests.

The relief from such legislation rests entirely with the people, and I firmly believe they would see to it that no law would be permitted to stand or remain in our statutes that was a flagrant violation of their Constitution.

DISSENTING OPINIONS OF THE SUPREME COURT

Being a lawyer who has practiced law continuously for the past 35 years, I have been obsessed with the idea that judges

and those who are learned in the law are probably better qualified than any other citizen to determine whether or not an act of Congress is derogatory to the Constitution. But if you are a lawyer who has studied legislation adopted by our Congress during the life of our Republic, you will be compelled to confess that your researches of such legislation have disclosed to you that no act was ever passed by Congress with the open or avowed purpose of flaunting or circumventing the Constitution. But, on the contrary, every such act was debated fully, and the majority who enacted such legislation honestly believed that under the terms of the Constitution the Congress was well within its rights and undoubtedly was attempting to carry out the wishes of the people.

And if you have studied the decisions of our Supreme Court on this subject, you will be convinced that the Court in setting aside such acts did not remove from your mind reasonable doubt about the constitutionality of the acts. But, on the contrary, the Court was so divided in opinion that their decisions only added confusion to the doubt they sought to remove.

Our Supreme Court has many times seriously divided its councils upon passing on acts of Congress, and many great members of the Court have charged it with undertaking to usurp the power of legislation and were therefore themselves violating the Constitution and trespassing upon the power of Congress to enact legislation as granted to it by the people under the Constitution itself.

That we may understand the views of some of the greatest of our Supreme Court Judges, I beg to cite and quote from the following:

In the income-tax case known as *Pollock* v. *Farmers Loan & Trust Co.* (157 U. S. 429; 158 U. S. 601), decided in 1895. Justices Harlan, Brown, Jackson, and White dissented. In dissenting, Justice Harlan argued:

> That by reversing the earlier law and practice of the Government the majority of the Court rendered it necessary to amend the Constitution to secure principles of right, justice, and equality in Federal taxation, and he insisted that policy and economic consideration rather than law actuated the majority in their conclusion.

Again, in the case of *Connally* v. *Union Sewer Pipe Co.* (184 U. S. 540), decided in 1902, Justice McKenna dissenting from the opinion of the Court, said:

> Courts are not to determine, he thought, whether laws arbitrary, oppressive, or capricious, indeed whether such combinations are evils or blessings, or to what extent either, is not a judicial inquiry. * * * To consider their effect would take us from legal problems to economic ones, and this demonstrates to my mind how essentially any judgment or action based upon these differences is legislative and cannot be reviewed by the judiciary.

Again, in *Burton* v. *United States* (202 U. S. 344), decided in 1906, Justices Brewer, White, and Peckham dissented from the opinion of the Court and declared:

> That the construction now given writes into the statute an offense which Congress never placed there. It is a criminal case, and in such a case, above all, judicial legislation is to be deprecated.

In the case of *Weems* v. *United States* (217 U. S. 349), decided in 1910, Justice White, with the concurrence of Justice Holmes, recorded a vigorous dissent:

> They thought if legislation defining and punishing crime is held repugnant to constitutional limitations it "seems to the judicial mind not to have been sufficiently impelled by motives of reformation of the criminal."

The legislative power is impotent to control crime. Since the decisions subjected to judicial control the degree of severity with which authorized modes of punishment might be inflicted, it seemed to the minority:

> That the demonstration is conclusive that nothing will be left of the independent legislative power to punish and define crime.

The direct result of the decisions, it was maintained, was to expand the judicial power by endowing it with a vast authority to control the legislative department in the exercise of its rightful discretion.

In the case of *Lochner* v. *New York* (198 U. S. 45), decided in 1905, Justices Harlan, White, Day, and Holmes dissented. Justice Harlan, writing the dissenting opinion declared:

> It is not the province of the Court to inquire, under our system of government, whether or not this be wise legislation. The courts are not concerned with the wisdom or policy of legislation. We do not regard it as within the function of the Court to determine what is sound economic theory in the realm of labor legislation.

Justice Holmes prepared a separate dissenting opinion, in which he declared:

> This case is decided upon an economic theory, which a large part of the country does not entertain. If it were a question whether I agreed with that theory, I should desire to study it further and long before making up my mind. But I do not conceive that to be my duty, because I strongly believe that my agreement or disagreement has nothing to do with the right of a majority to embody their opinions in law.

Again, in the case of *Employers' Liability Cases* (207 U. S. 463), decided in 1908, Justices Moody, Harlan, McKenna, and Holmes dissented from the judgment of the Court. Justice Moody, in the course of his dissenting opinion, said:

> The Court has never exercised the mighty power of declaring the acts of a coordinate branch of the Government void, except where there is no possible and sensible construction of the act which is consistent with the fundamental organic law. The presumption that other branches of the Government will restrain themselves within the scope of their authority and the respect which is due to them and their acts admit of no other attitude from this Court. * * * But the economic opinion of the judges and their views of the requirements of justice and public policy, even when crystallized into well-settled doctrines of law, have no constitutional sanctity. They are binding upon succeeding judges, but while they may influence, they cannot control legislators. Legislators have their own economic theories, their views of justice and public policy, and their views when embodied in written law must prevail.

In the case of the *Standard Oil Co.* v. *United States* (221 U. S. 1), decided in 1911, dissenting in part from the reasoning of the majority, Justice Harlan claimed—

> That the Court, by its decisions, when interpreted by the language of its opinion, has not only upset the long unsettled interpretation of the Sherman Antitrust Act, but has usurped the constitutional functions of the legislative branch of the Government.

Continuing further, he said:

> I am impelled to say that there is abroad in our land a most harmful tendency to bring about the amending of constitutions and legislative enactments by means alone of judicial construction.

In the case of *Burns Baking Co.* v. *Bryan* (264 U. S. 504), decided in 1923, Justice Brandeis, dissenting, said:

> That the Court had decided as a fact that the prohibition of excess weights is not necessary for the protection of the purchasers against imposition and fraud by short weights; that the law subjected bakers and sellers of bread to heavy burdens.

Continuing, he said:

> In my opinion, this is an exercise of the powers of a superlegislature, not the performance of the constitutional function of judicial review.

In the case of *Hammer* v. *Dagenhart* (247 U. S. 251), decided in 1918, Justices Holmes, McKenna, Brandeis, and Clark dissented and said:

> We should have thought that the most conspicuous decisions of this Court has made it clear that the power to regulate commerce and other constitutional powers could not be cut down or qualified by the fact that it might interfere with the carrying out of the domestic policy of any State. The act does not meddle with anything belonging to the States. They may regulate their internal affairs and their domestic commerce as they like, but when they seek to send their products across the State line they are no longer within their rights.

In the case of *Adkins* v. *Children's Hospital* (261 U. S. 525), decided in 1923, Chief Justice Taft and Justices Sanford and Holmes dissented. In dissenting, Chief Justice Taft said:

> It is not the function of this Court to hold congressional acts invalid simply because they are passed to carry out economic views which the Court believes to be unwise or unsound.

Justice Holmes, in dissenting, said:

> I confess that I do not understand the principle on which the power to fix a minimum for the wages of women can be denied by

those who admit the power to fix a maximum for their hours of work. (Hours of work for women in the District of Columbia had previously been upheld by the Court.)

The very latest criticism of the Court by its own members relative to its tendency to pass upon questions of policy rather than law is the case of the United States of America against Gus L. Constantine, which was decided at the October term of Court, 1935, and is not yet in print. In this case Justices Cardozo, Brandeis, and Stone dissented, and in dissenting in this case Justice Cardozo expressed the following:

If I interpret the reasoning aright, it does not rest upon the ruling that Congress would have gone beyond its power, if the purpose that it professed was the purpose truly cherished. The judgment of the Court rests upon the ruling that another purpose, not professed, may be read beneath the surface, and by the purpose so imputed, the statute is destroyed. Thus the progress of psychoanalysis has spread to unaccustomed fields. There is a wise and ancient doctrine that a court will not inquire into the motives of a legislative body or assume them to be wrongful. (*Fletcher* v. *Peck*, 6 Cranch 87) (*Magnana Co.* v. *Hamilton*, 292 U. S. 40). There is another wise and ancient doctrine that a court will not adjudge the invalidity of a statute except for manifest necessity. Every reasonable doubt must have been explored and extinguished before moving to that grave conclusion. (*Ogden* v. *Saunders*, 12 Wheat. 213.) The warning sounded by this Court in the *Sinking Fund Cases* (99 U. S. 700) has lost none of its significance. Every presumption is in favor of the validity of a statute, and this continues until the contrary is shown beyond a rational doubt. One branch of the Government cannot encroach on the domain of another without danger. The safety of our institutions depends in no small degree on a strict observance of this salutary rule. I cannot rid myself of the conviction that in the imputation to the lawmakers of a purpose not professed, this salutary rule of caution is now forgotten or neglected after all the many protestations of its cogency and virtue.

It is often said that our Government is divided into three branches—the executive, legislative, and judicial. This is only partly true, since the Court has arrogated to itself the power to override acts of Congress. But the right of the people to grant specifically such powers of Congress, as may now be in doubt, cannot be denied.

The Fort Sumter of 1936 is clearly the massive building where the judges hold sway, and not the Halls of Congress. If any man doubts this statement, let him read the dissenting opinion of the three dissenting Judges, Justices Stone, Brandeis, and Cardozo, in the A. A. A. case, where they said:

The majority opinion hardly rises to the dignity of argument, and must lead to absurd consequences. And that acceptance of the theory that "preservation of our institutions is the exclusive concern of any one of the three branches of government", is far more likely to destroy the Union than the frank recognition that language, even of a constitution, may mean what it says, and that the power to tax and to spend includes the power to relieve a Nation-wide economic maladjustment by conditional gifts of money.

It is my belief that no act of Congress should be set aside by our courts unless the Court can by unanimous decisions declare that the enactment is a violation of the Constitution. This would remove doubt and add great weight to the decisions of our courts and allay the suspicion of our people that the Court has set itself up as a superlegislative body.

I desire to quote from the decision of Chief Justice Marshall in the original case of our Supreme Court, where it decided for the first time the power of Congress to enact legislation under the commerce clause of our Constitution (*Gibbons* v. *Ogden*, 9 Wheat. 1), where he said:

The wisdom and the discretion of Congress, their identity with the people, and the influence which their constituents possess at elections are in this, as in many other instances as that, for example, of declaring war, the sole restraints on which they have relied to secure them from its abuse. They are the restraints on which the people must often rely solely in all representative governments.

BILL TO LIMIT JURISDICTION OF SUPREME COURT

The first thought or reaction of those who oppose the Supreme Court's tendency to veto statutes enacted by Congress is to exclaim: Let us amend the Constitution. But why resort to this possible but unlikely remedy that would be drawn out for years with long-fought and destructive agitation if the same purpose can be accomplished by a mere simple act of Congress? With this thought in mind, I introduced on May 14, 1935, H. R. 8054, which provides as follows:

(1) That the inferior courts of the United States and the courts of the District of Columbia and the Territories of the United States shall have no jurisdiction to declare any act of Congress unconstitutional. Any question arising upon an attack against any act of Congress, upon the ground that same is unconstitutional and void, raised in any of said courts shall, by the presiding judge thereof, be certified to the Supreme Court of the United States and further proceedings in the case stayed until such question shall have been decided and the decision certified back. The forms of the certificates of such questions, as well as the time and manner of the hearing and notice thereof and the portion of the record to be sent up, shall be as prescribed by the Supreme Court. Entry of such certificate or the fact that it has been made, upon the record of the case in the trial court, shall be sufficient notice to the parties that the questions involved are on application for hearing and determination by the appellate court. Attested copies of the portions of the record of the case or cause necessary to a determination of the questions so certified shall forthwith be presented to the Supreme Court, together with the question certified; and, secondly, that

In all cases now pending, or which may hereafter be pending, in the Supreme Court of the United States, except cases affecting ambassadors or other public ministers and consuls, and those in which a State shall be a party, where is drawn in question an act of Congress or statute of a State on the ground of repugnancy to the Constitution of the United States, at least seven members of the Court shall concur before judgment shall be pronounced or rendered declaring said law or laws unconstitutional and void.

ARGUMENT FOR BILL OF LIMITATION

Has the Congress of the United States the power to pass any law requiring a certain number of the Judges of the Supreme Court to concur before they can declare any act of Congress unconstitutional?

The Constitution of the United States provides:

In all cases affecting ambassadors, other public ministers, and consuls, and those in which a State shall be a party, the Supreme Court shall have original jurisdiction. In all other cases before mentioned the Supreme Court shall have appellate jurisdiction, both as to fact and law, with such exceptions and under such regulations as the Congress shall make.

The Supreme Court, in passing upon this provision of our Constitution, has declared in *Ex parte McCardle* (7 Wallace, 74 U. S. 506), as follows:

We are not at liberty to inquire into the motives of the legislature. We can only examine into its power under the Constitution; and the power to make exceptions to the appellate jurisdiction of this Court is given by express words. It is quite clear, therefore, that this Court cannot proceed to pronounce judgment in this case, for it has no longer jurisdiction of the appeal.

I believe that under the provisions of the Constitution Congress has the power to prescribe the number of Judges which shall concur before a statute shall be declared unconstitutional. From the earliest days of the Republic, Congress has determined not only the number of Justices but also the number which shall constitute a quorum. The act of 1789 contained such a provision, and that provision is still in the law, providing that six Justices shall constitute a quorum. Congress has further provided for the Court's adjournment in case of no quorum. It has given to less than a quorum the power to make necessary orders touching a pending case.

The judicial power of the United States is vested in one Supreme Court and such inferior courts as the Congress may create. That judicial power, it will be readily conceded, cannot be invaded by the legislative branch of the Government; but there is a line which separates the appellate jurisdiction of the Court under proper regulations of Congress where legislation cannot be termed an unwarranted invasion of such judicial power.

Did Congress invade the "judicial power" when it declared the number of Justices required to constitute a quorum? I think not. Is it invading the "judicial power" when it pro-

vides by law that less than a quorum shall be authorized to do certain things? I believe not.

Is the power to grant certain writs, as provided by statute, by one member of the Court alone an invasion of the "judicial power"? I cannot believe it is. And if these congressional acts were not invasions upon the power of the Court, surely regulations touching the appellate jurisdiction, before an act of Congress can be declared void, at least by seven Judges, cannot by the widest stretch of the imagination be declared an invasion of the "judicial power."

I feel that Congress has the power; and if Congress has the power, it is perfectly clear that it should use it. For unless we do make some such provision, we shall probably have to meet the situation after it becomes vastly more serious.

To establish rules and regulations to govern the courts in determining how they shall act in deciding upon the constitutionality of an act of Congress does not deny the Supreme Court the right to pass upon the validity of such acts. Those who claim this jurisdiction for the Supreme Court base such claim upon article 3 of the Constitution, that "the judicial power shall extend to all cases in law and equity arising under the Constitution." To base jurisdiction on this article would require such advocate to admit that Congress is vested with the right to control such action of the Court in the manner and form of arriving at such decision, because the same section further reads, "with such exceptions and under such regulations as the Congress shall make."

This proposed course is not a new proposition. It is a subject which has had consideration from almost the beginning of our Government by some of our greatest statesmen.

In 1823 a resolution was introduced in Congress proposing to require the concurrence of seven Judges in any opinion concerning the validity of State or Federal legislation.

In 1824 there were several similar proposals. A bill was reported by Martin Van Buren, requiring the concurrence of 7 Judges out of 10, and requiring each Judge to make record of his separate opinion. In 1824 a Member from Kentucky introduced a resolution requiring that a certain number of Judges should concur before the Court should hold a State statute unconstitutional. Henry Clay and Daniel Webster took part in the debate, but so far as I can learn from these debates, no question of the constitutionality of the proposal was raised. The debate seemed to indicate that both of these great statesmen acknowledge the subject to be within the power of Congress, and the debates deal with it solely as a question of policy.

The 5-to-4 decisions of our Supreme Court upon great constitutional questions are always a matter of deep regret, and I imagine that no one feels the responsibility more deeply than the members of our Supreme Court.

These decisions seem to breed and justify a disrespect for the decisions of this great tribunal. They give rise to more criticism of the Court than any one thing which I am able to recall.

When a measure has passed both Houses of Congress and received the approval of the President, it seems unreasonable that such a measure should be rejected by a decision in which no more than five of the nine Judges concur.

In the final analysis it comes to the proposition that one Judge has not only the veto power over the acts of Congress but the veto power over the President when he assented to the measure in question.

When Chief Justice Marshall for the first time after 14 years of government disregarded the three negative votes in the Constitutional Convention denying to his Court the right to decree acts of Congress void, declared the Supreme Court has the power to so act and gave this warning:

> We must never forget that it is a Constitution we are expanding, a Constitution intended to endure for ages to come, consequently to be adapted to the various crises of human affairs.

I am afraid this sound advice to those who act in the judiciary capacity has not always been remembered by the inferior courts when they declare an act of Congress unconstitutional.

Such actions of our inferior courts have grown to be ridiculous in the United States, and have not only brought the judiciary into disrepute but have placed the whole bar and legal profession of the country in the position of always acting as "cat's-paws" for those who seek to defeat the will of the people.

Such decisions are mere vetoes; vetoes exercised by one man. Such power, I submit, should not be exercised by one Judge of the Supreme Court. The Constitution does not grant or authorize it. Then why should the people and its legislature permit this Court to exercise this veto power over laws passed by the Congress and signed by its President?

Such power, exercised at will by one man, not only destroys the will of the majority but makes our Government impotent to legislate and care for the general welfare of the people.

Surely if any court should have the right to decide questions that are so far-reaching to the general welfare of our country and the preservation of its liberties, it should only be the one great Court—the Supreme Court of the United States.

It was certainly never intended by the founders of our Government that every inferior court of the land, including even justices of the peace, should have the right to declare that an act of the highest legislative body in the land, the Congress of the United States, should be declared unconstitutional, and by injunction or otherwise set aside or hold up the operation of such laws in the community in which they live.

There is no more outstanding fact in the history of the Constitutional Convention than the fact that three times this Convention refused even to grant this power to the Supreme Court of the United States.

The 5-to-4 decisions of our highest Court in the land sound to the average citizen like the betting odds at a horse race, and, in fact, they leave the American mind in doubt just what is or should be the law. Such decisions only shake the confidence of the people in the judgment of this great tribune.

The Court itself has said that in construing a law to determine whether or not it violates the Constitution every doubt must be construed in favor of such law, and yet the Court in its 5-to-4 decisions violates this rule of construction that was laid down by it, creating doubt in the minds of the general public that someone must be wrong when only one man out of nine can sway such grave decisions that are so far-reaching in effect upon the life and the happiness of the American people.

The people in America will never be satisfied with the decisions of their courts until they, by their decisions and decrees, recognize that the Constitution was written by the founders of this Government to expand and extend the human rights of man, and that in any conflict between the welfare of mankind and man's right to own, possess, and control property the Constitution must be held by our courts to be the Bill of Rights of the American people that the fathers of this Government intended, and that it can and will protect the people, even to the release of vested interests in property rights, if need be.

But so long as man is mere man, and some of us believe that the rights of man should come first in the passage of laws, first in the balance of the scales of justice, and others of us believe that the right to own and possess property should be the first consideration, then we will continue to have these 5-to-4 decisions, depending wholly upon the thoughts, habits, environments, and conscience of the men who are so called upon to decide.

In declaring any act of Congress unconstitutional the Supreme Court should be required to render such decision in a manner that would clearly impress the American people, free from all reasonable doubt, bias, and caprice. The Court should be required to comport with its own rule, laid

down for determination of constitutional questions, and resolve all doubts in favor of the acts of Congress. Such decisions by the Court should be unanimous or by such a preponderance of the Court, so that no reason for doubt of the correctness and fairness of the decision could be left in the minds of the average citizen.

For this reason I have introduced this bill. I believe that its passage will bring back and restore to this great Court the confidence and respect of the American people. It will instill in the people of our country love for its institutions and grant an assurance that the will of the people will be safeguarded against those who stand against progress and a new day.

CITATIONS OF SUPREME COURT DECISIONS

Before closing I desire to cite the very able and admirable brief of Joseph L. Levinson of the Los Angeles (Calif.) bar, that is replete with citations of our courts fully upholding and sustaining the authority of Congress to enact such legislation as I have heretofore proposed:

During the last 5 months of its late term, the Supreme Court declared four Federal statutes and one joint resolution of Congress unconstitutional: *Panama Refining Co.* v. *Ryan* (Jan. 7, 1935) (293 U. S. 388); *Perry* v. *United States* (Feb. 18, 1935) (294 U. S. 330); *Railroad Retirement Board* v. *Alton Railroad Co.* (May 6, 1935) (55 Sup. Ct. 758); *A. L. A. Schecter Poultry Corporation* v. *United States* (May 27, 1935) (55 Sup. Ct. 837); *Louisville, etc. Bank* v. *Radford* (May 27, 1935) (55 Sup. Ct. 854).

This rate of mortality is without parallel in our history. During the first 75 years but 2 national laws were held unconstitutional by the Supreme Court, and by the end of 1934 the number did not exceed 60. (See Warren, Congress, the Constitution, and the Supreme Court (1930), pp. 273–301, compiling 53 decisions from 1789 to June 1924.)

Small wonder that since the recent cases suggestions for constitutional amendments have come from both Members of Congress and the President.

Constitutional amendment is, of course, possible, but unlikely without long agitation and the lapse of years.

I

Meanwhile, is there anything Congress can do to limit judicial review?

The answer to this question may be gathered from an examination of sections 1 and 2 of article III of the Constitution:

SECTION 1. The judicial power of the United States shall be vested in one Supreme Court, and in such inferior courts as the Congress may from time to time ordain and establish * * *.

SEC. 2. * * * In all cases affecting ambassadors, other public ministers and consuls, and those in which a State shall be party, the Supreme Court shall have original jurisdiction. In all the other cases * * * the Supreme Court shall have appellate jurisdiction, both as to law and fact, with such exceptions, and under such regulations as the Congress shall make. * * *

It is well settled that the inferior Federal courts are dependent upon Congress for their existence and the powers they exercise. (*Gillis* v. *California* (1934) (293 U. S. 62).) Once in our early history Congress abolished the inferior Federal courts altogether (Warren, the Supreme Court in the United States History (1922), pp. 204–209), and in our own time Congress abolished the United States circuit courts. (36 Stat. (1911) 1167.) Congress frequently has limited the jurisdiction of the inferior Federal courts. Since 1867 the inferior Federal courts have been prohibited from enjoining the assessment or collection of a Federal tax. (14 Stat. (1867) 475, 26 U. S. C. (1926), sec. 154.) For 25 years district courts have been prohibited, except by a specially constituted court of three judges, from enjoining the action of the Interstate Commerce Commission or of State officers, under State statutes, claimed to be violative of the Federal Constitution. (36 Stat. 1910) 557, amended 36 Stat. (1911) 1162, 37 Stat. (1913) 1013; 43 Stat. (1925) 938, 28 U. S. C. (1926), sec. 380.) And a little more than a year ago Congress passed a statute depriving the United States district courts of jurisdiction under certain circumstances to restrain the enforcement of the orders of State or local utilities commissions under the due-process clause of the Constitution of the United States. (28 U. S. C. (1934), sec. 41, as amended, 48 Stat. (1934) 775.)

The powers of Congress, under sections 1 and 2 of article III, relative to the inferior Federal courts and the status of those courts, are made plain in the following passage from *Kline* v. *Burke Construction Co.* (1922) (200 U. S. 226, 234), decided in 1922:

Only the jurisdiction of the Supreme Court is derived directly from the Constitution. Every other court created by the General Government derives its jurisdiction wholly from the authority of Congress. That body may give, withhold, or restrict such jurisdiction at its discretion, provided it be not extended beyond the boundaries fixed by the Constitution. [Citing cases.] The Constitution simply gives to the inferior courts the capacity to take jurisdiction in the enumerated cases, but it requires an act of Congress to confer it. [Citing case.] And the jurisdiction, having been conferred, may, at the will of Congress, be taken away in whole or in part; and if withdrawn without a saving clause, all pending cases, though cognizable when commenced, must fall. [Citing case.] A right which thus comes into existence only by virtue of an act of Congress, and which may be withdrawn by an act of Congress after its exercise has begun, cannot well be described as a constitutional right. (See *Gillis* v. *California*, supra, note 3; *United States* v. *Mar Ying Yuen* (W. D. Tex. 1903), 123 Fed. 159; *Mississippi Power & Light Co.* v. *City of Jackson* (S. D. Miss. 1935), 9 Fed. Supp. 564.)

Turning to the appellate jurisdiction of the Supreme Court, and the power of Congress to make "exceptions" and "regulations" under section 2 of article III of the Constitution.

In *Wiscart* v. *Dauchy* (1796) (3 Dall. (3 U. S.) 321, 327), decided in 1796, Chief Justice Ellsworth, speaking for the majority of the Court, said:

If Congress has provided no rule to regulate our proceedings, we cannot exercise an appellate jurisdiction; and if the rule is provided, we cannot depart from it. The question, therefore, on the constitutional point of an appellate jurisdiction is simply whether Congress has established any rule for regulating its exercise.

Referring to this generalization the Court said in *Duncan* v. *The "Francis Wright"* (1882) (105 U. S. 381, 385), decided in 1882:

This was the beginning of the rule, which has always been acted on since, that while the appellate power of this Court under the Constitution extends to all cases within the judicial power of the United States, actual jurisdiction under the power is confined within such limits as Congress sees fit to prescribe.

The later cases are to the same effect.

In *American Construction Co.* v. *Jacksonville, etc., Railway Co.* (1893) (148 U. S. 372, 378), after referring to the constitutional provisions, the Supreme Court said:

This Court, therefore, as it has always held, can exercise no appellate jurisdiction except in the cases and in the manner and form defined and prescribed by Congress.

In *St. Louis, etc., Co.* v. *Taylor* (1908), 210 U. S. 281, 292 (see *Murdock* v. *Mayor of Memphis* (1875) 20 Wall. (87 U. S.) 590; *Colorado Cent. Min. Co.* v. *Turck* (1893), 150 U. S. 138; *Laurel Oil & Gas Co.* v. *Morrison* (1909), 212 U. S. 291; 1 Cooley, Constitutional Limitations (8th ed. 1927), p. 68, the Court said:

Congress has regulated and limited the appellate jurisdiction of this Court over the State courts by section 709 of the Revised Statutes, and our jurisdiction in this respect extends only to the cases there enumerated, even though a wider jurisdiction might be permitted by the constitutional grant of power.

It should also be observed, as stated in *Luckenbach Steamship Co.* v. *United States* (1926), 272 U. S. 533, 536:

* * * that an appellate review is not essential to due process of law, but is matter of grace.

In the leading case of *Duncan* v. *The "Francis Wright"*, supra, an act of Congress limiting review in admiralty cases to questions of law was upheld, although section 2 of article III provides that—

The judicial power shall extend * * * to all cases of admiralty and maritime jurisdiction—

And the—

Supreme Court shall have appellate jurisdiction both as to law and fact.

The following is from the opinion:

The language of the Constitution is that "The Supreme Court shall have appellate jurisdiction, both as to law and fact, with such exceptions and under such regulations as Congress shall make." Undoubtedly, if Congress should give an appeal in admiralty causes, and say no more, the facts, as well as the law,

would be subjected to review and retrial; but the power to except from—take out of—the jurisdiction, both as to law and fact, clearly implies a power to limit the effect of an appeal to a review of the law as applicable to facts finally determined below. * * * Authority to limit the jurisdiction necessarily carries with it authority to limit the use of the jurisdiction. Not only may whole classes of cases be kept out of the jurisdiction altogether, but particular classes of questions may be subjected to reexamination and review, while others are not. To our minds it is no more unconstitutional to provide that issues of fact shall not be retried in any case than that neither issues of law nor fact shall be retried in cases where the value of the matter in dispute is less than $5,000. The general power to regulate implies power to regulate in all things (ibid. at 386).

The case of *Ex parte McCardle* (1868) 6 Wall. (73 U. S. 318); (1869) 7 Wall. (74 U. S. 506); was one of the most extraordinary in the history of the Court. The case first came before the Court in 1868 on motion to dismiss an appeal in habeas corpus for want of jurisdiction. The motion was denied. The case again came before the Court in 1868, after it had been argued on the merits and submitted, upon the suggestion of counsel that subsequent to the time the case had been taken under advisement, the act of 1867 authorizing the appeal had been repealed. It was well known that Congress had repealed the act of 1867, fearing that in the pending case the Supreme Court would declare the reconstruction acts unconstitutional. (Warren, the Supreme Court in the United States History (1922) pp. 187, 195–210). In 1869 the appeal was ordered dismissed for want of jurisdiction.

The following is from the opinion:

We are not at liberty to inquire into the motives of the Legislature. We can only examine into its power under the Constitution; and the power to make exceptions to the appellate jurisdiction of this Court is given by express words.

* * * * * * *

It is quite clear, therefore, that this Court cannot proceed to pronounce judgment in this case, for it has no longer jurisdiction of the appeal; and judicial duty is not less fitly performed by declining ungranted jurisdiction than in exercising firmly that which the Constitution and the laws confer.

Ex parte McCardle (supra, at 514, 515), commenting on the *McCardle case* in *Ex parte Yerger* ((1869), 8 Wall. (75 U. S.) 85, 104)—

The effect of the act was to oust the Court of its jurisdiction of the particular case then before it on appeal, and it is not to be doubted that such was the effect intended. Nor will it be questioned that legislation of this character is unusual and hardly to be justified except upon some imperious public exigency. It was, doubtless, within the constitutional discretion of Congress to determine whether such an exigency existed.

Returning to the question put above, viz: "Is there anything Congress can do to limit judicial review?" The answer is: "Yes; there is a great deal Congress can do to limit judicial review."

Congress can, unquestionably, prevent judicial review by the Federal courts altogether by abolishing the inferior Federal courts and repealing the laws dealing with the appellate jurisdiction of the Supreme Court. Congress can also, unquestionably, provide that a national statute shall not be declared unconstitutional by a district court made up of a single judge; and Congress can also provide that no district court, regardless of how it may be constituted, shall enjoin the execution of national laws pending appeals to the Supreme Court.

Can Congress, without taking away jurisdiction in large classes of cases, withhold from the inferior courts the power to pass on the constitutionality of national laws, and except from the appellate jurisdiction of the Supreme Court the right to hear and determine questions of law involving the constitutionality of Federal statutes?

Can Congress require a concurrence of more than a bare majority of the Justices of the Supreme Court to hold national laws unconstitutional under its appellate jurisdiction?

II

Looking only at the language used by the Supreme Court, it is arguable that Congress may withhold jurisdiction to declare laws unconstitutional, without otherwise disturbing the jurisdiction.

The "powers and duties" of the inferior Federal courts "depend upon the acts which called them into existence or subsequent ones which extend or limit." (*Gillis* v. *California*, supra, at 66.)

Congress "may give, withhold, or restrict" (*Kline* v. *Burke Construction Co.*, supra, note 9, at 234, 256 U. S. 688; 260 U. S. 226) the jurisdiction of those courts "at its discretion * * * And the jurisdiction, having been conferred, may, at the will of Congress, be taken away in whole or in part." (Ibid. at 234.)

The whole subject is remitted to the unfettered discretion of Congress. (*Home Ins. Co.* v. *Dunn* (1874), 19 Wall. (86 U. S.) 214, 226.)

The Supreme Court "can exercise no appellate jurisdiction, except in the cases, and in the manner and form, defined and prescribed by Congress." (*American Construction Co.* v. *Jacksonville, etc., Ry. Co.*, supra, note 13, p. 378.)

* * * actual jurisdiction under the power is confined within such limits as Congress sees fit to prescribe (*Duncan* v. *The "Francis Wright"*, supra, note 12, at 385.)

Authority to limit the jurisdiction necessarily carries with it authority to limit the use of the jurisdiction. Not only may whole classes of cases be kept out of the jurisdiction altogether, but particular classes of questions may be subjected to reexamination and review, while others are not * * *. The general power to regulate implies the power to regulate in all things. (Ibid. at 386.)

We are not at liberty to inquire into the motives of the Legislature. *Ex parte McCardle*, supra note 20, at 514.)

Logically, the decision in *Duncan* v. *The "Francis Wright"*, supra, note 12, also lends some support to the proposition that Congress may take away the jurisdiction to declare national laws unconstitutional.

If Congress may except—"take out of"—the jurisdiction to decide questions of fact, why may it not except jurisdiction to decide questions of law?

In *Massachusetts* v. *Mellon* (1923), 262 U. S. 447, 488, the court said:

We have no power per se to review and annul acts of Congress on the ground that they are unconstitutional. That question may be considered only when the justification for some direct injury suffered or threatened, presenting a justiciable issue, is made to rest upon such an act. Then the power exercised is that of ascertaining and declaring the law applicable to the controversy. It amounts to little more than the negative power to disregard an unconstitutional enactment, which otherwise would stand in the way of the enforcement of a legal right * * *. If a case for preventive relief be presented, the court enjoins, in effect, not the execution of the statute, but the acts of the official, the statute notwithstanding.

If Congress may except all questions of law, may it except constitutional questions alone?

If such an exception be justified under section 2 of article III, can it be said to undertake to impose an unconstitutional condition? (See on unconstitutional conditions, *Terral* v. *Burke Cons. Co.* (1922), 257 U. S. 529; *United States* v. *C. M. St. P. & P. R. Co.* (1931), 282 U. S. 311; *Stephenson* v. *Binford* (1932), 287 U. S. 251; Hale, Force and the State: A Comparison of "Political" and "Economic" Compulsion (1935), 35 Col. L. Rev. 149.)

Assuming that Congress may not take away "the inherent power of a court incident to a grant of jurisdiction" (*Gillis* v. *California, supra*, note 3; see *Ex parte Robinson* (1874), 19 Wall. (86 U. S. 505; *Michaelson* v. *United States* (1924), 266 U. S. 42), can it be said that the inferior Federal courts and the Supreme Court could not function as courts without jurisdiction to declare national laws unconstitutional?

First. For 150 years no English court has undertaken to exercise jurisdiction to review acts of the National Legislature. (See Plucknett, Bonham's Case and Judicial Review (1926), 40 Harv. L. Rev. 30.) In *Lee* v. *Bude & Torrington Junction Ry.* (1871), L. R. 6 C. P. 576, 582, Mr. Justice Willes said:

I would observe, as to these acts of Parliament, that they are the law of this land; and we do not sit here as a court of appeal from Parliament. It was once said—I think, in Hobart (1)—that, if an act of Parliament were to create a man judge in his own case, the Court might disregard it. That dictum, however, stands as a warning, rather than an authority to be followed. We sit here as servants of the Queen and the legislature. Are we to act as regents over what is done by Parliament with the consent of Queen, Lords, and Commons? I deny that any such authority exists. * * * The proceedings here are judicial, not auto-

cratic, which they would be if we would make laws instead of administering them.

Second. The Supreme Court declared but one act of Congress unconstitutional during the 34 years that Marshall was Chief Justice, and that act merely conferred original jurisdiction in mandate on the Supreme Court and did not relate to the appellate jurisdiction at all (*Marbury* v. *Madison* (1903) 1 Cranch (5 U. S.), 137). The second case to declare a national law unconstitutional—the Dred Scott case, 1857, Nineteenth Howard, Sixty-fourth United States, page 393—was not decided until 1857, and that case was reversed by the decision at Appomattox. So, especially for the first 70 years of our history the significant activity of the Supreme Court in constitutional cases was in passing on the constitutionality of State and local legislation—McLaughlin, A Constitutional History of the United States, 1935, pages 317, 318. Indeed, a conservative historian has observed that the power to hold acts of Congress unconstitutional "certainly appears of no supreme significance before the civil rights cases in 1883." (Ibid.)

Third. There is no express authority in the Constitution for judicial review, and the argument in favor of the authority by implication, as applied to national legislation, is far from conclusive.

The argument for judicial review was formulated by Chief Justice Marshall in 1803. (*Marbury* v. *Madison, supra,* note 34.) Briefly, Marshall's argument runs as follows:

> The Constitution is the supreme law of the land; the judges are sworn to observe it; when a statute comes before a court for enforcement, if, upon a comparison of the two writings, the statute is found to conflict with the Constitution, the judges cannot consistently with their oaths give effect to the statute.

It has been pointed out by distinguished commentators that this argument avoids the only question really involved. That question is, merely whether the right to decide rests with Congress or the courts. (Thayer, Legal Essays (1908), pp. 15, 16; McLaughlin, op. cit., supra note 36, at 309.) Marshall's argument fails to take into account that Congress and the President, as well as the courts, are sworn to support the Constitution, and it overemphasizes the duty of the judges when called on to give effect to a statute which is claimed to be unconstitutional.

> What was Andrew Johnson to do when the Reconstruction Act of 1867 had been passed over his veto by the constitutional majority, while his veto had gone on the express ground, still held by him, that they were unconstitutional?
>
> Asks James Bradley Thayer—
>
> He had sworn to support the Constitution. Should he execute an enactment which was contrary to the Constitution, and so void? Or should he say, as he did say, to the Court, through his Attorney General, that "from the moment (these laws) were passed over his veto, there was but one duty, in his estimation, resting upon him, and that was faithfully to carry out and execute these laws"? (Thayer, loc. cit. supra at 16 n.)

Marshall's argument did not notice the distinction between National and State legislation. (Ibid.; Elliott, The Need for Constitutional Reform (1935) pp. 153–158.) In other countries having federal systems and written constitutions, acts of the State legislatures may be declared ultra vires by the courts as not in accordance with fundamental law, but in practically no country in the world, other than the United States, can a statute passed by the national legislature be set aside by the courts. When a Federal court decides that a State law contravenes the Constitution of the United States, the decision merely implies national supremacy; but when a court, whether it be the Supreme Court or a justice court, declared a Federal law void, that means the judiciary is supreme. "I do not think the United States would come to an end if we lost our power to declare an act of Congress void", declared Justice Holmes, speaking in 1913, from the vantage point of 10 years' service on the Supreme Court. "I do think the Union would be imperiled if we could not make that declaration as to the laws of the several States." (Holmes Collected Legal Papers (1920), pp. 295, 296.)

III

An act of Congress requiring the concurrence of more than a bare majority of the Justices of the Supreme Court to hold national laws unconstitutional, under its appellate jurisdiction, would appear to provide for either an exception to or a regulation of the jurisdiction of the Supreme Court, and thus fall within the very language of section 2 of article III. See *Duncan* v. *The "Francis Wright"* (supra note 12. Cf. Goodnow, Social Reform and the Constitution (1911), p. 352; 1 Cooley, op. cit. supra note 14.) If anything, the powers of Congress under sections 1 and 2 of article III have been extended by construction. In addition to the cases reviewed in the text, see *Ex parte Bakelite Corp.* ((1929) 279 U. S. 438).

Such an act of Congress would also appear to provide for a reasonable exception or regulation, because it would do no more than give legislative sanction to a rule of administration which is an integral part of the doctrine of judicial review.

It is settled by the decisions of the Supreme Court that a statute is presumed to be constitutional and should not be declared unconstitutional unless its unconstitutionality is clear beyond all rational doubt. Can it be said that a national statute is unconstitutional beyond all rational doubt when Congress and the President (who equally with the judges are sworn to support the Constitution) as well as four distinguished Justices of the Supreme Court declare on their oaths that it is constitutional? Only lately the Supreme Court has held that a question of general jurisprudence was "balanced with doubt" merely because State courts had disagreed (*Mutual Life Insurance Co.* v. *Johnson* (1934) 293 U. S. 335). In *Briscoe* v. *The Commonwealth Bank* ((1834) 8 Pet. (33 U. S.) 118), Chief Justice Marshall said that it was the practice of the Court not to deliver judgment in cases involving constitutional questions unless four Judges (a majority of the Court) concurred; and two Judges being absent, it was directed that the case be reargued the following term. (See 1 Cooley, op. cit., supra, note 13, at p. 335.) In *Oakley* v. *Aspinwall* ((1850) 3 N. Y. 547), it was held that notwithstanding the provision of the Constitution declaring that the court of appeals should be composed of eight judges, the legislature could enact that a lesser number should constitute a quorum. It is an unvarying rule of the Supreme Court of Georgia that cases should be decided by the entire court consisting of six judges, unless, for a providential or like cause, one or more should be absent (*Lester* v. *State* (1923) 155 Ga. 882, 118 S. E. 674). In *Merrit* v. *State* ((1921) 152 Ga. 405, 110 S. E. 160), it was held that a decision of the Supreme Court of Georgia rendered by only five justices was not binding authority. In *Perkins* v. *Scales* ((1877) 1 Legal Reporter 15), the Supreme Court of Tennessee held unconstitutional an act which provided that upon an even division of the judges the constitutionality of a statute involved, should be upheld, and in all other cases the decree of the inferior court should be affirmed. In *Clapp* v. *Ely* ((1858) 27 N. J. L. (3 Dutch) 622), the court, without opinion, by a vote of seven to six, held unconstitutional a statute which provided that no judgment of the supreme court should be reversed by the court of errors and appeals unless a majority of the competent judges should concur in the reversal.

In 1913 Ohio adopted a constitutional amendment prohibiting its highest court from holding laws unconstitutional, if a single judge dissented (Ohio Const., art. IV, sec. 2). In 1919 North Dakota passed a similar amendment (N. D. Const., sec. 89, as amended by art. XXV, applied and discussed in *Daly* v. *Beery* (1920), 45 N. D. 287, 178 N. W. 104; *Wilson* v. *City of Fargo* (1921), 48 N. D. 447, 186 N. W. 263). In 1923 Senator BORAH introduced a bill providing that no act of Congress could be declared unconstitutional by the Supreme Court under its appellate jurisdiction, except with the concurrence of "at least seven members of the court" (Warren, op. cit. supra, note 2, at pp. 179–217). The Ohio amendment was challenged in the United States Supreme Court. The Supreme Court held the amendment was not a denial of due process or equal protection of the laws. The Supreme Court also held that the contention that the amendment deprived Ohio of a republican form of government did not present a justiciable question, saying: "As to

the guaranty to every State of a republican form of government (sec. 4, art. 4) it is well settled that the questions arising under it are political, not judicial, in character and thus are for the consideration of the Congress, and not the courts (*Ohio* v. *Akron Park District* (1930), 281 U. S. 74, 79, 80)." In discussing the suggested limitation upon judicial review here under discussion, Goodnow, in his Social Reform and the Constitution (1911) said at page 352:

Such a provision would also really bring it about that our practice would accord with our theory, which is that in order that an act of the legislature be declared void by a court its unconstitutionality, like the guilt of a person charged with crime, must be clear beyond a reasonable doubt. Judge Baldwin says in reference to this theory of constitutional law:

"As the judgments declaring a statute inconsistent with the Constitution are often rendered by a divided Court, this position seems practically untenable. The majority must concede that there is a reasonable doubt whether the statute may be consistent with the Constitution, since some of their associates either must have such a doubt, or go further and hold that there is no inconsistency between the two documents."

Many critics feel that if the Court should ever set aside the whole policy of the Government, as it might have done in the gold-clause cases, it should not do so by a bare 5-to-4 majority. There is a growing conviction among students of our Constitution, that where the Supreme Court decided against the constitutionality of an act it should be by a majority of at least two-thirds of the Court. Issues that are so doubtful as to be decided by a single vote are probably policies that should be upheld. If we are to retain the Court as an umpire and censor, we should have at least the protection of an extraordinary majority of the Court in such controversial fields of economics as the cases now before it involve. (Elliott, op. cit. supra note 39, at pp. 150–151.)

The Parliament of Great Britain, indeed, as possessing the sovereignty of the country, has the power to disregard fundamental principles, and pass arbitrary and unjust enactments; but it cannot do this rightfully, and it has the power to do so simply because there is no written constitution from which its authority springs or on which it depends, and by which the courts can test the validity of its declared will. The rules which confine the discretion of Parliament within the ancient landmarks are rules for the construction of the powers of the American legislatures; and however proper and prudent it may be expressly to prohibit those things which are not understood to be within the proper attributes of legislative power, such prohibition can never be regarded as essential, when the extent of the power apportioned to the legislative department is found upon examination not to be broad enough to cover the obnoxious authority. The absence of such prohibition cannot, by implication, confer power (1 Cooley, op. cit., supra, note 14, at p. 358).

The nature of the rule of administration, above mentioned, was stated by Thayer in the following passage:

This rule recognizes that, having regard to the great, complex, ever-unfolding exigencies of government, much which will seem unconstitutional to one man, or body of men, may reasonably not seem so to another; that the Constitution often admits of different interpretations; that there is often a range of choice and judgment; that in such cases the Constitution does not impose upon the legislature any one specific opinion, but leaves open this range of choice; and that whatever choice is rational is constitutional. This is the principle which the rule that I have been illustrating affirms and supports. The meaning and effect of it are shortly and very strikingly intimated by a remark of Judge Cooley (citing Const. Lim., 6th ed., 68; cited with approval by Bryce, Am. Com., 1st ed., p. 431) to the effect that one who is a member of a legislature may vote against a measure as being, in his judgment, unconstitutional; and, being subsequently placed on the bench, when this measure, having been passed by the legislature in spite of his opposition, comes before him judicially, may there find it his duty, although he has in no degree changed his opinion, to declare it constitutional (Thayer, Legal Essays (1908) p. 22).

The ground on which courts lay down this test of a reasonable doubt for juries in criminal cases, is the great gravity of affecting a man with crime. The reason that they lay it down for themselves in reviewing the civil verdict of a jury is a different one, namely, because they are revising the work of another department charged with a duty of its own—having themselves no right to undertake that duty, no right at all in the matter except to hold the other department within the limit of a reasonable interpretation and exercise of its powers. The court must not, even negatively, undertake to pass upon the facts in jury cases. The reason that the same rule is laid down in regard to revising legislative acts is neither the one of these nor the other alone, but it is both. The courts are revising the work of a coordinate department, and must not, even negatively, undertake to legislate. And again, they must not act unless the case is very clear, because the consequences of setting aside legislation may be so serious (ibid. at p. 29).

IV

Lord Birkenhead went to the heart of the question underlying judicial supremacy, in an address to American lawyers:

The decision is premature whether you, and those who agree with you, have been right in trying to control the free will of a free people by judicial authority, or whether we have been right in trusting the free will and a free people to work out their own salvation.

No informed person would advocate abolishing the inferior Federal courts or depriving the Supreme Court of its appellate jurisdiction; and until the American people cease to have more confidence in the courts than in Congress, no responsible statesman is likely to bring forward a proposal entirely to strip the Federal courts of power to declare acts of Congress unconstitutional. It is reasonable to expect, however, that serious proposals will be advanced to limit the jurisdiction of the inferior Federal courts in constitutional cases, to expedite review of their decisions by the Supreme Court, and to provide that the Supreme Court shall not declare acts of Congress unconstitutional by a bare majority vote.

It is desirable before statesmen and publicists commit themselves to proposals for constitutional amendments, that consideration be given to the powers of Congress under sections 1 and 2 of article III of the Constitution.

EXTENSION OF REMARKS

Mr. KVALE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by having printed an address recently delivered by Donald R. Richberg at a luncheon at the Penn Athletic Club in Philadelphia entitled "The Constitution and the New Deal in 1936."

Mr. SNELL. Reserving the right to object, Mr. Speaker, is Mr. Richberg at the present time a part of the administration?

Mr. KVALE. I believe not.

Mr. SNELL. Then I object, Mr. Speaker.

SUPPLEMENTAL APPROPRIATION BILL, 1936

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 10464) making appropriations to provide urgent supplemental appropriation for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and for prior fiscal years, and for other purposes; and pending that, may I ask the minority Member his judgment as to time for general debate?

Mr. TABER. I have requests for about 2 hours and a half at this time.

Mr. TAYLOR of Colorado. I would suggest we let the debate run along for the rest of the day without fixing any definite time, the time to be equally divided between the gentleman and myself.

Mr. TABER. That is agreeable.

The SPEAKER. Pending that motion, the gentleman from Colorado asks unanimous consent that general debate continue during the day, to be equally divided between himself and the gentleman from New York [Mr. TABER]. Is there objection?

Mr. SWEENEY. Mr. Speaker, I object.

The SPEAKER. The question is on the motion of the gentleman from Colorado.

The question was taken.

Mr. SWEENEY. Mr. Speaker, I make the point of no quorum.

The SPEAKER. The Chair will count. [After counting.] Two hundred and forty-three Members present, a quorum.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10464, with Mr. COOPER of Tennessee in the chair.

The Clerk read the title of the bill.

Mr. TAYLOR of Colorado. Mr. Chairman, I ask unanimous consent that the reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and include some excerpts.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Chairman, after the District appropriation bill for 1934–35 had passed the House and had gone to the Senate committee, Senator COPELAND inserted $63,385 for character education. Although both Chairman CANNON and myself believed that character training belonged primarily in the home and that unless character education was properly taught by proper teachers it would prove a most dangerous experiment, we finally agreed to it, in order to get the bill through conference.

NOTHING WORTH WHILE ACCOMPLISHED

A year passed by. For a period of over 6 months this $63,385 was being expended. Complaints from reliable teachers of highest standing came to our House subcommittee that nothing worth while was being accomplished, and that this $63,385 was being wasted, and that the Dr. W. W. Charters who was being paid $50 per lecture to come to Washington twice a month was advertised by the University of Moscow as one of its lecturers. While he may be a highly respected gentleman, we felt that if communistic Russia would permit its communistic Moscow University to pay for lectures delivered by Dr. W. W. Charters, they would not be the kind of lectures we would want in Washington schools. For Communists teach disbelief in God, in church, in constitutions, and in orderly government. They incite class hatred, causeless strikes, turmoil, and all kinds of sabotage, and preach maiming and murdering to uproot orderly government by force.

SOUGHT MORE MONEY TO WASTE

At our hearings last January, Dr. Ballou sought an additional $87,540 for character education. He testified: "What we are trying to do is to set up a new philosophy of education." Chairman CANNON told him that we had been advised of an unfavorable reaction on any good being accomplished, and Dr. Ballou exclaimed, "I do not see how anyone could expect to start out with this experiment, involving more than 250 teachers, whose philosophy has got to be changed fundamentally." (Hearings, p. 482.)

CHANGING TEACHERS FUNDAMENTALLY

It is possible that all of a sudden it has become necessary to work over all of the many teachers in the Washington schools, whose philosophy has got to be changed fundamentally? What is the matter with them now that such a change fundamentally must occur? Are they all wrong? And will they be "all right" when Dr. Ballou gets through changing them?

There are 2,900 teachers in the Washington schools, and while he is just now trying to change only 250 of them, it was the idea of Dr. Ballou that eventually the philosophy of education of 2,900 teachers in Washington had to be changed fundamentally. I quote from page 521, House hearings last January:

Mr. BLANTON. Up to this time, outside of 250 teachers in 10 schools—5 white schools and 5 colored schools—the 2,650 other teachers have had no instruction and no program?

Dr. BALLOU. We have not yet undertaken to provide instruction for them.

Mr. BLANTON. And they are pursuing no course now, so far as those 2,650 other teachers are concerned?

Dr. BALLOU. No.

COMMUNISM IN HOWARD UNIVERSITY

We knew that in Howard University, supported and maintained by the Government, communism was being propagated openly and without restraint, and we remembered the disgraceful raid communistically inclined students from Howard University made on the Capitol, in an attempt to dictate to Congress, and force us to allow negroes in the Members' restaurant.

Although we know that a majority of the 2,900 teachers in the Washington schools are the finest men and women in the world, we had reliable complaints from substantial citizens born and raised in Washington, that under the guise of merely teaching the fundamentals of communism, some teachers were propagating it. When you teach shorthand you produce stenographers, and when you teach theology you produce theologians. It is very easy for a Communist teacher under the guise of teaching history and government and "fundamentals", to espouse communism and to inculcate it. The matter was too serious. We couldn't afford to take chances.

In reply to Mr. DITTER's pertinent inquiry as to the possibility of un-American doctrines creeping into our schools, Dr. Ballou testified: "I am very conscious of the possibility of it. I do not think we are immune. I am aware of the fact that it is insidious, and that there is always the possibility." Believing it might prove to be a most dangerous experiment, we refused to allow Dr. Ballou this additional $87,540.

BALLOU KNEW WHERE TO GET IT

He immediately importuned the Senate for it. Under demand by Dr. COPELAND, the $87,540 was allowed and put in the bill, and passed by the Senate. In the Senate hearings (p. 119), Dr. Ballou testified that during the summer of 1934, they had Dr. W. W. Charters here in a conference for 2 weeks, and they have had him here 2 days each month since, and that Dr. W. W. Charters "is the one who is, in a broad general way, guiding this experiment." In other words, the character education for the 87,000 school children of Washington is being guided by a man whom the communistic University of Moscow in Soviet Russia has selected as one of its lecturers. He may suit his friends in Missouri. He may suit Dr. Ballou. But if he suits Moscow University, and Soviet Russia, he does not suit me.

Senator COPELAND asserted that unless the House agreed to his $87,540 for character education there would be no bill. Chairman CANNON and I stood out against it. The bill remained in conference for weeks. But we House conferees faced 114 Senate amendments. Something had to be done to get the bill passed. Finally, I agreed that if the Senate would accept a provision stopping all communism in the Washington schools, I would vote for the $87,540. Dr. COPELAND asked to see the amendment. I dictated it to our clerk, Mr. Duvall, and he prepared it, which read as follows:

Hereafter no part of any appropriation for the public schools shall be available for the payment of the salary of any person teaching or advocating communism.

The Senate conferees agreed to the amendment. Our House conferees agreed to it. Since it was permanent legislation and had to be reported back to the House and Senate for approval, it was agreed that Chairman CANNON when presenting the conference report to the House would ask that this legislation be attached as a rider to Senate Amendment No. 48, which itself likewise was legislation.

PROVISION READ BY CLERK TO THE HOUSE

When presenting the conference report to the House, Chairman CANNON moved that the above provision be added as an amendment to Senate Amendment 48, and the Clerk read at the desk the above provision, after which Chairman CANNON's motion was agreed to unanimously in the House. (See p. 8808, RECORD for June 6, 1935.) The following proceedings of the House of Representatives being quoted from the official RECORD, to wit:

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment which I send to the desk.

The Clerk read as follows:

"That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment as follows: Before the period at the end of the matter inserted by said amendment insert the following: 'Provided, That hereafter no part of any appropriation for the public schools shall be available for the payment of the salary of any person teaching or advocating communism.'"

The SPEAKER. The question is on the motion of the gentleman from Missouri.

The motion was agreed to.

A motion to reconsider the votes by which the foregoing amendments were agreed to was laid on the table.

CRITICS CONVICT THEMSELVES OF INATTENTION TO DUTY

Is there in this House any Member who will confess that he did not know what was going on in the House, when under the rules important bills were being enacted? If he did not know what was going on, it was his own fault.

When from the floor the chairman in charge of a bill moves that an amendment be adopted and the clerk reads the amendment from the desk that—

Hereafter, no part of any appropriation for the public schools shall be available for the payment of the salary of any person teaching or advocating Communism.

those words convey in plain English just what they mean, and if any Member did not know what they meant, it was his duty to arise and ask the chairman about it, and if any Member wanted to be heard against the amendment, under the rules, which gave a whole hour for debate on this one amendment, it was the duty of such Member to ask and secure from the chairman such time as he desired to use against it.

NO MEMBER ASKED FOR DEBATE

Not a Member raised any objection to the amendment. Not a Member asked to be heard in debate against it. Not a Member suggested any change in its phraseology. It was accepted unanimously. It is too late now for any Member to plead ignorance.

CHAIRMAN CLARENCE CANNON

Hon. CLARENCE CANNON, of Missouri, chairman of the committee having said bill in charge, is one of the finest, outstanding men in this Congress. He is the soul of honor. He is strictly ethical on every thought and deed. I do not propose to allow any individual or any newspaper to unjustly criticize him in any particular. He is my close personal friend, and I am his friend.

AMENDMENT READ IN THE SENATE

After the House had approved this amendment, and the conference report, it went to the Senate. There from the desk the amendment was read, so that every Senator present who was attending to his duties, had an opportunity to hear it read, and to know every word in it, for the Reading Clerk in the Senate reads such amendments in a loud voice and clearly and distinctly.

I quote from the proceedings of the Senate, pages 8796 of the RECORD for June 6, 1935, the following:

APPROPRIATIONS FOR THE DISTRICT OF COLUMBIA—CONFERENCE REPORT

Mr. THOMAS of Oklahoma submitted the following report:

"The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3973) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1936, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:"

Then followed the conference report, which was signed as follows:

ELMER THOMAS, CARTER GLASS, ROYAL S. COPELAND, WILLIAM H. KING, GERALD P. NYE, HENRY W. KEYES, *Managers on the part of the Senate.*

CLARENCE CANNON, THOMAS L. BLANTON, J. W. DITTER, *Managers on the part of the House.*

Then the anti-Communist amendment was placed before the Senate, read at the desk in the Senate by the Reading Clerk, and adopted:

The Presiding Officer laid before the Senate the action of the House of Representatives, which was read, as follows:

"That the House recede from its disagreement to the amendment of the Senate no. 48 to said bill and concur therein with the following amendment:

"Before the period at the end of the matter inserted by said amendment insert ': *Provided*, That hereafter no part of any appropriation for the public schools shall be available for the payment of the salary of any person teaching or advocating communism.'"

Mr. THOMAS of Oklahoma. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate nos. 16, 37, and 48.

The motion was agreed to.

Not a Senator raised his voice against the amendment. Is there any Senator who will say that Senator THOMAS and his comanagers on the part of the Senate slipped something over on him? If there is, he will convict himself of not attending to his duty and in not knowing what was going on in the Senate, when it is his duty to be present and know what goes on there.

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 5 additional minutes to the gentleman from Texas.

Mr. BLANTON. Mr. Chairman, notwithstanding this anti-Communist legislation was read in the House and unanimously adopted, and was read in the Senate and there unanimously adopted, simply because one of our colleagues from New York introduced a bill to change this law, and allow communism to be taught but not advocated in the Washington schools, he was quoted by the Washington News yesterday afternoon as saying that Chairman CANNON and myself had "cowardly slipped this legislation through the House. I promptly called him up, and he told me that he made no such reference either to Chairman CANNON or myself. Then what authority did this little Washington News have for printing such a slanderous and libelous statement? Does it not know that its misrepresentations will come to light? Does it not know that it cannot get away with any thing like that?

Yet yesterday afternoon this little News here in Washington in great big headlines, said, "BLANTON is scored in the House." There was no action in this House yesterday except to adjourn. BLANTON was not scored. This was a dirty, infamous lie which they put in this paper, and they knew this when they printed it.

And when this little Washington News, without basis or foundation, asserted that our New York colleague had made the slanderous and libelous statement about Chairman CANNON and myself it knew it was misrepresenting the facts. Yet this newspaper put it in here—a damnable lie. How much longer are they going to keep it up?

Then another Washington paper said this morning that I had demanded on yesterday a lot of stuff from the Board of Education. That was ordered long ago. Chairman CANNON has got to preside over the Agriculture appropriation bill and he has asked me to preside over the District bill this year, and I have agreed to do it.

Lots of citizens of Washington who are substantial men have been filing complaints with me for a month about conditions in the Washington schools. They are citizens who were born here, and some have lived here for 50 or 60 years, and at their instance I wrote a letter on January 10 to the Board of Education and asked them for some data that I wanted to investigate before we took up the hearings.

Here is the letter that the Secretary of the Board of Education wrote me on January 13, 1936:

BOARD OF EDUCATION OF THE DISTRICT OF COLUMBIA,
Washington, D. C., January 13, 1936.

Representative THOMAS L. BLANTON,
Washington, D. C.

MY DEAR MR. BLANTON: Your letter of January 10, 1936, requesting specified data respecting the public schools, the Superintendent of Schools, and courses and books used in the schools, was received by me today.

I have begun at once to compile the data you require and will get it to you as promptly as possible. Meanwhile, I will present your letter, addressed to the Board's secretary, to the full Board of Education at its meeting Wednesday, January 15, 1936.

If you should require any additional data which you have not cited in your letter of January 10, 1936, I shall be glad to receive further request from you.

Very sincerely yours,

CHARLES B. DEGGES,
Secretary, Board of Education.

And yet they thought they were hatching out fresh news this morning when they said I had just demanded the data.

I want to tell you something—as long as I am in charge of a bill for this House of Representatives, I am going to get for you every bit of the information that is available on the subject so that I can give it to you when the bill comes up on the floor. [Applause.]

This amendment, which was passed by unanimous consent, to stop communism in schools, is permanent legislation. It is sound legislation. It is on the statute books and it is going to stay on the statute books, and no communistic influence in the United States is going to take it off. [Applause.]

The time has come when we must stop communistic influence in the United States.

Here is the Daily Worker, a communistic paper, not pink but red, which is printed in New York and is sent to our desks in Washington. It preaches the overthrow of government and it is against orderly government, it is against God, it is against the church, it is for breaking down the Constitution of our Government, and Congress is standing for its being distributed.

We ought to deny this Daily Worker and the other communistic papers published in New York and Cleveland, Ohio, and elsewhere in the United States the privileges of the United States mail.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. FITZPATRICK. Can the gentleman get us a copy of the lecture that he refers to?

Mr. BLANTON. I will endeavor to do it by the time we report the District appropriation bill.

This Daily Worker I hold in my hand, recently off of the press in New York, under big headlines, "Sweep Away the Autocratic Power of the United States Supreme Court," has its whole front page filled with an attack on our Supreme Court as an institution of government. At the top it says boldly it is—

The central organ of the Communist Party, United States of America (a section of Communist International).

And it says:

Volume XIII, no. 10, entered as second-class matter at the post office at New York, N. Y., under the act of March 8, 1879.

I want to recommend to my good friend, Hon. Jim Farley, Postmaster General, that he immediately withdraw the above privileges from this and every other communist newspaper in the entire United States. And I call on my good friend, Hon. Frances Perkins, Secretary of Labor, to catch and deport every last mother's son of them from our borders. It is time for us to clean house.

I quote from this Daily Worker the following:

Mr. President, why don't you repudiate the opinion of the Supreme Court autocrats? Call upon Congress to amend the Constitution and deprive the Supreme Court of its rights. We demand these judges be impeached.

We must call mass meetings in every community. We must demonstrate. We must take action in every shop, in every office, in every farm community. Congress and the President should repudiate the Supreme Court, should impeach the judges.

COMMUNISTS HAVE ONE DAILY AND ONE WEEKLY IN CLEVELAND

It is time to check up all of the foreign-language newspapers in Cleveland.

CLEVELAND SECOND IN UNITED STATES IN NUMBER OF ITS FOREIGN-LANGUAGE PUBLICATIONS—53 MONTHLIES, WEEKLIES, AND DAILIES REPRESENT 13 NATIONALITIES

In no other American city except New York are there more foreign-language publications printed and edited than in Cleveland.

To be exact, 53 foreign publications have their editorial and printing offices in Cleveland. Of these, 12 are dailies, 23 are weeklies, and 18 are monthlies.

Thirteen language groups are represented by these publications, namely: Czech, German, Hebrew, Hungarian, Italian, Lithuanian, Polish, Rumanian, Russian, Saxon, Serbian, Slovak, and Slovene.

Seven nationality groups have dailies here—the Bohemians, Germans, Hebrews, Hungarians, Italians, Poles, and Slovenes.

REACH ABOUT 150,000 DAILY

According to the publishers' sworn statements to the United States Post Office, the total circulation of all the foreign-language dailies printed in Cleveland is between 100,000 and 150,000 daily.

The average size of a foreign-language paper is six pages. On special occasions the edition contains as high as 40 pages. In most cases the publications are official organs of fraternal or religious organizations.

Of the 18 monthlies, 10 are of religious character. Of the 23 weeklies, 4 are religious and two-th'rds of the others are organs of some fraternal groups.

The dailies print, besides current world news, much news of old-country affairs or of world events with special bearing on their particular nationality.

Most of the dailies take a definite stand on old-country politics. The Socialists have one weekly, the Communists one daily and one weekly, and the I. W. W. Party has one weekly and one monthly.

As early as 1919 a teacher in the Western High School, which has always been considered one of the best in the city, was charged with propagating "bolshevism and communism while discussing 'current events' in an English class." On March 19, 1919, upon motion duly made and seconded, the Board of Education unanimously passed the following resolution, that this teacher "be suspended, without pay, for a period of 1 week commencing March 20, 1919."

Immediately there were threats of "a strike" unless this teacher was paid. Although the 1,300 policemen and 900 firemen in Washington are prevented by law from belonging to any organization that can call a strike, the 2,900 teachers of Washington are organized in a union that is affiliated with the American Federation of Labor, and it demanded a recission of said order and that said teacher be paid for the time suspended. A mandamus proceeding was brought in the courts. The Board of Education was under duress. There was then no law preventing communism in our Washington schools. The Board of Education was forced to pay said teacher, and communism won its first battle in the Washington schools.

From the statement of Mr. W. J. Tucker, page 237 of Senate hearings, on March 22, 1935, I quote:

I submit that real worth-while character education can be stated as consisting of honesty, truthfulness, kindness, regard for the rights and interests of others, sobriety, clean living, abstention from vices and harmful practices. These virtues should be instilled in the youthful mind by all teachers. This influence, while taught by word of mouth, should be still more impressed by example. Unless these good impressions are made by and through the example set by teachers, all of the word-of-mouth teaching is well-nigh useless. One cannot properly teach what one does not believe. It is also easy for one who is not in sympathy with the teaching to slight it. It is quite well known that a considerable number of the teachers of Washington do indulge in the use of liquor.

Mr. Philip G. Murray (p. 356, Senate hearings) testified:

It is rather a disgrace, I think, that more than 9,000 felonies should have been committed in the District of Columbia last year, and probably one cause for that was the fact that in a great many of our homes there is practically no character education whatever.

No child will ever find in any school the training which it should receive in the home.

While we disagree frequently, I want to specially commend Mr. William Randolph Hearst for the unswerving fight he and his newspapers are making to free this country from communism. He deserves the thanks of the Nation. Practically all communism here comes from aliens. In the present session of Congress we must pass a law requiring all aliens to register, deporting all aliens here unlawfully, and stopping all immigration for at least 10 years. We must rid the United States of the Bruno Hauptmanns and make it safe again for honest Americans.

If Dr. Ballou will instruct all of his teachers to teach the kind of character education suggested by Mr. W. J. Tucker he will find great sympathy and response from me. Instead of insisting that "the philosophy of education of the 2,900 Washington teachers has to be changed fundamentally", let Dr. Ballou instruct all of his 2,900 teachers to once again begin teaching their students that which the little red schoolhouse years ago taught, that they must be honest, that they must be truthful, that they must be kind, and have due regard for the rights and interests of others, that they must not depart from sobriety and clean living, and that they must abstain from vices and harmful practices.

The above is the kind of character education that will upbuild character. And that is the kind we want and must have in the schools of Washington.

Mr. TAYLOR of Colorado. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and, the Speaker having resumed the chair, Mr. COOPER of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 10464, the deficiency appropriation bill, and had come to no resolution thereon.

Mr. TAYLOR of Colorado. Mr. Speaker, I should like to ask the gentleman from New York, in charge of the minority, if we cannot fix time for general debate.

Mr. TABER. I think we will require about 2 hours and a half, or it may be 2 hours and 40 minutes on this side.

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that general debate be limited to 4 hours, to be equally divided between the gentleman from New York [Mr. TABER] and myself.

The SPEAKER. Is there objection?

Mr. ROBSION of Kentucky. Reserving the right to object, I would like 10 minutes.

Mr. BOILEAU. Reserving the right to object, and I shall not object, does the gentleman intend to finish the bill tomorrow?

Mr. TAYLOR of Colorado. We hope to.

Mr. ELLENBOGEN. Reserving the right to object, can we be assured that the bill will not be taken up today?

Mr. TAYLOR of Colorado. If the debate should run out, we might take it up.

Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 10464) making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and for prior fiscal years, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. COOPER of Tennessee in the chair.

The Clerk read the title of the bill.

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from Wisconsin [Mr. SAUTHOFF].

Mr. SAUTHOFF. Mr. Chairman, I am going to speak about the dairy farmer and trade agreements.

On Tuesday, January 14, I introduced the following joint resolution:

Joint resolution requesting the President to terminate the concessions on dairy products contained in the Canadian, Netherlands, and Switzerland agreements, and requesting that no further concessions be granted to any country on dairy products

Whereas prior to his election the President of the United States made a definite pledge that there would be no reduction in the tariff rates on agricultural commodities; and

Whereas at the time the Reciprocal Trade Agreement Act was pending in Congress administration leaders made a similar pledge that the rates on major farm commodities would not be lowered under trade agreements; and

Whereas the dairy industry is the largest branch of American agriculture, representing from 20 to 25 percent of the national agricultural income; and

Whereas American dairy farmers are able and willing to supply the entire domestic needs of the United States for dairy products at reasonable prices; and

Whereas, notwithstanding the pledges heretofore mentioned, the State Department has concluded agreements with Canada and the Netherlands and Switzerland reducing the tariff on cream and on Cheddar, Edam, and Gouda cheese, Swiss and Gruyère cheese, the said reduction of cheese tariffs being unconditional and applicable to every nation of the world enjoying commercial relations with the United States; and

Whereas said concession will have the effect of opening up domestic markets to foreign producers at a time when under the Agricultural Adjustment Act vast quantities of dairy products are being purchased to sustain domestic price levels and when additional production of dairy products is anticipated because of the use of lands taken out of cultivation of other crops under agricultural adjustment programs: Now, therefore, be it

Resolved, etc., That the President be, and he is hereby, requested to impose upon imports of cream and Cheddar, Edam, and Gouda, Swiss and Gruyère cheese quotas as provided for in the Agricultural Adjustment Act (sec. 22), which shall be fixed at 50 percent of the average annual quantity of such commodities which was imported into the United States during the period from July 1, 1928, to June 30, 1933, both dates inclusive, said quotas to apply to every country in the world; and be it further

Resolved, That in accordance with article VII of the treaties with Canada and the Netherlands, and article VI of the treaty with Switzerland, the President and the Secretary of State are requested to notify said countries of the imposition of said quotas and to advise said countries that the imposition of said quotas is deemed necessary by the Senate and House of Representatives as a means of protecting and safeguarding the American dairy farmer; and be it further

Resolved, That the President be, and he is hereby, requested not to permit in any future agreement any reduction in the present dairy tariff structure of this country.

When President Roosevelt was a candidate for the Presidency he made a speech at Baltimore, October 26, 1932. In that speech he said, among other things:

Again, in my Sioux City speech I made the Democratic position plain where I said that negotiated treaties would be accomplished "by consenting to reduce, to some extent, some of our duties in order to secure a lowering of foreign walls, that a larger measure of our surplus may be sold abroad."

Of course, it is absurd to talk of lowering tariff duties on farm products. I declared that all prosperity in the broader sense springs from the soil. I promised to endeavor to restore the purchasing power of the farm dollar by making the tariff effective for agriculture, and raising the price of farmers' products. I know of no effective excessively high tariff duties on farm products. I do not intend that such duties shall be lowered. To do so would be inconsistent with my entire farm program, and every farmer knows it and will not be deceived.

I consider these statements a definite pledge on the part of Mr. Roosevelt, that, in the event he were elected to the Presidency, there would be no lowering of tariff duties on agricultural products.

Similar assurances were given in the Senate when the Reciprocal Trade Agreement Act was under consideration in that body. I quote from the CONGRESSIONAL RECORD of May 17, 1934, page 8996:

Mr. MCNARY. I think I somewhere read that the President did not intend, if given this power—or at least did not have in mind—to decrease tariffs on agricultural products.

Mr. HARRISON. The President has made the statement in some of his speeches, and I think in his message he has said that he is trying to help agriculture; but I should think it would be very bad, almost destructive, to write into this measure a provision that he must not under any circumstances negotiate with reference to agricultural products.

Page 8997:

Mr. VANDENBERG. I hope the Senator from Oregon will not despair of ultimately obtaining the consent of the Senator from Mississippi to the exemption which he asks, because I am confident that when the Senator from Mississippi further contacts the Secretary of State and the White House and gets another letter of instructions tomorrow the President will be found to be standing firmly on his statement at Baltimore on October 25, 1932:

"It is absurd to talk of lowering tariff duties on farm products."

Surely there is not going to be resistance to the removal of any known absurdity which loiters in this pending tariff bill.

I charge that these pledges and assurances have not been kept as far as the dairy farmer is concerned. On the contrary, tariffs have been lowered on cream, butter, cheese, and cattle, and obstacles placed in our path so that we cannot raise the tax of 3 cents per pound now in force on foreign fats and oils. The unfortunate dairy farmer, especially of the North Central States, finds himself harassed and threatened on every side. His markets for cream invaded on the north, and if he should shift his milk into cheese he will meet the competition of Canada, the Netherlands, and Switzerland. If he then resorts to butter as an outlet for his milk he will find the competition even keener—oleomargarine and cheap butter substitutes made of vegetable oils from the South Seas and cottonseed oil from our Southern States. Why wreck the dairy industry of the United States?

We are advised by competent authority that something over 30,000,000 people live on our farms, and that an equal number of our people, who distribute and process farm products also make their living from what is raised on the farms. This vast army constitutes about one-half of our entire population. The dairy industry constitutes the largest branch of this vast enterprise. It is estimated that 20 to 25 percent of the national agricultural income is derived from the dairy industry. This shows the importance of this great calling.

Here is another feature about dairying that must not be overlooked. The dairy farmer of the United States is able and willing to supply all the needs of our people for dairy

products at reasonable prices. It is one of the few outstanding industries where the supply and demand are both within our own borders, providing always that no artificial means are devised to interfere. We representatives of the dairy districts stand for the principle that the Government of the United States should provide a tariff structure which would protect the industry against the importations of dairy products. Our goal should always be the cost of production, including a fair profit. Prior to these trade agreements we were making some progress in that direction, although the general level of dairy products in the United States is still far below that which would give dairy products the same purchasing power as in the pre-war period.

INCONSISTENT POLICY

Our Government is defeating its own ends under the present policy. For the past several years we have been curtailing production. A number of agricultural products have been restricted by paying subsidies to farmers who reduced their output. Among these products are cotton, wheat, corn, hogs, tobacco, sugar, and so forth. It is estimated that 50,000,000 acres of crop land were taken out of production by this method. It was the fear of some of us that these acres taken out of production in cotton, wheat, corn, hogs, and so forth, would be used as pasture lands for herds of dairy cows. I am reliably advised that reports from the Middle West show that a large percentage of subsidized crop lands were used for that purpose last year. What is the result? A surplus of milk. I tried to prevent this evil by introducing an amendment when the agricultural adjustment amendments were before the House for consideration. You will find it in the CONGRESSIONAL RECORD for June 18, 1935, page 9593. I quote:

Amendment offered by Mr. SAUTHOFF: Page 51, line 23, after the word "commodities" and the period, add the following: "None of the lands affected under the provisions of section 31 shall be used for creating any agricultural product within the purview of this act."

In support of this amendment, and you must remember that under the rules I only had 5 minutes, I made this statement:

Mr. Chairman, my purpose in offering that amendment is this: That no producer shall receive pay from the Government for taking his acreage out of production and shall then be permitted to transfer it into pasturage on which he can raise sheep, beef cattle, or milk cows and go into the dairy business. For that purpose, inasmuch as he is paid to take that acreage out of production, in fairness to the other farmers of the Nation, he ought not to be allowed to go into competition with them.

This amendment was opposed by the chairman of the Committee on Agriculture and was therefore defeated. I feel confident that had it passed we would have protected our dairy farmers. As it is, the very thing that I feared has come to pass, and now we will have a surplus of milk, which means dairy products in general. What is consistent about a policy that pays the southern cotton grower to quit growing cotton and go into the dairy business and thereby create a surplus of dairy products, which lowers the price and tends to wreck the dairy farmer of Wisconsin and sister States? To that absurd policy has been added another equally absurd, reciprocal trade agreements, which do and will continue to admit dairy products at a lower tariff from every foreign country except Germany. And, last but not least, these trade agreements fix the tax on foreign fats and oils at 3 cents per pound, which creates a hurdle we cannot surmount—we who wish to raise this tax to protect our home industry. So we may justly summarize the present policy of the Government in respect to dairying as a policy of destruction—a domestic policy that subsidized farmers to quit other fields and go into dairying, a foreign policy that lowers the tariff on dairy products so that they may glut our market and lower the price, a foreign policy that even invites the competition of south sea islanders with palm oil and coconut oil. This record entitles the Democratic Party to change its symbol from the donkey to the "coconut cow."

Permit me now to take up the three trade agreements in order that most vitally affect the dairy farmer. These constitute up to the present time the reciprocal trade treaties with the Netherlands, Canada, and Switzerland.

TREATY WITH THE NETHERLANDS

The concessions granted by the Government of the United States to the Kingdom of the Netherlands by the trade agreement entered into on December 20, 1935, insofar as they affect dairy farmers, are as follows:

First. The tariff on Edam and Gouda cheese is reduced from 7 cents per pound, but not less than 35 percent ad valorem. This is a reduction in the rate of duty of approximately 29 percent.

Second. The Government of the United States agrees to maintain palm oil on the free list and further agrees not to increase the excise or processing tax of 3 cents per pound now levied on this oil. This helps out the manufacturer of oleomargarine.

Third. Tapioca, tapioca flour, and cassava, which are starches used in the manufacture of glue and adhesive for envelopes and postage stamps, are also maintained on the free list. These starches are in competition with casein, and casein, as you know, is a byproduct of milk.

With the present price of Edam and Gouda cheese being within 1 or 2 cents of the price of domestic cheeses, and since Edam competes with well-cured domestic Cheddar cheese and Gouda competes with domestic cheeses of the Gouda type, the reduction will undoubtedly mean an increase in the sale of Edam and Gouda cheese in the United States, although until the agreement has been in effect for at least a short while, it will be difficult to determine the actual effect of this concession on domestic-cheese producers.

The most disturbing element in the tariff reduction on these cheeses, when combined with the similar concessions granted on Cheddar cheese under the Canadian agreement, is the apparent program of the State Department to reduce the tariff rates on all foreign-type cheeses down to at least the level of the 1922 Tariff Act.

As though that were not enough, insult must be added to injury by agreeing to maintain palm oil on the free list, and also agreeing not to increase the excise or processing tax on the oil, which makes it practically impossible to obtain any increase in the existing tax on foreign fats and oils. The present tax has given us some help, but nevertheless great quantities of oils and fats keep pouring in from foreign countries to be used in the manufacture of oleomargarine and butter substitutes. Those of us who represent dairy districts have been hopeful that we might raise those taxes and thereby shut out the "coconut cow" that competes so disastrously with our dairy herds. These reciprocal trade agreements make our task an exceedingly difficult one. We had hoped that we might pass at least a 5-cents-a-pound tax on these foreign fats and oils and thus increase the market for our home products by an estimated $100,000,000.

I also want to call your attention to the fact that our dairy farmers must meet stringent sanitary requirements; but cheese brought in from abroad may be made under the vilest unsanitary conditions, and there is nothing in these trade agreements to prevent it. Not only is the foreign producer favored on the price, but he is also favored on cleanliness. Our cheese makers are penalized for being clean.

Another grave injustice to our dairy farmers is the fact that these concessions granted to the Netherlands likewise apply to every country in the world having commercial relationships with the United States with the exception of Germany. Furthermore, when we refer to the Netherlands, we also include Netherland India, Netherland Guiana, and Netherland West Indian Islands.

This is not a trade agreement. It is a star-chamber proceeding to lower the tariff duties on dairy products without notice and without a hearing.

Mr. HARLAN. Mr. Chairman, will the gentleman yield?

Mr. SAUTHOFF. Pardon me, but I have not the time.

TREATY WITH CANADA

The present tariff of 56.6 cents per gallon on cream, fresh and sour, is reduced to 35 cents a gallon on not more than 1,500,000 gallons annually. One million five hundred thousand gallons of cream is the equivalent of 6,000,000 pounds of butter, and applying the ratio of the tariff cut on cream

to the butter tariff of 14 cents, this is equivalent to permitting the importation of 6,000,000 pounds of butter on a 9-cent tariff.

If the Canadian cream can meet the sanitary requirements of the Lenroot-Taber Milk and Cream Import Act, it can be used in the eastern markets either in fresh form or it can be made into butter. If in fresh form, it will displace equivalent quantities of middle western cream now finding eastern market outlets. In turn, middle western cream supplies will back up into butter stocks and increase the butter surplus of this country. If made into butter, the same effect upon the butter stocks will be had.

The tariff on dairy cows weighing 700 pounds or more is reduced from 3 cents per pound to 1½ cents per pound on not more than 20,000 head annually. There is also permitted to enter into the United States 51,933 head of cattle weighing less than 175 pounds on which the tariff is reduced from 2½ cents to 1½ cents per pound and 155,799 head of cattle weighing 700 pounds or more on which the tariff has been reduced from 3 cents per pound to 2 cents per pound.

With the lower rate of duty on cheddar cheese and no sanitary requirements upon cheese imports, there may be good reason to believe that imports of cheese from Canada will again give great distress to producers of the United States, particularly those in Wisconsin, New York, Minnesota, and Oregon.

In addition to the concessions to Canada on cheddar cheese, the following countries—Hungary, Yugoslavia, Bulgaria, Finland, and Czechoslovakia—will be entitled to the same concession under the most-favored-nation arrangements which our country has with them. Italy and Denmark will also probably receive this concession, as they have conditional most-favored-nation arrangements with this country.

Cream, butter, cheese, and cattle will all be brought into this country to compete with our domestic products. Not only that, but cheddar cheese from Canada and cheddar cheese which will come in from many other nations will not be required to meet the same sanitary standards imposed on American dairy farmers and we will thus be permitting this cheese to come in not only at reduced rates but under lower sanitary conditions than are imposed upon our domestic producers.

TREATY WITH SWITZERLAND

Only a week ago a trade agreement was signed with Switzerland that is a menace to the cheese industry of Wisconsin and many other States. The market for Swiss cheese during the past year or two has been on the verge of collapse because of heavy supplies of Swiss cheese in the United States, and in the face of this condition the administration has granted a reduction in the tariff rate on Swiss cheese which will further weaken our domestic price structure. Our cheese industry needs strengthening, not weakening. Swiss and Gruyere cheese will be admitted into the United States from Switzerland under an ad valorem which has been reduced from 35 to 20 percent. Under our old tariff structure the rate was 7 cents per pound, but not less than 35 percent ad valorem. Under the agreement with Switzerland the rate is left at 7 cents but the ad valorem is reduced to 20 percent.

Thus under the Tariff Act of 1930 the tariff rate on Swiss cheese was 7 cents where the cheese entered the United States at 20 cents per pound or lower, but on all cheese which entered the United States at more than 20 cents, the rate was 35 percent ad valorem. With most of the cheese coming into this country at around 25 cents the tariff is thus reduced from 8¾ cents per pound to 7 cents per pound. The following table indicates the rate of tariff duty under the 1930 act on Swiss cheese coming into the country at prices between 20 and 35 cents:

Import price (cents):	*Tariff (cents)*
20	7.00
21	7.35
22	7.70
23	8.05
24	8.40
25	8.75
26	9.10
27	9.45
28	9.80
29	10.15
30	10.50
31	10.85
32	11.20
33	11.55
34	11.90
35	12.25

It will be noted from this table that the tariff rate under the 1930 act would run from 7 cents per pound on 20-cent cheese to 12¼ cents per pound on 35-cent cheese. Under the agreement with Switzerland all cheese coming in between 20 and 35 cents will bear a fixed rate of 7 cents per pound.

The State Department in its release indicates that the reduction in imports of Swiss cheese had been occasioned by our Tariff Act of 1930. This is not a fact, because the Tariff Act of 1930 actually reduced our tariff rate on Swiss cheese from 7½ cents per pound, but not less than 37½ percent ad valorem to 7 cents per pound, but not less than 35 percent ad valorem. The actual fact is that Switzerland has during the past 6 years adopted a policy of increasing the manufacture of butter and decreasing the manufacture of cheese. This policy was apparently adopted because Switzerland up to that time had been an importer of butter, and their change in policy was brought about apparently by a desire to become self-sufficient with respect to the production of butter. As a result of this policy, the manufacture of butter in Switzerland increased from 32,000,000 pounds in 1928 to over 50,000,000 pounds in 1932, with a resultant decrease in the manufacture of Swiss cheese from 156,000,000 pounds in 1928 to 110,000,000 pounds in 1932. This development, together with the fact that the Swiss Central Union, which controls the exports of cheese, has attempted to maintain a relatively high price for cheese which it exported in the face of a drastically reduced consumer purchasing power, undoubtedly accounts in a large measure for the fact that imports in the United States have been decreasing.

We are able to produce in the United States a Swiss cheese which is equal in quality, taste, and appearance to that produced in Switzerland or any other country. A special demand and high reputation for Swiss cheese from Switzerland has been built up in this country, however, despite the fact that the imported Swiss and domestic Swiss may be, and in some instances are, exactly equal in quality. These conditions are likely to continue until an effective advertising and educational campaign is undertaken to inform the people of the United States that our Swiss cheese is equal to that produced anywhere in the world. To some observers the only way out of this dilemma involves completely shutting out imported Swiss cheese. Certainly the method followed by our State Department of reducing the tariff on imported Swiss cheese cannot possibly be of any assistance to American producers, and can only react to their detriment.

The folly of the reduction in our tariff rate on Swiss cheese is made more manifest by the fact that the United States now has a favorable balance of trade with Switzerland. On the basis of figures of the trade which flows from Switzerland to the United States, as evidenced by figures from Switzerland, and the flow of trade from the United States to Switzerland, on the basis of United States figures, our exports to Switzerland in 1932 were $22,290,000 and our imports from Switzerland were $12,493,000, leaving a balance of trade in our favor of approximately $10,000,000. This balance of trade in our favor has ranged from $4,000,000 to $8,000,000 in every year since 1928.

Since there are no debts between the Government of Switzerland and the United States, there is obviously no sound economic reason for throwing the balance of trade in the other direction. What explanation is there for these concessions? Perhaps it is to be found in the quota on automobiles. The Swiss quota of 2,406 on American automobiles and trucks was raised to 4,812. In other words, our country

made a trade whereby we sold Switzerland 2,406 additional trucks and automobiles and they sell us cheese. The dairy farmer is the forgotten man.

OLEOMARGARINE AND BUTTER SUBSTITUTES

I am indebted to the pamphlet entitled "The Farmer Looks at the Oleomargarine Picture", issued by the National Cooperative Milk Producers' Federation, for the following information. I urge all of you, who have not done so, to read this article.

WHAT IS OLEOMARGARINE?

Oleomargarine is a fatty product sold and used almost entirely as a cheap substitute for butter. It is made of either vegetable oils or animal fats or a combination of the two; and, although it is usually emulsified in milk, it is in no sense a dairy product. Oleomargarine is inferior to butter as a food, deficient in the vitamin content, and lacking in other desirable properties which make butter one of the most valuable parts of the diet. Nevertheless, it is made in imitation of and sold as a direct substitute for butter.

Approximately 80 percent of the oleomargarine manufactured in the United States in the last few years has been manufactured from vegetable or nut oils. The remainder has been made from animal and vegetable oils and fats. Oleomargarine today, therefore, is principally a vegetable product. A typical formula for manufacturing oleomargarine from vegetable oils was made for the Committee on Agriculture by former Representative Brigham. It is as follows:

Eight hundred pounds of coconut oil, 100 pounds of peanut oil, 100 pounds of palm oil. Total, 1,000 pounds of vegetable oils. Add to this 35 pounds of salt and then mulsify the entire mixture in 300 pounds of milk. This formula will produce approximately 1,150 pounds at a cost, based on prices of September 1935, of 9.89 cents per pound. You will note that only 100 pounds of oil come from a domestic product, while 900 pounds come from abroad. How is it possible for the dairy farmer of our country to meet that kind of competition? It is up to us to help solve his problem. At the present time there are three types of oleomargarine manufactured in the United States. One product is a mixture of beef and hog fats with coconut oil, with probably some domestic vegetable oils added. A second product is apparently made almost entirely out of coconut oil, while a third is made almost entirely out of cottonseed oil. Cottonseed oil in the manufacture of oleomargarine has increased during a single year from 12 to 34 percent. I feel that the cotton growers are ruining one of their best markets by supplanting wholesome dairy butter with oleomargarine, because a large quantity of cottonseed meal is consumed yearly by dairy cattle. In 1934 my native State of Wisconsin consumed only $4,000 worth of oleomargarine, while during the same year our cattle consumed $1,200,000 worth of cottonseed meal—a ratio of 30 to 1. Surely it is not sound business to wreck the $1,200,000 worth of business in order to help the $4,000 business. It is to the interest of the South to build up and increase the dairy herds of the North.

HEALTH VALUES

Milk is the best food man has yet discovered. Butter, therefore, contains much of the nutritive value and strength-giving properties of milk. Milk contains many valuable food elements. Two of these are particularly prized—protein of very high quality and butterfat. Butterfat and butter contain many elements necessary as a food, including the all-important vitamin A. The liberal use of dairy products is strongly recommended by all food scientists for children and adults in even the most restricted diets.

Oleomargarine, containing very little milk, has, therefore, very little food value. Particularly true is this of vitamin A. Vitamin A is a necessity in our lives. A lack of it in our food leads to the development of certain eye diseases; to xerophthalmia, a disease found among children of the poorest class; to a breakdown and weakening of cells lining the respiratory, alimentary, and other body tracts, making them more susceptible to infection.

Experiments conducted in scientific laboratories showed that animals fed on butter grew fat and healthy, while those fed on vegetable oils stopped growing, gained no weight, and most of them died.

Of course, one can eat oleomargarine and other butter substitutes made of vegetable oils, but it has no food value. Just like one can eat sawdust and shavings as a substitute for flour made of wheat, but it would not be wholesome and utterly lacking in proteins, vitamin A, and other strength-giving properties. You cannot cheat nature with cheap substitutes.

COMPETITION OF BUTTER AND ITS SUBSTITUTES

Butter and oleomargarine and other butter substitutes are used on bread, buns, biscuits, and notably in cooking. In the kitchen generally and especially in the frying pan, the oil substitutes have made alarming inroads.

I believe oleomargarine is almost as great a menace to the hog industry as it is to the dairy industry. In 1934 over 1,150,000,000 pounds of cooking compounds were produced in the United States, which contained only 2,600,000 pounds of lard, an almost negligible amount, while there was a time when lard, tallow, and butter were exclusively used for cooking.

On the dining-room table butter and its substitutes are also in fierce competition. During the first half of 1934 consumers bought 10 pounds of butter to every 1 pound of oleomargarine, and spent $24 for butter for each dollar spent for oleomargarine. On the other hand, during the first half of 1935 consumers' purchases of butter were only five times as great in terms of pounds and 10 times as great in terms of dollars spent. When the price of butter goes up, or when unemployment increases, the amount of butter sold to the consumer decreases, but the sales of oleomargarine increase. This is due to the difference in price, oleomargarine cost of production being much cheaper. Our problem is to protect the dairy farmer by lessening the price difference and equalizing the competition. This object can be obtained by placing a tax on oleomargarine sufficiently large so that the "spread" in prices is practically wiped out.

The amount of oleomargarine sold last year in the United States was equal to 7,413,431,046 pounds of milk, or the equivalent of the production of 1,482,000 cows. The year before there were 5,060,939,321 pounds of milk, or the equivalent of the production of 1,012,000 cows. These figures are startling and show us the menace our dairy farmer is facing.

In his message to Wisconsin farmers Kenneth W. Hones, of the Farmers Equity Union, said:

> Our main struggle is a dairy program that will put us on a level with other basic commodities. The present dairy prices are a fair example of what they would be if we had our own market for ourselves 12 months in a year and not only 3. These prices will not hold when foreign importation production starts coming in.

Let our slogan be "Home markets for American agriculture." [Applause.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. PETTENGILL].

Mr. PETTENGILL. Mr. Chairman, on page 16 of the bill will be found an appropriation for the enforcement of the Potato Act of 1935, the appropriation consisting of the proceeds arising from taxes imposed by that act, together with the additional sum of $1,250,000. The latter sum, together with the taxes which will be derived from the act, will amount probably to about $1,300,000. Mr. Chairman, unless some member of the committee having precedence offers a similar motion, I shall move during the reading of the bill that this appropriation for the enforcement of the Potato Act of 1935 be struck from the bill. [Applause.]

If it were simply a question of the wisdom of the bill, while I disagreed with the majority who voted for the Potato Act last summer, I would probably in that case be willing that the act and the will of the majority be carried out; but this is not now a question of the wisdom of legislation. Since that time the United States Supreme Court in the A. A. A. case has indicated without question of doubt in my mind—and I do not believe there is a doubt in the mind of anyone here—that the Potato Act of 1935 is unconstitutional and will be so declared when a proper case involving that act reaches the Court.

Therefore, if that is true, any appropriation that we make here is an illegal appropriation of money out of the Treasury of the United States, and I am not going to vote to expend $1,300,000 to enforce an act which is clearly unconstitutional.

Mr. FIESINGER. Mr. Chairman, will the gentleman yield?

Mr. PETTENGILL. Yes.

Mr. FIESINGER. When we were considering this bill in the last session of Congress, was it not stated here generally that there would be no expense to the Government in connection with the administration of any processing tax?

Mr. PETTENGILL. I believe that statement was made, that the bill would finance itself, although I am not certain about that.

Mr. FIESINGER. I think that statement was made here. The gentleman said that if it had been the will of the majority, he would have gone along with the bill.

Mr. PETTENGILL. I said if it was a question purely of the wisdom of the majority.

Mr. FIESINGER. I regarded the bill unconstitutional and I am sure the gentleman did at that time and voted against it.

Mr. PETTENGILL. Yes; I voted against the bill.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. PETTENGILL. Yes.

Mr. LUDLOW. My colleague is an excellent lawyer and a profound student of public affairs. I ask the gentleman whether he has ever known or ever heard of a more vivid and striking illustration of the intrusion of bureaucracy into the rights of the people of this country than is exemplified by this Potato Act.

Mr. PETTENGILL. I think the statutes of this Nation will be searched in vain for anything that approaches it along the line of the gentleman's thought.

Mr. LUDLOW. Then I ask the gentleman if he does not fervently hope that this Congress at this session will do the right thing and repeal that law?

Mr. PETTENGILL. It should be repealed. I call my friend's attention to a statement on page 193 of the hearings, which is a quotation from the President's Budget message:

> Likewise, no estimate for administering the Potato Act has been prepared, since it is believed this act should be amended along lines to be recommended by the Secretary of Agriculture, and a supplemental estimate can then be transmitted.

On that ground, as well as the fact that I believe that this is an illegal appropriation of money, we should defer any appropriation for the enforcement of the act or any act in substitution of it until the act is before us in accordance with the recommendation of the President in his Budget message.

While this matter is not political, and ought not to be such, it ought to be stated to the country that the administration was not in favor of the Potato Act of 1935. Secretary Wallace declared himself against it. He was quoted in the newspapers last fall as saying that in any proper way he could he would see to it that the act was not enforced; so, as I understand it, I am squarely in accord with the views of the administration. And I think that the Democratic Members of this House, who are now being charged before the country by the opposition press and the opposition speakers with having passed the most unpopular act in many years, in justice to ourselves and the administration, ought to take steps ourselves to remove that curse from us at this time.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. PETTENGILL. Yes.

Mr. DUNN of Pennsylvania. I thought the administration was in favor of it and brought it over here and that is the reason I voted for it. I thought the President and the Secretary of Agriculture were in favor of that Potato Act.

Mr. PETTENGILL. The President and Secretary of Agriculture were not in favor of the Potato Act.

Mr. DUNN of Pennsylvania. I voted for it because I thought the farmers were going to get some benefit from it.

Mr. PETTENGILL. In any event the President in his Budget message himself recommended no appropriation be made to enforce it.

Mr. DONDERO. Will the gentleman yield?

Mr. PETTENGILL. Yes; I yield to the gentleman.

Mr. DONDERO. Just what influence was it that brought that bill before us on this floor at the last session of the Congress?

Mr. PETTENGILL. The gentleman is as fully informed on that subject as I am.

Mr. ENGEL. Will the gentleman yield?

Mr. PETTENGILL. I yield.

Mr. ENGEL. If the President was not in favor of it, why did he sign the bill? Why did he not veto it?

Mr. PETTENGILL. I cannot answer for the President, but it was part of a much larger bill. The gentleman knows, and I know, that we are all confronted frequently with a situation where we have to take a whole bill which includes items which we do not want, or reject the entire bill in order to reject items that we are not in favor of.

Mr. BLANTON. Will the gentleman yield there?

Mr. PETTENGILL. I yield.

Mr. BLANTON. We will not violate any committee secrets by stating that this appropriation is in this present bill by the narrow margin of only two votes. Is that not so?

Mr. PETTENGILL. I did not know what the fact was.

Mr. BLANTON. Well, that is the fact; it carried by the narrow margin of two votes.

Mr. PETTENGILL. I did not know that was the fact, but I think it is time for the House of Representatives to assume the responsibility of standing upon the Constitution of the United States until the Constitution is changed by the will of the American people and our powers are extended by them if that be their will.

Mr. MAY. Will the gentleman yield?

Mr. PETTENGILL. I yield.

Mr. MAY. In view of the statement which the gentleman just made about standing on the Constitution, what does the gentleman think about the proposition of the A. A. A. decision of the Supreme Court and the effort to get around it by providing subsidies, just exactly as they were under that bill, and calling it "soil erosion", rather than "crop control"?

Mr. PETTENGILL. I will cross that bridge when I come to it, I may say to the gentleman. I have not yet seen the new bill. I should like to say to the gentleman from Kentucky, however, that I am thoroughly in favor of anything that we can do, constitutionally, and can practically administer, to improve the condition of agriculture and bring it into balance with industry. I am in favor of doing it, if we can do it.

However, with reference to potatoes, which are distinct from cotton and wheat, where we can actually count the sheep as they go through the stile of the processing plant, even if the condition of the potato grower is similar to the position of the cotton grower, as far as he is concerned, at the same time this bill is practically incapable of being enforced because the commodity goes to the consumer in exactly the condition as it came out of the ground, and it would lead to the bootlegging of illegal potatoes by millions of people.

Another thing, I may say to the gentleman from Pennsylvania [Mr. DUNN], who represents a district of a great city, as I understand, potatoes are the poor man's food. It is the staff of life in millions of homes. Why should we now, when they are struggling to get employment in the factories of America, when they are struggling to get wages increased, place upon millions of consumers in the great industrial centers of America a tax upon the very necessity of life? [Applause.]

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. WARREN].

Mr. WARREN. Mr. Chairman, the House has always been so generous to me that I certainly would not let any opportunity arise that would not make me equally frank and fair with this body.

I am not here to argue the merits of the potato bill. Much that has been said by the gentleman from Indiana [Mr. PETTENGILL] can be successfully refuted, and I may state to him that his own State of Indiana has lately been cooperating wholeheartedly on this measure. The same is true of practically every State in the Union, for the Department tells me that so far as the growers and those affected by the bill are concerned, the opposition, if any, is now more or less negligible. I realize that this bill has been made the football of partisan politics. I realize the untruthful statements that have gone out in some of the press throughout the Nation, but I still say, and you Members who represent potato-growing sections know it, that it is earnestly and ardently desired by the potato farmer, who has been reduced to a state of absolute bankruptcy.

Mr. TABER. Will the gentleman yield?

Mr. WARREN. In just a moment, after I have developed my thought a moment. Now, so much for that.

I frankly admit, after reading the decision of the Supreme Court, that this bill would have no standing before the Court, and it would therefore be declared invalid, were there to be a test case. It is certainly on exactly the same lines as the Bankhead bill and the Kerr-Smith bill. It was my purpose, and I have consulted the chairman of the Committee on Appropriations and other members in charge of the bill about it, that when we read the bill I would offer an amendment which I understand is highly satisfactory to them, which entirely disarms and hushes anything that may have been said by the gentleman from Indiana [Mr. PETTENGILL] or anyone else. That amendment would be to strike out the language contained in the bill and substitute in lieu thereof this language:

> For the purpose of collecting and disseminating useful information and data with respect to potato production and marketing within the United States, there is hereby appropriated and made available to the Secretary of Agriculture the sum of $1,000,000 for the fiscal year 1936.

Under the A. A. A. they had a personal history on every farmer who was engaged in growing crops covered by the A. A. A. Potatoes were made a basic commodity under the A. A. A. They have full and complete information as to the wheat grower, as to the tobacco grower, as to the corn and peanut growers, and all other growers who are affected by that act, but they do not have this information with respect to potatoes, except for the States of Florida, Texas, California, and, possibly, Louisiana.

They tell me that this information—the collection of these data and the gathering of these statistics—is vital and necessary and will fit in and dovetail with any program that might later be adopted by Congress which would cover other crops as well as potatoes.

Mr. PETTENGILL. Mr. Chairman, will the gentleman yield for a question?

Mr. WARREN. Yes.

Mr. PETTENGILL. Do I understand that the proposed amendment which the gentleman has read, he himself intends to offer as a substitute for the language on page 16 of the bill?

Mr. WARREN. That is correct. The gentleman will see the amendment contains nothing for the enforcement of the act, and this will carry the Department up to April 1 only; and this is all that will be asked for.

Mr. GILCHRIST. Mr. Chairman, will the gentleman yield?

Mr. WARREN. I yield.

Mr. GILCHRIST. What has the gentleman to say as to whether his amendment would be held in order if an objection were made to it?

Mr. WARREN. I may say to the gentleman from Iowa that I have investigated the matter and certainly do not think any point of order against the amendment could be sustained. The gentleman must remember that the law is now upon the statute books and is presumed to be constitutional. It provides for the gathering of statistics, and the appropriation in this bill would be for that purpose.

Mr. GILCHRIST. Would not this be legislation on an appropriation bill?

Mr. WARREN. It would not, not in any respect, because at three different places the bill provides for the gathering of statistics. Aside from that, and regardless of the bill under discussion, there is already authority of law for the Secretary of Agriculture to gather such information.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. WARREN. I yield.

Mr. DONDERO. Will the gentleman tell the House whether the taxes imposed by the law would provide a fund in addition to the money authorized by his amendment?

Mr. WARREN. That will be stricken out under the amendment.

Mr. DONDERO. Under the gentleman's amendment?

Mr. WARREN. Under the amendment I am offering that would be entirely stricken out.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. WARREN. I yield.

Mr. LUDLOW. I may say for the information of the gentleman that the amount collected to date is $27,000.

Mr. WARREN. Reverting now to a statement made by the gentleman from Indiana [Mr. PETTENGILL], I challenge the gentleman to find anywhere in the RECORD that I ever said—and I do not recall anybody else ever saying—that this bill would finance itself. It was recognized that it would be financed by an appropriation out of the Treasury, as there have been appropriations for other crops since the gentleman has been a Member of Congress, notably in the case of cotton. It was felt that here was a crop worth $300,000,000 annually in value for which nothing had been done, that for 1 year only it could be financed out of the Treasury.

I yield now to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. I had desired to ask a question of the gentleman with reference to a statement he made at the beginning of his remarks. Perhaps I am going over ancient history now, but the gentleman stated that the farmers in the potato-growing regions were overwhelmingly in support of this legislation. I may remind the gentleman—and I know this from personal contact and experience—that the Association of Potato Growers of the State of New York, which State produces a very large tonnage of potatoes, in a poll voted in the ratio of 70 to 30 against the Potato Control Act.

Mr. WARREN. I said this, and I repeat it: That I am informed by officials of the Department that within the last month the bulk of the opposition—and I will include New York in it—has practically disappeared, and that the farmers were cooperating. One of the reasons, of course—and we will talk a little ancient history now—I am sure one of the reasons for that was the persuasive eloquence of the distinguished gentleman from New York, who has just interrogated me and who openly, so I am informed, went around and scoured the country preaching nullification. Maybe that had something to do with it, but that is now beyond the mark. I have frankly admitted my views, and I am offering to strike out that section.

Mr. LUCKEY. Mr. Chairman, will the gentleman yield?

Mr. WARREN. I yield.

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 3 additional minutes to the gentleman from North Carolina.

Mr. LUCKEY. Mr. Chairman, I want to say to the gentleman that I come from an agricultural State, Nebraska; and our farmers are absolutely opposed to this bill. Repeatedly I have been accosted and asked, "Well, LUCKEY, did you vote for that crazy potato bill?" No; I voted against it.

When I came down here a few weeks ago I prepared a bill to repeal this Potato Act. Then the Supreme Court ruled

and I thought we were through with the Potato Act, but if we are not through with it I shall introduce this bill and push for the repeal of the Potato Act.

Mr. WARREN. Well, we are talking about something that is now behind us. So far as my section is concerned and so far as the neighboring State of Virginia is concerned, I know that the farmers are wholeheartedly and unanimously in favor of it; and that the decision of the Supreme Court on the A. A. A. comes to them as a heavy blow.

Mr. COLE of Maryland. Mr. Chairman, will the gentleman yield?

Mr. WARREN. I yield.

Mr. COLE of Maryland. Should the amendment which the gentleman has suggested be adopted, I understand the $1,000,000 provided would be spent by the Department of Agriculture under authority of the existing potato bill.

Mr. WARREN. It could be spent under that as the act is presumed to be valid, and it could also be spent under authority of existing law that gives the Secretary of Agriculture such power.

Mr. COLE of Maryland. A bill which the gentleman concedes to be unconstitutional.

Mr. WARREN. I have attempted to make the distinction.

Mr. COLE of Maryland. That is, in gathering information and data from the farmers all over this country they would be clothed with authority solely on a bill which the gentleman concedes to be unconstitutional.

Mr. WARREN. While the act is still presumed to be constitutional until the Congress or the courts have acted, this amendment does not depend at all for its parliamentary correctness upon the Potato Act, as an appropriation for this purpose is entirely warranted under the general powers of the Department of Agriculture that have been unquestioned from its inception and continuously exercised.

Mr. PETTENGILL. Will the gentleman yield?

Mr. WARREN. I yield to the gentleman from Indiana.

Mr. PETTENGILL. I have read the gentleman's proposed amendment, and I note that he makes no reference at all to the Potato Act of 1935. I therefore wonder if an appropriation of a million dollars for the purpose of gathering this information might stand on its own feet without being predicated upon an unconstitutional act?

Mr. WARREN. I am positive that the amendment as drawn is in order.

Mr. MAY. Will the gentleman yield?

Mr. WARREN. I yield to the gentleman from Kentucky.

Mr. MAY. I think we spent some $3,000,000 last year in taking a farm census. If I am not mistaken, one of the questions submitted by the census gatherers under that bill requested a list of the various crops. I am wondering why we cannot get the information from this list without spending additional money?

Mr. WARREN. I am told that the information cannot be ascertained from those statistics because they did not ask the information desired and that had nothing whatever to do with the sale or marketing of potatoes. The amendment I propose is both agreeable and satisfactory to those in charge of the bill.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 6 minutes to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Chairman, our able colleague the gentleman from Wisconsin [Mr. SAUTHOFF] has given a correct picture of the disastrous effect of these various trade agreements upon the dairy industry. The House probably knows, and if it does not know I wish to emphasize the fact at this time that these treaties are made under almost the sole auspices of Dr. Francis B. Sayre, a "free trade" professor. I stated on the floor the other day that Professor Sayre was an international economist and therefore philosophically unfitted for this post which he holds as arbiter over American agriculture and American industry. I did not know at that time that Professor Sayre was high in the graces of various foreign governments and that he has been decorated by foreign governments more frequently than any other man in the American public service. I wish to read a list of those decorations which the supreme arbiter over American agriculture and industry has received from various foreign governments. They are as follows:

Created Phya Kalyan Maitri by the King of Siam, 1924; awarded the Grand Cross of Crown of Siam, 1924; Grand Cross of White Elephant, Siam, 1925; Grand Officier Order of Orange-Nassau, Netherlands, 1925; Knight Grand Commander, Chula Chom Klao, Siam, 1926; Commander, Order of the Dannebrog, first class, Denmark, 1926; Grand Cross, Royal Order of Isabel la Catolica, Spain, 1926; Grand Cross of Order of Christ, Portugal, 1926; Commander, Order of St. Olav, first class, Norway, 1927; Grand Cross, Order of Crown of Italy, 1927; Grand Officier de la Lexion d'Honneur, France, 1929.

In addition to these decorations, which speak most vigorously concerning the successful internationalism of Professor Sayre, it is interesting to know that he has written a book entitled "Experiment in International Administration."

The inference from all this, Mr. Chairman, is that not only Professor Sayre's head but his heart is across the seas. His allegiance is not to America, not to the American farmer, or to the American manufacturer. His allegiance is to all the world, and in these days, when, unfortunately internationalism is so vigorous throughout the world, it is regrettable that we should have denatured Americanism at the helm in the making of these treaties which go to the economic and cultural well-being of our people, and to the very existence of America itself. In such a position, may I say to the House that Professor Sayre is more dangerous to American agriculture and American industry than all the rest of the administration "brain trusters" combined, from Wallace to Tugwell and on down.

Mr. LUNDEEN. Will the gentleman yield?

Mr. CULKIN. I yield to the gentleman from Minnesota.

Mr. LUNDEEN. Is it not a violation of the American Constitution to receive these decorations without the consent of Congress? And will the gentleman from New York permit me to recall article I section 9 of the Constitution of the United States, which provides that "No title of nobility shall be granted by the United States, and no person holding any office of profit or trust under them shall, without the consent of the Congress, accept of any present, emolument, office, or title of any kind whatever, from any king, prince, or foreign state."

Foreign governments are hanging all sorts of decorations, ribbons, and what nots upon uncounted numbers of so-called Americans. It seems to me this helps very materially to soften the Americanism of these individuals and tends to make them foreign-minded. In my opinion we ought to make an end of this.

Mr. CULKIN. I do not think that applies here because Professor Sayre entered the international field years ago, and for his internationalism received these different decorations, prior to his entering the American public service.

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey [Mr. KENNEY].

Mr. KENNEY. Mr. Chairman, I am surprised to hear the gentleman's reference to Professor Sayre. I, as one Member of this House, would have to learn more facts than the general implications that are made by the gentleman before I could believe there was any foundation in fact for the statements of the gentleman.

I went to college with Professor Sayre. He is a graduate of Williams College, than which there is no better in this land. [Applause.] Never has a graduate of that college, in my time or any other time, given allegiance to any country other than his own while he held himself out to be and was an American citizen. Sayre is as good an American citizen as any Member of this Congress. He studied and absorbed the principles and traditions of Williams College—fundamental Americanism—under President Garfield, a son of President Garfield, a former President of the United States. Francis B. Sayre is grounded in Americanism.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Chairman, if this were a court of law, I would move to strike out the statement of the last witness as being purely a self-serving declaration and incompetent, irrelevant, and immaterial.

I prescribe for my distinguished friend from New Jersey, for whom I have great admiration, a reading of Professor Sayre's book entitled "Experiments in International Administration", and also a reading of his recent book, "America Must Act." If he reads these he will, I am sure, agree with me that we should have a vigorous national at the helm in the making of these treaties prior to the Supreme Court setting them aside. The distinguished gentleman from New Jersey will also agree, after such a course of reading, that Professor Sayre, with his peculiar views, is no man to make over America. [Applause.]

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. ELLENBOGEN].

Mr. ELLENBOGEN. Mr. Chairman, I want to confine my remarks to that part of the pending deficiency appropriation bill which, on page 16, provides an appropriation of $1,250,000 and certain taxes for the enforcement of the potato bill. I am very happy that I was preceded on this floor by the gentleman from Indiana [Mr. PETTENGILL] and the gentleman from North Carolina [Mr. WARREN], and I want to congratulate the gentleman from North Carolina [Mr. WARREN] on his statesmanship in proposing an amendment to cut out the appropriation to enforce the Potato Act. If Mr. WARREN had not offered to sponsor such an amendment, I would have offered an amendment to strike out all appropriations of money for the enforcement of the Potato Act.

A study of the A. A. A. decision of the Supreme Court should convince everyone that the Potato Act is unconstitutional; and now that the sponsor of the Potato Act, the gentleman from North Carolina [Mr. WARREN] has so stated on the floor of the House, there should not be anyone in the Congress who would deny it.

Inasmuch as the gentleman from North Carolina [Mr. WARREN] himself will sponsor such an amendment, I do not believe it will be very difficult to carry the amendment, and there is no need of making any argument for it. However, I should like to add to the amendment which Mr. WARREN expects to offer a provision that no appropriation heretofore made or carried in this bill shall in any manner be used to enforce the provisions of the potato bill. I believe that the appropriation that the gentleman from North Carolina [Mr. WARREN] desires for the study and collection of information and data on the production and marketing of potatoes can be passed without any regard to the provisions of the Potato Control Act. However, this is not enough. Now that we know that the act is unconstitutional, why should we wait until it goes to the Supreme Court.

Even before the decision of the Supreme Court was rendered in the A. A. A. case on January 6, I introduced a bill, H. R. 9665, to repeal the Potato Act, and I hope the gentleman from North Carolina will join me in passing this bill. Our hands are tied, Mr. Chairman, when we deal with an appropriation bill; but I hope we can have the unanimous support of the gentlemen who are particularly interested in the Potato Act to repeal that act; and after we repeal that act, if they have any proposition to make in regard to potatoes, we shall certainly be willing to give it most careful and sympathetic consideration.

Mr. WARREN. Mr. Chairman, will the gentleman yield for a question?

Mr. ELLENBOGEN. I will be very pleased to yield to the distinguished gentleman.

Mr. WARREN. Along the same line of reasoning of the gentleman, would he be in favor of repealing the Guffey coal bill?

Mr. ELLENBOGEN. I may say to the gentleman that neither the A. A. A. decision nor the N. R. A. decision passes at all on the question of the constitutionality of the Guffey coal bill.

Mr. WARREN. The gentleman means that in his opinion, they do not.

Mr. ELLENBOGEN. That is my opinion, but not only mine. Lawyers who have studied the question have held that in view of certain dicta in the majority opinion in the A. A. A. case, the Guffey bill may well stand the test of the Supreme Court.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. ELLENBOGEN. I will be very pleased to yield to my distinguished colleague.

Mr. DUNN of Pennsylvania. Is it not a fact that the potato bill did a great deal of good for the poor farmer?

Mr. ELLENBOGEN. The potato bill has not yet been fully enforced, but it was reported to us that it would help the farmers and the consumers, and I know the gentleman from North Carolina had the best intentions toward the farmers, as well as the city consumers, when he proposed that bill.

Mr. WARREN. The gentleman is entirely incorrect with respect to the enforcement of that bill. It has been enforced and all the Florida crop was sold under it.

Mr. ELLENBOGEN. It has been enforced with respect to Florida and California, and that is what prompts me to say to the gentleman from North Carolina that we must have a provision in this bill, in additon to his amendment, which will prohibit further enforcement of a statute which he considers himself unconstitutional.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. ELLENBOGEN. I yield.

Mr. DUNN of Pennsylvania. Is it not also a fact that the ones who were opposed to the potato bill were the big chain stores?

Mr. ELLENBOGEN. It has been so represented to us, and that was one of the arguments advanced for its passage.

Mr. DUNN of Pennsylvania. That is one of the reasons I voted for the bill. I believed it would benefit the poor farmers.

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. FADDIS].

Mr. FADDIS. Mr. Chairman, in his endeavor to launch his one-man campaign for the position of Vice President on the Republican ticket this fall, Ex-Governor Pinchot, of Pennsylvania, has requested Senator BORAH to conduct an investigation regarding politics in relief. According to the Associated Press, Ex-Governor Pinchot, once named by Ex-Senator David A. Reed as a "common scold", and by Attorney General Charles Margiotti as "the man on the flying trapeze", both titles being appropriate, says, "This embezzlement of public funds for politics is a fraud upon both the man on relief and the taxpayer."

Mr. Pinchot, the ultravirtuous, under whose political skirts hovered such characters as Coyne, Clark, McClure, and Salus, all State senators under his regime, all of whom have either been indicted, convicted, or disbarred for miscarriage of justice! Mr. Pinchot, that archdeacon of nonpartisanship, under whose regime the relief situation of Pennsylvania was the most gigantic political racket ever known! What unmitigated gall Mr. Pinchot must have to criticize work relief in Pennsylvania, when both the reemployment and the relief are functioning under the same set-up which he effected while Governor of Pennsylvania.

What a man to cry "wolf" when under his administration more than 100 of the 114 trustees of the 14 State teachers' colleges were Republicans. Mr. Pinchot, who dismissed men who had been responsible for the splendid system of game conservation and restoration of Pennsylvania, men who had given their time and efforts to their State for $1 per year, because they disagreed with him upon prohibition. Mr. Pinchot, under whose administration it was impossible to get an honest count of the votes cast in Pennsylvania. Mr. Pinchot, under whose administration the State highway employees were ordered out en masse to work on election day to deliver Republican votes to the polls in State cars.

Mr. Pinchot, who while Governor of Pennsylvania was a candidate at the primaries for United States Senator in 1934 and had such orders as the following issued, the originals of which are in Harrisburg:

COMMONWEALTH OF PENNSYLVANIA,
DEPARTMENT OF HIGHWAYS.

DIRECTIONS FOR RECEPTION FOR GOVERNOR AT WILKES-BARRE, PA., ON THURSDAY, OCTOBER 4, 1934

1. All cars will meet at the Lackawanna County courthouse at Scranton, Pa., on the Adams Avenue side, at 6:30 p. m.
2. Report personally to superintendent, or assistant superintendent.
3. Caravan will proceed to Luzerne County courthouse, Wilkes-Barre.
4. Reception for Governor Pinchot will be held at Hotel Sterling in Wilkes-Barre at 7:30 p. m.
5. All caretakers, foremen, pushers, timekeepers, truck drivers, rented truck owners, office help, and assistant superintendent will attend this meeting.
6. The names of all your men and any other persons making up your party are to be submitted in writing to this office on Friday, October 5.
7. All manner of work will be shut down at noon on Thursday in order that all may be on hand to accompany pilgrimage to Wilkes-Barre.

An order which is as exact, explicit, and mandatory as the battle order of an army corps. Senator BORAH should remember that in the general election in Pennsylvania, Pinchot's battle cry was, "I cannot stand GUFFEY." Senator BORAH should also remember that the election returns of the preceding primaries had proven that the people of Pennsylvania could and would not stand Pinchot, and the returns of the general election proved that Pennsylvania could and would stand GUFFEY. Clearly, Governor Pinchot's latest utterances show him to still deserve the titles "common scold" and "the man on the flying trapeze."

Why, under Mr. Pinchot's regime no man could secure a job of laboring on the State roads unless he signed a blank obligating himself to support the policies of Mr. Pinchot.

Mr. GRAY of Pennsylvania. Will the gentleman yield?

Mr. FADDIS. I yield.

Mr. GRAY of Pennsylvania. Is this the same Governor Pinchot the gentleman speaks of who after a police officer in Cresson, Camden County, had raided a miner's house and found a couple of drinks of whisky in a bottle and then assaulted the man and afterward was convicted in the criminal court and sentenced by Judge Evans to the penitentiary, is this the same Governor who immediately pardoned him and then the man went to Allegheny County and killed a man?

Mr. FADDIS. I do not recollect that incident, but many such occurred while Mr. Pinchot was Governor.

Mr. DORSEY. Will the gentleman yield?

Mr. FADDIS. I yield.

Mr. DORSEY. Is it not true that the party he criticizes as the head of this bunch was appointed upon Governor Pinchot's recommendation?

Mr. FADDIS. Yes.

Mr. MORITZ. Will the gentleman yield?

Mr. FADDIS. I yield.

Mr. MORITZ. Is it not true that this Governor Pinchot faked his way through two elections as the foe of utilities and then turned out to be the best friend they ever had?

Mr. FADDIS. Yes; he was successful in it.

Mr. CREAL. Is it not a fact that there were numerous convictions of fraud and corruption under the administration of Governor Pinchot and has he ever repudiated the connection?

Mr. FADDIS. Not that I know of.

Mr. BOLAND. Is it not a fact that under the administration of Governor Pinchot there were padded pay rolls, and that trucks were paid for that never were furnished?

Mr. FADDIS. I understand so. It has been generally told, and has never been successfully refuted, Mr. Pinchot, in a recent letter to President Roosevelt, charges that Edward Jones, W. P. A. administrator for Pennsylvania, went so far as to permit the employment of two men in the W. P. A. statistical area of Philadelphia through a private employment agency. The fact is, however, that Mr. Jones had no jurisdiction over that matter, and that the man in charge of it was appointed by Mr. Hopkins upon the recommendation of Mr. Pinchot when he was Governor of Pennsylvania, and is a holdover from that time. By his indictment of this man Mr. Pinchot has indicted himself.

Clearly Governor Pinchot's latest utterances show him to still be entitled to deserve the titles "common scold" and "the man on the flying trapeze."

Mr. GRAY of Pennsylvania. Is it not true that this Governor Pinchot, of Pennsylvania, was elected Governor and held that high office because of the billingsgate lambasting that he gave the Republican organization in Pennsylvania?

Mr. FADDIS. That is true; and that is why I want to warn the Republicans that when he starts a one-man campaign he is a dangerous man. Twice he has defeated the Republican machine in Pennsylvania in a one-man campaign, and he is liable to defeat the national Republican machine in the same way.

Mr. GRAY of Pennsylvania. Is it not true that this Governor Pinchot is about to run away with the Pennsylvania delegation to the Republican National Convention in support of Senator BORAH?

Mr. FADDIS. It seems that way. He has always been a foxy politician.

Mr. GINGERY. And is it not true that Governor Pinchot never lived in Pennsylvania, but that he held a residence in Washington?

Mr. FADDIS. That is true, except when he has State political aspirations. He is a resident of Washington at the present time, I see by the papers.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. DITTER].

Mr. DITTER. Mr. Chairman, apparently my Democratic colleagues from Pennsylvania are having a field day today. Lest, however, there be any misunderstanding either on the part of good, stanch Republicans on this side of the House or on the part of any of the brethren from other States on the Democratic side of the House, I direct the attention of the membership to the fact that my genial colleague's indictment is an indictment against Governor Pinchot, and it is not an indictment against regular Republicans in Pennsylvania.

Mr. FADDIS. Mr. Chairman, will the gentleman yield?

Mr. DITTER. Not at present. May I further admonish those of you who seem to take a peculiar delight in the statements of the gentleman from Pennsylvania with respect to the late Governor, that during the early days of the present national administration the former Governor of Pennsylvania, Mr. Pinchot, was a very welcome guest, and there seemed to be much in common between the President and the former Governor of Pennsylvania? If there are any causes for complaint with respect to the Governor's tenure, so far as C. W. A. or P. W. A. or any of those machinations and movements looking toward the gathering of the clan at the Lucerne courthouse, referred to by my distinguished Democratic colleague, they were political lessons that were probably learned from his intimacy with his Democratic friend. I am also convinced that the present incumbent of the Governor's chair in Harrisburg has certainly far exceeded the wildest ambitions of the former Governor with respect to such movements and machinations. Now it is not a custom to have highway workmen contribute only at election time.

The program now is that the contributions must be made monthly. Otherwise there be a chance of either dismissal of the employee or that he might die so that the funds that should fall into the Democratic coffers would not be forthcoming. I stand here today well satisfied that anything my genial friend said who spoke immediately preceding me, was purely a personal indictment against Mr. Pinchot and that he directed nothing against regular Republicanism in Pennsylvania.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. DITTER. I must always yield to the gentleman.

Mr. BOLAND. I will not embarrass the gentleman at all.

Mr. DITTER. Oh, I have no fear of that. He is too gracious to attempt it, and he could not if he would.

Mr. BOLAND. The gentleman referred to Mr. Pinchot as the "late" Governor. I presume he meant politically?

Mr. DITTER. The "former" Governor would have been better.

Mr. BOLAND. But the gentleman did say the "late" Governor. I think he meant politically?

Mr. DITTER. May I answer the gentleman by saying that with respect to the present Governor it is not a matter of being late, but never there. And, by the way, may I say further to my genial friend from the coal regions, that he knows that I happen to be the present Governor's Congressman.

Mr. BOLAND. But the gentleman will admit that he is probably the best Governor that the State of Pennsylvania has ever had.

Mr. DITTER. Only in the minds of those who have been deluded like my friend or who have no sense of real values.

Mr. BOLAND. And yet I imagine a majority of the people of Pennsylvania appreciate the fact that Governor George Earle is the best Governor Pennsylvania has ever had.

Mr. DITTER. And may I say that of course we are frequently subject to certain powers that determine what our opinions may be, and that I recognize the gentleman is required to express fealty and pledge loyalty to the present Governor, and that he is not expressing his real personal opinion.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. DITTER. Yes.

Mr. DUNN of Pennsylvania. Is it not a fact that Governor Earle has sponsored more humanitarian legislation than many of his predecessors, such as old-age pensions and unemployment insurance?

Mr. DITTER. In my opinion, the outstanding and real humanitarian legislation in Pennsylvania—and I believe the gentleman will agree with me in this—was when Pennsylvania started on a program of workmen's compensation when in many States workmen's-compensation laws were neither popular nor approved.

I stand here alone today as a Republican from Pennsylvania. [Laughter.] I am willing to accept all of the challenges that come from my Democratic brethren, but I want to warn them that they should talk during this session, for certainly their tenure is in danger as far as next year is concerned, when Pennsylvania is going to be Republican.

Mr. DUNN of Pennsylvania. Oh, no; it will not.

Mr. DITTER. May I say to the gentleman with respect to the humanitarian legislation that I believe the present Governor might have made gestures and overtures for the purpose of political expediency, trying to win around to him those who were prompted by humanitarian appeals.

Mr. DUNN of Pennsylvania. I should like to make a statement here.

Mr. DITTER. I hope the gentleman will not take all my time.

Mr. DUNN of Pennsylvania. I will see that the gentleman gets more time. I can prove and substantiate the statement I made. For example, let us take the pension for the blind in the State of Pennsylvania. Pennsylvania has one of the greatest laws for pensions for the blind in the United States, and it came under the Democrats, although I will say the Republicans supported the bill, but Governor Earle was the man who sponsored the bill.

Mr. DITTER. Now, I wish the gentleman would make his speech in his own time. I will answer the gentleman by saying that probably even with reference to the present Governor it might be said that "some good might even come out of Nazareth."

Mr. GRAY of Pennsylvania. Will the gentleman yield for an inquiry?

Mr. DITTER. I do not have much time.

Earlier in the day the distinguished gentleman from Texas [Mr. BLANTON] sought to indicate to the House a connection between communistic efforts and character education in the District of Columbia. To my mind, there is absolutely no connection between the two. The only basis on which the gentleman presented that plea to the House was the basis that the man who is one of the lecturers here in the District happened to be identified, in a lecturing capacity, with one of the universities of Moscow. The gentleman indicated that there was the possibility of a new philosophy of education being taught under Dr. Ballou's direction. Nowhere in his remarks and, to my mind, nowhere in the hearings, is there any warrant for claiming that the character-education program in the District of Columbia is in any way tied up with the communistic program. I am in hearty accord with the gentleman, as far as his campaign and crusade against communism is concerned. I take no issue with him on that, but I do take issue with him when he tries to indicate that character education in the District has no value, on the ground that it has a communistic taint. I will be with him all the way through on his program of anti-communism, but I differ with him when he definitely tries to lay at Dr. Ballou's door, in connection with his character-education program, any communistic efforts. Would that the distinguished gentleman from Texas were as zealous in removing communistic philosophy from the program of the New Deal as he is in his efforts in the District of Columbia schools.

Now, to direct my attention to that which I really intended to say when I was allotted my time before this field day of Pinchotism broke forth.

The deficiency appropriation bill now before the House includes an appropriation of $1,250,000 to the Secretary of Agriculture for carrying into effect the provisions of the notorious Potato Act of 1935. Because of the widespread and vociferous objections to the attempted curtailment of potato production by Federal fiat, doubt was expressed for a time of the advisability of attempting an enforcement of the legislation. It was thought that a policy might be pursued with this measure similar to the one taken by Postmaster General Farley in nullifying the provisions of the Public Utility Holding Company Act. For certain obvious reasons the Postmaster General decided that it would not be expedient to compel a compliance with certain mandatory provisions of the utility measure, and by formal order announced that he did not intend to comply with the requirements of the statute. While the unique and unprecedented nullification of an act of Congress by a Cabinet member, probably with Executive approval, startled those who still cherished the hope that we lived under a government of laws and not a government of men, nevertheless it was urged by some of the New Deal strategists to venture a similar hazardous course on the Potato Act and nullify it rather than invite the wrath and condemnation of the army of potato protestants. Apparently a deaf ear was turned to the storm of righteous indignation raised by the defenders of a "sterile morality of individualism" in potato growing, and the Triple A, more recently labeled a "cripple A" by the Supreme Court, determined to exercise in the potato field the prerogatives and powers of the Agricultural Adjustment Act. It was decreed that potatoes must be laid side by side with wheat and corn and cotton and suckling pigs on the altar of the gods of rigid regulation and regimentation.

We are now called upon to appropriate more than a million dollars to administer for 2 months the obnoxious and denounced Potato Act, and for the collection of taxes under that publicly rejected invasion of personal rights. Were my objections to the appropriation limited to the protests voiced in my district against regimenting potato growers, I might be confronted with the argument that the Potato Act is a part of the existing law and that Congress should provide the means to prevent nullifications whether by Postmasters General or Secretaries of Agriculture. In this case such an argument, however, is untenable. My objection to the appropriation goes beyond the question of potato control. It is based on the propriety of appropriating public money for purposes which are clearly indicated to be unconstitutional. In the light of the opinion of the Supreme Court delivered by Justice Roberts on January 6 of this year, no reasonable

and intelligent man can have any doubt of the fate awaiting the Potato Act. It is unconstitutional.

The act is a part of the general agricultural program of the present administration. It operates on the theory of curtailing production to increase prices. It attempts to justify the proposition that the less you produce the more you are worth. Mr. J. B. Hutson, Director of the Agricultural Adjustment Administration, appeared before the committee to attempt to justify the appropriation. In spite of the efforts of the Director to deny that the Potato Act sought to control the production of potatoes, its purpose is plainly manifest. In fact, he admitted that an allotment is made to a farmer of the potatoes which he may produce during a given period and that he is required to pay the tax on all potatoes over the allotment. As was well said by the chairman of the committee, "It is an effort to regulate production by a tax."

Certainly the words of Justice Roberts in the Agricultural Adjustment Act case apply with equal force here:

> The statute not only avows an aim foreign to the procurement of revenue for the support of government, but by its operation shows the exaction laid upon processors to be the necessary means for the intended control of agricultural production.

A further reading of this convincing opinion brings before us these significant statements applicable here, as in the case before the Court when the opinion was rendered:

> The powers of taxation and appropriation extend only to matters of national as distinguished from local welfare. * * * The act invades the reserved rights of the States. It is a statutory plan to regulate and control agricultural production, a matter beyond the powers delegated to the Federal Government. The tax, the appropriation of the funds raised, and the direction for their disbursement are but parts of the plan. They are but means to an unconstitutional end.

The memory of the self-assertiveness of the American people when the Potato Act was passed and the vehement declarations opposing the measure which were heard on all sides lends added force to that part of the opinion bearing on the question of the voluntary cooperation of those upon whom the act seeks to forge its chains:

> The regulation is not in fact voluntary. The farmer, of course, may refuse to comply, but the price of such refusal is the loss of benefits. The amount offered is intended to be sufficient to exert pressure on him to agree to the proposed regulation.
>
> The power to confer or withhold unlimited benefits is the power to coerce or destroy * * *. It is clear that the Department of Agriculture has properly described the plan as one to keep a noncooperating minority in line. This is coercion by economic pressure * * *. At best, it is a scheme for purchasing with Federal funds submission to Federal regulation of a subject reserved to the States * * *. An appropriation to be expended by the United States under contracts calling for violation of a State law clearly would offend the Constitution. Is a statute less objectionable which authorizes expenditures of Federal moneys to induce action in a field in which the United States has no power to intermeddle? The Congress cannot invade State jurisdiction to compel individual action; no more can it purchase such action * * *. Congress has no power to enforce its commands on the farmer to the ends sought by the Agricultural Adjustment Act.

What justification can be found for the appropriation of more than a million dollars for clearly unconstitutional activities by a governmental agency for the next 2 months? How much it would require for a year's unconstitutional excursion in the fields of potato growing can be readily calculated.

The possibilities of profligacy and extravagance in connection with the administration and enforcement of the Potato Act can best be ascertained by a reference to the hearings. The Director made the startling confession that the probable revenue from the measure would be $200,000 for a year, and that the cost for only a fraction of a year to collect this amount would be a million dollars. It was roughly estimated that the cost might reach $10,000,000 a year. The estimate for the year, however, is not before us. The request for $1,250,000 for 2 months is before us. What are our duties? Have we an obligation to those who provide the funds for the Public Treasury, the taxpayers? Have we so lost our realization of values in talking about billions that an unconstitutional appropriation of $1,250,000 makes no impression upon us?

No reason or excuse can be found to justify this appropriation. It has no place in the present appropriation bill. It is a gratuity to the Agricultural Adjustment Administration for the purpose of raising false hopes in the hearts of the farmers, and to continue in office a retinue of faithful political appointees where civil-service status is not a requisite. It contemplates $10,000,000 to be spent annually for unconstitutional interference with the personal rights of the people. It is the cost of maintaining and operating just another extravagant experiment.

We have a duty, an obligation, to reject this raid on the Treasury of the United States by eliminating $1,250,000 for potato control from this bill. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. DITTER] has expired.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Chairman, this appropriation bill carries $1,250,000 to carry out the provisions of the Potato Act of 1935. The gentleman from North Carolina [Mr. WARREN], who is the author of the potato bill, states that he offered an amendment striking out the $1,250,000 and substituting therefor $1,000,000.

Mr. BREWSTER. Will the gentleman yield right there?

Mr. ROBSION of Kentucky. Yes.

Mr. BREWSTER. The gentleman said, as I understood him, "an additional million dollars." Did the gentleman understand that it was in substitution for the $1,250,000?

Mr. ROBSION of Kentucky. Yes. The amendment by the gentleman from North Carolina [Mr. WARREN] proposes to substitute $1,000,000 for the study of the potato and potato business.

In going through my district last year I spoke at many places and met a great many people. I received many inquiries from individuals and from audiences as to how I had voted on the potato-tax bill. I voted against it, and so stated. I do not know of any measure that has been passed since I have been a Member of Congress that has been so unpopular in my district with the farmers and the people generally as this potato bill. At the time it was up for consideration in the House last summer I could not see how it could be constitutional. It seems to me that a casual reading of the Constitution would convince anyone of its unconstitutionality. Furthermore, I could not see how it could serve any useful purpose.

The great Federal Government, in violation of the Constitution, disregarded the rights of the citizens in giving a lot of bureaucrats the right to say whether or not any citizen could raise a few potatoes without first going before some Government officer and making a declaration as to what land and how much he intended to plant to potatoes, and get a license from this bureaucrat to do so. Now if any farmer, gardener, or little truck-patch man or woman should fail to secure such license and produces more than 5 bushels of potatoes for sale and should attempt to sell more than 5 bushels, he or she would come under the condemnation of this fantastic and obnoxious law, and potato growers under the law would be required to put their potatoes in containers of certain shapes and dimensions and place a stamp thereon, and if the potato raiser should violate this law he would be subject to a heavy fine and prison sentence. Not only that but the person who bought his potatoes would be subject to the same fine, and furthermore, a person knowing of any violation of this law by the potato growers, or by the person who bought potatoes would also be subject to a heavy fine and prison sentence.

In all the history of this country no such fantastic, unfair measure was ever put through Congress. It not only violated the constitutional rights of the citizens of this country, but was ridiculous to the extreme. It was well known before the recent decision of the Supreme Court on the A. A. A. that this act is unconstitutional. It is now admitted by all that whenever this measure comes before the Supreme Court it will be knocked into a cocked hat.

My friend from North Carolina, Mr. WARREN, by his amendment, wants Congress to authorize the expenditure of a million dollars to investigate the potato and potato busi-

ness. The Department of Agriculture has been investigating and advising about the potato and potato business for many, many years. During my years of service here bulletins have always been available on every feature of potato growing and potato business. We are now taking an agricultural census, spending a tremendous sum of money, giving employment to thousands and thousands of good Democratic politicians. I am sure that they have and will inquire about the potato business. The Department of Agriculture was so well informed about the potato business that it recently was able to make allotments for every State in the Union under this fool Potato Act.

This million dollars is taking that much of the taxpayers' money to give more jobs to the bureaucrats and Democratic politicians. We are spending $12,000,000 a day more than we are taking in in the way of taxes and other revenues. In other words, the Government is going in debt more than $12,000,000 every day. The Government deficits are growing by leaps and bounds. It amounts to approximately $4,000,000,000 a year; yet here is a proposal to throw another million dollars at the birds. Think of it: the New Dealers pushing through Congress this unconstitutional act providing for a tax of 45 cents on the bushel. If this should be allowed to stand, about the next move would be to require each potato to be wrapped in tissue paper or enclosed in celophane. This ridiculous, fantastic measure gives the country some idea of the extent we are being carried by the follies of the "brain trusters" of this administration.

DISABLED VETERANS ARE BEING NEGLECTED

There is another matter to which I desire to call attention in this bill. Some time ago the Federal Government erected a neuropsychiatric hospital at Lexington, Ky., to take care of the mental cases of veterans in Kentucky. This hospital made provision for only 256 beds. It was soon filled. It now has 286 disabled veterans—30 more than its capacity. There are approximately 400 other disabled veterans in Kentucky who require this treatment and care.

Mr. C. N. Florence, chairman of the hospital committee of the American Legion of Kentucky, in a letter to me urged that the capacity of this facility be increased from 260-bed institution to that of a 560-bed facility. Enlargement of the facility at Lexington was likewise urged by Mrs. John Gilmour, president, American Legion Auxiliary, Department of Kentucky; Mr. G. Lee McClain, of the Kentucky Disabled Ex-Service Men's Board; Man O'War Post; and many other veterans' organizations of this state have been strongly urging this same relief for the veterans at this facility at Lexington.

I am advised that there are now more than 100 insane veterans in Kentucky on the hospital waiting list. There are more than 400 insane veterans in Kentucky in State institutions because there is no room for them in the veterans' hospital. It can be seen at once the urgent need of the enlargement of the facility at Lexington for the care of our insane veterans. We have had this matter up a number of times with the Veterans' Administration, and from what was said by them we were lead to believe that this deficiency bill would carry an appropriation that would take care of this situation. It has been pointed out that additional beds are being supplied at the hospital at Danville, Ill., but that institution serves a number of States, and the proposed addition there will not take care of the insane veterans of those States. The Lexington, Ky., facility is the smallest of its kind of any State in the Union.

We must not neglect those who defended us and who are not now mentally capable of taking care of themselves. May I strongly urge those who are in charge of these appropriation bills and may I also strongly urge the Veterans' Administration to provide this needed relief at Lexington, Ky.

I wish to point out another matter that I have discovered. I found a number of instances in my district where the insane veterans had married some years ago. At the time they became insane they had wives and children. These veterans, being totally and permanently disabled, under the law are allowed $30 per month. The families of the veterans to which I refer own no property and have no means of earning or providing support, except what they may receive of the veteran's pension of $30 per month.

It was brought to my attention that the Veterans' Administration requires the clothing of these insane veterans to be paid for out of this $30 per month. In one particular case the authorities at the facility at Lexington had bought two suits of clothes within a period of 6 or 8 months. Each of these suits of clothes took up almost a month's pension. The cost of the other clothing was very considerable, so that very little was left for the wife and children, and they must go without food, clothing, and shelter, or be provided for out of relief funds, and because of the fact that the veteran draws a pension they cannot secure relief. I cannot understand why an insane man should require so many suits of clothes. If he does, this great Government of ours ought to provide for clothing and not take these few dollars away from the poor wives and young children. I understand that the Veterans' Administration and those in charge of these hospitals insist they are forced to do this because of the Economy Act and the regulations issued thereunder by the President.

The administration and our Democratic friends in control of the committees dealing with these problems should report a measure that will correct this condition. This neglect of the insane veterans of Kentucky and their families should be corrected at the earliest date possible.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. ROBSION of Kentucky. I yield.

Mr. KNUTSON. The Democrats no doubt feel that Kentucky is in the bag, so why should they spend any money in Kentucky when there are so many States that are not safely in the bag?

Mr. ROBSION of Kentucky. At some future time I shall give the facts and tell how the Democrats got it in the bag last fall by relief money, bribery, and intimidation.

Mr. KNUTSON. Whoever heard of giving bait to a fish after it was in the boat?

Mr. MORITZ. Mr. Chairman, will the gentleman yield?

Mr. ROBSION of Kentucky. I yield.

Mr. MORITZ. The gentleman is not blaming all his difficulties entirely on the Democrats is he?

Mr. ROBSION of Kentucky. Why, yes.

Mr. MORITZ. The gentleman from Minnesota [Mr. KNUTSON] voted for the potato bill, as did Mr. BREWSTER. There is no more bitter enemy of the Democratic Party than Mr. KNUTSON.

Mr. ROBSION of Kentucky. However that may be, the Republicans are not responsible for this obnoxious potato-tax bill. The Republicans never would have conceived anything so foolish as that. The potato-tax bill came from the "brain trusters" and not the Republicans. [Applause.]

Mr. TABER. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Chairman, it is with a great deal of hesitancy that I give even the appearance of torturing this subject which has been discussed by several of the members of the committee; that is, the subject of the lowly spud.

Mr. PETTENGILL. Mr. Chairman, will the gentleman yield for a brief observation?

Mr. WADSWORTH. I yield.

Mr. PETTENGILL. Does the gentleman believe that the eyes of the potatoes of the Nation are now upon us? [Laughter.]

Mr. WADSWORTH. Yes; and they are full of tears. [Laughter.]

Mr. Chairman, it is true, as the gentleman from North Carolina has stated, that I protested against this enactment publicly upon more than one occasion during the recent autumn months. My protest was on all fours with the protest which I made futilely here on the floor of the House when the Bankhead cotton-control bill was before us. I have not attempted to discuss the constitutional feature. My opposition to this sort of legislation, I may say, is in-

stinctive. It arises, perhaps, from my sense of rebellion against the employment of force by the Government against a citizen who is endeavoring to earn an honest living. Whether the Government has such power, I, a layman, am not competent to say. I very much doubt it; but whether it has the power or not, I shall ever protest against its employment.

Let us look at this law which is upon the statute books. I am not content to wait for a decision by the Supreme Court. Under its provisions, if I recollect them correctly, no person in the United States may produce and sell more than 5 bushels of potatoes in this next crop year without the permission of the Secretary of Agriculture. Permission, under the terms of the act, is to be evidenced by the granting of an allotment to any person who desires to sell more than that number of bushels. I have been told, during the interval between the adjournment of the last session and the convening of this session, that some authority has been found somewhere in this law to increase that 5-bushel limitation to 50 bushels, but I am not certain about that. Even if that were so, however, I protest against it as a matter of principle just as strenuously as I would protest against the 5-bushel limitation. An allotment having been made to a man who wants to produce, we will say, 10 bushels, he is to be furnished with stamps indicating that the 10 bushels he is selling are within his allotment, the stamps to cost him nothing.

If he should desire to sell more than his allotment of 10, 15, 20, or 1,000 bushels, no matter what it is, he must purchase another sort of stamp, a tax stamp, costing him at the rate of 45 cents a bushel for the excess potatoes that he desires to sell. I know very little about the price range of potatoes in Florida, from which they are now moving, or any other State lying to the south of us, but the price range in the part of the country in which I live during the potato harvesting and selling season was 50 cents a bushel. I know that from having personally engaged in the business. It is obvious that no person can afford to pay a tax of 45 cents per bushel, and it is not expected any farmer will do that. There is no thought of gaining revenue from this bill. For a man to pay any such tax as that on a large scale would simply mean ruin.

The tax is fixed at that rate in order to bring compulsion upon him and to force him to obey the decision of the bureaucracy in Washington. I care not under what auspices that bureaucracy is erected or maintained, I am against it under any administration when it reaches out for power of that sort. [Applause.]

The measure then proceeds, mark you, to provide that if any person sells potatoes above the allotment assigned to him by an all-wise Secretary of Agriculture without paying the 45 cents tax on each excess bushel, he may be fined, after prosecution in a Federal court. On a second offense he may be fined as much as a thousand dollars and sent to jail for as long as a year. Thus the club of the Federal policeman is swung over the head of hundreds and hundreds of thousands of decent men and women who are endeavoring to earn an honest living, and they are told "If you do not do as we say, you go to jail." That is the meaning of it reduced to its final analysis.

More than that, this most extraordinary law proceeds to provide that the purchaser of illegal potatoes shall be equally guilty with the seller, and subjected to the same fines and penalties, including imprisonment for a second offense. More than that, the law proceeds to provide that any person in the United States having knowledge of the illegal sale of potatoes and who fails to report the violation to the proper authorities is likewise guilty. In other words, the entire population of this country is invited, Mr. Chairman, to be snoopers. They are invited to sneak around to see if they cannot find out whether Mrs. Smith, residing in a village, went down the road a half mile to a farmer friend and purchased for her own use in her own house some illegal potatoes. If she is caught doing that a second time, she goes to jail under this extraordinary measure. That is what I mean by the employment of compulsion upon honest people.

Does anyone think that liberty can live in a country whose Congress passes act after act of this kind, if those acts are to be maintained upon the statute books? From the more practical standpoint, does anyone believe that such an act can be enforced? We have had some experience in this country in an endeavor to enforce unenforceable acts. Every time we have tried it we have raised up a welter of evasion, resistance, and corruption. I think it was the gentleman from Indiana who warned the Committee when he spoke upon this measure a little while ago against what he termed the "bootleg potato." Of course, bootleg potatoes would flood the country. There can be no question about that. I invite him to compare the penalties under this potato-control law with the penalties under the previous Volstead Act. Compare the penalties inflicted upon violators of that act who at that time were known as bootleggers.

The penalties for the violation of the Potato Control Act are just about double the penalties that used to be imposed upon bootleggers under the Volstead Act, and under the Volstead Act the purchaser was not subject to prosecution and penalty. Under the Potato Control Act he is. Under the Volstead Act no person in the United States was expected to be a snooper and report violations. Under the Potato Control Act every citizen is put on notice that if he ever finds out about a violation of this act and does not report that fact to the proper authorities he may be prosecuted and punished. One cannot help reaching the conclusion that the authors of this extraordinary measure decided that the lowly spud was more dangerous to society than bathtub gin, because they place a double penalty upon the potato violator as compared with the liquor violator.

There are one or two things in respect to this act that excite my curiosity. When the producer sells 5 bushels or more under a particular allotment, everything he sells must be packed in a container prescribed by the Secretary of Agriculture. It will be illegal for him to sell his potatoes in anything except that one type of container and this applies to the entire country. Think of it! I cannot sell to my neighbor a half mile down the road a single bushel of potatoes unless I pack them in a container prescribed by Mr. Wallace. That is utterly silly. I have been wondering what container is to be used. Perhaps it is to be cellophane; perhaps the potatoes are to be wrapped in cellophane and tied up in pink ribbons. Who knows?

My latest information is that the container which has been agreed upon in preliminary discussions as to the regulations for putting this extraordinary law into effect is to be a burlap sack, gathered together at the top and securely tied and closed; that attached to the sack where it is gathered together, there shall be a tag upon which the famous stamp is to be placed.

It is true that something like 70 percent of the potatoes that are marketed in this country are shipped in burlap sacks. The remainder are marketed in open bushel baskets, wagon boxes, wooden crates, tin pails, and, in fact, any kind of handy container that the farmer happens to have on his farm. That has got to be stopped. The wooden crate will be ruled out. The wagon box will be ruled out. The potatoes must be in a container fixed by the Secretary of Agriculture, and, I assume without having absolute knowledge, it must be a burlap sack. But, Mr. Chairman, I merely mention this as an example of the extraordinary length to which bureaucracy attempts to go in regulating the daily lives of the people. I am not discussing the constitutionality of this thing, although I cannot help agreeing with the gentleman from Indiana that it is unconstitutional. I rejoice at the signs of retreat announced by the gentleman from North Carolina [Mr. WARREN], that this thing is not going to be pressed for enforcement on the theory it is unconstitutional; but I am not satisfied with that. Frankly, I want to see this law taken off the statute books by the Congress that put it on. [Applause.] And, once more, I register my protest against the employment of force by government against honest citizens earning an honest living. [Applause.]

Mr. LUCKEY. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. LUCKEY. I want to say to the gentleman that I am in hearty sympathy with everything he has said, and I have just now introduced a bill to repeal the Potato Act. I voted against this measure when it was before the House. I think there is nothing so silly and so nonsensical as this Potato Act, and it is just such measures as this that bring the ridicule of the Nation on the Congress of the United States, and I think it is time we stopped this kind of tomfoolery. The administration did not want this measure. Neither did the Department of Agriculture. The responsibility for this law rests on Congress.

Mr. WADSWORTH. Well, there are two of us.

Mr. Chairman, I yield back the balance of my time.

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, there is an item carried in this bill that interests me very much. I refer to the item relating to trade agreements.

I come from a dairy section in western New York. We have as many dairy cattle in my district as there are cattle in some of our States. If you gentlemen who do not come from dairy States were to travel through my district at about 4 o'clock in the morning, you would see at this season of the year the lights coming on in the stables and in the houses; the people would be getting up preparing an early breakfast. The men would be getting out to work to take care of their dairy herds. Later, about daylight, you would see the trucks or the teams on their way delivering milk either to the railway stations or to the creameries. If you were to notice the buildings on these farms, you would find they have excellent barns, sanitary and clean in every respect. You would see fine homes in these sections and you would see farms where the soil has not been depleted, but has been built up through the years to the highest point of production, and, largely, due to the fact that the manure from the herds of cattle has been utilized to fertilize the soil.

There is no question of soil conservation involved in the real dairy sections of this country. They are one class of farmers who have kept up the sustenance of the soil, so that any program along this line that might be adopted at this time would serve no useful purpose to the real dairy farmers of the country. If all farmers had done as well in supporting the farms, keeping up the soil and keeping up the buildings, there would be no problem along this line.

So it seems to me it is important to protect the dairy interests of this country. The dairy farmer is important to the welfare of this Nation. Moreover, if you go through my district and other dairy sections you will find splendid schools. I can take you into one county in my district where you will find in a small village a central high school costing $600,000 that has every improvement that a modern educational system can suggest, the finest architecture, and every facility for the comfort and convenience of the children. This has been due to the fact that the people who make up the dairy sections, particularly my dairy section, are intelligent, frugal, industrious, and fundamentally patriotic American citizens of the very highest type.

These dairy farmers at the present time are in great danger. Some years ago they had their backs to the wall and this Congress provided some protection through a tariff measure to save their markets from invasion by foreign countries shipping their butter and other dairy products into this country. I wish to call your attention to the fact, because it will appeal, for instance, to Wisconsin and some of the States further removed, that the cost of transportation of milk and butter from my district, at the extreme end of New York State, to the New York City market is more per gallon, per pound, or per ton than to ship similar amounts from Denmark to New York City. The cost of production of dairy products in these foreign lands is much lower than the production costs here. The requirements of sanitation or cleanliness are not so strict as in the State of New York or, as I assume they are, in many of the other States of the Union.

I am going to direct my remarks to a country, the competition from which is seldom mentioned on the floor of the House. I refer to New Zealand. The New Zealand islands are some 9,000 miles from our ports and, naturally, people say, "How can a country as far away as that offer any dangerous competition to the dairymen of this country?"

When England was debating the policy of developing New Zealand for agricultural production, the statesmen of that time assured the farmers of England that by no stretch of the imagination could New Zealand successfully compete with the English farmer in the English market.

And yet it was not many years before New Zealand was laying down farm products in Great Britain, in Liverpool and London, cheaper than the farmers outside the city could supply similar products to them. New Zealand has a farm area about as large as the combined area of New York, New Jersey, and Pennsylvania.

Pennsylvania and New York and Wisconsin are three of the greatest dairy States in the United States. And yet New Zealand at the present time has more dairy cattle than two of these States combined and almost as many dairy cattle as all three.

To show you the dangers of competition—and if I had time, I would read into the RECORD authentic statements showing that New Zealand has been shipping butter under a trade agreement which Canada had with Australia, under which New Zealand was permitted to ship her products into Canada; that these shipments so endangered the dairy interests of Canada that Canada sought to stop them by putting a 4-cent per pound duty on butter. But this did not stop New Zealand's shipments of dairy products into Canada, to the injury of her domestic market. The duty was raised to 8 cents a pound.

From that time the Canadian market steadily grew better. There came a time later, however, when Canada shipped her products into the United States; then the Congress put a tariff of 56 cents a gallon on cream and 14 cents on butter, and a duty of 6 cents on milk to relieve our dairymen from Canadian competition.

New Zealand has 17 natural ports, into which the largest steamers in the world that carry freight can enter. There is no cost for dredging. Not only that, but the New Zealand railroads are organized for the benefit of the farmer, and the man living on a farm 100 miles from a port can ship his product to the New Zealand ports for processing and export at the same rate that the farmer can who lives 10 miles from the port. This, of course, is done upon the theory that it makes the far-removed farm worth as much as the one close to the port of shipment, which in turn yields a larger revenue in taxation to the New Zealand Government when it comes to taxation of the remote farms. Not only that, but New Zealand has built a system of agricultural stations in every part of the island.

They have built with Government subsidies, creameries and cheese factories that are interchangeable. They can make butter one month and immediately shift to the manufacture of cheese the next month. They can watch our market, then manufacture and ship either butter or cheese, whichever offers the greater price inducement. Usually it is during the winter months that New Zealand dairy products are shipped into this country. These shipments depress the price when our dairymen need the higher prices. I could go into the question of the tonnage shipped into this country in years gone by, but have not the time. Here is what happens. This entering into reciprocal trade agreements and opening up our market to foreign countries is doing just this: New Zealand, Argentina, and other export countries are preparing to take advantage of the opportunity that the lowering of the tariff offers them to invade our market. If they find it is going to be the settled policy of the United States to open up the markets of the United States to the dairy products of other countries, then capital

is going into the dairy business in a large way, in foreign countries.

It is going to have the same effect on our dairy market that your cotton bill had on your cotton market. The University of North Carolina and Fiske University through their research departments have made a careful investigation as to the effect of a reduction of acreage in cotton. What do they find? That 50 countries are now engaged in the production of cotton and all going into it more heavily all the time; that our capital is going into Brazil and various other countries to engage in cotton production. Japan is working in unison with Brazil in her program. We want to be careful under these trade agreements. The production of dairy products is one of the largest agricultural interests in the country, and by your trade agreements you are going to ruin it. Not only that, the dairy farmers receive a larger cash income from their products than is received for any other product in agriculture.

This is something more than a political question. We cannot afford, as a Congress, we cannot afford as a country, to adopt a policy, a plan, that will destroy one of our best industries, the one that produces the most cash and that in turn means more to the community than almost any other agricultural activity. While the trade agreements entered into do not specifically mention butter, the lowering of the duty on cream from 56 cents a gallon to 36 cents means that the cream will come in and be processed here. It, in effect, lowers the duty on imported butter.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. Yes.

Mr. LANHAM. The gentleman made reference to cotton.

Mr. REED of New York. Yes.

Mr. LANHAM. Of course, we in the South are very much interested in that, especially in the State of Texas, which normally raises a third of the cotton of the United States and one-fourth of the cotton of the world. By reason of the fact that 90 percent of that crop normally is exported, the matter of our permanent prosperity, inasmuch as cotton is the money crop of the farmer, necessarily depends on the retention of our foreign markets. What suggestion would the gentleman have to make with reference to how those markets may best be maintained, or how the farmer, in view of a restriction of crops, may properly be compensated in connection with a retention of those foreign markets, inasmuch as cotton, being an export crop, cannot be protected under tariff regulations?

Mr. REED of New York. I am not suggesting a tariff for cotton, but certain steps can be taken. The point the gentleman raises should have been raised before we got into this particular method of handling the cotton situation.

Mr. LANHAM. May I say to my friend that I have heretofore spoken in this Chamber in reference to the necessity of retaining these markets, and also the unfortunate situation that obtains in the South by reason of the fact that many of the people who are on relief normally get their living expenses from some phase of the cotton industry.

Mr. REED of New York. Yes. The situation to which the gentleman refers is to be found in a research, which I read with care. I am not familiar with the cotton business except as I have read about it. The two southern universities to which I have referred, that have research departments, claim that because of our restriction of acreage in cotton 1,500,000 families have been put on relief from the South, and that means something like 5,000,000 people.

There is one thing that could be done in this country. If this situation goes on the foreign market will be captured, but there is one thing that the cotton farmers can do. They can at least save their home market. They cannot afford to let Japanese cotton goods come into this country and take what is left of the home market. It is their last line of defense. At the present time we know that these foreign goods are coming in here in terrific volume all the time, to the injury of the cotton farmers.

[Here the gavel fell.]

Mr. TABER. I yield the gentleman 3 additional minutes, Mr. Chairman.

Mr. DIRKSEN. Will the gentleman yield?

Mr. REED of New York. I yield.

Mr. DIRKSEN. Just to permit this observation: I want to say to the gentleman from Texas [Mr. LANHAM] that I believe the conclusive answer to his question is the philosophy of George Peek, namely, specific trading in specific items on a conditional basis rather than on an unconditional basis. That, of course, is the converse of the policy of Mr. Wallace with respect to foreign trade; but I do believe it is necessary to find a market for these basic commodities for which we have a surplus at the present time.

Mr. REED of New York. I want to say that if opportunity presents itself to vote for the repeal of this power to enter into reciprocal trade agreements, at least without an opportunity for the Senate to ratify those treaties, without opportunity for the interested parties to be heard and to have a chance to come before the committee handling these important agricultural problems, we should vote to repeal the law. It must be known to every reasonable person in this country who knows anything about the dairy situation that this thing is absolutely suicidal to the farmers of the States of New York, Pennsylvania, and Wisconsin. The people in my State have built up the finest dairy business in the world. Yet we are throwing our markets wide open to foreign countries, with their lower labor costs, with their low costs of water transportation, and with their government subsidies.

Under the system in effect in New Zealand the Government finances the farmers at ridiculously low interest rates, permits them to buy dairy farms, furnishes the money to build and equip creameries, furnishes them every possible facility to meet all competition. Needless to say, our farmers enjoy no such benefits through Government aid. The United States is the best cash market in the world, which rightly belongs to our farmers, and we must not surrender it under these trade agreements.

Mr. WEARIN. Will the gentleman yield?

Mr. REED of New York. I yield.

Mr. WEARIN. The gentleman has been directing his remarks largely to butter. Has not the importation of butter, to a considerable extent, prevailed for 10 or 12 years in the United States?

Mr. REED of New York. Yes; there has been a tariff built up, and the official reports show that whenever a tariff has been imposed on dairy products the importations decreased. It has improved prices of dairy products.

Mr. WEARIN. If the importations have prevailed for 10 or 12 years, why was not something done about it under the Republican administration and the Smoot-Hawley tariff bill?

Mr. REED of New York. A tariff was given in the Smoot-Hawley Tariff Act, and the higher rates accomplished great good; but now, under recent trade agreements, you are cutting it down. You are destroying the home market.

Mr. WEARIN. But the importations have continued under the Smoot-Hawley tariff bill.

The CHAIRMAN. The time of the gentleman from New York [Mr. REED] has again expired.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 10 minutes to the gentleman from Washington [Mr. KNUTE HILL].

Mr. KNUTE HILL. Mr. Chairman, it is not my purpose to make any extended remarks today, but there have been a considerable number of partisan political attacks made on the floor of this House since the session began. I am not very much of a partisan. As a student of history, however, I am essentially a Democrat; but I am an American first, and recognize the fact that there are good men in all parties. There have been attacks made on the floor of this House against the administration and against the New Deal. I have differed with the President on some of his bills and on some of his policies, but I have been honest in this stand. The President has told me himself that he respects honest differences of opinion. I am heartily with him in his general policies. Let us take two or three just at random. Take, for example, the bank-deposit guaranty bill, which was passed during the first session of the Seventy-third Congress.

Mr. MICHENER. Will the gentleman yield right there?

Mr. KNUTE HILL. I would rather go on.

Mr. MICHENER. But right in that connection the gentleman says he is in favor of the bank-deposit guaranty bill, but does he know that the President did not favor the bank-deposit guaranty bill? That was not his policy. Senator VANDENBERG, of Michigan, offered the resolution in the Senate, which the RECORD will show, and the President did not favor that thing.

Mr. KNUTE HILL. But it is a part of the New Deal and was signed by the President.

Mr. MICHENER. But it was passed in spite of the President.

Mr. KNUTE HILL. I refuse to yield further, Mr. Chairman, because I have statements to make, and I insist on making them and will then yield. Now, the bankers were opposed to that, and that very summer the Bankers Association passed a resolution unanimously condemning it and requesting us to repeal it. We rather strengthened it, as it was a protection to the depositors; and that is the New Deal.

There were also the utility bill and the security bill. The utility bill protected the stockholders. That is the New Deal. The A. A. A. protected the farmers, and that is part of the New Deal. I know there are people who say, "Thank God for the Supreme Court, because they declared that law unconstitutional." I am here to say to you: Thank God for a sane minority in the Supreme Court, that has the courage and the Americanism to insist that each department of government in the United States be limited to its constitutional functions—the legislative department to legislate; the judicial department to interpret the laws and construe cases under the law, and not to throw a law into the wastepaper basket; and then the executive department to administer and execute the law. These are some of the New Deals, and we believe they were upheld by the American people in the election of 1934. A larger Democratic majority than ever was returned to Congress, notwithstanding the hue and cry of unconstitutionality by special interests and the big dailies.

I do not need to defend the President of the United States; he is well able to defend himself. Franklin D. Roosevelt! Was it not he who went down into "the valley of the shadow of death" with that dread disease, the worst known to human kind, and because of his strength of will, his courage, his patience, and his sunny nature came back to health and strength again? Does he need defense?

Defend the President! Was it not he who 4 years ago at the Chicago convention fought the reactionaries of the Democratic Party and won out in that convention and won out in the election of 1932? He needs no defense.

The so-called "Happy Warrior" went down there to defeat him. He is coming here this week to speak at the Liberty League dinner. The Happy Warrior!—my dear friends, I would rather dub him "the dog in the manger"—opposing the man who twice nominated him for the Presidency and agreed—against his own inclinations on account of illness—to run for Governor of New York in 1928 in order to aid his friend in his candidacy for the Presidency. Rather should the President be called the "Genial General", the prince of men, who is leading us on to the right solution of our problems in this country.

Defend the President of the United States! Is he not the man about whose mental condition opponents whispered, the man who because of his vigorous speeches and extensive journeys has shown the people that he is strong and healthy in mind as well as in body? He came to us here on the 3d of January to deliver his annual message. Whom did he speak against? Was he partisan? Did he speak against the opposition over here on the left? He did not mention them. He mentioned only the 10 or 15 percent in the United States who have at all times exploited the people of the United States; and some of you over on this left side arose later to defend that 15 percent and make yourselves just as guilty as the men you defend. "If the shoe fits, put it on!"

He needs no defense, Mr. Chairman. A year from now President Roosevelt is going to sit in the White House at the other end of Pennsylvania Avenue, elected by the people of the United States for 4 years more to carry on the New Deal for the people of the United States. [Applause.] He needs no defense on my part.

In conclusion, may I say that I rose today to show you that dirt and vituperation is going to be used, and is being used, in spite of the fact that the opposition deny it. I have in my hand an issue of the Washington Herald for last Sunday. On the front page of this wonderful (?) sheet published by William Randolph Hearst is an editorial headed "Dirt and Slush." Here is what he says—he quotes Farley:

> Our opponents will make this the bitterest and certainly the dirtiest struggle that anyone can remember.

Then Hearst says:

> Everybody is surprised at Mr. Farley's declaration, patiently waits for Mr. Farley to submit some evidence in support of his statement, but Farley submits none, none at all; whereupon everybody remembers that the only bitterness which has so far appeared in the present political campaign, that Mr. Roosevelt opened with a bedtime story on the radio at the assembling of Congress, was Mr. Roosevelt's own attack upon American business.

On page 2 of this same paper appear these headlines:

> G. O. P. stickers are barred from the mails because of attack on the character of the President and his wife. It is ascribed to the National Council of Republicans in New York.

I wonder if that is dirt and vituperation! And they say they are not using it! My good friends, again let me say he needs no defense. He will come back, and you and I who have the courage, you and I who have the faith and the patience to go along with him to make the New Deal for the common people come true, will come back with him.

A great President, Theodore Roosevelt, said this, amongst the many great things he uttered:

> This country in the long run will not be a good place for any one of us to live in until and unless it is a good place for all of us to live in.

And Franklin D. Roosevelt, under God, is going to make this dream come true. [Applause.]

Mr. SNYDER of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. KNUTE HILL. I yield.

Mr. SNYDER of Pennsylvania. Did I understand the gentleman to say something about the Liberty League?

Mr. KNUTE HILL. The Liberty League, the Manufacturers' Association, the United States Chamber of Commerce, and such organizations are what the President assailed here; and these people who are defending them are as guilty as they.

Mr. SNYDER of Pennsylvania. Yes. I would like for the gentleman to name some of the contributors to the Liberty League.

Mr. KNUTE HILL. Well, there are the Du Ponts. The gentleman probably knows the Du Ponts.

Mr. SNYDER of Pennsylvania. I never met them.

Mr. KNUTE HILL. I have not had that privilege either. [Laughter.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. BACON].

Mr. BACON. Mr. Chairman, I do not intend to take 5 minutes. The gentleman from Washington, who preceded me, made some reference to so-called Republican stickers. I want to assure the membership of this House that no responsible Republican organization has anything whatsoever to do with those so-called stickers.

Mr. KNUTE HILL. Mr. Chairman, will the gentleman yield?

Mr. BACON. Let me finish my statement, and I shall be pleased to yield.

As far as we can make out, a self-constituted group calling themselves the National Republican Council, have taken quarters in the Hotel McAlpin in New York and are trying

to put out these stickers which I quite agree with the gentleman are in thoroughly bad taste.

Mr. Fletcher, the chairman of the Republican National Committee, as soon as it was called to his attention, issued a statement saying that the National Committee or none of its members had anything whatsoever to do with this so-called National Republican Council; and as soon as it was called to the attention of the Republican congressional committee, the gentleman from Ohio [Mr. BOLTON], the chairman, and myself, who happens to be vice chairman, also issued a statement repudiating it and denouncing it.

We are unable to find out who these people are. They have no connection with any Republican organization, either nationally, congressionally, senatorially, or with Republican committees in the State of New York or in the city of New York.

Mr. Chairman, I ask unanimous consent that at this point in the RECORD to insert a brief statement made by the chairman of the Republican National Committee, and a statement made by my colleague the gentleman from Ohio, Mr. BOLTON, and myself, repudiating these stickers. These statements have been given to the press.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The statement is as follows:

NATIONAL REPUBLICAN CONGRESSIONAL COMMITTEE,
1114 NATIONAL PRESS BUILDING.

[For immediate release, Jan. 15, 1936]

In response to a query the following statement is made, jointly, by Representative CHESTER C. BOLTON, of Ohio, chairman, and Representative ROBERT L. BACON, of New York, vice chairman of the National Republican Congressional Committee:

The National Republican Congressional Committee has no connection, directly or indirectly in any manner whatsoever, with the so-called National Republican Council, claiming quarters in New York City, or the cartoon poster stamps issued by that organization, or in any other activities that this organization may be engaged in.

The National Republican Congressional Committee adds its voice to that of Chairman Fletcher, of the Republican National Committee, in deploring the use of methods of this type. No recognized, reputable Republican organization would countenance the use of these particular stamps being circulated by an organization wholly unknown to any of the national organizations of the Republican Party.

There is no need for any Republican anywhere, individual or organization, to have recourse to this manner of campaigning. There is no call for any Republican to even attempt to sink to the level of presenting issues to an intelligent electorate as that where James A. Farley, Democratic National Committee chairman, now is found. Republicans will not resort to the invective of Mr. Farley. They will not lend aid to Mr. Farley in what he has prophesied will be the "dirtiest" possible campaign.

Facts, devastatingly convincing of the utter failure of the Roosevelt New Deal, are Republican weapons. They are the only weapons needed to insure Republican success.

Mr. BACON. Mr. Chairman, I also ask unanimous consent to insert in the RECORD, as a part of my remarks, a letter that I wrote personally and which appears in newspapers in my district denouncing these stickers as being in thoroughly bad taste and absolutely unauthorized by any Republican organization. This letter also quotes in full Chairman Fletcher's statement that I have referred to.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The letter is as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., January 14, 1936.

Mr. F. S. LAURENCE,
119 Bayview Avenue, Port Washington, Long Island.

MY DEAR MR. LAURENCE: I want to thank you very much for your recent letter with reference to the stickers gotten out by the so-called National Republican Council.

That this council's activity has absolutely no relation to any bona fide Republican organization, such as the Republican National Committee, the Republican State Organization of New York, or any other Republican movement that is officially sponsored, I want to make crystal clear at the beginning.

This council, from all the information I have, is a self-constituted body whose genesis no one seems to know. It has absolutely no connection or affiliation with the Republican National Committee.

I have gotten in touch with Chairman Fletcher, of the Republican National Committee, and he emphasized the fact that this group is not allied to the Republican National Committee, nor any member thereof; is not financed by it directly or indirectly; and that, in short, he knows nothing about it.

For your information, I quote a release from the Republican National Committee on the activities of the so-called National Republican Council:

"Chairman Fletcher, of the Republican National Committee, today made the following statement:

" 'My attention has been drawn to certain cartoon poster stamps, which, according to the New York Times of last Monday, have been issued by an organization calling itself the National Republican Council.

" 'That organization has no connection or affiliation with the Republican National Committee, nor any member of the committee. It is not financed directly or indirectly by the Republican National Committee, nor is it acting in any manner under the direction of the Republican National Committee, or with the advice or suggestion of the committee. In short, we have nothing to do with it.' "

And the Republican congressional committee, of which I am vice chairman, also make emphatic disclaimer of the activities of this council and of any connection with it, directly or indirectly.

I think the above definitely fixes Republican position in the matter, and that everybody who reads this will appreciate that there is no Republican organization connection with the enterprise of the so-called National Republican Council.

What right this council has to use in its trade name "National Republican" is something I cannot fathom. It strikes me they have plenty of that quality which common vernacular describes best as "crust."

These stickers, to my way of thinking, are nothing short of scurrilous. I could add much in the way of excoriation of the activities of this so-called council in its attempt to get these despicable stickers abroad, but I do not think it necessary.

What the aim of this council is is something I do not know. It has been suggested that perhaps the real desire is to pin this activity onto Republicans, and that subtle politics is at the bottom of the whole enterprise.

However, and whatever, the motives of this so-called council, its activities are receiving the condemnation of the Republican Party, which I think will be concurred in by every fair-minded individual.

Sincerely,

ROBERT L. BACON.

Mr. KNUTE HILL. Will the gentleman yield?

Mr. BACON. I yield to the gentleman from Washington.

Mr. KNUTE HILL. I am glad that the gentleman from New York disclaims any connection with this matter. It was not my intent to claim they were connected with it. My intent was to show that this paper, in an editorial, said that the opposition was not using dirt, and I do not mean by the "opposition" the Republicans. I mean all opposition. Then I went on to the second page of the paper and showed what the opposition was using, not meaning the gentleman from New York, but the opposition that is fighting the President of the United States.

Mr. BACON. I thought it would be fair to make a statement and tell the membership of the Committee that the Republican National Committee, the Republican State committee in New York, the Republican city committee in New York City, and the Republican congressional committee have nothing to do with it; they do not know who these people are, never heard of them, and repudiate absolutely the use of these stickers.

Mr. KNUTE HILL. It says right here, "Sponsored solely by the Republican National Council in New York."

Mr. BACON. We do not know who they are. However, we cannot prevent self-constituted groups calling themselves anything they please. There is no legal way by which we can stop them.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. BACON. I yield to the gentleman from Minnesota.

Mr. CHRISTIANSON. Has it ever occurred to the gentleman that perhaps this self-constituted group is engaged in a purely self-profitable enterprise?

Mr. BACON. As far as I know, it may be a racket.

Mr. Chairman, I yield back the balance of my time.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Maine [Mr. BREWSTER].

Mr. BREWSTER. Mr. Chairman, I am particularly concerned with the item which has occasioned some discussion about providing under the amendment proposed by the gentleman from North Carolina [Mr. WARREN], that $1,000,000 shall be made available to the Secretary of Agriculture for the purpose of collecting and disseminating infor-

mation and data with respect to potato production and marketing within the United States.

I very much hope that the amendment to the pending bill, which I understand is acceptable to the members of the committee, may be adopted by this House, and the fund made available. I appreciate that the Potato Act is fair game. I appreciate the heroism and agility of the gentlemen, who almost remind one of a matador waving a red flag in front of a dead bull, as they have enjoyed this afternoon in kicking the poor Potato Act and its sponsors about this forum.

As one of those, to some extent, associated with the paternity of this act, about which there seems to be some dispute, it is most intriguing to discover the gentleman from Indiana [Mr. PETTENGILL] citing with such approval the President of the United States in opposition to this measure.

The potato producers of Maine—individualists for a century—were finally compelled to consider this legislation as the logical fruition of the agricultural policies pursued for the past 2 years, which had descended with a devastating impact upon the potato industry, producing the fourth food crop of the United States, by reason of acreage displaced from other crops. Finally this act was passed.

We defer to the judgment of the Supreme Court. We do not indulge in criticism of the Court. We respectfully and loyally accept its conclusions. But we earnestly hope that the problem of the potato growers of this country may still invite the sympathetic interest of this House. Potatoes selling last spring in Maine at 10 cents a barrel or 1 cent a peck came with a terrific impact upon our section and many other sections of the country.

We appreciate the dangers of governmental compulsion as pointed out by the gentleman from New York [Mr. WADSWORTH]. We also appreciate the dangers of economic compulsion brought about by situations such as these potato growers face with the producer more and more at the mercy of gigantic agencies of distribution.

Whether there is any solution of this problem yet remains to be determined; but we do believe, and earnestly urge that potatoes should be placed upon a parity with the other 14 major agricultural crops by accumulating without delay the information regarding individual growers, which is not yet possessed in spite of the various State allotments.

Mr. SNYDER of Pennsylvania. Will the gentleman yield?

Mr. BREWSTER. I yield to the gentleman from Pennsylvania.

Mr. SNYDER of Pennsylvania. The gentleman's State and my State, Pennsylvania, are two of the great potato-growing States of the Union.

Mr. BREWSTER. Yes.

Mr. SNYDER of Pennsylvania. His in the number of bushels produced in 1933 and 1934 and mine in the number of dollars the potato growers received for their product. Were the potato growers in the gentleman's State as a whole satisfied in 1931, 1932, 1933, and 1934 with the price they were receiving for their potatoes?

Mr. BREWSTER. For the past 5 years the problem has been growing ever more acute. We had 1 good year out of the past 5 when we practically got back the cost of production. The rest of the time we lost money.

Mr. SNYDER of Pennsylvania. The same has been true in our State.

Mr. BREWSTER. Yes.

Mr. SNYDER of Pennsylvania. Does not the gentleman think something else should be done if this is not the thing to do to stabilize the business for our potato farmers?

Mr. BREWSTER. We are vitally interested in any constructive, constitutional legislation which can come to the assistance of this great and vital industry that means so much not only to the prosperity of our section but to the general welfare of citizens of the United States.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, I have been much interested in this discussion of the potato bill. I am not so sure about the million dollars. As a matter of fact, I might suggest to the gentleman from Maine [Mr. BREWSTER] that out in Indiana $1,000,000 is pretty expensive for a funeral. [Laughter.] I suspect, though, we are all interested in information and if this million dollars is to get a million dollars' worth of information, why, maybe we should not kick too much about it.

There is another matter, though, about which I wish to speak very briefly. From the inception there have been grave doubts on the part of many people as to whether or not any attempt would ever be made to enforce this iniquitous law. Why, even some of the people who were charged, under the law, with its enforcement, seemed to rebel at the idea of undertaking it. Out in my State the growers have been wondering, and are still wondering, whether or not the provisions of the law will be enforced. As a result, they are, today, spending their time and their money in an effort to comply or get ready to comply with the provisions of this law.

Now, I remember back along the line somewhere something was said by somebody that if any mistakes are made in any legislation in the Congress, he would be the first to recognize them. I say that a mistake has been made as far as this Congress is concerned in the original enactment of this law. Why not recognize it? Why not say, "Yes, we have made a mistake", and repeal the law [applause], to the end that these people in Indiana or in any other State who, today, are thinking about buying seed and fertilizer and arranging their farms for the production of potatoes this coming season, shall know that the law will not be enforced.

Now, I understand that enough things have been said here today to indicate to those of us who are here on the ground that no attempt will be made to enforce the law. But if it is admitted that the law is in violation of the Constitution, and if, as I believe, it is utterly unworkable and un-American, why not get back of one of these bills to repeal the law and get it off the books as a mistake that should be corrected [applause], then everyone will definitely know that it is not to be enforced.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, I am reluctant to inflict myself on the Committee at this late hour in the afternoon.

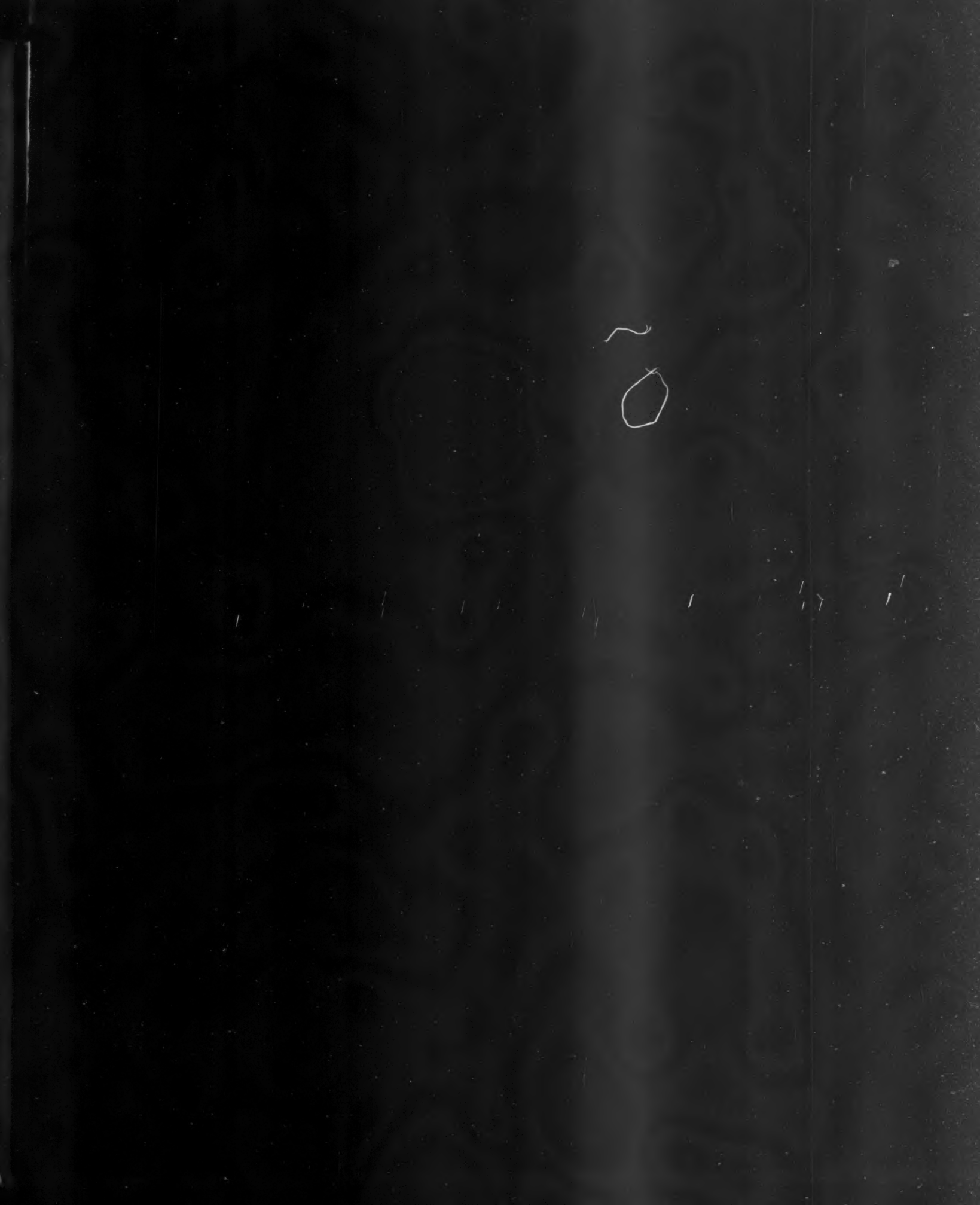
I am sorry that at least one-half of the Members of the House have not been present to hear the felicitous admixture of politics, Pinchot, and potatoes. [Laughter.] It was enlightening and interesting to say the least. I presume it is proper for me to remain in character and also speak of the humble potato.

I had no idea when as a barefooted boy I chased the sprightly potato bugs in a potato field and carried cans of paris green, that the lowly spud would ever become a national issue. But apparently that is the case.

I want to address myself to that celebrated article of diet for only a moment, not so much from the standpoint of the potato bill as from the reciprocal trade agreement between the United States and the Netherlands that comes into being on the 15th of February of this year.

For your information, I want to say that the reciprocal-trade agreement with the Netherlands contains provisions that will reduce the tariff on 41 items—that will bind on the free list some 22 items, and retain the existing duty on 1 item.

It seems rather singular to me that we should reduce the duty on potato dextrine and potato starch and potato flour when a majority of this Congress has sanctioned an act to control the production of potatoes by legislation which is penal in character. I opposed that measure and can find considerable comfort in the efforts of some of the brethren on the majority side to escape the burdens of that act. Now, however, a reciprocal-trade agreement will permit the importation of larger quantities of potato dextrine and potato flour when no one has contended that we do not have manufacturing facilities sufficient for converting our own surplus of potatoes into flour, starches, and dextrines which



can be converted into glue, adhesives, and sizing, so much used in the textile mills. Instead of regimenting the production of the toothsome spud on the one hand and permitting the derivatives of potatoes such as flour, starch, and dextrines, to come in at reduced rates from foreign countries on the other, why not a consistent program of keeping out competitive potato products and expanding the domestic use of our own potato crops?

Still another item in the Netherlands treaty is tapioca and cassava starch. For years an effort has been made to secure the imposition of a duty of 2 cents per pound on these starches because they are in direct competition with the starches that are or can be derived from American-grown corn. That effort failed, but to make matters infinitely worse, tapioca and cassava starch have been bound on the free list so that it is impossible to secure relief from these competitive products. The administration, by this treaty provision, has in effect stated to the corn processors and corn farmers of this Nation: "Not only will we permit these starches to come in free of duty, but we will by this treaty give the Netherlands our solemn promises to bind them on the free list so that there will be no possibility of Congress imposing a protective duty on these items so long as this treaty is in effect." In other words, we prevail upon our farmers to curtail and adjust their corn acreage for the benefit of the coolie farmers in the Netherland West Indies. How truly the poet spoke when he said, "Consistency, thou are a jewel."

Approximately 160,000,000 pounds of tapioca flour come into this country annually and since it is in competition with products of corn that is grown in the Corn Belt, over which we have expressed so much solicitude that we made it a basic commodity in the Agricultural Adjustment Act, is it not rather strange, is it not rather short-sighted, rather visionary, that we take all these fertile acres of Illinois, Indiana, and Nebraska corn land out of cultivation, and then open the back door and let these competitive starches hurdle into the country, and thereby diminish the industrial outlet for corn grown in this country?

The same thing is true of other items. The same thing is true of gin. This treaty will permit Holland gin to come into this country at half of the previous duty, and what intrigues me most about gin coming from the Netherlands is the naive comment made by some gentleman in the State Department. You will find it on page 32 of the mimeographed copy of the Netherlands treaty which was sent to every one of us. That gentleman comments in this fashion. He says it is not improbable that revenues will increase rather than decrease as a result of a larger importation from the Netherlands in competition with gin manufactured in this country, and then he says it is not improbable that sales of gin will be attracted away from illegal sources, attracted away, mind you, from those who are illicitly engaged in the bootlegging of gin.

If you follow that theory out to its logical conclusion, then the gentleman might as well say, "Let us pull all the bars down, let us invite gin and distilled spirits to come in from every country in the world, because the more that comes in the merrier, because we will cure the bootlegging evil." By following that gentleman's philosophy to its logical conclusion, we cannot only put the bootleggers out of business, but we will put the legitimate distillers out of business and the farmers out of business, and then we can give the country back to the Indians, and I do not know what the devil they will do with it.

That is the way that theory works out. Then in connection with wheat and wheat flour that is to be exported from the United States to the Netherlands, go back and look at the very sanguinary comment in that treaty. They say that the Netherlands will buy from the United States an amount of wheat flour equal to 5 percent of its consumption, provided they can buy our wheat at a price delivered in the Netherlands that is world competitive, for a grade and quality of wheat that is comparable to our own. On a price delivered in the Netherlands! You have to analyze that fine-spun joker a little to see how little it means to agriculture. If we have to deliver wheat in the Netherlands at that price, how are we going to do justice to the American farmer and keep the domestic price of wheat up without paying a cash subsidy of 30 cents a bushel in order to take advantage of the treaty provision? Look at the figures that are available in the various reports from the Department of Agriculture and you will see that Liverpool prices, or world prices, have been 30 cents per bushel lower than the average price on the six major wheat markets in the United States.

If the Netherlands can buy wheat at 30 cents a bushel cheaper than the price that obtains here on the major wheat markets, do you think those folks over there who are motivated by Dutch thrift are going to pay us 30 cents more a bushel for our wheat, or pay us more for our flour on the basis of wheat that cost them 30 cents a bushel less? Indeed not. That is one of those jokers in the treaty, if you please, and that is the thing that is given to the country at large to show the beautiful benefits that redound to the country from reciprocal trade agreements. It will be interesting to examine the figures of the Department of Commerce that will disclose in the near future, with respect to our trade with Cuba under the reciprocal trade agreement.

They have been holding up Cuba as exhibit A. We shall find these two points of interest in connection with that treaty. In the first place, a treaty with Cuba is not on the same foundation as any other treaty. It is not on an unconditional most-favored-nation basis. Canada, the Netherlands, Switzerland, and all other countries cannot have the benefits that may accrue to Cuba or conversely, because we do not have that status with Cuba that we have with other nations. That is one thing. The second is that while our exports to Cuba will probably show an increase of about $15,000,000, the imports from Cuba to the United States will probably show an increase of about $37,000,000. There is exhibit A in this great program of reciprocal trade treaties, and you can take it for what it is worth.

I submit to you that the reciprocal-trade agreements are not going to do anything for the American farmer, but they are going to do plenty to him before they get through. [Applause.]

It is always a fair question as to what is to be done about foreign trade and its rehabilitation, if reciprocal trade agreements are wrong in principle and in practice. It is a fair question as to how the export markets for agriculture are to be regained.

The answer, of course, is a program of selective imports, together with tariff reductions only where they are specific advantages. It offers the only method of expanding our foreign trade in basic agricultural commodities and at the same time preserving our American markets. It is the old system of barter on an international scale. We can say to any and all nations with whom we seek to build up foreign trade, "You buy certain specific items from us to a given amount and we will in return buy certain specific items from you to a like amount." Such a system has the advantage of protecting our markets against an influx of foreign goods which tend to deprive the American farmer and American industry of its own needed markets and also protects the American worker against the dumping of goods made in countries where a low standard of living and a low-wage scale prevails. It is, if you please, the philosophy that has been expounded by Mr. George Peek, the first administrator of the A. A. A., and whether it is feasible and practical or not can best be judged from the fact that Great Britain has rebuilt her foreign trade to a higher level than any other nation on the face of the earth in the last 2 years by simply following that principle.

Since the provisions of the Netherlands Treaty, the Swiss Treaty, the Canadian Treaty, and all other trade treaties are available alike to every nation with whom we have an unconditional most-favored-nation status, it will be but a little while until this country may become a veritable dumping ground for cheap goods. Since goods are merely the

evidences of labor, we thereby take the bread from the mouth of an American worker and hand it to the workers in foreign lands. Since our standards are higher than in foreign countries, we cannot compete in a price market, and the inevitable result will be that our unemployment situation, which is almost as acute now as it was in 1933, will become a dread and permanent thing. When it does it will have deprived the American farmer of the best market in the whole wide world, namely, the American workingman.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. AMLIE].

Mr. AMLIE. Mr. Chairman, I should like at this time to ask unanimous consent to extend in the RECORD a copy of a letter I wrote to the Secretary of State on December 12 on the subject of the reciprocal trade agreement with Canada.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The letter is as follows:

ELKHORN, WIS., *December 12, 1935.*

Hon. CORDELL HULL,
Secretary of State, Washington, D. C.

MY DEAR MR. SECRETARY: In re Canadian trade agreement.

In a speech at Chicago last Monday President Roosevelt, in endorsing the new Canadian trade treaty, said:

"Agriculture, far from being crucified by this agreement, as some have told you, actually gains from it."

The further reference by the President to opponents of this trade agreement as "calamity howlers" and "political racketeers" leads me to the conclusion that the State Department and the President have not been fully or correctly advised with regard to all of the provisions of this reciprocal-trade agreement.

A few days ago I spent sometime in Monroe, Green County, in the First Wisconsin District, which is commonly known as the Swiss cheese capital of the United States. This is a distinction which Green County has enjoyed since it was first settled by Swiss immigrants nearly a century ago.

The making of cheese in Green County is not in the hands of one or two large companies but is a trade that has been carried on by a great many small factories operated by trained cheese makers since the county was first settled. These cheese makers feel that their industry is being seriously jeopardized by the trade agreement which the United States is making with Canada. Already the buyers for Kraft-Phenix Co. and the National Dairy Co. are using the argument with cheese producers in Green County that they have 50 carloads of Canadian cheese all ready to ship into the United States; that under the trade agreement it is more advantageous for them to purchase this Canadian cheese than domestic cheese, unless the price of domestic cheese is reduced to a figure that they are willing to pay.

At this point I should like to explain a development in the cheese industry which may not be known by the President or the representatives of the State Department who are negotiating this treaty agreement. A number of years ago the Kraft-Phenix Co. began to process cheese; that is, to heat cheese to the melting point, add other ingredients to give it a flavor, and then market this processed cheese in small packages. In the processing of cheese quality does not count. The processor merely uses the cheese as a base. As far as the processor is concerned, he would just as soon have cheese without any flavor at all and add his flavoring to the flavorless base. As a matter of fact, some of the big cheese-processing companies have tried to get these cheese makers to produce a cheese without flavor or any of the other qualities that go to make quality in cheese. These cheese makers of Green County, however, are old craftsmen who take pride in their work. It is for this reason that Green County has been able to maintain its reputation as the Swiss cheese capital of the United States for nearly a century.

It is regrettable that the American consuming public does not appreciate what constitutes good cheese and that it is possible for great corporations with superior merchandizing organizations to sell the poorest kind of cheese with certain flavoring added at practically the same price as that which the very best cheese commands. Kraft-Phenix price list, given me at Monroe, shows that they are receiving 23½ cents for their processed Swiss cheese, while, at the same time, the best type of fancy A no. 1 Swiss cheese in Wisconsin commands only 24½ cents. If the cheese makers in Wisconsin had the right to process cheese, they might also convert the cheap and inferior grades of cheese into processed and packaged cheese and in this way compete in the domestic market. As it is, the great corporations owning the patent rights to the processing methods buy up the cheap and inferior grades of cheese, process it, and use this inferior grade of cheese to destroy the market for the superior brands of domestic cheese.

It should be explained that the method used in the processing of cheese is covered by patents and that these patents are the property of Kraft-Phenix Co. and other large corporations. I was told that a certain cheesemaker in Green County had some litigation on the subject of processing cheese, but that he spent $25,000 in litigation without getting anywhere.

The trade agreement with Canada would, in my opinion, not result in any great benefit to the Canadian cheesemakers. The benefits of this trade agreement would go primarily to Kraft-Phenix and other great corporations who control the right to process cheese in the United States. For instance, the buyers for these great corporations are now using the argument with the cheese producers in Green County that the Canadian cheese has a moisture content of only 33 percent, while the domestic cheese has a moisture content of 39 to 40 percent.

A cheese with a moisture content of 33 percent is not palatable, but, of course, this means nothing to the processors, because they can add the moisture in the course of processing. This gives to the Canadian cheese a much greater advantage in competing for the domestic market than at first seems apparent.

Because a few great corporations in the United States own or control the use of processing patents, they are the ones who are going to benefit from this reciprocal trade agreement. It is doubtful if the consumers will get any great benefit in the way of reduced prices. These processors will merely play the Canadian producers against the American producers, with very little gain to the former, with great loss to the latter, and the real gain to themselves, the $100,000 a year executives, and the small number of people who own stock in these great corporations.

When I was in Green County a few days ago a small cheese producer brought in a picture of a 1-ton cheese that had just been presented by the Cheese Institute of America to the President of the United States. He told me that he had cut this picture out because, as he said, he "smelled a rat."

It should be noted that the Cheese Institute of America does not represent the thousands of small cheese producers in the United States who built the industry, but the great corporations who, because of a monopoly position due to large organization and patent control, have been able to foist on the American public the cheapest kind of cheese, nicely packaged and flavored, at a price as high as that of the very finest kind of domestic cheese. These small, individual cheese producers unfortunately do not have an organization and are not able to reach the officials who are negotiating the actual terms of the reciprocal trade agreement. I do not know if the sending of a high-priced lawyer with a ton cheese to Washington will have any influence with the officials who are negotiating this reciprocal trade agreement. I do know, however, that the corporations behind the Cheese Institute of America are not in the habit of throwing their money away, and presumably they can see where they are going to get their money back. The cheese producers in Green County are beginning to see it too.

The dairy farmers of the United States have received little or no consideration from the New Deal. In protesting against the recent reciprocal trade agreement they are not "political racketeers" or "calamity howlers." If the sacrifice of their interest would result in an increasing gain to the farmers of Canada, which in turn would reflect itself in gains to the industrial sectors of American life, they might see some justification for this trade agreement. As matters stand they can see in this trade agreement only the giving of undue advantage to a few great corporations who are virtual monopolists in their fields and who are enjoying an unconscionable advantage because of patent protection.

Very sincerely yours,

THOMAS R. AMLIE.

Mr. AMLIE. Mr. Chairman, I should like to refer in the beginning to a statement made on this floor this afternoon by the gentleman from Wisconsin [Mr. SAUTHOFF]. It was a very capable and very complete statement of the economic condition in which the dairy farmers of the United States find themselves.

I doubt if the Members of this House, particularly the Members who represent districts that have received real benefits from the A. A. A., realize how little has been done for dairying in this country. The dairy industry is more important, from an agricultural standpoint, than is any other type of farming, whether it is the raising of wheat or cotton or cereals or fruit or anything else. The dairy industry has received no benefits from the New Deal program. In addition to that, the interests of the dairy farmer has been sacrificed under the recent trade agreements, because it has permitted, for instance, the importation of cheese from Canada at a lower tariff rate.

Unfortunately, the admission of this cheese is not going to result in benefits to the cheese producers of Canada, but rather to the Kraft-Phenix Co. and other large corporations in this country that own the patents controlling the processing of cheese. I am not going to go into that because I have outlined that carefully in my letter.

We have been in a rather difficult position from the dairy States in outlining a program for the dairy industry, to bring it within the underlying philosophy and purpose of the A. A. A. There are many Representatives who believe that we should have had, in the past, a program calling for the reduction of dairy products. I am not one of those who has ever seen a solution for our difficulties in reducing agricultural products, with the possible exception of wheat, because we do not have production enough to give the American

people the liberal diet outlined by the Department of Agriculture.

If we were to give the American people as a whole a liberal diet we should have to increase our production of butter by 100 percent, we should have to increase our production of milk by 70 percent. As we see it, there is no solution in further reducing production of these essential food elements if we are at the present time only producing 50 or 60 percent of that needed to give the American people a liberal diet. If we were to give all of the American people a liberal diet we should have to increase our production of meat by 10 percent. We should have to increase our production of poultry by 35 percent. We should have to increase our production of milk 70 percent; fresh fruits, 70 percent. These statements are based on the cash value of those crops in 1929 and comparing this value with the cash value of crops necessary to give all of the American people in that year the liberal diet, worked out by the Department of Agriculture.

The recently completed survey of national potential product capacity demonstrated that the American farmers could raise the foodstuffs necessary to give all the American people a liberal diet.

The following figures indicate what we produced in 1929 and what we need and can produce in order to feed the American people adequately.

	Produced 1929	What we need and can produce	Percentage increase needed
			Percent
Meats	$5,413,000,000	$5,955,000,000	10
Poultry	879,000,000	1,196,000,000	35
Milk	2,587,000,000	4,449,000,000	75
Butter	1,142,000,000	2,331,000,000	100
Cheese	220,000,000	378,000,000	70
Fresh fruits	955,000,000	1,748,000,000	70

While we produced 25 percent more wheat than we really need, there was only a slight overproduction of corn and hogs in 1929 and actually no overproduction of cotton, if the needs of the people are to be considered. Nevertheless, cotton acreage last year was actually curtailed by 28 percent.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. AMLIE] has expired.

Mr. TAYLOR of Colorado. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, had had under consideration the bill H. R. 10464, the deficiency appropriation bill, and had come to no resolution thereon.

EXPLANATION OF VOTE

Mr. DUFFEY of Ohio. Mr. Speaker, early this afternoon, during roll call no. 9 on the Senate amendment to the bonus bill, I was unavoidably absent from the Chamber on account of important business. If I had been present I would have voter "aye."

CENTENNIAL EXPOSITION IN TEXAS

Mr. LANHAM. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 459, to amend the joint resolution entitled "Joint resolution providing for the participation of the United States in the Texas Centennial Exposition and celebrations to be held in the State of Texas during the years 1935 and 1936, and authorizing the President to invite foreign countries and nations to participate therein, and for other purposes."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. SNELL. Reserving the right to object, and I think perhaps this bill is all right, I think the gentleman should explain to the House exactly what this will provide, so that there will be no misunderstanding later on.

Mr. LANHAM. I shall be glad to. The Members of the House, of course, are familiar with the original joint resolution which passed this body with reference to the Federal participation in the centennial celebration in Texas to be held this year. An appropriation was made for that purpose by the Federal Government, and a Federal Commission appointed to handle it from the Federal angle.

The purpose of this joint resolution is twofold. The need for the amendment proposed here has risen by reason of the fact that certain expenditures which the Federal Commission wishes to make, have met with the suggestion on the part of the Comptroller General that there should be an amendment of the original act to permit them. In other words, as the most striking illustration which really led to the introduction of this amendment, I cite the following: At the battlefield of San Jacinto, one of the decisive battles, I think, of the world, but certainly of this country in the preservation and promotion of liberty, it is contemplated to erect a monument with part of these funds. This monument, of course, would be a permanent structure, and the original authorization does not provide for permanent structures. The Commission wishes to devote some of the funds to this purpose, but the Comptroller General has recommended that the original action be amended to permit it.

The second section of the amendment comes about by reason of the fact that in the original action there was no recommendation and no authority with reference to what the Commission would be authorized to do with any property that came into its hands in the exercise of its functions at the close of the exposition. So this section 2 provides liberal authority in this regard in order that it may be given to the State of Texas or to any public or private agency in the discretion of the Commission that would be most suitable.

Mr. SNELL. At the time we originally passed this resolution, of course, it was not intended that this appropriation or participation on the part of the Federal Government should be for the purpose of erecting permanent monuments, or anything of this kind. It was understood then that the resolution was to provide for participation in the everyday functions of the exposition and for our exhibits down there.

Mr. LANHAM. That is true. It was somewhat broad in scope; but the Commission, in view of the fact that the Battle of San Jacinto was such an important one, especially in the history of our own country, wished to devote a part of these funds to some suitable monument.

Mr. SNELL. Is the entire cost of this monument to be paid out of the Federal appropriation?

Mr. LANHAM. I do not think so. The State of Texas, as the gentleman perhaps knows, has appropriated $3,000,000 to be expended in Texas in conjunction with the money appropriated by the Federal Government.

Mr. SNELL. It is to be taken out of the general fund?

Mr. LANHAM. To be sure.

Mr. JOHNSON of Texas. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. Gladly.

Mr. JOHNSON of Texas. In connection with the centennial it was contemplated that the main centennial should be held in Dallas; but it was contemplated, also, that there should be markers placed at historic spots in other parts of the State in reference to the historical development of the State. I may say to the gentleman from New York that the expenditures made for these markers will be more or less permanent and will be better expended, perhaps, than though it went for some other purpose.

Mr. SNELL. I agree with the gentleman that some of this money will not be spent to the greatest advantage. I take the position, however, that the original resolution did not provide for the erection of permanent monuments. If the situation is as the gentleman states, and I take the gentleman's word for it, I shall not, however, interpose objections.

Mr. LANHAM. The Commission thought the act ought to be amended so there can be no question about its authority to do these specific things.

Mr. SNELL. I think we may as well spend the money on this as to waste it on something else.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There was no objection.

The Clerk read as follows:

Joint resolution to amend the joint resolution entitled "Joint resolution providing for the participation of the United States in the Texas Centennial Exposition and celebrations to be held in the State of Texas during the years 1935 and 1936, and authorizing the President to invite foreign countries and nations to participate therein, and for other purposes"

Resolved, etc., That the United States Texas Centennial Commission established by the joint resolution entitled "Joint resolution providing for the participation of the United States in the Texas Centennial Exposition and celebrations to be held in the State of Texas during the years 1935 and 1936, and authorizing the President to invite foreign countries and nations to participate therein, and for other purposes", approved June 28, 1935, is authorized, in its discretion, to allocate funds from the appropriation made to carry into effect the provisions of such joint resolution, to the Texas Centennial Commission, the Commission of Control for Texas Centennial Celebrations, the Texas Centennial Central Exposition, and to any executive department, independent office, or establishment of the Government for the purchase of historic papers and paintings by contract or otherwise without regard to the provisions of section 3709 of the Revised Statutes, the construction and erection of monuments, statues, markers, buildings, and other structures or any part thereof, including purchase of sites, the restoration of historic structures, and the purchase of land in connection with historic structures. The funds so allocated may be expended by such State bodies and Government departments or establishments in any part of the State of Texas in accordance with the allocation by the Commission. Funds allocated to be expended in Bexar County shall be expended in connection with historic purposes only.

SEC. 2. Monuments, statues, markers, buildings, and other structures, erected or constructed, and lands, historic papers, and paintings purchased from funds allocated as herein provided shall become the property of the State of Texas, except that in such cases as the United States Texas Centennial Commission deems it desirable and in the public interest, any such erection, structure, land, or article shall become the property of such organization, or public or private agency as it may designate, subject to such requirements as the Commission may deem necessary or appropriate.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PHILIPPINE INDEPENDENCE

Mr. GINGERY. Mr. Speaker, I ask unanimous consent to extend my remarks, and to include therein a radio address made by Secretary of War Dern on January 13, 1936.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GINGERY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of Hon. George H. Dern, Secretary of War, over the N. B. C. network on January 13, 1936, 10:30 p. m.:

Philippine independence is a vital subject in the Philippines. Every Filipino is interested in it and knows about it. Every American ought to be interested in it too, and ought to know about it, for it involves our honor in keeping our promises.

The Philippine Islands are the only Christian country in the Orient, and are about to become the only true Republic in the Far East. Philippine development has been profoundly influenced by two contacts with the Western world.

In 1521, or more than four centuries ago, the first man who ever sailed around the globe, Ferdinand Magellan, by chance brought a Spanish squadron to the Philippines. Sailing across the Atlantic around South America which Columbus had discovered only a few years before, through the Straits which now bear his name, he struck boldly out across the vast unknown western ocean which he named the Pacific, landed first on Guam, now an American island, and then discovered the Philippine Archipelago. He came to the Island of Cebu, with the Bible in one hand and the sword in the other, for he was not only an intrepid explorer and colonizer but also a zealous missionary. He claimed the country for Spain, and within a few days he had baptized the King and most of the population of Cebu. A little group on the small island of Mactan, who had never heard of the great King of Spain, and who objected to having Christianity thrust upon them, gave battle, and Magellan was killed near the spot where his monument now stands.

Magellan's exploits caused other Spanish expeditions to be sent from Mexico, for the Philippine Islands were colonized and governed through the Viceroy of Mexico until Mexico threw off the Spanish yoke and became an independent nation early in the nineteenth century. Forty-three years before the first permanent English settlement in the United States at Jamestown, Va., Legaspi sailed from Mexico, and finally conquered the islands. He named them for the prince who became Spain's great King, Philip II. Gradually Spanish civilization and culture were established among the natives. This was the first contact of the Philippine Islands with western civilization, and it lasted more than 300 years.

The Spaniards gave the Filipinos a religious ideal and the beginnings of education and increased knowledge, as well as better buildings and roads, something like uniform laws, and the outline of a coordinated political system. Nevertheless, the Filipinos were never contented under Spanish rule. During the three centuries between 1573 and 1872 it is estimated that there were more than a hundred revolts, large and small.

On June 19, 1861, was born the great Filipino patriot, Jose Rizal, whose monument now stands in the plaza of practically every considerable town in the islands. He is revered as the national hero and martyr who brought about the downfall of Spanish misrule. He is an outstanding example of that small, select group of men in human history who have profoundly influenced the destiny of their people, and whose names symbolize their national aims and aspirations.

Through his novels and other writing Rizal aroused the Filipinos to a keen sense of their wrongs and a passionate longing for relief. He himself never counseled a violent revolution, but hoped to bring about reforms by peaceful means under the Spanish flag.

Since Rizal would not lead them to revolt, other leaders did so, and on August 26, 1896, the Philippine revolution against Spain began. Rizal was arrested, unjustly accused of having incited the revolution, and on December 30, 1896, was executed.

The revolution gained force, and soon a new leader came to the front. He was a youth of 27 years, only lately out of college, but Emilio Aguinaldo quickly showed great talents of command. Under his direction rapid military progress was made in every Province, until he had driven the Spanish troops into Manila, and had the city surrounded and beseiged, except by way of the sea, the avenue through which the Spanish Army could still get supplies and reinforcements.

Then, on February 15, 1898, the United States battleship *Maine* was blown up in Habana Harbor, precipitating war between Spain and the United States, which was declared on April 21. On May 1, 1898, occurred the Battle of Manila, in which the Spanish fleet was destroyed by the United States Asiatic squadron, under the command of Commodore Dewey.

Since a fleet alone cannot take and hold territory, American soldiers were sent to Manila, and on August 13 the Spanish authorities surrendered the city to the United States forces. Aguinaldo was not permitted to enter the city with his troops, and friction between him and the Americans developed. On January 21, 1899, General Aguinaldo promulgated the Constitution of the Philippine Republic, and was inaugurated as president, and 2 weeks later the Philippine Insurrection against the United States commenced.

And so we found ourselves fighting the Filipinos—a people who were struggling for independence. Our occupation of the Philippines was not premeditated, but had come about entirely through the fortuitous chance of war. Whatever may be said of us, we certainly did not take the Islands with any thought of territorial aggrandizement. What was then to be the attitude of the United States toward a freedom-loving and freedom-seeking colony which it had so accidently acquired?

There were some imperialists among us who looked toward a policy of colonial expansion and exploitation, and who said, "Where the American flag once goes up it never comes down." Such a departure from our national ideals never commended itself to the American people.

Wisely or unwisely, we had taken the Philippines. Wisely or unwisely, we had assumed the burden and responsibility of governing them. And yet we said the Philippines belonged to the Filipino people; that we were merely their trustees, and that when they were competent to take care of themselves we would resign our trust and let them govern themselves.

Colonial exploitation was repugnant to our minds. We declared that the good of the colony, not our own good, must be the first consideration, which was perhaps a brand new idea in a world which had always colonized for quite different reasons.

Through no fault of their own, the people of the Philippines had not been trained in the difficult art of self-government, and had never been given an opportunity to demonstrate whether they could rule themselves or not, nor whether they would respect the rights and property of others.

How could we tell whether they had been disciplined, as Anglo-Saxons had been disciplined for centuries, to submit to the expressed will of the majority, no matter how wrong the individual might deem that decision to be? Where that principle is not accepted democracy must fail.

And so we set up a military government and proceeded to put down the insurrection. We soon discovered that we had a first-class war on our hands. At first there was heavy fighting between the two armies, in which the Filipino forces were driven back and broken up into small bands. A period of guerrilla warfare ensued, which lasted more than a year and a half. We had more than 70,000 troops scattered all over the Philippines, and we had a garrison in every town of importance and in many places that were mere villages. But the guerrilla warfare continued, under the direction of General Aguinaldo, who was in a remote hiding place. There is no telling how long the insurrection might have lasted if General Frederick Funston had not accidentally learned the whereabouts of General Aguinaldo, and, by bold stratagem, captured him.

The capture of General Aguinaldo soon terminated the insurrection, and the islands were rapidly pacified. The military gov-

ernment, after having established peace and order, and after having made the beginnings of the American type of administration and jurisprudence, of popular education, of building roads, and of modern sanitation, was superseded by a civil government, and step by step self-government was introduced. The second contact of the Philippines with western civilization had begun, this time according to the American style of liberty, enlightenment, and progress. What has been accomplished in the last 37 years is a marvelous story.

Popular election of municipal and provincial officers was instituted 3 years after American occupation, and so the school for democracy was under way. So apt were the native officials that 5 or 6 years later the popular election of the lower house of the Philippine Legislature went into effect. The results were entirely satisfactory, and in 1916, with the encouragement of President Wilson, the Jones Act was passed, making the entire Philippine Legislature elective, and giving the Filipinos an enlarged part in administrative affairs. This was a long step toward self-government.

Let me invite your attention to portions of the preamble of the Jones Act, which was passed by almost the unanimous vote of both parties in Congress:

"It was never the intention of the people of the United States in the incipiency of the war with Spain to make it a war of conquest or for territorial aggrandizement; and

"It is, as it has always been, the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein."

This preamble can only be construed as a definite promise of eventual independence. The Jones Act gave the Filipinos a large measure of self-government and they responded magnificently to their new responsibilities and opportunities.

Meanwhile, that great symbol of democracy, the "little red schoolhouse" of the United States, was transplanted to the Philippines, and universal popular education became and remains as much a Philippine ideal as it is an American ideal. The hunger of the Filipinos, young and old, for education has been remarkable.

At the beginning of American occupation there were practically no decent roads in the Philippines. Today there is an excellent system of highways, those indispensable requisites to agriculture, commerce, industry, and social intercourse. I wish I had time to tell you how the health and well-being of the people has been improved through modern sanitation since American occupation; how public works of various kinds have added to the security, comfort, and self-respect of the people; how the courts have been made temples of justice for rich and poor alike; and how the well-being of the islands has been improved by introducing and fostering new industries which increase the national income, furnish employment, and raise the standard of living.

Perhaps the greatest thing that the United States has done for the Philippines is to give them free access to our markets. Since they have been able to ship their sugar, coconut oil, hemp, tobacco, and other products to the United States without paying duty they have prospered marvelously and are now enjoying a higher standard of living than any other country in the Orient.

Notwithstanding the tremendous benefits which the Filipinos had received from their connection with the United States, their longing for independence continued, and finally the Tyding-McDuffie Act, which is entitled, "An act to provide for the complete independence of the Philippine Islands", etc., was passed. I have just returned from the Philippines where, on the 15th of November, I participated in the inauguration of the new government which was thereby authorized.

By virtue of the independence act there has been created a government called the Commonwealth of the Philippines, which gives the islands almost complete autonomy in their local affairs, putting not only the legislative but also the executive and judicial departments into the hands of the Filipinos. The people elect their own President and Vice President, and also the members of their own legislative department, which consists of one house, known as the National Assembly, and they elect or appoint their own judges.

The inauguration of the Commonwealth of the Philippines deserves to be rated as a historic event in the annals of both the United States and the Philippines.

The question is sometimes asked, "Why does the United States give up so valuable a territorial possession as the Philippine Islands?" The answer is that the value of the islands to the United States does not enter into the calculation. We give them up because we promised them their independence and because of the American conception of the fundamental right of peoples to govern themselves. When the American flag finally comes down in the Philippines it will come down with increased honor for our country.

It is not often that a new nation is launched with such cordial friendship and mutual good will. Often new nations are born in the welter of battles and bloodshed.

President Manuel L. Quezon and Vice President Sergio Osmena are the two undisputed leaders of the Filipino people and have been intimately connected with the development of self-government and the movement for independence. Their long experience in governmental affairs affords every reason to expect a successful administration of the Commonwealth.

Independence is not yet complete, and the islands will remain under American sovereignty for another 10 years. At the end of that period American sovereignty will be withdrawn and the Philippine Republic will supersede the Commonwealth of the Philippines as a completely independent nation.

The 10-year transition period was deemed wise and prudent, principally to enable the Philippines to make the necessary readjustments in their economic life. If they were suddenly required to pay full tariff rates on their exports to the United States, it was feared that it would ruin some of their most important industries, thereby throwing a great many people out of employment and causing much hardship and suffering. The transition period is, therefore, intended to benefit the Filipino people, and to give the new nation a better chance for success. Moreover, the transition period will give the Filipinos a period of training in the executive branch of the government.

The United States still reserves certain powers, including direct supervision and control over foreign affairs, and, in general, the right to intervene in case of serious disorders or failure of the Commonwealth government to meet its obligations. We keep a United States High Commissioner in the islands as the representative of the sovereignty of the United States. The first High Commissioner is the last Governor General, the Honorable Frank Murphy, who has made such an outstanding record during the past 2½ years that he deserves to be ranked among the greatest Governor Generals whom we have sent to the Philippines.

Those who have been in a position to observe closely the part the Filipinos have played in the development of their civil government have nothing but admiration for them and have no misgivings about their fitness for self-government and independence. I see no reason why the Commonwealth should not be a success and why complete independence should not be achieved on schedule time. Certainly we ought to do everything we can to help them on their way.

In granting independence to the Philippines we are fulfilling a promise, and, as President Roosevelt said a few weeks ago, "It is good for a nation to keep its word."

As Americans, therefore, we may be pardoned a natural feeling of gratification over having been true to our national ideals and doing a deed worthy of our ancestry. We rejoice at having had this opportunity to "proclaim liberty through all the land unto all the inhabitants thereof", and to give the world an example of the true meaning of American democracy. May we never falter in putting human rights, human liberties, and human welfare above all selfish ambitions, individually or nationally, at home or abroad, and thereby help to make the world safe through democracy, which may, after all, be more to the point than making the world safe for democracy.

If our own cooperation with the Filipinos in a practical way to establish a new democratic republic, fashioned after the American plan, shall renew our devotion to the high principles which gave birth to our own Nation then our sojourn in the Philippines will have been a blessing to ourselves no less than to the Filipinos. Men always benefit by obeying their noble impulses, and so do nations. The performance of one righteous, unselfish act by America makes it easier and surer for her to be just and upright in all her international relations. It is a proper ambition for her to deserve the esteem and affection, not of the Filipinos alone, but of all right-thinking nations. To deserve them she must keep on high ground.

POLITICAL PHARISEES AND THE CONSTITUTION

Mr. KENNEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include therein an editorial appearing in the Bergen Evening Record, of Hackensack, N. J.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. KENNEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following editorial from the Bergen Evening Record, of Hackensack, N. J.:

[From the Bergen Evening Record, Tuesday, Jan. 21, 1936]

Former Presidential candidate Alfred E. Smith and his strange bedfellows, the Liberty Leaguers, are vociferously defending the much-revered but overexploited Constitution of the United States. They imply the American democracy was founded upon that document, when, as a matter of historical fact, the Republic was established upon a prior and more liberal Anglo-Saxon assertion of human rights.

The foundation of that new theory of government was the Declaration of Independence, which was adopted in 1776, and became finally effective, after 7 soul-searing years of bloodshed and privation, in 1783. Six years later, in 1789, and 13 years after the signing of the Declaration, the Constitution was adopted, not to establish a new principle of government but to secure by fundamental law and give practical effect to the human governmental principles enunciated in the Declaration itself.

With regard to the Constitution and its inviolacy, its rather pharisaical defenders forget that only 1 year after its adoption, in 1790, 10 amendments had to be annexed to it, and that in every grave national crisis thereafter the document had to be amended to meet the changing human needs in a democracy. Now, there are 21 amendments, all made pursuant to article 5, which prescribes the manner in which such changes may be effected.

The Declaration asserted: "We hold * * * that all men * * * are endowed * * * with certain unalienable rights; * * * that to secure these rights (life, liberty, and the pursuit of happiness) governments are instituted among men, deriving their just powers from the consent of the governed; that whenever any form of government becomes destructive of these ends, it is the right of the people to alter or to abolish it, and to institute new government, laying its foundation on such principles and organizing its power in such form, as to them shall seem most likely to effect their safety and happiness."

In 1933 when the present administration assumed the burdens of government there were 15 million unemployed, who with their 25 million dependents comprised a third of the Nation's population. Failure of the administration to provide relief for these 40 million citizens would have been an omission that most certainly could be destructive of their rights to at least life and the pursuit of happiness.

In some agricultural States the farmers, due to a national economic crisis beyond their control, were faced with the loss of their homes and their means of livelihood through wholesale foreclosures. In their dire necessity they figuratively told the law and the Constitution to go to Hades when by display of organized resistance they compelled local judicial authority to desist from enforcing the mortgage foreclosure and tax-sale laws. Organized society could then have enforced the letter of the Constitution by sending the Federal troops to quell that civic insurrection; but if it had, a conflagration would have resulted that instead of altering a form of government might conceivably have abolished it.

In such circumstances it became necessary for the people of a democracy to preserve at least the liberal spirit, if not the meticulous letter, of their Constitution. Humanity, if not self-preservation, demanded that the other 80 million Americans become their brothers' keeper through any orderly governmental process available to them. They, through their duly elected President and Congress, met that national crisis in the legislative manner prescribed for them by experience and expedience.

The resultant legislation unquestionably relieved a critical condition even though the Nation's future had to be emergently mortgaged to do so, but to assert that our economic and civic problems have been definitely solved is self-delusive. There are still 10,000,000 unemployed and 15,000,000 dependents who, without governmental made work or the morale-shattering dole, would starve and freeze. The other 100,000,000 Americans could not live in social security if those human needs were unprovided for either by industry or by government.

Far from solving our still grave national problems, the adverse decisions of the Supreme Court which have given administration critics so much recent joy have therefore merely accentuated them. Its nine cloistered members doubtless followed judicial precedent faithfully by interpreting meticulously the letter of the Constitution. As the lawful guardians of it, they performed their functions courageously and in accordance with precept.

But the President and Congress, in closer touch with human needs in a period of acute national travail, tried to apply the broader spirit of both the Constitution and the declaration of governmental principles and human rights which was the foundation on which the Republic was established 13 years before the Constitution was adopted.

Liberty Leaguers are trying to capitalize "Thou shalt not", which is exactly what the original Pharisees tried in a grain field to embarrass a great Teacher 20 centuries ago. He replied: "The Sabbath was made for man, not man for the Sabbath." The present administration might just as aptly reply to the modern pharisees: "The Constitution was made for the people, not the people for the Constitution."

NEUTRALITY LEGISLATION

Mr. KENNEDY of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include therein a radio talk delivered the other evening on the question of neutrality by Mr. Walter Lippmann.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KENNEDY of New York. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following talk delivered by Walter Lippmann over WEAF, Saturday, January 18, at 11 p. m.

Ladies and gentlemen, in the course of the next 4 or 5 weeks Congress will have to pass some kind of law dealing with the subject of neutrality. I think you will agree that that is a very short time in which to deal with a very big subject. It would be hard enough if Congress had nothing else to do than to discuss this one question for the next month. But there are a dozen other important questions which it has to discuss at the same time. It has the bonus to deal with and the Budget and relief and what is to come after the A. A. A., and the plain fact is that neither Congress nor the President nor the country can give its undivided attention to the question of neutrality. Yet it is perhaps the greatest of all questions. For on it may very well depend the lives of millions of men and the security of the American Republic. It is a question of such overwhelming importance that no one who has any sense of responsibility will wish to settle it in a hurry; to settle it without thorough debate and careful thought.

Why, then, must this momentous question be dealt with in such a hurry? The answer to that is that it is wholly unnecessary to settle it in a hurry. There is now on the statute books a law passed last August which governs American neutrality in the war that is being fought between Italy and Ethiopia. This law is working well enough. It has not involved the United States in any serious controversies with Italy or with Ethiopia. No American interests have been endangered. There is nothing in the immediate situation which gives anyone reason to fear that the United States might be drawn into this particular war. In other words, the law we now have is achieving what the American people want a neutrality law to achieve. It is keeping us out of war with our vital interests and our honor unimpaired. There is only one trouble with the present law. It expires automatically on the 29th of February. So far as this particular war goes, all that is needed, therefore, is for Congress to extend the present law for another year or so. That could be easily done.

If there were no other war in sight that would be all that any one would wish to do. But, of course, there are other wars, much greater wars in sight, and it is these greater wars that Congress and the administration and the people are worried about. There is good reason to be worried. The plain fact is that all the great powers of Europe and Asia are arming feverishly and preparing for war. There is the war in Africa. There is something very much like a war in China. There are gigantic armaments being prepared. There are alliances being formed. There is powerful propaganda in several nations to implant in the minds of the people the conviction that there is no solution for their difficulties except by a resort to force and violence. In short, there exists the real danger of a very great war that might easily involve almost all of the nations of Europe, Africa, and Asia.

Clearly, it is our duty to take every precaution we can take to see to it, if such a great war breaks out, that it does not involve the United States.

The practical question now before the country, the question that has to be decided at once, is whether Congress can, before the 29th of February, determine exactly how the United States shall act in the event of a great European and Asiatic war.

This is the fundamental question on which the American people have to make up their minds. It should be clearly grasped. Can Congress in the next 4 weeks decide how the United States shall act in the event of another great war? This is the real question on which Congress is divided. This is the real issue between the administration and those who think as Senator Nye thinks. It is no use arguing about loans and munitions and cotton and oil and steel and ships and submarines until we make up our minds on this basic question: Are we going to decide now, in the next month, what must be done about all these things? Senator Nye wishes to say what must be done. He wishes to go as far as he can in laying down a rigid policy which the Goverrment must follow.

Those who are opposed to him say that it is in the highest degree dangerous to attempt to say now exactly what the policy of the Government must be. Their contention is that while Congress should give the Government all the powers it might need in order to preserve American neutrality, it is wrong, it is unwise, it is dangerous, for Senator NYE or anyone else to attempt to say precisely what must be done. No one has any objections, on the contrary, everyone agrees, that it may be necessary to do all the things that Senator NYE and his friends wish to do. No one has any objections to giving the Government the power to do them. But there is the most serious objection to saying now, to deciding in a hurry before February 29, that any or all of these things must be done no matter what the circumstances, no matter what the conditions, no matter what the crisis may be, which may at some future time confront the American people.

The attempt to write a binding, cast-iron law today to fix American neutral policy in another great war is like saying, "I may have to play a game of bridge next week and I have decided to lead the eight of diamonds." It is like saying, "I may play football next autumn and on the second play I am going to call for a forward pass." It is like saying, "I have decided that my grandchild is to be a prize fighter", without knowing whether your grandchild is to be a boy or a girl.

In the case of a possible great war in the future nobody knows today, nobody in the Senate, nobody in any country anywhere, when it will break out. Nobody knows where it will break out. Nobody knows who will be fighting. Nobody knows who will be neutral. Nobody knows who will be allied with whom. Nobody knows whether it will be fought on the sea, in the air, or on land. Nobody can look into the future and predict the character of the war which Congress is to make laws about. How, under these circumstances, can any Senator pretend that he knows enough, that he is sufficiently a prophet, to write a law which fixes in advance the correct policy of the United States?

The best proof that this is impossible is to be found in the fact that 17 years after the end of the World War a Senate committee has just spend a hundred thousand dollars trying to find out how and why the United States entered it. That war is over. Yet here we are still arguing and quarreling, still writing books, still making speeches, still holding investigations, and still uncertain as to why we entered the war. If we do not know yet why we entered the last war, how on earth can Congress write a law in 4 weeks telling us exactly how to behave in the next war?

I do not mean to say that we cannot learn much from our mistakes in the last war which will help us to act more wisely the next

time. I am sure we can, and that it is our duty to study carefully and dispassionately the history of our attempt to maintain neutrality and the events which caused us to fail. But I am equally certain that we shall not learn much from that experience, if we start with the notion that we already know all about it.

As a matter of fact, if it were possible today to describe the character of the next war, if it were known who is going to fight, and where, and what the military plan of the next war is to be, the next war would almost certainly not take place. If it were known who is going to attack, when he is going to attack, where he is going to attack, who is going to oppose him, there would be no great difficulty in preventing the attack. The very essence of the war danger, however, lies in the inability of the governments and the people to foresee the future. The essence of the danger is that the time, the military strategy, the purposes cannot be foreseen—that the war, if it comes, will come as a surprise and at a moment when the world is not ready for it.

The moral I draw from this is that for the United States to tie its hands today is to increase the danger to the United States, not to diminish it. The only way to be prepared for an unpredictable emergency is to be able to move, to have your hands free, to be alert, resourceful, powerful, and unentangled. These proposals to settle American policy in advance are an attempt to say that we know better today what the emergency will require, though we do not know what the emergency will be, than the President and Congress who actually see what the emergency is.

It is a pretty good rule in human affairs that men should solve the problems of their own day and not try to tell their descendants and their successors how to settle their problems.

The policy of the United States Government is to remain unentangled and free. Let us follow that policy. Let us remain unentangled and free. Let us make no alliances. Let us make no commitments. By the same token let us pass no laws which will bind the future, tie the hands of the Government, deprive it of its freedom, cause it to be entangled in a statute based on what somebody at this moment thinks the Government ought to do in the future.

The simple truth is that we are not wise enough to tell a future Congress and a future President what they must do. We shall be very fortunate if we are wise enough to decide what we must do in the situation that is right before our eyes. We shall need all the wisdom we can find to cross the bridge that we are now trying to cross without deciding also how our successors shall cross the bridges that they will have to cross.

HONOR TO RESERVE OFFICERS

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of Reserve officers, and to include therein an article prepared by myself and published in the magazine "The Reserve Officer."

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McSWAIN. Mr. Speaker, by permission of the House, I am offering for printing in the RECORD, as part of my remarks, an article prepared by me and published in the Reserve Officer for January 1936. This magazine is the official publication of the Reserve Officers Association of the United States, an organization composed exclusively of Reserve officers and having a membership of approximately 28,000. Of course, all of the 110,000 Reserve officers are eligible for membership in this association. I regard it as a very useful organization of patriotic citizens who devote their time and talents to the cause of national defense, without receiving or expecting any compensation whatsoever.

As I point out in these remarks, military preparedness is the "hobby" of these officers. They are civilians like the rest of us and have to work to support themselves and their families in ordinary business pursuits. But this particular class of citizens, the Reserve officers, devote most of their leisure time to the study of matters affecting their respective military activities. I should personally be greatly pleased if all Reserve officers could see their way clear to become members of this association. The organization uses its strength and influence solely to advance the cause of national defense. They have no selfish ax to grind. I have been more or less intimately associated with this organization for the last 10 or 12 years, and, though I am not now eligible to be a member, I can endorse whole-heartedly and enthusiastically its work.

Mr. Speaker, to you who come from the Volunteer State, this article, emphasizing the high qualities of the volunteer soldier, ought to be very full of appeal. Such a soldier was Andrew Jackson, and such have been practically all of the citizens of Tennessee whenever the Nation has been at war. But Tennessee in this respect is but typical of all the States and of all the sections and of all the citizens of this Republic. But peculiar mention is due to the citizen who, looking far ahead, sees the day of inevitable emergency and begins to prepare in advance, so that he may be the more useful in serving his country.

Here is the article to which I refer:

LET US HONOR THOSE WHO PREPARE

(By Hon. JOHN J. McSWAIN, M. C., chairman, House Military Affairs Committee)

The Romans had a maxim that "Who gives quickly, gives twice." On the same principle, he who volunteers before war to become prepared to fight during war to defend his nation should be twice honored, first for his good sense and vision and next for his patriotic sacrifice of time and strength. All honor to the volunteer soldiers of every war, but more honor to those who volunteer before war and equip themselves to be instantly ready for any unexpected outbreak of war.

Such is the case of the Reserve officers. Since they receive no pay for their time and efforts to become prepared, certainly their motives are not mercenary. Since their services are absolutely vital to the defense of America, they should receive our thanks and our honor. All history, all experience, and common sense warn us that war may break any day. War comes like a thief in the night. I pray never again to see the scourge of war afflict our Nation, but I cannot forget that twice since I was 21 years old wars have come to America and they were separated by 19 years. I volunteered for both, but circumstances prevented my seeing service in the Spanish-American War. If we take the same measure of 19 years, who would be surprised to see war break upon us in 1937? The average interval of time between wars in our history has been about 25 years. Yet who is now ready for war? Have we profited by the great lessons of the last war and the lessons of our history in all wars? Have we passed the necessary law to prevent profiteering upon our Government and upon our civil population? Have we prepared a financial plan whereby we may "pay as we fight"? Have we enough officers competent to organize, train, and lead the millions of unorganized militia? Who would rather see our Nation defeated than to help it become properly prepared to defend itself? Who can guarantee that no war will be forced upon us within 10 years? Who will take the responsibility of having our Nation remain unprepared? Why cannot all of us look ahead and prepare for the possibility of war, just as the Reserve officers are preparing? However peaceful our intentions are, who dare take the risk of having some of the dictators and military cliques of the world force war upon us? Who would have America submit supinely to such dictators and militarists rather than stand up and fight for our rights as our fathers and their fathers have done?

Why be so much interested in the Reserves? Because I am interested in national defense, and because more than 90 percent of the officers who will lead in combat the citizen soldiers mobilized to defend our Nation must be Reserve officers. Ninety percent will certainly leaven the whole lump.

DEFENSE DEPENDS ON THE RESERVES

Since we must have a system of defense, and since the actual defending forces in the field will be led by Reserve officers almost exclusively, the degree of effectiveness of our defense depends upon the efficiency and character of our Reserve officers.

Now, of all times, we must be building up the quality and character of our Reserve officers. The disturbed condition of world affairs, with dictators here and there having hair-trigger power to start a war at their own whim and fancy, and with absolute monarchies under control of militaristic groups, it is necessary for America to look to her defenses. We are the great creditor Nation of the world; we are the richest Nation of the world; we are the most peace-loving Nation in the world. It is therefore too easy for some dictator or militaristic clique to assume, as did the Kaiser and his advisers back in 1915, 1916, and 1917, that Americans will not fight to defend their land, their possessions, their rights, and their honor.

The Kaiser and Von Bethmann-Hollweg and Von Tirpitz discovered their mistake to their sorrow, but we were fortunately circumstanced then, in that the Allies were holding back the German onrush. Though bled almost white and fighting with their backs to the wall, France and Great Britain held the line until the Americans got there. We were slow in getting there. We hardly knew how to start to get ready to fight. It was nearly a year and a half after we declared war before sufficient American armies were organized and trained and put into position to relieve the French and English and to push back the Central Powers so hard that they surrendered. We dare not count upon such a fortunate situation next time. The allies of today may not be our allies of tomorrow. We may have to fight alone a great combination of powers. So long as we fight to defend our own land, if our forces are adequately trained and equipped and provisioned with supplies and ammunition, we will be able to resist invasion and to save our land.

We cannot judge of our adequacy of defense merely by pointing to the Regular Army. It would be hardly a drop in the bucket. Most Regular Army officers would be in position of high command and in staff positions, training and organizing, equipping and supplying the vast armies of civilian soldiers. The officers of the platoons and the companies, and the battalions and of many of the regiments, and of some of the brigades and divisions, must be Reserve officers. These are the officers who will smell the powder, catch the bullets, breathe in the noxious gases, sustain the shock

of high explosives, and lead our troops either to victory or defeat. It must not be defeat. Therefore, our Reserve officers must be encouraged and assisted to the highest possible degree of efficiency. They are carrying on a magnificent, unselfish work of preparation. They are constantly studying, answering questionnaires, attending lectures and, as often as Congress appropriates the funds, attending camps for instruction.

Most of these Reserve officers are well educated; most of them are succeeding in their private businesses and professions; most of them have high qualities of natural leadership; most of them are rapidly attaining knowledge and experience in the handling of troops and in the conduct of combat. I lift my hat in honor of these unselfish patriotic Reserve officers.

PREPARATION IS "HOBBY"

A great thinker has said that the character of a man is determined largely by the nature of his hobby. By "hobby" we mean how a man spends his leisure time away from the business by which he makes a living. With the Reserve officers, the study of military history and science, and practicing the art of tactics, constitute their "hobby." After these officers spend a day at hard work to support themselves and their families, and to pay their taxes to their Government, they spend their evenings studying text-books, attending lectures and answering questionnaires to increase their proficiency as officers. Why do they do this? Certainly not for money, because they are paid nothing. After keeping themselves uniformed and paying the expenses of attending lectures, Reserve officers, even those who attend camp, come out at the end of the year showing a loss by reason of working at this "hobby."

This influences their character, this marks their character, because it shows they have the volunteer spirit, the spirit of a patriot and of a far-seeing patriot at that. Most any citizen will volunteer to defend his nation after war breaks. It is the citizen who takes the long look into the future after surveying the history of the past, and realizes that war may break in his age and generation, and realizes that his country will need trained officers as leaders of those who do not look so far ahead, who is a volunteer without compensation, gives his time, his strength, his abilities to preparation as against the day when his country will need him, he is certainly a patriot of the highest type. Such an officer is a volunteer in advance of war. Such citizen is a volunteer soldier of the *n*th degree. Such an unselfish, far-sighted patriotic citizen is entitled now, in peacetime, to the respect and admiration of his fellow citizens. It is common for the Nation to admire and to love those who volunteer in war to defend our shores, but our people ought to admire and love more those citizens who volunteer before war, and get ready for war, so that they may be more useful and helpful, in conducting a war of defense.

NO WAR EXCEPT FOR DEFENSE

In conclusion, I emphasize the thought of defense and defense only. America will never inaugurate a war of aggression. Our people think peace, talk peace and pray for peace. We want to be let alone, but our people, like all worthy people, as revealed by history, will fight and fight heroically in defense of their homes and rights. Without this spirit of willingness to defend by force if need be, our land and our rights, we would not be a Nation today.

I realize the dangers of allowing a militaristic clique to get into control of our Nation. But I also realize the dangers and the fate that awaits a nation not prepared to defend itself. History is full of examples of both sorts of people. But America is not in danger of falling into the hands of a militaristic group. Our system of government, our ideals, and the nature of our people forbid it and will prevent it. On the other hand, America must look to her gates and face the facts of her own history, and of all history, and especially realize that as the world is organized today some unimportant murder, a bullet fired by a maniac assassin, some strange sinking of a ship, may thrust us against our will into a situation where we must fight or surrender our rights. Americans descended from Pilgrim Fathers, from Cavalier pioneers, from all who sought here civil and religious freedom, from fathers who followed Washington, and later followed Jackson, and later still followed Scott and Taylor, and even later still followed Grant on one side and Lee on the other, such Americans, from such sires, knowing their rights, will dare to maintain them. While we wish peace, and seek not only our own peace but the peace of the world, yet we know that times do come when honorable peace, just and enduring peace, may come only at the price of blood and suffering. As sons of sires who settled this land, achieved its independence, erected its Government, developed its resources, and established world leadership in civilization we must be prepared to suffer and sacrifice and shed our blood, in order that the Nation so established by such fathers may be preserved. This is not jingoism; this is not sword rattling; this is not the mark of militarism. It is simply common sense Americanism. It is that America whose defense rests upon civilian soldiers, led by those volunteer soldiers who volunteer to prepare themselves in advance of war. These are called Reserve officers.

These Reserve officers save us from militarism. They are our American substitute for a standing army. They also save us from flabby, selfish, defenseless pleasure-seeking. They keep iron in America's bloodstream. They follow both the example and teaching of Washington. They are preserving our peace, by standing as a warning to any invader.

RESIGNATION FROM COMMITTEES

The SPEAKER laid before the House the following communication:

JANUARY 22, 1936.

Hon. JOSEPH W. BYRNS,
Speaker of the House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: I hereby resign my membership from the following committees, to take effect immediately: Merchant Marine and Fisheries; Insular Affairs; Education; Revision of the Laws.

Sincerely,

LOUIS C. RABAUT, M. C.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. BUCHANAN, for 1 week, on account of illness.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 9870. An act to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1626. An act for the refunding of certain countervailing customs duties collected upon logs imported from British Columbia;

S. 2421. An act to amend the act entitled "An act forbidding the transportation of any person in interstate or foreign commerce, kidnaped or otherwise unlawfully detained, and making such act a felony", as amended;

S. 2887. An act authorizing the Perry County Bridge Commission of Perry County, Ind., to construct, maintain, and operate a toll bridge across the Ohio River at or near Cannelton, Ind.;

S. 3120. An act to authorize and direct the Secretary of the Treasury to transfer certain moneys to "Funds of Federal prisoners";

S. 3131. An act to extend the times for commencing and completing the construction of a bridge and causeway across the water between the mainland, at or near Cedar Point and Dauphin Island, Ala.; and

S. 3425. An act authorizing an appropriation for payment to the Government of Norway in settlement of all claims for reimbursement on account of losses sustained by the owner and crew of the Norwegian steamer *Tampen*.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 6137. An act for the relief of the Otto Misch Co.; and

H. R. 9870. An act to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 5 minutes p. m.) the House adjourned until tomorrow, Thursday, January 23, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

614. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated January 20, 1936, submitting a report, together with

accompanying papers, on a preliminary examination of, and review of reports on, Sabine-Neches waterway, Texas, authorized by the River and Harbor Act approved August 30, 1935, and requested by resolution of the Committee on Commerce, United States Senate, adopted May 25, 1935; to the Committee on Rivers and Harbors.

615. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated January 20, 1936, submitting a report, together with accompanying papers, on a preliminary examination of, and review of reports on, Hendricks Harbor, Maine, authorized by the River and Harbor Act approved August 30, 1935, and requested by resolution of the Committee on Commerce, United States Senate, adopted March 28, 1935; to the Committee on Rivers and Harbors.

616. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1936, to remain available until expended, for the Department of Agriculture, amounting to $296,185,000, together with a sum equal in amount to certain unexpended balances (H. Doc. No. 396); to the Committee on Appropriations and ordered to be printed.

617. A letter from the assistant secretary to the President, transmitting a bound volume of World Peaceways Pledges of Support, together with copies of correspondence pertaining thereto; to the Committee on Foreign Affairs.

618. A letter from the Secretary of the Treasury, transmitting a draft of a bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

619. A letter from the Secretary of the Treasury, transmitting a proposed bill to provide for the settlement of claims against the Government for damages arising from the operation of vessels of the Coast Guard and the Public Health Service; to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. JOHNSON of Texas: Committee on Foreign Affairs. House Joint Resolution 459. Joint resolution to amend the joint resolution entitled "Joint resolution providing for the participation of the United States in the Texas Centennial Exposition and celebrations to be held in the State of Texas during the years 1935 and 1936, and authorizing the President to invite foreign countries and nations to participate therein, and for other purposes"; without amendment (Rept. No. 1920). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DISNEY: A bill (H. R. 10483) to provide revenue from the importation of crude petroleum and its products; to the Committee on Ways and Means.

By Mr. BACHARACH: A bill (H. R. 10484) to authorize the Secretary of Commerce to convey to the city of Atlantic City, N. J., certain portions of the Absecon Lighthouse Reservation, Atlantic City, N. J.; to the Committee on Merchant Marine and Fisheries.

By Mr. BOYLAN: A bill (H. R. 10485) relating to the compensation of certain Immigration and Naturalization Service employees; to the Committee on Immigration and Naturalization.

By Mr. UTTERBACK: A bill (H. R. 10486) to amend section 2 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914, as amended (U. S. C., title 15, sec. 13), and for other purposes; to the Committee on the Judiciary.

By Mr. DIMOND: A bill (H. R. 10487) to authorize a survey of Lowell Creek, Alaska, to determine what, if any, modification should be made in the existing project for the control of its floods; to the Committee on Flood Control.

By Mr. KENNEY: A bill (H. R. 10488) to establish a United States Army air base at Teterboro, Bergen County, N. J., to provide a supporting Army air base at a favorable and strategic location for the protection of the North Atlantic coast and coast cities and the national defense; to the Committee on Military Affairs.

By Mr. MILLARD: A bill (H. R. 10489) to authorize the coinage of 50-cent pieces in commemoration of the two hundred and fiftieth anniversary of the founding and settlement of the city of New Rochelle, N. Y.; to the Committee on Coinage, Weights, and Measures.

By Mr. WILCOX: A bill (H. R. 10490) to amend chapter 9 of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. McSWAIN (by request): A bill (H. R. 10491) to authorize the Secretary of War to acquire by donation land at or near Newburgh, in Orange County, N. Y., for aviation field, military, or other public purposes; to the Committee on Military Affairs.

By Mr. KRAMER: A bill (H. R. 10492) granting a renewal of Patent No. 60731, relating to the badge of the Girl Scouts, Inc.; to the Committee on Patents.

By Mr. PALMISANO: A bill (H. R. 10493) to authorize the Commissioners of the District of Columbia to reappoint Henry Lee Woods in the police department of said District; to the Committee on the District of Columbia.

By Mr. STEFAN: A bill (H. R. 10494) to amend section 32 of the act entitled "An act to authorize the construction of certain bridges and to extend the times for commencing and/or completing the construction of other bridges over the navigable waters of the United States, and for other purposes", approved August 30, 1935; to the Committee on Interstate and Foreign Commerce.

By Mr. GAVAGAN: A bill (H. R. 10495) to authorize the President of the United States to appoint a board of five members to receive donations for establishing a National Conservatory of Music for the education of pupils in music in all its branches, vocal and instrumental, and for other purposes; to the Committee on Education.

By Mr. LUCKEY: A bill (H. R. 10496) to repeal the Potato Act of 1935; to the Committee on Agriculture.

By Mr. McSWAIN (by request): A bill (H. R. 10497) to provide that the holders of the Medal of Honor, Distinguished Service Cross, or the Navy Cross, shall be employed in the civil service without a competitive examination; to the Committee on the Civil Service.

By Mr. RAMSAY: A bill (H. R. 10498) providing for the establishment of the National Memorial Prehistoric Mound Park in the city of Moundsville, Marshall County, W. Va.; to the Committee on the Public Lands.

By Mr. KOPPLEMANN: A bill (H. R. 10499) to incorporate the Italian-American World War Veterans of the United States; to the Committee on the Judiciary.

By Mr. JONES: A bill (H. R. 10500) to make further provision for the conservation and proper utilization of the soil resources of the Nation; to the Committee on Agriculture.

By Mr. DUFFEY of Ohio: A bill (H. R. 10501) to amend the National Housing Act, as amended, so as to permit the insurance of financial institutions making certain loans and advances of credit subsequent to March 31, 1936, and prior to April 1, 1938; to the Committee on Banking and Currency.

By Mr. FERGUSON: A bill (H. R. 10502) to amend the Revenue Act of 1934, so as to impose taxes upon the processing of certain agricultural commodities; to the Committee on Ways and Means.

By Mr. KENNEDY of New York: A bill (H. R. 10503) to promote the public health, safety, and welfare by providing for the elimination of insanitary and dangerous housing conditions, to relieve congested areas, to aid in the construction and supervision of low-rental dwelling accommodations,

and to further national industrial recovery through the employment of labor and materials; to the Committee on Ways and Means.

By Mr. REILLY: Joint Resolution (H. J. Res. 463) authorizing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. CONNERY: Joint resolution (H. J. Res. 464) authorizing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM: A bill (H. R. 10504) for the relief of Booth & Co., Inc., a Delaware corporation; to the Committee on War Claims.

Also, a bill (H. R. 10505) for the relief of Patrick Joseph McEntee; to the Committee on Immigration and Naturalization.

By Mr. BOLAND: A bill (H. R. 10506) for the relief of Thomas A. Coyne; to the Committee on Military Affairs.

Also, a bill (H. R. 10507) granting a pension to Mary Elizabeth O'Keefe; to the Committee on Invalid Pensions.

By Mr. BREWSTER: A bill (H. R. 10508) for the relief of the Van Buren Light & Power District; to the Committee on Claims.

By Mr. CRAVENS: A bill (H. R. 10509) authorizing the President to present in the name of Congress a medal of honor to Harold R. Wood; to the Committee on Military Affairs.

By Mr. CROSBY: A bill (H. R. 10510) granting a pension to Lizzie Lawson; to the Committee on Invalid Pensions.

By Mr. CULKIN: A bill (H. R. 10511) granting an increase of pension to Christiann Perrego; to the Committee on Invalid Pensions.

By Mr. GAVAGAN: A bill (H. R. 10512) for the relief of Sarah Antokoletz Weintraub; to the Committee on Immigration and Naturalization.

By Mr. HIGGINS of Connecticut: A bill (H. R. 10513) for the relief of Janet Hendel, nee Judith Shapiro; to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 10514) for the relief of Lena Hendel, nee Lena Goldberg; to the Committee on Immigration and Naturalization.

By Mr. KNUTE HILL: A bill (H. R. 10515) granting a pension to Jennie Ledford McNeill; to the Committee on Invalid Pensions.

By Mr. HOPE: A bill (H. R. 10516) granting an increase of pension to Mary T. Eagy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10517) granting an increase of pension to James E. Mulford; to the Committee on Pensions.

By Mr. JACOBSEN: A bill (H. R. 10518) for the relief of Charles French; to the Committee on Military Affairs.

Also, a bill (H. R. 10519) for the relief of Martin W. Duffy; to the Committee on Claims.

By Mr. KOCIALKOWSKI: A bill (H. R. 10520) for the relief of Joseph A. Plozy; to the Committee on Military Affairs.

By Mr. LORD: A bill (H. R. 10521) for the relief of Joseph Mossew; to the Committee on Claims.

By Mr. LUCAS: A bill (H. R. 10522) granting a pension to Anna Angelow; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10523) granting a pension to Agnes G. Smith; to the Committee on Invalid Pensions.

By Mr. McKEOUGH: A bill (H. R. 10524) granting a pension to Ella F. Stewart; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10525) granting a pension to Annie Marie Swingle; to the Committee on Invalid Pensions.

By Mr. McSWAIN: A bill (H. R. 10526) for the relief of Edgard B. Ligon; to the Committee on Claims.

By Mr. MAAS: A bill (H. R. 10527) for the relief of Harris Bros. Plumbing Co.; to the Committee on Claims.

By Mr. MAIN: A bill (H. R. 10528) granting a pension to Lena P. Riddick; to the Committee on Invalid Pensions.

By Mr. MARSHALL: A bill (H. R. 10529) for the relief of Ethel Hale Hayes; to the Committee on Claims.

By Mr. PALMISANO: A bill (H. R. 10530) granting a pension to Sarah J. Tuttle; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10531) granting a pension to Annie M. Oliver; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10532) granting a pension to Lucy Pierce; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10533) for the relief of Chaim (Hyman) Kaplan; to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 10534) for the relief of the Marocco Construction Co., Inc.; to the Committee on Claims.

By Mr. REILLY: A bill (H. R. 10535) granting a pension to Minnie G. S. Spink; to the Committee on Invalid Pensions.

By Mr. SHANLEY: A bill (H. R. 10536) for the relief of Kramp & Co., Inc.; to the Committee on Claims.

By Mr. SOMERS of New York: A bill (H. R. 10537) for the relief of Rachel (or Rose) Nussbaum Shildkraut; to the Committee on Immigration and Naturalization.

By Mr. TOLAN: A bill (H. R. 10538) for the relief of Richard Killman; to the Committee on Military Affairs.

By Mr. WELCH: A bill (H. R. 10539) for the relief of Max Weinrib; to the Committee on Immigration and Naturalization.

By Mr. WERNER: A bill (H. R. 10540) granting an increase of pension to Philip F. Wells; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1, of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9607. By Mr. ANDREW of Massachusetts: Petition of National Association of Cotton Manufacturers, protesting against continuing the present policy of the Government which allows imports from foreign countries where wages are less than one-tenth of what is paid in this country; to the Committee on Ways and Means.

9608. By Mr. CHURCH: Petition of Victory Memorial Hospital Association, signed by Fred B. Whitney, president, against enactment of excise or other taxes in lieu of processing taxes; to the Committee on Ways and Means.

9609. By Mr. CONNERY: Petition protesting against United States participation in the Olympic Games in Germany; to the Committee on Foreign Affairs.

9610. Also, declaration of principles of the Clan-Na-Gael, of Greater Boston, and endorsed by the Emmet Associates of Lynn, Mass., denouncing the activities of the Carnegie Foundation and its subsidiaries, and asking for a congressional investigation of the Carnegie Foundation and its subsidiaries; to the Committee on Rules.

9611. By Mr. CULKIN: Petition of seven residents of Cazenovia, Madison County, N. Y., favoring passage of House bill 8739; to the Committee on the District of Columbia.

9612. By Mr. DELANEY: Petition of the American-Italian Union of New York City, requesting the Members of Congress to reenact the neutrality legislation which is now in full force and effect, because the only safe and realistically neutral policy for this Nation to attempt is a policy based upon sound, tested, and accepted international law; namely, to refuse to deal in munitions with any and all nations at war and to trade other commodities freely with all nations, either at war or at peace, provided that in our trade relations with warring nations we treat both equally and alike; to the Committee on Foreign Affairs.

9613. Also, petition of the Italian Chamber of Commerce of New York City, requesting that in the framing of any neutrality law full consideration be given to the legitimate interests of industry and trade, so that the natural flow of trade between the United States and any nations of the world shall not be hindered, but that such a law should

limit an embargo on arms, ammunition, and implements exclusively prepared for war purposes; to the Committee on Foreign Affairs.

9614. By Mr. GAVIGAN: Memorial of the Isabella Council, No. 873, Knights of Columbus, supporting policy of allotment of 50 percent of all radio frequencies to educational, religious, agricultural, labor, and similar non-profit-making and human-welfare associations; to the Committee on Interstate and Foreign Commerce.

9615. By Mr. GOODWIN: Petition of citizens served by star route no. 7467 in the towns of Columbiaville, Stottville, Stockport, and Stuyvesant Falls, N. Y., urging legislation that will indefinitely extend all existing star-route contracts, and increase the compensation thereon, to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9616. By Mr. HILDEBRANDT: Resolution submitted by the Sioux Falls Chamber of Commerce, relative to bringing about legislation which will place the farming industry on an equality with other industries; to the Committee on Agriculture.

9617. Also, petition urging immediate provision for seed loans by members of Farm Bureau, the Farmers' Union, Farm Holiday Association, the Grange, or members of allotment committees; to the Committee on Agriculture.

9618. Also, petition of patrons of star route no. 59102, between Sisseton, S. Dak., and Browns Valley, Minn., urging legislation which will extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9619. By Mr. JOHNSON of Texas: Petition of W. A. Crawford, publisher of the Blooming Grove Times, Blooming Grove, Tex., favoring Senate bill 2883, which provides for funds for vocational agriculture and home economics; to the Committee on Agriculture.

9620. Also, resolutions adopted by Navarro County farmers at Corsicana, Tex., favoring the equalization and adjustment of the tariff burden upon the agricultural classes; to the Committee on Agriculture.

9621. By Mr. KENNEDY of New York: Petition relating to foreign affairs; to the Committee on Foreign Affairs.

9622. By Mr. KENNEY: Resolution of the New Jersey State Planning Board, urging the passage of appropriate legislation by Congress to establish a permanent national planning agency in general accordance with the recommendations of the national resources committee; to the Committee on Appropriations.

9623. By Mr. LORD: Petition of Granville J. Burton and 135 other citizens of Chenango County, N. Y., requesting the enactment of the Townsend old-age revolving pension plan; to the Committee on Ways and Means.

9624. By Mr. LUNDEEN: Petition of the Minnesota State Grange, urging passage of legislation providing for a continuation of some form of production control; to the Committee on Agriculture.

9625. Also, petition of the league of Minnesota Municipalities, Minneapolis, Minn., urging passage of Senate bill 2883, providing for Federal aid to vocational education; to the Committee on Education.

9626. Also, petition of the State Conservation Commission of Minnesota, urging passage of House bill 6594, providing additional park facilities and recreational grounds; to the Committee on Public Buildings and Grounds.

9627. Also, petition of Lake Stay Local No. 178 of the Farmers Education and Cooperative Union of America, Minnesota Division, Ivanhoe, Minn., urging passage of the Frazier-Lemke farm refinancing bill, and the Thomas-Massingale cost-of-production bill; to the Committee on Agriculture.

9628. Also, petition of the County Board of Lincoln County, Minn., urging the passage of the Frazier-Lemke farm refinancing bill; to the Committee on Agriculture.

9629. By Mr. MERRITT of New York: Resolution of conference of mayors and other municipal officials of the State of New York, endorsing Senate bill 2883; to the Committee on Agriculture.

9630. Also, resolution of Isabella Council, No. 873, Knights of Columbus, representing 300 men of the city of New York, supporting the policy that 50 percent of all radio frequencies be allotted to educational, religious, and other non-profit-making associations; to the Committee on Interstate and Foreign Commerce.

9631. Also, telegram sent by the New York Chapter of American Veterans Association to the national commander of the American Legion; to the Committee on World War Veterans' Legislation.

9632. Also, resolution of the Queens Branch of the American Association of University Women, whose members number 75, urging our Senators and Representatives in the present session of Congress to support all legislation that tends toward world peace and to cooperate in all international efforts to suppress war by pacific methods; and we also ask the neutrality of the United States to the extent that we do not become involved in war, and do not contribute in any way to a prolongation of war by other nations; to the Committee on Foreign Affairs.

9633. Also, resolution of the American-Italian Union, New York City, regarding proposed neutrality bill; to the Committee on Foreign Affairs.

9634. Also, resolution of the Grand Lodge of the Order Sons of Italy in America; to the Committee on Foreign Affairs.

9635. Also, petition of the Italian Chamber of Commerce, regarding proposed neutrality bill; to the Committee on Foreign Affairs.

9636. Also, resolution of the Pontier Democratic Association, Inc., advocating immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

9637. By Mr. MICHENER: Petition signed by Dale Scofield and 21 other residents of Jackson, Mich., urging that legislation be passed at this session of Congress providing for the indefinite extension of all existing star-route contracts, and for increasing the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9638. By Mr. MONAGHAN: Petition of star-route contractors, for extension of all existing star-route contracts and increase in compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9639. Also, petition of star-route contractors, favoring extension of all existing star-route contracts and increase in compensation to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9640. Also, petiton of star-route contractors, for extension of all existing star-route contracts and increase in compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9641. By Mr. PFEIFER: Telegram of the Italian Chamber of Commerce in New York, Ercole H. Locatelli, president, concerning neutrality legislation; to the Committee on Foreign Affairs.

9642. Also, petition of the International Union of Operating Engineers, Local Union No. 319, Brooklyn, N. Y., favoring the Walsh bill (S. 3055); to the Committee on Labor.

9643. By Mr. TARVER: Petition of Mrs. R. E. Hamilton and 10 other ladies of Douglasville, Ga., in the interest of world-wide peace and legislation outlawing war; to the Committee on Foreign Affairs.

9644. Also, petition of Mrs. V. R. Smith and nine other ladies of Douglasville, Ga., in the interest of world-wide peace and legislation outlawing war; to the Committee on Foreign Affairs.

9645. By Mr. WOLCOTT: Petition of Thomas A. Nichol, of Filion, Mich., and 80 other citizens of the Seventh Congressional District of Michigan, urging the enactment of legislation to indefinitely extend all existing star-route contracts,

and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9646. By the SPEAKER: Petition of the Pontier Democratic Association, Jamaica, N. Y.; to the Committee on Ways and Means.

SENATE

THURSDAY, JANUARY 23, 1936

(Legislative day of Thursday, Jan. 16, 1936)

The Senate met at 12 o'clock m., on the expiration of the recess.

MILLARD E. TYDINGS, a Senator from the State of Maryland, appeared in his seat today.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, January 22, 1936, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed a joint resolution (H. J. Res. 459) to amend the joint resolution entitled "Joint resolution providing for the participation of the United States in the Texas Centennial Exposition and celebrations to be held in the State of Texas during the years 1935 and 1936, and authorizing the President to invite foreign countries and nations to participate therein, and for other purposes", in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1626. An act for the refunding of certain countervailing customs duties collected upon logs imported from British Columbia;

S. 2421. An act to amend the act entitled "An act forbidding the transportation of any person in interstate or foreign commerce, kidnaped, or otherwise unlawfully detained, and making such act a felony", as amended;

S. 2887. An act authorizing the Perry County Bridge Commission, of Perry County, Ind., to construct, maintain, and operate a toll bridge across the Ohio River at or near Cannelton, Ind.;

S. 3120. An act to authorize and direct the Secretary of the Treasury to transfer certain moneys to "Funds of Federal prisoners";

S. 3131. An act to extend the times for commencing and completing the construction of a bridge and causeway across the water between the mainland, at or near Cedar Point, and Dauphin Island, Ala.;

S. 3245. An act to extend the times for commencing and completing the construction of a bridge across the Columbia River at Astoria, Clatsop County, Oreg.; and

S. 3425. An act authorizing an appropriation for payment to the Government of Norway in settlement of all claims for reimbursement on account of losses sustained by the owner and crew of the Norwegian steamer *Tampen*.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Bilbo	Byrnes	Costigan
Ashurst	Black	Capper	Couzens
Austin	Bone	Caraway	Davis
Bachman	Borah	Carey	Dickinson
Bailey	Brown	Chavez	Dieterich
Bankhead	Bulkley	Clark	Donahey
Barbour	Bulow	Connally	Duffy
Barkley	Burke	Coolidge	Fletcher
Benson	Byrd	Copeland	Frazier
George	King	Murray	Sheppard
Gerry	La Follette	Neely	Shipstead
Gibson	Lewis	Norbeck	Smith
Glass	Logan	Norris	Steiwer
Gore	Lonergan	Nye	Thomas, Okla.
Guffy	McAdoo	O'Mahoney	Thomas, Utah
Hale	McCarran	Overton	Townsend
Harrison	McGill	Pittman	Trammell
Hastings	McKellar	Pope	Truman
Hatch	McNary	Radcliffe	Vandenberg
Hayden	Maloney	Reynolds	Wagner
Holt	Minton	Robinson	Walsh
Johnson	Moore	Russell	White
Keyes	Murphy	Schwellenbach	

Mr. MINTON. I announce that my colleague the senior Senator from Indiana [Mr. VAN NUYS] is unavoidably detained from the Senate.

Mr. LEWIS. I announce that the Senator from Maryland [Mr. TYDINGS] and the Senator from Montana [Mr. WHEELER] are necessarily detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Rhode Island [Mr. METCALF] is necessarily absent.

The VICE PRESIDENT. Ninety-one Senators have answered to their names. A quorum is present.

INTERNATIONAL MANUFACTURERS' SALES CO. OF AMERICA, INC.

Mr. BAILEY. Mr. President, I call attention to the fact that on yesterday, in the matter of the bill (H. R. 4178) for the relief of the International Manufacturers' Sales Co. of America, Inc., A. S. Postnikoff, trustee, I was appointed a conferee on the part of the Senate. I wish to withdraw as such conferee, and to ask that the Senator from Nebraska [Mr. BURKE] be appointed in my place. My reason for making the request is that I am opposed to the bill, and not in a position to serve as a Senate conferee in the conference.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Chair appoints the Senator from Nebraska [Mr. BURKE] as a conferee on the bill referred to in place of the Senator from North Carolina [Mr. BAILEY].

AMENDMENT OF BANKRUPTCY ACT

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Treasury, transmitting a proposed draft of legislation to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, relative to corporate reorganizations, which, with the accompanying paper, was referred to the Committee on the Judiciary.

DAMAGES ARISING FROM OPERATION OF VESSELS OF COAST GUARD AND PUBLIC HEALTH SERVICE

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Treasury, transmitting a draft of proposed legislation authorizing the Secretary of the Treasury to consider, ascertain, adjust, and determine certain claims for damages resulting from the operation of vessels of the Coast Guard and Public Health Service, which, with the accompanying paper, was referred to the Committee on Claims.

AMENDMENT OF PERMANENT APPROPRIATION REPEAL ACT

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to amend section 21 of the Permanent Appropriation Repeal Act of 1934, and so forth, so as to except specifically from its operation any check heretofore or hereafter drawn by the Treasurer of the United States on account of the public-debt obligations of the Philippine Islands or Puerto Rico, and to authorize the Treasurer to refund the amounts of such checks, which have remained unpaid, to those governments under certain conditions, which, with the accompanying paper, was referred to the Committee on Appropriations.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following resolution of the House of Representatives of the State of Kentucky, which was referred to the Committee on the Library:

Resolution recommending to the Congress and the Senate of the United States that the home site of Gen. George Rogers Clark in Clarksville, Ind., be memorialized

Whereas the expedition of Gen. George Rogers Clark crossed the boundary of the State of Kentucky and came to a rest at a point on the west side of the Ohio River, then known as the Point, and from which started the invasion of the Northwest which culminated in the capture of Fort Sackville on February 25, 1779, and resulted in the acquisition by the new United States of the great Northwest territory, which now comprises five States and a part of a sixth, and having more than one-fifth the population and one-fourth of the wealth and resources of the United States; and

Whereas the Clark expedition was the one and only colonial military campaign of the Revolutionary War west of the Appalachian Mountains; and

Whereas the town of Clarksville, in the county of Clark, State of Indiana, was at one time part of the county of Jefferson, in the State of Kentucky, and was a part of Kentucky when the conquest started, the State of Kentucky now concurs with the Town Board of Clarksville in its interest in commemorating the Revolution in the West because the site of Clarksville was the site of the starting and closing point of the conquest that gave the Colonies the great Northwest, and is the most historic spot in these United States west of the Allegheny Mountains; and

Whereas the Town Board of Clarksville is initiating the movement for the commemoration of George Rogers Clark and his men on the site which by special act of the State of Virginia in 1793 created by patent the town in the wilderness of the Indian territory to be known as the town of Clarksville forever; and

Whereas George Rogers Clark made this site his home, was chairman of its first board of trustees, helped to subdivide it into lots, lay off the streets and name each after an officer of his regiment, and by his acts helped to perpetuate the growth, civic and social welfare of that community; and

Whereas he builded his home in which were few joys, and his greatest sorrows came in the nature of a paralytic stroke, the severe burns which caused the amputation of his leg to the tune of the fife and drum, which was the only anesthetic then known; and

Whereas his last illness, caused by sorrow and heartbreak, resulted in his death; and

Whereas the finances of the town of Clarksville will never be able to permit the building of the shrine in honor of the statesman, soldier, and patriot equal to his deeds and accomplishments, but that the National Government and the people thereof, for whom the privations were suffered and the valorous deeds of war were done, should assist in commemorating the same; and

Whereas the town of Clarksville, Ind., will cause resolution authorizing a Federal appropriation for buying of land, building of roads and paths, grading and landscaping, the erection of a national memorial suitable to the character of the man; and

Whereas there was never greater need than now exists for the revival of the principles which found their expression in the American war for independence: Therefore be it

Resolved by the House of Representatives of the Commonwealth of Kentucky, That the petition to the Congress of the United States by the town of Clarksville, Ind., for the memorialization of Gen. George Rogers Clark for the reasons set out in this resolution is worthy, and it is hereby recommended to the Congress of the United States that this petition be granted.

The VICE PRESIDENT also laid before the Senate a resolution unanimously adopted by the Women's National Democratic Club at New York City, N. Y., favoring the calling of a constitutional convention for the purpose of proposing amendments to the Constitution "and more especially for defining and limiting the power of the Supreme Court to nullify laws passed by the people's chosen representatives in Congress assembled", which was referred to the Committee on the Judiciary.

Mr. CAPPER presented papers in the nature of petitions from the pastors and congregations of the Church of the Brethren of Bloom, Belleville, and Navarre, all in the State of Kansas, praying for the maintenance of peace among the nations and for the pursuance of a policy of strict neutrality on the part of the United States in foreign controversies, which were referred to the Committee on Foreign Relations.

Mr. COPELAND presented resolutions adopted by the Syracuse (N. Y.) Society of Architects, favoring the separation of projects for construction on the work-relief program into two classes: (1) The portion of the work requiring experienced supervision, efficient organization, and a high degree of skill to be undertaken under normal construction contract agreements; (2) all other work requiring largely unskilled labor to be undertaken as direct work-relief projects; and also that other forms of industrial relief be given consideration, which were referred to the Committee on Appropriations.

He also presented a petition of sundry citizens of New York City, N. Y., praying for the making of an appropriation for the continuance of investigations by the special committee on investigation of the munitions industry, which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

He also presented a resolution adopted by the Junior Castelbonian Society, of Brooklyn, N. Y., protesting against the neutrality policy of the administration, which was referred to the Committee on Foreign Relations.

He also presented resolutions of the Maritime Association of the Port of New York, N. Y., protesting against the enactment of legislation repealing the so-called long- and short-haul clause of the Interstate Commerce Act, which were referred to the Committee on Interstate Commerce.

Mr. SHIPSTEAD presented the following concurrent resolution of the Legislature of the State of Minnesota, which was referred to the Committee on Agriculture and Forestry:

Concurrent resolution memorializing the President of the United States and the Congress of the United States that it is the sense of the members of the Minnesota Legislature that the Government of the United States should perform its solemn promise and duty and place American agriculture on the basis of equality with other industries by providing an adequate system of credit, and that adequate legislation to that end should be adopted at the earliest possible date

Whereas the farmers throughout the entire United States have lost and are losing their lands and chattels through inability to refinance loans on their property because of high taxes and interest rates and low prices of agricultural commodities; and

Whereas agriculture is the basic industry of this country and there can be no sound business prosperity unless the business of agriculture is placed on a sound basis and on an equal basis with other industries; and

Whereas a bill has been introduced in the Senate of the United States known as the farmers' farm relief act, commonly called the Frazier bill; and

A bill to liquidate and refinance agricultural indebtedness, and to encourage and promote agriculture, commerce, and industry by establishing an efficient credit system, through which the unjust and unequal burdens placed upon agriculture during the period of price fixing and deflation may be lightened by providing for the liquidation and refinancing of farm mortgages and farm indebtedness at a reduced rate of interest through the Federal farm loan system, the Federal Reserve banking system, and the Postal Savings depository system and creating a board of agriculture to supervise the same; and

Whereas this bill is a sound economic measure designed to remedy the inequalities under which agriculture is now laboring: Now, therefore, be it

Resolved by the House of Representatives of the State of Minnesota (the senate concurring), That the Congress of the United States be, and it is hereby, urgently petitioned to enact the said bill into law, and that the President of the United States be urged to approve said measure after its passage; be it further

Resolved, That the Minnesota Members of the United States Senate and the Representatives in Congress from the State of Minnesota be, and they are hereby, petitioned and most earnestly urged to use their best efforts to bring about a speedy enactment of said legislation; be it further

Resolved, That a duly authenticated copy of this resolution be presented to the President of the United States, to the Presiding Officers of the Senate and of the House of Representatives of the Congress of the United States, and to each of the Senators and Representatives from the State of Minnesota in the Congress of the United States.

REPORT OF THE COMMITTEE ON THE LIBRARY

Mr. BARKLEY, from the Committee on the Library, to which was referred the joint resolution (H. J. Res. 307) authorizing the erection of a memorial to the early settlers whose land grants embrace the site of the Federal City, reported it without amendment.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HARRISON:

A bill (S. 3798) to authorize and direct the Comptroller General to settle and allow the claim of George P. Money for fees for services rendered; to the Committee on Claims.

By Mr. CLARK:

A bill (S. 3799) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Randolph, Mo.; to the Committee on Commerce.

By Mr. LA FOLLETTE:

A bill (S. 3800) for the relief of John Reinke; to the Committee on Claims.

By Mr. SHEPPARD:

A bill (S. 3801) for the relief of R. H. Keene; and

A bill (S. 3802) for the relief of Joseph E. Moore (with accompanying papers); to the Committee on Claims.

By Mr. THOMAS of Oklahoma:

A bill (S. 3803) to extend the benefits of the Employees' Compensation Act of September 7, 1916, to Josephine Russell, a former nurse in the Indian Service; to the Committee on Claims.

A bill (S. 3804) granting a pension to Carolyn M. Clawges; to the Committee on Pensions.

By Mr. McCARRAN:

A bill (S. 3805) to authorize the Secretary of the Interior to reserve certain lands on the public domain in Nevada for addition to the Walker River Indian Reservation; to the Committee on Indian Affairs.

By Mr. COPELAND:

A bill (S. 3806) to designate a building site for the National Conservatory of Music of America, and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. DUFFY:

A bill (S. 3807) for the relief of the estate of O. K. Himley; and

A bill (S. 3808) for the relief of R. D. Stephens and Vera Stephens; to the Committee on Claims.

A bill (S. 3809) for the relief of Salvatore Mandala; and

A bill (S. 3810) to amend section 2169 of the Revised Statutes, relating to naturalization of aliens; to the Committee on Immigration.

By Mr. TRAMMELL:

A bill (S. 3811) to amend section 22 of the act approved March 4, 1925, entitled "An act providing for sundry matters affecting the naval service, and for other purposes"; to the Committee on Naval Affairs.

By Mr. JOHNSON:

A bill (S. 3812) to make it unlawful to take or receive California sardines (pilchards) for reduction on the high seas contiguous to the Pacific coast of the United States;

A bill (S. 3813) to provide that persons and property in connection with the taking, delivery, receipt, and processing of California sardines (pilchards) on the high seas off the western coast of the United States shall be subject to the laws of the respective adjoining coastal States, and for other purposes; and

A bill (S. 3814) to make it unlawful for any person subject to the jurisdiction of the United States and for certain vessels to deliver California sardines (pilchards) for processing on the high seas off the western coast of the United States, except in accordance with the laws of the western coastal States, and for other purposes; to the Committee on Commerce.

By Mr. NEELY:

A bill (S. 3815) for the relief of Joseph B. Mitchell; to the Committee on Military Affairs.

By Mr. ROBINSON:

A bill (S. 3816) for the relief of Clyde P. Bogan; to the Committee on Claims.

By Mr. NEELY:

A joint resolution (S. J. Res. 202) to aid in defraying the expenses of a National Negro Exposition to be held in the city of Atlanta, Ga., during the year 1936; to the Committee on Appropriations.

CHANGE OF REFERENCE

On motion of Mr. SHEPPARD, the Committee on Military Affairs was discharged from the further consideration of the bill (S. 3685) for the relief of George Rabcinski, and it was referred to the Committee on Claims.

FISH-CULTURAL STATION IN ARIZONA—AMENDMENT

Mr. HAYDEN submitted an amendment intended to be proposed by him to the bill (S. 813) authorizing the Secretary of Commerce to establish a fish-cultural station in Arizona, which was referred to the Committee on Commerce and ordered to be printed.

PUBLIC GRAZING LANDS—AMENDMENT

Mr. ASHURST and Mr. HAYDEN jointly submitted an amendment intended to be proposed by them to the bill (H. R. 10094) to amend section 1 of the act entitled "An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration; to provide for their orderly use, improvement, and development; to stabilize the livestock industry dependent upon the public range; and for other purposes", approved June 28, 1934 (48 Stat. 1269), which was referred to the Committee on Public Lands and Surveys and ordered to be printed.

MEDICAL CARE OF VETERANS

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the RECORD and referred to the Committee on Appropriations a telegram from J. B. McDade, department commander of the American Legion, of Pennsylvania, relative to hospital beds. I recognize his statement as to the needs to be correct, and urge just consideration for the medical care of our veterans. I earnestly trust that the Committee on Appropriations will bear this request in mind in making up the independent offices appropriations bill.

There being no objection, the telegram was referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

SCRANTON, PA., *January 21, 1936.*

Senator JAMES DAVIS,
United States Senate, Washington, D. C.:

Necessary that you use influence because independent offices appropriation bill diminishes hospital beds outside of Veterans' Administration facilities. Pennsylvania needs 125 beds at Aspinwall and 250 at Philadelphia at once. We would appreciate your kind support.

J. B. MCDADE,
Department Commander, American Legion, Department of Pennsylvania.

LOCAL ADMINISTRATION OF WORK-RELIEF PROJECTS

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the RECORD and referred to the Committee on Appropriations an editorial on Senate bill 3673, which appeared January 18 in the Pittsburgh Post-Gazette.

I introduced this bill on work relief with no thought of criticizing the present administration, but simply with a view to practical business efficiency. My contention is that it is impossible to direct work relief on local projects from Washington, as is now being attempted, and that local administration of local projects would not only eliminate the enormous overhead, but generally speed up a return to recovery. Local officials could put projects under way quickly without red tape and delay.

In his message to Congress the President asked for constructive suggestions, and in this spirit I am offering what I believe to be a practical plan for work relief.

There being no objection, the editorial was referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

[From the Pittsburgh Post-Gazette of Jan. 18, 1936]

DAVIS BILL WOULD CUT RED TAPE IN WORK RELIEF

Senator DAVIS advanced a constructive suggestion in his bill providing for localization of relief and work-relief activities. The details of his plan may not be perfect and need not be reviewed at this time; the essential point is that it would strike at the extravagant political set-up which now exists.

The Senator's proposal is along the lines advocated several months ago by Mayor McNair and Works Director Johnston. Members of council agreed there was "something to it", but held it was a waste of time to press it, since the Federal administration had established its procedure.

If the city wants to undertake a street or sewer project with Federal aid, under the Davis bill it would merely submit the plans to the President or his designated representatives, and if the project were approved as worth while the Government's contribution would be turned over to the city. Details would be handled by the regular departments and administrative force; the municipal authorities would know just where they stood at all times and would not face the danger of having Federal aid cut off in the middle of a job because break-downs elsewhere had exhausted funds. Men could be assigned to work more quickly, and in the aggregate more would be employed. Savings in overhead could be diverted to useful improvements.

A report of the chief engineer of the city department of public works shows that under the present system there are more than

100 separate and distinct steps that have to be gone through in preparing and handling a W. P. A. job. Three-fourths of that red tape could be eliminated under the Davis plan.

But it probably won't go through for just that reason. The political powers in Washington have no idea of giving up a system which, however costly, fits into the plans of State and local bosses with 10 percent of the jobs classed as administrative and handed out brazenly as ward-chairman patronage.

SPEECH OF SENATOR WALSH AT LAUNCHING OF UNITED STATES DESTROYERS

Mr. COOLIDGE. Mr. President, I ask unanimous consent to have printed in the RECORD a speech delivered by my colleague the senior Senator from Massachusetts [Mr. WALSH] on the occasion of the launching of the United States Navy destroyers *Conyngham* and *Case* at the Boston Navy Yard, September 14, 1935.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

It is my proud privilege as one of the representatives of the State of Massachusetts in the United States Senate to celebrate with you the completion of these two new units of the United States naval forces.

First, I wish to extend my heartiest congratulations to the officers and men of the Navy, who by their devotion to the service of their country, their diligence, their skill, and their engineering genius have made possible this great achievement. I also congratulate the civilian personnel who, with just pride and real enthusiasm, have participated in the building of these naval vessels.

The creation of these two naval ships which are of the most modern construction, carefully designed with a view to incorporating into their structures all of the engineering features and up-to-date appurtenances of present-day naval craft, is an accomplishment of which we may all be proud.

It is perhaps an anomaly and a contradiction on an occasion like this when we are launching craft that will supplement our naval defenses to speak of peace. The very purpose for which these ships have been built would seem to bespeak militancy and those things which we associate with war. But in the real sense this is a superficial view. The policy of preparedness underlying the increases in our Navy, as is evidenced by the launching of these vessels, hides a deep and more significant meaning. We must understand that meaning to appreciate the real purpose for which we have sought to increase our naval forces.

We are a peace-loving people. We are, and I believe have been, a law-abiding people from the earliest days of this Republic. Following the example of the great leaders of our country who founded the democratic institutions under which we now live and who charted our first foreign policies, we have sought in our international relations to follow the precept and principle, "with charity to all nations, with malice to none." We have sought to avoid those alliances, those entanglements with foreign nations which led to war. We have repeatedly fostered and encouraged efforts for the settlement of international problems, by courts of arbitration and by conciliating disputes which led to international strife and discord.

We have made some real sacrifices in the name of peace. We have even fought to preserve world peace when we believe that war, ironically, the very war we fought to guarantee that peace, seems to have followed by a combination of circumstances affecting international relations and creating disturbances likely to culminate in war that may be without precedent in history.

But in spite of this painful reality, our policy has and must still continue to be that of encouraging peace, striving for harmony with the other nations of the world.

Is there any wonder when we look about and consider the present-day world in which we live, the jealousies and rivalries of the nations abroad, that we should be impressed with the need for providing and maintaining an Army and a Navy and an air force that can adequately protect us against foreign invasion? In the Naval Conference of 1921 and again in those conferences which have followed, in pursuance of our aims to promote good will between nations, we have consented to reduce our Navy in common with other nations to the point where it was debatable in the minds of our naval experts and military strategists whether we had not diminished our armed forces to so large an extent that they were not sufficient to provide for our own defense.

Complications, intrigues, alliances, and greed for territories of other peoples have increased and developed in recent times, so that it would appear to the ordinary observer that strife and warfare in the near future are inevitable. It is unthinkable, in view of the horrors and the sacrifices and the bloodshed and the stupendous slaughter of manpower and wealth that accompanied the last Great War, that civilized nations should again rush into the tumult of mutual destruction.

But it seems quite evident to me that the forces working for peace in this world today are far less powerful than the forces working for war. However much we may deprecate this fact, it seems to be obvious that we are confronted by an international arrangement wherein nations since the World War have been arming to the teeth, so to speak, and preparing to make another irrational sacrificial offering to war.

The European nations have not been able to find funds or adjust financial exchanges so as to pay debts which they incurred to save themselves from destruction in the last war, but they have without apparent difficulty laid aside tremendous sums of money from their budgets to increase their armaments, to build up their armies and their navies, and to create air forces which make those of former times pale into insignificance. As a result the frightful specter of another devastation looms up before the eyes of the harassed and suffering peoples of the world, who in their hearts seek and plead for peace.

Here, again, we have the opportunity afforded us, as it was in the last World War, of observing the distinction between the peoples of the world and their leaders—those who must bear the burdens and make the sacrifices cry for peace, while their leaders would drive them into the jaws of war. On previous occasions it was the lust for power of monarchial despots. Now it is the quest for territories and expansion of trade and domain by dominant personalities in the diplomatic affairs of Europe. But in no case in the hearts of the people themselves is there desire for war. Peace is their cry and their hope.

There was a time when we believed we were isolated; isolated geographically beyond the possibility of successful military or naval attack. That thought is now a myth.

Whether economic interdependence of world units is a reality or not, as has been claimed it is, in my opinion the incontrovertible fact that the increased speed of transportation, the progress of machine invention, the development of high-speed aircraft have entirely destroyed any advantage our geographical remoteness has previously given us and has made it possible for other nations, both in Europe and in Asia, if they chose or were incited to do so, to launch an attack upon our shores, our industries, our cities, and our homes.

The development of aircraft, standing by itself, has obliterated the safeguards of distance, and it is now possible for modern airplanes in large numbers, equipped with plummets of destruction, to fly from far over the seas with relative ease.

In the face of this fact, in our quest for peace we have had our armies reduced to a mere police force and, to speak in terms of modern warfare, a mere handful of men. As I have said, we have joined in the recent past with other leading nations of the world in diminishing our naval strength in the hope that by setting the example to some few recalcitrant nations we would be able to induce and to bring about such a resolution of the armed forces of world powers that war on a large scale would be impossible.

This policy of disarmament by example was pursued until recently, but without avail. The present impasse in Europe, where alinements are being made in preparation for the certain hostilities to follow, illustrates realistically and convincingly that this policy of naval reduction by example is doomed to utter futility and failure.

This leaves us, therefore, with but two instrumentalities of defense left available for practical development—our aircraft and increases in our Navy.

In view of the alarming situation abroad, which has been growing with steady intensity for several years past and which is part of the logical outgrowth of a system of international conspiracies and intrigues for the possession of territories and trade markets, there is but one course for this Nation to follow and that is to increase its Navy and armed forces to the point where we will be adequately able to defend ourselves against aggression and invasion.

This will not mean that we will become warlike or aggrandizing or imperialistic. It means that we are determined at all costs to prepare for any eventuality. We do not look for war. We do not seek discord. In building a strong navy we do not by any policy or imperialism or economic penetration seek to extend our territorial and commercial dominions. This policy means that we must be equipped with a navy and air force second to none, which will be amply adequate to protect our shores and our homes from invasion.

We do not propose to permit any American citizens, corporate or otherwise, whether they be the representatives of large banking interests exploiting foreign resources and thus becoming involved with competitors abroad and then turning to this Government for assistance, or whether they be international adventurers to lead us into war.

We have learned our lesson from the sacrifices of 1918, and we hope that it will never be the province of this Government again to launch into a foreign war of aggression. But our people insist that we must not be left at the mercy of foreign nations or combinations of foreign nations who might see fit, attracted by the great resources and wealth within our boundaries, to launch an attack upon us. This policy is not jingoism; it is mere common sense. It is simple self-defense.

Resentment at slurs upon the national honor have precipitated many a nation into war, sometimes for trivial reason. This resentment has been aroused very often by propaganda created, fabricated, and financed by selfish interests seeking to embroil their Nation in war in order that their properties and investments in foreign lands might be protected.

The American people are far too intelligent and far too realistic and sensible to be inveigled by any such method. We shall insist that our nationals, whether they be large corporations or individuals who invest their wealth and extend their commercial activities into foreign lands, must do so at their own risk. As has well been said, "The flag will no longer follow the dollar." And the United States will not be embroiled in foreign squabbles generated by economic interests. It means carnage and slaughter and the

sacrifice of life and money which the American people are not in a state of mind to undergo.

These splendid, well-built naval craft, which we so proudly dedicate today to the service of our country, are part of the program that has been inaugurated by this administration to rebuild our Navy to treaty strength and on a parity with other nations.

They will be manned by intelligent, well-trained, patriotic naval officers, and by industrious, courageous, and devoted crews. They will protect our commerce from piracy and pillage, and our shores from invasion. They will supplement and modernize our Navy. They will never be used for aggression. Pray God, they will never be used at all for any warlike purpose.

BUTLER ATTACKS SENATOR BORAH—EDITORIAL FROM THE GAELIC AMERICAN

Mr. NORBECK. Mr. President, I desire to offer for the RECORD an editorial from the Gaelic American of January 18, 1936. It is in the nature of a defense of the record of the Senator from Idaho [Mr. BORAH] against an attack recently made on him by Dr. Nicholas Murray Butler, because the Idaho Senator has consistently been against foreign entanglements. I ask that the editorial may be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Gaelic American of Jan. 18, 1936]

BUTLER ATTACKS SENATOR BORAH

Dr. Nicholas Murray Butler, president of Columbia University and head of the Carnegie Endowment for International Peace, is opposed to Senator BORAH's candidacy for the Republican nomination for President. The dispenser of the Carnegie plums is hostile to the Idaho statesman because of his opposition, long-standing opposition, to foreign entanglements. Regardless of what party is in office, Senator BORAH has always been consistently against the adherence of the United States to the League of Nations and its Court.

As the president of the Carnegie Endowment for International Peace, it is Dr. Nicholas Murray Butler's task to forward internationalism. Year in and year out he is advocating adherence to the League of Nations and the World Court. From the bureaus maintained by the endowment tons of literature are sent out to universities, schools, colleges, libraries, churches, legislatures, Governors, mayors, Congressmen, newspapers, magazines, and every man and woman of any prominence in the country. This activity continues every day in the year, and as the organization behind this work is richly endowed the propaganda will be carried on when this generation will have passed away and joined the big majority. In spite of the efforts of the army of employees of the endowment, the efforts on behalf of foreign entanglements have been so far a failure. At times the internationalists have flattered themselves that they were on the verge of success, as when, a year ago, they were convinced that they would win adherence to the League of Nations' Court. But they failed, and their hopes were once again disappointed.

In spite of the claims of the pacifists, it is no exaggeration to say that more than 95 percent of the American people are against the League of Nations, the World Court, and all kinds of foreign entanglements. In the Presidential elections of 1920 and 1924 the League of Nations was snowed under by overwhelming majorities. Even New York City, the very citadel of the Democratic Party, was carried by Harding in 1920 and by Coolidge in 1924. In his opposition to foreign entanglements, Senator BORAH has the people almost unanimously behind him. His consistent opposition to the schemes of the Carnegie Endowment and the internationalists, native and foreign, has endeared him to patriotic Americans. Should he succeed in obtaining the Republican nomination, Senator BORAH will get many Democratic votes because of his long stand for keeping his country out of the maelstrom of European wars, jealousies, and hatreds.

Senator BORAH is more in touch with the people than the manipulator of Carnegie's millions which are diverted to weaken American patriotism and bring the United States back under the British flag. Carnegie's prophecy that America would again become incorporated in the British Empire is not likely to be realized if the American people practice that vigilance which is the price of freedom. A President of the caliber of BORAH is sorely needed at the present time, when our foreign policy is largely dictated from Downing Street. With the exception of Coolidge, who was possessed of a great deal of the old American spirit, we did not have a President of Cleveland's vigor in 40 years. It is time that we should have a President who would be American before anything else and who would attend to American concerns rather than to world affairs.

A real American President would investigate the Carnegie Foundation and kindred organizations and expose their efforts to denationalize young men in our schools, colleges, and universities. The American people are longing for a Chief Executive who will eschew meddling in the affairs of the world, ignore futile naval conferences, and dismiss roving ambassadors. Another Andrew Jackson is wanted in the White House.

GOVERNMENT IN BUSINESS—ADDRESS BY J. HOWARD PEW

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered before the Convention of the Atlantic States Shippers' Advisory Council by Mr. J. Howard Pew, president the Sun Oil Co., on January 9, 1936. The subject of the address is "Government in Business."

There being no objection, the address was ordered to be printed in the RECORD as follows:

When I was asked to speak to your organization about "Government in Business", I assumed that you gentlemen had been giving some thought to the country's current experiences with government in business. Nearly everybody seems to have had those experiences on his mind a good deal of late, and I am no exception. The subject is one on which I have some definite views, and it is a pleasure to accept your invitation to express them.

The events of the last 3 years have made plain that the country must give this subject attention, and must do it promptly. Unless we are willing that government shall go on and on to dominate the whole field of industry and enterprise, we must have a major political operation before long. Our situation reminds me of the patient who had just been wheeled from his hospital bed to the operating room. As the nurse appeared with the anesthesia cone and told him to take long, deep breaths, the patient waved her aside and asked:

"Doctor, is it possible for one to recover from an operation like this?"

"If the operation is performed in time, the patient has a good chance", was the reply.

"But", demanded the patient, "are we performing it in time?"

"That, sir, is what we are now going to find out", replied the surgeon, reaching for his instruments.

A good many people in business are nowadays asking those same questions—is it possible for our business patient to recover? And are we going to have the operation in time? They are getting more and more convinced that if the operation isn't performed pretty soon, it will be too late.

Looking ahead to the political operation for which the country will go to the election operating table next November, it is my conviction that unless we do a successful bit of surgery at that time our business patient will be in for a long siege with the malady known as planned economy; and that disorder has generally resulted fatally. Planned economy means Government control of business; it means an end to individualism, to initiative, to equal opportunity, to constitutional democracy, and to personal liberty. It has always meant that. History is largely the record of failures to make predigested economic programs work. So we must deem it an ominous portent that our country should have fallen under a regime that seems ignorant alike of the lessons of history and of the teachings of economics.

In modern medical practice the physician, before prescribing radical treatment, first inquires into the cause and character of infection. This study of case history commonly indicates that bad habits, indulgences, and wrong modes of life are to blame. And I am impressed that our business patient, similarly, is largely responsible for the bad conditions that have now become acute. Business has been too willing, at times positively eager, to submit to Government interferences and controls.

Now, the doctors don't try to cure a disease by prescribing more and larger doses of the very thing that caused it; and we shall not cure our business patient, who is suffering from too much Government control, by giving him more and larger doses of that same poison. Yet that is the treatment that ailing business has too often urged its doctors to prescribe.

A good many of us, rereading our history of late, have been reminded that wherever governments have attempted to dominate business the results have always been disastrous. Whether in ancient Egypt, or China, or Greece, or Rome; or in the Hanseatic League and medieval mercantilism; or in the Tudor era of old England—always we found that government control over commerce and industry ended in disaster. To that extent the students of history have agreed. But too few of them have carried their researches far enough. Had they gone to the bottom of the matter, they would have found that governmental invasion of the sphere of business and enterprise has almost invariably been in response to the invitation, the pleadings, the urgencies of business itself. Go back to the story of Egypt's famine, as told in the good book of Genesis; of how, when the famine was sore in the land, the people cried out to Pharaoh:

"* * * buy us and our land for bread, and we and our land will be servants unto Pharaoh. * * *"

So, his people having urged him to do it, Pharaoh's government took over the land as his property and the people as his servants; and the government of Egypt from that time forth was up to its neck in business. But, remember, the people only got what they asked for.

That is the way it has commonly come about. Under the Empire of Rome the favorites of the emperors were constantly using their pull with the government to get privileges, lands, monopolies, and concessions in industry, shipping, and trade. The people who owned vineyards and made wine easily convinced themselves that there was too much competition. So they petitioned the government to forbid the planting of new vineyards and even to require that a third of those already in production be plowed under; and the government was pleased to accommodate. The growers of olives presented a like case, and again the Government granted their petition. We hardly need point the parallel to the cotton, corn-hog, potato, and other controls that have been set up in this country. The notion that government had some



magic touch by which, through an economy of scarcity, it could produce plenty is at least as old as the reign of the Emperor Diocletian, and Diocletian probably borrowed it from somebody a thousand years before him.

In most cases that notion of the magical power of government originated with some interest that saw a chance to profit through special privilege. In the time of Queen Elizabeth a great fleet of British ships traded to Barbary. Some of Elizabeth's favorites among these traders convinced her that there was too much competition; so the Queen set up a system of licensing under which some got licenses and some were refused. Those who got licenses reaped increased profits—for a while; but ultimately the trade into Barbary was well-nigh ruined for everybody.

Again let me emphasize that in all these cases, and in hundreds of others that might be cited, it was the enterprises, the men of business, who asked the Government to intrude into business.

It will be conceded that certain relations of government to business are justifiable, even necessary; but we must distinguish between Government regulation and Government control. It is the responsibility of government to insure to the workers in industry and transportation adequate protection against injury and loss of life. It is also the responsibility of government to pass such measures as will insure the free operation of natural economic law (the law of competition and the law of supply and demand). These, with police protection and proper statutes against fraud and corruption, constitute almost the entire responsibility of government toward business and industry. We may not all agree on the details of regulatory provisions; but if they are too rigid, subsequent legislation can relax them; if too loose, they can be strengthened. In any event, this is government's responsibility.

Government control is quite a different matter. Here a fundamental principle of economics is involved. The fixing of rates for services or prices for commodities, the control of production, the cartel system by which markets are divided between the different producers, these and any other devices which interfere with the free and flexible operations of business constitute an invasion of government into the field of business that is wrong, indefensible, and vicious.

There is no such permanent condition in any business as "just a little Government control." Once started, Government control always grows. When one of that army of bureaucrats at Washington talks to me about "just a little bit" of Government control, I always think of the girl who, having learned that she had an incipient cancer, told her mother not to worry about it; after all, it was only a little one. Never forget that the hand of government, whenever it reaches in to control business, is the cold clammy hand of death. It will destroy everything it touches.

Let me give one recent illustration of how Government control, once set up on a small scale, immediately reaches out for wider jurisdiction and more power. The Interstate Commerce Commission was created to impose certain regulations on the railroads. Opinion varies as to their wisdom, but in any event such measures were a proper function of government. When the Commission's power was extended to include certain features of control, then this control became vicious. At the last session of Congress this control was extended over common and contract carriers by truck, and within the last few weeks our bureaucratic friends who want Government control of everything under the sun have begun grinding out propaganda in favor of having privately owned trucks controlled by the Government. Their propaganda employs choice bits of sophistry and specious arguments, but their real aim is to destroy the usefulness and flexibility of some 3,000,000 privately owned trucks and to open the way to a new monopoly in transportation. The vast majority of trucks serve their owners exclusively. They do no contract or common-carrier service. They are not by any stretch of the imagination proper subjects for Government control. Let Government take over control of them and you scatter Government control to the doorstep of every industry and every home in the land.

We may concede that public authority should limit the length, width, height, and weight of trucks, but we are getting into an entirely different realm when Government prescribes rates for their services, fixes their routes, dictates what kind of freight they may move, and how many trucks an operator may employ. The only authority wise, fair, and impartial enough to exercise such control is the immutable law of supply and demand, operating in a medium in which competition is free and unrestrained.

When Government goes beyond regulation and undertakes economic control, it is beyond its depth. A thousand imponderables enter into the fixing of prices for commodities or charges for services. To say that any governmental agency is competent to weigh all these imponderables and reach just determinations is to assume that a political commission is somehow endowed with a greater wisdom than the whole sum of business experience, economic processes, and human knowledge. That I must deny. Yielding to no one in my admiration for Mr. Farley, I don't believe even he is equal to such a task in directive omniscience.

I have spoken of how ancient and medieval business, seeking Government privileges, delivered business over to Government control. Now let me suggest how heavy a responsibility American business must bear in this regard. We all know that in every Congress or legislature the lawmakers are importuned by organizations, associations, societies, and chambers of commerce to extend immunities or advantages to particular interests. Thus, in 1918, the leading organizations that assumed to speak for business were calling on the Government to develop waterways, to construct equipment, and to build trunk highways. The Government took some hesitant steps toward compliance; but in recent years the same interests that in 1918 demanded these things have protested with all vigor against them and have clamored for Government restriction of all transportation that might compete with the railroads.

Again, so late as 1924, a referendum by the United States Chamber of Commerce endorsed this recommendation:

"* * * the principle of recapture of a fair proportion of excess railroad earnings should be maintained in the public interest as essential to the rule of rate making."

That was an endorsement of the recapture provision of the Transportation Act of 1920. I doubt if today you could find, among those who in 1924 voted for that endorsement, a corporal's guard who would vote the same way. I can recall few things that have been more unanimously denounced—since the depression began—than the recapture measure.

Again, I am one of those who believe in the protective tariff as it was conceived by Hamilton, to strengthen our national economy and relieve our dependence on more developed countries. But in the last generation tariff making has become mere logrolling among seekers after special privileges. This has led the unprotected interests to demand other privileges or subsidies, such as processing taxes. Again let me remind you that the prime inspiration of such measures has almost always been business, seeking advantage, privilege, or immunity from free competition of the open market.

A list of organizations and individuals asking special treatment in the tariff hearings of 1929 covered more than 200 printed pages. Their testimony and briefs before Senate and House committees covered more than 18,000 printed pages. Yet Government is blamed for intruding into the control of business!

There is constant protest against multiplication of Government agencies to direct, police, and control business. These agencies are charged with being useless, or worse; with adding enormously to the cost of Government and the number of its personnel; and with hopelessly confusing the conditions under which business must be carried on. In many cases I sympathize with these criticisms; but who is to blame? The very interests which now condemn these things were only a few years ago asking for them. I recently saw a list of 60 measures that Congress had been petitioned to pass within a few years, and this list represented the demands of only three large business associations. During these same years hundreds of other trade bodies have been presenting their demands, and a large share of these demands have been granted. The agencies and activities established in response to these demands account for the addition of many tens of thousands of people to the Federal pay roll and of hundreds of millions of dollars to the annual Budget. Why, if half the boards, commissions, and authorities that business organizations have petitioned for had been actually created, we would today have the entire population on the Government pay roll and would have to let down the anti-immigration bars in order to bring in some people to perform our nongovernmental tasks.

But this is not all. In 1890 Congress passed the Sherman Anti-Trust Act to protect competition and prevent monopoly. I regard that law as one of the most beneficent enacted in our time. Yet within a few years there began to be urgent demands from organizations of business for modifications, exemptions, and exceptions. A number of laws were passed making such exceptions. The Chamber of Commerce of the United States bore a large responsibility in connection with the framing and adoption of the National Recovery Act. That act undertook to suspend the antitrust law in its application to a wide range of activities and interests; and the country has been grateful for the interposition by which the Supreme Court preserved the integrity of the antitrust legislation.

Considering, then, how often the spokesmen of business have advocated measures which they later condemned and how often they have condemned measures which they later approved, I enter my plea that those who assume to speak for industry and enterprise shall more adequately realize their responsibility. Machinery, power, science, mass production, corporate organization, and mass financing have greatly complicated the problems of society. It has become important as never before to insure the free operation of economic law and the unhampered play of competition. Government control of production and of prices for some industries will expand to control for all industries. Government favoritism to some particular interests will inevitably impose such burdens on other interests as will presently drive them all to seek Government shelter and special privileges, and at last bring all business under Government control. That will be the end of independence, of enterprise, of progress, of industrial freedom, and of the common effort to promote the common welfare.

RIGHTS AND POWERS OF THE STATES AND CONGRESS—ARTICLE BY EDWARD F. M'CLENNEN

Mr. WALSH. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Edward F. McClennen, Esq., a well-known and able attorney of Boston, on Surveying the Boundary Between the Rights and Powers of the States and Those Transferred to the Congress.

Mr. McClennen, in writing, says:

Attacks of a numerous small minority of people on the motives of the Supreme Court in interpreting the Constitution, attempts at unwise amendments of the Constitution, and popular confusion

as to the dividing line between the constitutional powers of a State and the constitutional powers of the Nation have excited me to a desire to see whether I could be of any assistance on what seems to be a matter of grave public concern.

Enclosed is an article dated January 20, 1936, which I have written with that object in view. I am anxious to have it reach all people who will give any thought to this subject, and particularly the members of the Judiciary Committee, who have the possibility of constitutional amendments under consideration, and the Senators and Representatives who may be required to vote thereon—these same governing men who are called upon to consider for action now the division between the powers of the States and the powers of the Nation.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SURVEYING THE BOUNDARY BETWEEN THE RIGHTS AND POWERS OF THE STATES AND THOSE TRANSFERRED TO THE CONGRESS

By Edward F. McClennen

To render the right judgment in *United States* v. *Receivers of the Hoosac Mills Corporation* (56 Supreme Court Reporter, 297, 312; U. S. ——, decided Jan. 6, 1936), required no determination of the legislative wisdom of chapter 25 of the first session of the Seventy-third Congress, title I, May 12, 1933, commonly known as the Agricultural Adjustment Act; that is, whether or not popular welfare was served by payments to farmers at the expense of processors. To render this judgment did not require the judicial department to invade the legislative department.

The difference of opinion between so able a group as Mr. Justice Brandeis, Mr. Justice Stone, and Mr. Justice Cardozo on the one side, and so able a group as Mr. Chief Justice Hughes, Mr. Justice Van Devanter, Mr. Justice McReynolds, Mr. Justice Sutherland, Mr. Justice Butler, and Mr. Justice Roberts on the other, leaves the ordinary man without the needed assistance to form with certainty an opinion of his own.

This misfortune was avoidable by concentration on the fact that the respective sovereign States never have transferred to the Congress their sovereign control over the farming of the acres within their respective borders by their own citizens.

Consider the circumscribed powers and duties of the Court in this case. The United States had obtained the judgment of the district court that the receivers of the Hoosac Mills owed the United States $81,000 because the Agricultural Adjustment Act laid taxes on them in this amount, notwithstanding the receivers' contention that this act was beyond the powers of the Congress. The circuit court of appeals reversed this judgment because convinced that there was no such act within those powers. The Supreme Court could not but affirm or reverse the circuit court of appeals, as the Supreme Court found that there was or was not such an act within the powers of the Congress. The Court would do wrong if it adjudged that the receivers should pay what they did not owe by law. Such a judgment would be an abuse of the power of the Court, even if the Court was actuated by the conviction that their misconduct would do the receivers but little harm and would do the people of the Nation a great deal of good and would bring more popular approval than the right decision.

The division of opinion was a misfortune. Unanimity in the reasons for the decision in *A. L. A. Schechter Poultry Corporation* v. *The United States* (295 U. S. 495), on May 27, 1935, was very likely of more value to the people of the Nation than was the particular conclusion reached. The fact that nine Justices of such diverse experiences predilections, and methods of approach reached a unanimous conclusion carries conviction to most people willing to consider the subject with deliberation and without prejudice, that the decision must be right.

In the conflicting opinions of January 6, 1936, there are phrases readily understandable by the Justices themselves but confusing to the less learned and misleading to many men and women of common intelligence.

If the so-called Agricultural Adjustment Act invaded the legislative rights and powers of the States, it was not an act of Congress, however laudable the intentions of the Senators and Congressmen who favored it and however beneficent it was to any people or to all people.

For the reasons to be stated later it is submitted to the reader that the so-called act was not an act of the Congress, because it attempted to go beyond the powers which the States had given to the Congress. If the opinions had gone no further than this, they would not have aided the widespread misrepresentations of the attitude of the Court in an effort to promote the idea without vestige of foundation that the Court has a disposition to dominate the Congress in the exercise of its powers to govern.

The minority are of opinion that there exists "the power of courts to declare a statute unconstitutional", and that "unconstitutional exercise of power by the executive and legislative branches of the Government is subject to judicial restraint" and that "the only check upon our own exercise of power is our own sense of self-restraint", and that the purpose to be served by the so-called Agricultural Adjustment Act of Congress brought it within the taxing powers of the Congress.

The majority are of opinion to the contrary, for the reason that it is beyond the power of Congress to lay, as an excise, a tax on processors for the sole object of restoring the purchasing power of agricultural products to a parity with that prevailing in an earlier day and to take the money so levied from the processor and to bestow it upon the farmers who will reduce their acreage for the accomplishment of the proposed end, and meanwhile to aid these farmers during the period required to bring the prices of their crops to the desired level and for the reason that the object is not the procurement of revenue for the support of government but that the exaction is as necessary means for the intended control of agricultural products. The majority say that this is not a tax subject to no infirmity, because it is not for the support of government, but the taking of money from one group for the benefit of another when that transfer is not in support of a regulation within the legislative power of the United States and that it is not within that legislative power to regulate agriculture either by the compulsion of the farmer through rewards which he cannot possibly afford to refuse, or by the voluntary cooperation of the farmer, and because such a regulation would invade the rights of the States and not come within the powers delegated to the United States.

Without the help of a unanimous opinion, what way is there open to us in which to determine whether the question now settled has been settled in the most judicious way and to determine what is portended for the coming settlement of related questions?

It seems of little help to consult earlier decisions for enlightenment. In the 147 years of its existence the Supreme Court has never been stronger compositely than at present in perception, in breadth of view, in diversity of predilection, in poise in judgment, in freedom from bias, in intellectual capacity, in knowledge of the accumulated precedents, in devotion to furtherance of the welfare of the Nation and of its people as far as that comes within the province of a court, and in freedom from ambition for political preferment. In all this period no Chief Justice and no Associate Justice of this Court has risen higher in these respects than have individuals of the present Court. If we cannot get the answer from this Court, we cannot expect to get it from reading the wisdom and the errors of its predecessors—all so well known to this Court when it considered this case and found that it could not reach a unanimous conclusion.

The reader now is invited to start with no predilections and undeflected by any knowledge or consideration of what these earlier opinions have stated and to proceed to try to find out what is the right answer. Let the only guide be that which has been described so many times as what every schoolboy knows.

On the morning of September 17, 1787, there was no such nation as the United States of America. In the evening of June 21, 1788, it had been born by a Constitution adopted in convention on the former date and ratified by the ninth State on the latter. Its preamble is that "We, the people of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America." The last article provided that "The ratification of the conventions of nine States shall be sufficient for the establishment of this Constitution between the States so ratifying the same." At these times there were in the territory comprehended 13 free and independent States, governed representatively by the people of those States for those separate States, respectively.

In article III of that Constitution it was provided that—

"SECTION 1. The judicial power of the United States shall be vested in one Supreme Court and in such inferior courts as the Congress may from time to time ordain and establish.

"SEC. 2. The judicial power shall extend to all cases, in law and in equity, arising under this Constitution, the laws of the United States, and treaties made, or which shall be made, under their authority;" in particulars further described.

No more power to the Supreme Court or to the inferior courts is given elsewhere in the Constitution. No more has been added since. The judicial power of the United States is the only power that these courts have. That judicial power extends, as far as concerns the matter now in hand, only "to all cases." They are "in law and equity." "Cases" are actions and suits in a court between parties. The Court must decide them according to law. It cannot do so without determining what the applicable law is.

A lawyer familiar with the comparison of a statute with a constitution understands the assertion that the Court has power to declare a statute unconstitutional to mean that when a court had found that there is no statute because what looks like one has been placed in the records of the Congress without congressional authority to place it there, by persons who had no authority to place it there, the Court may say so in an opinion written to account for the decision that there is no statute, when to the casual observer it looks as if there was one.

The assertion as frequently misunderstood is entirely inaccurate. The misunderstanding is not surprising.

There are only two powers "to declare" in the Constitution. The Congress and not the Court has those. The Congress has power "to declare the punishment of treason" and "to declare war." This usage gives a meaning in constitutional relations to the words "to declare." When the Congress declares the punishment of treason it creates the punishment for treason. When the Congress declares war it creates war. War begins then.

In contrast the Court has no power to create unconstitutionality for a statute. It is no more unconstitutional after the Court has said that it is unconstitutional than it was before. The Constitution makes the statute unconstitutional, if it is; or, more accurately, the apparent statute is not a statute.

The Congress cannot make a law that it has no power to make. Its Members may attempt to usurp powers which they do not possess, but they are not acting within their mandate from the people when they do so. In doing so they are not acting as Mem-

bers of the Congress. Thereby nothing congressional has been done in the way of lawmaking.

If the majority of the Members of the Congress should become impressed again with the belief that the welfare of all the peoples of the 48 States required the enactment of the Volstead Act, without another constitutional amendment, would the courts be under a duty to treat this nullity as a law?

The inaccurate saying that the Court may declare an act of Congress unconstitutional has brought a striking consequence recently. On May 13, 1935, calendar day June 17, in the Seventy-fourth Congress, first session, Senate Joint Resolution 149 was introduced and has been referred to the Committee on the Judiciary. It proposes as an amendment to the Constitution the following article: "The Supreme Court shall have original and exclusive jurisdiction to render judgment declaring any law enacted by Congress in whole or in part is invalid because it conflicts with some provision of the Constitution, but no such judgment shall be rendered unless concurred in by more than two-thirds of the members of the Court and unless the action praying for such judgment shall have been commenced within 6 months after the enactment of the law."

If this is proposed and adopted by the requisite three-fourths of the States, there will be given to the Supreme Court expressly, for the first time, a jurisdiction to render judgment declaring any law enacted by the Congress invalid because it conflicts with some provision of the Constitution. This declaration will make the enactment unconstitutional. The proposed amendment does not give a clue as to how the jurisdiction shall be invoked, except that it must be by an action commenced within 6 months after the enactment of the law. It looks like the modern provisions for enabling courts to give declaratory judgments. It gives no clue as to who shall bring the action or whether it must be a person who has a personal or property interest in the subject matter or in the question. It may be that it was not intended that such interest should be requisite, because it would be seldom that of the multitude of interests which would accrue eventually any would have accrued within 6 months after the enactment of the law. It is not to be supposed that it is the intention of the resolution, in reality, to deprive the people of the United States of the very opportunity which the article seems to be giving. The article seems not intended to give the Supreme Court a jurisdiction to declare conversely that an act of Congress is constitutional. Certainly it cannot be intended that the Supreme Court shall have authority to make such declaration when six of its members deem that there is no constitutional act and only three deem that there is. The resolution does not attempt to say what a district court, whose only jurisdiction is to decide according to law between the parties before it, shall do if the plaintiff's case is based on a claim that there is an act of Congress, when there is, in fact, no act of Congress.

The fact that a majority of the Members of the two Houses of Congress have had inserted in the records of the Congress something which is not in reality an act of Congress because the Congress had no power to make such an enactment, does not make it an act of Congress. The gentlemen who are Senators and Representatives in Congress at the time of this mistake have no greater power than the Congress. They were not the Congress in causing the distortion of its records.

A judge of a district court has no right to give judgment for the plaintiff except according to law as he finds it to be. If there is no law which entitled the plaintiff to recover, it is an abuse of power for the district judge to enter judgment for him.

There is no such thing as a void act of Congress. If you, Mr. Reader, for an adequate consideration, make a bond to murder me, you have made a bond. It is indeed a void bond—that is, a bond of no legal effect; it imposes on you no legal or moral obligation to murder me; but you have made a bond. On the other hand, if you sign the name of the United States and the name of the officials of the United States to a bond which reads like a bond of the United States, there is no bond. It is not merely void. It does not exist. If without authority, a majority of the Senate and House of Representatives had caused to be put on the records of Congress what looked like an act of Congress purporting to authorize you to do what you did, still it would not be a bond of the United States. No more would the apparent act be an act of Congress. When someone sues on the purported bond, the court, with judicial powers only, can but give judgment for the defendant. It pays not the slightest disrespect to the Congress of the United States if it mentions that the reason for its judgment is that there is no bond and no act of Congress. Consider the following:

"*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That if any person engages in divine worship in the Province of Quebec except in accordance with the tenets of the Mohammedan religion he is guilty of the crime of sacrilege, and on conviction he shall be punished by imprisonment for 1 year in the Atlanta Penitentiary and shall forfeit the sum of $1,000, one-half of which shall be payable to the informer on an information filed in any district court of the United States."

Amos presents such an information in the District Court for the District of New Hampshire, setting out that Obadiah committed this crime of sacrilege in the Province of Quebec, and prays for a declaration of the forfeiture of $1,000 by Obadiah and for a judgment against him in favor of the informer for $500. He proves his case. He establishes that the recording officers of the Congress of the United States have entered such a text upon its records and that they did so because a majority of the Members of each House of Congress at a time and place when the Congress was conducting business, directed them to do so. Inasmuch as the Congress has no power of government over the Province of Quebec and as the Constitution which the Members of Congress are sworn to uphold forbids any law which prohibits the free exercise of religion, what shall the district judge do if he is limited to rendering judgment according to law?

Change the text of the document so that it denounces the crime only when committed in Virginia instead of in the Province of Quebec. Does this change the duties of the district judge in any way?

The Congress of the United States has the powers given it by the Constitution, and no others. The men composing the Congress are the representatives of the people of the United States when they are actuating the Congress to the exercise of those powers. They do not represent any of the people of the United States when they are attempting to actuate the Congress of which they are Members to do something which the Congress has no power to do.

When the question comes up whether or not what appears to be an act of Congress is an act of Congress, the question is between, say, 125,000,000 persons on the one hand and some five or six hundred persons on the other, who may have attempted to grasp a power which the larger body has not conferred upon them.

Would it not be better not to say that the courts have power to declare a statute unconstitutional but to say, instead, that the courts have no rightful power to give judgment for a man not according to law, and that being charged with the duty to decide, they are obliged to find out whether there is a law on which to base a decision? If this expression of the fact in simple English is used, it may retard the incautious from saying that observing that there is no act of Congress is "censoring of an act of Congress," or a "domination of Congress by the Court." It may help to disabuse the minds of people generally of any thought that the Court attempts or claims to have the power to make (declare) an act of Congress unconstitutional.

It does not seem that any considerable number of people want to have it so that a judge of a district court of the United States must put a man in jail, even temporarily, if a majority of the Members of the Congress should become high-minded atheists, convinced that the good of the people required their protection from what these Members deem a delusion, and therefore should purport to enact that it was a crime, punishable by imprisonment, to attend a Roman Catholic church or a Protestant prayer meeting. If a constitutional amendment were submitted to them that provided that a district judge must do this, it is unbelievable that they would adopt it. If a constitutional amendment were submitted to them that said that the courts should not have power to make (declare) an act of Congress void, such an amendment might prove acceptable if it was successfully concealed from the people that the Court has no such power under the Constitution as it stands.

If an amendment is submitted to the people which provides in terms that a district judge must find in fact that there is an act of Congress whenever three judges say that there is, even if six judges say that there is not, and regardless of whether or not what purports to be such an act, is within the power of Congress, it does not seem likely that the people would adopt it. Yet this may be the hidden meaning designed for the proposed amendment above quoted.

With the possibility at hand that a constitutional amendment may be submitted, it would be unfortunate to have the idea get abroad that any exercise of power by the executive and legislative branches of the Government "is subject to judicial restraint", as is intimated in the language above quoted from the minority opinion.

The Constitution does not invest the courts with any power to restrain either the President or the Congress in the exercise of any power which either possesses under the Constitution. It does give the courts power to adjudge whether the receivers owe the United States under the laws of the United States. It gives the courts power in the case earlier supposed to judge whether Obadiah must pay Amos $500 because Obadiah attended a Roman Catholic Church or a Protestant prayer meeting.

Turn next to the statement that the only check on the exercise of the power of the Supreme Court is the justices' own sense of self-restraint. The President and the Congress have a very effective power of restraint upon the effective exercise by the courts of their rightful powers.

On May 26, 1861, John Merryman, in due course of law, caused to be laid before the Chief Justice of the Supreme Court of the United States the fact that on May 25, 1861, an armed force of men took him into custody and incarcerated him in Fort McHenry in Maryland, and that he was there held contrary to law by Brigadier General Cadwalader, the military commander of that post. Merryman asked for a writ of habeas corpus as a step to his discharge and return to liberty. The Chief Justice, sitting in the circuit court, in due course of law ordered the writ to issue, directing General Cadwalader to produce Merryman. The writ in due form was issued and served. General Cadwalader, through his subordinate, replied in court to the court that Merryman was in his custody charged with treason in the then present rebellion against the Government of the United States, and that he, the general, had been duly authorized by President Lincoln to suspend the writ of habeas corpus in this area for the public safety.

President Lincoln believed that he had the power under the Constitution to suspend this writ, and that the safety of the Nation required the suspension. He had the duty to act. He must decide. When he had decided as he did, it became his duty to suspend the writ. There was no appeal from his decision.

Nevertheless, Chief Justice Taney adjudged that the failure to produce Merryman was in disobedience of the order of the Court and directed that an attachment issue to General Cadwalader for contempt of court. The marshal presented the writ of attachment at Fort McHenry, but was not permitted to enter. The Chief Justice held that the President of the United States could not suspend the privilege of the writ of habeas corpus and that lawfully Merryman could not be arrested and detained as he was. The Chief Justice gave his reasons in a written opinion (17 Federal Cases, p. 144) in which, in conclusion, he pointed out that the Court was restrained from giving effect to its judgment by the power of the President unlawfully exercised.

The President, in the belief which he held, effectively and lawfully restrained the Court, notwithstanding the fact that Chief Justice Taney's opinion may have been right.

The Senate on the presentment by the House of Representatives of articles of impeachment, may give judgment removing a judge from office, whether or not he has been guilty of an offense which is ground for impeachment if in the real judgment of the Senate he has been guilty of such an offense. If a judge with full knowledge and conviction that there is no law of the United States enacted by the Congress but only an injection into the records of the Congress of something which is not an act of the Congress permitted by its powers, proceeds to base judgment upon the existence of such nonexistent law in favor of the person who has no rights under that law otherwise, he is guilty of an impeachable offense and should be removed from office, and more emphatically so if he does it because he gains the impression that such a judgment will receive more popular approval than the right judgment.

If a judge, with full knowledge and conviction that there is an act of the Congress passed within its powers which entitles a party to recover, gives judgment against that party on the ground that there is no such valid act, he commits an impeachable offense—more emphatically so if he gives this judgment because of his political belief that the act is on the whole not a good one for the people or because of his belief that it is an unpopular act.

In the impeachment proceeding the judgment of the Senate, as a court of impeachment, that the purported act is or is not an act of Congress validly passed within its powers, whether that judgment be right or wrong, is binding, and is the judgment which it is the duty of the Senate under the Constitution to give.

The judgment of the Senate as the court of impeachment, whether right or wrong, that the judge rendered his decision not through mistake but for the degraded reason suggested, is binding, and it is their duty under the Constitution to enter it.

When it is entered there is no appeal. The judge is no longer a judge.

The Congress of the United States has plenty of power of restraint on the courts.

On the other hand, the courts cannot restrain the Members of the Congress from continuing to have engrossed on its records as if an act that which is not, because the Congress had no power to enact it. The courts must still go on in the performance of their constitutional duty to adjudge to a party only that to which he is entitled under the actual laws, but the courts cannot impeach the Congress for the failure of the Congress to prevent its Members from distorting its records.

The courts have no power of restraint over the Congress in the exercise of its lawful powers, and no powers of restraint over its Members when, contrary to the Constitution, they seek to make the records of the Congress look as if the Congress had passed an act when it had not, because it had no power to do so.

Consider next, if you will, whether the receivers of the Hoosac Mills owed the United States $81,000. It would seem that the only question open in reaching the decision of "yes" or "no" to that question was whether what is called the Agricultural Adjustment Act is an act of the Congress or only something which the majority of the Senators and Congressmen have caused to be engrossed on its records when the Congress had no power to enact it.

The first step is to look at the Constitution.

The Nation itself—the United States of America—could grant to the Congress thereof no legislative power except that which that Nation possessed at the time of the grant. The Nation had no legislative power except that granted by the Constitution. The Nation granted all its legislative power to the Congress. The Nation retained no legislative power to give to the courts or to the Executive. Article I, section 1, said: "All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives." It is noteworthy that the only legislative power thus conferred is that "herein granted."

Article I, section 8, said: "The Congress shall have power to lay and collect taxes, duties, imposts, and excises to pay the debts and provide for the common defense and general welfare of the United States." This was the only power to be considered in determining whether the Congress had power to make such a law as the so-called Agricultural Adjustment Act. Other powers granted in the same section were: "To regulate commerce with foreign nations and among the several States and with the Indian tribes"; to establish uniform rules of naturalization, uniform laws on the subject of bankruptcy; to coin money and regulate its value; to fix the standard of weights and measures; to provide for the punishment of counterfeiting; to establish post offices and post roads; to promote the progress of science and useful arts by granting patents for exclusive rights; to constitute tribunals inferior to the Supreme Court; to define and punish piracies and felonies committed on the high seas; to declare war, grant letters of marque and reprisal, and make rules concerning captures; to raise and support armies and navies; to provide for calling forth the militia to execute the laws of the Union, suppress insurrections, and repel invasions; to provide for organizing, arming, and disciplining the militia; to exercise exclusive legislation in all cases whatsoever over such District as would describe what later became the District of Columbia, if ceded by a State or States, and to exercise like authority over all places purchased by the consent of the legislature of the State in which the same shall be for the erection of forts and other defensive and aggressive structures; "and to make all laws which shall be necessary and proper for carrying into execution the foregoing powers and all other powers vested by this Constitution in the Government of the United States or in any department or officer thereof."

It will be noted that although the Constitution gives to the Congress power to levy taxes to provide revenue for the general welfare, the Constitution nowhere gives to the Congress any power to legislate for the general welfare. The Nation itself has no power to legislate for the general welfare if general welfare means anything more than the general welfare otherwise specified in the Constitution expressly or by fair implication.

This strongly indicates that the "general welfare" to provide revenue for which the Congress may tax means only that welfare for which the Congress may legislate, namely, only that welfare described elsewhere in the Constitution. This makes "general welfare" mean foreign relations and mutual relations and not intrastate affairs.

Treating taxes, for the moment, in the generic sense as covering also duties, imposts, and excises levied for the support of government, the Constitution gives expressly to the Congress the power to lay and collect taxes to provide revenue required for the common defense and general welfare of the United States. This is the only taxing power that the Nation has. It is noteworthy that there is no express power given to levy and collect taxes to provide the money for an aggressive war or for paying the necessary expenses of conducting a national government, to support its officials, legislative, executive, or judicial, or to keep clear the channels of interstate commerce, or to establish post offices or post roads, or to do the other things, if any, which the Congress is empowered to do, unless these things are comprehended in the phrase "the general welfare of the United States." It is because the Congress has power to provide the revenue for the general welfare of the Nation that it may tax for these purposes. They are a part of the general welfare and in the aggregate comprehend all of the general welfare. They exhaust the term.

Taxes normally means levies imposed by a sovereign government for the support of that government. There seems to be no reason to give that word any different meaning in the Constitution. This Constitution puts a limit on the taxing power. It exists only to provide revenue for the general welfare of the United States. The only kind of welfare of the United States for which the Nation has the power to tax, is the welfare, which is limited to that kind of welfare which is general as distinct from that which is local; local in that it is the welfare of the sovereign States and of the people of those States. This necessitates a determination of what welfare is the limited kind of welfare described as general.

General welfare is described in the preamble of the Constitution. It there may be known partly by the company which it keeps. It is there used in association with forming a more perfect Union, establishing justice, insuring domestic tranquillity, providing for the common defense, and securing the blessings of liberty.

In determining the meaning of these words we are confronted at the outset with the question whether or not they should be construed broadly and liberally or narrowly and restrictively. It is more magnanimous to be broad and liberal. It seems requisite to be so in construing the Constitution. It is not a picayune document. It is one of great breadth and dignity. It is easy to decide to be broad and liberal in this construing. It is not so easy to decide to whom to be broad and liberal. We cannot coin liberality or emit liberality out of nothing. We cannot be liberal here in paying Paul except as we are liberal here in taking from Peter. The persons or groups or identities to which we may be liberal, and by so doing conversely restrictive, are these: The Nation, which was born at the acceptance by the ninth State on June 21, 1788, the 9 and shortly thereafter the existing 13 States, the 9 and shortly thereafter 13 groups of people who owed their complete allegiance to their several sovereigns and were entitled to the protection of their several sovereigns, the single group of people which was made up of the same persons in the aggregate as the 13 groups. Let us defer until later deciding to which of these 28 parties to this contract liberality should be accorded to the detriment of the other parties.

The date for determining the meaning and implications of the language used in this contract is June 21, 1788, when for the first time it was made. It was then that the contracting parties used the language. It got its meaning by the meaning of the language used on that day, under those circumstances, in those places. That meaning never has changed, and never can. The contract may be changed by its amendment in accordance with the methods to which the contracting parties agreed in the contract. It cannot be changed by changing the meaning of the language, because that would hold the contracting parties to a contract which they never made. We know that although the silk handkerchief and the ring borrowed from the audience and placed in the silk hat may seem to be changed into a pigeon as the magician moves across the stage of time; in reality this is but a deception

The application of that language after its meaning has been determined may at different times, as applied to different conditions, produce opposite results. To avoid any misunderstanding as to what is meant by "meaning" and "application", take examples.

In 1788, interstate commerce meant commerce between persons in different States. At that time a purported act of Congress to erect a beacon light of 25-mile penetration on the top of Mount Wachusett would be beyond the powers of the Congress. The Legislature of Massachusetts could erect such a beacon and make it a crime for a Cabinet officer of the United States to smash it. The meaning of the words "interstate commerce" as they were used in 1788 does not change. If it is shown to the Congress that in an authorized manner an interstate transportation company, by airplane, has erected a beacon on top of Mount Watatic and that their night fliers are dangerously deceived by the beacon on Wachusett, Congress has power in regulation of interstate commerce to order the beacon removed and to prohibit any officer of Massachusetts to maintain it. In 1788 the Congress had no power to pass an act prohibiting a citizen of Pennsylvania, in Pennsylvania, from standing with a kite string and a key during a thunderstorm to ascertain what would be the result. As soon as it appears that the interstate making of contracts by radio is interfered with by such an operation, the Congress may prohibit such an experiment.

It is because words used in a constitution mean what they meant when they were used that an astute commentator has commended the wisdom of the nine old men in going back to the horse and buggy days to find out what the words used in those days meant before they determined how they are to be applied to railroads, automobiles, and airplanes.

Let us then get into this buggy for a journey of investigation. To know what was meant by the limitation upon a tax that it must be for the purpose of providing revenue for the limited kind of welfare that was called general, we want to know what the 13 sovereign groups, summing up to, say, 3,000,000 people, understood or should have understood in 1788 from the language used.

On this subject the contemporary opinions of Hamilton and Madison and of Jefferson and Marshall are extremely valuable. They would be more helpful if they did not conflict so often. What we really want to know is what in 1788 should have been understood to be the meaning of these words, not by these men alone but by the millions of voters in the 13 groups which adopted the Constitution; that is, by a cultured merchant Roosevelt, a diligent truckman Smith, a toiling blacksmith Hoover, a student Wilson, a rocky-soiled, corn-hoeing farmer Coolidge of those days, and by the other obscure persons among the 3,000,000 then found within the 13 groups.

In 1765, in New York, at a meeting of the delegates from nine Colonies, it was announced in a declaration of rights—

"1. That His Majesty's subjects in these Colonies owe the same allegiance to the Crown of Great Britain that is owing from his subjects born within the realm, and all due subordination to that august body the Parliament of Great Britain.

* * * * * * *

"3. That it is inseparably essential to the freedom of a people and the undoubted right of Englishmen that no taxes be imposed on them but with their own consent, given personally, or by their representatives.

* * * * * * *

"5. That the only representatives of the people of these colonies are persons chosen therein by themselves and that no taxes ever have been or can be constitutionally imposed on them, but by their respective legislatures."

In 1776 it was declared by the delegates of the Thirteen Colonies that: "We, therefore, the Representatives of the United States of America, in general Congress assembled * * * do in the name, and by authority of the good people of these Colonies, solemnly publish and declare that these United Colonies are, and of right ought to be free and independent States. * * * and that as free and independent States they have full power to levy war, conclude peace, contract alliances, establish commerce, and do all other acts and things which independent States may of right do."

Eight days later, a committee of these same delegates presented Articles of Confederation which, with changes, were adopted on November 15, 1777, by this Congress of Delegates, to become effective when adopted by the individual States. The last one adopted them on March 1, 1781. This is 6 years before the adoption of the Constitution.

It is noteworthy how continuous for 22 years from 1765 had been the use of some of the expressions contained in 1787 in the Constitution.

The Declaration of Independence had used the term "United States of America" evidently as synonymous with the 13 States of America temporarily "United" by a multilateral international treaty providing for a house of delegates of slight real powers. "United States" was used just as further down "United Colonies" was used. It was not declared that these colonies had become one independent State. They had become 13 free and independent States. In the Articles of Confederation for a "confederation and perpetual Union" between the 13 free and independent States, an agreed title was adopted as the name of the confederation. It was "the United States of America." It started off with the agreement that: "Each State retains its sovereignty, freedom, and independence, and every power, jurisdiction, and right which is not by this confederation expressly delegated to the United States in Congress assembled", namely, to the confederation.

"ART. III. The said States [free and independent sovereign States] hereby severally enter a firm league of friendship with each other for their common defense, the security of their liberties and their mutual and general welfare, binding themselves to assist each other against all force offered to or attacks made upon them or any of them on account of religion, sovereignty, trade, or any other pretense whatever."

Here is nothing but a treaty of alliance for common defense, security, and mutual and general welfare, made between the 13 sovereigns without setting up any other sovereign nation. Each sovereign had one vote in the meeting of the delegates sent by each sovereign State respectively.

Each State contracted what portions of its sovereignty it would not exercise without the consent of this Congress of Delegates. It agreed not to send embassies or to make treaties with foreign nations or with each other. These sovereigns made a number of agreements not to do what, as sovereigns, they continued to have the power to do.

No power of taxation was given to the confederation. It was provided that: "Article VIII. All charges of war and all other expense that shall be incurred for the common defense or general welfare and allowed by the United States in Congress shall be defrayed out of a common treasury which shall be supplied by the several States" in definitely stated proportions. Note that the only purposes of this fund were to meet the expenses of "the common defense or general welfare."

It was agreed that taxes for paying each State's proportion shall be laid on that State by the legislature of that State.

The 13 sovereigns agreed that the Congress of Delegates should have some powers. The 13 sovereigns agreed that the Confederation might declare war, but only with the consent of nine States.

The treaty of September 3, 1783, between the 13 sovereign States through the instrument of the confederation and England—that is, "between the United States of America and His Britannic Majesty"—provided that His Britannic Majesty acknowledged not that the United States of America as a nation was a sovereign nation but that the 13 States by name united in the confederation were "free, sovereign, and independent States"—13 free, independent, sovereign States.

The Congress agreed to "earnestly recommend to the legislatures of the respective States" to provide for the restitution of confiscated property. The Congress obviously recognized that it had no power to agree to a restitution. The treaty provided for a perpetual peace between His Britannic Majesty "and the said States."

There was a provision for exchange of ratifications.

Here, as late as 1783, is the expression that there are 13 sovereign States and no sovereign United States of America.

These important documents show what in the common sense of the time anyone should understand to be the meaning of some phrases of great importance.

Nine Colonies had proclaimed that even the absolute composite sovereign of King and Parliament could not tax them without their consent. By 1787 it had come to be recognized by everyone in the world with a political or proprietary interest that there were 13 sovereigns along the North Atlantic coast that had all the powers of taxation inherent in sovereignty and that those sovereigns were 13 different groups of people living within the territory of 13 separate States emphatically committed to the proposition that no one of the groups could be taxed without the common consent of the individual group. The 13 prospective partners had at least once, in a solemn document spoken of "general welfare." In the Articles of Confederation they had made a treaty for "their common defense, the security of their liberties, and their mutual and general welfare." It was "their", and not each its. It was not only general; it was mutual also. That is, it was welfare for the composite mass in its relation to the outside world, and welfare between the contracting sovereigns in their mutual relations with each other. The predominant element of the welfare involved was in aggressive war upon their late sovereign whose claims they had thrown off, and a defense of their new sovereignties from the attacks of their old sovereign, who had become a pretender. Successful conduct of war and external negotiations was the outstanding feature of the welfare which was properly described as general, and it would seem coextensive with that entire category. Any other welfare that was to be the subject of their treaty of confederation was described as mutual.

Common sense dictates that the Constitution which formed the United States was an improving extension and substitute for the Articles of Confederation and not a contrasting revolutionary document.

At this point it is borne in upon us that the liberality of interpretation for which the 28 parties to the Constitution contracted was liberality to the separate groups of people of the several States and to the 13 separate States who they were. If this be so, the liberality of construction to be indulged is toward the liberties of those several peoples and not toward the President of the United States or toward the Senators thereof or toward the Representatives thereof, to empower them to encroach upon those liberties. If this be not so, Mr. Reader, whom do you propose as the constitutionally determined beneficiary of the liberality and whom do you propose as the ones who shall suffer the burdens which are increased by the extension of liberality to another beneficiary?

As a test of the meaning of "general" in its application to welfare, assume that you made a contract to do everything conceivable for the general welfare of a single partnership of 13 cotton-shirting manufacturers. Doubtless you would think that you had contracted to provide the engines, machinery, and equipment for their processing and the house in which to conduct it. Would you

feel that you had contracted to furnish the 13 houses in which the 13 partners were to dwell and to provide the domestic plumbing therein and to persuade them or to force them not to use the north rooms in cold weather lest they incapacitate themselves to do the partnership's processing of the cloth efficiently and with financial success.

Turn now to the partnership articles of 1788 and consider whether the 13 separate constituent groups within the 13 partners should have understood that they were contracting that the Congress of the United States might lay a tax on the wheat growers of Massachusetts and of the other States where wheat was grown and pay it over to the millers of Pennsylvania and of the other States where mills were in operation whenever in the judgment of the Congress the business of the millers was in the doldrums and their power to buy silks from the merchants of New York and the other States where silk merchants were selling had been diminished or destroyed by the lack of prosperity of the millers.

Do you not think that there would have been reasonable surprise on the part of the people of North Carolina and of Rhode Island and of some of the other States if they had been informed that such was the contract which they were making? If there had been a board to secure fair practices in 1788, would it not have required a statement in the prospectus of the Constitution that this was what it meant, if it did mean it?

The wheat-eating farmers of North Carolina might have felt confident that the Congress would never do such a thing. But did they have such confidence in the Congressmen to come from Massachusetts and from Pennsylvania and from the other sovereign States that they would have wanted to entrust that power to them unnecessarily? What is more to the point: Should they not have understood that the kind of welfare promoted by such an act of Congress was only the welfare which was described as general in a document mainly designed to create a new sovereign to protect and advance the external welfare of the group of 13 sovereigns, whether in peace or in war, and the mutual welfare of the 13 sovereigns in their relations with each other?

In such a context as we are discussing, is there any better definition of "welfare" than good of the people? Is there any better definition of "general" than not local? Does it mean "national" and not State?

The revolutionary experiment of the Constitution of the United States was the placement of two absolute and equal sovereigns over one territory. The world had long been familiar with absolute sovereignties—some composed of an imposed czar and some composed of a selected ruler or body of rulers. The world had long been familiar with the extension by the sovereign of the privilege of ruling separately to the people of a province by the chosen officers of that province. The world was not familiar with two independent equal sovereignties over one territory, each absolute and supreme in its sphere.

The sovereignties of the 13 States covered in the aggregate all the territory of those 13 States. As to that territory, the Nation was to have no territory which was not already in a separate sovereignty. The sovereignty was to be equal to the sovereignty of the Nation over that territory. New Hampshire was supreme in its territory. Georgia was supreme in its territory. The Nation also was to be supreme in New Hampshire and in Georgia. Neither was to be superior to the other. Instead of the familiar division by territorial lines, the division was to be by the boundary lines of the different categories of government.

When the boundary lines between the territories of the 13 separate sovereigns came into controversy, it involved a question for judicial determination and not for political or legislative determination.

When the boundaries between the categories came into controversy it involved a question for judicial determination and not for political or legislative determination.

For a legislative body to attempt to determine the judicial question of disputed boundary lines between the territories or between the categories would be an attempt to usurp power.

In the controversy over the boundaries between the categories the Legislature of the State of South Carolina is as authoritative a body as the Congress of the United States.

If that legislative body attempts to invade the category of the Nation, and the Congress attempts to invade the category of the State, who shall decide the boundary dispute? However, that is another story. What we are considering now is where that boundary between the categories lies.

When we are deciding for what welfare the Congress or the legislature of the State has the power to levy a tax to provide revenue, we are to find the line of division between that welfare which is National and that welfare which is State. Is the governing of how many acres of the fields of North Dakota shall be planted to wheat within the power of the State of North Dakota to determine? If it is within the power of the State, it is because it was a sovereign power which has not been contracted away. If it is in the State's category, it is not within the power of the Nation, however beneficent the result to the people of any State or to some or all of the people of the 48 States, it would be if the Congress of the United States could be persuaded to attempt to break the contract. Manifestly, if this lies within the power of the State, it makes no difference whether or not the North Dakota farmer consents contrary to his duties to his government, the State, to be ruled in his planting by another government, the Nation, or whether he feels forced to be ruled by that other government.

On the other hand, if the governing of his planting in North Dakota is in the national category, the Nation is no better off if it has his agreement than if it proceeds to compel him to plant or not to plant by the exercise of governmental power.

We are speaking now of something that is assumed to be proper legislation by the sovereign in its category.

When the power of the Congress to enact a proposed statute is to be considered, there are at least two questions for decision. One is, Is it legislation? and the other is, Is it legislation in the national category or in the State category?

In answering the second question the emphasis is not on welfare; it is on national or State. There are proper acts of legislation that 125,000,000 people would be unanimous are for the welfare of everyone in every one of the 48 groups, and which, notwithstanding that, are in the State category but not in the National category. The parties to that issue are the State on the one hand and the Congress on the other.

When the question whether the act is legislation or not is to be decided, the parties to the issue are the Members of the Congress on the one hand and the people on the other.

In 1788, when all legislative power in the national category was vested in the Congress, there should have been in the people of the thirteen sovereignties an understanding of what is meant by legislation. That understanding very largely existed among them whenever and so far as they gave the matter attention. They were not habituated to government by edict.

An edict for a restriction on the liberty of anyone of the people without a supporting conceivable public purpose was not legislation according to the common understanding of the word in 1788, and it is not now. Most of the acts of a majority of Congressmen restrict liberty of some one or more of the people or take something from them immediately or eventually. The act is not justified and cannot be given validity unless it provides some conceivable good for the people. The determination of this issue in an act such as the attempted Agricultural Adjustment Act, is unnecessary if the governing attempted belonged in the category of the State and not in the category of the Nation. If it was in the State's category, there was no act even if the public purpose served was insufficient to make the act legislative in character and not an unjustified edict to restrict the liberty or to take the property of some of the people.

The decision of January 6, 1936, rested on the ground that the attempted act was not in the national category. This made it unnecessary to consider whether it brought about a public good much to be desired. The Court rightly cannot fix a boundary line with injustice to a State any more than to an individual man, however much the Court might wish that the Constitution could be amended so as to abolish the States.

In determining a boundary line between territories or between categories, if the description of the line is clear, the Court cannot fix another line, however much better it would be. If the description of the line is obscure, an investigation of the effect of drawing the line in one or another of the places that lie within the envelope of the description may be of great assistance in determining where the contracting 13 parties meant the line to go.

If two common owners of a ranch divide it into halves, to be separately held, and their contract of division describes the line in such a way that the watering grounds are wholly in the one half, and grazing in the other is consequently unfeasible, it is the misfortune that comes from the contract which was made, and a court cannot relieve from it by distorting the line. On the other hand, if the description indicates equally well or poorly a line falling so as to exclude from one the watering grounds, or so as to pass through the middle of them, the advantages of the second location may point to the probability that the parties expressed by their obscure language their meaning to have the line this median line.

In passing on this dispute over boundaries between the categories, if the description of the boundary, in the Constitution, is clear, there is no occasion for pointing out the advantages or disadvantages of one or another location of it, because the description fixes the location. The Congress has the power to declare war. It is unnecessary to discuss whether or not this is an advantageous locality for the power. However, if the description in the Constitution is obscure enough so that four able minds may differ from five, or even one from eight, it becomes wise to point out the consequences of the location of the boundary in one spot or another within the confines of the obscure description so that these effects may be taken into consideration in determining whether the contracting parties expressed an intention in the Constitution to have it in one locality or another.

For instance, if it is within the power of the Congress to levy an excise tax on cotton processors to provide revenue to be handed over to cotton growers for laudable reasons, it is within the power of the Congress to levy a capitation tax on all people of the country in proportion to the census to pay over the proceeds to the operators of the cotton mills of Massachusetts if they will enter into agreement not to manufacture as much cotton cloth as they can to the end that the prosperity of these mills may be so far increased that they can buy other goods in the markets of the several States. It may be said that the Congress will not do this even when the Congress has within it a majority convinced that the welfare of the manufacturers and their artisans and mechanics and laborers require it. This makes no difference. The question is, Did the 13 groups of people manifest in the Constitution an intention to vest this power in the Congress?

The attitude of those groups toward each other, the extent of the disposition of the citizens of North Carolina to entrust their concerns to the Representatives of New York and of Massachusetts, beyond what was necessary for the foreign relations of the 13 groups taken together, and necessary for the mutual relations be-

tween the groups, is to be taken into account in deciding what they meant by what they said in the Constitution.

What is the guess as to whether the Constitution would ever have gone into effect if foreign relations and mutual relations could have been effectively promoted with nothing but a confederation, or if it had been thought that the Representatives of Georgia and of North Carolina and of others could prevent Rhode Island from deciding how much to plant on the farms within its borders?

The different groups were very fearful that advantages would be taken of them by others of the groups. A compromise of equal representation by States in the Senate, and by unequal in the House and in proportion to population, was because of this fear. The compromise on the slave trade was an illogical way out of the predicament which was presented by the different beliefs and interests.

The Constitution clearly discloses the intention of the 13 contracting States not to give to the Congress any powers which could be kept without impairing the effectiveness of the Nation in foreign relations and in mutual relations between the States.

Disregarding the operating powers given to carry out the ultimate national powers, the others given by the Constitution, all fall within one or the other of the two classes—foreign relations and mutual relations. In the one were war, treaties, foreign trade, naturalization. In the other were interestate commerce, including postal communication and the regulation of money and other measures of the exchanges to be expected therein, and the extension of the rights of inventors in one State to cover all the States.

In an instrument which laid so much emphasis on these categories and the things in aid of them, there was no reasonable chance for implication of greater powers not necessary or proper to give effect to these powers. Notwithstanding this, so sure did the 13 groups wish to be that no such implications were to be drawn that before the last ratified the Constitution the tenth amendment already had been proposed that "the powers not delegated to the United States by the Constitution nor prohibited by it to the States are reserved to the States respectively or to the people." When this was ratified the 13 States had contracted in the instrument itself for liberality in construing, to the States, and restriction in construing, to the Congress. As no ultimate powers of sovereignty can be put into the Congress without taking these from the State, liberality requires leaving with the State all that can be left there while recognizing in the Congress all the powers that clearly have been granted, and with liberality to the Congress as to the means necessary or proper to give effect to the powers clearly given. If the Constitution is approached with the necessity for liberal protection of the powers of the States, so as not to deprive the State of any powers by unnecessary implication, it becomes evident that the power to determine whether the agricultural production of Iowa shall be stimulated or restricted, is to be determined by the State of Iowa and not by the Congress of the United States. The Congress of the United States for the good of interstate commerce can prohibit the exportation from Iowa of surplus products, or the importation into Iowa of corn hoed elsewhere cheaply by children under the age of 12, just as Iowa might have prohibited that competition with its expensive adult-produced corn, if Iowa had not handed over that control without any loss of power by evaporation on the way, into the hands of the Congress as a part of the control over interstate commerce. This is not because Congress may abuse its power over interstate commerce to impose its humanitarian ideas on the corn growers of Maine so that they will not exist on this child labor.

It is because the sovereign power of Iowa to prohibit the importation of goods which will compete in interstate commerce unfairly with its own products clearly had been given to Congress by the interstate-commerce clause. But that is still another story.

The boundaries between the welfare which is general or national and that which is local or State are determined by the character of the welfare and not by its extent. If it so chances that the several welfares of each of the 48 States point to a common course, the addition together of the 48 welfares does not make it 1 welfare. Character and not extent determines.

The welfare over which the powers are retained and given, respectively, is the primary and direct welfare and not the secondary and consequential welfare.

In the matter now under consideration the welfare is the liberty of the farmers in a particular State to sow and to reap the acres within that State, and the power of that State to determine the policy which shall govern within that State in that operation. The Congress cannot invade the State welfare just because it will improve the widespread good. No emergency of widespread distress shifts the powers. We are not speaking of that other power of Congress to do everything necessary or proper to conduct successfully a war when that is directly in prospect.

It may be granted that an improvement in the State welfare of the people of any State may have an appreciable secondary and consequential effect upon the welfare of the people of some other States—even 47 of them. This does not shift the power of the State over the primary and direct welfare, if that was in the State's power.

The primary and direct welfare now under consideration is the liberty of the people of a particular State and the control over that liberty by the particular State in the policy of working the acres within that State.

Return to the never-surrendered power of Iowa to determine the agricultural policy within its borders of its people. It may pursue the policy of expansion or the policy of limitation.

Put yourself back in Massachusetts in 1788, and see whether you had the slightest reason to believe when you ratified the Constitution that Massachusetts could no longer encourage an expansion of its agricultural production or a contraction thereof as its governmental determined policy.

A construction liberal to the State as contractually required by the tenth amendment and by the structure, circumstances, and language of the Constitution would compel the common intelligence of Massachusetts to say that welfare did not become general, and therefore national, because that welfare became widespread horizontally over the respective territories of the Thirteen States or vertically through the different classes of rich and poor, employees and employers, manufacturers, farmers, merchants, artisans, laborers, scientists, professors, ministers, and priests. Welfare was general—that is, national—only if it was the welfare of the National Government in the categories in which it became sovereign. Otherwise that welfare was State welfare, and not the welfare of a National or General Government. A sovereign State's control over the policy of expansion or restriction of its agriculture for the purpose of promoting the interests of its consuming citizens by affording them an opportunity to get their food and clothing at lower prices, or for any other public purpose, had long been recognized and exercised by cultural groups composing the Thirteen States and the groups from which they sprang.

The exercise of that policy had often been in the direction of expanding its production and discouraging any restrictions upon it. It had seldom been in the direction of suppressing or discouraging production. Restriction had been denounced, whether it was accomplished by voluntary contract or under compulsion. It had been deemed and enacted that it was contrary to the common good to cut down the volume of products coming to the common markets.

What was deemed offensive to the public policy was the raising of the prices to consumers. This was the attitude in 1788. Of course, it was within the power of a sovereign State to reverse the policy so as to get as much out of the consumers as possible to enrich the producers. What we are now considering is whether the consumers of Massachusetts should have understood that they were giving over to the Congress the power to reverse that policy in Massachusetts against the will of Massachusetts. Could Massachusetts no longer prevent its citizens from entering into contracts to restrain their own freedom to produce, particularly the necessaries of life?

Within 3 years after the adoption of the Declaration of Independence and while the State of Massachusetts was a party to the Articles of Confederation, and 9 years before the Constitution of the United States went into effect, the State of Massachusetts on February 8, 1779—chapter 31 of the Laws of 1778–79—made it a crime for any person to buy more grain than he needed until the next harvesttime, or more meat than he needed, or forestalling wood, grain, flour, dead meat, meal, poultry, butter, cheese, or provisions. It is not necessary to consider the wisdom of this exercise of power by Massachusetts.

It is obvious that the crimes were denounced because of the fear that such acts would raise prices to consumers. Should the people of Massachusetts when they adopted the Constitution have understood that they prevented themselves from continuing to control this policy within the State, or to extend it further not only to trade but to production therein?

If the people of Massachusetts should have understood so, it seems that they misunderstood. That State has enacted laws in the twentieth century which are still in force unless they violate the Constitution of the United States. They declare unlawful (General Laws of Massachusetts (Tercentenary Edition, 1932), ch. 93), arrangements whereby a monopoly of production may be created or maintained, or competition in the State restrained, or the pursuit of any lawful occupation restrained, or the price of any commodity in common use unduly raised, within the State. Is this not within the category over which the State never has given up its power? Does this statute violate the Constitution of the United States? May the people of Massachusetts enter into understandings whereby the prices of any necessary of life may be unreasonably increased notwithstanding the fact that the State of Massachusetts has declared this to be a crime and imposed a penality on it? If the Constitution transferred this power from Massachusetts to the Congress before the point where direct effect upon interstate commerce was reached, then this statute is unconstitutional. Should the people of Massachusetts have understood this when they adopted the Constitution? Where is the man who will enlist himself in support of the proposition that anyone in any one of the thirteen sovereign States in 1788 understood or should have understood that any one of those States was transferring that power to control its own policy within its own State, over its own people, concerning the production of the acres of those people within that State?

If this statute is not an invasion of the category of national powers, the hog raiser of Massachusetts, if in April 1933 he entered into a contract or understanding with his neighbor or with any man, be he the Secretary of Agriculture of the United States, that he would suppress his hog production for the avowed purpose of increasing the price of hogs and the price which consumers would pay for bacon, committed a crime against the laws of Massachusetts; and if the other party to the understanding was the Secretary of Agriculture of the United States, the Secretary, if he reached the understanding in Massachusetts, also committed a crime against the laws of Massachusetts.

Had the situation changed in July 1933 because a majority of the Members of Congress had caused to be engrossed on its records what was called the Agricultural Adjustment Act?

Have you the vision to see the people of Massachusetts, the people of South Carolina, the people of New Hampshire, the people of Virginia, sitting about the ratification table and reaching the comprehension in 1788 that they were thus destroying the power of their respective sovereign States to deal with these superlatively internal affairs of these respective States? Do you say that they should have understood this to be the meaning of the words used and that this is so plain that a construction of the word "general", liberal to them, should not be deemed to mean national and only national, but that it should be deemed to reach so far into the internals of the State that it is clear that these people have given up forever the right to govern these internal affairs?

It seems clear that it is for the local welfare of the potato growers of Maine to manipulate the price of potatoes to get as high a price as is possible without curtailing their opportunity to market them; but is it for the national welfare of the potato eaters of the other States? It seems clear that it is for the local welfare of the cotton planters of Georgia to increase the price of cotton with the same limitations; but is it for the national welfare of the cotton users—whether for processing or for subsequent wearing? It is clear that it is for the local welfare of the miners of Arizona and Michigan that the price of copper be increased; but is this for the national welfare of the electrical workers of Schenectady and Lynn? It is clear that it is for the local welfare of the plow makers of Illinois that the price of plows be increased; but is it for the national welfare of the farmers of New Hampshire and elsewhere? It is clear that it is for the local welfare of the wheat growers and corn producers of Kansas that the price of these commodities be increased; but is it for the national welfare of the poultry farmers of Massachusetts and Long Island? It is clear that it is for the local welfare of the owners of the productive acres of Iowa that the price of corn be increased; but is it for the national welfare of the hoecake eaters of Alabama? It is clear that it is for the local welfare of the ranchers of Wyoming that the price of cattle be increased; but is it for the national welfare of the beef eaters of Rhode Island?

It is clear that it is for the welfare of every producer and manufacturer that he should prosper, even at the expense of the higher prices which the consumers of his products must pay; but that welfare is the local welfare of the State which governs that producer and that manufacturer and not the welfare of the National Government.

It is for the legislature of the sovereign in control within the bounds of the conceivable and not for the courts to say whether or not it is a policy that makes for the welfare of the people; but it is for the courts and not for the contending legislative bodies—be it the Congress on the one hand or the State legislature on the other—to settle the boundary dispute between the National category and the State category. That involves no question of policy. That is not a legislative question. It is a question to be determined by the exercise of judicial powers and judicial powers only.

The Constitution defines that boundary line. If the description of the line is clear, there is no occasion for discussion. If the description requires construction, the Constitution commands the Court to make that construction liberally to the States to see that they are not deprived of their powers beyond what they granted clearly to the Nation by ratifying the Constitution.

When the court has performed that judicial duty painstakingly and conscientiously, the Senator, the Member of the House of Representatives, the member of the State legislature, or any other man who seeks to malign the umpire who has decided for one litigant against another, is a poor sport and deserves disrepute.

If what has been said so far is approved, it becomes unnecessary to consider the further question whether the purpose of the attempted Agricultural Adjustment Act was conceivably for the good of the people, had the Constitution otherwise permitted it. It also makes it unnecessary to consider whether a tax can be said to be laid to provide revenue for the general welfare when it is laid on the paying group to be handed to particular groups, however worthy and needy they may be. It makes it unnecessary to consider whether it is a tax to raise revenue for any public purpose as distinct from a tax to be used to buy submission to an economic experiment.

It is not the motive which actuates the laying of a tax, but the purpose for which the revenue is raised, which determines whether it comes within the taxing power.

The United States is not a territorial sovereign over the land within the several States, and has not the implied powers of taxation of such a sovereign. It has only the powers of taxation expressly given, namely, "to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States." A levy for any other purpose is not a tax within the powers of the Congress to lay. It is not that the levy is an abuse of the powers of Congress. It is that Congress has no powers in this respect to abuse.

Congress, under the taxing power cannot lay a duty which is not to provide revenue but to prohibit importation. If the duty does not prohibit the importation, the levy has provided revenue. If it does prohibit importation, nobody has been unlawfully deprived of money paid in unlawful duties. There is another clause of the Constitution which permits the Congress to regulate foreign commerce and, therefore, to prohibit a portion of it whether it be by direct prohibition or by the obstacle of an insurmountable duty. It may order that no Canadian sealskins shall enter or only those which pay a 500-percent duty.

If the proposed act to regulate production within a State invades the domain of the State, it is immaterial whether or not the individual farmer in defiance of his allegiance to the State agrees to the invasion. Coercion or no is important only when another question is under consideration, namely, that of invasion of his individual liberty. It is unnecessary to consider that feature if the attempted act is bad, because it invades the State.

It is also unnecessary to consider whether, even if the attempted imposition is to provide revenue for the national welfare, it is an excise which is uniform throughout the United States. It may be conceded for the purposes of argument that it is territorially uniform in that it applies to every cotton processor or to every miller throughout the United States. In that sense it would be uniform throughout the United States if it was applied to every city throughout the United States that had a population of more than 4,500,000 people and no other. Is it uniform throughout the United States if it applies only to cotton processors and to millers and to slaughterers, if there is no conceivable reason for disclassifying them from those conducting normal operations in industry? Is there any conceivable reason for selecting the particular operations attempted to be selected, even if it is to provide revenue to pay to subservient farmers, when one of the objects sought to be accomplished is to raise the price of the raw materials which the excise-paying processors must pay? Is it a double-or-quit plan? Is there any conceivable reason for placing the burden of the needed levy upon these classes in the community, rather than on the similar operations of the wool manufacturers and of the sugar refiners? Is it uniform throughout the United States if there is no conceivable reason for the selection of the particular classes which it incides? These questions need not be answered if the other considerations dispose of the proposed act. The difference between such an excise and that upon luxuries such as whisky, tobacco, candy, and theater attendance, is obvious at a glance.

Throughout the foregoing submissions of opinion there has been no presumptuous disregard of what has been said by the justices, the judges, the statesmen, and the publicists of the last 147 years, whether they be the wise ones, the less wise, or the foolish, the great, or the small. The effort has been to approach the grave problems afresh, with the application to them of only that intelligence which is so widely possessed by the common thinkers of these 48 sovereign States when they devote themselves to unbiased and dispassionate consideration of grave issues.

What has been said expresses my opinion in many respects first formed since January 6, 1936. They are held firmly, but ready for speedy change and confession of error on being shown it. What has been said has been stated with no more certainty than the opinion is held; but it has been stated didactically with the intention of infuriating others to the point of replying to what is wrong so that the opinion may be changed in those particulars.

Mr. Reader, a long way back you were invited to take a buggy ride to explore this territory in partnership with me. If you have accepted the invitation, and have been able to keep awake to read to this point, you have profited by so much of what has been said as is right. I have performed my part of the partnership agreement, by telling you, as best I can. You, by taking this profit, seem to have come under the obligation to me to write me what is wrong in what has been said, and your reasons for thinking so. In writing me do not tell me what judges and statesmen have said, because that is outside the scope of this particular plan—and those sayings are in the books, readily accessible, and can be read more easily and more safely in the context in which they were uttered. What is wanted is your reasoning as a man or woman of common intelligence.

The statements made, if right, point to this: The Supreme Court of the United States, even by a unanimous opinion, has no authority to declare an act of the Congress unconstitutional. The Congress has no power to make a law which it has no power to make. The Members of Congress cannot, even by a unanimous vote, increase that power. The Supreme Court of the United States is under a duty and obligation to do justice between party and party. It is injustice to adjudge a man to pay what he does not owe by any law, whether the judgment is reached by unanimous decision or less than that. The determination of the boundary lines between and among the 49 sovereign governments is a judicial act, not to be performed by the wisest of legislative bodies. The determination of the boundary between the laudable political aspirations of members of legislative bodies for welfare, on the one hand, and the liberty of the 48 peoples on the other, is a judicial act. The judgment of the Circuit Court of Appeals that the receivers of the Hoosac Mills did not owe the United States $81,000 by law was right. A judgment by the Supreme Court to reverse it, because three justices thought that it should be reversed when six thought that it should not be, would have been an error and beyond its constitutional right. The final judgment of the Supreme Court was right. The fact that the conscience of three justices made it impossible to give unanimity to that judgment, brings no loss to the receivers of the Hoosac Mills but a great loss to the people of these 49 Republics, by the absence of that much greater and more widespread solidarity of thought among them which would have come from that unanimity.

Experience has disclosed that in answering the questions as to the locations of the boundaries between and among the respective domains of the 49 sovereign governments and the question of the location of the boundaries of the laudable political aspirations of legislators for welfare on the one hand and the liberties of the 48 peoples on the other, the men who now are and have been Justices of the Supreme Court of the United States have replied, when required by their obligations to decide between party and party, with as much wisdom in judgment and as much freedom from political aspirations as can be expected to be found among humanity. No nearer approach to omniscience on this judicial ques-

tion is to be expected from the members of the legislative branch of a government.

The settlement of the judicial question of disputed boundaries is placed in the best available human hands. To require the concurrence of more than a majority of the Justices would transfer the power from a majority to a minority of the Court. In the long run that would not be wise.

DEPORTATION OF ALIENS AND RESTRICTION OF IMMIGRATION

Mr. GIBSON. Mr. President, I ask unanimous consent to have inserted in the RECORD a resolution adopted by the American Legion, Department of Vermont, on August 3, 1935, relating to immigration and the deportation of undesirable aliens.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the American Legion, Department of Vermont, in convention assembled this 3d day of August 1935, being duly aware of the widespread unemployment existing in the United States (currently estimated at 10,000,000); and

Whereas it has been estimated by competent authorities that there are resident in the United States at the present time, aliens to the number of 11,000,000, of whom 3,400,000 are here unlawfully; and

Whereas there are now between 1,000,000 and 1,500,000 aliens on public-relief rolls of this country; and

Whereas it must be evident to all thinking persons that the 3,400,000 aliens unlawfully in our midst are either on relief or holding jobs rightfully belonging to United States citizens, or aliens legally resident in this country; and

Whereas it is very evident that if this country were purged of the aliens now unlawfully here and new immigration further restricted, that our unemployment would be greatly reduced and our relief problem much simpler; and

Whereas the Honorable MARTIN DIES, Congressman from Texas, has introduced a bill (H. R. 5921) in Congress, which if enacted, will greatly alleviate the above conditions; first, by reducing all present immigration quotas by 60 percent and placing quotas on all countries on the continents of North and South America; and, second, by deporting all aliens unlawfully resident in the United States and by making mandatory the deportation of certain alien criminals whose deportation is now greatly restricted; and third, by requiring all aliens in the United States as residents to take steps toward becoming American citizens within 1 year from the date of the enactment of said act; and

Whereas other countries have adopted similar measures for the protection of their citizens, and in some cases measures much more drastic than those proposed by H. R. 5921; and

Whereas the betterment of industrial and social conditions in the United States is of prime interest to the American Legion: Now, therefore, let it be

Resolved, That the American Legion, Department of Vermont, in convention assembled, go on record as favoring the passage of H. R. 5921, introduced by the Honorable MARTIN DIES, and that a certified copy of this resolution be forwarded to him, also to the Vermont delegation in Congress, and to the national headquarters for their consideration.

LEGISLATIVE PROGRAM OF NATIONAL GRANGE

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD the legislative program adopted at the recent meeting of the National Grange, one of the great agricultural organizations of the country.

There being no objection, the program was ordered to be printed in the RECORD, as follows:

LEGISLATIVE PROGRAM OF THE NATIONAL GRANGE

1. EQUALITY FOR AGRICULTURE

The declared purpose of the Agricultural Adjustment Act (invalidated by the Supreme Court since the Grange convention was held) was to give the farmer price parity with industry on the pre-war basis. While the framework of this plan has been found to be out of harmony with the Constitution, its fundamental purpose, to give the farmer a more just proportion of the national income, was sound and must be kept steadily in mind in the framing of a new program. This Nation cannot endure in an economic sense with two price levels—one a high price level for industrial commodities and the other a low price level for agricultural commodities.

2. THE FEDERAL CONSTITUTION

The Grange has an abiding faith in the excellence and fundamental soundness of the basic law of the land. While we do not look upon the Constitution of the United States as sacred in the sense that it should never be changed, even in its minor details, we are firmly convinced that the checks and balances contained in it as between the legislative, executive, and judicial departments must be maintained.

The Grange does not look with favor upon the proposal that the Constitution should be amended in such a manner as to greatly expand the powers of the Federal Government in certain directions, since this could not be done without restricting in a corresponding degree the rights of the States and of individuals.

3. CONTROL OF MONOPOLY

It is manifest that the blessings of political liberty cannot be fully enjoyed under a system which permits monopolies and monopolistic practices to rob the people of the fruits of their toil, reducing them to a state of economic vassalage. We favor the enforcement of the Sherman antitrust law, with any clarifying and strengthening amendments that may be needed to enable us to cope with present-day conditions.

4. RECIPROCAL TRADE AGREEMENTS

The making of reciprocal trade agreements under our most-favored-nation policy, whereby we gain concessions from one country while making concessions to many, does not meet with the approval of the Grange. These trade treaties should be ratified by the United States Senate before becoming effective. If this safeguard is not provided, the Reciprocal Tariff Act of 1934 should be repealed.

5. LAND UTILIZATION

The goal of any long-time policy for land utilization should be the preservation of the family and medium-sized farm unit. Corporation farming is un-American and fatal to both our democracy and our type of agriculture. The very large farm should not receive encouragement from the Government. Following is a concise outline of Grange policy on this question:

(a) If, under prevailing conditions, new land is brought under cultivation at public expense, the Government should purchase and retire from agricultural production a much greater amount of submarginal land.

(b) Submarginal agricultural land should be utilized for pasture, timber production, recreational uses, game preserves, or other purposes.

(c) The most precious inheritance that we have received from the distant past is the fertile soil. The Grange heartily endorses the work now being done by the Soil Conservation Service, which is of inestimable importance to the future of our country.

(d) We favor the restoration of the Bureau of Soils as a separate entity under the Department of Agriculture.

(e) It is in the national interest that there be retained in the Department of Agriculture the complete management of the national forests, the Soil Conservation Service, and the Biological Survey. Nationally owned lands of primary value for timber production, water and soil conservation, and grazing, including lands administered under the Taylor Grazing Act, should be transferred to the Department of Agriculture.

6. TAXATION

The mounting deficits sustained by the Federal Treasury emphasize the need of economy in governmental expenditures. Every effort should be made to balance the Federal Budget at the earliest practicable date.

The present situation calls for the continuance of heavy income and inheritance taxes in the higher brackets, especially upon high and excessive salary incomes, together with excessive corporation profits. The gift tax must be high enough to prevent tax evasions.

We reaffirm our vigorous opposition to the imposition of a general sales tax, because such a tax ignores the principle of ability to pay and is levied upon the necessities of the people.

We oppose the further issuance of tax-exempt bonds and securities, together with unreasonable tax exemptions in any form.

We favor the appointment of a Federal commission to make a study of our whole system of taxation, Federal and State, with a view to securing a more just and equitable distribution of the burdens of government and greater economy in the assessment and collection of taxes.

7. TARIFF POLICY

Following is an outline of the tariff policy adopted by the National Grange:

(a) So long as the American protective policy is maintained, we favor such rates of import duty as will insure the American market to the American farmer upon farm commodities that can be produced advantageously in any part of our country.

(b) Since it is well understood that producers of surplus crops receive no direct tariff benefits, equality and justice demand that import duties on commodities which the farmer must buy should be fixed at fair and reasonable levels.

(c) We advocate that growers of crops of which we produce an exportable surplus shall be accorded benefits to equalize tariff costs, as provided under the export debenture plan.

(d) Because the natural resources of the country should be wisely used and conserved for the benefit of this and succeeding generations, we affirm that it is contrary to sound public policy to impose tariffs for the protection of such resources as cannot be renewed when they are once exhausted.

(e) In no case should tariff rates be granted which breed monopoly, enriching the few at the expense of the many, and which encourage inefficiency rather than efficiency in American industry.

(f) We reaffirm the long-established policy of the Grange in demanding "tariff for all or tariff for none."

8. RAILROADS

Railroads should cooperate to reduce competitive expenses; unnecessary services should be abandoned; metropolitan terminals should be consolidated and circuitous haulage should be eliminated. We believe that the railroads should be permitted to engage in motor transportation under proper conditions, and we favor the elimination of some of the restrictions on railroads which were necessary when they had a monopoly of land transportation.

The Grange is unalterably opposed to the proposal for the repeal of the long- and short-haul clause of the Transportation Act, which provides that railroads may not charge more for a short haul than for a longer one.

9. MOTOR TRANSPORTATION

We approve of the appropriations made by the Federal Government for highway construction, including the allocation for a just proportion of such funds for the improvement of farm-to-market roads. The attitude of the Grange regarding the regulation and taxation of motor vehicles is as follows:

(a) The interest and safety of the public require enforcement of proper restrictions regarding the size, weight, and speed of all motor vehicles moving over the public highway.

(b) Such regulations should be uniform as between the several States, and there should be reciprocity between the States, based on such uniformity.

(c) The power to regulate is a police power lodged with the States. As a basis for regulation, we commend to all the States adoption of the uniform code for the regulation of traffic, approved by the American Association of State Highway Officials and the United States Bureau of Public Roads.

(d) With respect to highway taxation, each motor vehicle should be taxed its fair share of the cost of the highways which it uses. The State should be the sole taxing agency.

(e) Every special tax collected for highway improvement should be conserved for that purpose alone. Consequently no gasoline tax diversion should be permitted.

(f) No taxation or regulation of motor vehicles should be permitted which has for its purpose any increase in cost or restriction in use in order to equalize competition between motor transportation and other forms of transportation.

(g) We advocate the repeal of the Motor Carriers' Act of 1935 on the ground that this legislation is not in the public interest.

10. INLAND WATERWAYS

Since the Federal Government, over a period of many years, has expended large sums of money for the development and improvement of our inland waterways, the Grange is opposed to the adoption of any policy which would destroy the value of this wise investment. Our water-borne commerce should not be hindered or restricted by unnecessary regulation and interference on the part of the Government, as is proposed in pending legislation on this subject.

11. AGRICULTURAL CREDITS

We commend the Farm Credit Administration for the excellent service it has rendered to agriculture during the past several years. It is of vital importance that interest rates on farm mortgages held by the Federal land banks be kept at the lowest level consistent with a sound loaning policy. We urge Congress to restore to farmer borrowers the right to name a majority of the directors of the land banks, as was provided under the original Farm Loan Act. The Governor of the Farm Credit Administration should not be permitted to dismiss without cause district directors of the land banks, as he may do under the Farm Credit Act of 1933.

12. MONETARY STABILIZATION

The Grange stands for an honest dollar, a dollar that will be fair to debtor and creditor alike. We advocate an amendment to the Banking Act of 1935, under the terms of which Congress will give a mandate to the Board of Governors of the Federal Reserve System to manage the currency in such a way as to restore the average price level obtaining between 1921 and 1929, and then to stabilize the purchasing power of the dollar at that point. Congress should exercise the authority conferred upon it by the Constitution "to coin money and regulate the value thereof."

To save interest on the public debt we believe it would be sound policy for the Government to issue non-interest-bearing Treasury notes, not exceeding $3,000,000,000, in providing relief funds or financing any further public-works projects that may be undertaken. In issuing such currency definite provision should be made for its redemption at a given rate per year.

13. PRICES OF FARM MACHINERY

We favor congressional action directing the Federal Trade Commission to investigate corporations engaged in the manufacture, sale, or distribution of agricultural implements and machinery to definitely establish whether or not unfair trade practices and price-fixing agreements are responsible for the continued unreasonably high prices demanded of farmers for such equipment.

14. AGRICULTURAL EDUCATION

We approve of the additional appropriations authorized at the last session of Congress for the endowment of our land-grant colleges and for the further development of extension work in agriculture and home economics, together with more adequate funds for the support of State experiment stations. We likewise favor adequate appropriations for the support of vocational education. These appropriations represent an investment paying substantial dividends.

We recommend that the Smith-Lever Act be so amended as to forbid direct or indirect contributions to the agricultural Extension Service on the part of private citizens, chambers of commerce, farm organizations, or similar groups, so that extension workers shall be paid entirely from public funds, leaving them free to serve the people without favoritism or discrimination. In no case should the Extension Service be dominated by any particular farm organization.

15. PACKERS AND STOCKYARDS ACT

We advocate the amendment of the Packers and Stockyards Act to provide for the more effective regulation by the Department of Agriculture of the marketing of livestock. Direct buying by the packers merely in an effort to evade the law and depress prices must not be further tolerated.

Packers should likewise be prevented from engaging in large-scale feeding projects, either directly or through financial interest.

16. AGRICULTURAL RESEARCH

We favor continued Federal support of agricultural research, particularly with a view to discovering new uses for farm products and the utilization of surplus crops. Further experimentation in the manufacture of industrial alcohol from farm products would be especially helpful.

17. RURAL ELECTRIFICATION

We are in sympathy with the movement sponsored by the Government for rural electrification; but before electricity can be brought within reach of the average farm family, extortionate rates for service must be eliminated. In loaning Government funds, public power districts and nonprofit cooperative associations should be given the preference.

18. IMITATION DAIRY PRODUCTS

It is of vital interest to the dairy industry as well as to the consuming public that all legislation for the control and regulation of manufacturers of and dealers in imitation dairy products should remain in full force and effect. We emphasize our support of the essential features of a proper oleomargarine-control law, namely:

(a) Adequate licensing of manufacturers, wholesalers, and retail dealers.

(b) An inclusive definition of the imitation product, including color specifications.

(c) Clear provisions for labeling and notice to the buyer.

(d) License fees and tax sufficient to cover Government cost of enforcing the law, and to prevent unfair competition with the dairy industry.

(e) We ask for such legislation as may be necessary to prevent mail order or other interstate sales of oleomargarine which are in violation of such laws as are now in force or may hereafter be enacted.

19. UTILITY HOLDING COMPANIES

We advocate abolition of needless holding companies, which in most instances simply serve the purpose of hiding the excessive profits earned by public utilities.

20. PURE FOOD AND DRUGS ACT

Nearly 30 years of experience in the administration of the Pure Food and Drugs Act has shown its great value, besides disclosing certain inadequacies to control present-day abuses. This legislation should be so amended as to bring collateral advertising within the scope of the act.

21. CONTROL OF LIQUOR TRAFFIC

The results following the repeal of the eighteenth amendment, which speak for themselves, emphasize the need of doing everything possible to protect society against the ill effects of the liquor traffic. We are as much opposed to this demoralizing traffic as ever. The Grange position on this question is summarized as follows:

(a) We oppose the sale of intoxicants in the immediate vicinity of churches, schools, and colleges.

(b) We oppose the advertising of intoxicants over the radio, in newspapers or magazines, and in moving-picture theaters.

(c) The element of profit should be eliminated as much as possible from the manufacture, distribution, and sale of intoxicants.

(d) We favor the adoption of adequate measures by the Government to protect dry States from the shipment of intoxicating liquor across their borders from wet territory, fulfilling the pledge that was made by the advocates of repeal.

(e) We are opposed to excessive taxes on liquor, since excessive taxation will encourage bootlegging, official corruption, and general violation of the law.

(f) We recommend that granges throughout the land join with other organizations in promoting a campaign of education, calling attention to the evil effect of strong drink, exposing the fallacy of the idea that any nation can drink its way to prosperity, and emphasizing the truth that decency and sobriety are virtues that bring their own reward.

21. POOLING MINERAL WEALTH

We favor action by Congress that will promote and encourage the pooling of petroleum and other mineral resources underlying farm lands.

22. POSTAL REGULATIONS

We favor legislation that, while not interfering with the monopoly of the Government in carrying the mails, will nevertheless enable business and cooperative institutions to send bills, statements, checks, and similar matter to customers or members by messenger, without undue interference from the Post Office Department.

23. LAND OWNERSHIP

We favor legislation prohibiting land ownership or leasing in the name of minor children born in the United States of alien parents, when the latter are prevented by law from leasing or owning land.

24. REGISTRATION OF ALIENS

We favor legislation requiring that all aliens be registered by the Federal Government and compelled to pay a registration fee of from $5 to $10. Those who fail to become naturalized within a period of 10 years should be deported. We oppose any weakening of the present immigration laws.

25. OLD-AGE PENSIONS

While recognizing the obligations of society to the aged and needy, we reaffirm our opposition to any form of old-age pension which will discourage thrift and personal effort during the productive years of life.

26. REGULATING COMMODITY EXCHANGES

The Grange advocates needed legislation for the regulation of commodity exchanges, which, while not forbidding legitimate hedging, should prohibit pure gambling in agricultural products.

27. TRAIL SMELTER DAMAGES

We urge the Federal Government to do all in its power to secure speedy justice for those farmers in the State of Washington whose crops and livestock have been damaged and whose health has been impaired by the sulphurous fumes of the Trail Smelter, located across the boundary line in British Columbia. Any settlement of the case should make adequate provision for future control of the smelter fumes.

28. TAKING PROFITS OUT OF WAR

We reaffirm our position in favor of taking the profits out of war. Legislation should be enacted providing that in the event of future armed conflict wealth, as well as man power, should be conscripted. The manufacture of armaments and munitions for national defense should be taken over by the Government in time of war.

29. HONEST MERCHANDISING

We favor legislation for truth in fabrics, both for the benefit of agriculture and the protection of the consumer. Labeling shoes to indicate the materials used in their manufacture should likewise be required.

30. WORLD PEACE

We earnestly advocate that the Government of the United States continue to exert every effort to promote peace and good will among nations. Since disarmament on a purely national basis is not practicable, we cherish the hope that our Government may use its best endeavors to bring about reduction in armaments on an international scale.

We favor a sound neutrality policy that will save America from becoming entangled in foreign wars of greed, hatred, and aggression, and which are of no direct concern to us.

COURT OR CONGRESS?—ARTICLE BY HOWARD LEE M'BAIN

Mr. BANKHEAD. Mr. President, the New York Times Magazine of last Sunday contained a most interesting and informative discussion of the recent Supreme Court decision on the Agricultural Adjustment Act by Howard Lee McBain, dean of the graduate faculties and Ruggles professor of constitutional law at Columbia University. I request unanimous consent to have it printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times of Jan. 19, 1936]

THE ISSUE: COURT OR CONGRESS?—PROFESSOR M'BAIN SEES BASIC QUESTIONS ARISING AS A CONSEQUENCE OF THE A. A. A. DECISION

By Howard Lee McBain

The Hoosac Mills case will live to torment the defenders of judicial supremacy long after the issue of farmers' relief has become a historical episode. It may ultimately have some profound effect upon American institutional development than all of the New Deal experiments rolled into one.

At the moment this possibility is obscured. So much heat has already been engendered over the New Deal that clear thinking on public questions and especially on constitutional questions is now at high premium. The decision is naturally damned by the pro-New Dealers and hailed by the antis. And that seems to be about all there is to it.

Probably not many in either camp have read more than the headlines. Almost certainly not all of those who have read the decision have understood it, which is not wholly their fault, for it is not easy to understand. But I predict that in a more sober hour it will be read and analyzed by far larger numbers than at present and that it will live on into the years to plague its begetters.

It will not only be grist for the mill of the liberals and radicals who have long opposed the institution of judicial supremacy as such; it will weaken or shatter the faith of many who, though they have sometimes greatly deplored specific results of the Court's power to declare laws void, have, nevertheless, believed in the general beneficence and wisdom of judicial review as an institution.

The plight of the farmer, not only in itself but also in its relation to the national economy as a whole, is of great importance. No doubt it will be somehow met, though probably by no scheme that will not enlist wide and substantial opposition. The A. A. A. was not the only possible solution that might have been attempted. At most it was far from perfect. So much was frankly admitted by most of its intelligent supporters. Many intelligent persons who opposed it thought it positively pernicious.

But the judges of the Court had no business to concern themselves with this fact of disagreement or to be influenced in the slightest degree by their own personal views concerning the wisdom or unwisdom of the policy under review. Their function was to determine, not whether Congress had acted wisely and intelligently in enacting the law, not whether the A. A. A. was good or bad, but whether Congress had the power to enact it even if the policy it embodied was, in their economic opinion, thoroughly vicious.

As usual, the Court in this case protests its innocence in this regard: "This Court neither approves nor condemns any legislative policy." This has become, as it were, a kind of juristic ritual, solemnly recited in all such cases by way of introduction as the procession of the Court's thoughts moves toward the statutory death chamber. It is, if one may so put it without undue respect, a sort of "whistling in the moral dark" in the final dread hour of a law's execution.

I have often wondered why the Court thinks this protestation requires such constant reiteration. It is, after all, merely a maxim of proper judicial conduct, a standard for the Court's own governance. Why, then, should it not be taken for granted that both the public and the litigants will assume that the Court is performing its judicial duty with scrupulous propriety?

Apparently, however, the dissenting judges did not take this protestation of the majority at its full face value, as many others outside the Court have refused to take it in times past, and will refuse again in this instance. For the dissenters went further than merely to disagree with the majority's arguments. In language so strongly phrased and pointedly directed that its inferences can scarcely be avoided, the minority appear to accuse the majority of not restricting themselves to their judicial duty as prescribed by this oft-avowed and here reiterated rule of conduct.

This accusation was, of course, not made in so many direct words. The proprieties of the bench as well as the manifest necessity for a continuance of close association among the judges impose exactions upon a judge's freedom of speech where the seemliness of his colleagues' conduct is involved. Vigorous and argument-shattering dissents are by no means unknown. Sarcasm and irony are not wholly novel. But never before that I can recall has a dissenting minority gone quite so far toward calling into question the motives of the majority and clearly implying that they have abused their judicial prerogative.

Let one or two of Mr. Justice Stone's expressions speak for themselves:

(1) "The suggestion that it (the power of the purse) must now be curtailed by judicial fiat because it may be abused by unwise use hardly rises to the dignity of argument. So may judicial power be abused."

Now, "fiat" is no soft word. True, Justice Stone does not expressly declare that the opinion of the majority is mere fiat—that is, a command established, as it were, by judicial omniscience and therefore without any necessary reference to the Constitution, which is the only source of the Court's competence. Likewise, he does not specifically say that this particular opinion of the Court is an abuse of judicial power. But are not both implications fairly unavoidable? And surely any line of reasoning that does not rise to the dignity of argument is in itself an abuse of judicial power.

(2) "A tortured construction of the Constitution is not to be justified by recourse to extreme examples of reckless congressional spending."

Here, again, there is no direct assertion that the construction put upon the Constitution by the majority is tortured. But what other inference can possibly be drawn from this declaration? And what possible motive could prompt a tortured construction except a determination to annul the law at whatever cost to constitutional reasoning?

(3) He goes on to assert that suppositions based upon these extreme examples of congressional spending "must leave unmoved any but the mind accustomed to believe that it is the business of courts to sit in judgment on the wisdom of legislative action." Once more, be it said, he does not explicitly declare that he here refers to suppositions indulged in by the majority. Yet the majority opinion contains such suppositions at considerable length, and the implication is almost unescapable that he accuses them, at least to that extent, of being motivated and controlled by their views concerning the wisdom of the law.

The foregoing quoted excerpts from the minority opinion indicate more than a mere disagreement among the judges over the meaning and application of constitutional words. They justify the deduction that the minority intended them to mean something more—intended them to challenge the motives that prompted the decision of their colleagues and to charge the majority with having stepped outside their proper function as guardians of the Constitution and usurped the role of arbiters of legislative policy.

This is a grave charge, coming as it does from critics who have opportunities not open to the rest of us for discovering the mainsprings of thought that lie beneath and behind judicial action and utterance. For these critics have not only read the opinion that was written but have also, unlike the rest of us, sat around the table and exchanged arguments—no doubt hot arguments—with him who wrote and those who subscribed to that opinion.

It may be said, however, that, even though its pronouncement by a judge is unique, there is nothing new in the charge that the

Court, in declaring a law unconstitutional, often gives expression to what is in fact, no matter how disguised in judicial rhetoric, merely the personal judgment of the judges concerning the wisdom of the law. This is true; such a charge has frequently been made. Moreover, the charge itself is also true; decisions have been made upon this basis. Indeed, in construing and applying certain vague phrases of the Constitution, it is difficult to see (barring the possibility of a court of superjudges) how the result could be otherwise.

Take the phrase "due process of law." Except as a very general adjuration that decency and fairness must be observed in matters of procedure affecting personal and property rights, the phrase is practically meaningless. But the Court early gave it a violent twist that made it apply to and cover not only procedural requirements but also substantive law; that is, statutes that attempt to establish public policies by regulating the conduct of individuals in their economic and social relations to one another as well as to the Government.

This twist enormously expanded the scope of due process; but as an indication of what the Government might or might not concretely do in the matter of fixing policies, the phrase was still utterly meaningless. The courts have supplied out of their own consciousness the only meaning that it has.

In the course of the years a good many tests of what is and what is not due process have been handed down by the courts. "Handed down" is an apt term, for these tests have had their origin not in the meaning of the constitutional phrase itself but wholly in the political and social philosophies of the judges, however acquired.

Now, in this slow and still incomplete process of etching, line by painful line, the meaning of this manifestly meaningless phrase, it has been inevitable that the views of judges concerning the wisdom of legislative policies have played an important, perhaps a controlling, part. For not many judges are able or willing, as was Justice Holmes, for example, so to detach themselves from their personal views and predilections as to refuse to join in annulling a law under due process, even though they have no sympathy for or belief in the wisdom or efficacy of its policy. Many of their opinions prove conclusively their incapacity to perform this difficult intellectual feat.

But if it be conceded that, at least so far as due process is concerned, this practice is not wholly uncommon of determining the constitutionality of a law by applying the Court's views of its goodness or badness, its wisdom or unwisdom, in what respect, if any, does the Hoosac case differ?

Does not that case also merely construe and apply for the first time in our judicial history another vague and hitherto undefined phrase of the Constitution, to wit, the phrase "general welfare"? Under the institution of judicial supremacy, was not the Court compelled, whether it wished to do so or not, to give meaning and specific application to this phrase? And if, in giving this meaning and application, the Court was swayed by its convictions in respect of the wisdom of the law, well, what of it? Is this not merely following the sometime practice of the Court in construing that other vague phrase, "due process"?

The parallel seems striking; indeed, almost perfect. And it would be perfect in fact if the Court had done what it might have done and what many persons, with or without reading the opinion, appear to think that it did do. Had the Court merely said that the Constitution empowers Congress to levy taxes "to provide for * * * the general welfare", but that in its opinion (supported by whatever line of reasoning it chose to pursue) this law was not for the general welfare, the analogy of the Hoosac case to many of the due-process cases would have been indisputable.

But, despite what appears to be a widespread impression to the contrary, this is precisely what the Court did not do. On the contrary, it declared most emphatically: "We are not now required to ascertain the scope of the phrase 'general welfare of the United States' or to determine whether an appropriation in aid of agriculture falls within it. Wholly apart from that question another principle embodied in our Constitution prohibits the enforcement of the Agricultural Adjustment Act."

In the Hoosac case, therefore, the general-welfare clause was put wholly aside. The other "principle" with which the Court found the law to be in conflict was that "the act invades the reserved rights of the States." This was the point and the only point upon which decision in the case was reached.

In applying this principle one important aspect of the matter seems to have escaped the attention both of the majority and the minority. What right of the States, it may be pertinently asked, did the law of Congress invade? Well, the Court held that the A. A. A. was a law controlling agricultural production; so it must have invaded the right of the States to control agricultural production.

But whoever heard of a State's exercising any such right? A more ludicrous policy for any State to attempt on its own could scarcely be imagined. How its sister States would chortle! Apparently, nevertheless, it was to preserve this precious theoretical right of the States, a right which for obvious practical reasons they would never dream of exercising in isolation, that the law of Congress was held to be fatally defective. It would be difficult to discover a more inappropriate subject of law as a text for the Court's spread-eagle remarks on the danger of destroying the local self-government of the States and "obliterating the constituent members of the Union."

Be that as it may, the Court proceeded to apply this principle of States' rights by a specious course of reasoning, the very core of which the dissenting judges justly assert "is contradictory and destructive of the power to appropriate for the public welfare and is incapable of practical application."

In these circumstances and wholly irrespective of the fate of the A. A. A., an unbiased mind, jealously interested in the proper functioning of our institutions, including the institution of judicial control, is driven almost in spite of itself to suspect that the Court was not prompted and governed, as it should have been, solely by the desire and purpose to apply to the law a rational interpretation of the Constitution. This suspicion would be justified even if the dissenting judges had been less accusatory in their implications. Such an unbiased mind can hardly escape the conclusion that the Court was determined to kill this law no matter what sacrifices of logic and reasoning was necessary in the process of torturing the Constitution to that end.

Why was the "general welfare" clause avoided? Possibly because it would have been palpably absurd to declare that Nation-wide relief for the distress of agriculture was not for the general welfare, but possibly also because of the magnitude of the implications of such a doctrine as applied to numerous other laws of Congress, involving both in retrospect and prospect untold billions of dollars. In avoiding the Scylla of these implications, however, the Court ran head-on into the Charybdis of others equally grave, as was amply demonstrated in the dissenting opinion.

There will be many who will call this decision political. Some will employ the uglier word—partisan. Not all of these will be pro-New Dealers or persons who believe in the soundness of the A. A. A. as an economic policy. There will be those who will seriously question whether the decision, had it been handed down 18 months ago, would have been identical in tone and result though the Constitution is not supposed to change with the season.

Almost certain it is that had the decision been rendered at that time there would have been an immediate, widespread, and powerful movement either to wipe the decision off the books by amending the Constitution or to destroy or otherwise cripple the power of the Court to declare laws of Congress unconstitutional. In the present hour the tide has run and is running so strongly against the New Deal that no such movement is politically possible.

It is, however, in the possibility of a movement at perhaps no very distant date to curb the power of the Court in this regard that the Hoosac case seems to me to be of principal importance. In such a movement it will play a conspicuous role. Decisions of the Court sometimes gain in import with the passage of time. Marbury against Madison, one of the most famous cases of our history, aroused no comment whatever at the time of its rendering because its political significance had disappeared. Its institutional significance appeared at a later day and established its fame.

The immediate political significance of the Hoosac Mills case will likewise disappear. But its institutional significance will, in my judgment, increase with the lapse of years. It is a shining and warning example of judicial supremacy at its worst.

In considering judicial supremacy as an operating institution of vast importance in our scheme of government, the interested public does not always distinguish between the power of the Court to declare laws of Congress void and its power to declare State laws void. The institution operates far more frequently upon State than upon national laws.

Sometimes the annulment of a State law attracts much wider attention and invokes far greater criticism than the annulment of some national law. For example, *Lockner* v. *New York*, involving a State 10-hour bakeries law, was long a veritable firebrand in the hands of those who would without further ado ruthlessly raze the whole tabernacle of judicial control.

On the other hand, most people never heard of the O'Donoghue case, which less than 3 years ago held void a provision of an appropriation act of Congress in its application to the salary of a lower Federal judge. In other words, the degree of public interest that is enlisted by a case in which the Court vetoes a law is determined by the subject of the law rather than by the question of its State or National origin. In consequence, the critics and opponents of judicial control usually assail the system, branch and root.

There is, however, a distinction. It was voiced by Mr. Justice Holmes when he said in 1913: "I do not think the United States would come to an end if we lost our power to declare an act of Congress void. I do think the Union would be imperiled if we could not make that declaration as to the laws of the several States."

He meant that in a Federal system such as ours there must be some national authority empowered to prevent the individual States from encroaching not only upon national powers but also upon the powers of one another. He was manifestly right; and probably no authority more appropriate than the Supreme Court could be devised for this purpose.

But the control of the Court over State laws does not end with keeping them in leash to the Federal idea. The due-process ogre, for instance, has no bearing whatever upon Federalism. Nor have most of the cases in which the Court's defeat of State laws has been severely criticized had any such bearing.

Judicial annulment of acts of Congress has developed very slowly in practice. Only two laws were voided in the first 75 years of our history. In the 35 years from the Civil War to the close of the century only 23 laws fell. In the next 33 years, or down to the administration of the present Roosevelt, the number was 41. This gradual increase was natural; for Congress was expanding its powers, doing more things than formerly. Even so, many of these laws were of trivial or transitory importance.

Perhaps the only acts in our entire history antedating the New Deal that marked high spots of judicial annihilation were the Missouri Compromise over slavery, the Legal Tender Act (promptly overruled), the Civil Rights Act of the reconstruction era, the Income Tax Act of 1894, the act of 1898 prohibiting interstate carriers from discriminating against labor unions, the first and second child-labor acts, the Minimum Wage Act for the District of Columbia, the Federal Corrupt Practices Act as applied to senatorial primaries, and an act requiring senatorial confirmation of Presidential removals from office. In all, only 10 laws of first-rate significance!

But in 2 short years the Court has already struck down eight acts of the New Deal Congress, five of which (the hot-oil provision, the Railway Retirement Act, the N. I. R. A., the Farm Mortgage Act, and the A. A. A.) were of very great importance. Even the gold-clause resolution was only partly salvaged from destruction. And the end is by no means yet. Other important acts are awaiting almost certain slaughter at the hands of the Court.

In its operation upon acts of Congress prior to the New Deal era the institution of judicial control, tested by the small number of important instances in which its destructive gavel has fallen, seems scarcely to justify the vehemence and scope of the attacks it has provoked. This is no doubt explainable in large part by the already-mentioned failure of its critics to distinguish always between the two uneven barrels of its gun, the one aimed at national laws, the other at laws of the States. The totality of its restraints has given rise to a cumulative and undiscriminating opposition.

Yet, strangely enough, most of the proposals that have been put forward to curb the power of the Court have been directed to the end of protecting only acts of Congress, not laws of the States. These proposals have included (1) the complete withdrawal of this power from the Court; (2) an amendment providing that the reenactment of a law held unconstitutional shall operate to override the Court's veto (much as a Presidential veto may be overridden); and (3) the requirement of an extraordinary or even a unanimous vote of the judges to render a law inoperative on the grounds of unconstitutionality.

The suggestion that, if Congress increased its membership and the President appointed additional judges, the Court might thus be "packed" to sustain a program of questioned laws may doubtless be dismissed as politically chimerical at this or almost any other time. This would be a high-handed procedure and at most only a palliative.

No one of these proposals should be—and, needless to say, in normal times no one of them will be—adopted without wide discussion and studied consideration. That judicial control has objections may be admitted. But there are likewise objections to each of these proposed "cures."

A movement to adopt some such remedy, however, may gain headway in the course of time—perhaps at no distant date. We have recently witnessed and experienced swift changes in our political thinking. Swift changes may occur again. If and when the time arrives, a decision such as that in the Hoosac case will certainly give impetus and power to any movement directed toward the destruction or the emasculation of the institution of judicial supremacy.

Mr. Justice Roberts, the spokesman of the majority, expresses grave concern over the danger that Congress may obliterate the States and thus destroy our Federal system. Most people will concede that serious dangers inhere in a too great centralization of power in Washington, though how to avoid this in the years ahead will be no problem for children. But the danger that both Congress and the people may some day make Hoosac cases impossible is in fact a danger far more imminent than anything approximating a complete smashing of the States by Congress. Moreover, Congress alone, without resort to amending the Constitution, has more power to put brakes on the Court than many people suspect.

It was doubtless with some such thought in mind that Mr. Justice Stone was led to answer his alarmed colleagues in a powerful concluding paragraph that ought to be read and pondered by every American who is genuinely and thoughtfully concerned about the institution of judicial control:

"Courts are not the only agency of government that must be assumed to have capacity to govern. Congress and the courts both unhappily may falter or be mistaken in the performance of their constitutional duty. But interpretation of our great charter of Government which proceeds on any assumption that the responsibility for the preservation of our institutions is the exclusive concern of any one of the three branches of Government, or that it alone can save them from destruction is far more likely, in the long run, 'to obliterate the constituent members' of 'an indestructible union of indestructible States' than the frank recognition that language even of a constitution may mean what it says."

INDUSTRIAL DISPUTES AND PRODUCTION CONTROL—PROPOSED CONSTITUTIONAL AMENDMENT

Mr. LOGAN. Mr. President, a few days ago I introduced a joint resolution, being Senate Joint Resolution 185, proposing an amendment to the Constitution. At that time the joint resolution was printed in the CONGRESSIONAL RECORD. I now desire to make a few remarks as to the necessity for some amendment to the Constitution and to make some references to the recent decisions of the Supreme Court.

The amendment to the Constitution which I propose is as follows:

ARTICLE —

SECTION 1. The Congress shall have power in the regulation of commerce with foreign nations, among the several States, and within the Indian tribes, to provide by such law as the Congress shall deem necessary or desirable for—

(1) The conciliation, arbitration, and settlement of industrial disputes of all persons, corporations, or other business associations of whatever description and their employees, farmers excepted, whose products may move in or affect interstate or foreign commerce; and

(2) For the regulation and control of the production of any agricultural, mineral, or manufactured product of whatever description which may move in or affect interstate or foreign commerce.

Mr. President, the time has come in the history of our constitutional form of government when we should examine its foundation and learn whether it is in need of such repairs as may be necessary to support the superstructure which has been erected upon it. This foundation is the Constitution framed in the beginning of our national life, and it, with such amendments as have been adopted from time to time, is the only support of our national life as a republic. If the foundation shows defects, not because of inherent infirmities but because the superstructure has grown too large or has taken such form as makes it impossible for the foundation to support it, there is no reason why we should allow the superstructure to fall, but, instead, we should broaden the foundation so that it will be sufficient to support the economic conditions of the Nation. Such broadening of the foundation was provided for by the framers of the Constitution when it was originally submitted to the States for ratification. It has been necessary from time to time to enlarge the powers of the Federal Government so that the life of the Nation could be extended, and it is meet that we pause in this era to make a careful survey of the situation to determine whether additions to the Constitution should be made through the process of orderly amendment. This has been brought sharply to the attention of the Congress and the people by reason of recent decisions of the Supreme Court of the United States.

I have no criticism of the Supreme Court to offer or suggest. In its recent opinions it has but adopted one theory of constitutional interpretation which has been advocated from the foundation of the Government as against the other theory of interpretation which apparently was fathered by Chief Justice Marshall. Either theory of interpretation which may have been followed by the Supreme Court would have caused disagreement with the opinion on the part of those who believed that the other theory should have been followed.

If the Supreme Court has denied to Congress power which that body thought it had, or which it does have if the other theory of interpretation should have been followed, the people are not without remedy if they disagree with the interpretation which has been placed upon the Constitution.

If Congress does not have the power to enact such laws as are necessary for the continuation of national life, then there is but one place to go to obtain such power, and that is to the States or the people. If they approve the interpretation of the Supreme Court, the matter will be ended, but if they agree that Congress should have additional power, such power may be conferred and the old controversy ended. If the people determine the matters against their best interest, the fault will be with them and not with the Congress, and if, as a result of such determination, our national life comes to an end, no one has any reason to complain, as constitutional government must be in the hands of the people.

I do not believe that it would be wise to attempt a settlement of these important questions by limitation of the jurisdiction of the Supreme Court. It would perhaps be unwise to interfere at all with the power of the Supreme Court as it now exists. Necessarily there must be some tribunal to interpret the Constitution, and the judicial branch of the Government can do that much better than the legislative branch. It is true that the Congress may be changed by the people if its interpretation of the Constitu-

tion does not meet with their approval, but the Supreme Court cannot be changed if its interpretation does not meet with the approval of the people.

Our national life cannot be continued except through the separation of the three branches of government as far as it may be done. One branch must not be allowed to usurp the powers of another branch. Congress should not interfere with the functions of the judicial branch of the Government except within strictly constitutional limitations. It is equally true that the Supreme Court should not be allowed to usurp the powers of Congress. Of the two, the usurpation of power by the Supreme Court would be more dangerous than the usurpation of power by the Congress. In one instance the body is subject to the will of the people, while in the other it is not.

It may be that the Supreme Court has not trespassed upon the powers of Congress; but, looking at the situation without passion or prejudice, it appears to my mind that the Supreme Court has a tendency to trespass upon the powers of the Congress; and if that is true, and the Congress should supinely allow such trespass, it would be failing in its duty to the Republic.

A dictatorship in this country could not be established or maintained by the executive branch of the Government. Neither could a dictatorship or an oligarchy be established by the Congress as long as the people are allowed to give free expression of their will through the ballot box. A dictatorship or an oligarchy could be established by the Supreme Court if it should usurp the powers of the executive and legislative branches of the Government.

I do not mean to intimate that the Supreme Court will intentionally usurp any of the powers belonging to either of the other branches of Government. I only intend to convey the idea that the Supreme Court could assume the power to usurp and that the people would be without remedy. If such a time should ever come and the people could not control the situation or prevent such usurpation, difficulties of the worst kind would not be hard to imagine.

Since there must be a determination of all controversial questions, there is no better way for their settlement than by the decisions of the Supreme Court, which are now, and have always been, binding upon other branches of Government and the people as well. It is true that differences over the interpretation of constitutional provisions led to the War between the States, and the question in controversy was settled by war rather than by peaceful determination. As a result of that forced interpretation of the Constitution amendments were adopted so that the Constitution would conform to that which had been attained by force of arms, and the Government continued its existence. If the people had spoken in an authoritative manner before the civil strife began and the Constitution had been amended to conform to the ideas that eventually prevailed, the War between the States might have been averted.

Our form of government, when established, was something new among the nations. Perhaps the only new thing in it was the Federal idea. The creation of sovereign States within a sovereign Government meant eventual difficulties in drawing the line between the State sovereignties and the sovereignty of the Federal Government. We are prone to forget that originally each of the Thirteen Colonies became a sovereign and independent State. Each possessed all the power of a sovereign State. In order to adopt a Constitution, the States surrendered a part of their sovereignty to constitute a Federal Government. The framers of the Constitution attempted to define the powers granted to the Federal Government.

At that time the United States, then in process of formation, consisted of 13 States, thinly populated, with little means of communication with each other, and what now constitutes the vast domain of the United States was then unexplored regions, uninhabited and without any kind of government. It was rarely that a citizen of one State found his way into the territory of another State. The means of transportation and communication that existed then made it necessary for the States to retain the larger part of their sovereignty. There were no railroads, no steamboats, and few highways, and the commerce among the States was carried on, if at all, through crude methods of transportation. The people necessarily resided in their own communities, for the very good reason that they had no means of going elsewhere. Occasionally the bolder spirits among them sought new country to conquer. Commerce among the States was of no great importance to the people generally.

The framers of the Constitution realized that the Nation must develop, and that many conditions would arise requiring adjustment of the power of the Federal Government and the power of the State governments. The Federal Government is supreme touching all matters delegated to it by the States. The States are supreme touching that power reserved by them or reserved to the people. Hardly had the Constitution been adopted before a well-defined division was discovered in the minds of statesmen over the interpretation of the provisions delegating authority to the Federal Government. The strict constructionists, such as Madison, and the liberal constructionists, such as Hamilton, found themselves in disagreement in the very beginning of the Government.

Before many years had elapsed it was discovered that the Federal Government was well-nigh impotent if the strict constructionists should have their way. Then it was that Chief Justice Marshall became the dominant figure in the interpretation of the Constitution. His masterly mind enabled him to well understand that the Nation could not exist without a more liberal construction of the Constitution than was placed upon it by Madison and those who adhered to his theory of interpretation. Had it not been for the extension of the doctrine of implied powers by Marshall to meet the economic life of the growing Nation, perhaps the history of our Nation would be altogether different. He strengthened, by his opinions, the powers of the Federal Government. There was continuous opposition to his interpretation of the Constitution and the attacks upon his opinions were bitter. It was charged that the Supreme Court was usurping power reserved to the States. The same charge has been made from time to time during our entire national history. Now there is some criticism of the Supreme Court on the ground that it is denying the Federal Government power that it has.

There is a twilight zone between the powers of the States and the powers of the Federal Government, and the line must be drawn by the Supreme Court; and, when it has been so established, if power that Congress should have falls on the side of the States, Congress may obtain that power through necessary amendments to the Constitution. If the States refuse to grant the power, nothing can be done about it. There is no way to get around the Constitution in a time of emergency any more than at any other time. No emergency, however great, will justify the assumption by Congress of power that it did not have prior to the emergency. It is true that the States might have conferred upon Congress extraordinary powers to meet emergencies, but this was not done. The Constitution remains the same during emergencies as at other times.

It is my opinion that there should be found in every constitution power to insure the perpetuation of the life of the nation. Such was conferred upon Congress by the Constitution appropriate to the age in which it was adopted. For one to say that necessary power remains the same under all conditions is to state that which the framers of the Constitution did not believe. Conditions change and the Constitution must be amended to meet changing conditions.

In the beginning the economic life of the Nation could be compressed into the territory of the independent States without bringing about disaster, but civilization has become so complex in all respects that the economic life of the Nation cannot be compressed within the separate limits of the 48 States. The necessity for existence and happiness has overflown State boundaries, and many of the great social questions that must be solved cannot be solved by 48 States acting independently. Agriculture in one State affects the life of the citizens in every other State. Mining touches every citizen of the Nation, and the same thing is true of manufac-

turing. Laws to bring about the happiness and prosperity of the man who labors cannot be left exclusively within the power of the separate States with conflicting ideas of right and wrong. The power which Congress needed to legislate for the general welfare in the days of the oxcart cannot be the same as the power needed in the days of the high-powered motor vehicle. If, however, the Supreme Court cannot find such elasticity in the Constitution as to enable Congress to legislate uniformly for the regulation of manufacturing, mining, labor, and agriculture, Congress can secure the power only through an amendment to the Constitution. Only such power is needed as will enable Congress to legislate touching matters that affect the interest of the citizens of the Nation as a whole.

The taxing power of Congress has not been interfered with by any opinion of the Supreme Court, to my knowledge, except where it has been held that the power exercised was not for the legitimate purpose of raising revenue, but had for its object the regulation of business within the States. An attempt, therefore, to regulate industry through the taxing power where the prime purpose is regulation and not the raising of revenue, will not be allowed because the power to regulate is one of the reserved powers. If, therefore, manufacturing, mining, and agriculture cannot be regulated except through the States, although production may be intended to be transported in interstate commerce, Congress is without the power to enact regulatory laws until the production begins moving in interstate commerce. Transportation and commerce, in the opinion of the Supreme Court, are synonymous; and if the Court has definitely settled that question—and it has—Congress needs additional power to regulate the production of commodities to be moved in interstate commerce.

So long as there is doubt as to the proper interpretation of important provisions of the Constitution Congress is left in the position of not knowing what may or may not be held constitutional by the Supreme Court; and there is no way in which it can find out other than by the enactment of legislation which calls for a decision on its constitutionality by the Court. The members of the Court divide on the proper interpretation of provisions of the Constitution; and Congress does not know, and has no means of knowing, whether one group or another within the Court will be in the majority. A situation such as this ought not to exist; but it will continue to exist as long as there is doubt as to whether certain powers have been delegated to the General Government or whether they are reserved to the States. Neither the Court nor Congress can clear up these matters permanently. Clarification must come from the people.

The Child Labor case—Hammer against Dagenhart—was a milestone in establishing the Madisonian doctrine of dual federalism. The act was declared invalid in an opinion concurred in by five of the members of the Court and opposed by four members. The opinion announced that the act was not a regulation of commerce among the States, and was, therefore, an invasion of the powers reserved to the States. Justice Holmes, who wrote the dissenting opinion, took the position that the power to regulate commerce, as well as other constitutional powers delegated to the General Government, could not be qualified or limited by the fact that it would interfere with the carrying out of a domestic policy of any State.

The majority opinion and the minority opinion in Hammer against Dagenhart well illustrate the difficulties that Congress has in the enactment of laws within constitutional limitations. If one of the five Justices who agreed to the majority opinion had agreed with the minority, the power of Congress to regulate commerce would have been greatly broadened and extended.

Within a short time after the opinion in the Child Labor case the Supreme Court sustained the Reed bone-dry amendment to the Post Office Act of 1917, which prohibited interstate transportation of intoxicating liquors into States forbidding the manufacture and sale of such liquors. The Court, in that opinion—United States against Hill—held that Congress may exercise such authority over interstate commerce in aid of the policy of the State if it sees fit. It would seem to mean that if a State legislates on a particular question relating to commerce Congress may join with the State in such regulation, although it would not otherwise have the power to deal with the subject. That is difficult to understand; and especially is that true when the opinion contains the further announcement that the control of Congress over interstate commerce may not be limited by State laws.

The Motor Vehicle Theft Act—Brooks against United States—was upheld as a valid exercise of power by the Congress, and some reference is made in the opinion to the radical change that has taken place in transportation, leaving clearly the impression that such radical change in the means of transportation had some bearing on the mind of the Court, inducing it to uphold the act.

I mention these cases—and might mention others—to show how difficult it is for Congress to know what the Supreme Court may or may not do about the validity of any legislation enacted where its constitutionality is called in question. No criticism should be made of the Court because of this confusion, as it is caused wholly because of disagreement as to what powers were delegated to Congress; and, as I have said, under changing conditions the Court is called upon to find in the Constitution dormant powers, the necessity for the use of which has not theretofore arisen.

When the Roosevelt administration came into power in the spring of 1933 it found an unendurable condition prevailing throughout the country, foreboding disaster and perhaps destruction. Something had to be done without delay; and it is to the everlasting glory of Congress that it acted expeditiously to quiet the fears of the citizens of the Nation and to bring about conditions which would enable men to live until normal conditions could return. It was found that manufacturing had largely been subsidized throughout the years by the protective-tariff system, and it was not thought, perhaps, that it would be wise to deny that subsidy. The result had put things all out of joint and made them lopsided. The farming population of the Nation was in the greatest distress. Debts were too burdensome to bear longer. The products of the farm had to be sold at less than the cost of production. The farmer could not realize sufficient money for the products of his farm to pay his interest, much less his debts, or to keep up necessary repairs, or to buy necessary farm equipment, or properly to support his family.

It was determined that the farmer was entitled to relief so that he might be equalized so far as possible with the manufacturer; and, as the manufacturer had been favored by the Government, it was thought that the appropriate way to adjust the relationship betwen these two great industries was that the farmer should also receive special benefits from the Federal Government. Hence, the enactment of the agricultural-adjustment program. But the laborer would have living costs increased; and to equalize him with manufacturing and agriculture it was necessary that he have a fairer wage.

It was determined, therefore, that labor should have better wages and that unfair practices should be eliminated. This resulted in the enactment of the National Recovery Administration Act. With the relationship between the manufacturer, the farmer, and the laborer adjusted, the Nation would be placed again on a solid foundation; but there were others—the unemployables, the aged, the crippled, and the blind—who were left out of the plan to care for the three great groups of the Nation. To provide for them, the social-security legislation was enacted. Under the stimulation given along all lines by this legislation, the country speedily recovered, and prosperity returned in a large measure.

No one will dispute the fact that all of these questions affect the general welfare of the Nation as a whole; but the Supreme Court, in its opinion in the agricultural-adjustment case, has said that Congress does not have the power to carry out this program. It may be that much can be done toward carrying it out within the limitations prescribed by the Supreme Court; but it can never be carried out fully until the Constitution shall be amended so that

power shall be clearly conferred upon Congress to deal with these questions.

It seems to me that the most valid criticism which may be leveled against opinions of the Supreme Court within the past few years is that the Court, at least to my mind, has invaded the powers of Congress. I desire to refer to some of the opinions where the Court has made its decision turn upon the question of an assumed fact. It seems to me that the determination of the facts which give rise to the necessity for legislation is within the power of the Congress and not within the power of the Supreme Court. In the Agricultural Adjustment Act opinion the Court, unfortunately, I think, stated that a law for the welfare of the farming population was not for the general welfare of the Nation, but was a matter of local welfare. I do not know where the Court obtained the power to determine the meaning of general welfare or of local welfare. The definition of general welfare should be for Congress to decide and not one for the Supreme Court to determine. It is a question of fact, and the Court would not have the power to take judicial knowledge of a disputed fact.

The Court assumed that relief to farmers was a matter of local welfare. If the definition of welfare is dependent upon evidence to be submitted, then the determination of whether a law was constitutional or not would be dependent upon the state of facts presented to the Court, and the facts as presented might induce the Court to uphold he validity of an act in one case and to hold it invalid in another.

Congress has the power to regulate intrastate commerce if it directly affects interstate commerce. The Supreme Court assumes that it has the power to determine what directly affects interstate commerce, but it can reach a conclusion on the question only through the assumption of a fact, and such an assumption is beyond the power, in my judgment, of the Supreme Court. The opinions of the Court in their interpretation of the commerce clause of the Constitution afford illustrations of the incursions of the Court into the realms of congressional power.

Congress cannot prohibit interstate commerce, so the Court has said, but that rule could not be adhered to. Consequently there was a modification of it, and the earlier opinions have been modified to the extent of holding that good commerce may not be prohibited by Congress among the States but that bad commerce may be prohibited. Who is to determine what is good commerce and what is bad commerce? The Supreme Court has assumed the power to determine the question itself. If the article shipped in interstate commerce is bad for the citizens of the State into which it is shipped, the Court says that Congress has the power to prohibit such shipment; but it reserves to itself the power to determine what is detrimental to the welfare of the people of the State into which the article is shipped. The determination of the question of fact which justifies legislation is a matter for the determination of Congress, or at least should be. When Congress has determined that intrastate commerce directly affects interstate commerce, or that certain articles constitute bad commerce, or that certain things may be done for the general welfare, the question is concluded so far as the facts are concerned. Such matters are legislative and not judicial. Since the Court has assumed the power to pass on these things, it follows that Congress does not have the power; and, as the decisions of the Supreme Court are conclusive of the questions, there is no means of vesting that power in Congress except through a constitutional amendment. Through the extension of this power by the Supreme Court it could, if it so desired, pass upon the necessity of every appropriation made by Congress, and if extended to its logical conclusion the Court could deny the power of Congress to enact nearly any kind of legislation unless the Court should agree with Congress in the necessity for it.

The amendment to the Constitution which I have proposed would delegate to Congress the power to legislate about matters that the Supreme Court has held are not within its power at this time.

TEXAS CENTENNIAL EXPOSITION

The VICE PRESIDENT laid before the Senate the joint resolution (H. J. Res. 459) to amend the joint resolution entitled "Joint resolution providing for the participation of the United States in the Texas Centennial Exposition and celebrations to be held in the State of Texas during the years 1935 and 1936, and authorizing the President to invite foreign countries and nations to participate therein, and for other purposes", which was read twice by its title.

Mr. CONNALLY. Mr. President, I ask unanimous consent for the present consideration of the joint resolution just laid before the Senate.

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. CONNALLY. Mr. President, I submit an amendment, which I desire to have agreed to.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 2, line 19, it is proposed to strike out the words, "Funds allocated to be expended in Bexar County shall be expended in connection with historic purposes only", so to make the joint resolution read:

Resolved, etc., That the United States Texas Centennial Commission established by the joint resolution entitled "Joint resolution providing for the participation of the United States in the Texas Centennial Exposition and celebrations to be held in the State of Texas during the years 1935 and 1936, and authorizing the President to invite foreign countries and nations to participate therein, and for other purposes", approved June 28, 1935, is authorized, in its discretion, to allocate funds from the appropriation made to carry into effect the provisions of such joint resolution, to the Texas Centennial Commission, the Commission of Control for Texas Centennial Celebrations, the Texas Centennial Exposition, and to any executive department, independent office, or establishment of the Government for the purchase of historic papers and paintings by contract or otherwise without regard to the provisions of section 3709 of the Revised Statutes, the construction and erection of monuments, statues, markers, buildings, and other structures or any part thereof, including purchase of sites, the restoration of historic structures, and the purchase of land in connection with historic structures. The funds so allocated may be expended by such State bodies and Government departments or establishments in any part of the State of Texas in accordance with the allocation by the Commission.

SEC. 2. Monuments, statues, markers, buildings, and other structures, erected or constructed, and lands, historic papers, and paintings purchased from funds allocated as herein provided shall become the property of the State of Texas, except that in such cases as the United States Texas Centennial Commission deems it desirable and in the public interest, any such erection, structure, land, or article shall become the property of such organization, or public or private agency as it may designate, subject to such requirements as the Commission may deem necessary or appropriate.

The amendment was agreed to.

The amendment was ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

Mr. CONNALLY. I move that the Senate insist on its amendment, ask for a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. CONNALLY, Mr. BARKLEY, and Mr. NORBECK conferees on the part of the Senate.

Mr. KING. Mr. President, I feel that it is not inopportune or improper to invite the attention of the Senate, and particularly the members of the Committee on Immigration—and I am a member of that committee—to certain conditions in Germany which have most serious and tragic consequences.

I appreciate that there are boundaries which should not be crossed in discussing the conduct of other nations and particularly the actions of executive officials in other governments. The people of every country have the right to set up that form of government which they regard as best suited to their conditions, and it necessarily follows that they have the right to determine their own domestic and internal affairs. But it is the view of many that this position rests upon the assumption that justice shall be administered, that conditions which existed in primitive societies shall not persist and that cruel and ruthless persecutions shall not be inflicted upon the nationals of any country.

Humanitarianism is an essential concomitant of civilization. We measure the progress of the human race by their advancement fro mprimitive conditions and their growing



regard for the recognition of the rights not only of classes and groups but of individuals. The ghastly pages of history are replete with recitations of savage and barbarous cruelties inflicted upon minorities within nations. The world today is too much saturated with the spirit and influence of sectional and provincial teaching and primitive passions. There have been in too many countries cruelties and brutalities resulting from ignorance, intolerance, and racial prejudices. It would seem that in this day of civilization there would have been an emancipation from the evil conditions of the past, and that mankind would have reached that high mark of civilization in which there would be a proper understanding of life and in which there would be freedom from racial prejudices, atavistic propensities, and tragic ancestralisms. Those who have a proper attitude toward life must regard themselves as a part of a great movement guided by a moral purpose which seeks a goal within the reach of man where there will be found freedom, peace, and justice under the reign of law. Tribal conditions gave way to higher forms of life, and slowly out of the mists and darkness of the past civilization emerged, and yet our so-called civilization has a long road to travel before it brings humanity the fruits and treasures of peace and culture and spirituality, essential to happiness and world unity.

A genuine spirit of tolerance is essential to the development of the spirit of democracy; indeed, democracy rests upon an enlightened public opinion and a profound sense of altruism which regards the burdens of others as a part of the burdens of all. Unfortunately, the world is still torn with strife, and we are made conscious of obstacles and barriers in the highway leading to higher forms of civilization which are as obvious as the jagged rocks which protrude in the harbor when the tide ebbs out to sea. It has been said that the supreme question is whether there shall be established a brotherhood of man and that God created a brotherhood, but the responsibility rests upon us to acknowledge the validity of that which He created.

In the confusion of the hour some have lost their ideals and hopes for a redeemed world. Attention is called to the condition in Germany and the forces which exercise oppressive rule in many lands. But there must be no abandonment of the contest for justice, equality, liberty of conscience, and the enjoyment of those rights and privileges which are the product of a true civilization.

I desire to call the attention of the Senate to the letter of resignation of Hon. James G. McDonald, high commissioner for refugees—Jewish and others—coming from Germany. This communication challenges attention to the persecution of hundreds of thousands of German nationals, and to tragic conditions in which the Jewish citizens of Germany have been placed. It may be thought by some that the conditions referred to by Mr. McDonald are of no concern to the people of the United States, or, for that matter, to the people of any country.

As I have indicated, there must be extraordinary circumstances to justify criticisms of other governments. I recognize, as I have stated, the right of the people of any country to devise and maintain such government as they may desire, and yet the conduct of governments may not escape examination and, indeed, condemnation; and immunity from comment or criticism may not be asserted under all circumstances.

The peoples of the world are being drawn closer together, time and space are being annihilated, and the cries of the oppressed in any corner of the world today are heard around the world. International conferences, participated in by many nations, are held. A league of more than 50 nations of the world has been formed, having for its object the amelioration of the conditions of the world, the elimination of war, the protection of minorities, the preservation of peace, and the furtherance of justice and righteousness in every land. History is replete with examples of the barbarous treatment accorded to minorities. Racial prejudices, differences in religion, or ethical concepts, have been the basis for ruthless and inhuman treatment of human beings. With the progress of science one would suppose that the records of the past—records of blood and cruelty and oppression—would awaken in the hearts of all peoples of this age a feeling of humiliation that such pages should have been written and inspire a determination that in the future no such foul and bloody pages should be written, but rather that the history of this hour and of the future should be illumined by evidences of good will, national and international peace, absence of racial prejudices, bigotry, intolerance, and the triumph of evil forces that have wrought such sorrow in the past.

Our Government has not been indifferent to wrongs perpetrated in other countries against their own nationals.

When the people of Greece, at a time when their country was a part of the Turkish Empire, were protesting against Turkish misrule and the injustices and cruelties to which they were being subjected, our Government, through the President of the United States and eminent statesmen, lifted its voice in behalf of the Greeks. The President of the United States, among other things, in speaking of Greece, stated that it was the object of "our most ardent wishes that Greece might obtain the rank of an independent nation." He also transmitted to the House of Representatives a report from the Secretary of State with various documents which dealt with the condition and future prospects of the Greeks.

Daniel Webster presented a memorial to the House of Representatives asking Congress to assure the people of Greece of the deep interest felt by the people of the United States in the contest which they were carrying on against the Turkish Government, and, as I recall, he later offered a resolution upon which he spoke at some length. I recall that he stated in support of his resolution that it was difficult upon any occasion that called the attention "to a spot on the globe connected with such associations and recollections as Greece to avoid some degree of warmth and enthusiasm."

Senators will also recall the attitude of our Government when Latin American countries, because of the inhuman and cruel treatment to which they had been subjected by the Spanish Government, revolted and endeavored to set up governments under which they might enjoy freedom and justice. Not only was the Spanish Government condemned but a policy was adopted in behalf of the people struggling for liberty which not only gave them support but constituted a shield for their protection. It will not be forgotten how the people of the United States were stirred when Kossuth and his supporters valiantly struggled to obtain the rights to which they believed they were entitled. The American people did not hesitate to express their sympathy for the revolutionists and their condemnation of the Austrian Government.

Citizens of the United States are not of one race or of one creed, nor are they driven from our shores because of their race or creed, or their political or economic views. The American people find no warrant for civilized states denying their citizens freedom of speech or religion or the right of conscience, nor can they find justification for expelling nationals because of racial differences.

The rights of minorities, regardless of race, creed, or condition, are as sacred as the rights of majorities. This is the basis of freedom and of progressive civilization.

Mr. President, within the United States are millions of people who were born in other lands. Many fled from persecution to enjoy the liberty guaranteed by the Constitution of the United States and by the institutions of this Republic. They and their descendants have aided in developing this Nation. They have been and are loyal to the flag and have given patriotic support to the institutions of this country. Among them are many Jews, and they in this land, as in other lands, have made important contributions to the cultural, industrial, and economic life of the same.

Our attention to the conditions in Germany is being challenged by reason of the laws there enacted, and the policies which are being carried into effect, which result in the banishment of tens of thousands of Germans of Jewish blood from Germany. Those who have been expelled and those

to whom banishment will soon come are making piteous appeals for places of refuge in other lands. They have made appeals for relief from the persecutions to which they have been subjected in Germany. They have lifted their eyes to this and other lands praying that they may find some place on earth where they may have rest and be free from discriminatory laws and despotic rule.

The situation in Germany is being brought to our attention by reason of the appeals which are being made for modification of our immigration laws which restrict immigration and under which but a limited number of German nationals and the nationals of other countries may be admitted to our shores. The Immigration Committee of the Senate may be called upon to consider this question in the near future. I have received suggestions that in view of the serious condition of the Jews in Germany there be some relaxation of our immigration laws so that an additional number of German nationals may be admitted to our shores.

Mr. President, the League of Nations has taken congizance of conditions in Germany and it appointed Mr. James G. McDonald, an American citizen of high standing, to "negotiate and direct an international collaboration necessary to solve the economic, financial, and social problem of the Jewish and other refugees." He was appointed on October 26, 1933, to undertake a most important and humanitarian work. The Jewish nationals of Germany were prior to that time being harrassed and persecuted by the Nazi Government, and so serious had become the Jewish problem that the League of Nations felt constrained to adopt some plan to mitigate the sufferings of the refugees. It seemed apparent that the German Government was determined to continue its persecutions of not only Jews but also of the "non-Aryan Christians treated as Jews and the Protestants and Catholics who in obedience to their faith and conscience dared to resist the absolute will of the national socialistic state." I am quoting from Mr. McDonald's letter in the statement just made. It was obvious that the persecutions of Jews in Germany would continue until they were all banished from Germany. The question arose as to where these persecuted people were to find refuge. Countries adjacent to Germany have their social and economic problems, including that of unemployment. They likewise have immigration laws which are restrictive of immigration. That adjacent nations have proved sympathetic to the refugees is conceded. France has received a large number of refugees, as have a number of other countries, but it became evident that homes must be found in other countries for the refugees banished and to be banished.

One can scarcely conceive of Germany striking at the so-called non-Aryans in such a cruel and ruthless way. Germany, as well as other countries, has been the recipient of important contributions to its cultural and economic life at the hands of the Jewish race. If time permitted, reference could be made to the great philosophers, poets, writers, painters, scientists, philanthropists, and financiers of Hebrew blood who contributed in no small degree to the development and progress and achievements of Germany. It seems incredible that great writers and scientists, such as Einstein, should be driven from a civilized country. Not only Germany but the civilized world has been enriched in every field of endeavor by the Jewish race. Under their great prophets of ancient times the foundation of monotheism was laid. And from Palestine came the precepts and teachings and philosophy of the Great Master which inspired men and nations and spread the gospel of universal brotherhood and world peace.

Mr. President, we learn that a person of supreme authority in Germany, in a book written before he came to power, predicated his course, in part at least, upon active persecution of the Jews. And so, under the present regime, that announced doctrine has been inculcated, and its cruel policies have been put into effect. The so-called non-Aryans in Germany constitute a minority, and I may add in passing that treaties entered into following the war between Germany and the Allied Powers contain provisions for the protection of minorities. My recollection is that the German Government has invoked the provisions of some of the treaties referred to in behalf of German minorities in Poland, Memel, and, as I recall, several other countries. German minorities must be protected in the Polish Corridor and Czechoslovakia, Lithuania, and in other countries; but minorities in Germany may not invoke the protection, the rights, and privileges of German citizens and German nationals because of their race.

Senators will remember that the greatest American of our day, Woodrow Wilson, when the treaties following the war were being written, insisted upon protection for minorities; and subsequent events have justified his sense of justice and broad humanitarianism in seeking to protect the weak against the strong, the minorities against powerful majorities.

Mr. President, Mr. McDonald undertook the task before him and has discharged with fidelity the important trust. He has, however, felt constrained to resign the position which he was chosen to fill. His letter of resignation reveals the cruel and merciless course which has been pursued by the Nazi Government in dealing with hundreds of thousands of Germans—men, women, and children—not only Jews but, as I have indicated, also non-Aryans, who were treated as Jews, and Protestants and Catholics who, in obedience to their faith and conscience, "dare to resist the absolute will of the National Socialist State."

Mr. President, I read a number of paragraphs from Mr. McDonald's letter resigning his position, and shall ask that the paragraphs not read be inserted in the RECORD. I read from his letter:

On October 26, 1933, the president of the Council of the League of Nations did me the honor to appoint me high commissioner for refugees (Jewish and other) coming from Germany, to "negotiate and direct" the "international collaboration" necessary to solve the "economic, financial, and social problem" of the refugees. I herewith beg to submit through you to the Council of the League my resignation from this office, to become effective as of December 31, 1935.

2. In the period of over 2 years since the establishment of the office conditions in Germany which create refugees have developed so catastrophically that a reconsideration by the League of Nations of the entire situation is essential.

I mentioned a moment ago that this catastrophic situation has led to hundreds of thousands of the Hebrew people trying to find some place under the sun where they might live in peace and make their contribution to the development and progress of the countries in which they were permitted to reside.

The intensified persecution in Germany threatens the pauperization or exile of hundreds of thousands of Germans—men, women, and children—not only Jews but also the non-Aryan Christians treated as Jews, and Protestants and Catholics who, in obedience to their faith and conscience, dare to resist the absolute will of the National Socialist State.

3. Apart from all questions of principle and religious persecution, one portentious fact confronts the community of states. More than half a million persons, against whom no charge can be made except that they are not what the National Socialists choose to regard as "Nordic", are being crushed. They cannot escape oppression by any act of their own free will, for what has been called the membership of non-Aryan race cannot be changed or kept in abeyance.

Tens of thousands are today anxiously seeking ways to flee abroad, but except for those prepared to sacrifice the whole or greater part of their savings, the official restrictions on export of capital effectively bar the road to escape, and the doors of most countries are closed against impoverished fugitives. Nevertheless, if the present pressure is not relieved, it is inconceivable that those who can flee will remain within Germany.

I may say in passing that under the policy of the present German regime they will be forced out of Germany.

The task of saving these victims calls for renewed efforts of the philanthropic bodies. The private organizations, Jewish and Christian, may be expected to do their part if the governments, acting through the League, make possible a solution. But in the new circumstances it will not be enough to continue the activities on behalf of those who flee from the Reich. Efforts must be made to remove or mitigate the causes which create German refugees. This could not have been any part of the work of the high commissioner's office; nor, presumably, can it be a function of the body to which the League may decide to intrust future administrative activities on behalf of the refugees. It is a political function, which properly belongs to the League itself.

4. At the last meeting, on October 16, 1935, of the permanent committee of the governing body of the high commission, at which my intention to resign was fully discussed, action was

taken to liquidate the office of high commissioner at the end of January 1936 or sooner if before that date the Council of the League had made other provisions for the coordination of the activities on behalf of the refugees coming from Germany. It was the expectation of the permanent committee that the committee of experts provided for by the assembly of 1935 to study the reorganization of the activities on behalf of the German and of the Nansen refugees would complete its investigations in time to present a plan for consideration, and it was hoped for action by the Council at its meeting in January 1936.

It has been the sense of the governing body that the work of assistance in the countries of refuge could be better carried forward by an organization directly under the authority of the League. It is now clear that the effectiveness of the high commissioner's efforts was weakened from the beginning by the compromise which was agreed upon at the time his office was set up—that is, the decision to separate it definitely from the League. This compromise was accepted in order to avoid the veto of Germany, which was then an active member of the League.

5. Progress has been made during the last 3 years in settling the refugees from Germany. Of the more than 80,000 who have already left the Reich, approximately three-fourths have now found new homes, more than half of these in Palestine. * * *

Permit me to state, Mr. President, that a few years ago I visited Palestine and while there endeavored to ascertain the resources of that small country. It will be recalled that the Senate of the United States had signified its approval of the so-called Balfour declaration, under which it was hoped that a national home for many Jews might be found in Palestine. It was my opinion from my investigation that in time Palestine might be able to support a population of perhaps 2,000,000 inhabitants. The area of Palestine is not much more than 10,000 square miles. Most of the land is arid, and many of the hills and mountains have been denuded of their timber and vegetation. Its resources are small, and only by large expenditures and heroic toil and labor may the lands be reclaimed and a larger population supported. Probably if manufacturing industries were developed and markets found for the products of factory and mill a population greater than I have indicated might be sustained, and if the Trans-Jordania region were developed homes might be found there for several hundred thousand additional persons. However, when I was there there were between one hundred and fifty and one hundred and seventy-five thousand Jews residing in Palestine. Many of them had migrated from Russia, Rumania, and Poland during the preceding 20 years.

By their thrift and industry they had greatly improved the country. They had built a number of cities and towns, drained swamps, and brought several thousand additional acres of land under cultivation. In my opinion, the further development of Palestine is dependent upon large expenditures, and it is apparent that it is not adequate to receive and care for all the unfortunate German refugees.

I should add that there are perhaps six or seven hundred thousand Arabs in this small country, and Senators are aware of the attitude of this population toward the advent of additional immigrants.

Recurring to Mr. McDonald's letter:

This accomplishment has been primarily the work of the refugees themselves and of the philanthropic organizations—Jewish and Christian—whose devoted labors have been ceaselessly carried on in many parts of the world. Probably not more than 15,000 refugees now remain unplaced.

That is, of the 80,000 who, through various circumstances, have been expelled or driven out of Germany.

6. The care and the settlement of these remaining thousands of refugees could and would be borne by the already heavily burdened private organizations, were they not fearful that the number of refugees may be increased many times by new flights from Germany.

The facts which arouse these apprehensions are indisputable. They are evidenced clearly in the German laws, decrees, judicial decisions, and party pronouncements and practices during the last 2 years. The culmination of these attacks on the Jews, the Christian non-Aryans, and the political and religious dissenters was the new legislation announced at the party Congress at Nuremberg last September. The core of that enactment was the law limiting citizenship to those who are "of German or cognate blood" and who also conform to the National Socialist conception of loyalty to the state. As the direct result in Germany not only the Jews, who now number about 435,000, but also tens of thousands of Christian non-Aryans, who are classified as Jews, lost their citizenship, were disfranchised, and made ineligible to hold public office. Indirectly through this new law a constitutional basis was laid for unrestricted discriminations against all those whom the party may wish to penalize.

The denationalization by the German Government of thousands of German citizens has added to the hardships both of those remaining in Germany and of the refugees, and it is an increasing burden on states which have admitted the refugees while in possession of German nationality.

7. Relentlessly the Jews and non-Aryans are excluded from all public offices, from the exercise of the liberal professions, and from any part of the cultural and intellectual life of Germany. Ostracized from social relations with Aryans, they are subjected to every kind of humiliation. Neither sex nor age exempts them from discrimination. Even the Jewish and non-Aryan children do not escape cruel forms of segregation and persecution. In party publications, directly sponsored by the Government, Aryan children are stirred to hate the Jews and the Christian non-Aryans, to spy upon them, and to attack them, and to incite their own parents to extirpate the Jews altogether.

8. It is being made increasingly difficult for Jews and non-Aryans in Germany to sustain life. Condemned to segregation within the four corners of the legal and social ghetto which has now closed upon them, they are increasingly prevented from earning their living. Indeed more than half of the Jews remaining in Germany have already been deprived of their livelihood. In many parts of the country there is a systematic attempt at starvation of the Jewish population. In no field of economic activity is there any security whatsoever. For some time it has been impossible for Jewish businessmen and shopkeepers to carry on their trades in small towns. The campaign against any dealings with Jews is now systematically prosecuted in the larger towns. Despite the restrictions upon migration from the provinces into the few largest cities where Jewish economic activity is not yet completely excluded, the Jews are fleeing to those cities because there only can they hope to escape, at least for a time, from the more brutal forms of persecution.

This influx has exhausted already the resources of the Jewish philanthropic and educational institutions in Germany. The victims of the terrorism are being driven to the point where, in utter anguish and despair, they may burst the frontiers in fresh waves of refugees.

That is the reason why I am receiving communications asking that something may be done to permit those who are driven from Germany to find a resting place under the flag of this Republic, and that is a question the Senate Committee on Immigration may be called upon to consider.

Paragraph 9 of this letter I ask to insert in the RECORD without reading, and because of its importance I hope all Senators will read it.

The PRESIDING OFFICER (Mr. POPE in the chair). Without objection, the matter will be printed in the RECORD.

Paragraph 9 is as follows:

9. Again, as so often during their long, heroic, and tragic history, the Jewish people are used as the scapegoat for political and partisan purposes. The National Socialists level against them charges of the most outrageous and untenable kind. They ignore all of the facts of the continuous loyalty of the Jews in Germany; for example, during the Empire when Jews helped to unify Germany and to make it strong; during the war when a percentage of Jewish youths as high as that of any other religious community in the Reich gave their lives for the Fatherland, and Jewish scientists and men of affairs helped so notably to enable Germany to prolong the struggle; and under the Republic when Jewish leaders aided in saving Germany from some of the worst effects of defeat. Instead, it has been found useful to attribute to the Jews the responsibility for the misery and dejection which the German people suffered during the last years of the war and the decade that followed. Though less than a one-hundredth part of the total population, the Jews are held responsible for all the adversity which the German people had to undergo. As in the Middle Ages, when they were massacred and expelled from the German States as the cause of the Black Death, so today they are eliminated from the economic and cultural life of Germany and degraded on the ground that they were the cause of the German humiliation. So far does this hatred extend that even the Jewish war veterans who fought and were wounded in the front-line trenches have been forced from their positions in the public services, and the names of the Jewish war dead may no longer be engraved on war memorials.

10. The attitude of the German Government is based not only on the theory of Nordic-race supremacy and the desire to eliminate foreign racial elements in the life of the country; it rests also on the conception of the absolute subordination of the individual to the state. An influential section of the party is actually promoting a revival of neopaganism which sets itself against both the Old Testament and parts of the New Testament. The conceptions of blood, race, and soil, propagated with fanatical enthusiasm, menace not alone the Jews but all those who remain defiantly loyal to the old ideals of religious and individual freedom.

Party leaders violently attack religious freedom in the state and threaten the church with political domination. Outstanding thinkers of the two great Christian communities in Germany and abroad raise their voices and protest against this attack which threatens to increase the number of refugees.

Mr. KING. Mr. McDonald discusses the minority question and the minority provisions in treaties. I shall not take the time of the Senate to read them, but ask that they may be inserted as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

11. The developments since 1933, and in particular those following the Nuremberg legislation, call for fresh collective action in regard to the problem created by persecution in Germany. The moral authority of the League of Nations and of states members of the League must be directed toward a determined appeal to the German Government in the name of humanity and of the principles of the public law of Europe. They must ask for a modification of policies which constitute a source of unrest and perplexity in the world, a challenge to the conscience of mankind, and a menace to the legitimate interests of the states affected by the immigration of German refugees.

12. Apart from the Upper Silesia Convention of May 1922, Germany does not appear to be expressly bound by a treaty obligation providing for equal citizenship of racial, religious, or linguistic minorities. But the principle of respect for the rights of minorities has been during the last three centuries hardening into an obligation of the public law of Europe. That principle was recognized in some of the most important international instruments of the nineteenth century. I may refer to the provisions of the Congress of Vienna, the treaty of guaranty following upon the union of Belgium and Holland, the collective recognition of the independence of Greece, the creation of the autonomous principalities of Moldavia and Wallachia. It was affirmed at the Congress of Berlin in 1878 in relation to newly recognized states. It was deliberately reaffirmed in the peace settlement of 1919 and in a series of special minorities treaties as a vital condition, both of international justice and of the preservation of the peace of the world. In the case of newly created states its express recognition constituted a condition of admission to the League of Nations.

Neither was the attitude of Germany in this matter open to any doubt. During the peace conference the German delegation, in urging the adoption of the principle of protection of minorities for the German population in the territories detached from Germany, declared spontaneously that "Germany on her part is resolved to treat minorities of alien origin in her territories according to the same principles." The Allied and Associated Powers expressly took note of that declaration. From the moment of her admission to the League Germany took the lead in securing the effectiveness of the principles of international protection of minorities.

13. The Assembly of the League in 1922 adopted a resolution which expressed the hope that "states not bound by specific legal obligations in the matter of minorities will nevertheless observe in the treatment of their own minorities at least as high a standard of justice and toleration as is required by the treaties in question." The Assembly in 1933, when considering the question of the persecution of Jews in Germany in connection with the discussion on minorities, reaffirmed that resolution; and in order to dispel doubts whether it applied to the Jews in Germany, voted, with the single dissent of Germany, in favor of a further resolution that the principle "must be applied without exception to all classes of nationals of a state which differ from the majority of the population in race, language, or religion."

The German Jews, although not claiming or desiring to be a minority, are within the scope of this principle because, as was stated at the Assembly, as soon as there is legal discrimination a minority exists within the meaning of modern law.

14. It is not within my province to state to what extent the practice in this matter of the community of nations in the last hundred years and of the League of Nations has become a rule of customary international law; neither am I called upon to judge how far the declarations and the conduct of Germany prior to 1933 are in themselves sufficient to establish legal presumptions. But both, I believe, are sufficient to establish an appeal to those broad considerations of humanity and of international peace which are the basis of the public law of Europe in the matter of racial and religious minorities.

The growing sufferings of the persecuted minority in Germany and the menace of the growing exodus call for friendly but firm intercession with the German Government, by all pacific means, on the part of the League of Nations, of its member states, and other members of the community of nations.

Pity and reason alike must inspire the hope that intercession will meet with response. Without such response, the problems caused by the persecution of the Jews and the non-Aryans will not be solved by philanthropic action, but will continue to constitute a danger to international peace and a source of injury to the legitimate interests of other states.

15. The efforts of the private organizations and of any League organization for refugees can only mitigate a problem of growing gravity and complexity. In the present economic conditions of the world, the European states, and even those overseas, have only a limited power of absorption of refugees. The problem must be tackled at its source if disaster is to be avoided.

This is the function of the League, which is essentially an association of states for the consideration of matters of common concern. The Covenant empowers the Council and the Assembly to deal with any matter within the sphere of activity of the League or affecting the peace of the world. The effort of the League to insure respect for human personality, when not grounded on express provisions of the Covenant or international treaties, has a sure foundation in the fact that the protection of the individual from racial and religious intolerance is a vital condition of international peace and security.

16. I am appending to this letter a comprehensive analysis of the German legislation, administrative decrees, and jurisprudence, as well as of their effects on the problem of refugees.

Mr. KING. Mr. McDonald further states:

17. I feel bound to conclude this letter on a personal note. Prior to my appointment as high commissioner for refugees coming from Germany, and in particular during the 14 years following the war, I gave in my former office frequent and tangible proof of my concern that justice be done to the German people, but, convinced as I am that desperate suffering in the countries adjacent to Germany and an even more terrible human calamity within the German frontiers are inevitable unless tendencies in the Reich are checked or reversed, I cannot remain silent. I am convinced that is the duty of the high commissioner for German refugees, in tendering his resignation, to express an opinion on the essential elements of the task with which the Council of the League entrusted him. When domestic policies threaten the demoralization and exile of hundreds of thousands of human beings, considerations of diplomatic correctness must yield to those of common humanity. I should be recreant if I did not call attention to the actual situation and plead that world opinion, acting through the League and its member states and other countries, move to avert the existing and impending tragedies.

Mr. President, may I employ the same spirit as my reason for calling the attention of the Senate to the conditions herein described? When human beings, 600,000 and more, are to be destroyed, I do not think that the niceties or the conventionalities of diplomatic usage compel one to remain silent in this Chamber.

These closing words of Mr. McDonald are addressed not alone to the League of Nations but to people in all the world who sympathize with the oppressed. It is to be hoped that the world is not so insensible to the sufferings and sorrows of human beings that they will be indifferent to the impending tragedy graphically portrayed by Mr. McDonald.

Mr. President, Mr. McDonald appended to his letter of resignation what he called an "Annex", consisting of nearly 30 pages of laws, rules, regulations, and opinions promulgated by the Nazi Government for the purpose of carrying into execution its cruel and merciless program aimed at the expulsion from Germany of the Jews and other German nationals.

The Annex also contains interpretative statements of the laws, rules, regulations, and so forth, just referred to.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Illinois?

Mr. KING. Certainly.

Mr. LEWIS. I ask the able Senator from Utah, knowing him to be an active member of the Immigration Committee, as well as one ever interested in national affairs, has the American Government had brought to its official attention these mistreatments of which he has recited? Apart from the references of Mr. McDonald in a general sense, has our Government had its attention drawn to these injustices and has our Government taken any steps?

Mr. KING. Mr. President, I regret that I do not have the information to enable me to answer my friend. It seems to me, however, that the State Department must be cognizant of the oppressive and cruel policies of the Hitler regime. At various times our Government has had unofficial observers at Geneva who must have learned of the causes leading to the action of the League of Nations in which they sought to afford some degree of protection to the Jews. Moreover, there have been American representatives of organizations in the United States interested in world peace who were present at meetings of the League and various conferences at Geneva at which representatives of most nations of the world participated. The treatment of minorities by various nations, including Germany, has been the subject of serious discussion in the conferences referred to. Undoubtedly our State Department has received information through proper channels of the tragic situation of German nationals.

Mr. President, I cannot help but believe the attention of the State Department has been directly challenged by its representatives abroad to the situation described by Mr.

McDonald; but whether it has or not, I have felt like directing the attention of the Senate to the facts submitted by Mr. McDonald, the validity of which, in my opinion, has not been challenged.

Mr. President, while I should like to have the entire record here presented inserted in the proceedings of this day, I shall content myself by requesting that only a few excerpts from the record be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

The following is the matter referred to:

SECTION 1. "1. A German national (Staatsangehöriger) is one who belongs to the protective association of the German Reich, to which he is therefore especially pledged.

"2. Nationality (Staatsangehörigkeit) shall be acquired in accordance with the prescriptions of the Reich and State nationality law.

SEC. 2. "1. He only is a citizen who is a national (Staatsangehöriger) of German or cognate blood and has shown by his behavior that he is willing and fit loyally to serve the German people and Reich.

"2. Reich citizenship shall be acquired by the bestowal of a letter of patent of Reich citizenship.

"3. A Reich citizen is the sole bearer of full political rights in accordance with the law.

SEC. 3. "The Reich Minister of the Interior, in cooperation with the deputy of the leader, shall issue the legal and administrative stipulations for the execution and completion of the law."

Even more ominous was the declaration of the German Chancellor to the Reichstag that the new legislation constituted an attempt of the Government at legal regulation of the Jewish problem so as to enable "the German people to find tolerable relations with the Jewish people." Should, however, the attempt at legal regulation fail, the Chancellor continued, then the problem must "be turned over to the National Socialist Party for a final solution."

The new legislation has altered the entire complexion of the refugee problem. At least half a million people have been deprived of political rights, their civil status has become that of guests or wards of the state, and a threat of even more drastic action against them has been pronounced before the Reichstag. It is inevitable that these outcasts should seek to emigrate from the land which has disowned them. They have become a reservoir from which more and ever more refugees will flow into neighboring lands. It is therefore imperative to examine the fundamental cause of the refugee problem, namely, the racial policy of the National Socialist Government.

A considerable number of persons have suffered persecution or been forced to emigrate for political reasons. They aroused the displeasure of the new rulers of Germany because of hostility to national socialism prior to 1933, when the latter strove to seize power or because they disregarded the doctrines of a strident nationalism and sought to further international cooperation and peace. Far more numerous, however, have been the victims of the racial policy of the new Germany—a policy which requires elucidation.

The racial policy is not a passing phenomenon. As far back as February 1920 the National Socialist Party proposed in its program that "none but members of the nation may be citizens of the State. None but those of German blood, whatever their creed, may be members of the nation. No Jew, therefore, may be a member of the nation."

This definition would deny German citizenship to persons of Jewish or of other non-German blood. The National Socialist program did not stop there. It demanded that "anyone who is not a citizen of the State may live in Germany only as a guest and must be regarded as being subject to foreign laws."

Thus having proposed the reduction of all German citizens of Jewish ancestry to an inferior status, the National Socialist program found no difficulty in urging the denial of all political rights to them, and, in particular, their exclusion from public employment.

This, however, has not been the final objective of the National Socialists with respect to the German Jews. They demanded in their program the immediate expulsion of all non-Germans who entered Germany subsequent to August 2, 1914, and had in view a similar fate for all persons of Jewish origin, no matter how long they or their ancestors had lived in the country, or how devoted and useful they had been to the Fatherland. Point 7 of their 1920 program reads:

"We demand that the State shall make it its first duty to promote the industry and livelihood of citizens of the State. If it is not possible to nourish the entire population of the State, foreign nationals (noncitizens of the State) *must be excluded from the* Reich." (Italics ours.)

In brief, then, the objective of the National Socialists, the present rulers of Germany, has been threefold: (1) To deprive all who have displeased them, and particularly Germans of Jewish ancestry, of citizenship and political rights; (2) to eliminate them from the political, cultural, social, and economic life of the country; and (3) to force them to emigrate. This objective has been pursued relentlessly by the present Government of Germany without regard either for the human suffering occasioned by their policies or for the welfare of the states in whose domains the victims have been obliged to seek refuge.

CHAPTER I

DISCRIMINATORY LEGISLATION: THE ARYAN DECREES

Herr Hitler, the leader of the National Socialists, became German Chancellor on January 30, 1933, but no legal action was taken immediately to realize the program of the party. The National Socialist leaders felt free to act only after the Reichstag, the deliberative and representative parliament of Germany, had been prorogued on March 23, 1933, and they had assumed dictatorial power. Then, however, decrees followed each other in rapid succession, and within a relatively short time liberals, pacifists, Jews, and Christians of Jewish ancestry were swept from public office, from Government employment, from the social services, and from the liberal professions.

The foundation of the entire structure of National Socialist legislative discrimination consists of sections 3 and 4 of the Law for the Restoration of the Professional Civil Service, issued on April 7, 1933. Section 4, relating to political opponents, prescribes that "officials who, judged from their previous activity, do not warrant that they will always unreservedly exert themselves for their national country, may be dismissed * * *" and subsequent decrees applying this test to professions other than the civil service have made little effort to define or limit the meaning of this sweeping provision.

It is generally believed that the Jews are the only victims of this form of discrimination, but a mere glance at the Law for the Restoration of the Professional Civil Service indicates that such is not the case. Article 3, the basis of the racial disabilities, commences thus:

"(1) Officials who are of non-Aryan descent are to be retired (see section 8); as regards the honorary officials they are to be discharged from office."

It will be observed that the law speaks not solely of Jews but of non-Aryans, a more comprehensive term which has disqualified numerous persons who are Christians and have had no relations with the Jewish community. To understand this action we must recall the fact that numerous German Jews abandoned Judaism and espoused Christianity during the course of the nineteenth and early twentieth centuries. Even more numerous, perhaps, was the class of Jews who had intermarried with German Protestants or Catholics, and they, or their children, had severed all affiliations with the Jewish group and had completely identified themselves with the Christian community. These persons regarded themselves and were regarded by others as Christians. But the National Socialist leaders have shown little respect for traditional Christianity. They have sought to render even faith subservient to the purposes of an exclusive racialism. Therefore legislation specifically directed against Jews would not have answered their purposes. It would have reached only the five or six hundred thousand Jews of Germany and not the additional hundreds of thousands of German Christians who are descended from Jewish stock. The National Socialists would include them all, those of the Christian as well as of the Jewish faith. For that purpose, "non-Aryan" appeared more satisfactory because it was more comprehensive and more in consonance with the racial theory.

But who is a non-Aryan? This question proved troublesome and the National Socialist legislators were compelled to issue a number of decrees defining arbitrarily this vague and elusive concept. First it was decreed that "a non-Aryan is one who is descended from non-Aryan, particularly Jewish parents or grandparents. It suffices if one parent or one grandparent is non-Aryan. This obtains especially if one parent or one grandparent belonged to the Jewish faith."

This definition was comprehensive enough, but it was soon discovered that some people had been left in doubt as to the purity of their Aryanism. The Minister of the Interior thereupon ordained that illegitimate descent from a non-Aryan did not remove the stigma which entailed an inferior status, and that Aryanism could not be acquired or assumed through adoption. On the other hand, an Aryan lost his privileged position if he married a non-Aryan.

* * * * * * *

"A person is not considered as of German or cognate blood if his paternal or maternal ancestors have Jewish or colored blood in their veins."

Even those who had held office uninterruptedly for nearly 20 years (since Aug. 1, 1914) and whose Aryan origin had not been questioned, must make the following statement:

"I declare officially herewith: I do not know of any circumstance—despite careful scrutiny—that may justify the presumption that I am not of Aryan descent; in particular, none of my paternal or maternal parents, or grandparents, was at any time of the Jewish faith.

"I am fully aware of the fact that I expose myself to prosecution and dismissal if this declaration proves untrue."

The State even provided for a racial expert to delve into the obscurities of Aryan antecedents and resolve doubtful cases.

"If Aryan descent is doubtful [read a decree of the Reich Ministry of the Interior] an opinion is to be obtained from the expert for racial research attached to the Minister of the Interior."

Thus, the aid of scientific research has been enlisted to make certain that not even a person of doubtful Aryanism would remain to contaminate the life of the new Germany.

The conscription law provided that "(1) Aryan descent is a presupposition for active military service. * * *

"(3) Only members of Aryan descent may be superiors in the Army.

"(4) Members of the Army and of the reserve of Aryan descent are forbidden to marry persons of non-Aryan descent. Contraventions bring about the loss of any higher military rank."

"The admission of lawyers who, according to the law for the restoration of the professional civil service * * * are of non-Aryan descent, may be canceled until September 30, 1933. * * *

"Admission to the bar may be refused to persons who * * * are of non-Aryan descent, even if there exists none of the reasons enumerated in the regulations for lawyers (Rechtsanwaltsordnung) * * *."

Even more startling was the application of racial and political tests to medicine and dentistry. German physicians and dentists were not, like the lawyers, driven at one stroke from their professions. Their elimination was achieved in a manner more ingenious, but in the long run no less effective. In the first place, provision was made that no new non-Aryan physicians or dentists be certified. An announcement made by the rector of the University of Berlin read:

"The Prussian Minister of Public Instruction has announced that non-Aryan medical students cannot expect to receive authorization to practice. But, according to present prescriptions, diplomas in medicine and dentistry may be granted only to foreign nationals, regardless of the question whether and when a German official authorization to practice is granted."

Physicians and dentists already in practice were not prevented by law from pursuing their callings, but, through expulsion from the national (and private) health-insurance service, they were deprived of their most numerous clientele and basic source of income. A decree of the Reich Minister of Labor read:

"The work of panel doctors of non-Aryan descent, as well as of panel doctors who engaged in activities of a communistic nature, must cease. Further admission of such physicians as panel doctors to the national health-insurance service is forbidden."

Similarly "the work of dentists and dental technicians in connection with the national health-insurance service * * * must cease if they are of non-Aryan descent or if they displayed communistic tendencies; such dentists and technicians are henceforth excluded from the practice."

These laws were put into effect by a number of decrees, the most noteworthy of which were the regulations concerning national health-insurance practice which were issued by the commissioner of physicians, Dr. Wagner. He declared that:

"Aryan physicians may be substituted by Aryan physicians only. * * * The same principle applies in the case of employing an assistant.

"Aryan physicians must assign their Aryan patients to Aryan specialists, physicians of hospitals, sanitaria, etc., and vice versa. Where local conditions render it absolutely necessary, Aryan physicians, especially those employed in hospitals, may accept assignments from non-Aryan physicians. * * *

"Common practice between Aryan and non-Aryan physicians is prohibited."

Thus collaboration, substitution, and consultation between Aryan and non-Aryan physicians were prohibited. Apparently a specialist's superior knowledge or surgical skill must be dispensed with in order further to segregate the non-Aryans.

One decree of the Reich Minister of Labor, that of February 3, 1934, is especially revealing as to what the molders of the new Germany consider essential in the training of a health-insurance officer. After announcing that employment in the national health-insurance service and promotion could be secured only on the basis of competitive examinations, the Minister went on to direct that the "subject matter of the examination in addition to the general and professional attainments must be civics (National Socialist view of life), as well as racial theory and eugenics.

"The national health-insurance service must see to it that all officials, employees, and laborers, even if they are not to pass an examination, acquire the necessary knowledge of civics, racial theory, and eugenics."

The Nationalist Socialists were also greatly concerned about the welfare of the press. Scandalous elements were to be eliminated and the independence of the press was to be furthered by subordination to the Minister of Propaganda, and by ordering that—

"Only he may be an editor:

"(3) Who is of Aryan descent and not married to a person of non-Aryan descent.

"(7) Who possesses the qualities requisite for a task involving the exercise of a spiritual influence upon public opinion."

Even more rigorous were the requirements for publishers, stockholders of newspaper firms, the members of boards of directors, and employees. These must prove "their own Aryan descent and that of their wives * * * up to 1800." Newspaper publishing firms were suppressed if their newspapers reported "on events in a form not commensurate with their importance for the public and which is apt to give offense to or to prejudice the dignity of the press."

The cinema was regulated by the establishment of a temporary film chamber, membership in which was compulsory for all those who produced, sold, or presented films and for "film creators", a comprehensive term which included:

"Production managers, stage managers, composers, scenario writers, musical managers, musicians, managers of photography, architects, camera men, sound masters, stars and minor artists, supers, and the like."

The most far-reaching measure taken to bend the cultural life of Germany to the purposes of an exclusive racialism was the establishment on September 22, 1933, of a Reich Chamber of Culture, with subdivisions devoted to literature, the press, broadcasting, the theater, music, and the plastic arts. Membership was compulsory, for the Minister of Enlightenment and Propaganda ordered that "whoever participates in production, reproduction, spiritual or technical elaboration, dissemination, preservation, sale or commission of sale of a cultural product must be a member of a branch of the Reich chamber that appertains to his activity.

"Dissemination also means the production and sale of technical means for dissemination."

The legislation respecting the hereditary peasantry indicated the desirability of excluding non-Aryans from agricultural pursuits. In the law of September 29, 1933, regulating peasant holdings, it was decreed that "(1) only a person of German or cognate blood may be a peasant; (2) a person is not considered German or as having cognate blood if his paternal or maternal ancestors have Jewish or colored blood in their veins; and (3) the 1st of January 1800 is the day that decides whether the premises of paragraph (1) obtain. * * *"

The stock and produce exchanges were likewise purged of non-Aryans. The Völkischer Beobachter, after declaring that it was not the intention of the Government to decrease the number of brokers, went on to say:

"The paramount consideration was the purging of the German Stock Exchange of all foreign and non-Aryan intruders and making the vocation of brokers into a class of honest merchants who are suitable for their calling because of their national sentiments."

Finally, the intention of the Government with regard to non-Aryan business establishments was revealed in the regulations respecting the expenditure of the sums received by loyal Aryans as marriage loans. The Reich Minister of Finance ordered that "* * * as sales agencies are admitted, * * * only those whose owners warrant that they will always unswervingly support the National Socialist Government" a condition which could, of course, not be met by non-Aryans.

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

The Senate resumed consideration of the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

Mr. COPELAND obtained the floor.

Mr. FLETCHER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Hayden	O'Mahoney
Ashurst	Connally	Holt	Overton
Austin	Coolidge	Johnson	Pittman
Bachman	Copeland	Keyes	Pope
Bailey	Costigan	King	Radcliffe
Bankhead	Couzens	La Follette	Reynolds
Barbour	Davis	Lewis	Robinson
Barkley	Dickinson	Logan	Russell
Benson	Dieterich	Lonergan	Schwellenbach
Bilbo	Donahey	McAdoo	Sheppard
Black	Duffy	McCarran	Shipstead
Bone	Fletcher	McGill	Smith
Borah	Frazier	McKellar	Steiwer
Brown	George	McNary	Thomas, Okla.
Bulkley	Gerry	Maloney	Thomas, Utah
Bulow	Gibson	Minton	Townsend
Burke	Glass	Moore	Trammell
Byrd	Gore	Murphy	Truman
Byrnes	Guffey	Murray	Vandenberg
Capper	Hale	Neely	Wagner
Caraway	Harrison	Norbeck	Walsh
Carey	Hastings	Norris	White
Chavez	Hatch	Nye	

Mr. LEWIS. I again announce the absence of the Senator from Maryland [Mr. TYDINGS], the Senator from Montana [Mr. WHEELER], and the Senator from Indiana [Mr. VAN NUYS], who are necessarily detained.

The PRESIDING OFFICER. Ninety-one Senators having answered to their names, a quorum is present.

Mr. COPELAND. Mr. President, in a matter of such great interest, not alone to the shipping interests of our country but to the freight-paying individuals of America, it is heartbreaking that we can not have more Members of the Senate here to give serious thought to the matter before voting.

This bill, if it shall be enacted into law, will reduce the toll charges of the oil tankers and of the private carriers like the Bethlehem Steel Co. It will increase the toll charges upon the common carriers, the ships which carry the products of the West—the apples and other fruit of Oregon and Washington and the citrus and other fruits of California—through the Canal to the east coast. It will also increase materially the rate on cotton carried through the Canal to the Orient and the Pacific coast and will increase the tolls upon traffic from the Atlantic coast to the west coast and the Orient.

This is not a matter which is without concern to the American producer or the American taxpayer. It is a mat-

ter of vital concern to all those who are interested in fairness of governmental regulations, and in the establishment of rates upon freight as low as can possibly be charged.

A day or two ago I heard criticism made of the minority report. Frankly, I do not consider that it was fair criticism. In my judgment, the minority report is well founded in its facts and conclusions. Since, however, it has been challenged, I desire to quote from the testimony of the witness of the Panama Canal organization who represents here, through his office as assistant comptroller and legal adviser, the Canal administration. I am taking, therefore, a witness who must be favorably inclined toward the proposed legislation, because this measure has been a pet of the Canal Zone authorities for many years.

As was stated, repeated efforts have been made to impose upon shipping this scheme of measurement of vessels. It has been before this body several times since I have been a Member of the Senate. Indeed, 6 years ago I served as a member of a subcommittee to give consideration to the scheme of the Governor of the Canal Zone to impose upon the shipping and upon the country his pet idea about how ships should be measured.

I may say in passing that it is a very interesting fact that the arguments which were made 6 years ago by the proponents of the measure are not the same arguments which are used today. Argument was made then about the impropriety of permitting deck loads, cargo piled upon the deck, to escape charges for transit through the Canal. Since that time, according to the testimony brought out, some vessels have found a way of evading the clear letter and spirit of the law by using for cargo certain space which should not be used if the proper measurement system were applied.

I desire to be as logical and orderly as possible, so I revert now to the testimony of Mr. Smith, found on page 3 of the hearings.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. LONERGAN in the chair). Does the Senator from New York yield to the Senator from Michigan?

Mr. COPELAND. I yield.

Mr. VANDENBERG. Before the Senator leaves the subject to which he was previously referring I desire to ask, for my own information, a general question. Is there no way to correct these occasional flagrant circumventions of the rules except by such legislation as we are here asked to pass?

Mr. COPELAND. That is a very pertinent and a very proper question, and one which ought to be answered; and I shall leave the argument I had in mind to reply to it now, because I had intended to touch upon it.

There is a way to correct these circumventions. If Senators will refer to title 48 of the Code of Laws, to section 1318, found on page 2192 of the latest edition, it will be found that the law now permits effective dealing with this deviation from the spirit and intent of the regulations which are now in force. I read it:

> The President is authorized to make and, from time to time, amend regulations governing the operation of the Panama Canal and the passage and control of vessels through the same or any part thereof—

And so forth.

The only thing the President cannot do is set forth in a section just before this, section 1315, where a limitation is placed upon any change in the tolls charged. The President must fix those tolls as follows:

> The tolls shall not exceed $1.25 per net registered ton nor be less than 75 cents per net registered ton.

That is one thing the President cannot change, except within the limitations prescribed.

Adverting now to the matter mentioned by the Senator from Michigan, no one can condone any act which has for its deliberate purpose the improper evasion of the regulations of the zone or of the laws of the United States. Yesterday very much was made of the fact that certain Japanese vessels had evaded the law by manipulating the structure of the vessels, as indicated by the picture of the tub on the wall. Yesterday the Senator from Wisconsin [Mr. DUFFY] said—and I quote from page 816 of the RECORD, first column:

> I am merely pointing out what can be done by taking advantage of structural changes by having openings made in the decks of certain of the Japanese ships.

The Senator goes on, and I wish to speak about this somewhat in detail:

> I understand they have engaged the services of a gentleman by the name of Ryan, who is advising the nations of the world, which use the Panama Canal, how they can alter the structure of their ships in order to take advantage of our peculiar situation and get a much lower rate.
>
> I have here a list of 14 Japanese ships which are mentioned at page 105 of the Governor's annual report as having been recently constructed to take advantage of the rules which are now in existence and which ships passed for the first time through the Panama Canal during the year 1935.

The Senator from Oklahoma [Mr. GORE] yesterday said that there are 38 such ships. There are 5,000 ships that use the Canal. To answer now directly the question of the Senator from Michigan, if there are 38 ships or 8 ships or 2 ships which are doing something violative of the spirit of the regulations, there is power to deal with that matter, and that evil can be overcome without the passage of this bill. The bill proposes to drive a tack with a 16-inch shell. A tremendous bill is set up, and the excuse for it this year is that 38 ships, most of them Japanese, have violated the spirit of the law by cutting into space and making changes which are improper.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Oklahoma?

Mr. COPELAND. I yield to the Senator.

Mr. GORE. The Senator has again attributed to me the statement, based on what I said yesterday, that there are 38 ships transiting the Canal and paying tolls on less tonnage than they ought to pay on, and he has just remarked that a large number of them were Japanese ships. I tried on yesterday to set the Senator from New York right on that point. I told the Senator from New York on yesterday that there were 38 such ships, of which I had a list on my desk, which belonged to five American concerns. There was not one Japanese ship among the number.

The Senator from New York on yesterday, and again on today, appears determined to put into my mouth a statement that there were only 38 such ships. I will enlighten the Senator on that point. During the fiscal year 1934 there were 336 American ships transiting the Canal and taking advantage of this device to reduce their own tolls on their own vessels. There were 86 American ships of the same character which did not take advantage of this device.

Of foreign ships passing through the Canal in 1934 there were 729 which resorted to this device—I will not say to this trick—in order to reduce their own tolls and to diminish the revenues which the Government of the United States should have received from the service it rendered those ships. There were 729 foreign ships in 1 year, and there were 334 foreign ships in this category which did not avail themselves of this device to reduce their own tolls for the service rendered them by the Government of the United States.

I hope the Senator will not again, through inadvertence or otherwise, state that my declaration was that there were only 38 ships passing through the Canal which availed themselves of this device and that a large percentage of those were Japanese.

I wish to say at this point that the Japanese have been the least grievous offenders of all the nations which sail the seas. I have here a statement that not until last year did they commence vigorously to emulate the Christian nations of the earth in this regard. Until last year they have been paying on 94 percent of the tonnage on which they ought to pay. England paid on 90 percent and other countries paid on 80 percent, but within the last year it has gone down below 70 percent. Vessels of all nations pay on less than 70 percent of the tonnage on which they ought to pay tolls to the United States.

Mr. COPELAND. Of course, Mr. President, I have no desire to impute to the Senator from Oklahoma any statement

which he did not make; and if I misquoted him, or if he thinks I did, I am sorry, and I apologize.

Mr. VANDENBERG. Mr. President, will the Senator from New York yield to me?

Mr. COPELAND. I yield.

Mr. VANDENBERG. The Senator from Oklahoma did not comment, however, on the statement made by the Senator from New York that there does exist a present statutory power to correct this situation without additional legislation, and I should be very much interested in his comment upon that proposition.

Mr. GORE. Mr. President, I dislike to interrupt at this point, but I shall be glad to illuminate that subject. That is the very point involved in this whole controversy.

The statute cited by the Senator from New York—section 5 of the original Panama Canal Act, the act providing for the opening of the Canal—authorized the President to fix tolls upon vessels transiting the Canal, but provided that the tolls should not exceed $1.25 per net registered ton and should not be less than 75 cents per net registered ton. Within those limits the President could fix the tolls. But the Attorney General held that the words "net registered tons" referred to the rules and regulations of the Commissioner of Navigation. So that is a limiting factor.

I do not know how familiar the Senator from Michigan is with this matter, but I will say that there are two systems of measuring ships, one known as the United States rules of measurement, the other known as the Panama rules of measurement, and, as I stated on yesterday, the United States rules have been developed with a view to cutting down port charges on our vessels when they go to foreign ports. There is a constant tendency to reduce the tonnage, because foreign governments impose harbor charges on our vessels, and they accept the United States measurement in making those charges.

The Attorney General held that the words "net registered ton" related to the measurement known as the United States rules. The average ship, measured according to the United States rules of measurement, measures about 70 percent of the tonnage which it measures when the Panama Canal rules are applied. There are some instances where a vessel measures 40 percent less under the United States rules than under the Panama Canal rules.

I think I can instance a case with reference to one of the tank ships about which we hear so much. When that ship passes through the Canal loaded it pays tolls upon 5,398 tons. That is what it measures under the United States rules, 5,398 tons. It pays tolls on that tonnage at the rate of $1.25. When it returns in ballast the same ship pays on 6,550 tons, pays on 1,100 tons more when it goes through in ballast than when it goes through loaded, because when it goes through in ballast it is measured by the Panama Canal rules and when it goes through loaded it is measured under the United States rules.

The Senator realizes it is a very complicated subject; it is very difficult to present it in perspective. The trouble is that this $1.25 referred to by the Senator from New York is a limiting factor, and when the tonnage of the ship ascertained by the United States rules is multiplied by $1.25, if that amount be less than the amount secured by tonnage of the ship measured by the Panama Canal rules multiplied by $1.20, then the smaller toll prevails. In other words, whichever toll is the smaller governs the payment, and the decision of the Attorney General heretofore referred to has thrown the whole thing into pot; it is not a system now at all. The same ship passing through at different times, by slightly changing its structure, pays an entirely different rate.

If the pending bill be enacted, every ship passing through the Canal will pay a fixed toll on its earning capacity, on its tonnage, as ascertained under this proposed law. But under the existing plan the tolls vary with respect to sister ships owing to these trifling devices referred to on yesterday. I should be glad if the Senator from Michigan would ask me a further question.

Mr. FLETCHER. Mr. President, I think the Senator from Michigan desires information as to whether or not under the Load Act of 1935 the practice of reconditioning the ships and changing the structure of ships must end.

Mr. GORE. Oh, no; it has no necessary bearing upon the subject at all, because that very law has been applicable to foreign ships passing through the Canal since 1929, and to our own ships engaged in foreign commerce. Since 1929 this campaign of owners reducing the tonnage of their ships by resorting to these devices has been under way, and has been accelerating all the time. That relates to the load-line law, and that law was applied to our own coastwise vessels in August of last year, as the Senator suggests; but it will have no more effect in preventing the resort to this device by our vessels in the future than it has had in preventing foreign vessels from resorting to this device. Let me say to the Senator from Michigan that it allows these vessels in a large measure to fix their own tolls.

Mr. VANDENBERG. Mr. President, I do not desire to trespass further on the time of the Senator from New York. I simply wanted to know whether the Senator from Oklahoma agreed with the Senator from New York that under the general Presidential power to which he has adverted and read from the statute, there is existing authority to correct the situation.

Mr. GORE. No; there is not. That is due, I will say to the Senator from Michigan, to an opinion by the Attorney General which gave the words "net registered tonnage" a meaning which the Congress did not have in its mind when it passed the law, and but for that opinion of the Attorney General the contention of the Senator from New York would have been correct, and the President governed by circumstances and changing conditions could from time to time have changed the tolls in order to meet those changing conditions.

Mr. VANDENBERG. Does the Senator from Oklahoma agree with the Attorney General's opinion?

Mr. GORE. Oh, no. The hearings clearly indicate that the opinion of the Attorney General did not correspond with the purpose which Congress had in mind when it passed the law, and that is evidenced by the testimony.

I will say to the Senator from Michigan that the President promulgated the rules governing tolls in 1913, fixing the rate at $1.20 for laden vessels, and 72 cents for vessels in ballast. There was no complaint at the rules or at the rate of the tolls. But the Attorney General held that when the $1.20 per ton based upon the Panama Canal measurement exceeded $1.25 times the tonnage measured under the United States rule, then the limitation of $1.25 prevailed and limited the collection of tolls to that.

When Congress passed the law it had in mind pretty much what is in the pending bill. The President was given a free hand in his discretion to fix the Panama Canal tolls at any price between $1.25 and 75 cents. But this technical ruling that "net registered tons" meant tonnage ascertained under the United States rules of measurement threw the whole thing awry. It is not a system now at all. It puts it in the discretion of shipowners as to what toll they will pay the Government, instead of allowing the Government itself to fix the tolls under this plan. The original plan of Congress was to have a fixed toll per ton so that every vessel when its tonnage was ascertained would know exactly how much toll it would have to pay. That is not the case now. In the case of sister ships, as I indicated yesterday, one by cutting a slot in the weather deck 4 by 18 feet one may take out 2,000 tons from the payment of tolls, and yet the space may be every inch of it loaded, whereas its companion ship in whose deck the hole has not been cut will be obliged to pay for the entire space between the weather deck and the lower deck, although it has not got a pound of freight.

Mr. COPELAND. Mr. President, I am very much obliged to Senators for the addition they have made to my speech, but I hope this colloquy will not be taken out of my time.

Mr. GORE. I move that the Senator's time be extended.

Mr. COPELAND. Mr. President, I had hoped to make an orderly speech. I really had an outline which I thought might produce such a speech in a limited time. But, of course, I welcome all these illuminating additions to the speech or to the subject and will proceed in all good nature.

The Senator from Oklahoma has referred to the opinion of an Attorney General. I have been long enough in public life to discover that attorneys general are sometimes wrong. Even the courts decide that their opinions are wrong. The Senator from Oklahoma has defended the weakness of his bill by saying that the problem cannot be dealt with because an unnamed, and to me unknown, Attorney General has said it cannot be. I am not satisfied with that offhand disposal of the problem. I do not know anything about law, but I know something about the English language; if I can read the English language and comprehend it, the law of the Nation prescribes a way to do away with an evil which is graphically pictured by the chart upon the wall.

I should like to state further that I gathered, as I listened intently to the colloquy, that the Senator from Oklahoma agrees with the position which I have just expressed. It is the law, and there is a way of dealing with it, and our rights under the law have not yet been exhausted.

I now desire to return, if I may, to my "muttons."

Mr. DUFFY. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. DUFFY. Does the Senator suggest that the Panama Canal authorities should ignore the opinion which was handed down by the Attorney General and follow the system which he says is illegal?

Mr. COPELAND. Which who says is illegal?

Mr. DUFFY. The Attorney General ruled, and they are now operating under that ruling, and have been ever since it was made.

Mr. COPELAND. I can only say what I would do if I were the authority in charge of the Panama Canal. I would follow the law regardless of some ancient and dust-covered opinion by an Attorney General.

Mr. GORE. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. GORE. Of course, the Senator knows that when the head of a department calls on the Attorney General for an opinion, and he renders that opinion, it governs the conduct of the head of that department. I will try to insert in the RECORD a statement by President Wilson on that very point.

Mr. COPELAND. I remember very well that my old friend Governor Flower, of New York, once said to me, "I hire a lawyer to give the kind of an opinion I want, and if I do not get that kind of opinion from him I fire him and get another lawyer." It would seem to me that if the Canal authorities would inquire of the present able Attorney General there might be another opinion rendered. Until our rights under existing law have been exhausted I think it is absurd to come here and ask that the rules be changed by legal enactment.

I desire to finish what I have to say and then the Senator from Oklahoma can reply. It has been stated that there is no desire or need to increase the revenue of the Canal. I think the proponents of this bill have said that the proposed law will not give any more revenue. Then the only purpose of the proposed law, as I see it, is that because somebody has cut a hole in the deck or added a scupper we must bring out the artillery and plug up the deck with 16-inch shells.

Mr. President, I am going to speak about that pretty soon, and had intended at the very beginning to do so. I must now complete the discussion as it has been changed by the question and comments just made.

I now want to refer to a positive statement made by the Senator from Wisconsin [Mr. DUFFY]. The Senator from Wisconsin said:

> I understand that they have engaged the services of a gentleman by the name of Ryan—

Who is advising about the change of the structures.

I know Thomas Fortune Ryan; and I know Joe Ryan, who is the able head of the longshoremen; and I know Major General O'Ryan, and I know Ryan Duffy; but I never heard of this particular Ryan until yesterday, when his name was mentioned by the Senator from Wisconsin. I saw this Mr. Ryan last night; he came to my office heartbroken, apparently much disturbed over the statement made by the Senator from Wisconsin. The Senator from Wisconsin may say that this man was not the Ryan he meant. I said he mentioned some Ryans, and I know some Ryans; but this man said he was the Ryan.

He told me he is a naval architect with the full name Michael J. Ryan, of my city. I shall tell the Senate what Mr. Ryan said about the comments of the Senator from Wisconsin. This is his statement:

> Concerning the remarks made by a member of the Committee on Interoceanic Canals, I must not let the statement go unchallenged that an expert by the name of Ryan was engaged by foreign shipowners to cut holes in decks and split with them on a 50–50 basis of the earnings saved by these tonnage manipulations.

Mr. DUFFY. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Wisconsin?

Mr. COPELAND. I yield.

Mr. DUFFY. Do I understand correctly that that statement is being attributed to me in the remarks made by me yesterday?

Mr. COPELAND. I think this Mr. Ryan has put together what the Senator from Wisconsin said and, perhaps, what others have said. I am reading from his letter to me.

Mr. DUFFY. I am sure the Senator will agree with me that I said nothing about him splitting with anybody else.

Mr. COPELAND. The Senator did not, but he did say——

Mr. DUFFY. I did say that he advised with foreign governments, that is, with shipbuilding concerns particularly of different countries, as to how to beat this game; and that is my information.

Mr. COPELAND. Very well. The Senator from Wisconsin can have a row with Mr. Michael J. Ryan, but he cannot have one with me.

Mr. DUFFY. I ask the Senator not to attribute to me something that I did not say.

Mr. COPELAND. I am not attributing anything to anybody except to Mr. Michael J. Ryan, and I am reading from his statement. He may not have been referring to the Senator from Wisconsin in what he says; I am not advised as to that; but Mr. Michael J. Ryan is a free and independent citizen of the United States, and if an attack is made upon him, he has a right to have somebody, especially a Senator from his own State, say something in his behalf. So I am giving information which he has given to me.

Mr. DUFFY. The Senator from Wisconsin has no objection to that, except that I do take exception to the statement of the Senator from New York first attributing certain remarks to me and then reading this statement right afterward to make it appear that it was all attributable to the remarks I made yesterday.

Mr. COPELAND. Anyway, whoever said it, Mr. Ryan says:

> No Japanese company has ever employed me to cut holes in their decks.

So that is the answer.

Mr. DUFFY. Mr. President, will the Senator yield once more? I did not intend to say that he was a mechanic and cut holes in himself, if that is what he is trying to make a fine point on. I said he was an adviser and had given advice to various shipowners as to how they could lessen their tolls by changes in the structure of their ships.

Mr. COPELAND. Suppose I ask the Senator from Wisconsin, was he talking about Mr. Ryan advising the Japanese in this matter?

Mr. DUFFY. I was advised by statements made to me by the Canal authorities and by an article in a maritime magazine—I think it was the Nautical Gazette; and I believe that the article in the Nautical Gazette was written by Mr. Ryan—as to the methods that could be used and which he advised various shipowners to use in order to cut down their tolls on ships going through the Panama Canal. The Japanese have just this last year started on that practice.

Mr. CLARK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Missouri?

Mr. COPELAND. I yield.

Mr. CLARK. Whether Mr. Ryan advised the Japanese is something I know nothing about; but it is a fact, is it not, that somebody advised the Japanese, or they devised on their own motion and by their own methods, a system by which under the present scheme of measurement they have defeated the purpose of the United States by cutting holes in the decks of their ships and by other devices?

Mr. COPELAND. I might say now, to quote Mr. Ryan——

Mr. CLARK. Let me say to the Senator from New York it does not make any difference to me whether Mr. Michael J. Ryan advised the Japanese or who advised the Japanese, if it be a fact that these various devices have been taken advantage of, as the War Department and the Bureau of Insular Affairs contend, to defeat the true purposes of the United States.

Mr. COPELAND. Once more, if I may quote Mr. Ryan——

Mr. CLARK. Very well.

Mr. COPELAND. He says:

> This committee alleges the Japanese vessels are taking advantage of our rules, when actually the Japanese steamship owners are reluctant to make any changes to their vessels that would in any way cause embarrassment to their diplomatic relations with our country, even though their national tonnage rules are similar to ours.

But, anyway, Mr. Ryan says:

> No Japanese ship company has ever employed me to cut holes in their decks—

And so forth.

Mr. President, I have no disposition to split hairs or to indulge in any sort of nonserious discussion of this matter; it is too vital to our people for that.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Oklahoma?

Mr. COPELAND. I yield.

Mr. GORE. Mr. Ryan disclaims in the letter that the Japanese Government ever employed him. I do not think anybody has ever suggested that any government ever employed him, but only foreign shipping concerns. As suggested by the Senator from Missouri [Mr. CLARK], it may be that no Japanese concern has employed him; and I will say, as I said a moment ago, that the Japanese are the least grievous offenders. But Mr. Ryan, so far as the Senator has read his letter, does not disclaim that Italian concerns have employed him to advise them how to cut down their toll charges. I will say to the Senator that this practice has been under way for 10 or 15 years; it is growing worse year by year; but nobody until recently has undertaken to lift out of the payment of tolls more than one deck—the shelter deck under the weather deck. It has been repeatedly stated that by cutting certain holes in the weather deck the space between that deck and the deck below may be taken out and rescued from the payment of tolls. Nobody has undertaken to go to the deck lower down than that until Mr. Ryan, as I am reliably informed, recently counseled an Italian concern with a view to exempting an additional deck by making certain holes in its decks or walls. There is a letter, I am informed by the Department, addressed to the agents of an Italian concern in which they say that "your Mr. Ryan" has been in conference in regard to your proposal to exempt an additional deck; and the Department advised the Italian shipping concern that as a measure was pending in the Senate they would delay ruling on that point and they would await the action of the Senate and the Congress of the United States.

Mr. COPELAND. My defense of Mr. Ryan related only to the Japanese. I will see him this evening, probably, and then I will find out about the Italians, so that when we resume this debate we will know what he has to say about his advice to the Italians. I have not heretofore heard about them. I do not believe that was previously in the RECORD.

Mr. President, the purpose of this bill, I judge from the earnestness of its author, is to correct the evil which is portrayed by the chart on the wall. I have forgotten the number he has given me, but, whatever the number is, it seems there are many ships that are evading the letter of the law in some improper manner. I do not condone that.

I should like to say to the Senate that, in response to a responsibility placed upon the Commerce Committee by the Senate, a subcommittee is studying the question of safety at sea. This investigation was founded in the first place on those dreadful disasters, the *Morro Castle* and the *Mohawk*. One of the things the subcommittee has done is to bring into being an advisory group of experts on shipping construction—shipowners, naval architects, merchant marine architects and others who are informed, the American Bureau of Shipping, and several other groups. We have brought together many persons who are experts, and they have already advised that in the construction of ships hereafter they shall be constructed with, at least, compartments. In the case of the *Mohawk*, which happened to be a two-compartment ship, the penetration of the side of the ship in the collision permitted water to rush in and cause the ship to overturn. The experts are now proposing that there shall be three compartments, and that hereafter in the construction of ships the compartment idea shall be used. In the placing of cargo necessarily it will have to be placed with reference to that improved method of construction of the ship.

A good many ships are antique; and when we speak about the American merchant marine I may say that practically all of our ships are antique; and unless we find some way to upbuild the American merchant marine in 10 years our flag will be off the seas. At present a tremendous majority of our ships are more than 16 or 17 years of age. The economic life of a ship is 20 years. So it is easy to see that in 5 or 10 years we will be practically without ships—certainly safe ships.

It may well be that in these times of depression there has been anxiety on the part of some American operators—I am not advised and I am taking now at par what the Senator from Oklahoma says—and it may well be that some of our American operators have sought to increase the carrying capacity of their ships in the manner indicated. Whether that was done with a view to defeating the Canal authorities in the collection of a proper amount of tolls I do not know.

It might well be that it was for a more noble and worthy purpose than the one indicated. But at any rate existing law prescribes how the practice may be overcome. I do not believe the Senate should proceed seriously to the consideration of the enactment of a general law which applies to all ships passing through the Canal for the sake of reaching a limited number of ships, which undoubtedly will be out of commission very soon, because of their evasion of the spirit and letter of an existing law.

Having said that, I shall return almost to the place of the beginning of my remarks. The effect of the proposed law—that is, if the Gore bill is enacted into law—will be practically as follows. I refer now to page 3 of the record of the hearings and the testimony of Mr. Smith, the Assistant Comptroller and legal adviser of the Washington office of the Panama Canal. I read a question of my own in the hearings, as follows:

> I assume, Mr. Chairman, at the proper time there will be inserted in the record a schedule showing exactly how it does change the revenue relating to certain lines and ships that use the Canal?
>
> The CHAIRMAN. Yes, sir.

And now we find in the record, "The information referred to is as follows", so I am quoting in this matter from an authority on the Canal, from the legal adviser and Assistant Comptroller of the Panama Canal Office in the District of Columbia. He recites what would be the effect of this bill if enacted into law. His statement is founded upon the theory that when the law is applied it will be at the 90-cent rate. If the rate is left at $1, the figures will be different, but the relative effect will be the same.

Referring to the table we find there would be a reduction in tolls as follows:

TANKER GROUP

The tanker group is that group of vessels carrying oil. In a sense they are like the trucks we see upon the highways. These ships are constructed with reference to the carrying of this fluid. There would be a reduction in tolls as follows:

For the Standard Shipping Co., which is the Standard Oil Co. of New Jersey, the reduction would be $135,000 annually; for the Standard Oil Co. of California, $85,000 annually; for the Sun Oil Co., $78,000; for the Union Oil Co. of California, $42,000; and for miscellaneous tanker lines, $238,000. That is a total reduction of $578,000 a year taken out of the receipts of the Canal and given as benefits to the oil carriers.

Mr. DUFFY. Mr. President, will the Senator yield at that point?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Wisconsin?

Mr. COPELAND. I yield.

Mr. DUFFY. I invite the attention of the Senator to the fact that at page 106 of the printed hearings it is shown that 970 vessels transited in ballast and of these 435, or less than 45 percent, were tankers, while 523, or 54 percent, were of the general-cargo group, the remaining 1 percent being passenger vessels; so the vessels would receive benefits not because they happen to be tankers but because they go through in ballast.

Mr. COPELAND. If the Senator has any comfort in that statement, I am glad of it.

Mr. GERRY. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Rhode Island?

Mr. COPELAND. I am glad to yield.

Mr. GERRY. I was wondering if the Senator could tell me how many of all these vessels were of foreign companies and how many of the tankers were of foreign companies.

Mr. COPELAND. I think I can give the Senator some information on that matter in a moment, if he will bear with me.

Mr. GERRY. I do not wish to interrupt the trend of the Senator's remarks.

Mr. COPELAND. I will give the figures now. Of vessels of the United States registry the percentage of decrease in tonnage would be 17, and of the foreign vessels 19, so it is practically the same.

It is not alone the oil carriers which would benefit. On page 4 of the hearings, taking the statement of Mr. Smith, we find material reductions to the Calmar Line, which is a Bethlehem Steel industrial carrier. We find a further reduction to the Ore Steamship Co., which is also a Bethlehem Steel Line.

The point I am trying to make clear is that by the wording of the bill very large reductions in tolls will be given to the tankers, which are private concerns, and to vessels owned and operated exclusively in the private carriage of goods and not as common carriers.

In contradistinction to the benefits derived by the oil carriers and by the private carriers, we find a material increase in the tolls which we will charge the common carriers. For instance, according to this report, the Luckenbach Line, the American-Hawaiian Line, the Arrow Line, the Shepard Line, the Isthmian Line, the Argonaut Line, the Panama Pacific Line, the Grace Line, and the Dollar Line, and others, will be burdened, at a 90-cent rate, by additional tolls amounting to $706,000 a year. That is at a 90-cent rate.

The supposition of the application of a 90-cent rate is founded upon the letter in the record from the Secretary of War saying that if the bill is passed he will urge the President to fix the rate at 90 cents. No one knows that that will be done; but if it is fixed at 90 cents, these common carriers will have to pay $706,000 more than they have to pay today; and if it is a dollar rate, it will be about $800,000 or more.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. COPELAND. Certainly.

Mr. VANDENBERG. Are these the same carriers which already are in such precarious financial condition that Congress is being asked for legislation in connection with them?

Mr. COPELAND. They are.

Mr. VANDENBERG. This will be an additional burden to be put upon them?

Mr. COPELAND. Yes. Of course, we are not seeking to pay any subsidy to the intercoastal lines, the protected lines; but many of the ships in question are in the group mentioned by the Senator from Michigan. There would be then, if we ever passed a subsidy bill, the need of a somewhat greater operating subsidy, in view of the fact that some would suffer losses by reason of tolls paid.

Mr. VANDENBERG. So in that instance we would take money out of the Treasury to pay the subsidies, to pay it to the shipping lines so they could pay it back to the Treasury through increased tolls?

Mr. COPELAND. That is correct.

I have been quoting a witness brought here to defend this bill. His testimony indicates that the common carriers operating through the Panama Canal will have imposed upon them an additional burden of $700,000 or $800,000 a year. As a matter of fact, some figures which have been given me indicate that the figures will be very much greater; but anyhow, the additional burden will be in the neighborhood of a million dollars a year.

Just what does that mean to the shippers of the country? It means that on the products of the potato growers of New England and the apple growers of New York and the fruit producers of New Jersey and the cotton raisers of the South, representing all the Southern States where cotton is produced, and likewise on automobiles made in Detroit, or wherever they may be made, on all shipments made through the Canal in common carriers there will be additional tolls amounting to in the neighborhood of a million dollars a year. Of necessity that means that the rates upon freight will be increased.

I hasten to answer the question which the Senator from Wisconsin [Mr. DUFFY] is about to ask, which is, Has the Senator from New York seen any evidence of carriers lowering the rates when the tolls were decreased? Even though I answer that question "yes", I shall not fail to say that when there is some excuse for an increase in rates—and there certainly will be here—there is sure to be demanded an increase in freight rates; so that is the answer to the question the Senator has in his mind.

Mr. DUFFY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Wisconsin?

Mr. COPELAND. I yield.

Mr. DUFFY. The table which was put in the RECORD yesterday, appearing on page 819, as to the five American lines, showed, as the Senator said, that the tolls paid by them have been reduced over the course of a year some $710,000 as a result of reconditioning their ships. Does the Senator agree that it is a fair statement that if this law shall be enacted, and the 90-cent rate shall be put into effect as expected, the tolls charged to these American lines will not be as great as they were before the lines recently reconditioned their ships?

Mr. COPELAND. Perhaps; but we are considering a rule that never works both ways. I am utterly opposed to the evasion of the law, if there is such. I do not want the law to be evaded. I cannot condone any evasion. I cannot excuse anybody who deliberately does it or attempts to do it; but I desire to know, and it has not yet been explained to me, whether the reason for the change indicated in the pictured tub shown on the wall was for the purpose of evasion of the tolls, or for the purpose of increasing the earning capacity of the ships.

I have not been told that; but, anyhow, no matter what has happened in the past, no matter whether or not there have been evasions, if this bill shall be enacted there will be an increase of freight rates upon general cargo, representing the products of the factory, of the farm, and of the plantation and of the garden and of the orchard. There

will be increased freight rates, because there must be found a way to pay the tolls. That is inevitable.

Mr. DAVIS. Mr. President, how much of an increase will there be?

Mr. COPELAND. In the neighborhood of a million dollars a year.

Mr. President, the witness to whom I refer is not my witness. This testimony is from the mouth or pen of a witness of the proponents of the bill.

It seems futile to discuss all the problems which are related to this question; but we might say a lot about earning capacity, which was emphasized by the Senator from Oklahoma [Mr. GORE] in his colloquy a little while ago. When it comes to earning capacity this bill is awfully good to the oil carriers and the ships of the great steel companies. That, of course, is merely a coincidence. My friend from Wisconsin [Mr. DUFFY] a little while ago talked about cargo ships coming back in ballast. There are mighty few cargo ships that come back in ballast. They cannot afford to operate in that way. It takes a two-way traffic to make any sort of transportation a financial success; but this bill deliberately provides, on page 2, that the rate of tolls—

> On vessels in ballast without passengers or cargo shall be less than the rate of tolls for vessels with passengers or cargo.

Show me any vessels, common carriers, that go through the Canal, that have not passengers aboard. They may not have much cargo, but they have passengers. They do not get any relief; but the ships owned by the great oil companies of America and the great steel companies of America come back in ballast, of course. They are engaged in a one-way traffic, and they can make enough profit in a one-way traffic so that they do not care whether they bring back anything or not. That is not so of the common carrier. No man can run a railroad or an electric line or a bus if his traffic is all in one direction. He could not get enough revenue out of a one-way traffic to finance his operations.

So here we have deliberately written into the bill protection of these great companies so that they shall not be charged the maximum tolls when their vessels come back in ballast; but if a general cargo or a combination ship comes through the Canal, if it has one passenger aboard, it pays its toll; and those tolls run into enormous sums. Some of the lines running regularly through the Canal pay as much as a million dollars a year.

Nobody has complained about the receipts of the Canal. Nobody has asked for more income for it. The proponents of the bill do not contend that this measure would produce more income; but, forsooth, because somebody has a tub like that pictured over on the wall, and has resorted to some impropriety, all the shipping interests of the world, and particularly the shipping interests of our country, are to be penalized.

Mr. President, I am not going to say anything more. I have told the story, and I think I have told it accurately. I hope this bill will not pass. It is too bad that the arguments pro and con could not be absorbed by a Senate much occupied with other things. I do not blame any Senator for not being here when every measure is discussed. I know how busy my office is. I could be engaged in the public service every minute if I never came to the Senate Chamber, and I know Senators are actively occupied elsewhere. But it is not fair or just or statesmanlike to pass a bill, the effect of which is to relieve the burden of the private carriers of our country and impose a tremendous added burden upon common-carrier shipping which is already distressed.

I should be perfectly willing to do this. I am sorry the Senator from Oklahoma [Mr. GORE] is not on the floor. This bill has a second section to which I shall now refer.

This measure is remarkable in its approach to the subject. The first section sets up the new standard of measurement. The second section says:

> The President is authorized to appoint a special committee—

To study the rules for the measurement of vessels.

It would seem to me, having been brought up in the "horse and buggy" days of American history, that the cart is before the horse. If a study is to be made of this question, it ought to be done before the proposed legislation is enacted. I have no objection in the world to such a study, not because it would defer action, but because it is a subject which deserves study, and it needs study in the light of recent advances in shipping construction and operation.

No more vessels will be constructed of the type of the tub. That type of vessel is gone forever. We had to pass load-line laws to make sure that top-heavy arks of that type should not turn over or sink; but the vessels hereafter constructed in American shipyards will be built according to standards which make for greater safety at sea, and that ought to be done.

Those who travel in ships are always in danger of their lives.

Every precaution should be taken by every government, as I see it, to make certain that all common carriers are so constructed that the maximum of safety is provided for; and that is what will be done in the building of ships in the future.

Mr. President, let us enact the second part of the bill. I understand the Senator from North Carolina [Mr. BAILEY] has offered an amendment proposing that we do exactly what I am suggesting here now, that we let the President appoint this committee to study the question. Then everything can be determined, not alone how the ships should be measured, but also the sort of ship which should be permitted to transit the Canal, and likewise the exact question of the tolls to be charged can be worked out so that the carrying charges of the Canal and the retirement of bonds and all that sort of thing may be provided for in detail.

Committees of the Congress have worked for years upon proposals like the one now pending, as I said in the beginning of my remarks, but we never got anywhere with the matter. If past bills have been as bad as the one before us, I am not surprised that the Congress got nowhere with the proposed legislation. But the Senator who has written the bill proposes in the second section a study of the question, and that is what I should like to see take place. If that study shows that the arguments which I have tried to present are wrong, and the committee so decides, I shall be glad to throw up my hands and say that I have been wrong. On the other hand, the committee may determine that such legislation would be an invasion of the rights of those who have freight to carry upon ships and those who operate the ships. In either event the committee would bring us the conclusions which would permit us to deal wisely with the problem.

I hope the bill may be amended so that this proposed study may be made and the facts determined, in order that we may proceed intelligently in the matter. Otherwise I would say that by all means the bill should be defeated.

Mr. REYNOLDS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Hayden	O'Mahoney
Ashurst	Connally	Holt	Overton
Austin	Coolidge	Johnson	Pittman
Bachman	Copeland	Keyes	Pope
Bailey	Costigan	King	Radcliffe
Bankhead	Couzens	La Follette	Reynolds
Barbour	Davis	Lewis	Robinson
Barkley	Dickinson	Logan	Russell
Benson	Dieterich	Lonergan	Schwellenbach
Bilbo	Donahey	McAdoo	Sheppard
Black	Duffy	McCarran	Shipstead
Bone	Fletcher	McGill	Smith
Borah	Frazier	McKellar	Steiwer
Brown	George	McNary	Thomas, Okla.
Bulkley	Gerry	Maloney	Thomas, Utah
Bulow	Gibson	Minton	Townsend
Burke	Glass	Moore	Trammell
Byrd	Gore	Murphy	Truman
Byrnes	Guffey	Murray	Tydings
Capper	Hale	Neely	Vandenberg
Caraway	Harrison	Norbeck	Wagner
Carey	Hastings	Norris	Walsh
Chavez	Hatch	Nye	White

The PRESIDING OFFICER. Ninety-two Senators having answered to their names, a quorum is present.

Mr. SCHWELLENBACH obtained the floor.

Mr. DUFFY. Mr. President, will the Senator yield to me?

Mr. SCHWELLENBACH. I yield.

Mr. DUFFY. The Senator from Washington has kindly yielded so that I may place in the RECORD, in connection with the discussion of the pending bill, a table which gives a list by name of the 22 Japanese vessels of the 385-foot type which use the Panama Canal, and which are now being or have recently been reconditioned in order to obtain a reduction in toll charges.

The first two ships on the list are the *England Maru* and the *Aden Maru*. The *England Maru* has already transited the Canal after being reconditioned. She formerly paid $5,335, but now pays $4,350, a saving on each transit of $985.

I ask unanimous consent that this table, giving the 22 Japanese ships by name, be inserted in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

List of 22 Japanese vessels of the 385-foot type using the Canal which are being reconditioned to secure reduction in tonnage and tolls charges

Vessel	United States equivalent before reconditioning	United States equivalent after reconditioning	Percentage decrease
1. England Maru	4,268	3,624	15.1
2. Aden Maru	4,234	3,628	14.3
3. Capetown Maru			
4. China Maru			
5. Denmark Maru			
6. Holland Maru			
7. India Maru			
8. Italy Maru			
9. Jufuku Maru			
10. Norway Maru			
11. Ohio Maru			
12. Pacific Maru			
13. Scotland Maru			
14. Spain Maru			
15. Sweden Maru			
16. Thames Maru			
17. Chile Maru			
18. Glasgow Maru			
19. France Maru			
20. Kofuku Maru			
21. Naples Maru			
22. Belgium Maru			

NOTE.—This shows that the reduction secured amounts to approximately 600 tons for each ship or approximately 15 percent. The first two have already transited the Canal after being reconditioned with the result as shown. That is the England Maru formerly paid on 4,268 at $1.25=$5,335; now pays on 3,624 at $1.25=$4,350, saving $985 every transit.

THE AMERICAN LIBERTY LEAGUE

Mr. SCHWELLENBACH. Mr. President, on Saturday evening of this week there will take place here in the city of Washington for the first time a banquet of a national organization of which the American people have heard a great deal in the last year and a half. There will be as the guest speaker of that meeting a very distinguished American, and undoubtedly the meeting will attract attention throughout the country. In view of that fact, I have the feeling it may be desirable that we place in the RECORD of this body some of the facts concerning the membership of that organization, some of the sources from which its money comes, and some of the governmental activities of its most prominent members. I do this in order that when this organization on Saturday night pronounces in the radio broadcasts to the Nation its desire to save the Nation from the dire consequences of the efforts of this administration the people of the country may be able to determine whether or not the membership of that organization is sincere in the things it professes.

I have in my hand a little pamphlet which is entitled "Facts About the American Liberty League", an official document printed by the league, and from it I have taken a statement which, I believe, most favorably to the league, states the professed aspirations and hopes of the league itself. I quote it:

The American Liberty League, an organization of patriotic Americans, is a liberal, constructive body, formed to do its part in its attempt to solve our national problems to help bring about business recovery, reduce unemployment, and improve the living conditions of the average man. It holds that the preservation of human rights is necessary to the maintenance of any stable form of government. Its object is to provide for the rank and file of the American people an opportunity to offset the influence of selfish groups and to preserve for succeeding generations the principles of the Declaration of Independence and the Constitution.

That is the self-serving declaration of the American Liberty League as to its purposes and objects. It was organized, according to this pamphlet, I believe, in August of 1934, and since that time it has printed for the American people and distributed through the mails and in various ways a large number of pamphlets. I think the last one issued was no. 91 or 92. I have read all the pamphlets as I have seen them from time to time, and I want to say that they are very well written, as they should be very well written, since the chief publicity man, the head of the organization, Mr. Jouett Shouse, received some $54,000 last year; and the assistant publicity man, a Mr. Murphy, received $1,166 a month; and his assistant, Mr. Kirby, $456 a month. I should say that the three gentlemen with all their ability and their talents should put out very fine high-class publicity, and they have.

Some of the subjects upon which this group, which says it desires to protect the American people against the interest of selfish groups, seeks to advise the American public can be seen from some of the pamphlets it puts out. I give a few examples. They write a pamphlet on economic security, one on the bonus, one on inflation, one on the holding-company bill—Price Control, the Labor Relations Bill, the Farmer's Loan Bill, the T. V. A. Amendments, the Revised A. A. A. Amendments, Potato Control, Consumer and the A. A. A., A. A. A. and Our Form of Government, the Duty of the Lawyer in the Present Crisis.

Those are just a few of the titles of the books which Mr. Shouse, at the rate of $54,000 a year, is publishing and distributing to the American people as coming from an organization which has as its purpose the preservation of the principles of the Declaration of Independence.

I think it is well, in view of the widespread distribution of this literature, that we should know who is financing this organization. During the year 1935 the organization received either in the form of direct contributions or of loans a total of $483,175.40 for their annual campaign fund.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. SCHWELLENBACH. I yield.

Mr. MINTON. Is this Liberty League which the Senator is speaking about the same thing as the Association for the Support of Jouett Shouse?

Mr. SCHWELLENBACH. There has been some doubt, I might say to the Senator, just what would be the source of the living for Jouett Shouse if his old friends who were with him in the repeal of the eighteenth amendment had not formed this particular league. However, I do not think the Senator need to worry about Mr. Shouse. He is getting along very nicely on $54,000 a year.

What were the sources of the money—$483,000—during this last year? It is of particular interest that of that $483,000 a total of $270,548 came from the Du Ponts or their affiliates, the General Motors Corporation, or concerns or individuals having connections with the Du Pont organization. I wish to read some of the contributions and loans which were made to this organization during the last year.

Donaldson Brown, vice president of General Motors, $15,000.

R. R. M. Carpenter, vice president of the Du Pont organization, $15,000.

W. S. Carpenter, Jr., vice president of the Du Ponts, $2,334.33.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. SCHWELLENBACH. I yield.

Mr. O'MAHONEY. Does the Senator have any information with respect to whether or not these contributions come from the individuals or from the corporations which the individuals represent?

Mr. SCHWELLENBACH. The information I have, I may say to the Senator from Wyoming, comes from the reports which the organization has recently filed with the House. I am hopeful that some committee of this body will in the

near future ascertain whether or not those individuals are actually putting up the money or whether the corporation behind them is. It does seem rather peculiar that the vice president of a corporation should have $15,000 extra money in 1 year to donate to a movement of this kind.

Mr. O'MAHONEY. Does the Senator know whether or not these persons have been the beneficiaries of bonuses granted by the directors of the corporations they represent without the knowledge of their stockholders?

Mr. SCHWELLENBACH. I will later go into the question of the bonuses which the officers of the Du Pont organization receive.

Mr. O'MAHONEY. In other words, there is a possibility that the stockholders and possibly the patrons of these corporations are really the ones who unknowingly and unwittingly are financing this Liberty League movement?

Mr. SCHWELLENBACH. I will say to the Senator that the Lobby Investigating Committee last year, for example, investigated the Associated Gas & Electric Co., which had spent almost a million dollars in the holding-company campaign, and found that all of that money for that campaign came out of the stockholders of the company, and not from the private fortunes which the officers of the company had amassed. I do not know whether the efforts to finance the movement now under discussion is on the same plane.

Going on with the list, we find Charles C. Copeland giving $15,000. He is a director of the Du Pont organization.

We find the du Pont family themselves very charitable and giving freely of their funds. Archibald du Pont, $2,500.

Henry du Point, $15,000.

Irénée du Pont, four contributions, one for $15,000, one for $5,000, one for $20,000, and one for $39,000 during the year 1935.

Mrs. Irénée du Pont, $1,000.

Lammot du Pont, $10,000.

Pierre du Pont, $15,000.

S. Hallock du Pont, $15,000.

William du Pont, $15,000.

Those are the contributions or contributions and loans of the Du Pont family during the last year.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. SCHWELLENBACH. I yield.

Mr. BARKELEY. What is the total amount of the du Pont generosity in this respect?

Mr. SCHWELLENBACH. The du Pont family itself, does the Senator mean?

Mr. BARKLEY. Yes.

Mr. SCHWELLENBACH. One hundred and thirty-eight thousand two hundred and fifty dollars came from the family. The difference between that and $270,000 is what other people connected with the Du Ponts or General Motors organization contributed or loaned to the fund.

William Knudsen, executive vice president of the General Motors, $5,000.

John L. Pratt, a director of General Motors, $15,000.

John J. Raskob, director of Du Ponts and of General Motors, and of the Bankers' Trust Co. of New York, $15,000.

The Bankers' Trust Co. of New York, $20,000.

John T. Smith, a vice president of General Motors, $15,000.

Making the amount of $270,584 which came directly from this one group, about which I want to speak later, out of the total amount of $483,000.

For the present I desire to discuss, however, two of the leading spirits of this organization, both of whom are very well known in this country, and both of whom have occupied prominent positions both in the industrial and the political life of the country. I refer to Pierre S. du Pont and John J. Raskob, and particularly I refer to a matter which is now of interest because of the claim of the United States Government concerning income-tax frauds which the Government alleges occurred in 1929.

The Members of the Senate are probably familiar with the fact that a few weeks ago the Treasury Department asserted its claim against Mr. Raskob and Mr. du Pont, alleging that many hundreds of thousands of dollars had been evaded in income-tax payments as a result of a transaction occurring in 1929 between these two very estimable gentlemen. It was described in the newspapers of the country on January 13 by Mr. Raskob as "cheap politics." At that time he gave out this statement:

> One could secure no better illustration of the tyranny which a Government bureau can inflict on a citizen than that presented in the United States Treasury Department attack on Pierre S. du Pont, in which my name is mentioned and in which we are both charged with making pretended sales of securities to one another.

Frankly admitting the mutual purchase and resale of securities after 60 days, Raskob said that—

> All these transactions were deliberately entered into for the purpose of definitely establishing losses in the only way that such losses could be established under the law.

From the statement which Mr. Raskob gave to the newspapers, one would assume that this effort to collect back income taxes from him and Mr. du Pont was started during the last few months as a sort of a prelude to the coming political campaign. I think it is of interest to know that the first notice which Mr. Raskob and Mr. du Pont received from the United States Government in reference to objections to their 1929 income-tax returns did not come in 1936 or 1935, or under the present administration, but that it was given as far back as December 8, 1932, under the prior administration, and that from December 8, 1932, down to the present date the record discloses one continuance after another sought and secured in an effort to delay the final determination of these questions. Those continuances were sought and secured by Mr. Raskob and Mr. du Pont, in order that they might avoid the payment of these taxes.

What was the transaction? I bring it up in connection with the American Liberty League because of the fact that these two men are, I believe, controlling figures in that organization, and that organization claims that it is attempting to influence government in order that the common people of the country, as they say, may be protected and the principles of the Declaration of Independence may be preserved.

What was the situation? It will be remembered that in October 1929 the bubble which had been created by the banking interests of Wall Street finally burst, and the Senate will remember also that both Mr. Raskob and Mr. du Pont were actively interested in the inflation of that bubble. I can never forget reading a few short months previously that when Mr. Raskob returned from Europe in the summer of 1929, at a time when all the evidence available showed that the boom which was then in process could not be continued, he advised the people of this country to continue their purchase of stocks upon the New York Stock Exchange. Mr. Raskob and Mr. du Pont found themselves in November 1929 faced with a very definite loss. The stocks which they had purchased had dropped in the market. As Mr. Raskob said, they could have put those stocks upon the market and taken their actual loss, and they could have honestly presented their case to the Government, and, having sustained a loss, they would have been entitled to a reduction in their income-tax returns; or they could have made an actual bona-fide agreement, one with the other, that one of them would sell to the other, and vice versa, and if they had had such an actual bona-fide agreement, there would have been no objection upon the part of the Government; but they did not do that. They decided that they were as they had previously claimed during the great era of prosperity, just a little smarter than anybody else. So they made a deal, according to which on November 13, 1929, Mr. Pierre du Pont purchased certain stocks from Mr. Raskob and Mr. Raskob purchased certain stock from Mr. du Pont; Mr. du Pont drew a check to Mr. Raskob for $4,606,000 and Mr. Raskob drew a check to Mr. du Pont for $4,582,750.

The record does not quite disclose the value of Mr. Du Pont's check, but it does disclose that the check drawn by Mr. Raskob to Mr. Du Pont for $4,582,750 was absolutely and unqualifiedly what we call a "rubber" check. At the time the check was drawn he did not have the funds in the Bankers' Trust Co.; yet this concern, which is today contributing $20,000 to the American Liberty League, this high-

class Morgan banking institution of the city of New York, honored the check of Mr. Raskob for $4,582,750. The check was carried through that bank and was placed to the credit of Mr. Du Pont. Senators know what would happen to the ordinary man; they know what would happen to any individual who might be described in the language of the statement of the Liberty League as "an average man" or as one belonging to the "rank and file" of American citizens if he issued a check without any funds in the bank for $4.50 or for $45 or for $450. The law would take after him and he would land up in some penitentiary. Yet John J. Raskob, this man who says that the principles of the present administration are corrupt and dishonest, this man who organizes the American Liberty League so that we may do away with such laws as we have in the matter of the regulation of banks and security exchanges, this man issued a check for four and a half million dollars on the Bankers' Trust Co. of New York.

We probably are going to hear, Mr. President, on Saturday night over the radio some very considerable discussion by the distinguished gentleman who will there speak about the "baloney" dollar, but when he talks and thinks about "baloney" dollars I should like to have him refer just for a few minutes to the four and a half million dollar "rubber" check which his friend Raskob issued on the Bankers' Trust Co. in 1929.

Raskob and Du Pont decided that their November transaction did not quite satisfy them. So, on December 26, they put through another deal. Du Pont gave Raskob a check for $1,569,000 and Raskob gave Du Pont a check for $1,560,000; and so far as Raskob was concerned—I do not know about Du Pont—the second check was just exactly as valuable as the first check. At the time this check was drawn he did not have money in the Bankers' Trust Co. with which to cover it.

They went through with that transaction. I have said that if they had wanted to dump their stock upon the New York Stock Exchange and actually take their losses, nobody could have objected; it would have been perfectly honest and honorable, and everyone would have been satisfied; or if they did not want to do that, but did want to make a bona-fide deal, and had actually purchased each other's stocks and had kept them and disposed of them in the ordinary way, there would be no objection to that; but they did not have any intention of doing that from the beginning.

They go along until January 27, 1930, when they liquidate their accounts with each other. In the meantime each of them had drawn dividends as the result of their respective stockholdings. So some adjustment was required; but the net result, so far as the closing of the account in January 1930 was concerned, was that checks were given by Raskob to Du Pont for a total amount of $13,032,250. To balance there was an amount of $1,787,000, and there were $54,800 in dividends. So Du Pont received from Raskob a total of $14,883,400, and upon the same sort of basis Raskob received from Du Pont a total of $14,883,354, leaving a total difference of $46.86, which Mr. Raskob owed to Mr. Du Pont. So at that time Mr. Raskob gave Mr. Du Pont a perfectly good check for $46.86, drawn upon some bank in Wilmington, Del.

That is the type of man which composes the leadership of the American Liberty League, the organization which is taking unto itself the right to lecture to the American people, to issue, at an expense of over $400,000 a year, pamphlets and publicity, to hire by the hundreds lawyers throughout the country to go into court contrary to the first principles of legal ethics.

Mr. BLACK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Alabama?

Mr. SCHWELLENBACH. I yield.

Mr. BLACK. The Senator did not state how the $14,000,000 transaction ended. Were there checks issued at that time also?

Mr. SCHWELLENBACH. When they had disposed of the checks, Raskob received from Du Pont $14,883,354 and Du Pont received from Raskob $14,883,400, so there was a total of $46.86 which Raskob owed Du Pont and which he paid by check.

Mr. BLACK. In other words, there was not an exchange of $14,000,000 checks? They simply balanced accounts, with the exception of $46.86, and the only check that passed was for $46.86?

Mr. SCHWELLENBACH. That was the only good check so far as I can see. I do not know whether Mr. Du Pont had that much cash in the Bankers' Trust Co. or not, but so far as Mr. Raskob was concerned the only legitimate check he used in the whole transaction was for $46.86.

Mr. BLACK. Did I understand the Senator to refer to these as "baloney" checks?

Mr. SCHWELLENBACH. No; I said we would hear about "baloney" dollars. I referred to these as "rubber" checks.

Mr. O'MAHONEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Wyoming?

Mr. SCHWELLENBACH. I yield.

Mr. O'MAHONEY. The Senator does not wish us to understand that these checks actually represented money, does he?

Mr. SCHWELLENBACH. Why, no. Du Pont may have had that much money in the bank, but Raskob never did have that much money in the bank.

Mr. O'MAHONEY. The point is, they made a form of writing checks, but no money was transferred?

Mr. SCHWELLENBACH. The checks were deposited with the Bankers Trust Co. of New York, but at the time the checks were given there was not that much money behind Mr. Raskob's account upon which the check might be honored.

Mr. O'MAHONEY. But the only real money that passed was that which was represented by the check for $46.86?

Mr. SCHWELLENBACH. There was an honest-to-goodness check for $46.86 which went through in a perfectly honorable and legitimate way. I think possibly it might be said that when gentlemen of this type are dealing with $46 items they are perfectly honest and perfectly honorable.

That is the leadership of the American Liberty League. We hear a great deal these days about the fact that American big business has reformed, that it has learned its lesson, that if given another opportunity without these checks which the administration has placed upon it by means of legislation, they will show that they have learned their lesson and, having reformed, would seek to put everybody to work and solve our economic problems. I think the fact that John J. Raskob, after all these years and all these lessons, comes out in the papers and attempts to defend this transaction, shows that at least so far as the leadership of the American Liberty League is concerned there has been no reformation.

In that regard I wish to state one thing further. It must be remembered that this income-tax transaction in 1929 did not involve any so-called unconstitutional measures of the present administration. It involved an income tax which was made constitutional by efforts of the country, I believe, some 19 years after the Supreme Court had declared the law unconstitutional. There was not any right or claim upon the part of either of those two illustrious gentlemen that there was anything unconstitutional about the law under which they were dealing. It was not any processing tax or any similar tax such as may have been imposed by the present administration.

Another thing: It was not for money which was being expended today. It was not for money expended in the ordinary course of American business. A very large part, an overwhelming percentage of the money which was paid in income taxes during the year 1929 went for the purpose of retiring the debt and paying the interest upon the debt which was incurred by this country during the war in 1917, 1918, and 1919. It certainly does not look very well to me to have Mr. Raskob and Mr. Du Pont, of the Du Pont interests, attempting to find measures by which they may evade the payment of any debt incurred as a result of these operations or these transactions, because during the period of

the war which was largely financed for all countries by the United States, we find that the company out of which they gained their immense fortunes made a fortune such as never had been known in this country before. I think it might be interesting at this point to find out how much this organization, which is today furnishing about 60 percent of the money of the Liberty League, made out of the last war.

In 1914, prior to the time of the war, the Du Pont Co. had a surplus of about $5,000,000. In 1914 that company paid dividends of $3,155,000. In 1915, the first year they got into first-class operation after the war started, they paid dividends of $55,807,000. In 1916 they paid dividends of $62,500,000. In 1917 they paid dividends of $33,600,000, and in 1918 dividends of $18,950,000. At the end of 1918 their surplus, which at the beginning of the war had been $5,000,000, was $68,000,000. When we take the dividends they paid and the difference in their surplus between 1914 and 1918, we find that this company made a total profit out of the war, which it actually paid out in dividends to its stockholders, of $237,000,000 at the expense not merely of the people of the country who pay the taxes but at the expense of hundreds of thousands of our boys whom they sent overseas in order to protect us against what we were told were to be the ravages of a government in Europe.

The Du Pont Co. is very much interested in the American Liberty League. I fail to find, in going through the literature of the league, a single place in which they refer to the protection of foreign nations. It is an American organization. It starts out by saying it is composed of patriotic American citizens. We have today meeting in this city an organization interested in the cause of peace, attempting—it may be a futile effort, but we hope a successful effort in which every individual within the country is interested—to find those things that we must do and that we can do to protect the United States against participation in further wars.

It is my opinion that the most important piece of legislation which will be presented to this Congress is that involving the question of neutrality. Certainly no one can deny the fact that the last war in which we participated resulted in nothing for us but disaster and despair upon the part of our people.

Our Foreign Relations Committee is today struggling with a measure, our Munitions Investigating Committee has been struggling with measures for months, endeavoring to find the causes of war, endeavoring to work out for us legislation by which we may prevent war. If we even casually examine all of the suggestions in reference to that legislation we will find that in every one of them there is contained the principle of America keeping itself out of European affairs.

The question of neutrality is not even a debatable question, in my opinion, so far as Members of this body are concerned, as to the fundamental merits of neutrality and keeping ourselves out of European affairs. Our problem arises because of the difficulties which arise in that very effort itself. It would seem to me that any organization in this country, such as the American Liberty League, which endeavors to claim that its prime purpose is to forward the interests of American citizens should be primarily interested in keeping us out of European affairs.

I propound this question to the Members of the Senate: Is it possible for an organization, 60 percent of its money coming from a group dominated and controlled by manufacturers of munitions, to provide permanently for proper sources of information for the American people? I do not make this charge, but I make the very definite suggestion of the possibility that the Du Ponts, knowing that there may be conditions existing in Europe which they would desire to cause us to be involved in a war in order that they might get back to their old wartime-profit basis again, might be handing out a lot of literature now to the American people which would be attractive to them, so when that time came the American people would accept the propaganda of the Du Pont interests.

It is interesting to note the connection between the Du Ponts of this country and the various companies in similar business in other nations of the world. No matter what may be said upon the floor of the Senate and no matter what may be thought by Members of this body with reference to any particular activity of the Munitions Investigating Committee, the people of this country are always going to be under very definite obligations to them for some of the information which they have secured and made public to the people of the United States.

Probably one of the largest munitions companies in the world is the Imperial Chemical Industries, a British concern, a concern which extends its influence throughout the world. The records of our own Munitions Committee discloses that they have their investments in companies in Austria, Belgium, France, Czechoslovakia, Germany, Rumania, Spain, Hungary, Africa, Argentine, Australia, Canada, Chile, China, India, Japan, and some small investments in the United States. One cannot think of the possible sphere of war without including the great munitions companies in one of which the Imperial Chemical Industries has a controlling interest; and yet the Du Pont Co. as late as 1928 and as late as 1933, despite the realization it must have of the results, so far as the American people are concerned, of our participation in the last war, entered into agreements revealed by our investigating committee showing a division of the munitions business of the world as between the Du Pont Co., the Imperial Chemical Industries, and its various subsidiaries.

Can you imagine an American company entering into an agreement with an English company with all of its foreign ramifications, such as I have named, and agreeing that in certain spheres the English company could sell 70 percent and the American company could sell 30 percent of the total, agreeing that in other spheres the American company should have a monopoly and the English company would not participate, in return for a monopoly given by our company to them in other spheres? There was a complete and absolute division of the munitions business of the world as a result of these agreements made with this company, which is attempting to dominate government in this country through the donation of $270,000 to a so-called "liberty league", which claims as its purpose the preservation of the principles of the Declaration of Independence!

I have read you the statements of the Liberty League itself. I think, actually, however, as a matter of fact, the real slogan of the Liberty League was expressed not by that smooth and suave gentleman, Mr. Jouett Shouse, nor by that great constitutional lawyer, Mr. James M. Beck, but was really expressed in an article written in November of last year, appearing in the Public Utilities Fortnightly, a trade magazine devoted to public utilities, in which the writer describes the terrible condition in which our poor, defenseless, unprotected public utilities find themselves, and says:

> It is only in this way that a great industrial and business lobby can be created which will be heard effectively in the Halls of Congress and the executive departments, and even in the White House itself.

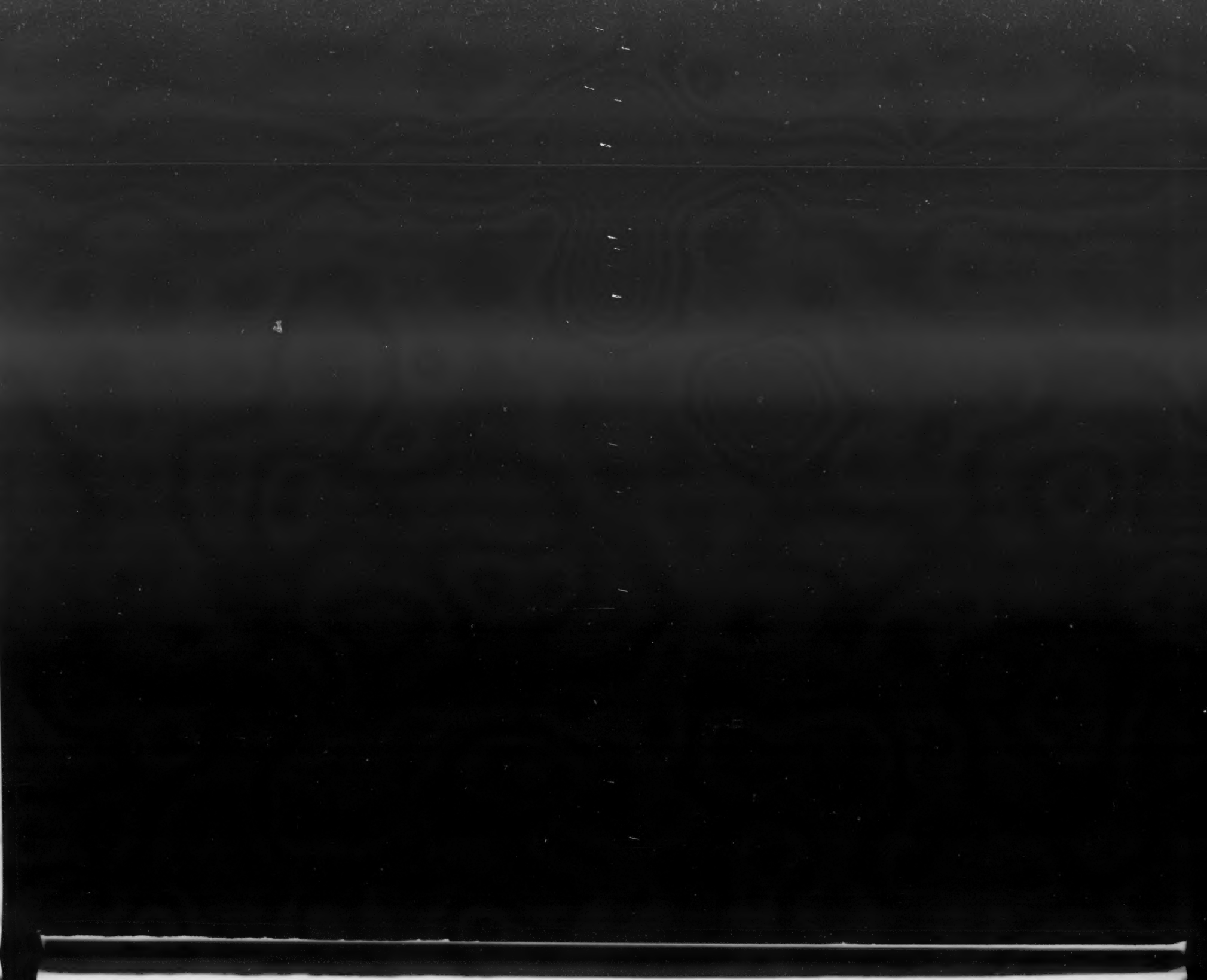
What is the way? It is very simple. The slogan which he proposes for the American Liberty League on behalf of big business in this country is:

> So I say, let's gang up!

That, in my opinion, is the slogan of the American Liberty League, because Mr. Hutton is one of the foremost contributors to the league, and one of the members of its executive committee, and one of its most active proponents, and most active in its efforts.

Who is Mr. E. F. Hutton? Getting back again to the reminder that it is desirable that the Members of this body and the people of the country should actually know who are behind this movement when they make their professions of patriotism for their country, which they say they want to protect and preserve for the average citizen, the members of the Senate Committee on Banking and Currency will remember who Mr. E. F. Hutton is. They will remember that the 1934 report on stock-exchange practices by that committee contained this statement on page 41:

> The dissemination of information flattering to the stock in which the pool is operating is the fourth factor in bringing the operation to a successful conclusion. Although the nature and



extent of the pool's own operations are shrouded in utmost secrecy, the participants make use of various channels to disseminate information subtly designed to excite public attention toward the security. A method commonly followed is to cause market letters to be sent by brokerage firms to their branch offices, which letters are made accessible to the investing and speculating public. Typical of this practice were the market letters distributed by E. F. Hutton & Co. with reference to American commercial alcohol stock from September 12, 1932, to May 12, 1933.

Then the committee goes forward and reveals the fact that E. F. Hutton & Co. had their analyst make an investigation of this company. He reported that the stock was not of permanent value. He reported that it was purely speculative in its nature. He reported that because of a number of reasons they should not advise the public to purchase the stock for the purpose of investment; and yet over a period of 6 months E. F. Hutton & Co. put out encouraging reports. The price of the stock was raised, as I remember, from twenty-something up to 69 or 70. They then unloaded the stock that E. F. Hutton & Co. had secured by secret option from the officers of the Commercial Alcohol Co., and pulled the plug, and the stock dropped down about half in half-a-day on the stock exchange. That is the Mr. E. F. Hutton who, on behalf of the American Liberty League, says:

So I say, let's gang up!

And that is typical of the group of men who control and dominate the American Liberty League because of the donations they have made to that organization.

Probably the outstanding example of corrupt and dishonest practice as disclosed to our Committee on Banking and Currency was the pool that was established in 1928 for the Sinclair Consolidated Oil Corporation. Out of that pool, which was purely a "phony" operation, in which exactly the same number of shares of stock were sold by the pool as were purchased by the pool, the pool itself made a profit of $12,200,109, and the trading syndicate made a profit of $418,383. Those profits were made by that pool by rigging the market; and, as I say, it is my opinion that it is probably the outstanding example of crooked and dishonest stock manipulation which was revealed to our committee.

What was Mr. Hutton's part in it? E. F. Hutton & Co. participated in it to the tune of $15,000,000, $12,000,000 of which they borrowed from the Chase National Bank of the City of New York. I state those facts in order that the Senate may have another example of the honesty and integrity of some of the gentlemen connected with the American Liberty League.

The record of the organization shows that it has certain officers. Mr. Jouett Shouse is the head of the organization. I think, as was indicated by the Senator from Indiana [Mr. MINTON], that it is not necessary to say very much about Mr. Shouse. He is, to all who know him, a very suave and a very capable gentleman who always manages to keep himself upon some propaganda pay roll. I admire him and respect him for his ability to keep on a pay roll, and I wish there were many of us who had the same ability to get fifty or sixty thousand dollars a year by just handing out a line of suave bunk to the public; but I do not think there is anything very vicious about Mr. Shouse. He just likes to be on a pay roll and to live well.

The treasurer of the organization, however, is a man who might be of interest to Members of the Senate—a man by the name of Grayson M. P. Murphy. You may remember, over in the House, the public hearings of the Special Committee on un-American Activities appointed by the House in the Seventy-third Congress, which reported on December 29, 1934; and you may remember that Gen. Smedley Butler testified before that committee. He testified about a man by the name of MacGuire, who had come to him and told him what upon the face of it appeared to be a very weird story—a story about a fascist movement in America; a story to the effect that the business interests of this country had employed this man MacGuire, and that he had gone to Europe and studied various fascist forms of government there, and he had come to General Butler and proposed that they steal the national American Legion convention and lead a march upon Washington; that if Roosevelt would go along they would leave him in, but, if he would not, they would leave him as President but put in an assistant president, who would run the Government.

When I read the newspaper reports of that it did seem to me like a weird and impossible story; and yet when the committee continued its investigations, and called before it Mr. MacGuire, it proved that checks of $64,000, $20,000, and $18,000 were received by MacGuire from somebody in this country for the purpose of carrying on the campaign. At that point in the proceedings the Philadelphia Record and the New York Evening Post sent a reporter by the name of Paul C. French to investigate Mr. MacGuire; and where do you suppose he found Mr. MacGuire? Where was his office? His office was located in the office of the same Mr. Murphy who is the secretary of the American Liberty League; and MacGuire later admitted that Murphy had given him the money with which to finance this campaign, this effort upon the part of big business in this country, if they do not succeed in their efforts to defeat this administration, to force the establishment here of a Fascist dictatorship which will result in the complete abandonment of our American democratic system of government.

Mr. President, I have given these as a few of the outstanding examples of the leadership of the American Liberty League, a leadership very largely supplied during these precarious times, when the possibility of war is always hanging over us, by a financial interest which has made its fortune and is primarily interested in the business of war.

I wish to say just this in conclusion, Mr. President: There is one thing about this meeting on Saturday night which I do not like particularly, and that is the fact that the principal speaker is to be a man whom I in 1928 respected and almost revered as the leader of a liberal Americanism in this country. I was then, as I am now, just a humble, unimportant individual; but I think anyone within my State will recognize that I, more than any other individual in the State, made the speeches for Alfred E. Smith for President and carried his banner during that campaign.

I went around the State and told the people about the life of this man. I told them they could trust him because of the fact that he had such a humble beginning. I told them of his early life in the fish market in New York, of his struggle to gain prominence, of the fight he had made for social justice in the State of New York, and, as I have said, it is not with any feeling of delight that I refer to his part in this meeting on next Saturday night.

I remember that just about 2 years ago, on a trip to the eastern coast, I went up to New York, and, because I had never met this man whom I had so vigorously supported, I called on him and had an interview with him. I went into that great tomb of a deserted building, the Empire State Building, and found Governor Smith sitting in a big office all alone, with nothing to do except to try to rent offices in this building, in which his old friends, Du Pont and Raskob had persuaded him to invest the frugal earnings of an honorable and honest political career. I talked to him and found him a disappointed, discouraged man. I went away from there filled with a spirit of sadness.

I want to say just this in reference to the speech Governor Smith will make on Saturday night. His ears will be filled with the plaudits of an audience. He is going to be tempted to say to them things which will please them and attract the attention of big business throughout the country. I predict that every one of the lawyers here who make their business lobbying against the interests of the people will be there. I predict that all of the puppets the financiers have running their corporations will be there. They will all be there to applaud and to tell Al what a great man he is.

As he stands up before that meeting and faces the microphones, talking to the people of the country, the first real opportunity he has had to speak to the people of the country since 1928, I just wish to remind Governor Smith, as one who has gone out and fought for him and supported him against the criticism of many people, of that night of October 1, 1928, when from the convention hall of the Democratic State convention of the State of New York he put in a long-

distance call to Warm Springs, Ga. I ask him to remember that in 1920, when he was first a candidate for the Presidency of the United States, there came to the convention platform at San Francisco to second his nomination a young man, straight, strong, vigorous, and active who pleaded his cause there; that in 1924 at Madison Square Garden, New York, they brought this self-same man in on the back of a truck, carried him up to the platform, and bolstered him up, but once again his friend Al had called him and came to his assistance.

Then, in 1928, down at Houston, in the midst of that convention, a little stronger, a little more vigorous than he was in 1924, this friend of Al Smith's coined the campaign slogan, "The Happy Warrior."

When Al Smith, on October 1, 1928, put in that call to Warm Springs, Ga., he knew that Franklin Roosevelt was there recuperating from the efforts he had made on Al Smith's behalf during that year. He knew that his doctors would advise against the course which he, Al Smith, wanted Franklin Roosevelt to take. He knew that if he did take that course it might imperil his very life. Yet Al Smith put in that call, I have no doubt, with the greatest of confidence, because he knew that Franklin Roosevelt was his friend, and that upon every occasion when he had called upon him, in season or out of season, Franklin Roosevelt had supported him; and he put in the call.

Al Smith wanted to be elected President of the United States. He knew that of vital importance in that election was the vote of the State of New York; he knew that his best chance of getting the vote of the State of New York was to have Franklin Roosevelt as a candidate for Governor of that State; and, despite the fact that it involved a risking of the life of his very best friend, he made that request, and Franklin Roosevelt again acceded, and again came to his support and to his rescue.

Mr. President, I want Gov. Alfred E. Smith on next Saturday night, when he is surrounded by the American Liberty League, to remember that the attacks he makes are upon the very best friend he ever had, and that the first principle of happiness in life is the remembrance of friendship; and, tempted, as he will be, to give way to the applause of that audience, induced, as he will be, to give way to the temptation to follow the advice of Mr. J. Pierpont Morgan, Mr. John J. Raskob, Mr. Pierre Du Pont, and all of the rest of these who control the American Liberty League, I say that Governor Smith should first remember that no man can successfully turn his back upon a friend.

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

The Senate resumed consideration of the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

Mr. BAILEY. Mr. President, I desire to call up for consideration at this time the amendment offered by me on yesterday, which is printed and on the desks of Senators.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed, on page 1, beginning with line 3, to strike all down to and including line 24, page 2, as follows:

That section 412 of title 2 of the Canal Zone Code, approved June 19, 1934, is hereby amended to read as follows:

"Tolls on merchant vessels, Army and Navy transports, colliers, hospital ships, supply ships, and yachts shall be based on net vessel-tons of 100 cubic feet each of actual earning capacity, determined in accordance with the Rules for the Measurement of Vessels for the Panama Canal prescribed by proclamation of the President, November 21, 1913, and as may be amended from time to time by order of the President, and shall not exceed $1 per net vessel-ton so determined, nor be less than 60 cents per net vessel-ton so determined, on laden vessels, and on vessels in ballast without passengers or cargo shall be less than the rate of tolls for vessels with passengers or cargo: *Provided*, That tolls shall not be levied on a deck load, which is defined, for the purposes of this act, as cargo situated in a space which is at all times exposed to the weather and the sea and which space is not included in the net tonnage determined under the said Rules for the Measurement of Vessels for the Panama Canal, except on tonnage of such deck loads which is in excess of 20 percent of the net tonnage of a vessel so determined.

"Tolls on other floating craft shall be levied on displacement tonnage at rates to be prescribed by the President. In addition to the tolls based on measurement or displacement tonnage, tolls may be levied on passengers at rates prescribed by the President but not to exceed $1.50 for each passenger. The levy of tolls is subject to the provisions of article XIX of the convention between the United States of America and the Republic of Panama, entered into November 18, 1903, and of article I of the treaty between the United States of America and the Republic of Colombia, proclaimed March 30, 1922."

On page 3, line 9, to strike out "1936" and to insert in lieu thereof "1937"; and on page 3, line 22, to strike cut "except that section 1 shall take effect on September 1, 1936."

Mr. BAILEY. Mr. President, if I may have the attention of the Senate for a few moments, I will state the import of the amendment.

The effect of the amendment would be to strike out section 1 of the bill and to leave therein section 2, and the consequence of such alteration of the bill would be, to begin with, to provide for the committee to investigate the subject, as contemplated in the bill and to leave the matter to the report of the committee to be made on the 1st of January 1937. As the bill stands, unamended, the President would undertake to have the questions investigated and would fix the rates for just a few months, then the door would be open, by way of investigation, for an alteration during the present year.

If an investigation is to be made, I propose that it shall be a real investigation. I do not see why there should be an investigation after the rates had been fixed. An investigation hereafter would be of what we may do today. It seems to me the intelligent and the logical thing to do, if we are to investigate the question of Panama Canal tolls, is not to complicate the investigation, not to upset the existing state of affairs pending the determination of the facts. So, if my amendment were adopted, the effect would be to refer the whole subject to a committee of three, to be appointed by the President, with instructions to report back by the 1st of January 1937. The delay would be only one of 11½ months.

Mr. President, I was moved to offer this amendment after reading the majority and the minority reports during the debate here yesterday morning. I think we will all agree, in the first place, that the subject is highly technical. It is complicated by the effect of the proposed changes in type of vessels, the cargo vessels and passenger vessels, and is further complicated by apparent consequences favorable to foreign vessels and unfavorable to domestic vessels. All that strikes me as being very serious.

If our country is committed to any special course with regard to our shipping, as a matter of the development of our commerce and also as a matter indispensable to our national defense, it is committed to every possible course looking to the upbuilding of our own merchant marine. It seems to me, Mr. President, we should not move precipitately into the legislation as proposed, fully aware as we must be both from the debate here and from the minority report, and also from the hearings, that the consequence of the legislation will be to transfer the burden of the tolls in an almost inconceivable degree from the tanker ships, which would be of no use by way of defense, and to a less degree, but still a serious degree, from foreign ships to our cargo-carrying ships and passenger-carrying ships, which are the only ships which would be of value to us in a matter of national defense—the only ships which would come within the national policy of building up our mercantile marine in order that there may be abundance of merchantmen, so indispensable in the time of war. I see no reason for haste in a matter so grave.

I may say here by way of parenthesis that I have a very warm regard for the chairman of the committee, the junior Senator from Oklahoma [Mr. GORE]. I share the unanimous admiration in which he is held in the Senate. I am naturally reluctant to pursue a course tending in any degree to contravene his efforts. I believe that with the passage of 11½ months of thorough and careful investigation—and

we are confessedly going forward without an investigation—with the light thrown by experts upon this whole freight-rate structure on traffic through the Panama Canal, within 12 months of this hour he and I and all the other Senators who may now differ on the subject may find a common basis of agreement in legislation which will leave no doubt in our minds of its value and its wisdom.

Mr. President, the facts are not controverted. It is admitted that notwithstanding the fact that the total volume of tolls will not be increased by the proposed legislation—the volume now being at the rate of $24,000,000 a year, and the volume contemplated to be $24,000,000 a year after the enactment of the proposed legislation—notwithstanding there will be no change in the volume of the tolls, the sum being $24,000,000 in either case, the increase in tolls upon cargo-carrying ships and passenger-carrying ships will be from 20 to 22 percent, the increase on American bottoms 7 percent, and the increase on foreign bottoms 2 percent. Over against that we have the further fact that the oil-carrying tankers will get the advantage of a reduction of something more than $500,000—I think the figure is $580,000—and every dollar of that burden will be transferred from the tankers to the carriers of general cargo and the carriers of passengers.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. McKELLAR. Last year, as I recall, the United States exported about one and one-half million or one million six hundred thousand bales of cotton. I imagine the greater part of it went through the Canal.

Mr. BAILEY. The Senator means it was exported to the Orient?

Mr. McKELLAR. Yes. I am talking about Japan. We exported about 1,600,000 bales of cotton to Japan, as I recall, and most of that cotton went through the Panama Canal. Does the Senator mean to say that the rates will be increased on such shipments of cotton hereafter if the bill shall be enacted into law?

Mr. BAILEY. They will be relatively increased. Let us understand about that.

The bill contemplates a general reduction in rates from a maximum of $1.25 to a maximum of $1; and, of course, all cargoes, cotton included, would get the benefit of that reduction. Senators, hear me: Notwithstanding the fact that that reduction is contemplated, it is intended that the volume of tolls shall be the same, $24,000,000, and every dollar of that sum will come from the general cargo-carrying ships and the passenger ships.

That gives Senators some idea of how great the transfer of the freight burden is. I am not saying that it is not right. I am not saying that it is not just. I am saying that from the evidence before me and the debate which has been had here I cannot see that it is either right, just, or wise.

I have heard the explanations, but the explanations do not satisfy me, of the policy of maintaining the tolls at the sum of $24,000,000 and at the same time very greatly reducing them on foreign ships and on oil-tanker ships, and therefore manifestly increasing them on the cargo ships and the passenger ships of our own merchant marine. That troubles me. I do not wish to commit myself to such a policy without seeing that it is necessary and just. I have heard the arguments made here during the past 2 days. The argument is that the American shipowners have learned how to cut holes in the decks of their ships, and therefore get lower rates than they are justly entitled to get.

That is a very strange way to put the matter. I do not imagine there is a shipmaster in America who is deliberately cutting holes in the deck of his ship. What are they doing? They are adapting the structure of the ship to the law as written, to the regulations as provided. Who is responsible for that law? That law was enacted under the Wilson administration, and those regulations and the ruling of the Attorney General were made under the Wilson administration.

I cannot imagine that we would be under the necessity of changing our whole system of tolls charged vessels passing through the Panama Canal in order to meet a situation brought about by cutting holes in the decks of ships. I think there is a better description for that practice. It revolves around the doctrine of the deck cargo, and the deck cargo is described in the law as the cargo on the deck and exposed to weather and the sea. So I assume that American shippers have learned how to ship with their cargoes exposed to the weather and the sea. There is nothing wrong about that. If they can do that successfully, they fall within the law in either case, and nothing can be accomplished by this proposed legislation.

Mr. President, these are the facts which have come to me from the consideration of this measure. I approach it with an entirely open mind. There are no shipping lines out of my State, though I hope there will be some day. I will confess that the matter found attachment in my thinking on the subject of cotton. When I read the report and found that the tolls on oil were to be greatly reduced and those on general cargo were to be cut to a point which would keep the volume of the tolls at the same figure, $24,000,000, I remembered the fact that 60 percent of the tobacco produced in my State was sold abroad, a large portion of it going to the Orient through the Panama Canal. I recalled the fact that the cotton of the South now to the extent of about 45 percent—and we hope yet to get back to the point where it will be 60 percent—either goes across the Atlantic to Great Britain and other European countries or through the Panama Canal to the Orient, and the Orient promises now by far to be our largest market.

I am interested, Mr. President, in the matter of developing the export trade for our southern farmers. More largely than any other class of people in America, whether manufacturers or farmers, the southern farmer must look to the markets of the world for the expansion of his acreage and the consumption of the produce of his labor. The South is an export section. I am unwilling to commit myself at this stage to a course which will enable the oil shipper, for some unknown reason, to get all the benefit of a great change in the toll system, while the general-cargo ship, which carries the cotton of the southern farmer, the tobacco of Virginia, North Carolina, South Carolina, and Georgia, will carry the extra burden.

Mr. President, that is all I have to say. I submit the amendment with a great deal of deference to my good friend the junior Senator from Oklahoma. I am not asking for the defeat of this proposed legislation; I am not saying that ultimately we may not find that there is some justification for a change in the toll system. All my amendment calls for is an investigation by competent experts, appointed by the President, who are to report back with a view to legislation within 12 months from this hour. I say, in view of the prevailing confusion here, that is a reasonable, and I hope it will be found to be a wise suggestion.

Mr. BARBOUR. Mr. President, I do not want to delay the Senate, particularly at this time, as I am very much in agreement with the amendment which has been offered by the Senator from North Carolina [Mr. BAILEY]. There are one or two matters, however, which I should like to say, following up, so to speak, the discussion in which I took part yesterday.

The Senator from Oklahoma referred to the alterations in American general cargo and passenger ships by reason of which substantial reductions were effected in Panama Canal tolls in certain American intercoastal fleets. In connection with one of these lines he cited alterations made in 18 ships by reason of which tolls were reduced about 23 percent. He did not, however, mention the fact that the hearings before the Senate committee disclosed that in making these alterations the line in question reduced its weight-carrying capacity on an average of 1,362 tons per ship, while the United States net tonnage upon which the tolls are based was reduced by only 972 tons per ship.

Then, Mr. President, a good deal has been said not only by the distinguished chairman of the committee but by the Senator from Wisconsin [Mr. DUFFY], and reference was made a moment ago by the Senator who just preceded me

to the matter of certain steamship owners cutting holes in the decks of their ships. I think that characterization has been very misleading. The openings are made in compliance with the United States law and in compliance with the regulations of the Bureau of Navigation. The openings are known as tonnage hatches. There is nothing mysterious about them; there is no subterfuge in connection with them at all. Anybody, in my humble judgment, who knows anything about maritime matters—and I do not pretend to be an expert—knows that to be so.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Kentucky?

Mr. BARBOUR. I yield.

Mr. BARKLEY. Are the so-called holes that are spoken of here as being cut in the decks of ships hatches through which by means of derricks and cables and other machinery freight is loaded and unloaded into the hold of the ship from the wharf or from whatever loading space is available?

Mr. BARBOUR. Yes; that is true.

Mr. BARKLEY. And after the freight is put into the hold through the holes or hatches, then the openings are covered with lumber and canvas and other materials in order to protect the freight?

Mr. BARBOUR. The openings are battened down and made waterproof, as they ought to be.

Mr. BARKLEY. Are those the things that have been described here as holes cut in the decks?

Mr. BARBOUR. That is true.

Mr. BARKLEY. I am wondering, if that be true, how else the ship could be loaded.

Mr. GORE. Mr. President——

Mr. BARBOUR. I yield.

Mr. GORE. Mr. President, the Senator from New Jersey [Mr. BARBOUR] is entirely mistaken. Ships have cargo hatches in their ordinary and regular construction through which the cargoes are let down to the deck below. Such hatches are a part of the construction of a ship. Around the sides of such hatches, which are some 15 to 20 feet square as a rule, there is a combing of from 2 to 4 feet high, and the hatches are battened down and made waterproof in the regular operation of the vessel.

The holes to which reference has been so frequently made are not cargo hatches at all. They are so-called tonnage hatches, tonnage openings, and they do not serve any useful purpose in the operation of the ship. They are put in the ship in order to conform with a technical rule, because when they are put in the ship then the deck becomes an open shelter deck.

Mr. BARKLEY. That is my point.

Mr. GORE. The regular cargo hatches are battened down with permanent cleats. The so-called tonnage openings or tonnage hatches have planks put over them in the same way as in the case of the regular cargo hatches, and tarpaulins are also put over them in the same way as in the case of the cargo hatches; but the cargo hatches have permanent cleats attached to the combing; wooden wedges are driven back of the cleats, and that makes the closure permanent.

On the tonnage hatches the combing is limited to a foot in height. The tonnage hatches are covered with planks, as are the cargo hatches. They are then covered with tarpaulins, as are the permanent hatches, but they have no cleats around the combing. A rope can be tied around them to make them as watertight as are the cargo hatches, or a steel band can be placed around them to make them as waterproof as are the cargo hatches, but the steel band can be taken off and laid on the deck. Therefore, that is construed to be a temporary closing, whereas the cargo hatches, having cleats attached to the combing, are called permanent fixtures. It is that technical distinction which takes the entire deck, the space between the deck in which the opening is cut and the deck below, entirely out of the toll-paying tonnage of the ship. That is all it is for.

Mr. BARKLEY. The temporary holes are made in compliance with some regulation or an opinion of the Attorney General, I understand. If they are made in compliance with a Government regulation I do not understand how it can be held they are put there in order to evade the payment of tolls. One or the other is a mistaken idea.

Mr. GORE. The openings are not required by law. They are not required by the rules and regulations. They are, however, permitted by the rules and regulations, and when they are put in they reduce the tonnage of the ship when measured by the United States rules. Let me give a concrete case.

The Senator will understand that we have two systems, the United States rules and the Panama Canal rules, for the measurement of ships. The original act referring to Panama Canal tolls placed a maximum of $1.25 and a minimum of 75 cents per net registered ton. In pursuance of that the President, who is authorized to fix tolls between those limits, issued a proclamation fixing the tolls at $1.20 per ton measured by the Panama Canal rules for laden ships and 72 cents for ships in ballast. The Attorney General ruled that in case of a conflict, if the $1.25 rate times the United States tonnage was less than $1.20 times the Panama Canal rules, the former should prevail.

Here is what happened. In other words, heads the ships win, tails the Government loses.

Mr. BARBOUR. Mr. President, I am very anxious not to interrupt the Senator, but I believe I have the floor.

Mr. GORE. I appreciate the Senator's impatience, but ask his further indulgence for a moment.

Mr. BARBOUR. Very well; I shall be glad to yield further.

Mr. GORE. In the case of a ship which has 5,000 tons capacity measured by the Panama Canal rule, it would pay $1.20 per ton, or $6,000 toll; but that same ship, owing to these devices, has only 4,000 tons when measured by the United States rules. Multiplying $1.25 by 4,000 gives $5,000, so that by this device, in case of a conflict, the $5,000 controls instead of the $6,000, and that ship, by having put these holes in the deck, pays $5,000 to this Government instead of paying $6,000 as it should. That is the effect. That is the reason why these openings are put in the decks. That is the only purpose and that is the only effect.

Mr. BARBOUR. Mr. President, in describing the tonnage hatches and how they are treated, I think the Senator from Oklahoma [Mr. GORE] really gave the answer to the question propounded by the Senator from Kentucky [Mr. BARKLEY]. These are not merely holes bored in the ship. The impression was given to Senators that they were merely holes, and the word "holes" was used intentionally. It was said that there is some subterfuge about it when, as a matter of fact, it is done under rules and regulations issued by the Bureau of Navigation. I do not feel that the impression should be given that these so-called holes in the decks of vessels are on a par with portholes or windows or other apertures in a ship which admittedly can be readily opened and shut.

The Senator from Oklahoma [Mr. GORE] and other proponents of the bill have not pointed out the fact that in making these openings the draft of the ship is lessened and the freeboard, as has been testified in our hearings, is increased—that is, the part of the vessel above the water—and there is consequent loss in carrying capacity in proportion to the saving of the tolls. Any one of these freight lines would gladly not make the tonnage openings if they had freights which would load the ships down to where they could use this extra capacity. The fact is that these ships—American ships principally—transiting the Canal are not able to obtain cargo to their full weight-carrying capacity.

The distinguished Senator from Oklahoma yesterday referred to the fact that certain other types of ships have not made tonnage openings. The point is the types of ships as a whole which have not made tonnage openings are ships which have cargoes that load them to the full maximum draft, and if they made tonnage openings they would have to forego carrying some of the cargo which is available to them, as was testified in the hearings. In other words, the conflict which the Senator from North Carolina [Mr. BAILEY] has pointed out—if "conflict" is the right word—is a conflict between the ordinary type of passenger and freight vessel

and the ore-carrying type of ship, the tanker and other industrially owned vessels which will be benefited.

Mr. President, the matter has been covered so thoroughly that obviously if we are going to do anything at all in respect to legislation it should be to vote for the inquiry by the proper authorities with technical knowledge, to have the investigation, and as a part of the resolution have a definite date fixed when the report shall be made. If at that time it is shown, which I feel has not been shown since the discussion began, that certain changes have to be made, I shall favor them. At the present time I am absolutely opposed to them.

Mr. GORE. Mr. President, the amendment of the Senator from North Carolina [Mr. BAILEY], of course, would defeat the purpose of the entire measure and would protract a delay which has gone on now for more than 21 years. The original tolls act was passed in 1912. The rules for the measurement of ships in connection with the assessment of tolls were promulgated in 1913. I say to the Senate that those rules and regulations promulgated by the President were based on an elaborate report made by Dr. Emory R. Johnson, an expert upon this subject. I believe the report comprised 1,000 pages or more. It is one of the most scientific investigations ever made and one of the most exhaustive reports ever submitted to the Government. On that report the President based his rules and promulgated the tolls to be assessed and paid.

Owing to the decision of the Attorney General, what was thought to be a scientific system at the time fell into an absurdity out of which all sorts of anomalies have flowed, which in effect have permitted vessel owners to assess their own tolls instead of allowing the Government of the United States to assess the tolls on the vessels availing themselves of the Canal.

As soon as the Attorney General promulgated his ruling which destroyed the system, a plan was undertaken looking to the legislation pending here today. President Wilson issued a statement upon the subject, adapting the policy to the rulings of the Attorney General, but recommending legislation upon this subject. President Wilson, 21 years ago, recommended the legislation involved in the bill now pending. The years have dragged by. Hearing after hearing has been had in each House. Every time this legislation is proposed, the shipping interests come flocking here and desire to be heard. Of course, every citizen has a right to be heard concerning any legislation affecting his interests; but hearing after hearing has succeeded hearing after hearing, an obvious filibuster on the part of the great shipping concerns which are availing themselves on these devices in order to reduce their own tolls. They come trooping here to Congress and plead in behalf of delay.

Mr. COPELAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from New York?

Mr. GORE. Yes; I yield.

Mr. COPELAND. I do not quite understand what the Senator means by a filibuster.

Mr. GORE. I mean that every time a bill of this sort is introduced, the shipping interests desire to be heard over and over again, threshing the same straw over and over again. The Senators knows that to be true.

Mr. COPELAND. It may well be that it is straw, and worn-out and useless straw; and if the shipping interests are seeking to serve the people of the United States, they naturally resent anything which is going to increase their tolls.

My criticism of the shipping interests in this connection is that they have not presented their case. I have been quite resentful that I could not get any arguments from them or from anybody. I have had to deal with the matter from my general knowledge; and I desire to have it distinctly understood that, so far as I am concerned, I have not attempted to filibuster against this bill or any previous one.

Mr. GORE. I made no intimation of that sort. I said the shipping interests have filibustered.

Mr. COPELAND. This bill manifestly is not in the public interest; and yet I feel that the Senator from North Carolina [Mr. BAILEY] has presented a very wise plan. It would be very desirable for somebody to study the situation and find out what is wheat and what, on the other hand, may be chaff and straw. At the present time the Senate is quite befuddled, because it has not all the facts before it.

Mr. GORE. Mr. President, as I stated, as soon as this anomalous situation arose, President Wilson recommended legislation to remedy it. That was 21 years ago. Every Secretary of War from that day until this has united in recommending the legislation embodied in the pending bill.

It may be that the present President of the United States has no understanding of this need, has no appreciation of the importance of the subject. It may be that he is precipitate in urging this legislation now, after 21 years have come and gone. In view of what the Senator from New York has said, I ask to have the President's letter read to the Senate.

The PRESIDING OFFICER. Without objection, the letter will be read.

The legislative clerk read as follows:

THE WHITE HOUSE,
Washington, January 6, 1936.

Hon. THOMAS P. GORE,
Chairman, Committee on Interoceanic Canals,
United States Senate, Washington, D. C.

DEAR SENATOR GORE: The enactment of bill S. 2288 providing for the measurement of vessels using the Panama Canal, which was favorably reported by your committee on May 15, 1935, is essential to the proper management of the Canal.

The existing unsatisfactory, unfair, dual system of measurement whereby tolls charges are based on one tonnage, and the limiting factor on another different and smaller tonnage subject to manipulation, should be abolished. Control over the amount of tolls charged should be regained, and the apparently endless reduction in tolls paid should be stopped. The enactment of the bill will result in the reestablishment of the system originally intended, which, through certain technicalities, has become ineffective.

There has already been too much delay in the enactment of this remedial legislation, attempts to secure which have been made for a good many years by those charged with the administration of the Canal.

The House has passed a similar bill on four different occasions, and I now urge that you make an earnest endeavor to secure its passage by the Senate at an early date.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

Mr. GORE. Mr. President, that letter clearly and succinctly summarizes the points in favor of the pending legislation, the points in favor of its enactment now, and the points against its further delay. As suggested by the President, measures of this sort have four times passed the House, but it has never proved possible to bring them to a vote in the Senate. Obstructions always have occurred.

Now, Mr. President, a word in answer to what the Senator from North Carolina [Mr. BAILEY] has said.

The original tolls act fixed a maximum of $1.25 per net registered ton and a minimum of 75 cents per net registered ton. Within those limits, the President could ascertain and proclaim reasonable rates. He did so proclaim in the fall of 1913, fixing a rate of $1.20 per net ton on laden vessels, and 72 cents per net ton on vessels passing through the Canal in ballast. The pending bill fixes the maximum at $1; 20 cents less than the President's proclamation and 25 cents less than the original act. The original act placed the minimum at 75 cents on ships in ballast. The President's proclamation fixed it at 72 cents. The pending bill lowers it to 60 cents per ton; so that in any event, the rates embodied in the pending bill are much less than those prescribed in the original act, and are much less than those fixed in the President's proclamation.

The pending bill merely fixes the maximum and the minimum charge on laden ships, which is to be not more than $1 and not less than 60 cents. That becomes a permanent statute. Within those limits the President, after such investigation as he may make or may cause to be made, will issue a proclamation fixing the exact toll per ton; but we desire to have this bill passed now in order to get rid of the confusion resulting from the dual system of measurement. We shall make no progress until that one thing shall have been accomplished.

We are not rushing precipitately into this action. Twenty years have elapsed; and even after this measure shall be

passed, all it will do is to fix the maximum and the minimum tolls. The President will issue a proclamation fixing the exact toll per ton within those limits.

There are some instances where the tolls will be raised on certain ships. For instance, the Grace Line has reduced its own tolls to the extent of 33.9 percent by the manipulation of its structures through these trifling devices. If this bill passes, the Grace Line will pay higher tolls than it now pays, for the simple reason that it is now paying less tolls than it ought to pay. There are some vessels which have not availed themselves of this device. When this bill becomes effective, those vessels will pay less tolls than they now pay.

Senators are concerned about cotton. I share their concern. They are afraid this measure will raise the freight rates on cotton. I should like to have Senators mark this one point:

Certain ships now carrying cotton have reduced their own tolls by these openings in the deck. They pay less tolls than their competitors who have not cut these holes in the deck. The result is that they do not pass the reduction which they enjoy on their tolls either back to the shipper of cotton in a higher price for his cotton, nor to the purchasers across the sea who might buy the cotton at a less rate on account of the reduced tolls—nay, not at all. They are competing with ships which have not cut these holes and have not made this reduction in the tolls; so the present condition simply amounts to a subsidy on the part of the ship which has cut the openings in its deck as against its competitor that has not.

It pays less in tolls, but it does not charge lower freight rates. There is no reason why it should, because it is competing with ships which have not reduced their tolls and therefore cannot reduce their freight rates. So it amounts to a subsidy, pure and simple, to those who have resorted to this device as against their competitors who have not resorted to the device.

As I stated this morning, speaking of shelter-deck ships, 336 American ships have changed their decks and made openings in their decks and have availed themselves of this privilege. Eighty-six American ships of this particular type have not. Of the foreign ships of this particular type, the shelter-deck type, 729 have availed themselves of this device and 334 have not.

The benefit resulting to tank ships is not limited to tank ships alone. Tank ships, owing to their peculiar structure, cannot avail themselves of these devices and lower their tonnage. The result is that on the average they pay higher tolls in passing through the Canal than any other type of ship, higher tolls than any other type of ship, meaning the types which have cut the holes in the decks and availed themselves of this privilege.

On the other hand, as I showed this morning, the *Southern Sun*, a tanker ship, when it passes through the Canal loaded, pays tolls, under the United States rules of measurement, on 5,398 tons, but when it is returning in ballast it pays on 6,550 tons. If this bill is enacted, it will pay on exactly the same tonnage when it is laden as when it is in ballast, exactly the same number of tons, as it should. It will, however, pay a lower rate on its tonnage when passing in ballast than when it passes in cargo. That benefit will inure to the tank ships, but not to the tank ships alone; that benefit will inure to any ship which has not taken advantage of these openings and reduced its own tolls, legislating instead of Congress.

I hope the amendment of the Senator from North Carolina will be defeated. Let the measure pass fixing the maximum at a dollar and the minimum at 60 cents. The bill does provide for an investigation by a commission in the meantime, adjourning the date when the dollar and the 60-cent rates should go into effect, raising a commission in the meantime to make a study and make a report to the President. After that report shall be submitted, then the President, based on the report, would formulate the rules and the tolls, would make the proclamation, and it would go into effect.

If the amendment of the Senator from North Carolina is adopted the bill will simply raise a commission to study this subject, and the commission will take considerable time to make the study. We have no assurance that after it makes its report we will not grind around and around for 20 years longer trying to correct this anomalous situation and to put the assessment and collection of the tolls in the Panama Canal on a sound, scientific, and equitable basis, which does not now exist and will never be in effect so long as the existing confusion and dual system are permitted to continue.

I hope the amendment will be voted down.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Carolina [Mr. BAILEY].

Mr. McNARY. If it is agreeable, I desire to suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Chavez	Hatch	Overton
Austin	Clark	Johnson	Pope
Bachman	Connally	Keyes	Radcliffe
Bailey	Coolidge	La Follette	Reynolds
Bankhead	Copeland	Logan	Robinson
Barbour	Costigan	Lonergan	Russell
Barkley	Couzens	McAdoo	Schwellenbach
Benson	Davis	McCarran	Sheppard
Bilbo	Dickinson	McGill	Shipstead
Bone	Donahey	McKellar	Smith
Borah	Duffy	McNary	Steiwer
Brown	Fletcher	Maloney	Thomas, Utah
Bulkley	Frazier	Minton	Townsend
Bulow	George	Moore	Truman
Burke	Gerry	Murray	Tydings
Byrd	Gibson	Neely	Vandenberg
Byrnes	Gore	Norbeck	Wagner
Capper	Guffey	Norris	Walsh
Caraway	Hale	Nye	White
Carey	Hastings	O'Mahoney	

The PRESIDING OFFICER. Seventy-nine Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment offered by the Senator from North Carolina [Mr. BAILEY].

Mr. McNARY. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. TYDINGS (when his name was called). I have a general pair with the senior Senator from Rhode Island [Mr. METCALF]. I am advised, however, that on this question he is specially paired with the Senator from Mississippi [Mr. HARRISON]. If present, the Senator from Mississippi would vote "nay" and the Senator from Rhode Island would vote "yea" on this question. Being at liberty to vote, I vote "yea."

Mr. FLETCHER. Before the result is announced I wish to inquire whether the present vote contemplates treating the proposition as one amendment. It is all connected, I suppose, and treated as one amendment.

The PRESIDING OFFICER. Yes; it is treated as one amendment.

The roll call was concluded.

Mr. ROBINSON. I desire to announce that the senior Senator from Arizona [Mr. ASHURST], the Senator from Alabama [Mr. BLACK], the junior Senator from Illinois [Mr. DIETERICH], the senior Senator from Illinois [Mr. LEWIS], the Senator from Virginia [Mr. GLASS], the Senator from Mississippi [Mr. HARRISON], the junior Senator from Arizona [Mr. HAYDEN], the Senator from West Virginia [Mr. HOLT], the Senator from Utah [Mr. KING], the Senator from Iowa [Mr. MURPHY], the Senator from Nevada [Mr. PITTMAN], the Senator from Oklahoma [Mr. THOMAS], the Senator from Florida [Mr. TRAMMELL], and the Senator from Montana [Mr. WHEELER] are necessarily detained from the Senate.

Mr. MINTON. I wish to announce that my colleague [Mr. VAN NUYS] is unavoidably detained from the Senate.

The result was announced—yeas 62, nays 17, as follows:

YEAS—62

Adams	Borah	Connally	Fletcher
Austin	Brown	Coolidge	Frazier
Bachman	Bulkley	Copeland	George
Bailey	Byrd	Costigan	Gerry
Barbour	Byrnes	Couzens	Gibson
Barkley	Capper	Davis	Guffey
Benson	Caraway	Dickinson	Hale
Bilbo	Carey	Donahey	Hastings

Johnson	McKellar	Pope	Townsend
Keyes	McNary	Radcliffe	Tydings
La Follette	Maloney	Reynolds	Vandenberg
Logan	Minton	Schwellenbach	Wagner
Lonergan	Moore	Sheppard	Walsh
McAdoo	Nye	Shipstead	White
McCarran	O'Mahoney	Smith	
McGill	Overton	Stelwer	

NAYS—17

Bankhead	Clark	Neely	Thomas, Utah
Bone	Duffy	Norbeck	Truman
Bulow	Gore	Norris	
Burke	Hatch	Robinson	
Chavez	Murray	Russell	

NOT VOTING—16

Ashurst	Harrison	Lewis	Thomas, Okla.
Black	Hayden	Metcalf	Trammell
Dieterich	Holt	Murphy	Van Nuys
Glass	King	Pittman	Wheeler

So Mr. BAILEY's amendment was agreed to.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment.

Mr. GORE. Mr. President, in connection with my reference to Mr. Ryan this morning, I desire to have printed in the RECORD a letter written by the Department of Commerce to the Italian shipping concern which Mr. Ryan represented, in which the Department refers to him as "your Mr. Ryan."

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter is as follows:

DEPARTMENT OF COMMERCE,
BUREAU OF NAVIGATION AND STEAMBOAT INSPECTION,
Washington, February 27, 1935.

Mr. F. QUATTRONE,
New York, N. Y.

SIR: Receipt is acknowledged of your letter of the 15th instant submitting plans of proposed changes in the space between D and E decks of the Italian vessels *Orazio* and *Virgilio*, apparently for the purpose of making D deck a shelter deck and automatically exempting the passenger spaces thereon from measurement for tonnage.

It seems that an opening on each side 14 feet long by 3½ feet high is proposed to be made in the shell plating near the after end of the vessels to accomplish this purpose. This opening is to be hedged off from the rest of the between-deck space by partitions which have the effect of confining any water that might enter the opening within the small portion of the between deck between the side of the ships and the partition.

There being no specific regulation nor precedent governing this kind of opening, pending the outcome of bills now before Congress with regard to safety provisions for ships, especially passenger ships, after discussing the details of the proposed opening with your Mr. Ryan yesterday morning, it was deemed advisable not to consider this change any further at this time.

Your enclosures, together with a photostat of a Panama tonnage abstract left by Mr. Ryan, are returned herewith.

Respectfully,

——— ———, *Director.*

Mr. GORE. The amendment just adopted by the Senate emasculates the bill. Nothing remains of the bill now except section 2, and section 2 does nothing except to raise a commission to investigate the subject. That was the proposition submitted to the Senate Committee on Interoceanic Canals when the hearing was in progress. It is exactly what the shipping concerns asked my committee to do—report a bill embodying no other proposition than that which now remains in the bill. They requested the committee to report a bill raising a commission to make a further investigation and to make a report. All they wanted was time. They wanted an investigation. They did not want substantive legislation enacted. Senators, unwittingly, no doubt, have carried out the will of the shipping concerns of this country in disregard of the recommendation of the President now and the President 20 years ago, and in disregard of the recommendation of every Secretary of War during the last 21 years.

Section 2 was included in the bill. It was recommended by the Department to be included as a concession to the shipping interests of the country. The Department officials told me that in the light of experience they did not believe the bill could pass the Congress unless it carried section 2. That is what the shipping interests wanted, and the Department officials' experience has led them to appreciate the difficulties of enacting this legislation against the protests of the shipping interests. Hence the representatives of the Government of the United States made this concession and put section 2 in the bill in the hope that we might be able to enact the legislation.

Not only that, but the pending bill fixes at $1 the maximum which the Government could proclaim as a toll; but the Secretary of War—and it seems to me that he humiliated himself when he did it, and I think he never ought to have done it—has announced that if the bill passed fixing the maximum at $1 per net ton he would recommend to the President that he fix 90 cents as the toll to be charged and collected. I am speaking by the card. I hold in my hand the minority report submitted by the Senator from New Jersey [Mr. BARBOUR]. In this minority report he states that while the bill fixes $1 as the maximum at which the President could fix the rate, nevertheless, owing to the protests of the shipping interests, the Secretary of War has humbled himself, passed under the yoke in an effort to conciliate that interest, and has agreed in advance that he would recommend 90 cents. The Senator from New Jersey in the minority report states that he did that on account of the protests of the shipping interests.

However, after consideration of protests received from steamship lines, the Secretary of War advised the Committee on Interstate and Foreign Commerce of the House of Representatives, in May 1934, that if legislation similar to the bill were enacted he would recommend to the President the adoption of a toll on laden vessels of not more than 90 cents.

It turns out that that concession in the bill to the shipping concerns of the country has still failed to secure the enactment of this legislation, delayed for more than 20 years.

The amendment which has just been adopted has emasculated the bill. The enactment of the measure now would be a farce unworthy of the Senate of the United States. So far as I am concerned, I do not wish to play a part in the enactment of a farce upon this exalted stage. Accordingly, I move that the further consideration of the bill be indefinitely postponed.

Mr. CLARK. Mr. President, before the Senator proceeds further with his motion will he yield?

Mr. GORE. I yield.

Mr. CLARK. As a member of the Committee on Interoceanic Canals let me confirm what the Senator from Oklahoma has said. The Secretary of War has called me on the telephone not only once but at least three times, to urge my support of the bill. I attended the hearings of the Committee on Interoceanic Canals for a whole day. I was not able to attend the entire hearings of the committee by reason of the fact that I was engaged in another committee at the time. Representatives of the War Department and representatives of the Bureau of Insular Affairs of the War Department were present to urge the passage of the bill as reported by the Committee on Interoceanic Canals.

Mr. President, my views on the subject were so conclusive from the hearings of the one day which I attended that I authorized the chairman of the committee, the Senator from Oklahoma [Mr. GORE], to cast my vote for reporting the bill favorably. I do not wish to impugn anyone's motives, but it seems to me what the Senator from Oklahoma last said is entitled to very great weight in this body. That committee, of which I am a member, held hearings for 6 or 7 days. The argument made in behalf of the War Department was absolutely unanswerable. No one has yet opposed the argument advanced at that time with any argument worthy of any consideration in this body. At this late day, on the recommendation of one man, Mr. Ryan, it appears the Senate of the United States is about to reject the efforts of one of its committees.

I join with the Senator from Oklahoma in any recommendation he may make.

Mr. GORE. I referred to Mr. Ryan this morning. As soon as I left the Chamber Mr. Ryan came to me and desired to confer with me on the subject because I had made reference to him. I have just placed in the RECORD a letter bearing out my statement of his employment by an Italian shipping concern, in which they use his name in connection with the company's undertaking to get an extra deck lifted out of the tolls, a deck lower than anybody else had ever undertaken to get exempted.

However, I do not wish to enter into that discussion further. I merely wish to repeat that the Government, the Secretary of War, tried to propitiate the shipping concerns and said, "By your leave we will insert what you want to this extent: We will create your commission if you will let the bill pass. We will agree to reduce the tolls. In advance we will agree to reduce the tolls to 90 cents if we can only secure this legislation to correct the anomalous and ridiculous situation."

I have no criticism to make of Senators' motives, but I do appeal to Senators now to vindicate the honor of the Senate and let us not enact the role of undertaking to pass this emasculated farce into legislation.

I renew my motion that further consideration of the bill be indefinitely postponed.

Mr. CLARK. Mr. President, may I submit another question to the Senator?

Mr. GORE. I yield to the Senator from Missouri.

Mr. CLARK. Does not the Senator believe that it would be better for the Senate to postpone the measure indefinitely than to pass it in its present absolutely emasculated form?

Mr. GORE. I think so. For my part—and I do not cast any reflection upon Senators—I am unwilling to go down on my knees and put my hand between the hands of the shipping interests of this country and take an oath of allegiance and say, "From here on I am your man." I think the Secretary of War compromised his dignity and humiliated himself when he agreed in advance to make the rate 90 cents instead of $1. The Senator from New Jersey [Mr. BARBOUR], in his minority report, stated that is the reason why it was done—on account of the protests of the shipping interests of the country. So far as I am concerned, I do not mean to yield, and I hope the Senate of the United States will not yield.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. GORE. Certainly.

Mr. CLARK. May I say to the Senator that, as another member of the Committee on Interoceanic Canals, I am not willing to have the dignity of the United States Senate compromised in the way suggested by the Senator from Oklahoma. In view of the amendments which have been put upon the bill, I think the motion of the Senator from Oklahoma should be adopted.

The PRESIDING OFFICER. The question is on the motion of the Senator from Oklahoma to postpone indefinitely further consideration of the bill. Those in favor of the motion will say "aye." [A pause.] Those opposed will say "no." [A pause.]

Mr. O'MAHONEY. Mr. President——

The PRESIDING OFFICER. The Senator from Oklahoma has the floor.

Mr. GORE. I think the motion carried to postpone the bill indefinitely. I should like the Chair to announce the result.

Mr. O'MAHONEY. Mr. President, a parliamentary inquiry. Did I claim the attention of the Chair before the result of the vote was announced?

The PRESIDING OFFICER. The result has not been definitely announced.

Mr. O'MAHONEY. Is it in order for me to make a motion?

The PRESIDING OFFICER. That depends upon the nature of the motion.

Mr. O'MAHONEY. I desire to make a motion to recommit the bill.

The PRESIDING OFFICER. The motion is not in order at this time, as the motion of the Senator from Oklahoma takes precedence.

Mr. GORE. Mr. President, of course, I am always anxious to obey the wish of the Senate; and if the bill is ultimately recommitted I advise the Senate in advance that I shall feel obliged to report the bill in its original form and to repeat the effort to secure substantial legislation on the subject. When the matter was pending before my committee I was not persuaded by the arguments of the shipping interests of the country that the bill ought to embody nothing but section 2. That question was considered by the committee, and that proposal was rejected.

Mr. O'MAHONEY. Mr. President, let me say just a word in explanation of the reason why I sought to make the motion.

I know there are a number of Members of this body who voted for the motion of the Senator from North Carolina [Mr. BAILEY] to strike out section 1 of the bill because they were not at all certain, in the present situation, what the exact results of the measure would be if section 1 were retained in it. They desire, and I know I desire, additional information—information which was not developed in either the majority or the minority reports; information which was not developed in the debate.

It was for that reason that many Senators voted to strike out section 1. I think it would be a very desirable thing to have an investigation, but I feel that the investigation should be carried on by the Senate and not by the executive department. I feel that the committee of which the Senator from Oklahoma is the very able chairman has done serious and excellent work upon this matter, and I feel that the Senate would appreciate it if the Senator from Oklahoma would consent to support a motion to recommit the bill, so that we may have the benefit of its further consideration by the committee.

Mr. GORE. Mr. President, I hold in my hand the hearings held before the committee at this session. Hearings were held before the Senate Committee on Commerce in 1931. The House held hearings 2 years ago and again this year. Every time this subject is even hinted at a hearing is asked and held, and I do not object to that; but if this measure is recommitted, what will the status be?

I assume that my committee will feel almost in duty bound to respect this overwhelming vote of the Senate if we make any report at all. So far as I am concerned, I shall vote to make no report, or to report only this bill substantially as it was reported by the committee.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. GORE. Yes.

Mr. BARKLEY. The parliamentary situation, it seems to me, is that if the Senator's motion to postpone indefinitely the consideration of this measure shall carry, it will probably mean no further legislation or consideration of the subject at this session. To recommit the bill to the committee, which I should certainly prefer to see done to an indefinite postponement, will mean that it can be given further consideration at this session.

As one of those who voted in the affirmative on the motion of the Senator from North Carolina [Mr. BAILEY] because I felt a lack of sufficient information to enable me to determine what is the best thing to do at this particular moment, I hope the bill will be recommitted to the committee for such further consideration as it may be given.

Mr. CLARK. Mr. President, may I be permitted——

Mr. COUZENS. Mr. President, a parliamentary inquiry. Is this motion debatable?

The PRESIDING OFFICER. It is debatable.

Mr. CLARK. Then, Mr. President, it seems to me that the question of whether or not the bill ought to be indefinitely postponed should be debated at length; and for that purpose I claim the floor.

The PRESIDING OFFICER. Has the Senator from Oklahoma yielded the floor?

Mr. GORE. I will yield, if the Senator from Missouri desires to debate the subject.

Mr. CLARK. No; I do not wish to take the Senator from Oklahoma off the floor.

Mr. GORE. I am glad to yield.

Mr. CLARK. When the Senator gets through, I desire to take the floor. I shall be glad to have the Senator from Oklahoma retain the floor at this time.

Mr. GORE. No; I have nothing further to say. I was hoping my motion might prevail and that the matter might be disposed of.

The PRESIDING OFFICER. The Chair recognizes the Senator from Missouri.

Mr. CLARK. Mr. President, this is one of the most remarkable situations ever presented to the Senate during my

membership in this body. The War Department, which has general jurisdiction over matters connected with the Panama Canal, and particularly the Bureau of Insular Affairs, which has more particularly the disposition of that matter, have from time to time made recommendations to Congress in favor of the bill now proposed by the Senator from Oklahoma. The Senate Committee on Interoceanic Canals held hearings for 7 or 8 days upon the particular proposition now recommended by the Senator from Oklahoma. We afforded every opportunity—I say "we" because I am a member of the committee, and it has very few members—to everyone who was really opposed to the changes proposed by the War Department to come in and be heard on the question.

I was greatly interested today in the statement of the senior Senator from New York [Mr. COPELAND] that no substantive proposition was ever presented to the Committee on Interoceanic Canals laying down any opposition to this bill; and I think the Senator from Oklahoma [Mr. GORE], the Senator from Wisconsin [Mr. DUFFY], and the other members of the committee will bear me out in the statement that no such substantive proposition ever was presented to the committee.

We listened with great interest to the figures produced by the War Department, by the corporation operating the railroad in Panama, and by every other governmental agency, against the present system. We were shown how it was possible not only for Japanese ships or Italian ships but for corporations which operated American ships in conjunction with British ownership to cheat the American Government's regulations by changing passenger decks to cargo decks.

There was no argument made in the committee which appealed to the judgment of any member of the committee. Today we are met with the proposition of postponing the bill or recommitting it to the Committee on Interoceanic Canals, and that is a suggestion looking to a hamstringing of the bill by recommitting it to the committee.

Mr. President, I say that those who approve the recommendations of the War Department and the other officials of the Government who have been in favor of this legislation can vote in only one way, and those who approve the hamstringing of the proposed legislation for the benefit of the shipping interests, whether they be Japanese, or Italian, or American, or English, will vote the other way.

Mr. DUFFY. Mr. President, it seems to me that the motion of the Senator from Oklahoma should prevail. We have before us a measure the passage of which has been recommended by the President of the United States and also by the Secretary of War. I put into the RECORD yesterday extracts from the recommendation of every Secretary of War, Democrat or Republican, for some 20 years back, all recommending the proposed legislation. I understand that a measure similar to this, not word for word, but similar to it, has passed the House of Representatives time and time again. The Senate by such a large vote having decided to strike out the part of the bill which amounts to something, with the idea of having some sort of an investigation made, provision for which, I agree, should never have been attached to the bill at all, it seems to me to be utterly useless to try to do anything along a constructive line with this sort of a measure, at least at this time. Therefore, as one of the members of the Committee on Interoceanic Canals, I say that we might just as well postpone the bill.

Mr. CLARK. Mr. President, let me say that of course this will be the last session of the Seventy-fourth Congress, and to recommit the bill or indefinitely postpone it is to kill it. I have been impressed with the recommendation of the Secretary of War and the other officials who have been concerned with this matter, so that I am not willing to postpone the bill indefinitely or to recommit it.

Mr. ROBINSON. Mr. President, I have refrained from participating in this controversy. I voted against the amendment of the Senator from North Carolina [Mr. BAILEY]. It occurs to me that perhaps it would be desirable to take a recess, and upon reconvening the Senate will probably be better prepared to resolve this question than it is just at this time. I will state that it is my intention to move a recess until next Monday when the business of today shall have been completed.

Mr. McNARY. Mr. President, inasmuch as the author of the bill, the Senator from Oklahoma [Mr. GORE], who also reported it, has made a motion, which is now pending, upon which we are ready to vote, we should dispose of that motion before recessing until Monday.

Mr. ROBINSON. Mr. President, I am not content to dispose of the motion this afternoon. I do not believe it is the best procedure, and I think the Senator from Oregon will probably agree with me, if he will reflect upon the subject for a moment.

I do not wish to move a recess or adjournment if the Senator from Oregon insists upon continuing the session, but in that event I shall find it necessary to address the Senate for a little while, and the Senate might escape that penalty if the course I am suggesting should be followed. I do not mean to imply that I wish to delay action in the Senate, but I am firmly of the opinion that the best procedure is that which I have suggested, and while I would not wish to make the motion over the objection of the Senator from Oregon, unless he does object, I shall make the motion to recess.

Mr. McNARY. Mr. President, it seems unusual to me, from a parliamentary standpoint, when the Senator who has made a motion, the author of the pending bill, desires to dispose of it that anyone should object. If the motion of the Senator from Oklahoma should be agreed to, that would mean the final disposition of the bill, and the Senator earlier in the day told me he would like to have it disposed of.

Mr. ROBINSON. I suggest to the Senator from Oklahoma that he withdraw his motion. The Senator can pursue whatever course he chooses, but I am so certain that the course I am suggesting is the wise one that I believe he will accept my suggestion.

Mr. GORE. Mr. President, if I thought there was any chance of the Senate reconsidering its action and pursuing a different course, I should be glad to see that brought about. I do not wish to foreclose that possibility, at least, and I, therefore, temporarily withdraw my motion.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters, which were ordered to be placed on the calendar.

The VICE PRESIDENT. If there be no further reports of committees, the calendar is in order.

NATIONAL EMERGENCY COUNCIL

The legislative clerk read the nomination of Lyle T. Alverson, of New York, to be Acting Executive Director of the National Emergency Council.

Mr. COPELAND. Mr. President, I am fully satisfied that Mr. Alverson is a suitable person for this office, and I am very glad indeed to withdraw the previous opposition I had to the confirmation of his nomination.

Mr. CLARK. Mr. President, I ask unanimous consent that this nomination go over until tomorrow.

Mr. ROBINSON. There will be no session tomorrow, unless the Senate should choose to vote to hold a session.

Mr. McNARY. What is the request that has been made?

The VICE PRESIDENT. There is pending the nomination of Lyle T. Alverson, of New York, to be Acting Executive Director of the National Emergency Council. The Senator from New York has withdrawn his objection. The Senator from Missouri has asked that the nomination go over.

Mr. ROBINSON. I do not know whether or not there is objection to the request. The Senator from Missouri asked that the nomination go over until tomorrow.

Mr. CLARK. I ask that the nomination go over until the next consideration of the Executive Calendar.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the nomination will be passed over.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters in Minnesota.

Mr. McKELLAR. Mr. President, at the request of the Post Office Department, I ask that these nominations go over until Monday.

The VICE PRESIDENT. Without objection, the nominations will be passed over.

RECONSTRUCTION FINANCE CORPORATION

The legislative clerk read the nomination of Jesse H. Jones, of Texas, to be a member of the board of directors.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Charles B. Henderson, of Nevada, to be a member of the board of directors.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of C. B. Merriam, of Kansas, to be a member of the board of directors.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Frederic H. Taber, of Massachusetts, to be a member of the board of directors.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Charles T. Fisher, Jr., of Michigan, to be a member of the board of directors.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

SECURITIES AND EXCHANGE COMMISSION

The legislative clerk read the nomination of William O. Douglas, of Connecticut, to be a member of the Securities and Exchange Commission.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

FEDERAL HOUSING ADMINISTRATION

The legislative clerk read the nomination of Stewart McDonald, of Missouri, to be Federal Housing Administrator.

Mr. FLETCHER. Mr. President, the Senator from Maryland [Mr. TYDINGS] desires to have this nomination go over.

The VICE PRESIDENT. Without objection, the nomination will be passed over.

FARM CREDIT ADMINISTRATION

The legislative clerk read the nomination of Samuel D. Sanders, of Washington, to be cooperative bank commissioner.

Mr. CONNALLY. I ask that this nomination go over.

The VICE PRESIDENT. Without objection, the nomination will go over.

POSTMASTERS

The legislative clerk read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc.

Mr. ROBINSON. Mr. President, I ask unanimous consent that during the recess of the Senate following today executive nominations may be received by the Secretary and appropriately referred.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 5 o'clock and 20 minutes p. m.) the Senate took a recess until Monday, January 27, 1936, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 23 (legislative day of Jan. 16), 1936

RECONSTRUCTION FINANCE CORPORATION

Jesse H. Jones to be a member of the board of directors of the Reconstruction Finance Corporation.

Charles B. Henderson to be a member of the board of directors of the Reconstruction Finance Corporation.

C. B. Merriam to be a member of the board of directors of the Reconstruction Finance Corporation.

Frederic H. Taber to be a member of the board of directors of the Reconstruction Finance Corporation.

Charles T. Fisher, Jr., to be a member of the board of directors of the Reconstruction Finance Corporation.

SECURITIES EXCHANGE COMMISSION

William O. Douglas to be a member of the Securities and Exchange Commission.

POSTMASTERS

CALIFORNIA

Frank J. Bole, Monrovia.

KANSAS

Harold J. March, Bucklin.
Winona D. Stough, Cherokee.
Carl P. Briley, Walnut.

KENTUCKY

Octavia M. Sturgill, Hindman.
Effie Lee Bailey, New Castle.

MICHIGAN

Marvin J. Elzinga, Ellsworth.
Thomas Newton, Metamora.

TEXAS

George W. Ragland, Abernathy.
Amos D. Rawlinson, Anahuac.
Elmer A. Hoppe, Carmine.
Roberta M. Isom, Carrollton.
Claude H. Martin, Crane.
Homer Dewey Thompson, Devine.
Wiley Fox, Dumas.
Frank Benton Crush, Garland.
Emery Beaumont, Humble.
Milledge A. Hart, Jr., New Boston.
James C. Lovelace, Olney.
James R. Kersey, Ozona.
Hattie M. Culpepper, Palmer.
John W. Ledbetter, Round Rock.
Walter Kurz, Somerset.
John Edgar Kimsey, Texon.
Volney F. Norris, Thorndale.
Philip E. Luker, Throckmorton.
John B. Hardin, Vernon.
Leopold Morris, Victoria.
James A. McFadden, Yoakum.

WASHINGTON

Joseph L. Milner, Almira.
Harold W. Lewis, Bingen.
Almon D. Hannan, Bothell.
Clara R. Monk, Granite Falls.
Roy E. Carey, Hartline.
Earl DeCamp, Nespelem.
Willard A. Grube, Oroville.
Jennie A. Smith, Peshastin.
John M. Eager, Raymond.
Ralph C. Cochran, Snohomish.
Charles O. Snapp, Springdale.
Hazel H. Howe, Tenino.
Bert B. Schmitz, Waterville.

HOUSE OF REPRESENTATIVES

THURSDAY, JANUARY 23, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, we pray that Thy kingdom of righteousness and love may be established in all our hearts. Forgive us our sins and separate them from us forever. Break down every wall that sets us at variance with our fellow men. Losing sight of our own shadow, untouched by selfishness, make us a gracious influence for good. Draw near to any who may be suffering with any affliction and gather us all unto Thyself. Open our eyes to splendid visions and make us heirs of mighty hopes. Teach us how to grow strong through patience and grant that every difficulty may be rich in compensation. By the tireless ministry of the Congress may a new epoch be marked in the life of the Republic. In the name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 3245. An act to extend the time for commencing and completing the construction of a bridge across the Columbia River at Astoria, Clatsop County, Oreg.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 4178) entitled "An act for the relief of the International Manufacturers' Sales Co. of America, Inc., A. S. Postnikoff, trustee", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BAILEY, Mr. LOGAN, and Mr. WHITE to be the conferees on the part of the Senate.

JACKSON AND ROOSEVELT—A CONTRAST

Mr. DARROW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address by a former Member of the House, Mr. James M. Beck.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DARROW. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an address entitled "Jackson and Roosevelt—A Contrast", delivered over the Columbia Broadcasting System January 22, 1936, by James M. Beck, as follows:

My fellow citizens, in his eloquent and interesting address on Jackson's birthday, President Roosevelt suggested a parallel between his administration and that of Andrew Jackson. Having thus reminded himself of Andrew Jackson, a further parallel suggested itself to him last Sunday in his Theodore Roosevelt address, and possibly on Washington's Birthday the President may further remind himself of the first and greatest of his predecessors. The President would do well to follow those illustrious models, for all three had one policy in common which the President could profitably imitate, and that is the preservation of the public credit.

No one would suggest any resemblance between the personalities of Andrew Jackson and President Roosevelt. Our smiling, cultivated President, with his aristocratic lineage and Harvard College traditions, who now wanders like little Alice in a strange wonderland of socialistic policies, is the very opposite of the dour, grim-visaged backwoodsman from Tennessee, whose only concern was with the grim realities of life; there would seem to be no resemblance visible to the naked eye.

Between the administrations of the two Presidents there are points of comparison and contrast, which make the President's Jackson Day address one of great interest to the student of history. If I shall speak plainly about the Roosevelt administration, let no ardent New Dealer accuse me of treason, for it was Andrew Jackson himself who said on April 15, 1834:

"The President is also accountable at the bar of public opinion for every act of his administration. Subject only to the restraints of truth and justice, the free people of the United States have the undoubted right, as individuals or collectively, orally or in writing, at such times and in such language and form as they may think proper, to discuss his official conduct and to express and promulgate their opinions concerning it."

In two respects the President's suggested parallel is justified. Andrew Jackson was an honest but rabid partisan. He believed that a government was not so much a public trust as a party picnic. When on his inauguration day a boisterous rabble swept through the White House, ruined its fine carpets, and even smashed its costly chandelier, Jackson complacently said: "Let the boys have a good time once in 4 years." President Roosevelt has had the same tolerance for the vagaries of his hungry party adherents, for, like Jackson, he has greatly debased the civil service of the United States. To this end he made his Postmaster General his political chief of staff, so that Mr. Farley, with the traditions and practices of Tammany Hall and the power of the Post Office Department, could debase the public service for the benefit of the Democratic Party. Not only has President Roosevelt added over 200,000 employees to the pay roll—shall I say play roll?—but he has been careful to exempt most of them from the requirements of the civil-service laws.

There is another resemblance in the fact that his chief advisers are not the members of the Cabinet, who, according to the Constitution, are appointed by the President and confirmed by the Senate, but an irresponsible kitchen cabinet. The kitchen cabinet of Andrew Jackson consisted of practical and experienced statesmen, while President Roosevelt has assembled a weird kitchen cabinet of visionary apprentices, without any previous experience in the Federal Government, and as a consequence the Frankfurters and the Tugwells, the Richbergs and Corcorans, the Moleys and the Cohens have been more potential in shaping the policies of this administration than the responsible heads of departments who constitute the Cabinet. The result has been a weird accumulation of unwise and unconstitutional legislation, which a future historian will include in the most valued incunabula of demagoguery.

With these points of resemblance, the comparison between the two administrations becomes a pathetic contrast. President Jackson made no promise that he did not keep. To him it would have been inconceivable to accept a party platform in order to secure an election and then promptly repudiate by his policies nearly every promise in that platform. One of President Jackson's greatest convictions was his belief in honest money. His belief in the value of the public credit was such that he would never have issued, early in his administration, $500,000,000 in bonds payable in gold of a certain fineness, and when the bonds were bought, in part by foreign investors, have devalued the dollar in order to take from the purchasers 40 cents on every dollar. President Jackson firmly believed that no country could spend itself into prosperity, and that the best statesmanship was to reduce the national debt by a wise and economical government. He believed that a nation in debt, like an individual in debt, could not be free. In the beginning of his administration the national debt was about $67,000,000. It had been as high as $127,000,000. President Jackson proceeded to reduce that debt, and before he retired he had virtually abolished it. It will make our mouths water to know that in the year of his retirement the entire national debt was only $37,000. The first Jackson banquet was to celebrate the payment of the national debt. The last was to celebrate its increase to stratospheric heights.

On the eve of the World War our Nation had a debt of less than two billions. Then earning each year a large surplus, it seemed probable that we would soon present the unique example of a great Nation that had no national debt.

President Wilson increased that debt to twenty-six billions, and when under the administration of Calvin Coolidge the debt had been reduced to sixteen billions, President Roosevelt, in the apparent belief that the more a nation borrowed the more prosperous it would be, doubled that debt, until today it is nearly thirty-two billions, and may well be forty billions before his term of office expires. All this would have been abhorrent to Andrew Jackson, for he would have realized, as the new Jackson apparently has not, that a debt of forty billions inevitably means a ghastly burden upon the sweat and toil of unborn generations of Americans for at least another century. If Andrew Jackson had owned, as he probably did, some gold that he had earned with his brawn and brain, and the Government had seized it without any compensation, no one would have been more intolerant than Andrew Jackson of such robbery under the forms of law. Still less would Andrew Jackson, with his sturdy sense of integrity and his religious belief in the public credit, have favored a silver purchasing act for the benefit of a small group of silver mine owners whereby the Treasury has acquired some 600,000,000 ounces of silver at prices far beyond their intrinsic value, and for which it has no use.

Andrew Jackson won the culminating victory in the War of 1812 which this Nation fought to vindicate the freedom of the seas. President Roosevelt's neutrality policy has abandoned this time-honored tradition, which, be it noted, our soldiers and sailors fought to vindicate in the World War. Andrew Jackson raised the American flag in territory hitherto unoccupied. President Roosevelt has pulled down the American flag in the Philippines and thus gone far to hand to Japan the control of the Pacific and Asia.

However, the greatest contrast between the two administrations is in their attitude to the Constitution of the United States. When Andrew Jackson took the oath of office to respect and defend that Constitution he considered it an obligation from which any escape was unthinkable. In his parting admonition to his countrymen, his farewell address of 1837, he said:

"It is well known that there have always been those among us who wish to enlarge the powers of the General Government, and experience would seem to indicate that there is a tendency on the part of this Government to overstep the legitimate boundaries marked

out for it by the Constitution. Its legitimate authority is abundantly sufficient for all the purposes for which it is created; and its powers being expressly enumerated, there can be no justification for claiming anything beyond them. Every attempt to exercise power beyond these limits should be promptly and firmly opposed."

This was no theatrical gesture. He parted with many old-time friends and party colleagues on this issue. When the doctrine of nullification first raised its baleful head in this country and was about to be adopted by the Democratic Party as its rallying cry at a banquet in honor of Thomas Jefferson, it was Andrew Jackson who "scotched the snake" by raising his glass and looking significantly at John C. Calhoun, proposed the immortal toast, "The Federal Union, it must and shall be preserved." This was no unmeaning gesture. He and Daniel Webster did save the Constitution in a critical hour and the memory of that crisis remained with him to the end, for among the last things he ever said was an expression of regret that he had not hung John C. Calhoun for treason.

The future historian must record that President Roosevelt's attitude toward the great compact has been one of cynical and, indeed, flippant indifference. His one comment on the Constitution that will be remembered was his intimation that the great document, as authoritatively interpreted by the Supreme Court, belongs to the "horse and buggy" age. Had the spirit of Andrew Jackson been present at the recent dinner in his honor, at which the President reminded himself of Andrew Jackson, I think the august shade of Andrew Jackson would have again raised his glass and with a significant look at the New Dealers, then participating at $50 a plate at a new Belshazzar's feast, he would have said: "The Federal Constitution, it must and shall be preserved."

President Jackson undertook nothing that he did not carry out. He was a man of iron will. He had few convictions, but they were real convictions, and the greatest of all was his belief in the Constitution. The future historian will say of President Roosevelt's administration that it constitutes the ghastliest wreckage of our form of government in the history of our Nation. He always reminds me of what Sidney Smith said of a British Prime Minister, Lord John Russell: That his confidence in his own ability was such that he would undertake without preparation to rebuild St. Paul's Cathedral, maneuver the Channel Fleet, and operate upon a patient for a stone in the bladder and would be ignorant of the fact, when he had tried all three, that the patient with the stone had died, that the Channel Fleet had sunk, and St. Paul's Cathedral had tumbled into ruins. Similarly the President undertook to be the dictator of all trade and industry in the United States. No code agreement in any trade and industry had any validity unless he approved it, and if none were proposed that he could approve, he claimed the power—and the power was given to him by a subservient Congress—to impose any code for the conduct of business that he saw proper. The Supreme Court happily ended that un-American tyranny.

To find a true analogy for the follies of this administration, the nearest analogy is that of that eminent and smiling financier, Wilkins Micawber—always "waiting for something to turn up"—who had little concern for his mounting debts except when a process server was around the corner, and who then gave his creditor a promissory note with the pious ejaculation: "Thank God, that debt is paid." President Roosevelt, instead of reducing our national debt, as did Andrew Jackson, has given some 16 billions of promissory notes for future generations to pay.

Andrew Jackson did have violent prejudices as well as strong convictions, but one can search his public utterances in vain for any expression that savored of demagoguery. Probably this is true because only one draftsman ever wrote his utterances. It was either Andrew Jackson's homely but vigorous English, or it was the work of Edward Livingston, or Roger Taney's accomplished pen. In recent years our Presidents have adopted the method of composite ownership for public addresses, and the result has been a certain loss of both unity and sincerity.

Take, for example, the extraordinary address which the President, somewhat forgetful of the dignity of his high office and the equal dignity of Congress, made on January 3. That address, which never had any precedent in our history, and let us hope will never again be imitated, is reminiscent of the work of many hands. Portions of it sound like the "airy persiflage" of the eminent Professor Tugwell, other portions suggest the banalities of Professor Moley, but others suggest the subtle sinuosities of Professor Frankfurter. Much of it is pure Roosevelt. Whatever its authorship, the future historian will regard that address as the low-water mark of Presidential reports on the "state of the Union."

The historian may record one further contrast which is for the future to determine. Andrew Jackson not only succeeded himself but after two administrations named his successor. I venture to predict that Mr. Roosevelt will neither succeed himself nor name his successor. The American people have taken his measure, and its verdict is, "Weighed and found wanting."

THE TOWNSEND PLAN

Mr. DUNCAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a short quotation from testimony taken before the Ways and Means Committee on the Social Security Act.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. DUNCAN. Mr. Speaker, the depression has seen the development of many visionary and highly experimental plans for recovery, but the Townsend plan is the most fantastic of them all.

Naturally, when people are desperate they are quick to become advocates of these plans without giving to them any real thought beyond a surface survey and a glance at the end to be accomplished. If those placed in representative positions are inclined to follow the dictates of their hearts, instead of the reasoning of their heads, or surrender to motives of political expediency, they, too, may lend their support to such plans. But I cannot bring myself to believe that the Congress of the United States now or at any time in the future will sacrifice the whole economic and financial structure of our country upon the altar of political expediency.

I have long been an advocate of old-age pensions to take care of such of the old folks as find themselves, in the declining years of their lives, unable to provide themselves with the means of living. But in providing such pensions we must think of the means of sustaining it, not only for the comforts of today but for security for tomorrow as well.

The old people cannot be used as a vehicle by which an economic revolution is to be accomplished.

I am a member of the Ways and Means Committee, the committee before which the social security legislation came in the last session of Congress; at that time we gave the advocates of the Townsend plan and to Dr. Townsend such time as they desired to present their cause. We gave the plan a lot of thought, and anyone who gives it thought—thought as to the ultimate effect—must come to the conclusion that it is impracticable and would result in far greater harm and suffering in the end than now exists.

In the first place, the name of the plan is a misnomer—the Townsend old-age revolving pension fund. A revolving fund implies that the same fund is to be used over and over again for the same purpose. That, of course, here is not true, the statement of its founders and advocates to the contrary notwithstanding. Each month the obligation is to be met it will require additional funds raised by taxation imposed upon all the commodities used by the people. Not the same money but new and additional money each month.

There are approximately 11,000,000 of people in the United States over the age of 60. I believe we may be perfectly safe in assuming that at least 90 percent of them could and would qualify for a pension of $200 a month under the provisions of the bill. If they cease working, few of them would have sufficient income to sustain them and would therefore become pensioners.

We may assume that at least 10,000,000 would qualify for the pension, requiring a monthly expenditure of $2,000,000,000—$24,000,000,000 a year.

And is the money to be raised by imposing a tax upon those who can best afford to pay? It is not. It would come from the pockets of those who could least afford to pay it—those who work and labor and earn their "bread by the sweat of their faces."

Let us see just where and how we are to get this money. Section 2 of the bill provides:

> There shall be levied a tax of 2 percent upon the fair gross value of each transaction done within the United States and Territories; also, in addition to all other taxes, a tax equal to one-tenth of the tax levied upon all income under the provisions of the Revenue Act of 1934; * * * also, in addition to all other taxes, a tax of 2 percent upon the fair dollar value of all transfers of property by devise, bequest, or other testamentary disposition or legal descent and distribution of property; * * * and also, in addition to all other taxes, a tax of 2 percent upon the fair gross dollar value of every gift in excess of $500.

You will readily see that it is not a sales tax, but a tax on each transaction as it moves from one person to another.

What would such a tax mean with respect to the price of bread, for example? Let us analyze it.

To begin with, there would be a 2-percent tax on the materials which went into all the machinery from the time they came out of the earth until the machine was completed, and a 2-percent tax on the completed machine when it was sold—from the plow which plows the ground to the equipment which wraps the bread; a tax on the sale of the

seed that produces the wheat that makes the flour; a tax on the small wages for the sowing, harvesting, and threshing of the grain; a tax on the grain itself—every time it moves in commerce—until it reaches the miller; a tax on the flour each time it is sold until it reaches the jobber, retailer, or baker; and in addition, a tax on the wages of every person who helped to process it, and finally a tax on the finished product, to be paid by the consumer. But, of course, the consumer will pay all the taxes, which will reflect themselves in the increased price of the bread.

Can you not see how this pyramiding process of taxation will increase the cost of every commodity for human use and for every human need, from the raw material to the finished product in the hands of the purchaser, as well as every transaction in property as it moves from one person to another?

What would be the economic effect upon the country if this beautiful dream should be realized?

Dr. Townsend frankly stated before the committee (p. 687) that they are more concerned with the economic effect than with the welfare of those whom they hope to benefit.

Question. I take it, of course, he would have to spend it in good faith, even though he spent it for luxuries. He could not go out and squander it in order to get rid of it that he may be eligible to receive $200 the next month.

Dr. TOWNSEND. Why not? We do not care what he does with it. That is immaterial. Let him have carte blanche. Let him buy whisky with it if he wants to kill himself off as quickly as he chooses. That is immaterial. It is commerce—business—we want in this country.

Question. Suppose a husband and wife qualified to receive this pension, they would be receiving $400 per month. Let us say they have a family of grown-up children. Would it be permissible for those children to live with them and be supported from the provisions supplied with this pension money in the home?

Dr. TOWNSEND. Certainly. Why not? Why not let the elders buy commodities and give to their children if they like. That is immaterial. The children are not going to lie down and do nothing because of this. The children are going to want money; they cannot get it. * * *

If the old folks can supply them with food and clothing, why cannot money be supplied as well, so that they may live in ease and comfort with a minimum effort?

If the good doctor is trying to create a spending agency for its economic effect, why not spread this vast sum around a little. Give some to the widows and the orphans; the afflicted and helpless; the younger generation for educational purposes.

I think it has been our experience that when folks are past 60, at least in the great majority of cases, they do not care for a great deal beyond the comforts of life, so a comparatively small amount of this enormous sum of money would go for durable goods or for substantial commodities of an enduring character.

Shall we become a Nation of spenders for the sake of spending alone; shall we become a Nation of consumers for the purpose of consumption alone, thus reducing our natural resources and endangering the existence of those who are to come after us?

Let not those who are interested in this plan be misled. The proposed tax would not raise nearly enough money to meet the obligation. The originators of the plan are proceeding upon a false premise as to the dollar value of the commercial transactions in the United States. It is their contention that in 1929 there was about one trillion three hundred million dollars in such transactions, whereas, as a matter of fact, there was little more than one-third of that amount. Thus it is readily seen that a 2-percent transaction tax is not sufficient but that it will require more nearly a 6-percent transaction tax.

We must realize that the pyramiding process of imposing these many taxes will cause a tremendous increase in the price of every commodity, probably beyond the reach of any of us. Not only that, but every person who knows anything about money knows that placing in circulation large sums of money that are not the result of production or labor—that is, earned money; and, economically, this pension is not—causes money to depreciate in value and the purchasing power thereof to be reduced.

It has been stated by eminent economists and by those who have given the subject thought that if the money were placed in circulation in the manner provided by this plan in 6 months or a year the purchasing power of the $200 would be reduced to not to exceed $40. If that is true, what would be the effect upon the millions who are working and earning salaries, many of them small salaries? This, of course, in addition to the increase in prices incident to the many taxes imposed. The question does not require an answer. It is too apparent.

We are told by the proponents of the plan that it will afford employment to additional millions of people.

I believe a study of it will convince you that the opposite will be true. Thousands of businesses will be forced out of existence because of the transaction tax. It would be necessary to avoid as many transactions as possible to keep down the cost of commodities. That would not only throw great numbers out of employment, but it would also reduce the revenue to be derived from the tax, necessitating an increase in the rate of the tax. Those who would build the structure would pull it down upon their own heads.

There are 120,000,000 or more of people in our country. Shall we destroy the economic and financial future of 110,000,000 of them in a futile effort to bring questionable benefit to the remainder? Shall we pauperize eleven-twelfths of our people to attempt to enrich one-twelfth of them?

There is a very grave doubt whether under the recent decisions of the Supreme Court the tax would be constitutional or enforceable.

We are often told by the more ardent advocates of this plan that unless we support it in Congress they will find those who will. No doubt there will be some who will be willing to do so, for the temporary success they may enjoy, but it will be short lived. It would be better to be defeated in the defense of our country's welfare than to win temporary success at the cost of that country's downfall.

We can take some from the many and give it to the few, but we cannot take all from the many, because it is not ours to take.

I have the utmost confidence in the ability of the American people to meet their problems and to analyze them before being carried away by promises of impossible things. They will realize the impossibility of this plan and act accordingly.

Let us do well that which we can do. Let us bring relief to the old folks who need it, but let us not destroy them, as well as all others, in our effort to do that.

EXCISE TAX ON CRUDE PETROLEUM

Mr. DISNEY. Mr. Speaker, on yesterday I introduced H. R. 10483, relating to an excise tax on crude petroleum. I ask unanimous consent to extend my remarks in the RECORD and to place in the RECORD at this point the bill referred to as well as a statement relative to the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The matter referred to is as follows:

H. R. 10483

A bill to provide revenue from the importation of crude petroleum and its products

Be it enacted, etc., That the Revenue Act of 1932, as amended, shall be further amended as follows:

"SECTION 1. (a) Add to section 630, as amended by the act approved June 16, 1933, the following: 'Nothing in this section shall apply to petroleum or petroleum products.'

"(b) Amend section 621 (a) (3), as amended by the Revenue Act of 1935, by adding the following sentence to (A) (ii): 'Nothing in this section shall apply to petroleum or petroleum products.'

"SEC. 2. (a) In Section 601 (c) strike out the paragraph marked '(4)' and substitute therefor the following: 'Crude petroleum, 1 cent per gallon; fuel oil derived from petroleum, gas oil derived from petroleum, and all liquid derivatives of crude petroleum, except lubricating oil and gasoline or other motor fuel, 1 cent per gallon; gasoline or other motor fuel, 2½ cents per gallon; lubricating oil, 4 cents per gallon; paraffin and other petroleum wax products, 1 cent per pound; and asphalt, natural or otherwise, $2 per ton. The tax on the articles described in this para-

graph shall apply only with respect to the importation of such articles.'

"(b) Add to the last sentence of section 629, title IV, as amended by Public Resolution No. 36, approved June 28, 1935, the words 'except in the case of articles taxable under title IV, section 601 (c), paragraph (4).'

"SEC. 3. The daily average importation of petroleum and its products, including asphalt, natural or otherwise, is hereby limited to an amount not to exceed 4.5 percent of the quantity of crude petroleum, including asphalt, natural or otherwise, which is estimated by the Bureau of Mines to be the daily average demand for consumption in the United States and the demand for export from the United States during such reckoning periods as the President of the United States may determine. Crude petroleum or the products thereof imported and supplied to vessels at American ports shall be deemed imports.

"The President is hereby authorized and directed to provide for hearings in advance of each reckoning period to consider applications for quotas, make fair and equitable allocations, and establish, within the limits herein fixed, just and reasonable quotas of crude petroleum and the various products thereof, including asphalt, natural or otherwise, for persons desiring to import the same during the period, in proportion to their proven trade or manufacturing demand for such imports, over and above their customary and available domestic supply, if any.

"Quotas of particular products shall not be allowed to such extent as will, on the whole, increase the normal importation ratios of such products to the aggregate of crude and other products imported, except when the President finds a shortage in the domestic supply of such particular products, and should the allowed ratio of crude petroleum, fuel oil, gas oil, paraffin, and asphalt, natural or otherwise, in aggregate barrels, to all other products of petroleum allowed to be imported, fall below the average ratio which prevailed in the last 6 months of 1932, each barrel excess of such other products having a boiling point below 400° F. shall be deemed the equivalent of three barrels for the purpose of computing total allowable imports. Should the allowable crude oil production for the United States for any quarter be larger or smaller proportionately than that amount fixed for the first month of any quarter or should there be an overage or shortage of actual imports in comparison with the allowable imports in a quarter, as determined on above basis, such differences shall be adjusted up or down in subsequent quarters, and the final ratio of imports to such demand for consumption in the United States and the demand for export from the United States, reduced to a monthly basis in each instance, shall be 4.50 percent to the end of 1940 and thereafter until otherwise provided. Nothing herein stated shall prevent the importation of products with a boiling point above 400° F. or crude oil in different ratios to the aggregate than those which prevailed in the last 6 months of 1932.

"Under appropriate rules and regulations, the President may permit imports in bond for export, including manufacture in bond and including oil imported under a drawback application coupled with export of resultant products, and such imports shall not be charged against import quotas.

"When quotas are in effect under this section it shall be unlawful for any person, except as otherwise herein provided, to import into the United States crude petroleum or any product thereof in excess of his quota or without having been assigned a quota under this section.

"No tariff, duty, or excise tax now in force shall be affected by the provisions of this section.

"Section 4. This bill shall become effective 30 days after its approval."

Millions of dollars will be diverted from the foreign to the domestic petroleum industry, increasing the wages received by labor and the purchasing power of nearly half the States of the Union, without imposing burdens on the consumer, if Congress passes the bill which I am presenting herewith to regulate the imports of foreign petroleum and to increase certain taxes on such imports.

This bill eliminates the exemption from the excise taxes which was granted in 1933 to imported petroleum products used as supplies for vessels. These tax-free importations have mounted from a daily average of 6,835 barrels in the last half of 1932 to a daily average of 18,000 barrels in 1933, 21,000 barrels in 1934, and a daily average of 36,000 barrels in the first 11 months of 1935. There is no reason for this exemption, which benefits no one except a few importers who do not pass on to the public the low cost of their cheap imported foreign oil.

The excise taxes on imported crude petroleum and fuel and gas oil are increased from one-half cent per gallon to 1 cent per gallon and a new excise tax of $2 per ton is imposed upon imported asphalt, natural or otherwise. This proposed increase in these taxes is not sufficiently high to constitute any embargo upon these imports. Even with this increase, importers of these products will still have a considerable advantage over the domestic producer. These imports are free from the tremendous burden of local, State, and Federal taxes levied upon the domestic petroleum industry and are produced by labor receiving only a fraction of the American scale, although working much longer hours. American labor in the petroleum industry cannot hope to compete with the type of cheap labor used in the production of foreign petroleum and its products.

This imported petroleum has been taking a very considerable portion of the domestic market to the harm of the home industry and to the detriment of our employment programs.

Imported foreign asphalt, because of its lower production costs, has been taking the contracts for much of the construction work under the special appropriations made by Congress, which intended that domestic industry and domestic labor should be benefited by those appropriations. A very small number of importers of the foreign asphalt has been profiting greatly because of special regulations which have permitted this asphalt to take the market away from the domestic producer.

The bill, besides increasing excise taxes on crude petroleum and gas and fuel oil and levying a new tax on asphalt, amends the revenue act by striking out the expiration date, leaving these taxes stand until Congress shall repeal them. Additional millions of dollars' revenue will be brought into the Federal Treasury through these tax increases.

A definite limitation is placed upon the amount of petroleum and its products which may be imported into this country by the terms of the final section of this bill, which sets 4.5 percent of consumptive demand in this country as the ratio by which the amount of permitted imports shall be determined. The conservation of this valuable natural resource, promotion of the development of this industry in this country, the stabilization of the domestic petroleum market, the prevention of waste, security for the millions employed by this industry, and many other economic factors, all important to our return to prosperity, will be promoted by this limitation. The ratio as given in the bill is practically the same as that which was accepted by the importers themselves at the oil conference held under the auspices of the Interior Department in 1933, when plans were proposed to meet some of the more serious problems of the industry. It was commonly accepted throughout the industry that the certainty which would be afforded by having a definite proportionate limitation on imports would encourage the entire domestic petroleum industry and afford a sounder basis for financing its development.

The consumer of petroleum products will not be adversely affected either by these excise taxes or by this import limitation, since whatever advantage accrued from these importations has been largely absorbed by a few importing companies and has not been passed on to the consuming public.

SUPPLEMENTAL APPROPRIATION BILL, 1936

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 10464) making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and for prior fiscal years, and for other purposes.

Mr. FISH. Mr. Speaker——

The SPEAKER. Will the gentleman withhold his motion?

Mr. WOODRUM. Mr. Speaker, we do not withhold the request for the present. Pending the consideration of that motion, I ask unanimous consent that general debate on the bill proceed until the gentleman from Ohio [Mr. MARSHALL], the gentleman from Massachusetts [Mr. TREADWAY], the gentleman from Wisconsin [Mr. BOILEAU], the gentleman from New York [Mr. TABER], the gentleman from North Carolina [Mr. DOUGHTON], the gentleman from Pennsylvania [Mr. DUNN], and the gentleman from Virginia [Mr. WOODRUM] have finished their remarks, and that then the bill will be read for amendment.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. FISH. Mr. Speaker, reserving the right to object, what is the hurry in ending general debate?

Mr. WOODRUM. There has been no hurry. I may say to the gentleman that we had general debate all day yesterday, and, as a matter of fact, some general debate before that time. The gentleman from New York, I think, has given us his views on Government many times during this session of Congress.

Mr. FISH. I have not spoken on this bill.

Mr. WOODRUM. Is the gentleman going to speak on the bill?

Mr. FISH. Yes; I am going to speak on the bill.

Mr. WOODRUM. The gentleman from New York [Mr. TABER] had control of the time on that side, and if the gentleman from New York [Mr. FISH] had requested time I am sure he could have been accommodated.

Mr. FISH. I have requested time, and I am told that there is not sufficient time. I desire to speak on this bill.

Mr. WOODRUM. How much time does the gentleman desire?

Mr. FISH. I should like to have 15 minutes.

Mr. WOODRUM. That is too much, because we want to pass the bill as soon as possible.

Mr. TAYLOR of Colorado. I may say that the agreement was made yesterday that time in general debate was to be fixed at 4 hours. There is only 10 minutes left on that side at the present time.

Mr. FISH. If there is any hurry I will waive my request immediately, but I do not see why the rush.

Mr. WOODRUM. The gentleman can secure time under the 5-minute rule, I am sure.

Mr. FISH. I cannot say what I desire to say in 5 minutes. I want to speak on the bill.

Mr. RANKIN. May I make this suggestion to the gentleman from Virginia? Why not set a specific time for general debate to end instead of stating that so many men shall speak? Let us know when general debate is going to terminate. I would rather the gentleman would do that than to state the number of men who are going to speak.

Mr. WOODRUM. I may say that this is an unusual request, but general debate was supposed to have been concluded yesterday. We fixed the time and all of it was used. Other gentlemen came in requesting time and we are endeavoring to accommodate them. I am trying to fix a limit.

Mr. RANKIN. I thank the gentleman from Virginia.

Mr. WOODRUM. May I suggest 2 hours, to be equally divided?

Mr. TABER. That is satisfactory.

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent that general debate may continue for 2 hours, to be confined to the bill and to be equally divided between the gentleman from New York [Mr. TABER] and the gentleman from Virginia [Mr. WOODRUM].

Mr. RANKIN. That is better.

The SPEAKER. Is this to be in addition to the time remaining for general debate?

Mr. WOODRUM. Yes; in addition to the time remaining to the credit of each side.

The SPEAKER. The gentleman from Virginia asks unanimous consent that the time for general debate be extended 2 hours, one-half to be controlled by the gentleman from Colorado [Mr. TAYLOR] and one-half by the gentleman from New York [Mr. TABER], and that the debate be confined strictly to the bill.

Mr. RICH. Mr. Speaker, reserving the right to object, I should like to say to the gentleman from Virginia that I cannot help but recall the statement he made the other day in reference to Budget estimates being one thing and what Congress appropriates being another, and I hope the gentleman from Virginia and the Members of Congress who are going to talk on this appropriaton bill will remember that what Congress appropriates is one thing and where you are going to get the money is another.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 10464) making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and for prior fiscal years, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 10464, the supplemental appropriation bill of 1936, with Mr. COOPER of Tennessee in the chair.

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. MARSHALL].

Mr. MARSHALL. Mr. Chairman, my attention has been called to page 30 of this bill, where there is an appropriation of $39,330 to the Department of State.

I am not surprised that the Department of State needs this $39,330. I am rather surprised they have not asked for more, in view of the purpose for which this money is to be used and in view of what is going on in the Secretary of State's office.

I wish to call the attention of the Members of the Committee to the fact that over in this Department of Government they are rewriting the tariff structure of our country, and it is being rewritten downward. When this Congress gave authority to the other branch of the Government to enter into these reciprocity agreements, we simply surrendered all of our authority in regard to the regulation and the writing of the tariffs of this country; in other words, we lodged this authority in the inherent enemies of the protective system.

There have been already, I am informed, agreements entered into with the following countries: Canada, Cuba, Haiti, Brazil, Colombia, and Nicaragua, and they are nearing the completion of agreements with Belgium, Sweden, Holland, Switzerland, and some other countries.

I opposed strenuously the granting of this authority at the time it was authorized, and made the prediction then that if the authority were granted the United States would get the worst of the deal when these agreements were written, and, particularly, agriculture would bear the brunt of the whole procedure.

I want just briefly to call attention to some of the things that are going on that affect adversely particularly the agricultural industry of this country. Just as fast as the farmers of the United States learn what is being done in regard to breaking down the tariff wall and importing into this country foreign commodities and substitutes for domestic commodities they are seeing red. The American farmer is interested in having his American market protected for him.

I want now briefly to call attention to the treaty that was entered into with Canada, and I am going to bring to your attention what is being done with respect to this particular treaty, which was one of the first agreements entered into.

This agreement provides for reduction in the duty on veal calves from 2½ cents per pound to 1½ cents per pound for the first 51,933 live calves imported. Further, it provides for a reduction in the duty from 3 cents per pound to 2 cents per pound for feeder cattle weighing over 700 pounds for the first 155,799 cattle imported. The reduction in the duty on dairy cows is from 3 cents per pound to 1½ cents per pound for the first 20,000 imported. Thus the duty is reduced approximately 50 percent on approximately 225,000 head of cattle from Canada. The largest number imported from Canada since the Tariff Act of 1922 was only slightly greater than this number. In other words, the quota allowed is practically high enough to take the largest number of cattle ordinarily brought in from Canada.

Perhaps the most dangerous feature of this is the fact that, under the unconditional most-favored-nation policy and what is called the good-neighbor program, Mexico now has definite assurance that presently similar concessions will be made to her. The record shows that in years like

1928 and 1929, before the tariff was increased in 1930, imports from Mexico were approximately 250,000 head of cattle each year. Southwestern farmers, especially Arizona, New Mexico, Texas, and that general area, may rest assured that within a relatively short period of time the duty will be reduced 50 percent and 250,000 head of cattle each year will come in from Mexico.

Under this same unconditional most-favored-nation policy and the good-neighbor treatment, Argentina already has approached the problem from the standpoint of shipping in chilled and frozen beef, inasmuch as live cattle could not satisfactorily be imported from Argentina. Since Argentina has as many cattle as Canada and Mexico, they expect that the meat from at least 500,000 head of cattle will be permitted entry with a reduction of 50 percent in the tariff. If these 500,000 head of cattle average 500 pounds each, this would represent 250,000,000 pounds of live meat, or 125,000,000 pounds of fresh, chilled, or frozen beef. Undoubtedly they will demand at least this as a minimum amount to be admitted into the New York, Philadelphia, and Boston markets, and American farmers will be deprived of that market.

Preliminary steps have already been taken in the case of Argentina. At the present time quarantine restrictions prohibit the importation of either live animals or meat unless these meats have been specially treated on account of the prevalence in past years of the foot-and-mouth disease, and so forth. A new quarantine treaty has been negotiated and has been approved by Secretary Hull and Secretary Wallace under which meats will be admitted into the United States provided they come from sections of Argentina where the disease is not prevalent. This quarantine treaty is now before the Senate for approval. After this has been approved by the Senate, Secretary Hull may proceed with the reciprocal trade agreement program and reduce the duty 50 percent and permit literally hundreds of millions of pounds of Argentine beef to enter the American market.

Even with the present rate of duty, were it not for the quarantine Argentina would be glad to supply great quantities of fresh, chilled, and frozen beef. She has been able to send in great quantities of treated beef, such as canned beef. Many millions of pounds of canned beef come from Argentina quite regularly. Not so many months ago it was found that the director of the C. C. C. camps was purchasing millions of pounds of canned beef from Argentina for use in the camps. This created such strong feeling among the farmers, when it was learned, that the administration decided to postpone any such further purchase from Argentina, at least until after the elections. This does not mean, however, that the canned beef is not at the present time being imported from Argentina, even with present rates of duty; and when these rates are reduced 50 percent, as they have already been in the case of the Canadian trade agreement, the protection which the farmers now have will be reduced accordingly.

There is also the subject of nuts, about which I wish to speak in this connection.

Farmers in the United States are known to produce five types of nuts which are most popular with American consumers. These are almonds, English walnuts, filberts, pecans, and peanuts. American consumers will consume only definite limited quantities of nuts, and if either of these particular species are imported, or if substitute nuts are imported, it either reduces the market for American nuts or forces the American farmer to reduce his prices in order to meet the new foreign competition.

In the trade agreement negotiated with Brazil we find a good illustration of the attitude of the administration. The duty on the black Brazil nuts, now sold in the market as "cream nuts", are reduced, with the result that in all mixtures of nuts, whether in the shell or mixed salted nuts, or nuts used in confections, we are finding constantly increasing quantities of the cheaper imported nuts and smaller quantities of the home-grown varieties.

Reading through the various trade agreements, at every turn we find reductions in duty on agricultural products from various countries. Many farmers along the Great Lakes have considerable revenue from production and sale of chicory, and yet the duty on crude chicory was lowered in the Belgian agreement, and then the duty on refined chicory was reduced in the agreement with Holland.

The duty on small peas—petit pois—was reduced so that our well-to-do or elite Americans, who could very well afford to pay the higher rate of duty, could get foreign peas for their tables rather than buy the ordinary peas grown by American farmers and canned in the United States.

Many other reductions can be found which result in displacement of American farm products. An illustration was the reduction in duty on castor beans from Brazil, thus encouraging the importation of seeds for the production of oils used both for medicinal and industrial purposes.

Another illustration of treatment in the trade agreements is binding items on the free list; thus the trade agreement with Holland enters into an agreement that the Congress and the President of the United States will for a period of 3 years not impose any excise duty or any tariff on tropical oils and starches. American farm groups have been asking for the American market for the American farmer, and have specifically been asking for excise taxes on certain tropical oils and on tropical starches, such as tapioca, cassava, and so forth, but in the trade agreement with Holland the State Department and the President entered into an agreement that for a 3-year period the United States will not impose any tariff, excise tax, or any other burden upon these items brought in from Dutch colonies.

During recent years starches made from tropical plants had been entering the American market in ever-increasing quantities, displacing starches made from American farm products, such as cornstarch, beet starches, and starch made from other farm products. Likewise, the tropical oils imported more and more displace oils produced from grains and seeds grown on American farms.

Until recently imports of perilla oil, for instance, never exceeded 10,000,000 pounds a year. Perilla oil is on the free list. During the last year imports amounted to approximately 100,000,000 pounds. It would require about 3,000,000 acres of land in the United States to grow the additional amount of flaxseed necessary to produce the equivalent of 100,000,000 pounds of perilla oil.

In other words, what is going on in this country since we gave this power of making tariffs to the enemies of the tariff is a constant breaking down of our protection of the American farmer, and what the American farmer is insisting on now, which would be most beneficial to him, is preserving the American market for the American farmer.

This administration has had much to say about being the best friend the farmer ever had, and I do not quite understand how this administration can undertake to sell itself to the farmers as their friend and permit the importations that are now coming into this country of farm products and substitutes, and at the same time, until quite recently, taxing the people of this country to cut down the production of such products here in America. This program to me just does not make sense, and the people of this country, as fast as they are enlightened in regard to this program, are going to reach the same conclusion. [Applause.]

Mr. WOODRUM. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Chairman and Members of the Committee, I yield to no one in my admiration for the distinguished gentleman from North Carolina [Mr. WARREN]. He is one of the most useful and one of the ablest Members of this House. In the esteem of his associates he holds a high rank at least equal to any one of a long line of eminent North Carolinians who have served in this Chamber. If North Carolina is alive to its interests, it will keep him in this Chamber as long as he lives, or send him higher.

One thing I admire the gentleman from North Carolina for greatly is that he takes such good care of his North Carolina constituents, including a large element known as the potato growers.

As a Member of Congress I agree in general with the political philosophy of my friend from North Carolina, but I can-



not go along with him in respect to the amendment which he has given notice that he will introduce, the language of which I should like to read, as follows:

For the purpose of collecting and disseminating useful information and data with respect to potato production and marketing within the United States there is hereby appropriated and made available to the Secretary of Agriculture the sum of $1,000,000 for the fiscal year 1936.

As a member of the Committee on Appropriations, I feel responsibility, especially during the economic situation in which the country now finds itself, of doing all I can to hold down appropriations to the limit, and I think I can point out to the House, with your indulgence, an opportunity whereby we can save a million dollars by not adopting this amendment.

I do not think it is necessary in order to effectuate the purpose which the gentleman from North Carolina has in mind, even conceding that purpose should be effectuated, by spending a million dollars—or $1.

I oppose the proposed appropriation of $1,000,000 to gather statistics as a basis for enforcing the Potato Act for two reasons: First, because the Potato Act is definitely and positively on its way out; but, secondly, and more important, for the reason that I believe that all of the statistics, or virtually all, that would be required, even if the Potato Act were to survive, can be obtained through existing agencies without any additional appropriation being required. In fact, I believe the most of those statistics already are available.

The Bureau of the Census believes that it can furnish from the agricultural census taken last year nearly all the information required to enforce the Potato Act, and I am of the same opinion. At great cost that census has been taken, and it fortunately happens that the information gathered by it has been tabulated and is now ready to be offered to those in charge of enforcing the Potato Act. The last of its State reports—those for Wisconsin, Michigan, and Pennsylvania—will be printed about the 1st of next month. All of the figures and tabulations of the entire agricultural census of 1935 could be had for inspection and use by any governmental agency right now, if desired.

The scope of information about potatoes included in this agricultural census is very broad. It includes all varieties of Irish and sweet potatoes, whether grown for home use or for sale. It includes acres and fractions of acres harvested and the quantities harvested, and it is broken down minutely so as to include statistics not only for all of the counties in the United States but for all of the minor political divisions within counties. It is very sweeping and very complete and includes information about crop failures.

I am speaking now of the information contained in the regular agricultural census, which is available to everybody, including, of course, the officials of the Government who administer the Potato Act; but for the special benefit of those officials the Bureau of the Census has prepared and has sent to the Agricultural Adjustment Administration a special run of information which includes production of potatoes by size groups. This information covers brackets of production by six or seven groups based on acreage. One group, for instance, covers producers of 20 acres or less, another group includes a larger acreage, and so forth, so that there is presented a compendium of information by size groups.

For purposes of comparison the Bureau of the Census is able to offer to the Potato Section the comparable figures of the last agricultural census, which was a similar Government census taken 5 years ago. The Potato Section, I understand, feels that it has need of intermediate figures for the years 1932, 1933, and 1934; but for all of those years it has complete State estimates broken down by the various States, made during those respective years and recorded for future use. If we were to undertake now to go back and take a potato census for 1932, for instance, based on the hazy recollection of growers and the incomplete records of that time, we certainly would have a less reliable basis of information than if we were to accept the State estimates covering that period. The same is true of all of the intermediate years.

We already have various bureaus and agencies gathering information in regard to potatoes beside the Bureau of the Census; for instance, the Bureau of Agricultural Economics, the Bureau of Home Economics, and the Agricultural Adjustment Administration itself. Of the annual appropriation of about $6,000,000 for the Bureau of Agricultural Economics, about one-tenth, or $600,000, is spent to maintain the Division of Crop Estimates, which makes intensive investigations into all phases of potato production, acreage, yield, prices, stocks, consumption, and so forth.

If certain specialized information is required to enforce the Potato Act in addition to the enormous quantity of information already at hand, why not entrust some one of these existing agencies with the duty of securing this information, rather than set up additional costly personnel for that purpose?

There was a time when a million dollars was regarded as an enormous sum of money. Of recent years it has not seemed to be such a large amount; but as people become increasingly debt and tax conscious, I believe there will be a growing respect for the size of a million dollars; and here, I believe, is a chance to do a good turn for the taxpayers by saving a million dollars. [Applause.]

Mr. TABER. Mr. Chairman, I yield 9 minutes to the gentleman from California [Mr. WELCH].

Mr. WELCH. Mr. Chairman, the bill under consideration, the deficiency appropriation bill, H. R. 10464, contains an item of $100,000 for the purpose of transporting or repatriating Filipinos to the Philippine Islands, and I confine my remarks to that subject.

Mr. Chairman, on January 9 I introduced H. R. 9991, extending the time for applying for and receiving benefits under the provisions of an act to provide means by which certain Filipinos can emigrate from the United States, which was approved on July 10, 1935.

At the time of the enactment of this law providing for the repatriation of Filipinos it was contemplated that funds would be appropriated before the adjournment of the last session of Congress to put the act into immediate effect. With this in view, the time for making application for return to the Philippine Islands under the act was limited to December 1, 1936, and the termination date was December 31, 1936. The deficiency bill appropriating the necessary funds to carry the act into effect was passed by the House of Representatives but failed to pass in the Senate at the closing day's session. As a result, it has not been possible for the immigration authorities to carry out the purposes of the act. It is therefore imperative that the time limitation be extended for the period of 1 year. The present deficiency bill, H. R. 10464, contains an appropriation to carry out the purposes of the act.

In advocating the passage of this act during the last session of Congress I called attention to its humanitarian purpose, and that it received the full approval of the Department of Labor and of various Filipino organizations. Since that time President Quezon, of the Philippine Commonwealth, and both of the present Philippine Commissioners to the Congress of the United States have personally advised me of their approval and support of the measure.

I further called attention to the fact that thousands of Filipinos had been lured to American territory by selfish employers of labor, who offered higher wages than are paid in the Philippines, but wages which were much lower than the wage scale prevailing in the United States. Since the passage of this act employment agencies exploiting Filipino labor in the United States have been carrying on a campaign of false propaganda against the accomplishment of the humanitarian purposes proposed in the act. Contrary to many of the rumors which have been spread in some sections of the country this is not a deportation measure. No Filipino making application for return to the Philippines under this act is deported from the United States. He voluntarily asks that he be returned to his homeland, and the United States agrees to provide him passage and subsistence. He can return to the United States under the same conditions and in accordance with the same requirements

that any of the other 13,000,000 Filipinos can come to the United States. These false reports have even been to the effect that any Filipino taking advantage of the provisions of this act would be required to reimburse the United States Government for his passage and subsistence. This is absolutely untrue. The United States Government does not require or expect that it will be reimbursed by these people to the extent of a single penny.

The purposes of this act are purely humanitarian. There are thousands of Filipinos in this country who find themselves out of employment and on relief rolls. They are in financial distress and want, thousands of miles from home and friends in an environment alien to that which they have been accustomed to all of their lives and among a strange people. They desire to be home among friends, but they have not been able to save the funds necessary to such a long journey. To facilitate their return the United States Government, through this legislation, offers to return them to the Philippine Islands free of all costs. Such a purpose is highly commendable. It furnishes an opportunity for these people to return to their own homeland where their social lives and ideals can progress along normal lines and in harmony. They should take advantage of it.

May I say that regardless of the fact that but few applications have been made at this time, due to the fact that money has not been available, yet when it is made available, an adequate sum—not the inadequate $100,000 provided for in the present bill—an intense campaign will be made, particularly on the west coast, and thousands upon thousands of those young men who are here destitute and on the relief rolls, will return to their native land.

At the proper time and place I shall offer an amendment to the pending bill increasing the amount from $100,000 to at least $250,000, and I hope it will be accepted by the Committee.

I yield back the remainder of my time.

Mr. TABER. Mr. Chairman, I yield 13 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Chairman, there are several items in this deficiency appropriation bill to which I should like to refer, but I shall confine myself to a very few. I find on page 4 of the bill an item with reference to the Civil Service Commission. Of course, it is well known that with the help of Mr. Farley, acting in his dual capacity as chairman of the Democratic National Committee and chief patronage dispenser of the administration, the New Deal has practically put out of business the Civil Service Commission.

All we need to know is that in February 1933 there were on the Federal pay roll 563,487 people, and that in November 1935 there were 800,097, an increase in 2 years of nearly 237,000. Practically every one of them was appointed on the basis of political patronage, rather than merit, so that the civil service under the New Deal becomes a false alarm. Why make an elaborate appropriation for the support of something that is not functioning? On the other hand, I suppose it is necessary to keep these large items, because the employees of the alphabetical agencies must get their pay through patronage. It is perfectly apparent that an effort is being made to build up a great political machine through using these additional employees as a means to that end. In the old days we used to hear a great deal about the spoils system, but the present system has made it respectable in comparison.

It was very interesting, Mr. Chairman, the other night to be able to listen in on the radio—I was not eligible to attend—to the so-called Jackson Day dinner held here in the city of Washington at $50 per plate. That in itself would have excluded me to start with, but some of you patriotic Democrats, of course, had to cash up your $50—or else. I am only sorry that it did not all go into the cash drawer of the hotel, because I sympathize with the financial needs of my fellow hotelkeepers. I do not think the $45 that went to pay up deficiencies in Democratic bills was money well spent, except that everybody ought to pay his bill and balance budgets, even Democratic campaign committees.

Mr. GRAY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. No; I am sorry, but I cannot yield in my 13 minutes to anyone and I should like that distinctly understood. I am glad, however, that the speaker of the evening, the President of the United States, compared himself to Andrew Jackson. If I read history correctly, Andrew Jackson originated the spoils system, and the New Deal is trying to perpetuate it; so I think the comparison was mighty well made. I do not know where the President could have brought in a better illustration than to compare himself with Andrew Jackson, in view of the spoils system under which he is operating.

I shall not refer in detail to the appropriation to carry out the Potato Act, because that has been so generally covered. Like many others, I had assumed that this measure had been invalidated under the A. A. A. decision rendered a few days ago. There may be in the mind of Secretary Wallace and his group of quack wet nurses some reason for making appropriations to carry out unconstitutional laws, but I don't think the users of potatoes or those required to secure licenses to raise them appreciate the spending of the taxpayers' money in this manner.

I note that the gentleman from North Carolina [Mr. WARREN] has suggested an amendment substituting for the item carried in the bill an appropriation of $1,000,000 to inquire about potatoes. Has any subject been more generally referred to, studied, written about, and discussed than the growing of potatoes in this country? True, it is one of the great crops, and we want to know all we can about it, and if that million dollars will gain a particle of information I shall be glad to know about it to tell my people. However, it will secure a good many jobs for deserving Democrats. There is no question about that. I admire the gentleman from North Carolina [Mr. WARREN] for his courage in saying that the Potato Act is unconstitutional. That, of course, is a real admission, coming from the source it does.

The bill now before us provides an appropriation for carrying the Guffey Coal Act into effect, and is another instance of spending money to carry out unconstitutional legislation. The question of its legality has already been raised in the courts, and in due time it will also be added to the New Deal junk heap of unconstitutional laws.

Yesterday I was interested, also, to hear the distinguished gentleman from Pennsylvania [Mr. ELLENBOGEN] refer to the constitutionality of this measure. He desires to have the Members of the House know that he considers the Guffey bill constitutional and that in view of certain action in the majority opinion in the A. A. A. case it may well stand the test of the Supreme Court. If he is correct in his judgment about the Guffey bill, and is himself a constitutional authority, of course, there is no need of further action on the part of the Supreme Court.

I want to be sure that I refer to one item which appears on page 36 of the bill. An appropriation is made for $200,000 for the purchase of the premises at 1724 F Street.

I made some inquiries about the leasing of buildings by the Federal Government, and this is an official document I hold in my hand.

Over a period of years we have spent hundreds of millions of dollars constructing and purchasing buildings in the city of Washington. I recall that when these appropriations have been suggested the one great thought was that it would do away with rents in the District of Columbia and save the Government a great amount of money. The New Deal has created so vast a bureaucracy here in Washington that these public buildings are now inadequate, and the Government is now renting over 100 private buildings. What do you suppose it is costing the Government extra for rent to house these alphabetical agencies and all these New Deal employees? Bear in mind the enormous floor space secured in the construction of these new buildings. The Federal Government rents today 2,637,188 square feet of space at a cost of $2,548,872.45 annually. Think of that! Two million six hundred and thirty-seven thousand square feet of space in

addition to the area within the limitations of these new buildings. Some of the leased buildings are private residences and hotels. They even tried to turn out one of our own Members from his apartment in one of the hotels in order to rent it to the Government for $63,500 annually. That was the Arlington Hotel. They rent space in the Willard Hotel for $15,000. They rent a private residence on Massachusetts Avenue. They rent the Auditorium for $50,000. The Walker-Johnson Building, which I think they want to buy, is rented at another $50,000. Instead of inquiring into rents for private families in the District of Columbia, as the gentleman from Pennsylvania [Mr. ELLENBOGEN] wants to do, we should inquire into why we must have all this extra space for Government, crowding people out of private residences, apartments, and hotels, and the Government buying them or condemning them. The Rochambeau, where some of our Members have resided, is costing the Government $115,625 per annum. If I owned hotels in the city of Washington I would be tickled to death to rent them to the Government under existing conditions.

The private residence to which I referred at 2000 Massachusetts Avenue is rented at a very low figure—$18,750. It was one of the finest residences in the city a few years ago, but recently has been unoccupied. I almost wish I was an employee of this great spoils system in order to have an office and be able to spend at least a little daylight time in such a magnificent residence as that is.

The next item to which I want to refer comes under the heading of the Treasury Department—expenses under the Silver Purchase and Gold Reserve Acts. I have been trying for some time to get detailed information relative to this subject without much success. I think it is time the Treasury Department made some accounting to the people regarding the effect of the gold and silver purchase programs.

I see a little item on page 35 that interests me. I do not know how much money is involved, but on page 35 of the bill there is an item included in the expenses for the Treasury Department for abrasions on gold coin. I think the definition of the word "abrasions" is "rubbing off." Formerly we had the pleasure of jingling gold coins in our pockets, and the Government made allowance for abrasion. Our pockets have now been stripped, but the allowance for abrasion still goes on. If the administration has taken all the gold in the country and stored it in the vault down in Kentucky, which has been built at a tremendous expenditure of Federal taxpayers' money, what earthly need is there for money to pay for any abrasions? How is it going to have the edges rubbed off of that gold sitting down there in that protected vault?

There are many of these little items which appear in this bill. I wish I had the time to discuss them more fully.

Let us take the Social Security Act. There is a large item carried in this bill for the upkeep of the Social Security Board. Parts of this act are just as sure to be declared unconstitutional as we are sitting in this House. I refer more particularly to titles II and VIII, setting up a compulsory Federal retirement system for employees in private industry.

Then, again, they are appropriating money under the Child Welfare Bureau and assigning it to different States. Why is it that many States are excluded from part of the funds? It is because there is a little language in the act providing for a partial distribution according to the "financial need of each State." How do you define that? I cannot define it.

According to the testimony of Miss Lenroot, Chief of the Children's Bureau, financial need is to be determined by the per-capita income of each State. Thus States whose population had a higher per-capita income than others would be excluded from part of the benefits.

Mr. Chairman, what has per capita income to do with the financial need of the State itself? The purpose of the allowance authorized by Congress is to provide for needy mothers and children, and I am unable to see why they should be discriminated against in States where the per-capita income may be higher than in other States.

The item carried in the bill for the Public Health Service involves the same proposition. The Social Security Act also authorized an appropriation to extend State public health services, and the United States Public Health Service has apportioned part of the funds on the basis of per-capita income. Again I ask, What has per-capita income to do with public-health needs?

According to the table on page 331 of the hearings, my own State and certain other States would be given no funds on this basis. To my mind, this is unfair discrimination. Our people in Massachusetts are just as much entitled to public-health services as are any other group. In view of the taxes we pay, we certainly are entitled to some consideration in the distribution of Federal funds.

If time permitted, I would again like to touch on certain matters having to do with imports and exports under the reciprocal tariff. We are told that we are going to benefit tremendously by the reciprocal tariff in our import trade. However, last night's Washington Star carried an item to the effect that the lowest favorable trade balance since 1910 is reported by the United States Chamber of Commerce, the lowest favorable balance slumping to $234,000,000 in 1935. It was less than half of the 1934 balance of $477,000,000. The imports total $2,047,000,000, an increase of 24 percent, largely due to the reciprocal tariff agreements that Cordell Hull, Secretary of State, has made, and concerning which he issued such a splendid letter in the CONGRESSIONAL RECORD this morning, saying how good these reciprocal deals are, particularly the one with Canada. Let us wait until fall and see what the voters think of the agreement with Canada. I think they will speak in loud terms about that proposition when many of you gentlemen who favored that proposition report to your constituents and ask their authority to come back here.

I referred to the 24-percent increase in imports over last year. The Department of Commerce reports that exports increased only 7 percent, showing that under the trade treaties we are swapping our rich domestic market for lean foreign markets.

Let me read a further quotation from the news item:

> The favorable balance—excess of exports over imports—was reduced materially from that existing at the end of November by an unusual decline in December exports, while imports, which ordinarily decrease between November and December, increased.

The real purpose of the Trade Agreements Act is not to help our own people but to increase the purchasing power of other countries by letting them furnish the goods we need. This is becoming more and more clear from published statements of those in charge of the trade-agreements program.

The trade-agreements program is under the direct charge of Professor Sayre, the Assistant Secretary of State, who, as everyone knows, is the son-in-law of the late Woodrow Wilson, and who has his internationalistic viewpoint.

Professor Sayre recently set forth his views on the trade-agreements program in a pamphlet entitled "America Must Act", published by the World Peace Foundation, the same organization which published Secretary Wallace's great opus, America Must Choose. I was particularly interested in the following statement by Professor Sayre:

> If the purpose for which the act (the Reciprocal Trade Agreements Act) was passed is to be attained, our methods must be broader than mere "horse trading." We must make of the act an instrumentality for throwing the weight of American power and influence against the disastrous world movement toward economic nationalism.

It is very evident from this statement that the administration's purpose is not to try to gain any net benefit for the United States as a result of these trade treaties but to have this country act the part of a martyr in leading the way toward world-wide free trade. Such an effort will only result in dragging our own standard of living down to the world level, not in bringing the world level up to ours.

The people are already beginning to realize the harmful effect of the trade-treaty program, and I venture to say that after the next election there will be no more money appropriated for its continuance.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. TREADWAY] has expired.

Mr. WOODRUM. Mr. Chairman, I yield 15 minutes to the gentleman from North Carolina [Mr. DOUGHTON].

Mr. DOUGHTON. Mr. Chairman, we have just listened to one of the daily orations, gesticulations, gyrations, fulminations, and halucinations of the gentleman from Massachusetts [Mr. TREADWAY]. He would regulate rents in the District of Columbia, the affairs of the Democratic National Committee, he would straighten out the Civil Service Commission, and make all crooked paths straight and all rough paths smooth. One of these days soon I shall attempt to reply to a radio speech he made recently, in which he stated that during the 10 years of Republican control—he did not say what 10 years, and for some reason omitted a 2-year period somewhere—that the public debt of the United States was reduced $10,000,000,000.

The reason I asked for time today primarily was to make a brief reply to some of the wild and unjustified statements that have recently been made with respect to the reciprocal trade agreements that have been negotiated with foreign countries by the State Department. On yesterday we had two speeches, one by the gentleman from Wisconsin [Mr. SAUTHOFF] and one by my esteemed colleague on the Ways and Means Committee the gentleman from New York [Mr. REED]. After listening to these speeches I decided they were the most extreme on the tariff that I had ever heard expressed. They out-Fordneyed Fordney, out-Cumbered McCumber, out-Smooted Smoot, and out-Hawleyed Hawley, and, if possible to do so on the tariff subject, out-Treaded Treadway. [Laughter.] I have never heard anything like it since I have been in this House. You would think by listening to the gentlemen that our tariff walls had been entirely broken down and that we had adopted a policy of absolute free trade, especially with respect to the dairy industry. I quote from the statement of the gentleman from New York, a man for whom I have very high esteem and admiration. I do not think this statement does justice to his usual fairness, intelligence, and accuracy. These were his words:

> The people of my State have built up the finest dairy business in the world, yet we are throwing our markets wide open to foreign countries with their lower labor costs and their low costs of water transportation and with their Government subsidies.

Throwing our markets wide open! And then he goes on to talk at length about the reduction of rates in the trade agreements on dairy products, and from his speech you would think that butter had been placed on the free list.

As a matter of fact, the rate of duty on butter has not been decreased at all in any of the trade agreements. If some of the gentlemen who have insinuated that the imports of butter may increase on account of a reduced duty would get their facts straight, they would know that nothing has been done with respect to butter in the trade agreements thus far concluded.

So far as I know, changing the rates of duty on butter is not under consideration.

Mr. TABER. Mr. Chairman, will the gentleman yield for a question?

Mr. DOUGHTON. My time is limited, but I will yield for a short question.

Mr. TABER. The importation of 1,500,000 gallons of cream allowed to come in at reduced rates would certainly have an effect on the price of butter, would it not?

Mr. DOUGHTON. I am coming to that. Of course, those gentlemen who exercised their lungs yesterday regarding the trade agreements will say that the maximum quota of 1,500,000 gallons of cream on which the duty of 56.5 cents per gallon was reduced to 35 cents will have a detrimental effect on the butter market. This amount is equivalent to about 125,000,000 pounds of milk, or about one-tenth of 1 percent of the total annual milk production in the United States; it is only eight-tenths of 1 percent of the production in the North Atlantic States, which receive most of the inconsequential imports coming into the United States. Actual imports from Canada in 1929 were almost twice as great as this quota permitted from all countries. This rate of 35 cents per gallon is still 15 cents greater than the rate on cream in the Fordney-McCumber Act. This, I submit, is far from free trade, yet they say this will have a detrimental effect on the butter market.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman.

Mr. KNUTSON. The gentleman has been a member of the Ways and Means Committee for many years. He recalls that we had a duty of 35 cents a gallon on cream and that it was subsequently raised to 56 cents in order to stop imports of Canadian cream into New England and New York.

Mr. DOUGHTON. That was done, I suppose, under the Smoot-Hawley tariff bill.

Mr. KNUTSON. Yes; I think it was done under the Republicans.

Mr. DOUGHTON. Yes; the gentleman is right. And what prices did the dairyman receive for his cream under the Smoot-Hawley tariff law?

Mr. KNUTSON. If the gentleman will permit——

Mr. DOUGHTON. I cannot get into a running colloquy in the limited time that has been given me. I wish the gentleman would compare the condition of the dairy industry and every other branch of agriculture under Republican rule and the Smoot-Hawley tariff law with present conditions under the Democratic administration.

Mr. ENGEL. Will not the gentleman yield?

Mr. DOUGHTON. I do not yield and I do not propose to be drawn off into a running political debate.

Mr. ENGEL. What effect has the devaluation of the dollar had upon the tariff?

Mr. DOUGHTON. The gentleman can come to his own conclusions with reference to that. I will not discuss the effect of the devaluation of the dollar at this time.

Mr. ENGEL. No. They are buying American dollars for 59 cents.

Mr. GRAY of Pennsylvania. Will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Pennsylvania.

Mr. GRAY of Pennsylvania. I am curious why the Representatives from New England States on the opposition complain about the reciprocal tariff agreement with Canada. Is it not likely that the New England States under this reciprocal tariff will do more business with Canada, for instance, than they would with the Southern States of the United States?

Mr. DOUGHTON. Of course that is true, and moreover, under this reciprocal trade agreement there are more benefits accruing to agriculture than to any other one industry because we export to Canada, so I am informed, more agricultural commodities than they export into our country.

Some of the gentlemen on the other side professed to be concerned about the reduced duty on cheese in a number of the trade agreements. Mention was made of the reduced duty on cheddar cheese coming from Canada. The United States duty on cheddar cheese in the Canadian agreement was reduced to 5 cents per pound but not less than 25 percent ad valorem. The rate was 7 cents per pound, but not less than 35 percent ad valorem. The agreement rate marks a return to the rate established under the Tariff Act of 1922. The average annual imports from Canada during the years 1925 to 1929 were 2,400,000 pounds, or less than 1 percent of the domestic production of cheddar cheese during those years. Imports have been considerably smaller in recent years. As a matter of fact, since 1932, as shown by the Department of Agriculture, the exports of cheddar cheese have exceeded imports. Even in 1935, when we have heard so much about the country being swamped with imports of agricultural products, the exports of cheddar cheese exceeded the imports for the months January to September, inclusive.

Notwithstanding all the wailings which we have heard regarding agricultural imports, the prices have steadily increased since 1932, when the voters retired the Republican Party from power. It is futile for the gentlemen on the other side to attempt to show that the present administration has not been, and will not continue to be, a friend of the farmers. The increase in the cash income of farmers from

some $4,300,000,000 in 1932 to some $6,900,000,000 in 1935, an increase of over 59 percent, demonstrates what the present administration has done for the farmers of this country.

In connection with the effect the Canadian trade agreement will have on butter and the dairy industry, let me quote from the comments of one who is in a better position to know whereof he speaks than are the gentlemen who have attempted to speak for the dairy farmers here on the floor of the House. I now quote from the comments of Mr. W. F. Jensen, secretary-manager of the American Association Creamery Butter Manufacturers, who says:

I cannot see much of a threat in this treaty to the American dairy interest and, while I am a protectionist, believing that the American standard of living can be maintained only through the protective principle, I am also a believer in moderate tariffs and certainly in friendly relations and trade with other nations, especially such a one as Canada, which extends along our border for more than 3,000 miles.

In reference to butter—our tariff has not been lowered; it remains at 14 cents per pound if Canadian butter is brought into the United States.

The quota given to Canada on cream, 1½ million gallons per annum, is the equivalent of approximately 6 million pounds of butter per annum, not a large item, and the duty as it remains or will be, 35 cents per gallon, as a matter of fact is nearly 9 cents per pound in the equivalent of butter—certainly very good protection.

Some sweet cream for table use may enter Boston and a few other New England towns, and there may come times when cream for butter making from Canada may enter Buffalo, Huron, Detroit, and possibly Spokane, but not likely in any noticable volume or any time soon. In itself the duty of 35 cents per gallon on cream should be effective.

As to the importation of dairy cows and cattle, I can hardly venture an opinion. The maximum quota of 20,000 head is not large, and the duty under the treaty that remains, 1½ cents per pound, running from $10 to $15 per head, gives protection; although at times livestock from Canada has been marketed in the United States and, to some extent is being marketed through our well-equipped packing houses—especially this year, with the 1934 drought having left our domestic supply of livestock somewhat depleted.

There are times when New Zealand butter enters Vancouver, British Columbia, and when butter from eastern Canada is exported to London and other English markets, but the Canadian stock of butter in storage is not heavy—about 2,000,000 pounds less than a year ago, and the Canadian cheese stock is about normal.

I shall not look for any appreciable amount of butter and cheese to enter the United States from Canada after the treaty is in effect. The world markets which govern Canadian markets are much higher than they were a year ago. While we are experiencing much higher prices on butter and cheese in the United States this year than we have in other recent years, these higher prices are not just a happening in the United States; they seem to be a world condition. The world demand for dairy products has improved because times are getting better, and apparently world production of dairy products is not up to former years.

At least for a year or two, which is as long as any of us can look ahead, in my opinion we have nothing to worry about in the creamery industry by reason of this reciprocal-trade agreement with Canada.

We have, I believe, greater cause for worry in regard to the high prices on butter and cheese, which are driving away consumer demand; and, if prices go as high in our markets as they were last winter, we may again experience quite a heavy loss in consumer demand for butter and cheese, which is something to guard against.

It is not a good thing for the dairy industry to lose its customers—not in the long run.

It would be inferred from the arguments and the speeches made by those of the opposition that the men who administer our reciprocal trade law have no knowledge of the subject; and that they consult no one and have only the interest of foreign countries at heart rather than the interest and the welfare of our own country. In other words, these men are accused of ignorance, of lack of patriotism, and of not giving the general public an opportunity to be heard. Everyone familiar with the Secretary of State knows that he is one of the ablest, as well as one of the most patriotic, men in this country. Secretary Hull has made a lifetime study of the tariff question and has the interest and welfare of the American people at heart just as much so as the gentleman from Minnesota, the gentleman from New York, or any other Member of this House. I think it is a reflection upon the Secretary of State to say that he would permit trade agreements to be negotiated and policies to be adopted which were prejudicial to the welfare of the American people as a whole. The difficulty is that the people of some sections want legislation solely and purely for the dairy interests; the people in the New England States want legislation favorable to the particular industries in their section. Secretary Cordell Hull takes a Nation-wide view of the subject. He is familiar with every aspect and every phase of the question, and is acting in the interest of and for the welfare of all the people. Of course, it is more or less a give-and-take proposition. As everyone knows, we cannot expect to get all the benefits and give nothing in return.

Secretary Hull and those associated with him hold hearings just the same as the Ways and Means Committee of the House hold hearings when writing a tariff bill. He is assisted by the Tariff Commission, the Department of Commerce, the Department of Agriculture, Department of the Interior, the Treasury, the Interstate Commerce Commission, and by various and sundry agencies of the Government, each of which is in the best position to furnish facts and give evidence bearing upon these questions.

Mr. KNUTSON. Will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Minnesota.

Mr. KNUTSON. The reciprocal bill that was brought up for consideration before the Committee on Ways and Means, as prepared by the State Department, did not contemplate hearings. If hearings are being held in connection with these matters, the Republicans can be thanked for that, because we fought to have that amendment inserted in the bill.

Mr. DOUGHTON. I am glad there is one thing you Republicans can be thankful for, although I think you are mistaken about that, as you know the majority of our committee are Democrats.

Mr. KNUTSON. We did away with these star-chamber sessions.

Mr. CULKIN. Will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from New York.

Mr. CULKIN. Does the gentleman know that since the promulgation of these reciprocal trade treaties every agricultural organization in America, including the Grange, the dairying group, and every other agricultural association, has condemned these treaties in unqualified terms?

Mr. DOUGHTON. No, I did not know that. I do know, however, that the largest newspaper in the gentleman's home city of Oswego, N. Y., editorially stated:

The idea of all government is to accomplish something material for the welfare of the Nation as a whole, not for a single group. The more even flow of trade across the border in both directions cannot help but improve conditions.

Let us compare the price of farm products in March 1933 and 1935 and in January 1936. That is the best way to judge the effect of legislation enacted and conditions existing under the Hawley-Smoot Tariff Act, and under the policies of the present administration.

Let us take corn, for instance. In March 1933, when the present administration came into control, the price was 26 cents a bushel. In 1934, 48 cents a bushel. In 1935 the price was 81 cents per bushel, and 83 cents in January 1936.

Oats were 17 cents in 1933; 35 cents in 1934; 52 cents in 1935.

Rye was 40 cents in 1933; 61 cents in 1934; 61 cents in 1935; and 69 cents in January 1936.

Cotton bringing 4 and 5 cents in March 1933; and in 1935 12 and 13 cents.

Wheat, 55 cents in March 1933—the gentleman from Minnesota [Mr. KNUTSON] and others in the northwest are interested in wheat as well as in dairy products—89 cents in 1934; 96 cents in 1935; and $1.17 in 1936.

Steers—the cattle people in this country are interested in beef cattle as well as dairy cattle. I am a cattle raiser on a small scale myself and in 1933 we sold our best cattle under the Smoot-Hawley tariff law and under Republican control for 3 cents and 3½ cents a pound, while this last fall, under Democratic administration and under Democratic control we easily got 8 cents a pound for the same type of cattle.

Mr. KNUTSON. How about the drought?

Mr. DOUGHTON. How about the drought! Of course you always have some excuse. There is always something wrong. The drought is the reason we had to kill so many cattle and made necessary the slight increase in our imports and for lowering the tariff slightly on dairy cattle and feedstuffs. If the gentleman wants to discuss the drought that is a long story and, of course, you cannot make a political issue out of that. A drought does affect prices, more or less.

Butter 17 cents in 1933, 30 cents in 1935, and 33 cents in January 1936. Compare 17-cent butter under a Republican administration and the Hawley-Smoot tariff with 33-cent butter, or an increase of about 100 percent, under a Democratic administration. Yet we hear a constant political wail and howl and lamentation with respect to the effect that trade agreements are having on the price of butter.

Cheese 9 cents in 1933, 14 cents in 1934, and 16 cents in 1935.

Milk, per hundred pounds, 17 cents in 1933, 20 cents in 1934, and 24 cents in 1935.

So it is with respect to the prices of all farm commodities. They average today 50 percent higher under the present Democratic administration in comparison with prices under a Republican administration and the Hawley-Smoot tariff law, and yet our Republican friends have the effrontery, the audacity to attempt to raise the issue that the Democratic administration is pursuing policies that are injurious to the agricultural industry of this country.

No one will be deceived by such charges, especially coming from those who doubted the advisability of expanding our foreign trade, and, who only a few months ago said we were going on a wild-goose chase in search of markets that did not exist.

The American farmer and businessman will never subscribe to such a do-nothing policy. They well know the difficulties they have been facing, especially since the enactment of the Hawley-Smoot-Grundy tariff, in the problem of the disposition of their unsalable surpluses. They know that we must depend upon the expansion of our foreign markets for the sale of more than one-half of our cotton crop, a fifth of our wheat, two-fifths of our leaf tobacco, almost half of our lard, a third of our rice, and numerous other products of our farms, as well as the surplus production of automobiles, machinery, and other products of our mines and factories. The 7,000,000 of our cititzens who are dependent for a livelihood on our foreign markets will not be deceived by those who tremble at the mere mention of the word "imports."

Unhappily this is but a part of the story. What is of far more vital consequence is the disastrous effect of these unsalable surpluses on our domestic prices, wages, and employment.

Immediately following the enactment of the Hawley-Smoot Tariff Act, our foreign trade began to steadily decline until it amounted to only about one-third that of prior years. Our own extreme tariff barriers led to defensive or retaliatory trade barriers in other countries, thus making the world a battleground of economic conflict.

None but extremists and special pleaders object to the negotiation of reciprocal trade agreements and a reasonable reduction of existing tariff barriers. The American people will not be misled by the imaginary fears of these extremists, or by their claims that we can increase employment by denying foreign markets to American agriculture and industry for their surplus output, as evidenced by the approval voiced by the press of the country of the program thus far carried out as so manifestly just, and the results so far obtained as being so obviously beneficial to the country as a whole, not alone the Democratic press but by three-fourths of the Republican press, including a large number from the New England States, which section has always been the citadel of high protective tariffs.

The agreements thus far negotiated refute such claims advanced by these special pleaders, and have already resulted in increased foreign trade of incalculable benefit to the country as a whole. They are a welcomed start toward undoing the commercial damage wrought by the Hawley-Smoot Tariff Act of 1930, and constitute a definite stride back to world sanity.

[Here the gavel fell.]

Mr. CULKIN. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD, if the request is in order at this time, and to include in the extension copies of resolutions of various agricultural bodies and other organizations of the United States protesting against these reciprocal tariff treaties.

Mr. WOODRUM. Mr. Chairman, I make the point that cannot be done in Committee.

The CHAIRMAN. The Chair will invite the gentleman's attention to the fact he has not spoken on the bill, and such permission would have to be granted in the House rather than in Committee of the Whole.

Mr. TABER. Mr. Chairman, I yield 13 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, the chairman of the Ways and Means Committee [Mr. DOUGHTON] went to considerable length to defend the Canadian reciprocity treaty. I am not prepared to say what effect this treaty will have throughout the United States until more time has elapsed and Canadian farm competition has been felt. I am prepared to say what effect it will have in my own congressional district, which happens to be the congressional district of the President of the United States.

The farmers of my district have been crucified by this Canadian Treaty. It is the most harmful reciprocal treaty that has been put into effect and the most serious act of any kind affecting the farmers of my district, not only the dairymen, which constitute my largest single industry, but the producers of poultry and vegetables as well. They all suffer equally by letting down the bars to the farm products from Canada, and I am even ready to say that what applies to my congressional district, applies equally to every congressional district in the United States within 400 miles of the Canadian border line. I know that it does not affect the Southern States or the State of North Carolina, from which the gentleman comes, but it does affect every State that touches upon Canada and practically every farmer who lives within 400 miles of that border line, from the west coast to the east coast. It affects not only the dairy industry but those who grow vegetables and fruit, such as apples and berries, raise hay and oats, or produce poultry. Already American merchants are buying millions of pounds of Canadian cheese.

I did not rise for the purpose of discussing this particular issue, but I could not let it go unanswered as far as my own congressional district is concerned, and as far as the party I represent. The President of the United States, when he was a candidate for office, made a solemn promise and pledge to the American farmers that he would not reduce or curtail any of the protection afforded American farmers.

That protection which they secured after years of effort from a Republican administration has been largely destroyed by this administration, and the President has deliberately repudiated his promise to the American farmer.

Mr. KNUTSON. Will the gentleman yield?

Mr. FISH. I yield.

Mr. KNUTSON. The gentleman from North Carolina read market reports of agricultural products, but he gave no credit to the drought which necessitated the killing of hundreds of thousands of dairy cattle which naturally reduced the production in this country to a serious extent.

Mr. DOUGHTON. Will the gentleman yield?

Mr. FISH. No; I cannot yield. I have another subject which I wish to discuss in my limited time.

I take this opportunity, because of the item of expense for the administration of the Gold Reserve Act in the bill, to speak on a very dry issue and one which I do not believe Members will be much interested in.

Our gold reserve amounts to $10,000,000,000. In 1932, before we put through the Gold Reserve Act of January 30, 1932, we had $4,000,000,000 of gold in the Treasury. By that act we reduced the dollar to 59 cents, and thereby made a

profit of $2,800,000,000. The Government spent $800,000,000 in paying off certain bonded indebtedness. It set aside $2,000,000,000 to go into the exchange stabilization fund. That added $2,000,000,000 to the $4,000,000,000 we already had, making a total of $6,000,000,000 of gold.

But today the Treasury balance sheet shows that we have in excess of $10,000,000,000 in gold. How did we get that money? How did we accumulate $4,000,000,000 in gold in the last 2 years? We have less than six billion in currency outstanding.

I want to point out the danger that arises from this policy of cornering or monopolizing gold.

Between France and the United States we have two-thirds of all the gold in the world. If we continue to monopolize gold by paying $35 an ounce and add to the stupendous sum of $10,000,000,000 at the rate we are going, we will soon have 60 percent of all the gold in the world and France will have another 20 percent, leaving the rest of the nations with only a very small gold reserve.

Then naturally or logically these nations that have no gold in all probability will change their medium of exchange. They will say, "We have no gold." Germany only has $36,000,000 in gold, whereas we have ten billion. Italy has only a small sum, and I will put all these figures in the RECORD.

These nations might say, "We have no gold, and therefore we are compelled to adopt a new medium of exchange, such as tin or copper or brass."

Today we are holding this enormous amount of gold and continuing to accumulate it. It is serving no purpose whatever. It does not draw any interest, and yet Congress is giving no consideration to it. We know nothing about the stabilization fund of two billion—it is a secret fund.

There has been no accounting to the Congress. We do not know whether it is still intact. Not a single Member of Congress, not even the chairman of the Committee on Ways and Means, or the chairman of the Committee on Appropriations has the faintest idea what has happened to that fund, or how much money remains in the exchange-stabilization fund.

If we are to sell agricultural products abroad, our surplus wheat, our surplus cotton, our surplus foodstuffs, then those foreign nations must have gold with which to buy. How can we sell wheat and cotton to Germany, when Germany has only $36,000,000 in gold and practically no credit at all? How can we talk about selling our farm products to other foreign countries as their gold supply is vanishing? That is one of the troubles with which we are confronted in trying to help the southern and western farmer. If we are to solve the agricultural program so that our producers can sell their surplus to foreign nations, then we have to take some cognizance of the fact that we have $10,000,000,000 of gold in storage serving no useful purpose.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. FISH. Yes.

Mr. WHITE. Are not the reciprocal-trade agreements an answer to the gentleman's question?

Mr. FISH. All these reciprocal-trade agreements do is to cause more unemployment in our own country, unemployment not only on the farms but in industry, and the unconditional most-favored-nation clause brings American labor at $3 a day into direct competition with Japanese labor paid 20 cents a day and European labor at $3 a week. If the gentleman is for any such program, then let him go back and explain it to his constituents, because mine will have none of it.

Mr. WHITE. If Germany cannot pay for exports with money, will we not have to take goods in trade?

Mr. FISH. The German people have to buy cotton for their own industries. They cannot pay for that cotton. We have got the cotton, and when they get the cotton they process it and manufacture it into articles and sell those commodities at a profit, and with those profits in cotton and textile goods they can pay for all the cotton they get from us. Germany is a great manufacturing and industrial country and its profits come largely from importing raw material and exporting the finished goods, and in that way to buy from us, but without gold and threfore almost without credit, she cannot buy our cotton or other products. I am not saying right now that we should loan any money to other nations, but I am not so sure that we should not put aside $1,000,000,000 out of the $10,000,000,000 dollars of gold as a revolving fund for those nations that need our cotton—Japan, Germany, and Italy—after the present war is over, and protect ourselves by guaranties and adequate securities, and use our own gold which is not being used today to sell products to foreign nations, with which they can accumulate profits and pay those profits back to us.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. FISH. Yes.

Mr. CRAWFORD. Can the gentleman give us any information as to whether or not Russia is shipping into this country each year now approximately $1,000,000,000 worth of gold which she is taking out of her own mines at a cost of $3 per ounce and selling to us at $35 per ounce?

Mr. FISH. Oh, not as much as that; because the total yearly production of gold in the world is less than a billion dollars. Russia only possesses about $800,000,000 of gold and probably produces less than one hundred million. We are one of the largest producers, and Great Britain is a very large producer.

Mr. WHITE. Seventy percent of the world's gold comes from the British Empire.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. FISH. Mr. Chairman, I ask unanimous consent to place in the RECORD the amount of gold owned by the leading nations of the world at the present time.

The CHAIRMAN. Is there objection?

There was no objection.

The matter referred to is as follows:

Total (at $35 an ounce)	$22,300,000,000
United States	10,200,000,000
France	4,300,000,000
England	1,600,000,000
Russia (estimated)	800,000,000
Belgium	615,000,000
Switzerland	455,000,000
Netherlands	427,000,000
Japan	418,000,000
Italy (estimated)	350,000,000
Germany	36,000,000

Mr. WOODRUM. Mr. Chairman, I yield 10 minutes to the gentleman from Colorado [Mr. MARTIN].

Mr. MARTIN of Colorado. Mr. Chairman, a considerable part of the debate yesterday centered on and against the Warren potato bill passed at the last session of Congress, and there were the usual charges of the regimentation of the farmers under the dictatorship of the Secretary of Agriculture. One listening to the debate and with no prior knowledge of the subject could only conclude that the Warren potato bill was sponsored by the Secretary of Agriculture for the purpose of expanding his already alleged autocratic power over agriculture and farmers in the United States.

The Congress knows, or ought to know, and the country ought to be informed, that nothing could be further from the truth, and that in fact the Warren potato bill was enacted by the Congress against the wishes of the Secretary of Agriculture, and the subsequent history of the act is that its administration was undertaken by the Secretary with reluctance.

The history of the act is that after the adjournment of the last session of Congress, the Secretary of Agriculture, who was known not to be favorable to the bill, was reported in the press of the country as not intending to carry it into effect or to administer it. Following the publication of these reports, the representatives of the potato growers of the country and other farm leaders came to Washington and held a conference at the Department of Agriculture with the Secretary for the avowed purpose of having the law put into operation and of working out a tentative program to take care of a serious situation in the potato industry in this country, pending the necessary preparations and procedure for the execution of the Warren Potato Act.

I have said in my home State, and I want to repeat here, that the most valid criticism that could be made against the Warren potato bill is that it is class legislation at the behest of the class to be benefited by it, and I challenged critics to go before the farmers of Colorado and condemn this legislation on that ground. It may be true that in spots where the potato is a minor agricultural product and in the large industrial centers, where the major interest is jobs and pay checks, there is opposition to the Warren bill, but it is undeniable that the overwhelming majority of the potato growers of the United States and several of the large farm organizations sponsored this bill and were primarily responsible for its passage.

Colorado is not one of the major potato-producing States, but it is a heavy grower, and the Warren bill had the almost unanimous support of the potato growers of that State, as well as of the Farm Bureau. Resolutions of support were passed at mass meetings of growers in the counties. In one county the vote for the bill was 542 to 2. Not one protest against the bill came from Colorado. There is a reason. It has not been uncommon in the potato fields of Colorado that a bumper potato crop was not worth digging and haulage to town, to say nothing of the other costs of production, so they rotted in the ground. The potato cannot be stored like wheat, cotton, tobacco, and many other farm staples; it is a perishable commodity.

At a recent meeting of the directive heads of all the Federal agencies in Colorado, Mr. F. A. Anderson, the agricultural extension agent, of the opposite political faith, said the farmers of Colorado were practically unanimous for the Triple A, that the opposition was so small as to be negligible, less than 1 percent.

The Jones-Costigan Sugar Act, largely shaped by the Beet Growers' Association, has been accepted by the processors, the growers, and the workers. All have benefited by the act, with no appreciable increase in the cost of sugar to the consumer. Sugar is only $4.50 per hundred on the New York market today. President Charles Kearney, of the National Beet Growers Association tells me that nothing can replace the present Sugar Act. Let the opposition farm doctors scratch their heads over this.

What is true of the Potato Act and the Sugar Act is true of the Cotton and Tobacco Acts. It was common talk that neither of these bills were favored by the administration or by the Secretary of Agriculture, the man who is pictured as working to regiment the farmers of the United States and establish an autocratic or bureaucratic rule over them. The cotton bill was written by the cotton growers, and the tobacco bill was written by the tobacco growers. It is said that the tobacco growers have greatly benefited by the Tobacco Act. I know that tobacco does not cost me a cent more than it did before. I am an authority on that. And despite the Cotton Act, that industry is still faced with a tremendous surplus. With the fall of the Cotton Act, that great industry will face a new crisis. These four bills—cotton, tobacco, sugar, and potato—and other farm legislation of this administration have written a new chapter in American legislative history. For the first time in American legislative history the farmers of the country have written laws upon its statute books. They tried to write laws upon them during the 12 years preceding the administration of President Roosevelt, but their efforts were thwarted either here in Congress or by Executive veto. The McNary-Haugen bill is an example. Labor, being better organized, had already written some Federal legislation to better the condition of the workers, but the farmers had written nothing.

As a part of my personal platform in the campaign of 1932, I said, and I quote exactly:

> Farmers make up 40 percent of our population, but the combined farm organizations have never gotten a single farm measure on the Federal statutes. The Farm Board and the tariff have failed. Why not give the farmers' program a try? I will.

In compliance with that pledge I have voted for every farm measure which has passed Congress under this administration, whether it came from the administration or originated in the Congress. I did this, not as catering for personal or political reasons to a class, but in the conviction that the welfare of that great class was vital to the welfare of the Nation and with the knowledge that all other methods had failed to give the farmer even the cost of the production of his crops, to say nothing of a profit. I wanted to give him the opportunity to write his own ticket, even if some of the experiments undertaken were mistaken. It is my judgment that the conditions in this country today are due in no small part to the writing of legislation and the judicial interpretation and the executive administration of the laws of the country under the dictation of great special interests. I shall not fear for the institutions of this country under laws written by and administered for the benefit of the workers and farmers of the country. They produce its wealth, and they consume its wealth, but do they get the benefit of its wealth?

I wish all you gentlemen could read an article recently published in the Readers' Digest entitled "Chemistry Wrecks the Farm." This article shows that chemistry has already wrecked silk and predicts that it will wreck cotton and wool as well. It shows that synthetic milk may solve the dairy problem in the same way. That presents a situation which makes party politics seem pretty small.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Colorado. Yes.

Mr. DIRKSEN. Inasmuch as chemistry has wrecked agriculture, and I fully agree with the gentleman, if we examine the historical basis, we ought to call on chemistry to rehabilitate it, and yet there is a total lack of chemists in the agricultural administration cooperating with that Department in working out some long-range solution. Is not that true?

Mr. MARTIN of Colorado. Then we must supply that want, unless it be that the Department has already taught agriculture too much about increasing production.

Mr. Chairman, yesterday we passed by an overwhelming majority a bill that nearly every speaker took pains to say was endorsed by three organizations of veterans of the World War. The reports on that legislation stress and paramount organized support as the chief reason why Congress should pass the bonus bill. If Congress can pass legislation because it is demanded by three and one-half million veterans, why can it not and why should it not pass legislation demanded by 10,000,000 farmers?

Mr. Chairman, I learned of the adverse decision of the Supreme Court on the A. A. A. with feelings nothing short of distress. It cannot be denied that agriculture needs the aid of Government and it cannot be denied that the allotment plan and processing tax did aid agriculture and played a large part in rescuing it from the prostrate condition in which it was found when this administration came into power. Even if it be conceded, which I do not, that the method did not square with the constitutional powers of Congress, the results speak for themselves, and the need for continued Government aid is established by the fact that even opponents of the A. A. A. in Congress and in the country, the very bitterest critics of A. A. A., are busily engaged studying and proposing substitutes for it. Only the other day at Lincoln, Nebr., President Hoover, in a proposed farm program, included direct subsidies to agriculture. Gen. Hugh Johnson commended Mr. Hoover, going to the extent of stating that the former President had hit upon a better plan than domestic allotment and processing taxes, but at the same time taking occasion to suggest that Mr. Hoover, while President, had proposed no such thing to aid agriculture. He did, however, propose plowing under every third row.

General Johnson missed the point. Here is the outstanding fact, here is the significant fact, here is the disturbing and distressful fact, admitted by all proposed remedies, that agriculture in the United States cannot stand upon its own feet, cannot stand its own productive competition, to say nothing of the competition of other countries. Why? My answer is this, and it takes in more than agriculture: Permanent large-scale unemployment in industry and surpluses in agriculture are fixed conditions in our economic life. The sooner the American people face and admit these facts the

sooner we may work out answers to these problems, which must be worked out, if our industrial and agricultural populations are not to remain just as they are today, dependent upon Federal aid raised by mortgaging the future. Unemployment was constantly increasing from 1921 to 1929, considered the greatest era of prosperity in this or any other country, and agriculture was already bankrupt when that prosperity reached its peak and the crash came in 1929. These are facts we cannot deny, and unless we are able to remove the causes of this decline we must face a future in which we will always have millions of workers supported in enforced idleness by their more fortunate brothers.

Nearly every day on this floor we hear it stated that there are still 10,000,000 idle workers in this country, and these 10,000,000 idle workers are used as a yardstick to measure the recovery program and prove its shortage and its failure. But no remedy is proposed, so far as I can discover, except the remedy of the American Liberty League and the National Association of Manufacturers and the United States Chamber of Commerce to turn the hands on the clock back to March 4, 1932, and resume where we left off and let big business run the country again. Hand the farmers back over to unbridled competition in crop production and to the boards of trade and to the processors and traffickers in farm products; hand finance, commerce, and industry back over to the interests which wrote the most disastrous chapter in American history. Repeal the New Deal. This was the war cry of a group of Republican leaders held recently at Colorado Springs in my district at the call of one of the millionaire proprietors of the party in Colorado. It will not be repealed except with the consent of the workers and farmers of the country. I leave it to them. [Applause.]

Mr. WOODRUM. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Chairman, I want to say a few words with reference to what Congress has been doing in recent years, and when I say "recent years" I mean during Republican rule as well as Democratic rule, in regard to passing legislation giving to officials of the Government the power to make appointments without any regard for the civil-service laws and regulations; and, in some instances, which even permits them to make appointments without regard to the Classification Act.

The other day the fiftieth anniversary of the Civil Service Act was celebrated. That law was enacted during the administration of Grover Cleveland. I realize that Members of Congress, myself included, receive hundreds and hundreds of requests from our constituents for positions. True, to be honest, some might take a different view if Members of Congress secured the positions we create, but you know and I know we do not get them. It may be all right to give an emergency agency or a temporary agency the right to make some appointments without regard to civil service. Under the civil-service law appointments are supposed to be spread among the various States of the Union, and it would be absolutely unfair to ask anybody to come from my State in the center of the country, to Washington at his or her own expense, to accept a temporary appointment in Washington which would only continue for 3 months, and then they would have to pay their way back home. But where there is a permanent agency set up, such as the Archives Administration, whose peak in several years is going to be 660 employees, according to the evidence before our committee, or the Water Power Commission, which is a permanent Government agency, and other Government departments or agencies, I think we are making a mistake and going a little too far in giving the appointive power to officials without any regard to the merit system.

Now, what has happened with reference to these emergency appointments without regard to civil service? As far as I can learn, not more than one-fifth have been appointed as the result of the recommendations of Members of Congress. I think an investigation will disclose that. In other words, where a Member of Congress has secured a place for one of his constituents four others have been appointed as the result of the law you passed, recommended by others. So if the Congress has passed that legislation with a view of being able to get jobs, they have found their recommendations are only one-fifth the value of people who are on the outside. We have simply paved the way for officials of the Government and others with influence with those in charge of appointments to name their friends, in many instances relatives. Men holding high positions with the Government have put their children, sons and daughters, in good jobs instead of spreading the appointments in homes where there is no earning power. I know what I am talking about when I say at least 50 percent of the appointments have gone to Republicans, if not more than 50 percent. I speak of the emergency agencies.

I do not feel that Republicans have any monopoly on intelligence, and I am willing that Democrats compete with them in examinations for positions. In this way I think Democrats would get a better break than they have received.

I am not entirely in accord with the methods of the Civil Service Commission. I had an argument with the new Civil Service Commission soon after it came into power, when it reduced the age limit in connection with its examinations. I spoke of that on the floor of this House when the Congress convened. But Congress was on vacation at the time, and when I could get no action from the Civil Service Commission I took the matter up with the President, and the President seemed to fully agree with me. He appointed the Secretary of Labor, Miss Perkins, as head of a committee to confer with the Civil Service Commission, with a view to increasing the age limit in the examinations. As the result of that conference, the age limit was changed in many examinations. I insisted that when one reached the age of 40, 45, 50, or 55 years he or she was still able to perform a good day's work.

The Civil Service Commission also has a very bad habit of requiring an applicant to show that he has a college education before he is eligible to take an examination. I do not agree with that. I say a man or woman with practical experience can be just as valuable to the Government of the United States as one who has been fortunate enough to secure a college education.

If the Constitution required that one must have a college education to qualify for service in Congress, hundreds and hundreds of men who have served in Congress and distinguished themselves would never have been here.

No examinations should bar an applicant who has had practical experience simply because he has not been fortunate enough to have had an opportunity to attend college. In the last few years hundreds of thousands of young men have been denied a college education because their parents have not had the money to send them to college. Unless the policy I speak of is changed those young men in many instances will be denied the right to take a civil-service examination. It is a matter that is worthy of most serious consideration.

Mr. Chairman, I think we should be extremely careful in the future, especially in reference to the permanent organizations of the Government, in giving the officials of those permanent organizations the power to appoint without regard to civil service, and as I say, in many instances, according to the hearings before us, without regard to the Classification Act.

At times information comes to me that makes me fully agree with the gentleman from Texas [Mr. BLANTON] that the Congress made a serious mistake in adopting the Classification Act, because the heads of bureaus or divisions of the Government were the ones who were really the beneficiaries under that act. Those in the lower brackets received little in comparison with what those in the higher brackets received.

I feel that the Civil Service Commission should pay more attention to the law which requires them to apportion civil-service employees among the States of this Union. They should forget for a little while those States which are close to Washington, where they are away above their quota at the present time. Think of some of the people who live in the Middle West and West.

Mr. MICHENER. Will the gentleman yield?

Mr. COCHRAN. Yes; I shall be glad to yield to the gentleman.

Mr. MICHENER. Will the gentleman join with those of us who, for the last 2 or 3 years, have been fighting a provision which is contained in every single piece of legislation establishing a new agency, such as the Archives? I speak of that particularly because I spoke on that. That is a permanent institution, but there was the usual provision that the help should be selected without regard to civil service and without regard to the Classification Act.

Mr. COCHRAN. I shall be very glad to do so. When the Republicans are in power they do the same as the Democrats do when they are in power. At one time it is the Republicans protesting and at another time it is the Democrats making the noise.

Mr. MICHENER. Some of us tried to eliminate that, but my good friend from Kentucky, who is present on the floor, and myself had a controversy on that occasion, and we agreed at that time that possibly after this thing was set up legislation would be enacted placing all these people under civil service without an examination. The gentleman from Missouri would not sanction a thing like that, would he?

Mr. COCHRAN. No. I hope, however, they will not confine the civil-service examinations to those who have had college educations. I am with him; the gentleman and I will go along with the gentleman from Michigan with reference to permanent establishments of the Government. But I also want to repeat what I said before—that his own party is just as much responsible as my party for passing legislation which enabled Government officials to make appointments without regard to civil service. The last Republican Secretary of Agriculture not only succeeded in bringing dozens and dozens of employees here from my State and placing them in the Department of Agriculture without regard to civil service but he also succeeded, after his President was defeated at the polls in November 1932, in securing a lot of Executive orders from Mr. Hoover, which placed those employees under civil service without any regard whatsoever for any examination. Again I say it is the fault of both parties. I am not trying to lay it onto any one particular party. I try to get as many jobs as I can for my constituents, but I really think they would be better off if we had civil-service examinations for all permanent positions. We should think seriously before we include in the legislation a paragraph that will allow an official to appoint permanent employees without regard to civil service or the Classification Act.

Take the Archives as an example. The law setting up this agency does not state the tenure of office of the Archivist. We do not know whether he is to be there for life or only until a new President is inaugurated. Should that President happen to be a Republican, he would, if possible under the law, appoint another Archivist; and what could a new Archivist do? He could discharge the entire outfit who get less than $5,000 a year and put his own men in. Realize the condition that would exist.

Mr. MICHENER. The gentleman is making the speech I made a couple of years ago.

Mr. COCHRAN. No; I am not. I know nothing about any speech the gentleman made. I bet he did not make it when his party was in power. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield myself the balance of the time on the minority side.

Mr. ENGEL. Mr. Chairman, before the gentleman from New York begins his speech will he kindly yield for a question?

Mr. TABER. Yes.

Mr. ENGEL. I should like to ask the gentleman a question which the chairman of the Ways and Means Committee refused to answer, and which he refused to permit me to complete. The Republican Party, at the request of the dairy farmers of America, increased the tariff on butter from 8 cents to 12 cents a pound and again from 12 cents to 14 cents a pound. The importer buys American dollars with which to pay his tariff. When that importer can buy American dollars at 59 cents, has not the devaluation of the dollar operated to decrease this duty of 14 cents a pound by 41 percent, making the present duty approximately 8 cents a pound?

Mr. TABER. I think the gentleman's statement is correct. In value of protection, it certainly is.

Mr. Chairman, I shall touch only a few of the high spots in this bill, because I have not time to discuss the different items in detail. Before starting this discussion permit me to say that, to my intense regret, the chairman of the Committee on Appropriations is unable to be here today. This is the first of the appropriation bills since the gentleman from Texas [Mr. BUCHANAN] became chairman of the committee in the deliberation of which he has not been able to be present and take part. He has been very careful about the hearings on this bill, and the day before he was taken sick we were on hearings all day long, until 5 o'clock, going into the details of the estimates on items covered by this bill with the idea of saving what could be saved for the Government of the United States. It is my sincere hope that when the next appropriation bill comes along the chairman of the Appropriations Committee will again be with us.

With reference to this particular bill there are not many but routine items until we get to the item for the Federal Trade Commission on page 6; and there we have an item of $150,000 for an agricultural investigation in accordance with a resolution adopted by the House. This item, the Commission tells us, will cover the investigation of one agricultural commodity out of seven which they hope to investigate.

The next important new item is that for the National Labor Relations Board, line 12, on page 7. The appropriation for this item is $275,000.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. JENKINS of Ohio. I notice the gentleman passed the item for the Interstate Commerce Commission administration of the Motor Carriers' Act.

Mr. TABER. That is the item with reference to the motor-transport regulation and is based upon finishing up the year. It should require less money after this burden gets into operation than it does as they start, because they have to go into a great many things with reference to safety appliances that are required in the Motor Truck Control Act.

Mr. JENKINS of Ohio. That is what I should like to know from the gentleman for my own personal benefit. If the gentleman has not time to go into it now, however, I will not press it. Just how far along are they with the set-up of this organization from the gentleman's investigation?

Mr. TABER. They have advanced some funds out of their other appropriations, and I think they will be ready to go ahead when they get this money and put the act into operation somewhere around the 1st of April or the 1st of May, depending to a certain extent upon how rapidly this bill goes through the House. The next important item is that for the Social Security Board, on page 10.

Mr. JENKINS of Ohio. Before the gentleman takes up the Social Security Board item, will he tell us something about the Railroad Retirement Board? That is in the same position as the Motor Truck Transportation Act, is it not?

Mr. TABER. No; that is farther along, I would say, in some respects. This is an appropriation, however, only for the operating expenses of the Board. I would say they probably had done almost everything they were supposed to do by this date. I do not think the Interstate Commerce Commission has, perhaps, done everything. They have done nearly everything. I would say that what work they have to do would be amply covered by what we have allowed for them. It does not look as though the Retirement Investigation Commission were going to function. It has been appointed, the Commission has met and organized, but they have done no work whatever; and whether or not there is to be any further enabling legislation which would continue this, no one knows, because, as I understand it, no such report has been brought in to date by the Interstate Commerce Committee.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. MICHENER. As a matter of fact, as a member of that Retirement Commission, I may advise the gentleman that the Retirement Commission met for 2 or 3 days in December, organized, and made a report as required, to the President, and the President is presumed to have transmitted the report to Congress. The Commission is dead, however; it died automatically on January 1, and can do nothing further unless new legislation is enacted.

Mr. TABER. I understand that is the situation.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. WOODRUFF. I notice in the item for "grants to States for old-age assistance", $24,660,000, is provided in this bill. This, I suppose, is for advancement to the States between the time the funds become available and the 1st of July of this year.

Mr. TABER. The time was figured from the 1st of February to the 30th of June.

Mr. WOODRUFF. It would be almost impossible for this bill to become a law prior to February 1.

Mr. TABER. I would think so.

Mr. WOODRUFF. Can the gentleman inform the Committee how many of the States have qualified for this particular appropriation; how many of the States have provided laws under which this money can be advanced?

Mr. TABER. Thirteen States, as I understand it, have filed certificates and documents which would show they were entitled to participate in this fund; and there are probably 16 or 17 additional States from which such a showing is expected.

Of course, frankly, our hearings were held 10 days or 2 weeks ago and many things might have happened since those hearings.

Mr. WOODRUFF. In other words, the gentleman means that the legislatures of some of the States, at least, are now engaged in passing the necessary legislation which will qualify the respective States to receive this appropriation?

Mr. TABER. They are in the process of doing that; yes. It was thought that this was enough money to take care of the matching of all funds that would be provided by those States which might qualify between now and the end of the year for the period in which they would qualify.

Mr. WOODRUFF. This appropriation will become available as soon as this bill is enacted into law?

Mr. TABER. The gentleman is correct.

Mr. WOODRUFF. Can the gentleman inform the Committee how soon approximately after the bill becomes a law the Social Security Board will be able to so arrange its own affairs as to advance this money to the several States? The reason I ask that question is because many of the States are already paying old-age pensions, and those old folks back in the States are looking forward to the day when they will receive the additional money involved in this appropriation.

Mr. TABER. As to those States which have filed their documents with the Commission, and the documents have been approved, I should say there should not be any delay whatever. As to those States which have not filed the documents to qualify them under the act it would depend on how quickly they file them and how quickly the mechanics can be gone through with. I would not think it would take over a week or 10 days to approve any of the qualifying documents where they are in satisfactory shape to be approved. There should be no delay whatever with reference to those 13 States which had been approved at the time the hearings began.

Mr. WOODRUFF. I may say it is my understanding that the State of Michigan was the first State in the Union to qualify for this appropriation.

Mr. TABER. I cannot say as to that.

Mr. WOODRUFF. With that in view, it certainly ought not to be more than 2 or 3 weeks after this bill becomes a law before those old folks back in Michigan are able to secure the money to which they are entitled under this particular section of the bill.

Mr. TABER. There should not be a delay of more than 2 or 3 weeks on account of the operation of the Federal Government. I cannot say how long it will take a particular State to act.

Mr. WOODRUFF. There will not be any delay in Michigan after the State receives the money.

Mr. TABER. I am glad to know that.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. TABER. Does the gentleman desire some information on the same question?

Mr. JENKINS of Ohio. Yes; on the same subject.

Mr. TABER. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. How elaborate is this set-up for the administration of the Social Security Board? In other words, my question grows out of this situation. I do not know how much money has been appropriated heretofore or how far along this Board has gotten with its program.

Of course, we recognize that the Social Security Board has before it a great program which will call for the expenditure of a lot of money. There are many departments and divisions in this Board's work. I for one have never been able to find out, although I have never made a very diligent inquiry to ascertain the fact, as to how elaborate this set-up is now, how far along they are, or how much money they have already consumed.

Mr. TABER. They have consumed some money, but it does not amount to a very large item so far. I have not in mind the amount of money they have used up to this time. If the gentleman from Virginia [Mr. WOODRUM] has that information, I yield to him to answer the question.

Mr. WOODRUM. The Social Security Board so far has had no direct appropriation from the Congress. The appropriation, as the gentleman will recall, was in the deficiency bill which failed of passage. There was an allotment from the Works Progress Administration of $112,000, which they have been operating on until they could get the money provided in this bill.

Mr. JENKINS of Ohio. That is the information I wanted. Has the work of the Social Security Board been hampered seriously by reason of the failure of the deficiency bill?

Mr. WOODRUM. It has undoubtedly been very seriously delayed because they did not have their personnel and the necessary funds with which to operate, but they have made very substantial progress in their preliminary work and are ready to go ahead.

Mr. JENKINS of Ohio. Is there any disposition on the part of the Board to go ahead and experiment or carry forward the work of one of these departments, or one of these divisions, before they undertake the others? For instance, I appreciate that the old-age assistance feature will be the most popular. The demands in connection with that division will be the most imminent and the most immediate. I am in favor of any program which they might have covering the matter of bringing aid to that particular group, but has anything come out in the hearings to the effect that there is not going to be enough money and therefore they will not be able to reach the crippled children or the blind?

Mr. WOODRUM. There has been no discrimination or partiality shown in the program. The preliminary work has been done. State plans have been submitted and many of them have been accepted and approved. On passage of this bill the work will go forward immediately.

Mr. JENKINS of Ohio. I am glad to have that information and to know that the work is proceeding in a fair and impartial manner.

Mr. GIFFORD. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. I want it to appear as a matter of record that the people in those States where they already had an old-age assistance law, when the law was passed before last July, thought they would be entitled to these benefits which were to begin sometime last summer. They were told that a filibuster in the Senate prevented the funds' being raised,

but the funds would be raised, of course, as soon as the Congress came into session. Is it not a fact that many States have increased the old-age assistance during the last several months, expecting Congress when it came into session to appropriate the money and make it retroactive?

Mr. TABER. Well, that I do not know, I am frank to say to the gentleman.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. CHRISTIANSON. Can the gentleman tell us from the information that has been brought out before his committee just how elaborate the administration upon the part of the Federal Government will be? What I mean is whether it will pay this money out to the States upon the certification of the proper State officials or will the Federal Bureau insist upon checking up each individual pensioner certified by the State to determine his eligibility under the Federal legislation?

Mr. TABER. I think there will be more or less checking up, but I think, generally, it will be paid out on the certification of the State.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. VINSON of Kentucky. I think the law is very clear that there will be a lump-sum payment to the State and the State has complete control in determining eligibility and payments thereunder.

Mr. TABER. That is so, provided they have a plan set up which complies with the requirements of the statute.

Mr. VINSON of Kentucky. Yes; but such plan does not have anything to do with control of the State agency as to determining eligibility, the amount to be paid, and all that sort of thing. This is a matter that the State will control under the law.

Mr. CHRISTIANSON. Then it is the gentleman's understanding that the Federal Government, or more specifically the Social Security Commission, will not go back of the facts certified to it by the States?

Mr. VINSON of Kentucky. That is right.

Mr. TABER. They have a set-up in here which would permit them to go into the States and assist them in establishing their set-up and following the matter through to a certain extent. There is a provision here for $1,000,000 for salaries for the Social Security Board.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. HOUSTON. Is there any provision whereby a State that has no old-age pension law whatever can meet the requirements of our national act without ratification by the State legislature?

Mr. TABER. There is nothing in the Social Security Act which permits the payment of anything to any State or to anyone in any State without action by the legislature, which sets up a plan which complies with the requirements of Title I of the Social Security Act, and no payments can be made under the act to any State unless such a plan is previously filed. If they had a plan which did comply entirely with title I of the Social Security Act, they could be paid immediately, whether their legislature was in session or not, as of the 1st of February, but if they have no plan which complies, they could not.

Mr. GIFFORD. I must pursue my inquiry a little further. This act took effect August 14, 1935, and if immediately afterward there were filed by a State a plan which conformed to the provisions of this act, should they not be entitled to repayment from the time they conformed with the act?

Mr. TABER. That is a question I would say would depend on what was fair, everything considered. There is the question on the one side of whether payments should be begun to one State before they are granted to another where the opportunity did not exist as to the other State. I had rather assumed that the Appropriations Committee had gone about as far as it could go when it set up——

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. GIFFORD. I may say to the gentleman that payments to the States for the third and fourth quarters would seem to imply you are enacting a provision here cutting out entirely what may have been due certain States in the second quarter and part of the first quarter.

Mr. TABER. Unless we had that language in the bill no payments could be made for the third quarter, I may say to the gentleman, and we thought the Appropriations Committee was going about as far as it could with legislation in putting in that language. I believe I state the situation correctly.

There are some minor items with reference to the District of Columbia.

There is a large appropriation for soil conservation, amounting to about $6,000,000, going into a total, with the allotments that have been made out of the relief appropriation, of about $27,000,000.

There is a small item with reference to the sea-food inspectors under the Food and Drugs Act.

Then there is the Potato Act. In the Potato Act the Bureau of Internal Revenue proposed to spend out of a Budget estimate of $4,250,000, $1,750,000 to collect from two to three hundred thousand dollars of revenue. They told us this would probably be the annual estimate of what they might collect in tax. When the Commissioner of Internal Revenue went before the Budget, to start with, he asked for a total of approximately $11,000,000 and a force of over 3,000 men to enforce the collection of the potato tax, or 25 percent, as I remember the figures, of the total operating expenses of the Bureau of Internal Revenue. The Budget estimates were based on a set-up, as I recall the figures, of approximately 1,000 employees and, perhaps, an expense for the year of upward of $4,000,000. The committee cut the estimate to $1,250,000 with the idea that this might be the figure for 1936 through the months of February and March.

Frankly, I dissent from that operation. I do not believe that we should appropriate a single cent. I believe that we should wipe out every vestige of that act, because I believe the act is unconstitutional, and from every standpoint, including that of the potato farmers of whom I have a great number in my district, one of the great potato producers of the East, it is objectionable.

Mr. TOBEY. Will the gentleman yield?

Mr. TABER. I yield.

Mr. TOBEY. Will the gentleman allow me to read a statement by the Democratic Governor of Pennsylvania?

Mr. TABER. I will.

Mr. TOBEY (reading):

CHARGES POTATO ACT A REPUBLICAN TRICK

COATESVILLE, PA.—The Federal Potato Control Act was pushed through Congress as a trick of the Republicans to embarrass President Roosevelt, Governor Earle charged at a Democratic rally. Earle said the act was placed in the deficiency bill in the closing days of Congress without the President's knowledge and that it was impossible for him to veto the law because the deficiency bill had to be passed.

Let me say to the Committee and the gentleman from New York that this statement is a gross misrepresentation of the truth. It is an attempt to deceive the people and to create prejudice. The Democratic Party itself is responsible for this bill. It was sponsored chiefly by leading Democrats. The bill had the support of the President. But as far as Republicans being for it, there were only five Republican votes for the measure when it came on the floor of the House, and every Republican member of the House Agricultural Committee but one signed a strong minority report against the bill.

There can be no excuse for such gross misrepresentations, and it only reacts on the Democratic Governor of Pennsylvania, who made this false statement.

Mr. TABER. There has been a failure on the part of the farmers to be willing to put their necks into the noose of the Agricultural Department.

Now there are items for the cotton-price-adjustment payment plan.

Mr. PETTENGILL. Will the gentleman yield?

Mr. TABER. I yield.

Mr. PETTENGILL. With reference to the proposal of the gentleman from North Carolina [Mr. WARREN] for a million dollars to gather statistical information. What is the gentleman's judgment as to the necessity of that?

Mr. TABER. They have all the data that they need. They have the set-up that they want. They want to make an allotment, and unless the allotments are made it is perfectly ridiculous to spend all that money.

There are three or four other items that I have not the time to go into. There is the cotton-price-adjustment payment plan, which will be worked out. I think there will be an amendment offered by the gentleman from Texas [Mr. JONES] providing for the payment of a fund to provide for the situation where there has been a partial performance of A. A. A. contracts by the farmer. There are some other items that I must skip over for want of time. There is the salary and expense of the Bituminous Coal Commission. That is the Guffey Act. I propose when we reach that item to move to strike it out, because I believe that bill, like the Potato Act, is unconstitutional, and we ought not to enforce a law which is manifestly unconstitutional.

With reference to the reciprocal tariffs, there is an appropriation of $30,350 for the purpose of enabling the Secretary of State, without regard to the civil-service laws and regulations, to operate that act and further reduce the duties on agricultural and other commodities in this country. I do not know what the object of the administration is, but certainly the result of these things is bad. The tariff on oats has been reduced from 16 cents to 8 cents per bushel. Today oats are 27 cents a bushel, while a year ago they were between 50 cents and 55 cents. Corn, which went up from somewhere around 40 cents and 50 cents a bushel to $1 a year ago because of the drought, is now around 83 cents a bushel. The tariff upon corn has been reduced from 25 cents to 10 cents. The tariff upon apples has been reduced from 25 cents to 15 cents. The tariff upon strawberries, blueberries, and hay has been reduced so that the market for most of the farmers in the northern section of the country is in danger of being wiped out by these Canadian importations.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. CULKIN. The chairman of the Committee on Ways and Means this morning referred to the present prices of dairy products. Is it not a fact that the effect of tariff reductions under these treaties will not come on for some 3 or 4 months yet? They have just gone into effect.

Mr. TABER. Already they are being felt, and the prices are lower than a year ago, but prices will be terribly depressed by the 1st of May.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. WOODRUM. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. TABER. When this particular item in the bill is reached I propose to move to strike out the $30,350. The items to which I refer represent a very large portion of the controversial items in the bill.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. McCORMACK. Will the gentleman state what is the attitude of New York business on the Canadian reciprocal-trade agreement?

Mr. TABER. I do not know what the attitude of New York City business is.

Mr. McCORMACK. I mean business in general.

Mr. TABER. The general business element is hit in this way: In my own home town we have a branch of the International Harvester Co. In Hamilton, Canada, there is a branch of that same organization. This reciprocal-trade agreement will permit the International Harvester Co. to employ Canadian labor at lower prices and operate their Canadian, Hamilton, Ontario, plant to the exclusion of the one in my home town. That is the way it hits ordinary business in the country part of New York State. As far as New York City goes, as far as the big importers go, I do not know, but this tariff deal with Canada has been made with the idea of practically putting the dairy farmer and the fruit farmer in northern New York and northern Michigan, Minnesota, and Wisconsin on the rocks. On top of that, there are a great many other things in it which will hit the business people, all except the importer. Merchants and traders will be hit, because when the farmer has less income he will have less money to spend in trade. Therefore I do not see how any intelligent New York businessman could do otherwise than oppose this Canadian reciprocal-tariff agreement.

Mr. McCORMACK. I am interested in view of the fact that the editorial comment of New England newspapers, particularly the Republican press, is most decidedly favorable to the Canadian reciprocal-trade agreement. I am curious to have the gentleman's viewpoint.

Mr. TABER. I would say that probably those newspapers have not been well informed on what the thing would do.

Mr. McCORMACK. What, Republican newspapers?

Mr. TABER. I say that as to any newspapers which would make such a statement.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. VINSON of Kentucky. Might I make the further suggestion that the distinguished gentleman from New York scrutinize closely the answer to the first question that was asked him with reference to the effect of the devaluation of gold on the tariff.

Mr. TABER. It depends on what kind of dollars and cents you are talking about.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 30 minutes to the gentleman from Virginia [Mr. WOODRUM].

Mr. WOODRUM. Mr. Chairman, I do not wish to take much time of the Committee, but to answer, if I can, any questions about the bill and to make a few comments on the state of the Union, probably, in passing, insofar as they might reply to some other like remarks which have been made this morning.

First, I reiterate what my colleagues on the committee have said about the absence of our chairman. The illness of Mr. BUCHANAN today is very probably directly traceable to the long and arduous duties performed in the preparation of this bill and other measures coming before the Committee on Appropriations. He knew the bill as no other member of the committee knows it. It provides a lot of money for a lot of different activities, and every activity in its most minute detail had his careful and considered study, and I know that all of us are very happy that he is recuperating, and I ask the indulgence of the House in our feeble effort to take his place.

My very good friend from Massachusetts, Mr. TREADWAY, seemingly felt an impulse to again voice his indignation over the sad plight of the country and to remind the country that he is still today of the opinion that the Democrats have ruined it, spoiling it, I think he said, with the spoils system.

Mr. Chairman, I do not think the Democrats could possibly have spoiled the country, because it was "might' nigh ruint" when we got it.

I say this with a smile to my Republican friends, because I do not get bitter in my partisanship; the only other thing that might have been done by our political adversaries before the Democrats came into power was to have lighted a match to the torch and started the fires burning upon the hilltops of this country. Twelve or fifteen million able-bodied unemployed citizens and 30,000,000 farmers of America would not have supinely, and without protest, submitted very much longer to the economic system fostered by the administration which had then utterly collapsed, and which had brought them into this poverty and destitution. As the President said upon that plaza, "The old order has failed, and a new order must save the country if it is to be saved." [Applause.]

Now, what is the use for Congressmen to come down here in the Well of this House and make political speeches? Our old grandmothers had a saying that sums up the situation: "The proof of the pudding is in the eating of it." Now, what is the use for you to stand here and tell me that President Roosevelt has ruined the country when I can point you to every responsible news sheet that you can find in the reading room today, which will tell you how much better off we are today than we were when the Democrats came into power? [Applause.]

Now, do not make any mistake about the fact that the American people are not going to know that. If some of the acts of this Congress have been declared unconstitutional, some of them which some of you gentlemen on the Republican side, in good conscience and good faith voted for also, it was but evidence of the fact that the legislative and executive branches of the Government were trying to administer the dose and apply the remedy that they thought the people of the country needed. About the Constitution: I believe, with Abraham Lincoln, that the people of this country are going to make the Government what they want it to be, and that as the years come and go they are going to fashion their Government to fit the people, and not try to fit the people to some static form of government. I am still a Jeffersonian Democrat in my belief that it would not be a bad idea sometime to consider the Constitution.

Some of you gentlemen are prone to twit us with quotations from Jefferson. Why do you not remind us of the philosophy of Jefferson who said that the Constitution ought to be revised every 30 years? Now, that would shock you, would it not? That would jar the preserves of some of my friends on the Republican side, if some Democrat would suggest a convention to revise the Constitution. Why do we have to hide behind a bush when we say today that the Constitution, in few fundamental respects, resembles the ancient document first handed to us? Some of our most precious heritages and liberties under that document, as we live under it today, were written there in the amendments placed to it and not by the forefathers.

Mr. PARSONS. Ten of them in a row.

Mr. WOODRUM. Ten of them in a row, as my friend from Illinois interpolates. So let us be about the business which sent us here and try to pass this legislation and adjourn Congress, and then go out on to the hustings in a good sportsmanlike way and try to convince the country, if we can, as to which party is entitled to leadership in the years to come.

The gentleman from Missouri [Mr. COCHRAN] spoke to you about the Civil Service Commission and the merit system. He mentioned the fact that a great many people had been employed outside of the civil service. That is probably true. I believe, as I stated a few days ago, in the merit system, but I venture this suggestion, that if you go down into the several departments where they are performing work, and many of them are working day and night trying to carry out the duties that this Congress has laid at their door, you will find as much efficiency and as much patriotic loyalty in the people who are working there as you will find anywhere, irrespective of whether they have been certified by the Civil Service Commission or not. If the Civil Service Commission had undertaken to hold long, complex examinations, with their mental tests and their psychological tests and their thousand other kinds of tests, for all of these temporary employees that there are here in Washington, we would have been appropriating billions instead of a few hundred thousand dollars for the Civil Service Commission.

The gentleman from Missouri particularly mentioned The National Archives. The gentleman from Michigan [Mr. MICHENER] mentioned the fact that when the original appropriation was up a year or two ago that provision was placed in the law. It may be, and it ought to be, I might say, that down in The National Archives you will find more Democrats than Republicans; but, if that is true, Mr. Chairman, it is no more true than the fact that over at the Congressional Library across the Plaza the Republicans are more largely represented. You have heard of the proverbial camel and the needle's eye. Try to find a Democrat in the Congressional Library or get one in there. Aside from that, those two kindred organizations have never been regarded as political spoils of either party; and I agree to that. A few years ago, when an effort was being made by one of our colleagues in this House, and on my side of the aisle, to pass a resolution putting the Congressional Library on political patronage, I, along with many other Members on my side of the aisle, opposed it and helped to defeat it, because it is a high-class organization of specially trained people, who should be selected for their fitness for the positions and not be made the football of either political party, no matter which is in power.

Now, gentlemen, as far as this bill is concerned, let me say a few words. I do not want to consume the time of the committee. Of course, as we know, this is the reincarnated spirit, we might say, of the bill H. R. 9215, which had such a spectacular and sad ending in the Senate of the United States.

A lot of things have happened to this legislation since then. It carried at that time a total of $103,272,705.94. It carries today $58,204,100.44, or a total gross reduction in the amount of the bill, taking out two new items which are in it now which were not in it then, of $47,708,375.50.

You will find in the report, if you are interested to look at it, on page 3, two very illuminating statements which thoroughly explain the make-up of the bill. You will find, of course, that by far the major item in this amount of $58,000,000 is the matter of $42,664,500 for the Social Security Act. You will find, then, one or two other major items running over a million dollars. The item for the Soil Conservation Service calls for $6,284,000. This item was $13,000,000 in the bill which failed of passage in the Senate, but by the use of allotments and some curtailment of the program this particular item has been reduced to $6,284,000.

You will find, then, for the enforcement of the Potato Act, which will shortly be laid in your lap for your careful and tender consideration and disposal, the sum of $1,250,000; for the interstate-commerce regulation of motor vehicles $1,035,000, which I may say is just about half what the Interstate Commerce Commission and our distinguished fellow colleague the gentleman from Texas [Mr. RAYBURN] think will be sufficient or adequate to carry that law through, but the committee wanted them to start on a conservative basis, and we cut them down to this extent.

The gentleman from Texas [Mr. JONES] will offer an amendment, so I am informed, appropriating $296,185,000, making it available to the Agricultural Adjustment Administration for the purpose of enabling them to make the payments to the farmers who had in good faith complied with the A. A. A. contracting program up to January 6, 1936, which was the effective date of the Supreme Court decision. There are a great many other items in the bill which I have not time to discuss. There has been a lot of debate on the bill, and I imagine there will be a lot more debate under the 5-minute rule.

A question was asked regarding the Social Security Act. May I say to my colleagues that the medical profession have a method of treatment that is oftentimes very effective, which they speak of as counter-irritation. If you have a pain in a certain part of your anatomy, by creating a pain on the outside through the application of an irritant, you can often divert the pain that is troubling you. A very eminent physician, one of my guests, is in the gallery today and is probably laughing at my feeble explanation of this method, but here is what I am thinking about: There is so much discussion now about plans for pensions for old age, and Congress is being importuned to provide them. In heaven's name, gentlemen, have we not done it? Can you not say to your costituents that we have passed an act which provides a pension, that it is on the statute books, that Congress is appropriating the money? Can you not wire back home tonight to some of your constituents, "I am happy to say to you that I voted today for $42,000,000 to help pay old-age pensions and relief of dependent children, and as soon as the machinery is put into operation the checks will go to you"?

That is a fact, that is real, that is not something to happen in the future held out to you as a bait. Of course, it is not $200 a month; it never will be $200 a month. Nobody who advocates such a thing believes it possible of accomplishment, but it is a plan economically sound that can be carried out, that can be justified, that can be paid for out of the revenues of the Treasury. The plan is before the Congress for such reasonable revision from time to time as they may wish to make.

So may I throw out this little bit of solace and consolation to those of my colleagues who are troubled about this particular matter of providing for the old folks at home: We have provided for them. One of the crowning acts, one that will go down in history as a great act of the great President who is now in the White House, is the Social Security Act, which provides a sane and economically sound method of approaching this sociological problem. [Applause.] So let us use the old medical idea of a little counter-irritation. The more they talk about $200 a month, let us speed up the machinery that will bring these little checks in to the people, that will afford the most of them an adequate and a reasonable pittance in their old age.

Mr. PETTENGILL. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. PETTENGILL. The amendment to be offered by the gentleman from Texas [Mr. JONES] is very important. I wondered if the gentleman would not take time to read it and to give us his views on it in advance of its being offered under the 5-minute rule.

Mr. WOODRUM. I want to be perfectly frank. I confess to my distinguished friend from Indiana that I have not seen the final draft of the amendment. The gentleman from Texas, an authority on the subject, as we all recognize, has given much thought and study to this problem, and when the time comes I am sure we shall be liberal enough to give him ample time to explain the amendment that the House may fully understand it.

I think it has been shown to the gentleman from New York [Mr. TABER].

Mr. TABER. Does the gentleman from Indiana mean the one with reference to the A. A. A.?

Mr. PETTENGILL. Yes.

Mr. TABER. If the gentleman from Virginia will yield, I think I can tell him what it provides. The amendment provides for payment to those who have made A. A. A. contracts of the amount that the contract calls for where there has been performance on the part of the farmer.

Mr. PETTENGILL. May I ask: Does it apply to crops already in the ground or to crops hereafter to be put in the ground under contract?

Mr. TABER. Only where there has been performance on the part of the farmer.

Mr. PETTENGILL. Does the gentleman mean complete performance or partial performance?

Mr. TABER. It would have to be partial performance.

Mr. WOODRUM. Prior to January 6.

Mr. TABER. Prior to January 6, 1936. It does not relate to any new contract at all. I may say that the gentleman from Texas, at my suggestion, incorporated in the amendment language which I believe will make it absolutely certain that nothing is going to be paid to anyone who had not at least partially performed his contract prior to the 6th of January.

Mr. PETTENGILL. I am thoroughly in accord with the moral obligation of the Government to the farmers under those contracts, provided it does not apply to future plantings.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Minnesota.

Mr. CHRISTIANSON. I presume the gentleman from New York means that a farmer who is in the business of raising winter wheat, who has sold his wheat for 1936 and who has kept the amount of his acreage down to what the contract calls for, will be entitled to receive benefits under this appropriation?

Mr. TABER. There is no question whatever about that.

Mr. WOODRUM. Mr. Chairman, I yield back the remainder of my time and ask that the Clerk read the bill for amendment.

The Clerk read as follows:

Public printing and binding: For the printing and distribution of the Federal Register and such documents as may be required to be printed and distributed by the Division of the Federal Register during the fiscal year 1936, in accordance with the provisions of Public Act No. 220, Seventy-fourth Congress, approved July 26, 1935, $100,000: *Provided*, That the provisions of section 2 of the Federal Register Act shall become effective 30 days after said appropriations become available, and the publication of the Federal Register shall begin within 2 business days thereafter.

Mr. TREADWAY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I desire to make an inquiry rather than indulge in a criticism in reference to an item we have just passed. This has to do with the House restaurant. May I inquire whether any effort has ever been made in connection with the House restaurant to lessen the noise of rattling dishes, floor noises, and so forth? It seems to me it is a question that has to do with the acoustic properties. It is perfectly terrible at noon to go down into that room with the idea of getting a meal there in view of the hubbub and noise which exists. You do not find that in any other restaurant, and I think the fault lies in the room itself.

Mr. WOODRUM. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Virginia.

Mr. WOODRUM. I think the gentleman has raised a very interesting question that should undoubtedly be disposed of by the Congress. I shall be glad to join the gentleman in such resolution if the gentleman thinks it is constitutional. I am afraid, however, it might be one of those that might be attacked on the ground of constitutionality. If the Members make too much fuss when they eat their soup——

Mr. TREADWAY. It is not that kind of a noise. [Laughter.]

Mr. WOODRUM. I am afraid we might run into a constitutional question.

Mr. TREADWAY. It is not that kind of a noise. Undoubtedly the gentleman from North Carolina [Mr. WARREN] can give us some enlightenment, and I yield to him.

Mr. WARREN. I may say to the gentleman from Massachusetts that Mr. Lynn, the Architect of the Capitol, has been making an investigation. This appropriation is to recondition the kitchens and does not provide anything for its maintenance.

Mr. TREADWAY. The gentleman knows my anxiety about economies. I am wondering if a little larger sum should be added it would permit of taking care of this room where people eat as well as taking care of the room where the food is prepared for them? I am serious in this inquiry, and I think my colleagues will agree it is very objectionable to have to eat in such a noisy place.

Mr. WARREN. The trouble is there is not a proper space down there for conducting a restaurant. I do not know where we could get more room. We have studied that time after time. The restaurant is confined to cramped, small quarters, and the gentleman knows that they are rushed to death for about 2 hours every day. However, the Architect is looking into the whole question.

Mr. TREADWAY. I am very glad to have that report.

The pro-forma amendment was withdrawn.

The Clerk read as follows:

Salaries and expenses: For three Board members, and for all other authorized and necessary expenditures of the National Labor Relations Board in performing the duties imposed by law or in pursuance of law, including rent and personal services in the District of Columbia and elsewhere, repairs and alterations, communications, contract stenographic reporting service, office supplies and equipment, law books, books of reference, newspapers, periodicals, and garage rentals, fiscal year 1936, $275,000: *Provided*, That the Board may procure supplies and services without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) when the aggregate amount involved does not exceed $50.

Mr. CONNERY. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CONNERY: On page 7, line 21, after the figures "1936", strike out "$275,000" and insert in lieu thereof "$375,000."

Mr. CONNERY. Mr. Chairman, I have been in communication with the National Labor Relations Board, and they seem well satisfied with their appropriation for the coming fiscal year; but they state that between now and July 1, with the number of cases they have coming into their regional offices, they will not be able to take care of them expeditiously unless they get more than the $275,000 allowed in this bill.

The average regional office contains three people—a director, an attorney, and a stenographer.

Take, for instance, Boston. The office at Boston takes care of all the New England States, and they have, I believe, four people instead of three, because they have an assistant there. They have to take care of all the cases which come before this regional board from New England with four people. In Atlanta, since last October, there have been a number of cases filed, and up to December last no action taken on such cases, because they have not had the help to consider the cases brought to them, including complaints brought in from labor organizations and from employees of different factories who have filed complaints with the regional board.

I do not think we are asking for much in requesting $100,000 to take care of this organization between now and July 1, when they will receive their regular appropriation for the coming fiscal year.

Labor is looking to this Board for relief. You have been reading in the papers about various injunctions. One injunction was granted out in Kansas City, and in the last 2 or 3 days we have had three injunctions against labor refused.

This is going to be a vital issue before the country. I think these offices should be well manned, and we should have more than three or four people in each one of these offices to take care of the cases filed with them. They have lawyers in these offices and some of them have cases involving reports of 1,000 pages, with practically no one to take care of them. Three people cannot take care of an office that has to provide for six different States. They must have help if we are going to make this law one that will function. I do not think any Member of the House wants a skeleton organization of three people to take care of any complaints you may have in your district or in your State. If you turn over to this Board a complaint from the employees of a factory, you expect to get results, and you do not want to have just three people handling the entire territory so that you will have to wait 3 or 4 months, in many instances, before you can get any relief whatever.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. DUNN of Pennsylvania. Does the gentleman believe that the amount he has asked for will be sufficient?

Mr. CONNERY. Yes; they believe $100,000 will take care of them until July 1, but I believe it is absolutely necessary for the Board to have this money if it is to function properly. Of course, it can go along in a slipshod manner, but if you file a complaint you will have to wait for 3 or 4 months, and we do not want that kind of administration, because the workers will then say that the Government is simply gypping them; that the Government will give funds for all other departments but is not willing to give sufficient funds to take care of this law which we have passed.

Mr. CURLEY. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. CURLEY. Has the gentleman any idea of the number of complaints that have been filed with the National Labor Relations Board to date?

Mr. CONNERY. I know there have been a great many, but I do not know the exact figure.

Mr. CURLEY. As a matter of fact, there have been so many complaints filed that the personnel now allotted to the National Labor Relations Board is totally insufficient for it to function properly.

Mr. CONNERY. Absolutely. We have cases in Massachusetts before the Board in Boston and they cannot even look at them, let alone go out and have their attorneys appear in court and defend them against injunctions that are being brought by your John W. Davises and some more of your big corporation lawyers. If the Government is to defend these cases and make this law function properly, they have got to have money and they have got to have well-trained people in these offices who can prosecute and defend these cases for the Government.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from New York.

Mr. MARCANTONIO. As a matter of fact, for the period ending the 28th of December 1935, there were 287 cases pending with which the Board was unable to cope due to insufficient help.

Mr. CONNERY. They cannot handle these cases because they have not the help, and I believe the Congress wants the Board to function as it wants other boards of the Government to function. The Board tells me they need $100,000. Of course, when they go before the Appropriations Committee they are tied, because the Budget gives them a certain amount and they are not supposed——

[Here the gavel fell.]

Mr. CONNERY. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CONNERY. They are not supposed, in fact, they are not allowed, to go before the Appropriations Committee and say that this is not enough money for them. The Budget allows a certain figure and they are supposed to stand by that figure. However, they actually need this money in order for the Board to function properly, and I hope the House will pass the amendment. [Applause.]

Mr. WOODRUM. Mr. Chairman, there is no disposition on the part of the Appropriations Committee or the Budget to do more with the Labor Relations Board than it tries to do with every other agency of the Government, especially a new agency, and that is to insist that it grow and develop and build up its organization slowly and conservatively.

My friend is in error when he says they cannot come before the Appropriations Committee without having their hands tied. They do come before the Appropriations Committee, and in this particular instance, this very matter was discussed.

Mr. CONNERY. I do not mean they cannot come before the Appropriations Committee, but they are gagged when they do appear before the committee.

Mr. WOODRUM. No; they are not gagged in any sense of the word. They are not supposed voluntarily to suggest that they have had a budget cut, but, as chairman of the committee—and I think every other subcommittee does the same thing—we ask them how much they requested of the Budget, and, invariably, we found during the consideration of this bill that the Budget has cut these bureaus from 25 to 60 and 70 percent, but did not cut the Labor Relations Board a nickel.

My friend also states that they are satisfied with the appropriation for 1937, which our committee has given them and which the House has passed. I call his attention to the fact that that appropriation gives them $60,000 a month. The appropriation which we give them in this bill for the remainder of this fiscal year amounts to a little over $60,000 a month. We deliberately gave them for the remainder of the fiscal year the pro-rata part of what they will have for the next fiscal year.

Now, give them $100,000 more for the period from now until July next, and what happened? They have $20,000 a month more between now and July 1 to build up personnel, and what happens to them on July 1? When their annual



appropriation comes in they must, of necessity, reduce personnel.

Mr. CONNERY. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. CONNERY. When they came for the appropriation for the coming fiscal year they did not know these hundreds of cases coming in. They are in now and they want this money to take care of them.

Mr. WOODRUM. The Board of Tax Appeals, the Securities and Exchange Commission, the Interstate Commerce Commission—everyone brings you a docket of thousands of cases—get down on their knees and beg for more money and personnel that they may bring their work up to date. We are doing with the National Labor Relations Board just what we are doing with others, giving them ample appropriations to begin functioning, and experience shows that their work will be provided for because Congress will be here and can appropriate for them.

The committee has no desire to hamper the work of the National Labor Relations Board, but we do want them to go conservatively and safely in order that we may all fulfill our obligations and hold down the department expenditures of the Government.

Mr. MARCANTONIO. Mr. Chairman, I move to strike out the last word. Gentlemen of the Committee, there is one phase about the situation with regard to the National Labor Relations Board which many of us seem to underestimate or entirely disregard.

That is, that throughout the country there is a concerted drive being made against the National Labor Relations Board and against the Wagner-Connery Act.

This drive is being conducted on all fronts. First, a committee of 86 lawyers, substituting themselves for the Supreme Court, declared the law to be unconstitutional. Then the Liberty League did the same. Only the other day the Associated Press through its counsel, John W. Davis, declared the law unconstitutional in a United States district court.

Thus you can readily see the great need that this Board has for appropriations, in order to adequately meet the onslaught of its powerful enemies I have just enumerated. Then, also, there are hundreds of cases piling up before it. If labor is to have the relief provided for in the Wagner-Connery Act, speedy disposition of these cases is of the essence.

This is a critical period for the Wagner-Connery law. Friends of labor—that is, real friends of labor—should not hesitate a moment in granting this additional $100,000 so that the National Labor Relations Board may effectively fight against these odds.

Mr. CONNERY. Will the gentleman yield?

Mr. MARCANTONIO. I yield.

Mr. CONNERY. The 86 lawyers the gentleman refers to last summer were prejudiced and declared against the Wagner-Connery bill, and you cannot fight John W. Davis with the present personnel in the National Labor Relations Board unless you give the Board an opportunity to sit down and function. They say they absolutely need this money.

Mr. MARCANTONIO. That is a correct statement. As I say, the issue is simple. We either want the Wagner-Connery law to be enforced or we do not. We are either friends of this legislation or we are not. If we want even this small relief for labor carried out the only thing to do is to give the National Labor Relations Board the proper instruments with which to fight, sufficient appropriations to obtain adequate personnel so as to expedite the disposition of pending cases and to obtain necessary legal talent to defend the act from the onslaught of Bourbons. This legislation is being tested in practically every district court in the United States today where industry is doing business.

Mr. DOCKWEILER. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. Yes.

Mr. DOCKWEILER. I am in sympathy with the Labor Relations Board and its efforts, but I want to know whether the gentleman is making this request for this amendment because he has received communications from organizations of labor for this additional $100,000, whether they had a chance to appear before the committee and present their case, or whether the gentleman is asking this because he desires it or because it is needed and he has heard that it is needed.

Mr. MARCANTONIO. I am asking for it for two reasons: First of all, the chairman of the Labor Committee communicated with the National Labor Relations Board and it made the request. Second, because of the accumulation of cases of which I know. Imagine! For the week ending the 28th of December 1935 there was an accumulation of 287 cases. That alone substantiates the need for sufficient appropriations for the National Labor Relations Board to carry on its work and its fight. Of course, the enemies of the Board—the enemies of the Wagner-Connery Act—will vote against necessary appropriations; but I appeal to every friend of the Wagner National Labor Relations Board and every friend of the Wagner-Connery law to stand by this amendment so as to give this Board a real opportunity to do its work and effectively fight the enemies of the Wagner-Connery Act.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TABER. Mr. Chairman, I rise in opposition to the pro-forma amendment. The Committee on Appropriations went into this matter very fully. They listened very patiently for a long time to the members of the Board. The situation is something like this: A number of cases are pending where the constitutionality and the construction of the act is under consideration, but every one of those cases is tried and argued by representatives of the Attorney General's office, and while there is some preliminary work to do in getting this stuff together and preparing it for the Attorney General's office, the trial work and the argument—the men who go up against the lawyers representing those who are trying to throw out of existence the National Labor Relations Board—is done by men who are representatives of the Attorney General's office and not of the National Labor Relations Board.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. MARCANTONIO. Is it not a fact that the preparation of those cases before they get to the Attorney General's office must all be done by attorneys of the National Labor Relations Board?

Mr. TABER. Yes; but that is not a matter which requires such highly skilled attorneys as those who go into court and go up against the big lawyers on the other side, and those men are provided for in the Attorney's General's office.

Mr. CONNERY. But in those preliminary hearings before the cases get to the Attorney General's office, in all of these hearings where the manufacturers and labor come in, the work must be done by their own lawyers.

Mr. TABER. In the preliminary hearings, yes; but the only case where they have to go up against important lawyers, high-priced lawyers on the other side, is in the courts where the Attorney General represents the Government. After very careful consideration of this item, the Budget presented an estimate of $275,000. The committee was unanimous in feeling that $275,000 was sufficient to permit this Board to properly function during the remainder of the fiscal year. It was on a basis fully as large as is provided for next year, and that went through on the independent offices appropriation bill without a struggle. It does not seem as if we ought unnecessarily to add to the burdens of the Government here.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. WOOD. Mr. Chairman, I move to strike out the last two words. This appropriation for the National Labor Relations Board is in an entirely different category from the appropriations for most any other department. There is more involved in this appropriation than there is in almost any other appropriation. There is a human element involved

in this. There is the matter of human freedom, which ought to be considered above all else. As the committee hearings reveal, on December 28, 1935, there were 278 cases that were not closed. They were on hand, and Mr. Madden, of the Board, testified that up to that time they had finally disposed of only 159 cases. There are pending 278 cases, nearly twice as many as they have finally disposed of. There is more involved in this than just a few people. Involved in those 278 cases are thousands and thousands of workers. They filed their cases months ago. In some instances they have been waiting 2 and 3 and 4 months, practically since the National Labor Relations Board was established, to have their cases adjudicated. In the interim there has been a good deal of suffering, and there is a great deal of conjecture on the part of the workers as to whether this Labor Relations Board or the law creating it is merely a gesture by the majority party or whether we made a real attempt to set up machinery that would protect the workers in their right to organize. The question of freedom is connected with this appropriation.

Mr. CONNERY. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. CONNERY. The gentleman spoke of the question of suffering. In the Lion Shoe Co. in my city they have been on strike for the right to organize. They have received no wages. Their families have suffered. That applies in many other instances also.

Mr. WOOD. Yes. That is the case in many instances.

Mr. ELLENBOGEN. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. ELLENBOGEN. The gentleman from New York [Mr. TABER] is not correct when he says that the attorneys of the National Labor Board do not go into court. Under the Wagner-Connery Act the attorneys for the Board and not the attorneys attached to the Department of Justice must go into court and defend the act.

Mr. WOOD. The Labor Relations Board is asking for this $100,000. That is a very small amount of money when we consider the element that is connected with this appropriation. It is a matter of the freedom of the workers to organize. We attempted to do that in the enactment of the National Recovery Act. You all know what a tremendous battle ensued upon section 7a of that law. The law never was permitted to function property. Now, if we are going to give the workers that right, if we really intend to give them that freedom of action to organize and to bargain collectively, then we certainly do not want to hamper the administration of this law by cutting the appropriation so low that these 278 cases will have to continue on for months and months. I think we ought to expedite every case we can and let the worker know, so that he will have some notion as to whether he is going to be considered under the national labor relations law, and when.

[Here the gavel fell.]

The pro forma amendments were withdrawn.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. CONNERY].

The question was taken; and on a division (demanded by Mr. WOODRUM) there were—ayes 40, noes 51.

Mr. CONNERY. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed Mr. CONNERY and Mr. WOODRUM to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 51, noes 64.

So the amendment was rejected.

Mr. CONNERY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CONNERY: On page 7, line 21, after the figures "1936", strike out "$275,000" and insert "$325,000."

Mr. CONNERY. Mr. Chairman, having lost out on the amendment which I offered, for $100,000 increase, I am trying to get $50,000 now instead of $100,000. I think that should be a fair compromise with the Members of the Committee. Fifty thousand dollars will be some help to us in any event and help to take care of these cases which have accumulated before the National Labor Relations Board.

Mr. O'MALLEY. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. O'MALLEY. Only the other day they had before this Congress a bill to appropriate $125,000 to encourage foreign travel in the United States. It would be a strange thing if we could not raise this $50,000 to help make the Labor Board effective for the workers who are American.

Mr. CONNERY. My friend [Mr. O'MALLEY] is absolutely correct.

Mr. PETTENGILL. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. PETTENGILL. Does not the gentleman think that the more expeditiously these cases are decided, whatever their merits may be, the better will be industrial relations?

Mr. CONNERY. Yes. I agree with the gentleman absolutely. The purpose of the Wagner-Connery bill was to bring about harmonious relations between employers and employees. The sooner these cases are settled and off the docket the better it will be.

I spoke about that shoe company in my own city. The workers have been on strike, fighting for their right to organize in their own union. They are out on the streets; they have been throwing stones at strikebreakers; they have the police up there outside of that plant right now. We could do away with such happenings quickly if we could settle these cases quickly. That is what I am after. We want them to have sufficient personnel to take care of these cases promptly.

Mr. FORD of California. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. FORD of California. Is not this opposition largely a matter of attempting to cripple the Labor Relations Board?

Mr. CONNERY. Does the gentleman mean as indicated by the votes in the House today?

Mr. FORD of California. No; I mean the general opposition.

Mr. CONNERY. Oh, yes. I would not say the vote in the committee indicates that, as it is only natural that the members should want to stand by the committee; but all these suits which are brought are simply to cripple that Board and wipe out of existence the Wagner-Connery bill, because it means a fair deal for labor in industrial relations.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. MARCANTONIO. As a matter of fact, the law provides that the National Labor Relations Board must take these cases into court?

Mr. CONNERY. Yes. Their own attorneys take the cases into court, and all the points involved are touchy points. I have found in my dealings with the Labor Relations Board that they are trying to be just and fair. They will not issue an order unless they are convinced that the case is a clear one for their jurisdiction. They are trying to function conscientiously and ably, and I do not think they should be hamstrung by lack of appropriations. I think we ought to give them at least this $50,000 to aid them in trying to clear up these cases.

Mr. CURLEY. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. CURLEY. If we try to economize on this question now it will cost the country a great deal more later on, will it not?

Mr. CONNERY. Yes. I will say to my friend from New York [Mr. CURLEY], the new member of our Labor Committee, that it will cost more than money, it will cause bloodshed, strife, and untold suffering to the workers of the country.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 2 minutes.

Mr. KNUTSON. Mr. Chairman, I offer an amendment to make it 1 minute.

Mr. WOODRUM. I will accept the amendment. [Laughter.]

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia that all debate on this paragraph and all amendments thereto close in 1 minute?

There was no objection.

Mr. WOODRUM. Mr. Chairman, a few days ago we passed in this House, without one word of protest from all of these gentlemen who are appearing here today, a bill giving this agency $60,000 a month for the next fiscal year. No one has explained here today, nor can they explain why it would be desirable to give them more, proportionately, for the balance of this fiscal year than they are going to have the next fiscal year. All of this stuff about this being some effort to try to cramp the Relations Board or that it is a gesture against labor is "baloney", in the language of a certain statesman from New York. [Applause.] We are going to treat this Board like all other agencies; give them enough money to function, but make them hold down their personnel and conduct their business in an efficient, economical manner.

I ask for a vote, Mr. Chairman.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Massachusetts [Mr. CONNERY].

The question was taken; and on a division (demanded by Mr. CONNERY) there were—ayes 37, noes 74.

So the amendment was rejected.

The Clerk read as follows:

Printing and binding: For all printing and binding for the National Labor Relations Board, fiscal year 1936, $15,000.

Mr. FISH. Mr. Chairman, I move to strike out the last word, the amount, $15,000; and I use this word merely as a vehicle for my remarks.

I have just received a letter from former Congressman W. E. Evans, of California, pointing out that the widow of Mr. Charles F. Van De Water, who was elected to Congress but who was killed in an automobile accident a few days after his election, has been discriminated against because she has never received any of the compensation usually given to the widows of former Congressmen.

Mr. BANKHEAD. Mr. Chairman, I make the point of order that the gentleman from New York is not in order, that his statements do not relate to the paragraph he sought to amend.

Mr. FISH. I may point out to the gentleman from Alabama that this bill carries two or three items for similar purposes.

Mr. BANKHEAD. But those items are not carried in the paragraph the gentleman sought to amend.

Mr. FISH. But they are in the bill.

Mr. BANKHEAD. Mr. Chairman, I make the point of order that the gentleman's remarks must be directed to the amendment offered, under the rules of the House.

The CHAIRMAN. Does the gentleman from New York desire to be heard on the point of order?

Mr. FISH. Yes; Mr. Chairman, I should like to be heard on the point of order.

Mr. BANKHEAD. I shall have no objection, Mr. Chairman, if the gentleman secures permission to proceed out of order, if such a request is in order.

The CHAIRMAN. The Chair is of the opinion that such a request would be in order.

Mr. DUNN of Pennsylvania. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DUNN of Pennsylvania. Cannot the gentleman from New York ask unanimous consent to present the matter he desires?

The CHAIRMAN. The gentleman from New York has that right, but he has not exercised it.

Mr. FISH. I have not exercised it. I want to be heard by the Chair.

Mr. Chairman, it has been the general practice that the Member who moves to strike out the last word may speak upon any topic in the bill. The subject to which I address myself is in this bill, for provision is made on the second page for payment to the widows of three former Members of Congress. I think there should be general latitude in a ruling by the Chair on a proposition of this kind.

I have stricken out the amount, $15,000. I am asking for only $7,500. Certainly on this basis the Chair should grant me some latitude in this matter.

The CHAIRMAN. The Chair is ready to rule. The gentleman is aware, of course, that certain practices are sometimes indulged in by general consent but if a point of order is made against them, the point of order must be sustained. Debate under the 5-minute rule must be confined to the paragraph under consideration. The paragraph here under consideration relates to the National Labor Relations Board. The gentleman's remarks do not, apparently, refer to this subject matter. The point of order is, therefore, sustained.

Mr. FISH. Mr. Chairman, I ask unanimous consent to proceed out of order for 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. HOOK. Mr. Chairman, I object.

The Clerk read as follows:

ONE HUNDRED AND FIFTIETH ANNIVERSARY OF THE FORMATION OF THE CONSTITUTION

To carry out the provisions of the joint resolution entitled, "Joint resolution providing for the preparation and completion of plans for a comprehensive observance of the one hundred and fiftieth anniversary of the formation of the Constitution of the United States", approved August 23, 1935, including payment of obligations heretofore incurred for salaries and expenses, fiscal year 1936, $10,000.

Mr. RICH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, may I say to the Members of Congress in connection with this proposed celebration of the one hundred and fiftieth anniversary of the writing of the Constitution, that marvelous document written by the great Democrat, Thomas Jefferson, that I do not know anything we could better celebrate or more appropriately celebrate than the anniversary of the writing of the Constitution of the United States. I feel that the Members of Congress should study this document, that the Members should give consideration to every bill that comes before them to the end that we do not pass laws that are contrary to this Jeffersonian document. If in tomorrow's RECORD you will read the speech of a former colleague of ours, James Beck, of Pennsylvania, you will learn a great lesson.

If there is one thing that should be done today by all Americans from the highest official to the lowest citizen, that thing is first to study the Constitution. Then those who hold public office should respect it according to the oath and obligation they have taken.

Mr. FORD of California. Mr. Chairman, if the gentleman will yield, what did Jefferson have to do with the Constitution?

Mr. RICH. He was a man who obeyed the Constitution. He was different than the Democrats of the present day. [Laughter.]

Mr. FORD of California. In some respects he did more to disregard it than any other man in America.

The CHAIRMAN. Without objection, the pro forma amendments will be withdrawn.

There was no objection.

The Clerk read as follows:

Salaries and expenses, Social Security Board: For all authorized and necessary administrative expenses of the Social Security Board in the District of Columbia and in the field, including field offices, in performing the duties imposed upon it in titles I, II, III, IV, VII, IX, and X of the Social Security Act, approved August 14, 1935, including three Board members, an executive director at a salary of $9,500 a year, a director of the old-age benefits division at a salary of $9,000 a year, and other personal services in the District of Columbia and elsewhere; travel expenses, including expenses of attendance at meetings which in the discretion of the Board are necessary for the efficient discharge of its responsibilities; supplies and equipment; services; newspapers, periodicals, and press clippings; law books and other books of reference; alterations and repairs; printing and binding; rentals in the District of Columbia or elsewhere; purchase and exchange, not to exceed $7,500, operation, maintenance, and repair of motor-propelled passenger-carrying vehicles to be used only for official purposes in the field service, fiscal year 1936, $1,000,000, of which sum such amount as may be necessary shall be available for payment of

salaries of the Board members from and including the respective dates upon which they officially assumed duty as such members, and for all other administrative expenses heretofore incurred during the fiscal year 1936 in the administration of all of such titles.

Mr. MONAGHAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MONAGHAN. Am I right in presuming that an amendment incorporating the provisions of the McGroarty bill, otherwise known as the Townsend plan, would be held not germane at this point?

The CHAIRMAN. The Chair is not prepared to rule upon the amendment until it is offered.

The Clerk read as follows:

Smoke regulation and control: For personal services, equipment, instruments, supplies, transportation, and other contingent expenses necessary for the enforcement of the act entitled "An act to prevent the fouling of the atmosphere in the District of Columbia by smoke and other foreign substances, and for other purposes", approved August 15, 1935, fiscal year 1936, $6,250.

Mr. MONAGHAN. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. MONAGHAN: On page 13, line 11, after the figures, insert a new paragraph to read as follows:

"DEFINITIONS

"The term 'transaction' for the purposes of this act shall be defined so as to include the sale, barter, and/or exchange of either or both real or personal property, including any right, interest, easement, or privilege of commercial value therein or related thereto, whether actually made at the time or only then agreed to be made and whether under executed or executory contract or otherwise; also including all charges for interest, rent commissions, fees, and any other pecuniary benefit of any kind directly or indirectly derived from or for any loan, deposit, rental, lease, pledge, or any other use or forbearance of money or property; and also including the rendering or performance of any service for monetary or other commercially valuable consideration, whether by a person or otherwise, including all personal service, also transportation by any means, and telephone, telegraph, radio, amusement, recreation, education, art, advertising, any public utility, any water rights, and/or any and all other service of any and every kind whatsoever, but excepting and excluding therefrom any single isolated transfer of property of fair value less than $100 which does not arise or occur in the usual course of an established commercial business and excluding any loan, deposit, withdrawal from deposit, hypothecation, or pledge of property or money.

Mr. WOODRUM. Mr. Chairman, I desire to make a point of order against the amendment. As I understand, the amendment offered by the gentleman in substance is the Townsend pension plan. I do not know whether there is any significance to the fact the gentleman offers this amendment at the end of the smoke regulation and control section or not. It seems to me that is a very appropriate place to offer it. Of course, I do not mean any offense to the distinguished gentleman from Montana, but I do make a point of order against the amendment.

The CHAIRMAN. The Chair is ready to rule.

It is quite evident that the amendment offered is new legislation, which is not in order in connection with an appropriation bill; therefore the point of order is sustained.

Mr. O'MALLEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. O'MALLEY. Has the Clerk concluded the reading of the section dealing with the Social Security Board? I did not hear the last word in that section. I did not hear the Clerk conclude the reading of the entire section with reference to the Social Security Board. I wish to offer an amendment to the section.

Mr. WOODRUM. The Clerk has read that section.

The CHAIRMAN. The Clerk has read down to and including line 11 on page 13.

Mr. O'MALLEY. Mr. Chairman, I ask unanimous consent to return to the section dealing with the Social Security Board in order that I may offer an amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. WOODRUM. Mr. Chairman, I do not like to be discourteous to the gentleman from Wisconsin, but I cannot consent to return to sections we have passed. If that is done in one instance, the gentleman knows very well that others will come in tomorrow with amendments to previous sections. I am therefore forced to object.

Mr. O'MALLEY. We have only gone one paragraph beyond that section.

Mr. WOODRUM. I have no objection to the gentleman making a statement in reference thereto, if he so desires.

Mr. O'MALLEY. I wish to offer an amendment on the salary provision for the director of old-age benefits in the District of Columbia.

Mr. WOODRUM. Mr. Chairman, I object.

The Clerk read as follows:

Sea-food inspectors: For personal services of sea-food inspectors designated to examine and inspect sea food and the production, packing, and labeling thereof upon the application of any packer of any sea food for shipment or sale within the jurisdiction of the Federal Food and Drugs Act, in accordance with the provisions of an act entitled "An act to amend section 10A of the Federal Food and Drugs Act of June 30, 1906, as amended", approved August 27, 1935 (49 Stat. 871), fiscal year 1936, $33,000, payable from receipts from fees under such act.

Mr. WOODRUM. Mr. Chairman, the item that has just been read, having to do with sea-food inspectors, provides for payment out of receipts from funds collected in the enforcement of that act. Since this has been incorporated in this bill, the Department of Agriculture and interested parties are of the opinion that perhaps this language would operate as a limitation on their right to administer the act and it is unnecessary to carry this item in the bill. I therefore ask unanimous consent that this section may be stricken from the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read as follows:

SOIL CONSERVATION SERVICE

Salaries and expenses: For carrying into effect the provisions of the act entitled "An act to provide for the protection of land resources against soil erosion, and for other purposes", approved April 27, 1935, including the hire, with or without personal services, of boats and work animals and animal-drawn and motor-propelled vehicles and equipment, and the construction of such buildings as in the judgment of the Secretary of Agriculture are required to carry out the provisions of said act, fiscal year 1936, $6,284,000: *Provided*, That in the discretion of the Secretary of Agriculture, any funds made available to the Soil Conservation Service from the Emergency Relief Appropriation Act of 1935 may be expended for the employment of skilled and unskilled labor and foremen without regard to the civil-service laws and the Classification Act of 1923, as amended: *Provided*, That no building shall be erected hereunder at a cost in excess of $2,500 except the following: 10 at not to exceed $8,000 each, 24 at not to exceed $5,000 each, 11 at not to exceed $3,750 each, and 1 at not to exceed $30,000.

Mr. WARREN. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WARREN: On page 16, after line 5, insert as a new paragraph the following:

"For the purpose of collecting and disseminating useful information and data with respect to potato production and marketing within the United States to be available to the Secretary of Agriculture, the sum of $1,000,000 for the fiscal year 1936: *Provided*, That no part of such fund will be used for the enforcement of the Potato Act of 1935."

Mr. FULLER. Mr. Chairman, I desire to make a point of order on the amendment just offered by the gentleman from North Carolina.

The CHAIRMAN. The gentleman will state it.

Mr. FULLER. The amendment just offered is not germane. The bill under consideration is an appropriation bill which appropriates money to carry out legislation that has already been enacted and which is now in force and effect. This is a distinct effort toward new legislation. It calls for an investigation, based upon no law that is now in existence and is not part and parcel of an appropriation bill. Therefore, the amendment offered by the gentleman from North Carolina is not germane to this bill.

The CHAIRMAN. Does the gentleman desire to be heard on the point of order?

Mr. WARREN. Mr. Chairman, in the first place I call the attention of the Chair to the fact that the amendment is offered under the heading "Department of Agriculture",

beginning on page 14. Title 5, executive departments, Government offices and employees, chapter 9, sections 511 to 564, inclusive, establishes the Department of Agriculture. Section 512 establishes the executive department and Secretary. Section 514 defines the general duties of the Secretary of Agriculture, as follows:

The Secretary of Agriculture shall procure and preserve all information concerning agriculture which he can obtain by means of books and correspondence, and by practical and scientific experiments, accurate records of which experiments shall be kept in his office, by the collection of statistics, and by any other appropriate means within his power; he shall collect new and valuable seeds and plants; shall test, by cultivation, the value of such of them as may require such tests; shall propogate such as may be worthy of propagation and shall distribute them among agriculturists.

I submit, Mr. Chairman, that the amendment offered by me is for an appropriation that is plainly and clearly authorized by existing law.

The CHAIRMAN (Mr. COOPER of Tennessee). The Chair is prepared to rule unless the gentleman from Virginia desires to be heard.

Mr. WOODRUM. No; Mr. Chairman.

The CHAIRMAN. The amendment offered by the gentleman from North Carolina [Mr. WARREN] is to that part of the bill making appropriations for the Department of Agriculture. This would necessarily relate to the organic law creating the Department of Agriculture. The Chair has examined, in the brief time permitted him, the law establishing the Department of Agriculture. The organic act creating the Department may be found in title V, section 511, United States Code, and contains this provision.

Establishing of departments. There shall be at the seat of Government a Department of Agriculture, the general design and duties of which shall be to acquire and to diffuse among the people of the United States useful information on subjects connected with agriculture, in the most general and comprehensive sense of that word—

And so forth.

It occurs to the Chair that the specific language contained in the organic act creating the Department of Agriculture would clearly authorize an appropriation for the purpose sought to be accomplished by the amendment here offered. The pending bill is an appropriation bill, and the part of the bill now under consideration relates to appropriations for the Department of Agriculture. The Chair therefore feels that the amendment is germane and that the appropriation is authorized by existing law. The Chair overrules the point of order.

Mr. WOODRUM and Mr. FULLER rose.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent to proceed for 1 minute.

Mr. TABER. Mr. Chairman, I desire to submit a further point of order.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. Mr. Chairman, I make the point of order that the amendment provides for an appropriation unauthorized by law, and I should like to be heard briefly on the point.

Mr. FULLER. Mr. Chairman, I made the point of order that it was not authorized by law.

The CHAIRMAN. The Chair will be pleased to hear the gentleman, but that is the very point the Chair just passed on by reading the provision of the organic act creating the Department of Agriculture. The Chair held that the amendment is in order in view of that law.

Mr. TABER. I thought the point of order involved the question of germaneness.

The CHAIRMAN. The Chair passed on both questions in ruling on the previous point of order.

Mr. WOODRUM. Mr. Chairman, I move that the Committee do now rise.

The question was taken; and on a division (demanded by Mr. O'MALLEY) there were—ayes 121, noes 14.

So the motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 10464, the Supplemental Appropriation Act, fiscal year 1936, had come to no resolution thereon.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to—

Mr. HAINES (at the request of Mr. FADDIS), on account of important business.

Mr. RISK, for 7 days, on account of illness in family.

Mr. TERRY, for today, on account of business.

LOCAL LAW ENFORCEMENT IN RELATION TO NATIONAL CRIME

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a speech of J. Edgar Hoover. I received permission to do this yesterday, but it involved more than two pages of the RECORD. I have received a report from the Public Printer, and I therefore renew my request.

Mr. RICH. Mr. Speaker, reserving the right to object, will the gentleman let the House know what it is going to cost to publish it?

Mr. CONNERY. One hundred and two dollars.

Mr. RICH. Is it worth it?

Mr. CONNERY. I believe it is worth far more than that.

The SPEAKER. Is there objection?

There was no objection.

Mr. CONNERY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of J. Edgar Hoover, Director, Federal Bureau of Investigation, United States Department of Justice, before the Sheriffs and Peace Officers Association of Oklahoma, at Tulsa, Okla., January 13, 1936.

It is especially pleasing to me to address you gentlemen, the sheriffs and peace officers of Oklahoma. I have long been eager for an opportunity to discuss with you upon a common basis the various problems which arise in the enforcement of law and apprehension and detection of criminals. While the crime problem is primarily local, yet it bears elements which make it a potential national menace. We must regard all crime, no matter how petty, as a thing of major importance; we must look upon any infraction of the law as a possible local firebrand which may have its reactions throughout the country. Crime no longer is a menace of purely municipal, county, or State limitations. Like the prairie fires which once swept this region, starting from a tiny blaze and raging with the first sweep of the wind into instruments of major disaster, crime of today may begin with a petty infraction and, within seemingly insignificant space of time, encompass every form of outlawry.

I have in mind a number of cases which, no doubt, are familiar to all of you. There is the instance of Wilbur Underhill, who began as a petty bootlegger, who went from this to thievery and burglary, and progressed onward along the path of crime to multiple murder, all within the space of a few years. I remember "Pretty Boy" Floyd, who also started as a petty larceny law evader and who ended that career after a reign of terror as one of the most feared desperadoes of America. The history of practically every criminal of major importance who has come to the attention of you gentlemen of law enforcement has a background of minor juvenile and even adult infractions. Therefore, each one of these men—and, I must add, some women—forms a living comparison to the simile which I drew of the prairie fire—a spark, a tiny blaze, and then wholesale destruction.

The part which the local officer plays in national enforcement is a tremendous one. It is his job to attempt to stamp out these sparks and, failing in that, to extinguish the blaze before it gets beyond control. That there are instances when these attempts fail does not, to my mind, mean that there has been inefficiency, that there has been a lack of interest or a fading of enthusiasm for the upholding of the law. It brings into the picture certain malignant elements which we all must recognize and which we all must band together in a concerted effort to eradicate. I refer particularly to the stultifying influence of politics.

Time after time, as all you gentlemen know, courageous officers have arrested young men and young women, charging them with some minor or major offense. A case has been carefully worked up, there is sufficient evidence for a conviction, and certainly sufficient reasons why this culprit should be made to realize that after all the law should be a majestic thing and that crime should not be countenanced in the community. However, almost immediately this honest officer finds himself embroiled in the efforts of numerous individuals whose main desire is not to see that justice is done, not to protect the community against infractions of the law, not to assist officers sworn to uphold their duty, but, through the efforts of some none-too-honorable attorneys, through the power of the vote, through the influence of local and State politicians, to nullify every effort which has been put forth by the law-enforcement officials. We find that this attempt to veto the law proceeds throughout all efforts which are made to adequately teach the lesson that crime should not pay. Its malig-

nant influence creeps into the courts, it creeps through the bars of the penitentiaries, it makes its insidious way into the meetings of pardon and parole boards, and it practically places a medal of honor upon the man who can defeat the law and get away with it.

I believe that one of our greatest duties is to give the widest publicity to the efforts of politicians who seek to degrade law enforcement. I believe that there are enough honest citizens in our communities who, if they knew the truth about this tremendous pressure of gangrenous politics upon the most important phase of our lives—the protection and happiness of our homes—that a revolt would come about, giving the law-enforcement officer the freedom he needs in pursuit, detection, apprehension, and punishment, and the peace of mind which should be his, but which never can exist so long as he is harried by politicians who constantly threaten him should he have the temerity to arrest or attempt to prosecute a person under their protection. In such instances of local crime violations we have that spark and tiny flame about which I have spoken and which later leads to the sweeping destruction of the prairie fire.

I have mentioned local cases because they are excellent examples of what I desire to show. "Pretty Boy" Floyd, for instance, in the first analysis, was a local criminal; in the final analysis he was a potential menace to all of America, and thus the problems which I discuss with you are of vital interest to everyone throughout the United States, for what applies in Oklahoma applies equally from the Atlantic to the Pacific and from the Gulf of Mexico to Canada. The problem everywhere is the same; small-town criminals of today become the dangerous public enemies of tomorrow. The scope, the magnitude of crime as it exists reaches staggering figures. Last year in the United States there was an estimated total of 1,445,581 serious crimes. May I repeat that? In 1 year alone almost one and a half million major crimes were committed against the citizens of this country. In other words, there was crime of desperate proportions—auto theft, burglary, aggravated assault, robbery, rape, manslaughter, and murder—committed against one of every 84 persons in this country, and few, indeed, were the criminals who did not begin in some petty way.

Returning to "Pretty Boy" Floyd, we find him at first confining his efforts to the small town in which he lived, then his activities spread to the county, then he sallied forth into various parts of the State. He moved into Missouri, into Kentucky. We find him going onward into Ohio, back down to Arkansas, further to New York State, ranging over thousands of miles, even as a predatory animal ranges over a game trail. All of us know only too well that there is a beaten track of criminality moving from the Gulf of Mexico to the Canadian border, with side shoots which often reach to the coast lines of the Atlantic and the Pacific. Crime, when it becomes a truly predatory affair, knows no boundaries. However, the harassed officer who must pursue that criminal finds himself blocked by statutes and laws at city, county, or State lines. Therefore, in the apprehension of these depredatory characters, it becomes necessary to overcome almost insurmountable obstacles. If the pursuit by an officer must stop at a county line, then indeed law is outwitted unless the officer of the next county takes up the chase, and the officers of other States assist, plus the action of such organizations as the Federal Bureau of Investigation, of which I am proud to be the head. The old adage of the chain being no stronger than its weakest link is here exemplified. Let cooperation falter and the chase indeed becomes a difficult one.

I am proud indeed to say that the cooperation of local, county, and State law-enforcement officials of Oklahoma with the representatives of the Federal Bureau of Investigation has been of the highest order. We in the Bureau feel our task often is much easier with gentlemen such as yourselves than it is in several large metropolitan areas where the heavy hand of politics is constantly at work, where petty jealousies are allowed to interfere with absolute efficiency, and where publicity-seeking officials sometimes find a greater reward in seeing their names in the paper than they do in knowing that an arch criminal has been brought to justice. We remember, with affection and deep regard, the magnificent record of Chief Olin Reed, of McAlester, Okla., who gave his life in the cause of cooperation.

There was no order or command which sent Olin Reed to assist the Federal officers who made the arrest of Frank Nash at Hot Springs, Ark. There was no greed for notoriety. There was no impelling urge of political expediency. Chief Reed knew Frank Nash by sight. He felt that he could render a service to the people of the United States by pointing out to the Federal officers this man whose field of crime, incidentally, had encompassed most of America. So, as a fellow officer, he went along and as a fellow officer he fell beside Federal agents and local police under the vicious assault of gangster-impelled machine-gun bullets at the Union Station Plaza in Kansas City, and as a fellow officer we revere him and respect his memory.

The Federal Bureau of Investigation believes that the secret of crime eradication lies in solidarity and the combined linking of all law-enforcement agencies. Much already has been done along this line, and with every forging of a new link in this chain of cooperation we find an added impetus in the war against the criminal.

Until several months ago the chasing down of a bank robber was wholly a local affair. This often meant that the task fell upon a community which could ill afford the tremendous expense necessary in these days to continue a pursuit which might last for years and extend through numerous States. Then Congress passed a law which allowed the Federal Bureau of Investigation to cooperate with local law-enforcement officials in the running down of predatory criminals who commit offenses against national and Federal Reserve System banks. In a comparatively short time the number of robberies has taken a drop of more than 50 percent. In other words, cohesion has been developed, a working arrangement by which both local and Federal enforcement agencies may pool their interests upon a common pursuit, and I am indeed proud of what has been accomplished.

In this connection may I direct your attention to the phenomenal growth of the Identification Division of the Bureau, which owes its existence to the wholehearted cooperation of such persons as yourselves? This Identification Division is not some mysterious affair which takes fingerprints out of thin air. They come from the crossroads of America, from the villages, from the towns, cities, and metropolitan centers, to be concentrated in Washington, and there to form a vast cross-index of over 5,500,000 evidences of law infraction, waiting always to bring to justice the man who tries to outwit the forces of law enforcement. This is a partnership, a contract by which a law-enforcement official agrees to furnish honestly and efficiently the fingerprints of persons who are arrested in his district. In return for this, payment is made by the Federal Bureau of Investigation in the careful, honest, and efficient filing of these fingerprints and the watchfulness necessary to immediately identify similar fingerprints should they come in from any part of America. Thus the man who is a fugitive from Tulsa is identified in St. Paul. An escape from Leavenworth is found in New York, and so on, not only throughout America but throughout the world, for identifications have been made on arrested persons from as far away as Cairo, Egypt, and British South Africa.

Moreover, a new and stronger partner of law enforcement is growing up in Washington, the Crime Laboratory, where experts in chemistry, ballistics, and other forms of scientific detection and pursuit are at the service of localities. I hope the time will come when the services of the charlatans or so-called professional experts who appear as witnesses solely for the money involved may become a thing of the past. The Crime Laboratory of the Federal Bureau of Investigation has no opinions other than those which are the results of the application of cold, mathematical science. It reports innocence as well as guilt, and there is no power—monetary, political, or otherwise—which can cause it to deviate from that process.

Continuing its desire to place every possible aid in the hands of efficient law-enforcement officers there has been built up in our Bureau a single fingerprint file of the known public enemies of this country, thus making identification swiftly possible in the event of major crimes committed by persistent offenders.

I feel that justice should be rendered where justice is due, particularly in the field of law enforcement; and in speaking as modestly as possible of the work of the Federal Bureau of Investigation, I conceive it proper to say that the results of our work have in great measure been made possible by the splendidly enthusiastic and far-sighted interest, support, and encouragement of the Attorney General of the United States, the Honorable Homer S. Cummings, whose greetings I bring you today. At the inception of his incumbency as Attorney General he made it clear that the work of the Federal Bureau of Investigation must be carried on without regard to any outside, complicating interests, political or otherwise. His keen mind instinctively grasped the necessity for more comprehensive legislative measures, and he has labored ceaselessly, both in the legislative and administrative fields, for the success of the Bureau's crusade to combat criminals and suppress the major manifestations of crime, which constituted such a grave menace to the entire country when he first became Attorney General.

With cooperation between local officials and the Federal Bureau of Investigation in the crime situation, there enters the need of a third ingredient, the cooperation of the law-abiding citizen. All of us have seen cases fail, not because officers have been negligent in their duties, not because courts have not been courageous, but because the very person who should be the most eager volunteer in the war against crime has proved either cowardly or apathetic. I have in mind one case in which there were many witnesses to a murder. Try as he would, the county prosecutor in that case could not persuade a single one of those witnesses to go into court and testify against the slayer. It is a matter of record that crimes or threats of crime have been concealed by the victims who preferred to suffer in silence rather than solicit the aid of law-enforcement bodies. I submit that we who are entrusted with law enforcement cannot be mind readers. We must be informed of the crime, otherwise we cannot pursue the actual or potential criminal. In this regard, I wish to emphasize that when such information comes to the Federal Bureau of Investigation it is speedily and thoroughly investigated. Since kidnaping became a Federal offense 62 actual cases of kidnaping or threats to kidnap have come to the attention of this Bureau. Not one of these remains unsolved, and a case in particular, that of Charles F. Urschel, of Oklahoma City, gives me an opportunity to illustrate exactly what I mean by quick and proper notification plus thorough cooperation as a major factor in the solution of a crime.

Within a few minutes of the time that Mr. Urschel was seized at his home recourse had been taken to the emergency kidnaping number of National 7117 at Washington and the news of the crime flashed to the Federal Bureau of Investigation. Immedi-

ately special agents of the Bureau were rushed by airplane or speedy automobile from various parts of the country to concentrate their efforts, working in collaboration with local officers and starting from the place of the offense in Oklahoma City. I cannot praise too highly the aid which was given by local law-enforcement bodies. The trail, which began at Oklahoma City, moved into Texas, where invaluable aid was given by astute members of a Texas metropolitan police force. From Texas it spread to an expanse of the United States greater than that of continental Europe, and led to the wiping out not only of a kidnap gang but of all the roots of crime which had supported this band. Persons who had harbored the criminals were taken before the bar of justice. Others who had assisted them in hiding or passing the money were convicted. An attorney was brought to trail and sentenced for what the court and jury adjudged to be his part in the conspiracy. Through the closely knit efforts of the Federal Bureau of Investigation and the police and other law-enforcement bodies in a number of States 20 persons were sentenced to prison, including 6 life sentences.

In this respect may I add that the conviction record of the Federal Bureau of Investigation remains at its high average. Only 6 persons out of 100 go free, once they enter a courtroom charged by the Federal Bureau of Investigation with a Federal offense. Ninety-four percent of them are convicted.

Speaking of convictions and penitentiaries, I hope that we never shall lose sight of the fact that a law-enforcement officer's greatest problem often arises at the very time when it should end, namely, when he sees a prisoner taken out of a courtroom for a term in prison. Unhappily for us, prisons all too often form a springboard toward major criminality, only a more or less pleasant meeting place where new crimes can be concocted for commission when, as and if a sentimental or otherwise expedient board or person with powers of clemency grants freedom for a new assault upon the peace and dignity of our citizens. This amounts to a national scandal. Escapes are often so easily arranged as to be almost humorous, did not the tragical element predominate. Prisons are being emptied by unreasonable exercise of the power to send warped and dangerous mentalities forth to freedom and to prey upon communities. Through this exercise of clemency the law-abiding person becomes all but powerless to escape the predatory actions of vicious human vultures, who are aided and abetted in their careers of destruction by persons swayed by political, sentimental, or monetary reasons.

I sincerely hope that we of law enforcement may remain diligently militant in our efforts to eradicate this most unsightly blot upon American civilization. It seems inconceivable that blood-crazed men should be allowed to receive knives, guns, ammunition, and even arsenals by which to murder their way to freedom from so-called escape-proof jails, and then carry on a new career of plunder and slaughter.

It seems beyond the range of human conception that boards of clemency should meet in secret session and undo, with the stroke of a pen, the work of fearless law-enforcement officers, the judgment of honest and efficient courts, the desires of the American populace itself, and throw open prison doors to hordes of sneering, desperate convicts whose sole purpose is again to flaunt the law. I do not speak of a few isolated cases, as the easy-freedom advocates would have us believe. I speak from the authenticity of a diligent search through the more than 5,500,000 fingerprints in the Identification Division, which show thousands upon thousands of cases in which hardened convicts and old offenders are repeatedly turned loose to pursue their criminal and degenerate desires. Should they again be apprehended, convicted, and sentenced, the angels of mercy who so love freedom for convicts and who so forget the innocent and suffering public will gently administer to their every desire and soon again throw the locks that will usher them forth to freedom.

I do not desire to be misunderstood upon this matter of parole. I certainly favor parole for the proper persons. However, I shall resist in every possible manner the continuation of parole for convicts who have shown no desire whatever to proceed upon a path that will lead them into the ranks of good citizens. Certainly, if he deserves it, a man should receive one parole. When he fails to make good on that parole, he should automatically cancel any right to further clemency, and it is the violation of this straight problem of common sense that arouses the indignation of every honest law-enforcement official in America.

May we work in close cooperation toward the common goal when there shall be a new day in our efforts toward the eradication of crime, when the task of enforcing laws shall be a career hedged about and protected by every possible bulwark that citizens can erect. May we look upon the day when it is no longer possible for a politician to whisper to a court or jury and bring about freedom for a guilty man. May we see the day when technicalities have been wiped out of criminal-court procedure, when witnesses may no longer feel the intimidation of gangsters or of gangster attorneys. I hope we may look forward to the day when the law-enforcement official is paid a salary commensurate with his efforts and at the fading of the trail may he be granted the honor, respect, and remuneration due him as a reward for long and valiant service in the interests of honesty and the peace and happiness and safety of America.

I thank you.

EXTENSION OF REMARKS

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a brief table showing the present status of economic recovery.

Mr. CROWTHER. I object, Mr. Speaker.

FRANK HERBERT SIMONDS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that I may have 5 legislative days within which to insert in the RECORD as a part of my remarks an appreciation of Mr. Frank Simonds, the great editor and historian, who died this afternoon after only a week's illness. He was born in Concord, Mass., in my district, and was one of the greatest authorities on the World War and on international affairs.

Mr. ELLENBOGEN. Mr. Speaker, reserving the right to object, did I hear objection on the Republican side to my request?

The SPEAKER. Objection was made.

Mr. BANKHEAD. Who made the objection on that side to the gentleman's request?

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, under the permission granted me to extend my remarks I wish to record the achievements of a man whose passing has filled our hearts with sorrow, whose accomplishments in his chosen field were the most noteworthy of his time, and who, for all of that distinction, ever remained a modest, unassuming, reserved friend and man.

In the prime of his life, at the peak of accomplishment, one of America's most brilliant journalists passed away suddenly last Friday. His loss was the world's loss, for his studies and writings on world politics and foreign affairs were universally accepted as being fair and unbiased and the result of clear analytical reasoning. Americans and Europeans have said that no one knew the map of Europe so well as Frank Simonds.

Frank Herbert Simonds was born 58 years ago in the historical New England town of Concord, Mass. His family for generations had lived the quiet New England existence, taking part in the civic and social life of the community. His great-grandfather had served powder to the colonial troops at the Battle of Lexington, and his grandfather was a veteran of the Civil War.

From early boyhood Frank Simonds' chief interest and hobby was history. In this he was encouraged by his grandfather on his mother's side, who had come to America from Ireland shortly before the outbreak of the Civil War, enlisted on the Union side, and participated in many of its battles. He had come to love his adopted country and read avidly every book he could obtain which bore upon its history. This reading, this zest for war history, was in no small degree responsible for the clear, penetrating, analytical manner which in later years so strongly characterized his grandson's writings. He had inherited the traditions of the men who fought in the Revolution.

As a boy attending the Concord public schools, young Frank Simonds loved to draw maps, testing his knowledge of the boundaries of countries which, even in these early years, he foresaw would be changed by world events. Today several of his maps still hang upon the walls of that schoolhouse, his teachers proud of the painstaking devotion to accuracy and the great attention to detail he had displayed.

Upon his graduation from Concord High School he entered Harvard College. Briefly interrupting his studies there, he enlisted in a Massachusetts regiment in 1898 and was sent to Cuba and Puerto Rico. After this Spanish War experience he returned to Harvard, where he was graduated in 1900 with the degree of A. B. The following year he entered upon his journalistic career on the staff of the

New York Tribune. For 5 years he remained with that paper, covering assignments on National and State affairs which brought him to Washington and to Albany, the New York State capital.

He was the studious type of writer, poring for hours in research, burying himself in a book to the exclusion of all else—and generally it was one dealing with history, world geography, or military tactics. It was his hobby, his dominating obsession, to know the true facts and the characteristics of the country about which he was writing. This intense application, adopted so early in his career, was the primary cause of his acceptance in later years as the outstanding interpreter of the World War to American readers, because he knew every hill and valley and street name of the locality under discussion.

Leaving the Tribune in 1906, he transferred to the staff of the New York Post, where he remained a year. He then accepted a position on the New York Evening Sun as an editorial writer. In 1913 he was promoted to editor of the Sun, continuing in this capacity for 2 years.

Just prior to the outbreak of the World War in 1914 Mr. Simonds left America for an extended trip abroad, to study at first hand the political and military situations of the countries which were then on the brink of war. It was his good fortune, as well as the good fortune of his rapidly swelling list of readers, that he was in Greece when the murder of the Archduke Francis Ferdinand of Austria plunged the nations of Europe into a maelstrom of conflict. There it was that he wrote an editorial for the Sun which brought him national fame. Its predictions and analyses, based upon his historical knowledge, not only had the advantage of being first hand, but they had the added advantage of being impersonal and impartial. He gave a comprehensive analysis of the entire background of the crisis, its dangers to a political situation which needed but one match to touch off the explosion, and a prediction that an enormous disaster would result. The editorial created a sensation at that time.

As the great nations of Europe matched armies, Mr. Simonds remained there, sending home dispatches explanatory of the military movements. He had an uncanny way of knowing just what topographical problems the invaders would have to solve. His notes humanized and simplified the cold, meager official dispatches. His stories were watched for eagerly and read carefully. It was good reporting, only possible to one who had an innate interest in world affairs. His success in this writing removed him forever from routine duties. He had become a specialist in world politics and world events.

As a contributing editor of the Review of Reviews, Mr. Simonds' articles were eagerly read by officers of the Army and Navy, as well as by students and professors in universities. Apropos of the critics of these articles, the Review of Reviews said:

> When a man of German name writes to us that Simonds has been bribed by the British Ambassador into writing pro-ally articles there is almost sure to be in the same mail a letter from some Englishman or Canadian declaring that Simonds is undoubtedly in the pay of Bernstorff and the Teutons. But the faultfinders have been few and the admirers have been many.

With the close of the World War in 1918, Mr. Simonds ceased his newspaper work and devoted his time to syndicated articles, which he prepared for 50 of the country's leading newspapers. These were widely read, for they contained weekly appraisals of the international scene. As is natural to all analysts and predictors, he had severe critics who disagreed violently with him, but they had to admit that his premises were almost always correct. He was one of the first to express the belief that the war between France and Germany would eventually encompass the entire world.

Because of his accomplishments, honors of varied kinds were bestowed upon Mr. Simonds. France made him a chevalier of the Legion of Honor in 1919; Rumania, an officer in the Star of Rumania; Belgium, the Order of the Crown; and Poland, the Order of Polonia.

Despite the demands made upon his time by his prolific newspaper writing, Frank Simonds wrote a number of books dealing with the war and contemporary world affairs. He was accepted as an authority in this field; he was consulted by men high in the counsels of all nations. Among the books he wrote were: They Shall Not Pass—Verdun, 1916; The Great War, two volumes, 1914–15; History of the World War, five volumes, published between 1917 and 1926; The A B C of War Debts; How Europe Made Peace Without America, 1927; America Faces the Next War; and Great Powers in Politics.

Mr. Simonds lectured extensively. He was intensely interesting; his chuckling Yankee drawl emphasized a wit inherited from his Irish grandfather. He was a great lover of peace and quiet. Many of his happiest moments were occupied among his books at his summer home in New Hampshire, where he spent much of his time after the close of the war. His home life was an ideal one. Shortly after he started his career in New York he married Mary Florence Gledhill, who, with his son, James G. Simonds, and a daughter, Mrs. Lovell Thompson, survive him. Their home in Georgetown has been for years the mecca of statesmen and diplomats and writers of every nation, men who hung upon the words of Frank Simonds.

No man of our time saw more clearly the significance of international complications. He never hesitated to say what he thought, whether or not it was the popular thing to do so. His exploring mind bore into the depths of post-war diplomacy, analyzing the hidden dangers therein, and he spread the information broadcast, often to the embarrassment and chagrin of those who had hid behind a benign screen which was lifted by his exposures. America and Americans will miss him greatly. None of us will ever know how much he had done to better our position among the family of nations.

Newspapers all over the country are vieing with each other in sincere commendatory tributes which express very clearly the great loss American journalism has sustained. I select one from the Washington Post to quote, because it describes so beautifully, in a few words, Frank Simonds not only as a writer but as a friend:

> Frank H. Simonds had an eye for news still over the horizon and could interpret it out of a profound knowledge of the news of the past. In exposition of the political aspects involved, and in explanation of its strategy, his history of the World War is unique. All his work had the great merits of clarity and simplicity, yet was adorned with passages of moving splendor.
>
> Even those who disagreed with his deductions from the international scene universally acknowledged the skill with which he found and marshaled his premises, the diamond brilliance of his ordinary speech. He was a preeminent journalist, an excellent historian, a virtuoso of the lucid style that knows when to become fervid, an authority in the field of international politics, a master of the rare talent of conversation.
>
> But he was more. He was a great friend. Nothing that one may honorably do for another would Frank Simonds fail to do, and do gladly, for the many to whom he gave his affection. Throughout America and much of Europe there are many who owe intangible debts to him, debts of friendships, the beneficiaries of which have long known they could never adequately repay. Not only in his books but in the hearts of men "he, being dead, yet speaketh."

NEUTRALITY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks by including therein a letter which I have received on the neutrality question.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter from Peter C. Borre, of Boston, Mass., relative to the pending neutrality legislation:

Hon. JOHN W. McCORMACK, JANUARY 22, 1936.
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN McCORMACK: I called at the office of the Committee on Foreign Affairs of the House of Representatives today and was advised by the clerk of the committee that House Joint Resolution 422 (American neutrality policy bill) was now under consideration in executive session.

It is needless for me to stress the importance attaching to this intended piece of legislation. No one is more fully aware of your genuine sympathy with the American viewpoint from all its angles than am I. It is for this reason that I am taking the liberty of asking an unbiased approach and consideration of this impending

legislation. It can positively be stated that I am actuated by no other duty than one of civic pride, not induced by membership in any organization or prompted by any outside force to take this step.

Had it not been that the pressure of my duties as New England counsel to this committee kept me in Boston, I should have appeared before the Foreign Affairs Committee at its public hearings. Failing in my desire to do this, may I importune you to consider a few outstanding facts?

At the outset, I have a feeling in common with all veterans of the World War, that war is first, last, and always a destructive agent and least desired by the common file; and as it concerns this country, we should stand clear of foreign embroglio. As an officer in the United States Army Air Corps Reserve, eligible for immediate call in the event of a declaration of war by this country, I feel secure in saying that, with many others, I am ready for service should the emergency arise.

Should, however, an emergency be permitted to develop through faulty application of principles in part induced by foreign countries seeking to enmesh us in their web of difficulty? Words upon words have already been uttered on this theme; suffice it to say that the hand of British diplomacy has been boldly apparent in soliciting subtle acquiescence on the part of the United States Government to British League policies. War is such a vital agent that Congress, I feel, should not delegate undefined powers to anyone, aye, even to the Chief Executive. This colossal weapon should repose in its major aspects entirely with the Congress, where a collective body may give it ample deliberation. It should not in any phase be entrusted in any general sense to personal or individual interpretation. Speaking specifically, the President should not be empowered to personally determine what commodities shall be embargoed.

Although this is a collateral item, it may serve to demonstrate the force of British action in this country quite emphatically:

Why should the United States take cognizance of the Italo-Ethiopian situation with any more alarm than it accorded the Chaco dispute in South America with its vast destruction of life and the present threat of its recurrence?

Beyond severe protests on the part of our Government to Japan, following the Mukden incident of September 1931 (which, by the way, due to English withdrawal of support, gave serious embarrassment to our State Department) was the Japanese Government limited in any way as to purchase in America of scrap iron and other war material on an unprecedented basis?

Did the solicitude of the League of Nations to curb aggression take into consideration the plea of the Chinese delegate? Was anything pronounced in the way of sanctions against Japan when this country boldly quit the League? Or was British reticence maintained either because nothing of British importance was in peril, or Great Britain dared not venture too far against so formidable a power as Japan?

The policy of the League of Nations regarding sanctions has been openly dominated by England and to observers who seek facts beyond veiled words the reason is apparent: She aims to stop Italy from acquiring domination over Abyssinia in order that the Empire gains of a not too distant part of the nineteenth century may be preserved intact for England. In this Britain seeks the assurance of the other powers and if needs be their military assistance.

It is quite obvious that this intended legislation has tremendous potentialities, especially wherein England seeks American concurrence with its policies. Need the fact be more effectively demonstrated than by mere reference to the action taken by the League of Nations just recently on the oil sanction. The handling of this activity, as well as the ill-fated Hoare-Laval peace move, was sufficient to cause the resignation of Foreign Secretary Sir Samuel Hoare, and just today the fall of the Laval cabinet. Nevertheless Mr. Eden, Hoare's successor, and definitely committed to a policy much more severe against Italy than that of his predecessor, has suddenly presented a mute appearance at Geneva. Can it be that by the merest coincidence that Mr. Eden smugly awaits the action of the American Congress that our State Department may then carry along with his already defined policies? Must we again tolerate the presumption on the part of England to dictate our foreign policy?

Rather than seeking the preservation of neutrality shall we be called upon to witness the paradox that legislation enacted ostensibly to maintain neutrality shall actually bring us within the shadow of the spring of 1917—a harbinger of American participation in another world catastrophe?

I feel with many others that the law recently enacted by Congress is sufficient to cover any general situation and should remain unchanged. Any action taken at the present time is purposely discriminatory and may visit embarrassment upon the Italian Government who, at present, is not officially at war with Abyssinia. If this savors of the ludicrous we have only to recall the crisis which occurred when England in 1861 through Premier Gladstone proclaimed neutrality in our Civil War, thereby causing caustic criticism in giving recognition to two sovereign belligerents. No step should be taken which invites a feeling of unfriendliness on the part of another power when America has nothing definite at stake.

I appreciate in advance the sincere consideration which these words shall receive from you; may I add my heartfelt thanks for your many labors of the past which seek the maintenance of high American ideals?

Respectfully yours,

PETER C. BORRE,
53 State Street, Boston, Mass.

POTATO ACT

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to extend my own remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. DONDERO. Mr. Speaker, in the bill now before the House of Representatives, H. R. 10464, making appropriations for the fiscal year ending June 30, 1936, is contained an item of $1,250,000 for the purpose of carrying into effect the provisions of the Potato Act of 1935.

This act provides in substance a tax of 45 cents a bushel on all potatoes produced after December 31, 1935, with certain provisions and limitations therein mentioned.

Michigan is the fourth State in the Union in the production of potatoes. Nearly all of the Michigan crop is sold and consumed within the State; therefore, very little enters into interstate commerce.

Under the Triple A decision recently handed down by the Supreme Court of the United States, holding the Agricultural Adjustment Act unconstitutional, it must be apparent to every Member of the House that the Potato Act of 1935 is also unconstitutional, as it involved exactly the same principle as the Agricultural Act, namely, the levying of processing taxes upon one class of people to be paid to another class.

The Potato Act is wholly unworkable and unsound in that it punishes the consumer as well as the producer who does not conform to its provisions. It would encourage the bootlegging of spuds and make criminals of honest, hard-working citizens of our country who till the soil for a livelihood, and likewise brand the innocent housewife a criminal for purchasing the product of the farmer in entire ignorance of the law.

I stand for a reasonable price, not only for potatoes but for all agricultural products of the farm, equal to the cost of its production, and a reasonable profit to sustain the farmer and his family under the American standard of living.

The farmers of my district and my State, I do not believe, are willing to surrender their rights and liberties under the Constitution of the United States for a temporary plan to regiment them under a dictatorial and bureaucratic form of government now centralized in Washington.

I am opposed to it and shall vote to strike that appropriation from the bill.

LAST 3 YEARS OF OLD DEAL COMPARED WITH FIRST 3 YEARS OF THE NEW DEAL

Mr. CROWTHER. Mr. Speaker, I am willing to withdraw my objection to the request of the gentleman from Pennsylvania [Mr. ELLENBOGEN] if I can be informed what his request is.

The SPEAKER. The Chair is unable to inform the gentleman.

Mr. ELLENBOGEN. I asked unanimous consent to extend my remarks in the RECORD and to include therein a brief table showing the present index of industrial products and agricultural products.

The SPEAKER. Is there objection to the requests of the gentleman from Pennsylvania?

There was no objection.

Mr. ELLENBOGEN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I am enclosing figures and statistics showing economic conditions during the last 3 years under President Hoover as compared with the first 3 years under President Roosevelt. These figures, for the most part, are taken from the Philadelphia Record:

[From the Philadelphia Record of Jan. 21, 1936]

Last 3 years of the Old Deal compared with first 3 years of the New Deal

OLD DEAL				NEW DEAL			
			Labor				
Unemployment	Apr. 1, 1930	3,188,000		Unemployment	Apr. 1, 1933	13,178,000	
	Apr. 1, 1933	16,000,000	Advance 402%		Dec. 1, 1935	9,177,000	Decline 30%
			Agriculture				
Cotton	Mar. 1, 1930	15.10 cents per pound		Cotton	Mar. 1, 1933	5.90 cents per pound	
	Mar. 1, 1933	5.90 cents per pound	Decline 61%		Jan. 1, 1936	11.35 cents per pound	Advance 92%
Wheat	Mar. 1, 1930	$1.16 per bushel		Wheat	Mar. 1, 1933	48 cents per bushel	
	Mar. 1, 1933	48 cents per bushel	Decline 59%		Jan. 1, 1936	101.5 cents per bushel	Advance 111%
Corn	Mar. 1, 1930	88.40 cents per bushel		Corn	Mar. 1, 1933	24.12 cents per bushel	
	Mar. 1, 1933	24.12 cents per bushel	Decline 73%		Jan. 1, 1936	60.87 cents per bushel	Advance 152%
			Industry				
Industrial production (Index: 1926=100%)	Jan. 1, 1930	110.4		Industrial production (Index: 1926=100%)	Jan. 1, 1933	61.4	
	Jan. 1, 1933	61.4	Decline 44%		Jan. 1, 1936	92.9	Advance 51%
Steel production (Month ending)	Jan. 1, 1930	2,903,012 gross tons		Steel production (Month ending)	Jan. 1, 1933	861,034 gross tons	
	Jan. 1, 1933	861,034 gross tons	Decline 70%		Jan. 1, 1936	3,081,000 gross tons	Advance 257%
Auto registration (Month ending)	Jan. 1, 1930	161,830 units		Auto registration (Month ending)	Jan. 1, 1933	55,105 units	
	Jan. 1, 1933	55,105 units	Decline 66%		Jan. 1, 1936	235,000 units	Advance 326%
			Commerce				
Wholesale prices (Index: 1926=100%)	Jan. 1, 1930	92.5		Wholesale prices (Index: 1926=100%)	Jan. 1, 1933	61.0	
	Jan. 1, 1933	61.0	Decline 34%		Jan. 1, 1935	81.0	Advance 33%
Total exports (Year ending)	Jan. 1, 1930	$3,843,000,000		Total exports (Year ending)	Jan. 1, 1933	$1,675,000,000	
	Jan. 1, 1933	$1,675,000,000	Decline 56%		Dec. 1, 1935	$2,228,000,000	Advance 33%
Total imports (Year ending)	Jan. 1, 1930	$3,061,000,000		Total imports (Year ending)	Jan. 1, 1933	$1,450,000,000	
	Jan. 1, 1933	$1,450,000,000	Decline 52%		Dec. 1, 1935	$1,993,000,000	Advance 37%
			Securities				
Listed stocks (Average)	Mar. 1, 1930	60.52		Listed stocks (Average)	Mar. 1, 1933	15.20	
	Mar. 1, 1933	15.20	Decline 75%		Jan. 1, 1936	35.62	Advance 134%
Listed bonds (Average)	Mar. 1, 1930	96.19		Listed bonds (Average)	Mar. 1, 1933	74.89	
	Mar. 1, 1933	74.89	Decline 22%		Jan. 1, 1936	91.85	Advance 22%
			Public utilities				
Power production (Month ended)	Jan. 1, 1930	7.87 billion kilowatt-hours		Power production (Month ended)	Jan 1, 1933	7.14 billion kilowatt-hours	
Power production (Month ended)	Jan. 1, 1933	7.14 billion kilowatt-hours	Decline 9%	Power production (Month ended)	Jan. 1, 1936	8.50 billion kilowatt-hours	Advance 19%

To eliminate seasonal differences where they are a factor, the corresponding months in calendar years are used

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 3245. An act to extend the times for commencing and completing the construction of a bridge across the Columbia River at Astoria, Clatsop County, Oreg.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 7 minutes p. m.) the House adjourned until tomorrow, Friday, January 24, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

620. A letter from the Secretary of the Treasury, transmitting a proposed bill to amend section 21 of the Permanent Appropriation Repeal Act of 1934; to the Committee on Expenditures in the Executive Departments.

621. A letter from the Secretary of War, transmitting a draft of a bill to authorize appropriations for construction at military posts, Panama Canal Department, and for other purposes; to the Committee on Military Affairs.

622. A letter from the Secretary of the Navy, transmitting a draft of a proposed bill to amend section 22 of the act approved March 4, 1925, entitled "An act providing for sundry matters affecting the naval service, and for other purposes; to the Committee on Naval Affairs.

623. A letter from the Chairman of the Securities and Exchange Commission, transmitting an opinion in the matter of National Educators Mutual Association; to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. LANHAM: Committee on Public Buildings and Grounds. House Joint Resolution 439. A joint resolution authorizing the erection in the Department of Labor Building of a memorial to the officers of the Immigration and Naturalization Service and Immigration Border Patrol who, while on active duty, lost their lives under heroic or tragic circumstances; without amendment (Rept. No. 1921). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Claims was discharged from the consideration of the bill (S. 3338) for the relief of Julia Krenz, and the same was referred to the Committee on Foreign Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MERRITT of New York: A bill (H. R. 10541) to authorize the acquisition of land for military purposes in Nassau County, N. Y., for use as an addition to Mitchel Field Military Reservation, and to settle certain claims in connection therewith; to the Committee on Military Affairs.

By Mr. RANKIN: A bill (H. R. 10542) for the erection of a public building at Columbus, Lowndes County, Miss.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 10543) for the erection of a public building at Columbus, Lowndes County, Miss.; to the Committee on Appropriations.

By Mr. SECREST: A bill (H. R. 10544) authorizing the erection of a memorial to those who met their death in the wreck of the dirigible *Shenandoah;* to the Committee on the Library.

Also, a bill (H. R. 10545) authorizing the erection of a memorial to Pvt. John Gray near Caldwell, Ohio, and Daniel F. Bakeman, of New York; to the Committee on the Library.

By Mr. GILCHRIST: A bill (H. R. 10546) to exempt certain transactions of cooperative associations from the private-express provisions of the postal laws; to the Committee on the Post Office and Post Roads.

By Mr. CARMICHAEL: A bill (H. R. 10547) to increase the lump-sum payment made under the Workmen's Compensation Act in cases of death or permanent total or permanent partial disability suffered prior to February 12, 1927; to the Committee on the Judiciary.

By Mr. BARRY: A bill (H. R. 10548) consolidating the post offices in the county of Queens, N. Y.; to the Committee on the Post Office and Post Roads.

By Mr. BOYLAN: A bill (H. R. 10549) providing for the discharge in bankruptcy of liability under certain separation agreements; to the Committee on the Judiciary.

By Mr. GASQUE: A bill (H. R. 10550) providing for the examination and survey of the intracoastal waterway from Cape Fear River, N. C., to Savannah, Ga.; to the Committee on Rivers and Harbors.

By Mr. HEALEY: A bill (H. R. 10551) to waive any exclusive jurisdiction over certain lands, to authorize certain payments to States and their political subdivisions in lieu of taxes, and for other purposes; to the Committee on Ways and Means.

By Mr. KLEBERG: A bill (H. R. 10552) to fix the time of holding court in the Corpus Christi division, southern district of Texas; to the Committee on the Judiciary.

By Mr. PARSONS: A bill (H. R. 10553) providing for payments in lieu of transportation in kind and subsistence en route to certain veterans of the War with Spain and the Philippine Insurrection; to the Committee on Military Affairs.

By Mr. RUSSELL: A bill (H. R. 10554) to waive any exclusive jurisdiction over certain lands, to authorize certain payments to States and their political subdivisions in lieu of taxes, and for other purposes; to the Committee on Ways and Means.

By Mr. STUBBS: A bill (H. R. 10555) to authorize an appropriation for a survey of beach erosion in the counties of Santa Barbara, Ventura, Orange, Los Angeles, and San Diego, in California; to the Committee on Rivers and Harbors.

By Mr. SWEENEY: A bill (H. R. 10556) to fix the work standards of railway postal clerks assigned to duty in railway post offices, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mrs. NORTON (by request): Joint resolution (H. J. Res. 465) to amend the joint resolution of July 18, 1935, relating to the Seventieth National Encampment of the Grand Army of the Republic, to be held in the District of Columbia in September 1936; to the Committee on the District of Columbia.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BIERMANN: A bill (H. R. 10557) for the relief of Joseph C. Kinney; to the Committee on Claims.

By Mr. BURNHAM: A bill (H. R. 10558) for the relief of Edward Earle; to the Committee on Claims.

By Mr. GASQUE: A bill (H. R. 10559) for the relief of Florence B. Lee; to the Committee on Claims.

By Mr. HALLECK: A bill (H. R. 10560) granting an increase of pension to Laura E. Boze; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10561) granting an increase of pension to Emma Chapman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10562) granting a pension to Maggie A. Bernethy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10563) granting a pension to Mira W. Miller; to the Committee on Invalid Pensions.

By Mr. HARTLEY: A bill (H. R. 10564) for the relief of Elmer A. Tilley; to the Committee on Military Affairs.

By Mr. HULL: A bill (H. R. 10565) for the relief of Mr. and Mrs. William O'Brien; to the Committee on Claims.

By Mr. LARRABEE: A bill (H. R. 10566) granting an increase of pension to Martha E. McLellen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10567) granting a pension to Hattie E. Shobe; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10568) granting an increase of pension to Mary Ellen Oliver; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10569) granting a pension to Mary Roberts; to the Committee on Invalid Pensions.

By Mr. MERRITT of New York: A bill (H. R. 10570) for the relief of A. Sereiskis (Maxwell A. Rittenberg); to the Committee on Immigration and Naturalization.

By Mr. MOTT: A bill (H. R. 10571) for the relief of Frank E. O'Rourke; to the Committee on the Public Lands.

By Mr. REILLY: A bill (H. R. 10572) granting a pension to Anna Hilbert; to the Committee on Pensions.

By Mr. RYAN: A bill (H. R. 10573) granting a pension to Etta Tuttle; to the Committee on Pensions.

By Mr. SIROVICH: A bill (H. R. 10574) for the relief of John Joseph Defoe; to the Committee on Naval Affairs.

By Mr. SPENCE: A bill (H. R. 10575) for the relief of Catharine L. Klein, widow of Nelson B. Klein, special agent of the Federal Bureau of Investigation of the Department of Justice, who was killed in line of duty; to the Committee on Claims.

By Mr. SOUTH: A bill (H. R. 10576) granting a pension to Maude Campbell; to the Committee on Invalid Pensions.

By Mr. STUBBS: A bill (H. R. 10577) for the relief of Titus Leo Crane; to the Committee on Naval Affairs.

By Mr. WHITE: A bill (H. R. 10578) granting a pension to Taylor C. Lyon; to the Committee on Invalid Pensions.

By Mr. WITHROW: A bill (H. R. 10579) granting a pension to Emma A. Henning; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10580) granting a pension to William Edward Coughlin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10581) granting a pension to Kathryn Smith; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9647. By Mr. ANDREW of Massachusetts: Petition of 23 members of Samuel Adams Chapter, Daughters of the American Revolution, Methuen, Mass., urging the passage of House bill 6472, to abolish compulsory block booking and blind selling of motion pictures; to the Committee on Interstate and Foreign Commerce.

9648. By Mr. BELL: Petition of Charles W. L. Yost and others, of St. Louis County, Mo., urging amendment of Social Security Act, to provide for continuance of private industrial old-age pension plans; to the Committee on Ways and Means.

9649. By Mr. BIERMANN: Memorial of the Allamakee County National Farm Loan Association, of Waukon, Iowa, expressing the association's view in regard to farm legislation; to the Committee on Agriculture.

9750. By Mr. BOYLAN: Petition of Mrs. Robert Connolly and other citizens of the Fifteenth New York Congressional District, New York City, favoring amendments to the neutrality bill; to the Committee on Foreign Affairs.

9751. By Mr. FORD of Mississippi: Petition of H. D. Williams and 75 other citizens of Kosciusko, Attala County, Miss., favoring the extension of all existing star-route contracts and increase in compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9752. Also, petition of D. E. Bounds and 31 other citizens of Bruce and Calhoun City, Calhoun County, Miss., favoring the extension of all existing star-route contracts and increase in compensation therefor to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9753. Also, petition of S. W. Pruett and 47 other citizens of Calhoun County, Miss., favoring the extension of all existing star-route contracts and increase in compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9754. Also, petition of A. W. Watson and 65 other citizens of Webster County, Miss., favoring the extension of all existing star-route contracts and increase in compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9755. Also, petition of G. L. Pettit and 84 other citizens of Attala County, Miss., favoring the extension of all existing star-route contracts and increase in compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9756. Also, petition of A. L. Rounsaville and 46 other citizens of Grenada County, Miss., favoring the extension of all existing star-route contracts and increase in compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9757. By Mr. GILDEA: Petition of the Italian American Civic Club of Schuylkill County, Pottsville district, requesting the enacting of neutrality that will keep America neutral in spirit as well as action; and protesting against the delegation of discretionary powers to the Chief Executive; to the Committee on Foreign Affairs.

9758. Also, petition of Italian American Civic Club of Schuylkill County, Shenandoah district; to the Committee on Foreign Affairs.

9759. Also, petition of Italian American Civic Club of Schuylkill County, Minersville district; to the Committee on Foreign Affairs.

9760. Also, petition of Italian American Civic Club of Schuylkill County, Tamaqua district; to the Committee on Foreign Affairs.

9761. Also, petition of the Italian American Civic Club of Schuylkill County, Girardville district; to the Committee on Foreign Affairs.

9762. Also, petition of Italian American Civic Club of Schuylkill County, Palo Alto district; to the Committee on Foreign Affairs.

9763. Also, petition of Italian American Civic Club of Schuylkill County, Mahanoy City district; to the Committee on Foreign Affairs.

9764. Also, petition of Lodge Gen Umberto Nobile, No. 1382, Order Sons of Italy in America, Mahoney City, Pa.; to the Committee on Foreign Affairs.

9765. Also, petition of Lodge Nobile Al Polo, No. 1512, Order Sons of Italy in America, Minersville, Pa.; to the Committee on Foreign Affairs.

9766. Also, petition of Lodge Santo Nome Di Gesue, No. 1523, Order Sons of Italy in America, Pottsville, Pa.; to the Committee on Foreign Affairs.

9767. Also, petition of Stella D'Italia, No. 1271, 313 South Rock Street, Shamokin; to the Committee on Foreign Affairs.

9768. Also, petition of Lodge Liberta E. Concordia, No. 769, Order Sons of Italy in America, Mount Carmel, Pa.; to the Committee on Foreign Affairs.

9769. Also, petition of Lodge Milite Ignoto, No. 1205, Order Sons of Italy in America, Shenandoah, Pa.; to the Committee on Foreign Affairs.

9770. Also, petition of Lodge Shenandoah Penn, No. 1541, Order Sons of Italy in America, Shenandoah, Pa.; to the Committee on Foreign Affairs.

9771. Also, petition of Panther Creek Valley, No. 1945, Order Sons of Italy in America; to the Committee on Foreign Affairs.

9772. Also, petition of Beauty and Barber Supply Institute, Sunbury, Pa., protesting against the Copeland bill in its present form; to the Committee on Interstate and Foreign Commerce.

9773. Also, petition of Mary M. Galley, Kulpmont, Pa., and 12 others, protesting against the Copeland bill in its present form; to the Committee on Interstate and Foreign Commerce.

9774. Also, petition of the Pennsylvania Society of Sons of the Revolution, Philadelphia, Pa., requesting that no change be made in the Constitution calculated to impair the complete independence of the three branches of our Government, and that no restraint be placed on the judicial branch of the Government as the medium for the interpretation and construction of the Constitution; to the Committee on the Judiciary.

9775. Also, petition of the Cosmeticians and Hair Artists Association of the Schuylkill County Chapter, Shenandoah, Pa., protesting against the Copeland bill in its present form; to the Committee on Interstate and Foreign Commerce.

9776. By Mr. GOODWIN: Petition of 28 residents of the towns of Highland, Clintondale, and Wallkill, Ulster County, N. Y., urging to the District of Columbia its prohibition law by passing House bill 8739; to the Committee on the District of Columbia.

9777. Also, petition of the New York State Conference of Mayors, in annual convention at Syracuse, N. Y., urging favorable consideration of Senate bill 2883; to the Committee on Agriculture.

9778. By Mr. GUYER: Petition of citizens of Paola, Miami County, Kans., asking the restoration of prohibition to the District of Columbia through the enactment of House bill 8739; to the Committee on the District of Columbia.

9779. By Mr. HANCOCK of New York: Resolution of the Onondaga County Bar Association, favoring provision for official court reporters in United States Courts; to the Committee on the Judiciary.

9780. By Mr. KENNEY: Petition of the Rattin High School Parent-Teacher Association (numbering 297 members) favoring the endorsement of the Federal food and drug bill (S. 5, by Mr. COPELAND) and the Pettingill bill (H. R. 6472) to abolish block booking and blind selling of motion pictures; to the Committee on Interstate and Foreign Commerce.

9781. By Mr. MARTIN of Colorado: Petition favoring the enactment of legislation extending all existing star-route contracts and increasing compensation to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9782. By Mrs. ROGERS of Massachusetts: Petition of the National Association of Cotton Manufacturers, protesting against continuing the present policy of the Government which allows imports from foreign countries where wages are less than one-tenth of what is paid in this country; to the Committee on Interstate and Foreign Commerce.

9783. By Mr. THOMASON: Petition of the stockholders of the Marfa National Farm Loan Association, of Marfa, Tex., requesting amortization of Commissioners' loans and for lowering of interest rates; to the Committee on Agriculture.

9784. By Mr. WHITE: Petition of citizens and patrons of star route no. 70142, from Grouse to Warlington, Idaho, urging the enactment of legislation at this session providing for the indefinite extension of all existing star-route contracts and increasing the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9785. By the SPEAKER: Petition of the Pontier Democratic Association; to the Committee on Ways and Means.

9786. Also, petition of the Women's National Democratic Club, Inc.; to the Committee on the Judiciary.

9787. Also, petition of the National Paint, Varnish & Lacquer Association; to the Committee on Banking and Currency.

HOUSE OF REPRESENTATIVES

FRIDAY, JANUARY 24, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father in Heaven, may our eyes ever be open to behold the goodness of the Lord; let us cherish that heavenly gift—the mercy of a thankful heart. We rejoice that by the delicate discipline of Thy redeeming love Thou dost wipe away the tears from the face turned toward Thee. O may the energy of love replace hate; let the inspiration of hope subdue fear and let the spirit of joy prevail over suffering. We pray that the altars of the land may turn to the poor, bereft of comfort. O great is their grief, their spirits faint, and their hearthstones bare. O let love linger here, aflame with the passion of service. "Inasmuch as ye have done it unto the one of the least of these, ye have done it unto Me." In the name of our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate insists upon its amendment to the joint resolution (H. J. Res. 459) entitled "Joint resolution to amend the joint resolution entitled 'Joint resolution providing for the participation of the United States in the Texas Centennial Exposition and celebrations to be held in the State of Texas during the years 1935 and 1936,

and authorizing the President to invite foreign countries and nations to participate therein, and for other purposes' ", requests a conference with the House thereon, and appoints Mr. CONNALLY, Mr. BARKLEY, and Mr. NORBECK to be the conferees on the part of the Senate.

The message also announced that the Vice President had appointed Mr. BURKE a member of the committee of conference on the part of the Senate on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4178) entitled "An act for the relief of the International Manufacturers' Sales Co. of America, Inc., A. S. Postnikoff, trustee", in the place of Mr. BAILEY.

PAY AND ALLOWANCE OF ARMY, NAVY, MARINE CORPS, ETC.—REREFERENCE OF A BILL

Mr. BLAND. Mr. Speaker, I ask unanimous consent that the Committee on Military Affairs be discharged from further consideration of the bill (S. 3281) to amend an act of February 16, 1929, entitled "An act to amend the act entitled 'An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and the Public Health Service', approved June 10, 1922, as amended", and that the bill be referred to the Committee on Merchant Marine and Fisheries. The chairman of the Committee on Military Affairs has consented that this rereference should be made.

The SPEAKER. Is there objection?

There was no objection.

COMMUNICATIONS ACT OF 1934

Mr. SCOTT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. SCOTT. Mr. Speaker, on August 23 of last year I introduced three bills proposing amendments to the Communications Act of 1934. At the same time I introduced a resolution calling for the appointment of a "broadcasting research commission" to "make a careful and comprehensive investigation of radio broadcasting" in America. The purpose of the proposed investigation is to get information to be used as a basis for "recommendations to the Congress with respect to legislation and administrative changes designed to promote the maximum beneficial use of the facilities available for radio broadcasting in the interest of the people of the United States."

The three bills, H. R. 9229, H. R. 9230, and H. R. 9231, would deprive the Communications Commission of censorship powers and relieve radio stations from liability for remarks made in any broadcasts on public, social, political, or economic issues; would compel radio stations to set aside regular periods for uncensored discussion of social problems, with an equal opportunity for both sides of a controversial issue to expound their points of view; and would compel all radio stations to keep accurate records of rejected applications for time and the reasons therefor.

Now, four events lead me to extend these remarks on the subject of radio legislation:

First. The controversy between Mr. Fletcher, of the Republican National Committee, and national hook-ups would not have occurred if radio broadcasting stations were required to set aside regular and definite periods at desirable times of the day and evening for uncensored discussion on a nonprofit basis of public, social, political, and economic problems, and for education purposes. This in spite of Heywood Broun's contention that Liberty at the Crossroads is subversive propaganda seeking to undermine the American home.

Second. The denial of the application for a proposed labor station. KCLC in southern California would not be so discriminatory if H. R. 9230 were adopted.

On February 18, 1935, the Metro Broadcasting Co. applied for a station in East Los Angeles. Labor took over this application, and after the hearing on February 18, 1935, the examiner denied the application because labor did not have their own attorney to represent them. The matter was taken up with the Commission to prove labor's interest, and the Commissioners—Hon. Anning Prall, Hon. Judge Sykes, and Hon. Norman Case—remanded this application for further testimony to prove labor's interest.

On August 5 and 6 they were granted another hearing before P. W. Seward, examiner, who is against labor, and he would not allow labor to prove its interest in this application. Mr. Charlton Ogburn, attorney for the American Federation of Labor, appeared as attorney for this application and notified the Commissioners and the examiner that this application was for the Central Labor Council of Los Angeles. Mr. Ogburn asked the examiner if he could not amend the application to read "Central Labor Council of Los Angeles", affiliated with the American Federation of Labor, but the examiner, who is against labor, positively refused to allow this. At this hearing labor's representatives offered to deposit with the examiner a cashier's check for $10,000. Labor also delivered an assignment from A. Tornek to the Central Labor Council of Los Angeles. When the Metro Broadcasting Co. filed their application originally, A. Tornek and R. Lille were the applicants, and at the hearing on February 18, 1935, the examiner accepted an assignment from R. Lille to A. Tornek. Now all they are asking them to do is to accept an assignment from A. Tornek to the Central Labor Council, which the examiner refused to do. Labor also delivered contracts for the sale of time, which proved that the station would be on a sound financial basis; a lease for the property where the proposed transmitter is to be located; and a notice that the studios would be in the Central Labor Council of Los Angeles. What else could the examiner want to prove labor's interest in this application? To make a long story short, the examiner, who is against labor, recommended denial of this application.

Since this hearing the American Federation of Labor had a convention in Atlantic City, October 7 to 19, inclusive, and they passed a resolution endorsing the station 100 percent; and they instructed President William Green, of the American Federation of Labor, to appoint a committee of three to call on the Chairman of the Federal Communications Commission to support this station and to ask that a permit be granted labor.

Third. The able chairman of the House Labor Committee [Mr. CONNERY] on last Wednesday called attention to the fact that he had—

> Received complaints from all over the United States with reference to radio, complaints from labor, from profit organizations, and from nonprofit organizations which have been denied radio broadcasting licenses and time on the radio.

These complaints would disappear with the enactment of H. R. 9229, H. R. 9230, and H. R. 9231.

Fourth. In his Jackson Day address the President had this to say:

> I make this specific recommendation, that each and every one of you who is interested in obtaining the facts and in spreading those facts abroad, each and every one of you interested in getting at the truth that lies somewhere behind the smoke screen of charges and countercharges of a national campaign constitute yourself a committee of one. To do this you need no parchment certificate; to do this you need no title. To do this you need only your own conviction, your own intelligence, and your own belief in the highest duty of the American citizen.
>
> To act as such a committee of one you will need only your own appointment, an appointment which carries with it some effort, some obligation on your part to carry out the task you have assigned yourself. You will have to run down statements made to you by others which you may believe to be false. You will need to analyze the motives of those who make assertions to you, to make an inventory in your own community, in order that you may check and recheck for yourself and thereby be in a position to answer those who have been misled or those who would mislead.

If "regular and definite periods at desirable times of the day and evening" were to be given over "on a nonprofit basis"; if the Communications Commission were deprived of its censorship powers; and if the radio stations were relieved from liability for remarks made in any broadcasts on public, social, political, or economic issues, Mr. Fletcher would not be discriminated against, labor would have an equal opportunity to be heard, as would all minority groups, and every person in the United States would have an opportunity to hear both sides of every question.

EXCISE TAXES ON IMPORTATION OF CRUDE PETROLEUM

Mr. DISNEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. DISNEY. Mr. Speaker, under permission to revise and extend my remarks, I call attention to the introduction of H. R. 10483, a bill to provide revenue from excise taxes on importation of crude petroleum and its products. I think it is important, since the bill is in some features technical, to call attention to each section thereof in order that the whole matter may be closely understood.

The following is an analysis of each section of the proposed measure:

Section 1 amends section 630 of the revenue act which had been amended by the act of June 16, 1933, exempting from the various excise taxes specified materials and products used as supplies to vessels. Included among those exemptions was the phrase "fuel supplies." That this exemption covered fuel oil and other petroleum products was not realized by many at the time when it was proposed in a subcommittee of a Senate committee and presented as an amendment to a House resolution extending the gasoline sales tax for 1 year. This exemption of petroleum products used as fuel supplies for vessels cost the Federal Treasury in the year 1935 over $2,000,000. In 1934 this loss was $1,610,000 and in the last half of 1933 it was $660,000. It has taken one of the most important markets from the domestic industry and delivered it to a very small number of importing companies who have been able to gain control of this market through their ability to cut the price heavily if the domestic product attempted competition. The consumers of fuel oil have not profited by this tax-free importation. The only advantage has been reaped by the importers who have absorbed the difference between the low production cost in foreign countries and the higher production cost in the United States. Repeal of this exemption, for which no serious reason was even given to Congress at the time it was adopted, should not impose any burden upon consumers but should be to the profit of the Federal Treasury, the domestic industry, and American labor. The other exemptions granted in the act as it now stands are not affected by the present proposed amendment.

Paragraph (b) in section 1 of the bill I am proposing is the necessary correction of that section of the present bill dealing with credit and refunds to make it conform with the previously mentioned elimination of the exemption of petroleum products used as supplies for vessels.

Section 2 increases the present one-half cent tax on imported crude petroleum and on fuel oil and gas oil and certain other liquid derivatives of petroleum to 1 cent per gallon. This tax was originally proposed at 1 cent. It was cut to one-half cent partly because of the fear expressed by some that a 1-cent tax per gallon might act as an embargo. The great difference between the production costs of petroleum in this country and the much lower cost abroad makes it possible for importers to easily absorb this tax and still have a considerable advantage over the domestic product. An increase to 1 cent per gallon, making the tax 42 cents a barrel instead of 21 cents as at present, would reduce the profit made by those few companies which import petroleum and its products but should not affect the domestic market since that cost advantage has not been passed on to the general consumer. A study of the prices of petroleum products before and after this tax was laid shows that the average service-station prices in 50 representative cities, exclusive of tax, for the years named were given as follows by the Oil and Gas Journal: 1929, 17.91 cents; 1930, 16.33 cents; 1931, 13.09 cents; 1932, 13.30 cents; 1933, 12.76 cents; 1934, 13.60 cents. These excise taxes went into effect June 30, 1932.

This same section 2 also adds a new excise tax of $2 per ton on imported foreign asphalt, natural or otherwise. Foreign asphalt has been taking the most valuable portion of the construction contracts awarded under the large appropriations Congress has made to promote domestic industry and employment of American labor. Exemptions which have been granted by Federal agencies have made this possible by excepting asphalt from those provisions of the law which require only domestic materials or domestic products should be used. The low cost of foreign asphalt has made it possible for those using the imported products to consistently underbid the domestic industry on these large contracts. However, these lower bids have not expressed the difference in production costs but have been made sufficiently low to obtain the contract, netting large profits to the importer. This tax should produce considerable revenue for the Federal Treasury, although it is not high enough to constitute any embargo or any improper and unfair restriction on the importation of this product.

Paragraph (b) of section 2 strikes out of the revenue act as it stands at present the expiration date on all these excise taxes levied on imported petroleum and its products.

Section 3 imposes a definite limitation on the amount of foreign petroleum and its products which may be imported, fixing this at 4.5 percent of the national consumptive demand as determined by the Bureau of Mines. The domestic industry has long recognized the importance of having some definite limitation on the amount of these imports. The oil States of the Union, through their State agencies or through the Interstate Compact Commission, have been attempting to limit the production of petroleum to the amount required to meet the consumptive demand. Such a program would prevent waste of this valuable natural resource and would contribute an amount of stability to the petroleum industry, which it has never enjoyed. However, this effort cannot succeed if there is no way of determining what amount of foreign petroleum or its products will be imported and enter the domestic market. This bill attempts to fix this amount proportionately so as the domestic demand increases the amount of imports may increase, and as it decreases it may decrease. The amount set forth in this bill, 4.5 percent of the national consumptive demand, is practically the ratio accepted by the importers themselves, when they agreed with the Secretary of the Interior at the March 1933 Washington oil conference that such a limitation was necessary for the recovery of the domestic petroleum industry. From that day to the present time no objection has been offered by the importers to this ratio. In fact, they have repeatedly, through their own publications and in the press at large, accepted this limitation as proper and have declared their intent to keep within it.

However, those intentions have not been realized. It is manifestly difficult for a group of importers, unless they make definite agreements which might subject them to the penalties of the antitrust laws, to effectively limit their imports to any specific quantity. The only authority which can meet this situation is an act of Congress. The adoption of this legislation would bring security and order into an industry which has long been subject to the threat of impending large importations of foreign oil. It would also relieve the importers themselves of criticism, suspicion, and other annoyances which cannot fail to result so long as they are expected, without collusion or positive agreements, to make effective this varied limitation.

The bill does not delegate any authority of Congress over foreign commerce. It imposes a direct limitation. It definitely authorizes and directs the President to take certain steps which are necessary to make that limitation effective. It makes provision for maintaining normal importation ratios, but also provides in case any class of these imports falls below the customary ratio other classes of petroleum imports may take their place.

CALL OF THE HOUSE

Mr. FULLER. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Arkansas makes the point of order that there is no quorum present. Evidently there is no quorum present.

Mr. BANKHEAD. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 10]

Andrew, Mass.	Dear	Hoeppel	Risk
Bell	Dempsey	Holmes	Sanders, La.
Brennan	Driver	Kee	Sandlin
Buchanan	Englebright	Lewis, Md.	Scrugham
Buckley, N. Y.	Faddis	McFarlane	Stewart
Burch	Fernandez	McGroarty	Terry
Cartwright	Fulmer	Maloney	Thom
Celler	Gasque	Maverick	Thomas
Citron	Gray, Pa.	Montet	Wilson, La.
Clark, Idaho	Greenway	Norton	Wolfenden
Clark, N. C.	Griswold	Oliver	Zioncheck
Corning	Haines	Patman	
Crosser, Ohio	Hennings	Patton	

The SPEAKER. Three hundred and seventy-nine Members have answered to their names, a quorum.

Mr. BANKHEAD. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES (H. DOC. NO. 398)

The SPEAKER laid before the House the following veto message from the President of the United States, which was read:

To the House of Representatives:

I return herewith, without my approval, H. R. bill 9870, entitled "An act to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes."

On May 22, 1935, in disapproving a bill to pay the bonus in full immediately instead of in 1945, I gave in person to a joint session of the Congress complete and explicit reasons for my action.

The bill I now return differs from last year's bill in only two important respects: First, it eliminates the issuance of unsecured paper currency to make the payments required and substitutes interest-bearing bonds, which, however, may be converted into cash for face value at any time; second, it adds $263,000,000 to the total payments by forgiving interest after October 1, 1931, on amounts borrowed.

In all other respects, the circumstances, arguments, and facts remain essentially the same as those fully covered and explained by me only 8 months ago.

I respectfully refer the Members of the Senate and of the House of Representatives to every word of what I said then.

My convictions are as impelling today as they were then. Therefore I cannot change them.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 24, 1936.*

The SPEAKER. The objections of the President will be spread at large upon the Journal, and the bill and message will be printed as a House document.

Mr. BANKHEAD. Mr. Speaker, I move that the consideration of the President's message be postponed until Monday next; and in that respect I desire to make a brief statement, which will not be made in any controversial spirit whatever. The situation is that the Senate of the United States is not in session and will not be until Monday next. Therefore, there cannot be any final and conclusive action on this proposition until that time. Also, we have been informed that there are a number of absentees from the House, who did not anticipate this measure would come up this week. It is a matter entirely for the decision of the House as to whether it wants to postpone the vote on this message or vote on it today.

Mr. BLANTON. Mr. Speaker, will the majority leader yield for a question?

Mr. BANKHEAD. I yield for a question.

Mr. BLANTON. I want to ask my good friend from Alabama if it would not be true that, if we should put this important vote off until Monday, members of a number of American Legion posts and of the Disabled American Veterans of the World War and of the Veterans of Foreign Wars would think it incumbent upon them to wire us, and in that way they would spend a lot of their money which they can ill afford to spend in sending telegrams, the sending of which would be entirely unnecessary? We could save them all that money by passing this bill at this time.

There are approximately 400 Members of the House here in attendance and ready to vote. We all know that we are going to pass this bill over the President's veto by a tremendous majority. Every Member of this House has had his stand on this measure duly registered by roll-call vote at the time we passed this bill in the House, and again the other day when the House adopted the Senate amendment. Hence no good would be accomplished by postponing this important vote until Monday, but we would cause many veterans all over the United States to be apprehensive and would cause many of them to spend their money unnecessarily sending telegrams. I am in favor of taking the vote at this time.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. I yield.

Mr. O'CONNOR. Mr. Speaker, some Members had hoped that advance notice of the coming of this veto message might be given to the Congress. As the distinguished majority leader has said, what we do today will not put us any further ahead than action on Monday. Some Members were just about to telephone the White House to find out when this matter was coming in, and Members have gone away with the idea that it would not come in today. In fairness to the few of our colleagues who are absent I hope this motion to postpone will be agreed to.

Mr. BANKHEAD. Mr. Speaker, let me make one further statement. As I stated in the beginning, this is a matter solely and entirely for the determination of the House. I stated the reasons that impelled me to make the motion. I think the Members of the House well understand the reasons that have been suggested for postponement. If those reasons do not appeal to the judgment of the House as sufficient—and they appeal to me as a fair basis for postponement under all the circumstances—the House can so express itself. It is a matter solely for the judgment of the Members of the House. Therefore, Mr. Speaker, I move the previous question on the motion.

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RANKIN. If we vote down this motion to postpone, then as I understand it the vote will come automatically on the veto message. Is that correct?

The SPEAKER. That would be the question before the House.

Mr. RANKIN. And a preferential motion will be in order for an immediate vote on the veto?

The SPEAKER. It will be the only motion before the House.

The question is on the motion of the gentleman from Alabama [Mr. BANKHEAD] on the previous question.

The previous question was ordered.

The SPEAKER. The question now recurs upon the motion of the gentleman from Alabama that further consideration of the veto message be postponed until Monday.

The question was taken; and on a division (demanded by Mr. BANKHEAD) there were ayes 131 and noes 189.

Mr. O'CONNOR. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

So the motion was rejected.

The SPEAKER. The question is, Will the House on reconsideration agree to pass the bill, the objections of the President to the contrary notwithstanding?

Mr. RANKIN. On that, Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. Under the Constitution the vote is taken by yeas and nays. Those who favor the passage of the bill, the objections of the President to the contrary notwithstand-

ing, will vote "aye" when their names are called; those who oppose will vote "no." The Clerk will call the roll.

The question was taken; and there were—yeas, 326, nays 61, answered "present" 2, not voting 41, as follows:

[Roll No. 11]

YEAS—326

Adair	Dockweiler	Kennedy, Md.	Ramsay
Allen	Dondero	Kennedy, N. Y.	Ramspeck
Amlie	Dorsey	Kenney	Randolph
Andresen	Doutrich	Kerr	Rankin
Arends	Doxey	Kinzer	Ransley
Ashbrook	Driscoll	Kleberg	Rayburn
Ayers	Driver	Kloeb	Reece
Bacharach	Duffey, Ohio	Kniffin	Reed, Ill.
Bankhead	Duncan	Knutson	Reed, N. Y.
Barden	Dunn, Miss.	Kocialkowski	Richards
Barry	Dunn, Pa.	Koppelmann	Richardson
Beam	Eagle	Kramer	Robinson, Utah
Beiter	Eckert	Kvale	Robsion, Ky.
Berlin	Edmiston	Lambertson	Rogers, N. H.
Binderup	Eicher	Lambeth	Rogers, Okla.
Blackney	Ekwall	Lamneck	Romjue
Blanton	Ellenbogen	Larrabee	Rudd
Bloom	Engel	Lea, Calif.	Ryan
Boehne	Englebright	Lee, Okla.	Sabath
Boileau	Evans	Lemke	Sadowski
Boland	Faddis	Lesinski	Sanders, Tex.
Boykin	Farley	Lord	Sauthoff
Brewster	Fenerty	Lucas	Schaefer
Brooks	Ferguson	Luckey	Schneider, Wis.
Brown, Ga.	Fiesinger	Ludlow	Schuetz
Brown, Mich.	Fish	Lundeen	Schulte
Buck	Fitzpatrick	McAndrews	Scott
Buckbee	Flannagan	McClellan	Sears
Buckler, Minn.	Fletcher	McCormack	Secrest
Bulwinkle	Focht	McGehee	Seger
Burdick	Ford, Miss.	McGrath	Shanley
Burnham	Frey	McKeough	Shannon
Caldwell	Fuller	McLaughlin	Short
Cannon, Mo.	Fulmer	McMillan	Sirovich
Cannon, Wis.	Gambrill	McReynolds	Smith, Conn.
Carlson	Gasque	McSwain	Smith, Wash.
Carmichael	Gassaway	Maas	Smith, W. Va.
Carpenter	Gavagan	Mahon	Snyder, Pa.
Carter	Gearhart	Main	Somers, N. Y.
Cartwright	Gehrmann	Mansfield	South
Cary	Gilchrist	Marcantonio	Spence
Casey	Gildea	Marshall	Stack
Castellow	Gillette	Martin, Colo.	Starnes
Chandler	Gingery	Martin, Mass.	Steagall
Chapman	Goldsborough	Mason	Stefan
Church	Gray, Ind.	Massingale	Stubbs
Clark, Idaho	Gray, Pa.	May	Sutphin
Cochran	Green	Mead	Sweeney
Coffee	Greenway	Meeks	Taylor, Colo.
Colden	Greenwood	Merritt, N. Y.	Taylor, S. C.
Cole, Md.	Greever	Michener	Taylor, Tenn.
Collins	Gregory	Miller	Thomason
Colmer	Guyer	Mitchell, Ill.	Thompson
Connery	Gwynne	Mitchell, Tenn.	Thurston
Cooley	Halleck	Monaghan	Tolan
Cooper, Ohio	Hamlin	Moran	Tonry
Cooper, Tenn.	Hancock, N. C.	Moritz	Turner
Costello	Hart	Mott	Turpin
Cravens	Harter	Murdock	Umstead
Crawford	Healey	Nelson	Underwood
Creal	Hennings	Nichols	Vinson, Ga.
Crosby	Hess	O'Brien	Vinson, Ky.
Cross, Tex.	Higgins, Mass.	O'Connell	Wallgren
Crosser, Ohio	Hildebrandt	O'Connor	Walter
Crowe	Hill, Ala.	O'Leary	Warren
Crowther	Hill, Knute	O'Malley	Wearin
Cullen	Hill, Samuel B.	Owen	Weaver
Cummings	Hoffman	Palmisano	Welch
Curley	Hook	Parks	Werner
Daly	Hope	Parsons	Whelchel
Darrow	Houston	Patterson	White
Deen	Hull	Patton	Wilcox
Delaney	Imhoff	Pearson	Williams
Dempsey	Jacobsen	Peterson, Fla.	Wilson, Pa.
DeRouen	Jenckes, Ind.	Peterson, Ga.	Withrow
Dickstein	Jenkins, Ohio	Pettengill	Wolcott
Dies	Johnson, Okla.	Pierce	Wolverton
Dietrich	Johnson, W. Va.	Pittenger	Wood
Dingell	Jones	Polk	Woodruff
Dirksen	Kahn	Powers	Zimmerman
Disney	Keller	Quinn	
Ditter	Kelly	Rabaut	

NAYS—61

Andrew, Mass.	Culkin	Higgins, Conn.	O'Day
Andrews, N. Y.	Darden	Hobbs	O'Neal
Bacon	Dobbins	Hollister	Perkins
Biermann	Drewry	Huddleston	Peyser
Bland	Duffy, N. Y.	Lanham	Plumley
Bolton	Eaton	Lehlbach	Reilly
Burch	Ford, Calif.	Lewis, Colo.	Rich
Cavicchia	Gifford	McLean	Robertson
Christianson	Goodwin	Mapes	Rogers, Mass.
Claiborne	Hancock, N. Y.	Merritt, Conn.	Russell
Cole, N. Y.	Harlan	Millard	Sisson
Cox	Hartley	Montague	Smith, Va.
Snell	Terry	Utterback	Wigglesworth
Sumners, Tex.	Tinkham	West	Woodrum
Taber	Tobey	Whittington	Young
Tarver			

ANSWERED "PRESENT"—2

Doughton	Wadsworth

NOT VOTING—41

Bell	Granfield	Maloney	Stewart
Boylan	Griswold	Maverick	Sullivan
Brennan	Haines	Montet	Thom
Buchanan	Hoeppel	Norton	Thomas
Buckley, N. Y.	Holmes	Oliver	Treadway
Celler	Johnson, Tex.	Patman	Wilson, La.
Citron	Kee	Pfeifer	Wolfenden
Clark, N. C.	Lewis, Md.	Risk	Zioncheck
Corning	McFarlane	Sanders, La.	
Dear	McGroarty	Sandlin	
Fernandez	McLeod	Scrugham	

So (two-thirds having voted in favor thereof) the bill was passed, the objections of the President to the contrary notwithstanding.

The Clerk announced the following pairs:

Mr. Patman and Mr. Risk (for) with Mr. Wadsworth (against).
Mr. McFarlane and Mr. Clark of North Carolina (for) with Mr. Corning (against).
Mr. Doughton and Mr. Holmes (for) with Mr. Treadway (against).

General pairs:

Mr. Oliver with Mr. Thomas.
Mr. Fernandez with Mr. Fenerty.
Mr. Wilson of Louisiana with Mr. Stewart.
Mr. Lewis of Maryland with Mr. Wolfenden.
Mr. Maverick with Mr. McLeod.
Mr. Thom with Mr. Bell.
Mr. Maloney with Mr. Zioncheck.
Mr. Sandlin with Mr. McGroarty.
Mr. Montet with Mr. Brennan.
Mr. Hennings with Mr. Dear.

Mr. WADSWORTH. Mr. Speaker, on this motion I voted in the affirmative. However, I have a pair with the gentleman from Texas, Mr. PATMAN, and the gentleman from Rhode Island, Mr. RISK. Were they present, they would have voted "aye." Under these circumstances I must withdraw my vote and desire to be recorded "present."

Mr. THOMASON. Mr. Speaker, my colleague, Mr. MCFARLANE, is absent on account of important business. If he were present, he would have voted "aye." He is paired as voting "aye."

Mr. EDMISTON. Mr. Speaker, my colleague, Mr. KEE, is absent on account of illness. Were he present, he would have voted "aye."

Mr. HIGGINS of Massachusetts. Mr. Speaker, my colleague, Mr. GRANFIELD, is absent on account of illness. If present, he would have voted "aye."

Mr. HART. Mr. Speaker, my colleague, Mrs. NORTON, is unavoidably absent. If present, she would have voted "aye."

Mr. McREYNOLDS. Mr. Speaker, the gentleman from Texas, Mr. JOHNSON, is absent on account of sickness. If present, he would have voted "aye."

Mr. CULLEN. Mr. Speaker, my colleagues, Mr. SULLIVAN, Mr. BUCKLEY of New York, Mr. PFEIFER, Mr. CELLER, and Mr. BOYLAN, are unavoidably detained. If present, they would have voted "aye."

Mr. GOODWIN. Mr. Speaker, my colleague, Mr. THOMAS, is absent on account of illness. Were he present, he would have voted "aye."

Mr. GREENWOOD. Mr. Speaker, my colleague, Mr. GRISWOLD, is unavoidably absent. If present, he would have voted "aye."

Mr. DOUGHTON. Mr. Speaker, I voted "aye" on the roll call. I have a general pair with the gentleman from Massachusetts, Mr. TREADWAY. I find he is not present. I wish to withdraw my vote and answer "present." Were I permitted to vote, I would vote "aye." Were the gentleman from Massachusetts present, I understand he would vote "no."

Mr. CONNERY. Mr. Speaker, my colleague, Mr. PATMAN, is unavoidably absent. He asked me to state that if present he would vote "aye."

Mr. BOLAND. Mr. Speaker, my colleague, Mr. HAINES, is unavoidably absent. If he were present, he would have voted "aye."

Mr. UMSTEAD. Mr. Speaker, my colleague, Mr. CLARK of North Carolina, is unavoidably absent. If present, he would vote "aye."

Mr. SHANLEY. Mr. Speaker, my colleague, Mr. CITRON, is ill and unable to be present. Were he present, he would vote "aye."

Mr. WHITE. Mr. Speaker, my colleague, Mr. SCRUGHAM, is attending to an important matter before a department and did not know of this vote. If present, he would have voted "aye."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. MONAGHAN. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. MONAGHAN. To correct the RECORD.

The SPEAKER. The gentleman will state the correction.

Mr. MONAGHAN. Mr. Speaker, on yesterday I presented the McGroarty bill, embodying the Townsend plan, as an amendment to the deficiency appropriation measure. I presented the bill in its entirety. For some reason unknown to the Clerk's office, only the part that carried the transactions tax was included. These mistakes have been constantly recurring on the part of the Clerk's office. I feel that it is incumbent that I serve notice upon the Clerk that if they continue I shall file proper proceedings against the Clerk's office. I cite in this connection the petition which was filed on the McGroarty bill at the Clerk's desk. I had sent a letter to the entire membership of this House at that time; notwithstanding that, the Clerk arbitrarily accepted the petition of another Member.

I cite you back to the CONGRESSIONAL RECORD of March 4, 1935, when Mr. HOEPPEL took the floor and made the following speech:

Mr. Speaker, I understand that the gentleman from Montana [Mr. MONAGHAN] today filed a petition, which is at the Clerk's desk. This petition seeks to bring to the floor for consideration and debate the McGroarty bill, commonly known as the Townsend old-age-pension bill.

In this connection I would request that those who are interested in this humane measure come to the desk and sign the petition, in order that early action may be had thereon.

I have in my hand a request from the City Council of the City of South Pasadena requesting the Congress of the United States to give fair and impartial consideration to the Townsend old-age revolving pension plan.

For the information of the Republican Members, I will say that South Pasadena is composed almost entirely of Republicans. For this reason I hope that the Republican membership will evidence the fullest measure of cooperation, and that, with the Democrats, we will obtain the required number of signatures to bring this question up for a decision as soon as possible.

I wish to compliment my colleague from Montana [Mr. MONAGHAN], who has taken such an active part in the Congress in the interests of social security. It was Mr. MONAGHAN who headed the delegation which had a conference with the President recently on the subject of old-age pensions. Mr. MONAGHAN submitted the following letter to the various Members of Congress:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 2, 1935.

MY DEAR COLLEAGUE: Insistent is the clamor for an old-age pension; not a pauper's dole but a system that will be a proper step toward national recovery; a pension reasonably high enough to encourage aged men of all trades and occupations, even in the more remunerative walks of life, to leave their posts and thereby create opportunity for the employment of middle-aged and younger men.

As chairman of the Congressional Legislative Strategy Committee for the Promotion of Social Security I will place on the Clerk's desk in the House of Representatives, Monday noon, March 4, a petition for the discharge of the Ways and Means Committee from further consideration of the McGroarty bill (H. R. 3977), asking that it be considered on the floor of the House on either the second or fourth Monday of April.

As you, of course, know, the signing of this petition in nowise is a commitment to the Townsend old-age-pension plan, but merely an indication of desire for free and open debate on the measure and opportunity for proposing amendments.

Machines have robbed a large portion of the American public of a decent livelihood through pursuit of normal occupations, and a sound old-age-pension system, based upon the proper means of raising the money, would go far toward solving the problems of maldistribution. Therefore I urge you to sign this petition for the purpose of establishing a sound system of pensions that will permit the aged American citizen to raise his head high to heaven and proudly walk as a man amongst men.

Respectfully submitted.

JOSEPH P. MONAGHAN,
Chairman, Congressional Legislative Strategy Committee for the Promotion of Social Security.

On the following day, March 5, 1935, the following colloquy occurred between Mr. CARTER, of California, and Mr. KRAMER, of California:

Mr. KRAMER. Mr. Speaker, the gentleman from California [Mr. HOEPPEL] made the statement yesterday that the gentleman from Montana [Mr. MONAGHAN] had placed on the Speaker's table a petition to relieve the Committee on Ways and Means from consideration of the McGroarty bill in reference to the Townsend old-age-pension plan.

I want to say to my colleague from California that either his eyesight is bad or else he has been misinformed. The petition was filed by the gentleman who is now addressing the House.

Mr. CARTER. Did not the gentleman from Montana [Mr. MONAGHAN] announce, however, that he proposed to file that petition and sent the gentleman from California [Mr. KRAMER] and a number of other Members a letter to that effect?

Mr. KRAMER. I do not know what the gentleman from Montana [Mr. MONAGHAN] announced, and I received no letter from him. I am just correcting the RECORD so far as the statement of the gentleman from California [Mr. HOEPPEL] is concerned.

Mr. CARTER. I understand from the gentleman from Montana [Mr. MONAGHAN] that a letter was delivered to each and every Member of Congress, including the gentleman from California [Mr. KRAMER]. These letters were delivered through the post office in the usual course of mail delivery. While I do not want to accuse the gentleman from California [Mr. KRAMER] unjustly, it would seem to me that he must have had knowledge of the intentions of the gentleman from Montana [Mr. MONAGHAN], not only by reason of the delivery of the letter but also from his contact with the Clerk of the House.

I have been informed by the gentleman from Montana [Mr. MONAGHAN] that the gentleman from California [Mr. KRAMER] contacted the Clerk of the House for the first time in reference to this matter on Monday, March 4, which was after the date of the delivery of the letter.

The gentleman from California [Mr. KRAMER] did not confer with the author of the bill. The author of the bill desired to have the gentleman from Montana [Mr. MONAGHAN] file the petition. Personally, I am not concerned about which gentleman should file the petition, but I did regret to see the gentleman from California [Mr. KRAMER]—aware, as he apparently was, of the intentions of the gentleman from Montana [Mr. MONAGHAN]—rush in and file the petition ahead of him. I do not believe that such tactics should be countenanced by the membership of the House of Representatives.

I think this kind of treatment should not be accorded a Member.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. MONAGHAN. No; I refuse to yield for the moment.

I therefore ask, Mr. Speaker, unanimous consent that this amendment be printed at this point in the RECORD so that the people of the country will not get the impression that I was proposing a sales tax to the deficiency appropriation bill.

Mr. BLANTON. Mr. Speaker, reserving the right to object—and I shall not object—I must take issue with my good friend from Montana regarding his intimation that our Clerk is either careless or derelict in performing his arduous duties here. He is highly capable and efficient. Our two reading clerks, and our Clerk in charge of the House proceedings, and our able reporters of debate, are all high-class gentlemen, are unusually capable and efficient, and are most conscientious in the performance of their duties. Of course, once in a great while, amidst the confusion occasioned by the noise and hubbub we Members make ourselves in carrying on scores of different conversations on the floor, all that is said and done is not heard distinctly, and a mistake is occasionally made, and it is almost a miracle that more of them are not made. Our clerks all do remarkably well under the most trying circumstances.

Mr. WOODRUM. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. WOODRUM. The gentleman from Montana does not have to have unanimous consent. The gentleman can move to correct the RECORD in the manner indicated.

The SPEAKER. The gentleman is correct.

Mr. BLANTON. The gentleman asked unanimous consent——

Mr. MONAGHAN. Mr. Speaker, I move that the RECORD be so corrected.

Mr. BLANTON. And I obtained recognition on a reservation of objection to the unanimous-consent request in order to defend our clerks against the charge of carelessness and negligence.

The regular order was demanded.

Mr. BLANTON. Except in rare instances, our clerks are absolutely accurate in their reporting and are conscientious and efficient in all they do here.

The SPEAKER. The regular order is: Is there objection to the request of the gentleman from Montana?

Mr. RICH. Mr. Speaker, I object.

Mr. MONAGHAN. Mr. Speaker, I move that the RECORD be so corrected.

The SPEAKER. The gentleman from Montana moves that the RECORD be corrected as indicated.

Mr. MONAGHAN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Montana.

The motion was agreed to.

The amendment referred to is as follows:

Amendment offered by Mr. MONAGHAN: On page 13, line 11, after the figures, insert a new paragraph to read as follows:

"DEFINITIONS

"SECTION 1. The term 'transaction' for the purposes of this act shall be defined so as to include the sale, barter, and/or exchange of either or both real or personal property, including any right, interest, easement, or privilege of commercial value therein or related thereto, whether actually made at the time or only then agreed to be made and whether under executed or executory contract or otherwise; also including all charges for interest, rent, commissions, fees, and any other pecuniary benefit of any kind directly or indirectly derived from or for any loan, deposit, rental, lease, pledge, or any other use or forbearance of money or property; and also including the rendering or performance of any service for monetary or other commercially valuable consideration, whether by a person or otherwise, including all personal service, also transportation by any means, and telephone, telegraph, radio, amusement, recreation, education, art, advertising, any public utility, any water rights, and/or any and all other service of any and every kind whatsoever, but excepting and excluding therefrom any single isolated transfer of property of fair value less than $100 which does not arise or occur in the usual course of an established commercial business and excluding any loan, deposit, withdrawal from deposit, hypothecation, or pledge of property or money.

"A purchase obligation is not a loan under this act.

"Barter and/or exchange is defined as a plurality of transactions to the extent of the fair value of the property and/or service transferred or rendered other than money.

"The term 'income' for the purposes of this act shall be defined so as to include the gross amount of any and all money or its equivalent received from or for any service performed or from or for any proceeds or profit from any transaction, inheritance, or gift whatsoever.

"The term 'net income' for the purposes of this act shall be defined so as include all money and/or commercially valuable benefit or its equivalent actually received by the annuitant, after deducting only such charges and expenses as are directly incident to producing such net income.

"The term 'gainful pursuit' for the purposes of this act shall be defined so as to include any occupation, profession, business, calling, or vocation, or any combination thereof, performed for monetary or other commercially valuable consideration, remuneration, or profit.

"The term 'annuity' and/or 'annuities' for the purposes of this act shall be defined so as to include the various sums and/or amount of money distributed and paid pro rata and otherwise to the various persons who shall become and be the beneficiaries under this act.

"The term 'executory contract' for the purposes of this act shall be defined so as to include any and all conditional sale agreements and contracts, and all other agreements and contracts the completion of which is or may be delayed to some time subsequent to the time of making thereof.

"The term 'gross dollar value' for the purposes of this act shall be defined so as to include the sum representing the total fair value of the entire property or service transferred or proposed to be transferred, without deducting any amount of encumbrance or offset of any kind.

"TAXES AND COLLECTION THEREOF

"SEC. 2. (a) There is hereby levied a tax of 2 percent upon the fair gross dollar value of each transaction done within the United States and Territories; also, in addition to all other taxes, a tax equal to one-tenth of the tax levied upon all incomes under the provisions of the Revenue Act of 1934 or any amendment thereto; also, in addition to all other taxes, a tax of 2 percent upon the fair dollar value of all transfers of property by devise, bequest, or other testamentary disposition or legal descent and distribution of property, as now or hereafter taxable under the provisions of the Revenue Act of 1934 or any amendment thereto; and also, in addition to all other taxes, a tax of 2 percent upon the fair gross dollar value of every gift in excess of the fair value of $500.

"(b) Except as hereinafter otherwise provided, all tax returns for the taxes imposed by this act shall be made by, and the tax shall be paid by, the grantor, vendor, lessor, and/or legal representative thereof, and by the legal entity by whom the service is furnished, for each and every transfer of property and/or rendition or performance of service, and for all transactions arising under executory contract the return shall be made and the tax shall be paid as of the date such executory contract is entered into, regardless of the time of the completion thereof: *Provided*, That in every case of compensation for personal service other than for professional service, the person or legal entity by whom such payment is made shall deduct the amount of the tax and withhold it out of such compensation and shall make the return and the payment of the tax for such cases in lieu of the return and payment by the person who performed the service.

"(c) All taxes imposed by this act shall be deemed levied and shall become payable upon all taxable transactions beginning and occurring on and after 30 days after this act takes effect.

"(d) Every return of taxes, together with the payment of the taxes, as required by this act, shall be made to the Collector of Internal Revenue of the United States, or to such other person as may be designated by rules and regulations issued under this act, for the district from which such return is made, as of the end of each calendar month during which such taxes become fixed and chargeable, and shall be delivered and paid to said Collector of Internal Revenue or other person not later than 10 days after the expiration of the calendar month for which such return is made.

"(e) The Secretary of the Treasury shall enforce the payment of the taxes required by this act to be paid, and shall promptly deposit in the United States Treasury all funds received by him through or from the collection of such taxes, all as required by rules and regulations to be issued and promulgated by the Secretary of the Treasury of the United States.

"A SEPARATE FUND

"SEC. 3. There is hereby created in the Treasury Department of the United States a fund to be known and administered as the United States citizens' retirement annuity fund. All revenue derived from the taxes levied in and under this act shall be deposited by the Secretary of the Treasury in this United States citizens' retirement annuity fund, and shall be disbursed only for the payments of the sums expressly authorized by this act to be paid therefrom, and for no other purposes.

"ONLY UNITED STATES CITIZENS ARE ELIGIBLE

"SEC. 4. (a) Every citizen of the United States 60 years of age and over, or who shall attain the age of 60 years after the passage of this act, shall be entitled to receive upon filing application and qualifying as hereinafter provided an annuity payable monthly during the life of the annuitant, in a sum to be determined as hereinafter provided in this act.

"(b) The right of any person to receive an annuity under this act shall date from and begin on the date of proper filing of an application therefor, when and if such application is supported by proper and sufficient proofs in compliance with rules and regulations issued pursuant to the provisions of this act, but subject to the limitations upon time and manner of payment as hereinafter provided by this act.

"(c) The annuitant shall not engage in any gainful pursuit.

"(d) The annuitant shall covenant and agree to expend, and shall spend all of each month's annuity during the current calendar month in which it is received by the annuitant, or within 5 days thereafter, within the United States of America or its Territorial possessions, in and for the purchase of any services and/or commodities, and/or a home or an equity in or lease of a home, or for the payment of any indebtedness lawfully arising for any such purchase: *Provided, however*, That the annuitant shall not directly or indirectly expend a total of more than 10 percent of any such monthly annuity for gifts or contributions to any person or to any public or private institutions, associations, or organizations.

"(e) This annuity shall not be payable to any person who directly or indirectly receives from any source a net income of any kind or nature in excess of $2,400 per year.

"(f) Any person otherwise qualified to receive an annuity hereunder and who at any time receives any net income of any kind or nature not arising from personal services of such person and which in total amount is less than $2,400 per year, shall promptly make full and complete disclosure in writing under oath, as required by rules to be issued under this act, fully disclosing the amount and source of any and all such income, and thereupon the pro-rata monthly amount of any such annual income not arising under this act shall be prorated over the year and shall be deducted monthly from the monthly annuity payment to which such person under this act would otherwise be entitled, and the remainder shall be the annuity of such annuitant payable under this act: *Provided, however*, That all of the income of any such annuitant, whether arising under this act or otherwise, shall be expended as required for annuity paid under the provisions of this act.

"ADMINISTRATION PROVISIONS

"SEC. 5. (a) The Administrator of Veterans' Affairs shall create and maintain boards of review, within the several States, as he may deem necessary to carry out the provisions and purposes of this act,

and he shall issue and promulgate and enforce proper and suitable rules and regulations governing the manner and place of registration by applicants for the annuities provided for under this act, and the method of identification of and registration by such annuitants, also to require and secure the proper spending of the annuity money by the annuitant as required by this act, and adequate and sufficient accounting thereof, and such other rules and regulations as he may deem necessary, all in accordance with the intent and purposes of this act; and he shall cause to be paid at regular monthly intervals, to each person who lawfully qualifies to receive annuities under this act, such amount as shall become due the respective annuitants lawfully qualifying under this act.

"(b) Proper and suitable boards shall be established by the Administrator of Veterans' Affairs, within each State as he shall deem necessary, such boards as have exclusive jurisdiction to hear and determine all issues arising under this act, subject to rules and regulations issued and promulgated under this act, concerning annuitants residing within the jurisdiction of the boards, respectively, but subject to the right of either party to have the decision of any such board reviewed by the State court having general jurisdiction over the area in which that board is situated.

"APPORTIONMENT AND DISTRIBUTION OF FUNDS

"SEC. 6. From and out of the proceeds of such taxes collected and accumulated under the provisions of this act, disposition and disbursements shall be made in the following manner and order, to wit:

"(a) All proper and necessary expense of administering this act shall first be paid or provided for, and upon a monthly basis whenever practicable.

"(b) A reserve fund shall at all times be maintained sufficient to protect and provide proper payment of any and all annuities the payment of which for any cause is deferred because of delay in approval of application for the annuity or otherwise.

"(c) All other money available in any month or period, from or out of said tax collections or any undistributed residue thereof, as hereinafter referred to, shall be distributed and paid monthly, pro rata, except as hereinafter provided, to all qualified annuitants who are of record on the last day of the calendar month period or longer first period as hereinafter specified, during which the tax collections and/or residue are accumulated for distribution, in such amount not exceeding $200 per month, as may properly be paid from the funds accumulated during that period, and in the following manner, to wit:

"(d) First. The total amount available for distribution shall be divided by the total number of the annuitants entitled to share therein, and except for cases where deduction is to be made as hereinafter referred to, the result shall be the pro rata annuity amount.

"Second. The proper deductions provided for by section 4, paragraph (f), of this act shall then be made from the pro rata amount so determined, as to all persons who have any income not arising under this act as annuity.

"Third. The amount so determined to be due each of the annuitants shall then be paid in manner and by method as follows, to wit:

"(e) The total amount of the deductions made as provided in section 4, paragraph (f), of this act shall constitute a residue which shall be carried over into the next following month and be merged into and become a part of the fund available for that month for distribution to qualified annuitants as provided for in this act.

"(f) All of the funds accumulated under this act during the period extending from the time this act goes into effect and to the end of the first full calendar month after this act takes effect and hereby designated as the 'first period', shall be promptly paid for and as of the 1st day of the fifth full calendar month after this act takes effect, to such annuitants as are of record on the last day of such 'first period' and as hereinbefore provided for in section 6, paragraph (c), of this act.

"(g) All of the funds accumulated under this act during the second full calendar month after this act takes effect, hereby designated the 'second period', shall be promptly paid for and as of the 1st day of the sixth full calendar month after this act takes effect, to such annuitants as are of record on the last day of such 'second period' and as hereinbefore provided for in section 6, paragraph (c), of this act.

"(h) Subsequent monthly payments to the annuitants shall be made by this same method, monthly, as follows:

"Accumulation of third period to be paid on 1st day of seventh month.

"Accumulation of the fourth period to be paid on 1st day of eighth month.

"Accumulation of the fifth period to be paid on the 1st day of the ninth month, etc.

"And continuing so long as any funds are available therefor under this act, to the annuitants identified monthly in accordance with section 6, paragraph (c), of this act.

"RULES AND REGULATIONS

"SEC. 7. All administrative details not specifically otherwise provided for in this act shall be governed by rules and regulations issued and promulgated by the Administrator of Veterans' Affairs.

"APPROPRIATION FROM THE FUND

"SEC. 8. The Secretary of the Treasury, upon demand by the Administrator of Veterans' Affairs, is hereby authorized and directed to pay from money or moneys available in said United States citizens' retirement annuity fund the money necessary to cover the monthly annuities as designated by said Administrator to be paid to qualified annuitants, and for other purposes, in a total amount as elsewhere provided in this act, but in any event not to exceed at any time the amount on deposit in said fund; and there is hereby authorized to be appropriated such sum or sums as may be necessary to establish and maintain this act, subject to reimbursement out of funds collected hereunder, pursuant to the provisions of this act.

"PENSIONS NOT SUBJECT TO GARNISHMENT, ETC.

"SEC. 9. Any annuity granted under this act, and the money proceeds thereof due or in the hands of the annuitant, shall be wholly exempt from attachment, garnishment, execution, levy, and/or any other judicial process.

"DISQUALIFICATIONS

"SEC. 10. No annuity shall be paid under this act to any person who is not at the time of payment domiciled within the United States or its territorial possessions.

"SUSPENSION AND FORFEITURE

"SEC. 11. The right of any person to receive an annuity under this act may be suspended and/or forfeited for any of the following causes:

"(a) For engaging in any gainful pursuit.

"(b) For violation of any of the provisions of this act.

"(c) For unreasonable and unnecessary maintenance of any able-bodied person in idleness and/or for unreasonable and unnecessary employment of a person or persons or the payment to any person of any salary or wages or any other form of compensation in disproportion to the service rendered.

"(d) For willful failure or refusal to obey any rule or regulation issued under this act.

"(e) For willful refusal by any annuitant to pay any just obligation.

"DELAY IN PAYMENT—REMEDY

"SEC. 12. If in any case the payment of an annuity to any person is delayed to an extent which causes an accumulation of 2 months or more of annuities, then, and in that event, the expenditures by the annuitant for the amount of any such accumulation shall be made upon the basis of 2 months for every month of such accumulation.

"CERTAIN OFFENSES A FELONY—PENALTY

"SEC. 13. It shall be a felony, and punishable as such, for any applicant for an annuity, or for any annuitant, or any person required by this act to make any return for the payment of any tax, to make any false statement, or to knowingly withhold any facts material to the proper administration of this act, with intent to defraud the United States, under a penalty of a fine of not more than $1,000 or imprisonment for not more than 1 year, or both.

"CONSTRUCTION OF THIS ACT

"SEC. 14. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act or the application of such provision to other persons or circumstances shall not be affected thereby."

PERMISSION TO ADDRESS THE HOUSE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

Mr. WOODRUM. Mr. Speaker, reserving the right to object, and I shall not object, I just want to say that we desire to resume consideration of the deficiency appropriation bill as soon as the gentleman from Massachusetts concludes his remarks, and I shall be forced to object to any further requests.

Mr. McCORMACK. Mr. Speaker, I have risen in order not to let go unchallenged in the RECORD the statements made about the Clerk's office.

The present Clerk of the House and the previous Clerks of the House have acted with extreme fairness to all Members. I think the gentleman, upon examining his remarks, will realize that he probably expressed himself in a manner which does not reflect his true state of mind.

The present Clerk of the House of Representatives, a former Member of the House, is outstanding for his fairness in the discharge of his office. He commands the respect of all because of the fine quality of fairness that he possesses. I cannot speak too highly of him. I think the gentleman who has just made such strong remarks will realize that probably he expressed himself in a manner which does not reflect his true state of mind.

Mr. MONAGHAN. Will the gentleman yield?

Mr. McCORMACK. Briefly, for an apology or a correction of his statement. If not, I do not intend to yield to the gentleman.

Mr. MONAGHAN. I may say in explanation to the gentleman that the action of which I spoke this morning has occurred several times.

Mr. McCORMACK. I have not seen such occurrences, and I will not permit such statements going into the RECORD without challenging them. [Applause.]

As a part of my remarks I include herein a letter received from Hon. South Trimble, Clerk of the House of Representatives:

Hon. JOHN J. McCORMACK,
House of Representatives, Washington, D. C.

MY DEAR MR. McCORMACK: Inasmuch as you were good enough to challenge several statements made on the floor of the House today criticizing the service of the Clerk's office, I herewith submit to you the facts relative thereto.

As you undoubtedly know, the matter of reporting the debates and handling matters inserted in the CONGRESSIONAL RECORD is not a part of the duties of the Clerk of the House. This function is handled by the official reporters of debates; therefore the failure to print any part of a Member's remarks or extension of remarks is chargeable to that office or to the Government Printing Office, which prints the CONGRESSIONAL RECORD.

Reference was also made to an application made to discharge a committee from the consideration of the McGroarty bill, and in explanation I will say that Mr. KRAMER came to my office quite a number of days before a motion to discharge the committee from consideration of the McGroarty bill could be filed, under the rule of the House, and asked for such a motion. He was informed that the necessary 30 days had not expired for the filing of such a motion, and that such a motion could not be filed with the Clerk until the necessary days had lapsed. He admonished me not to inform anyone that he intended filing such a motion. About a week later Mr. MONAGHAN made application for a similar motion and was informed that the necessary 30 days had not yet expired, and that such a motion could not be filed until the necessary 30 days had lapsed. He then made a similar admonishment to that of Mr. KRAMER.

This put me in a very embarrassing position, as you might see. I therefore resolved to keep the admonishments of these two gentlemen confidential and to furnish a motion on this bill to the first Member of the House who should make application to the Clerk after the necessary 30 days had expired. This appeared to be a proper solution to this problem. Mr. KRAMER, of California, was the first Member of the House to come to me after the necessary legislative days had expired under the rule, and I, therefore, received his motion to discharge the committee from consideration of the McGroarty bill. When Mr. MONAGHAN arrived in my office an hour or so later and made a similar application for a motion he was informed that Mr. KRAMER had already submitted a motion to discharge the committee on that bill, and that under the rules of the House two such motions could not be filed with the Clerk. He was then given a detailed explanation of all the facts relative thereto as I have set them forth above. He appeared to accept the facts at that time. I still believe that my action at that time was the only solution to that problem, and I hope that the House itself may feel the same way.

Mr. MONAGHAN has referred to three additional errors on the part of this office, but fails to give specific information concerning them. I feel sure that, if given any details, I will be able to give as reasonable and logical an explanation of them as for the two mentioned specifically.

The Clerk's office has always honestly endeavored to perform its multifarious duties without fear or favor and will continue to do so.

Yours sincerely,

SOUTH TRIMBLE,
Clerk of the House of Representatives.

ADJUSTED-COMPENSATION CERTIFICATES

Mr. LEE of Oklahoma. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. LEE of Oklahoma. Mr. Speaker, we have voted to pay the adjusted-compensation certificates by exchanging one bond for another. We have authorized payment, but we have not appropriated the money. Therefore I am introducing today a bill, H. R. 10594, calling for payment of these bonds by the issuance of new money. [Applause.]

WE HAVE IDLE GOLD

We have nearly $11,000,000,000 of monetary gold that belongs to the people of the United States. Our Government has outstanding $6,000,000,000 of currency. That means that we have almost $2 in gold for every dollar of currency. In other words, we have $5,000,000,000 of idle gold that belongs to the Government. It is not worth any more to the people than so many brickbats. We dig it up in Colorado, and I understand we are going to bury it in Kentucky.

BONDS MAKE MORE TAXES

If these bonds are paid in non-interest-bearing Treasury notes, it will save the Government of the United States over a billion dollars in interest; because, unless we provide a method such as this for financing these baby bonds when they are presented for payment, it will be necessary for the Secretary of the Treasury to borrow this money by issuing more interest-bearing bonds.

I am opposed to the issuing of any further interest-bearing, tax-exempt bonds.

At the close of the Civil War bonds were issued to pay the veterans of that war. That was 65 years ago. Those bonds are still not paid, and our Government is still paying interest on them.

I have information from the Treasury Department that there are $44,000,000,000 worth of interest-bearing, tax-exempt bonds in the United States. That means that $44,000,000,000 of wealth in this country is not taxed either as to income or principal. But the interest on that $44,000,000,000 marches steadily on through good years and bad.

We have been told from this floor in very clever arguments that we cannot tax these bonds because they bear such low rates of interest that if we tax them we must offer them at just that much more interest, but what about the taxes on a farm? The farm can actually lose money and still the farmer must pay taxes or lose the farm. He is not exempted from taxation because his farm yields him only 3 percent. In fact, he can lose a year's labor and lose his seed, and yet we tax him on his farm. Therefore I see no good reason why the man who puts his money in bonds instead of a farm should be exempt from taxation, as well as receive interest which also is exempt from taxation.

Bonds are what the name signifies. Bonds mean profits for the bondholders and bondage for the people. Bonds mean shekels for the bondbrokers and shackles for the taxpayers.

SOUND MONEY

There are those who would create fear in the minds of the people as to the soundness of our money. They are the ones who profit by Government bonds. They are the ones who have invented such terms as "tinkering with the currency", "fiat money", and "printing-press money." They have also hollered "inflation."

Can it be said that we have a debased currency when we have almost two gold dollars back of every greenback? Can anyone say "inflation" when the dollar today is worth $1.25? No; these terms have been invented to prevent the issuance of new money and insure the continuation of the bond racket.

As to the printing presses, they are going to be started anyway. They will either print bills or bonds. Unless this Congress demands the printing of money, then these printing presses will print bonds, interest-bearing bonds, tax-exempt bonds. What is the difference so far as inflation is concerned? It is just as possible to have bond inflation and credit inflation as it is currency inflation, and much more dangerous, because when you are printing currency, you know exactly how many dollars you are turning out; but when you are authorizing the issuance of bonds, you are creating a backlog of credit against which the bankers of this country can lend and thereby bring about the greatest inflation we have ever known. Therefore it is much safer to pay these obligations in non-interest-bearing Treasury notes than it is to pay them in bonds.

CONSTITUTIONAL DUTY

The Supreme Court has said that Congress under the Constitution cannot help the farmers by control of production, but here is a constitutional method of helping the farmers by paying these obligations in new money.

The issuance of this money will increase the purchasing power of every bushel of wheat; it will increase the debt-paying power of every bale of cotton.

The money masters have hollered for the Constitution. All right, let us give them the Constitution. By it Congress is not granted a mere permissive right to control the value of money, but the language in the Constitution is mandatory. It says:

Congress shall coin money and regulate the value thereof.

The Wall Streeters have cried for the Constitution; now let us give it to them. [Applause.]

[Here the gavel fell.]

DEDICATION OF THE NEW YORK POST OFFICE ANNEX

Mr. GAVAGAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech of the Postmaster General of the United States on the occasion of the dedication of the New York City post office.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. RICH. Mr. Speaker, reserving the right to object, I should like to know whether Postmaster General Farley is going to continue in a dual capacity—that is, as an office-holder in the Democratic administration and as Postmaster General?

The regular order was demanded.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GAVAGAN. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following address of Postmaster General James A. Farley at the dedication of the New York City Post Office Annex at 12 noon, December 5, 1935:

Mr. Chairman, ladies, and gentlemen, the dedication today of this splendid annex to the New York City post office marks another forward step in the development of the mail facilities in our great metropolis, which is the largest and most important postal center in the world.

Federal buildings to house 16 postal stations in New York City and 4 in Brooklyn are now under construction or will be placed under construction soon. These 20 postal stations, together with the post-office annex, make up a Federal building program which is designed to provide modern structures with ample space for present and future needs at points where it has been determined that postal accommodations of a permanent nature are required.

These buildings will make possible a more efficient mail service, as well as improved working conditions for postal employees.

The postal service in New York began in little coffee houses, to which ship captains personally delivered the first letters from the old countries. In those early days New York was known as New Amsterdam.

In 1672 Governor Lovelace endeavored, but without success, to establish a monthly post-route service between New York and Boston. It was 10 years before this route was in successful operation.

The growing importance of New York was recognized by the British Government when the act of 1710 established the general post office for the British Empire and also designated Edinburgh, Scotland; Dublin, Ireland; and New York City as chief letter offices.

Thirty years later, in 1740, a post road was blazed from New York to Philadelphia and the first regular mail service was started between these cities. Postmaster Bailey, who took office in 1804, moved the post office from 62 Broadway to 29 William Street because the patrons complained that the Broadway office was too far uptown. The postmaster and one clerk carried on the entire business in a room 12 by 15 feet, and the postmaster and his family lived in the remaining portion of the house.

One hundred and forty-four mail boxes were installed and a shed was erected over a sidewalk so that patrons might be protected while waiting for their mail as the delivery windows opened directly on the street.

Our Republic—A History of the American People has the following reference to the early postal system of the United States:

"In 1775 a general postal system was established, with Ben Franklin at its head, and by 1783 a letter could be sent from Maine to Georgia. Philadelphia and New York received mail 5 days a week, but most towns were lucky to get one mail a week. Letters to out-of-the-way places were longer in reaching destination than is now required to reach a point on the opposite side of the globe. In the transmission of mails there was no provision for secrecy or security. Letters were opened and read by the carriers in the most shameful manner. So far was this practice indulged in that Madison and other leading men found it necessary to conduct a part of their correspondence in cipher. Post riders on their long and tedious journeys could generally find time enough to read all the missives entrusted to their care, for it was seldom that the entire mass of letters exceeded the capacity of a single pair of saddle-bags. On an average, a man did not mail more than one letter in a year."

It was from such humble beginnings that our present great United States Postal System has grown, and the growth of the Postal Service in New York City forms one of the most interesting and important chapters in the history of the Service.

Postal receipts in New York City now approximate $62,000,000 annually, which is about one-tenth of the entire postal revenues of the United States. So that you may better understand the magnitude of the mail business originating in New York, I cite a few statistics:

Each year there are mailed approximately 1,000,000,000 pieces of first-class matter, 600,000,000 circulars, and 50,000,000 parcel-post packages. That only includes our outgoing mail. Hundreds of millions of pieces of mail are also received at the New York City post office each year. Approximately 16,000 regular employees are engaged in the handling of this mail, and in addition there are thousands of substitute and temporary employees.

In this city the post office has a motor-vehicle service fleet comprising 515 trucks and 628 chauffeurs, and many other employees.

Our pneumatic-tube service of 26½ miles, connecting our most important stations, carries mail underground in canisters, each holding approximately 500 letters.

Seventeen years ago the first air-mail service in the United States was established between this city and Washington. Now 27 air-mail planes leave here daily and a like number arrive from all points of the country. There are also approximately 677 mail trains arriving and departing from this city daily, which carry the mails to all parts of this country.

Approximately 85 percent of all the international mails flow through New York, and an average of 180 mail steamships sail from here each month, while a corresponding number arrive each month.

One hundred and sixty-five thousand New Yorkers have more than $63,000,000 on deposit in our Postal Savings bank. Through the splendid cooperation of our New York postal organization, $9,171,700 in United States savings bonds have been sold to 13,552 investors in this city.

Selection of the site for this annex was announced by the Treasury Department on October 1, 1929, and the property was acquired under authority of the act of Congress passed on March 4, 1929. The site cost $2,500,000. On August 2, 1933, the Public Works Administration allotted $4,828,000 for this project, which amount was later increased $315,000, making a total limit of cost of $5,143,000.

The Treasury Department announced the selection of the architectural firm of McKim, Mead & White, of New York, to prepare the plans for this building, and the construction contract was awarded by the Treasury Department on February 26, 1934, to James Stewart & Co., of New York, in the amount of $4,287,700.

The building is a four-story and basement structure of classical style architecture; the exterior of light gray granite. The building covers a ground area of approximately 154,670 square feet, with volume of 13,763,000 cubic feet. The workroom contains 144,409 square feet plus 99,020 square feet for the financial section, as well as ample space and facilities for other postal activities located at this point.

Since 1790 New York City has had 24 postmasters. This list begins with Sebastian Bauman and ends with Albert Goldman, the present capable postmaster, whose wide business experience is enabling him to give this city a most excellent and satisfactory service.

Such buildings as this facilitate the work of handling the mail, but, after all, it is the men and women employees who make the Postal Service efficient. The thousands of loyal officials and employees in New York are keenly alive to the public interest and realize that the welfare and progress of the people in this community are largely dependent upon the manner in which they perform their duties.

New York City is the greatest and most important financial and commercial center in the country, and it is the most important seaport. Its prosperity is dependent upon the business of the country as a whole. Because of this, New York must have the most modern and efficient facilities for the transaction of its business. One of its greatest business facilities, if not the greatest, is the Postal Service.

The Post Office Department has diligently sought to provide the best possible service for New York, and it has sought to provide such service for the entire United States. This new annex and the score of other new postal stations now being constructed or soon to be constructed in Greater New York attest the accuracy of this statement.

During the past 2½ years we have greatly improved the postal service throughout the country. We have largely reorganized the Railway Mail Service, eliminating excess railway mail-car space. We have reconstructed the domestic air-mail system. We have revised the foreign air-mail system, adding the trans-Pacific service to this system. We have greatly improved the Rural Free Delivery Service and brought about a very substantial saving in its operation. We are now engaged in effecting economies and improvements in our Ocean Mail Service. On October 1, 1935, we put into effect a 40-hour working week for postal employees, and today the morale of our employees is better than it has ever been.

On June 19, 1934, Congress authorized the expenditure of $65,000,000 for public buildings at places to be selected by the Secretary of the Treasury and the Postmaster General. Three hundred and sixty-one projects were selected for consideration under this authorization. Twenty-four of these projects have been completed and 236 have been placed under contract and are now in the course of construction. In 31 cases bids have been opened or have been invited.

Plans are now being prepared for the remaining projects under the $65,000,000 program, which comprise less than 20 percent of the total, and it is believed that it will be possible to ask for construction bids on these few remaining projects in the very near future.

Included in this program is the new post-office building in the Bronx, which is now in course of construction, and which is scheduled for completion by October 24, 1936.

On August 12, 1935, Congress appropriated an additional $60,000,000 for Federal buildings and the program under this appropriation provides for 357 projects. For 287 of these buildings sites had to be acquired. It is hoped to have a very large percentage of these buildings under construction during this winter. The Treasury and Post Office Departments are putting forth every effort to this end.

Postal receipts are regarded as one of the most reliable barometers of business conditions, and they have been steadily increasing for more than a year. The percentage of increase at the 12 largest post offices in the country for the week ending November 29, 1935, as compared with the same week last year, was 6.57 percent. Postal receipts for the fiscal year ending June 30, 1935, were approximately $44,000,000 more than for the preceding fiscal year, and I have every reason to believe that as large, if not a larger, increase will be shown during the present fiscal year.

While postal receipts provide reliable evidence of the very substantial and continuing improvement in business conditions throughout the country, they are by no means the only evidence of such improvement. In fact, every index points in the same direction. Bank deposits and bank clearings continue to show increases; prices of farm products continue at a profitable level; railroad traffic, both freight and passenger, is steadily increasing; factories throughout the country are increasing production and adding to the number of their employees; there is renewed activity in the mining industries; steel production and building operations have greatly improved; wholesale and retail sales are constantly growing in volume. In fact, in every way and on every hand, there is a marked improvement in business conditions.

I am inclined to agree with a prominent western businessman with whom I talked a few days ago. He said that "in reality the country is out of the depression and that we are now suffering from the scars of the depression, but that even the scars will all be healed within the next year."

It must be clear to every unbiased person that the Roosevelt administration has not only saved this country from an utter collapse but that it has brought the country well along the road to recovery and prosperity.

I know that the memory of man is reputed to be very short, but I am quite sure that it is not so short that the people of the United States have forgotten the distressing and hopeless conditions which they faced 2½ years ago when President Roosevelt was inaugurated, and I am equally sure that our people realize and appreciate the vastly improved conditions which exist today.

We have passed through the valley and we are now in the highlands. A new day has dawned and we are well into a new era which will not only bring back prosperity but will give our people a greater degree of economic security and social justice than they have heretofore enjoyed.

SUPPLEMENTAL APPROPRIATION BILL—1936

Mr. WOODRUM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 10464) making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and for prior fiscal years, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 10464, the supplemental appropriation bill of 1936, with Mr. COOPER of Tennessee in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The Chair wishes to announce that when the Committee rose last evening the gentleman from North Carolina [Mr. WARREN] had offered an amendment, to which a point of order was raised and overruled. The gentleman from North Carolina [Mr. WARREN] is now entitled to recognition in support of his amendment.

Mr. WARREN. Mr. Chairman, I ask unanimous consent that the Clerk may again report the amendment.

The Clerk read as follows:

Amendment offered by Mr. WARREN: On page 16, after line 5, insert as a new paragraph the following:

"For the purpose of collecting and disseminating useful information and data with respect to potato production and marketing within the United States to be available to the Secretary of Agriculture, the sum of $1,000,000 for the fiscal year 1936: *Provided*, That no part of such fund will be used for the enforcement of the Potato Act of 1935."

Mr. WARREN. Mr. Chairman, if this amendment is agreed to, and it has the support and approval of those in charge of the bill, the next paragraph in the bill will be entirely stricken out. I have heretofore frankly admitted that in light of the Supreme Court decision the Potato Act of 1935 would have no further standing in court. This amendment has nothing to do with that act in any way, shape, or form, and so expressly provides; therefore, any discussion outside of the amendment is not relevant, and I take it that the committee is only interested in the matter at issue.

Mr. TABER. Will the gentleman yield?

Mr. WARREN. I yield to the gentleman from New York.

Mr. TABER. Will the gentleman kindly tell the Committee just what it is proposed to do with the funds and what set-up is to be arranged?

Mr. WARREN. I am coming to that.

Mr. Chairman, this amendment is offered in good faith. Of course, we all say that about all of our actions here, but I assure you that if I were not convinced of its necessity I would not be here urging its adoption today.

The amendment is frank and devoid of indirection and subterfuge. If, after you hear the argument, you are not convinced of the necessity of it, then I ask no one in the House to cast a vote in its behalf.

The Department of Agriculture has secured in the past few years full and complete information and history in regard to all of the major crops. This information is necessary and valuable for any future farm program that Congress may agree upon. It is generally understood that we will have a program which will include all crops. The only major crop for which the Department does not have the necessary information is potatoes. They tell me it is highly essential that information be secured for potatoes, and unless they have such data as is desired it will place any potato program a year behind other crops.

Now, it may be argued, and it was argued yesterday, that this information is already available, possibly, through the Bureau of the Census. This is entirely incorrect. The agricultural census merely asks the farmer how many acres did he plant and how many bushels did he raise in the year of 1934. This means nothing; is far from sufficient; and the next information gathered along that line would be about 5 years from now. This also contained no data as to sales, no data as to marketing or interstate movement, and the Department has again, today, advised me that this is necessary if potatoes are to be aided in any future program.

This amendment provides that the Secretary of Agriculture shall secure this information and here is the information that they tell me they need:

Past acreage production shipments and sales of potatoes for a series of years, 1929 through 1935, United States totals present census figures and estimates incomplete and inaccurate insofar as taken. The same is true of State totals. County figures are not available except for acreage and production of census years and sales for the census year of 1929. These figures, by counties, are too incomplete and inaccurate to be used as a basis for preparing data for dissemination to farmers. Individual census schedules are confidential and not available.

[Here the gavel fell.]

Mr. WARREN. Mr. Chairman, may I have 3 more minutes.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 5 additional minutes.

Mr. LUDLOW. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 10 additional minutes. A number of us would like to ask some questions.

Mr. WARREN. Mr. Chairman, I should like to proceed for 5 more minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WARREN (reading):

Even if these figures—

And I am quoting from a memorandum sent to me by the Department—

were available, they would not give an accurate or adequate basis for determining past acreage, production, shipments, and sales of potatoes. Sales and shipments were not included in the 1934 census. Individual operators and farmers data are not available and therefore preparation of intelligible information to disseminate to farmers is impossible.

Now, it has also been argued that the Division of Crop and Livestock Estimates also has been gathering information about potatoes.

Did you know that this division, which only has an annual appropriation of approximately $600,000, attempts to make reports on 31 regular crops, 61 fruit and truck crops, and 13 different livestock products, and there is only one man in this entire Division who is in charge of the 61 fruit and truck crops, and it is an estimate where they send out a questionnaire to one or two people about possible acreage or average production in particular sections?

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. WARREN. I yield to the gentleman from Indiana.

Mr. LUDLOW. I think quite a number of gentlemen in the House would like to go along with the gentleman from North Carolina, because they like him, and because they have great confidence in his judgment, but on the basis of the facts as we understand them now, we simply cannot do this, and I wish to ask if the gentleman will kindly answer some questions, which are asked in entirely good faith purely for information, in regard to this matter?

Mr. WARREN. I shall try to answer them.

Mr. LUDLOW. The Potato Section of the Department of Agriculture, to which the gentleman refers, represented by Mr. Hutson and some other gentlemen, came before the Budget and before the Appropriations Subcommittee and presented the reqirements of their service, did they not?

Mr. WARREN. That was for the enforcement of the Potato Act.

Mr. LUDLOW. I have read those hearings from beginning to end, and not once did anybody, in presenting the needs and requirements of this Bureau, ever ask for this appropriation of $1,000,000, or any other sum, for potato statistics. Why did they not ask for it?

Mr. WARREN. That is very easy, indeed, to answer. The Department came before the committee, and, of course, no one asked them anything about it. The Department came there in view of a Budget estimate that had been sent up by the President of $4,250,000 for the enforcement of the Potato Act, and that was the only thing that they were concerned with, because they thought at that time they would be called upon to enforce the act.

Mr. LUDLOW. If this enormous sum of $1,000,000 for potato statistics is so vital, why did not some of these men, when they appeared before the committee to present their needs, say something about it? I do not understand yet why they did not at least say something about it. They were not a bit backward about asking the enormous sum of $4,250,000 to enforce the Potato Act, but they said nothing about needing additional statistics to assist in enforcement.

Mr. WARREN. Because, I will say to the gentleman, that had the act been enforced and had the appropriation been passed as provided in this bill, they would have secured these statistics under that item.

Mr. LUDLOW. I would also like the gentleman to answer the question of the gentleman from New York [Mr. TABER], as well as my own, with respect to how this money is to be spent, how much personnel is going to be required, and for what exact purpose it is to be spent. When departments come before us asking for appropriations they submit somewhat of a break-down. What is the break-down on this proposition?

Mr. WARREN. I have tried to inform the gentleman of the purpose for which this is to be spent. I have no idea what the personnel would be, but I may say to the gentleman that the potato section, as set up under Mr. Hutson, and all the work that has been done under it down to date, there were merely a handful of people employed in the section, and they were taken practically as a whole, with one or two exceptions, from people already engaged in work within the Department of Agriculture.

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that the gentleman from North Carolina may proceed for 5 minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LUDLOW. I should like to ask the gentleman one more question. Is any of this money to be used to prepare advisory allotments?

Mr. WARREN. I understand that not one penny of it is to be used in reference to any allotment or any feature of the potato bill.

Mr. LUDLOW. I am not asking about legal allotments, but advisory allotments.

Mr. WARREN. Not that I know of.

Mr. LUDLOW. My friend is very gracious in replying to questions, and I have but one more inquiry: Has the gentleman talked with Mr. Austin, of the Census Bureau, as to the potato statistics now available in his Bureau?

Mr. WARREN. No; I have not. I have talked with the Department of Agriculture, and they tell me that the statistics on hand are not sufficient. Potatoes are generally the fifth crop in value in this country, and if it is to receive any consideration whatever, these statistics are necessary and vital.

Mr. LUDLOW. Let me say that Mr. Austin says that he believes the statistics already on hand are ample and that the appropriation of $1,000,000 to collect additional potato statistics is not at all necessary.

Mr. WARREN. I have just stated what the Department of Agriculture told me as to the advisability and necessity of this appropriation.

Mr. Chairman, I yield back the balance of my time. [Applause.]

Mr. BLANTON. Mr. Chairman, I rise in opposition to the amendment. Mr. Chairman, our good friend from North Carolina [Mr. WARREN] is one of the most generally and universally beloved colleagues in this House. He is a splendid gentleman and a most valuable legislator. I am his friend. Ordinarily I would vote for any proposition that he made upon this floor without looking into it carefully, because I have that much confidence in him. He has been instrumental in saving millions of dollars for this Government.

But this proposition he is proposing, to turn over $1,000,000 in cash to Secretary Henry Wallace, to be spent by him as he sees fit, "in collecting and disseminating information about potato production and marketing", is one concerning which I believe that I am better posted and have more definite information than has been furnished my good friend from North Carolina.

If you will get the CONGRESSIONAL RECORD for Wednesday, January 25, 1933, just a few days before President Roosevelt had been inaugurated, you will see that I showed that since 1910 the Department of Agriculture prior to 1933 had spent $250,000 developing the Katahdin potato.

In order to get definite information on just what the Department had been doing with the hundreds of thousands of dollars we had been appropriating for it annually "to collect and disseminate useful information", I had to corkscrew it out of Dr. William A. Taylor, Chief of the Bureau of Plant Industry, by asking him specific questions and making him give me specific answers.

THE $250,000 GOVERNMENT KATAHDIN POTATO

I elicited from Dr. Taylor that on November 16, 1928, Dr. E. C. Auchter was appointed head of the division of horticultural crops in the Bureau of Plant Industry under Dr. William A. Taylor as chief thereof, who in turn was under the Secretary of Agriculture, at a salary to Dr. Auchter of $5,600, and at that time—January 1933—his salary had been raised to $6,400 per annum; and in addition he was receiving what Dr. Taylor denominated as "a stipend" of $750 per annum from the Maryland University for delivering lectures there.

GOVERNMENT PAID $100 PER ACRE RENTAL

In answer to my specific question, I had Dr. Taylor admit that, dated April 1, 1929, on behalf of the Government, Dr. Auchter had rented 9 acres of land from the University of Maryland—which, by the way, was paying him a stipend of

$750 per annum for delivering lectures—at an annual rental of $900, or $100 per acre rental per year.

In other words, as soon as Dr. Auchter got employed by the Government at $6,400 a year, although still holding his position with the Maryland University, his Government Bureau leased 9 acres of land from the Maryland University and pays the university $900 a year rental for the 9 acres; and that is done notwithstanding that we have got the Arlington experimental farm of 350 acres owned by the United States over here that ought to be adequate for the Agricultural Department experimental work. And the Government has other experimental farms. And I maintain that it was ridiculous for the Agricultural Department to pay a rental of $100 per acre per annum for this land, when it was at the same time also paying a rental of $10.21 per acre per annum for 325 acres of land also over in Maryland for alleged experimental purposes.

I maintain that it is most ridiculous for this Government to pay a rental of $100 per acre per annum for land over here in Maryland, when the Government owns and has turned over to the Department of Agriculture 350 acres for its experimental farm over here close to Arlington, Va.

I then asked him the following question:

You have probably seen the statement of Prof. L. C. Fitch, of Iowa, in Market Growers Journal of November 15, 1932, that the United States Department of Agriculture spent $250,000 in developing the new Katahdin potato. Please advise me whether this is true, and in such connection advise me the amount of money the Department of Agriculture has spent in developing the Katahdin potato.

And from Dr. Taylor's reply I quote:

We have seen the statement of Prof. L. C. Fitch, of Iowa, in the Market Growers Journal of November 15, to which you refer.

A little more than $250,000 has been expended since 1910 in potato breeding and selection work.

Then I asked the following question:

You are probably aware of the statement that the Department has been breeding potatoes since 1910 and has put out only one variety to this date. Please advise if this is true.

And from Dr. Taylor's reply I quote:

It is true that at the present time only one of a considerable number of promising potato seedlings has been named and commercially distributed.

And that is the Katahdin. He says:

Another variety will be named shortly and given an extensive field test in 1933.

Now, let us see just what this famous Government-created $250,000 Katahdin potato has accomplished for the farmers and consumers of the United States. I then asked this Bureau this question:

You have probably seen the statement made by Prof. A. G. Tolaas, in the American Potato Journal of October 1932, that the average yield of your new Katahdin potato on eight farms in Minnesota was 240 bushels per acre, while the old well-known variety of Irish Cobbler potato yielded 269 bushels per acre on the same farms. Please advise me your reaction on this statement.

From Dr. Taylor's reply I quote:

We have seen the statement of Prof. A. G. Tolaas in the American Potato Journal of October 1932, stating that the average yield of the Katahdin potato on eight farms in Minnesota was less than the yield of the Irish Cobbler variety.

Then he tries to explain, from which I quote:

In Mr. Tolaas' report to this Department, giving the results of this season's study, he states:

"There has been a great deal of interest in this variety, and I believe that it does have a commercial possibility in this region."

Regarding one of our other seedlings, he states:

"From what I have seen of this seedling it probably would be even more suitable to our conditions than is the Katahdin."

Then I asked of this Bureau the following question:

You have probably seen the statement of Dr. John Bushnell in the proceedings of the seventeenth annual meeting of the Ohio Vegetable Growers' Association, 1932, that in three trials in Ohio the new Katahdin potato yielded 232 bushels per acre, while the old well-known Russet Rural variety yielded 266 bushels per acre. Please give me your reaction on this statement.

From Dr. Taylor's reply, I quote:

We have seen the statement of Dr. John Bushnell given in the proceedings of the seventeenth annual meeting of the Ohio Vegetable Growers' Association, and we have personal reports from Dr. Bushnell. His report on the Katahdin this year, as well as last year, indicates that it is not especially suitable under his conditions.

Thus you see that Dr. Taylor did not deny the criticism made by Dr. John Bushnell, of Ohio, that after the Agricultural Department had spent $250,000 of the people's tax money between 1910 and 1933 developing its specially named Katahdin potato, the old well-known Russet Rural variety in Ohio had produced 54 bushels of potatoes more per acre than the Department's Government-endowed $250,000 Katahdin.

Then I asked the Bureau this question:

Please advise me whether or not the Katahdin potato is a late potato and not good in sections where early varieties are used, and also whether or not it has a bitter taste when cooked.

And from Dr. Taylor's reply I quote:

Katahdin is a late variety and will not compete with Irish Cobbler, if they are dug when the Cobbler is mature and the Katahdin is still immature. A few Katahdins were reported strong by one or two of the judges.

Then I asked the Bureau for the following information:

Please advise me the date when F. J. Stevenson, of Minnesota, was employed by your Department to assist in breeding potatoes. (a) What is his salary at the present time? (b) Is it not a fact that he has been paid by the Agricultural Department $1,000 more than he received at the time he was employed? (c) Also please advise me whether or not it is a fact that said F. J. Stevenson never did any potato work until he was appointed to breed potatoes for the United States?

And, from Dr. Taylor's reply, I quote:

Dr. F. J. Stevenson, of the University of Minnesota, was selected from the civil-service list and employed by this Bureau to assist in breeding potatoes on July 15, 1930. Dr. Stevenson's present salary is normally $4,200 per annum, with the legislative furlough. He had been receiving a salary of $3,300.

You will note that he was receiving only $3,300 per annum at the time he was employed by the Department of Agriculture at $4,200, although he had never specialized in potato breeding, for Dr. Taylor then admitted:

Dr. Stevenson had not specialized on potato breeding prior to his work in this Bureau.

The time has come for this Department of Agriculture to stop wasting money in the name of the farmers. The farmers cannot stop it. But we Members of Congress can stop it, and the only way to stop it is by our votes. We must vote against these wasteful items.

Secretary Henry Wallace has a whole army of Government employees scattered over my district, and he has an army of them scattered over Texas and in every State of this Union.

To show you just how arrogant and autocratic they have become, under his Republican guidance, I want to quote from one down in Callahan County, Tex.:

[From the Cross Plains (Tex.) Review of Nov. 15, 1935]

ITEMS OF INTEREST FROM COUNTY AGENT'S OFFICE

By Ross B. Jenkins

TALK TO YOUR COUNTY AGENT ABOUT ADJUSTMENT

From time to time some producers think they have an adjustment that could be made and address their grievances to Representative THOMAS L. BLANTON or to the Secretary of Agriculture, Henry A. Wallace, and a few times to President Roosevelt. Of course, every citizen has the right to address any of the above mentioned or any Senator, as far as that is concerned, but it is all a waste of time as for getting the adjustment made.

All that time can be saved and much better and detailed information can be gained by going to the county agent and talking over the complaint direct.

No person is going to get any more certificates than are authorized by the county committee and sanctioned by the county agent. No person will get more hogs or a greater peanut acreage without it meets the approval of the respective county allotment committee which authorizes it to the county agent.

No man has yet received one pound of cotton exemptions or any other consideration by trying to take their case over the heads of the county committee. It's simply not done that way.

You will note that this county agent, who draws a salary of $200 per month from this Government in addition to what Callahan County pays him, tells the Democratic farmers of a whole county that they are wasting time to take any matter up with any Congressman or Senator (spelled with a small

letter), because he is the chief high-muck-a-muck, holding his position under a Republican Secretary of Agriculture.

When farmers of Callahan County were complaining to me in 1934 that they were not getting from this Henry Wallace agent what was coming to them, and the complaints were so numerous as to warrant me to investigate it, I called on this agent to furnish me a list of all the farmers he had contracts with, their post-office addresses, and some other data, and he positively refused to do so, intimating that it was none of my business, and I was forced to take the matter up with Washington before I forced him to comply.

SHIFTS HIS COUNTY AGENTS ABOUT

Secretary Wallace first sent his agent, C. Metz Heald, to my home county of Taylor, where he stayed until about January 1935. Then he was sent to Eastland as the county agent of Eastland County. The following will show you just how many A. A. A. employees Secretary Wallace had in the office there at Eastland:

[From the Cisco (Tex.) Daily Press, Jan. 9, 1936]

COUNTY AGENT IS DIRECTED TO STOP WORK

As completely as a jammed projection machine arrests a motion picture into a "still", the ruling of the United States Supreme Court Tuesday halted all manifestations of the Agricultural Adjustment Administration. The effect of the ruling was immediate to every individual affected by the A. A. A.

County Agent C. Metz Heald, at Eastland, received a telegram Tuesday morning stopping action on all programs under the A. A. A. and ordering him to take charge of all programs under the A. A. A. and ordering him to take charge of all forms, records, and property of the A. A. A.

FIVE PROGRAMS HALTED

All five programs under the A. A. A. in Eastland County were brought to abrupt halt. Four A. A. A. paid employees in Mr. Heald's office were released. They are W. W. Kelly, in charge of the corn-hog program; J. B. Hart, in charge of contract division for all programs; Miss Connie Groves, in charge of the subsidiary division; and Miss Genevieve Lyons, general stenographer.

The five programs affected here are the cotton-control program, corn-hog, peanut, potato, and wheat-control programs.

TELEGRAM

The telegram received by Mr. Heald read:

C. M. HEALD,

County Agent, Eastland County:

Following telegram signed by C. W. Warburton and Chester Davis: [Quote] Decision Supreme Court holds control program unconstitutional [Stop] Action these programs suspended pending further notice [Stop] Notify members State committees and boards, State field men, county control associations, and committees to discontinue work and incur no expense pending further information [Stop] Notify county agents as Federal employees to take charge all production-control association forms, records, and property [Unquote] You are to carry out these instructions to the letter [Stop] Be governed only by instructions from official sources [Stop] We will endeavor to keep you advised.

H. H. WILLIAMSON.

Mr. Williamson is director of extension work in Texas.

I found out that they had been sending these long-haired potato scientists down to old Mexico, digging around in the mountains hunting for original potato sprouts. They had sent them all through South America. The people paid their bills. My God, when is this waste of public money in the name of the American farmer going to end? [Applause.]

I want to say this to my friend from North Carolina that, of course, we are going to throw out the succeeding proposition seeking to waste $1,250,000 on an unconstitutional law, and there will be no trouble about that. We are going to save that $1,250,000. [Applause.]

This amendment seeks to put $1,000,000 into the hands of Secretary Wallace, without a safeguard on it, and let him control the spending. Not even General McCarl can pass on how he spends it. I am not willing to put this $1,000,000 into the hands of Secretary Wallace.

I say this, that Secretary Wallace has done more in my State to hurt the Democratic administration than every other officeholder in the United States, and he will do more to hurt us when election time comes. I once had a flock of sheep, and I learned something about sheep. There is a black sheep in every flock, and Secretary Wallace happens to be the black sheep in the Democratic flock. He has filled my district and all of the other districts in the State of Texas with an army of arrogant, inefficient officeholders. In every county he has a county agent drawing $200 a month from this Government, and he has an assistant drawing $150 a month from this Government, and other clerks. Not once has he conferred with a Democratic Congressman about their appointment.

Mr. BIERMANN. But Secretary Wallace has not asked for this million dollars.

Mr. BLANTON. But he wants it, and this amendment is going to put it in his hands. So we must kill this amendment.

Mr. BIERMANN. He never asked for it.

Mr. BLANTON. Then why give this $1,000,000 to him if he did not ask for it? I say to my good friend from North Carolina [Mr. WARREN] that he has saved more money from being spent wastefully probably than any other man in the House. He is the efficient chairman of our Committee on Accounts. He works hard and zealously to save the people's money; and how on earth they could have prevailed on him to offer this amendment to waste a million dollars and put it in the hands of one man to spend I do not know.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and to insert these excerpts.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that debate upon this section and all amendments thereto close in 30 minutes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate upon this section and all amendments thereto close in 30 minutes. Is there objection?

There was no objection.

The CHAIRMAN. The Chair feels that in order to conduct the debate for and against the amendment, some gentleman supporting the amendment should be recognized next. Does the gentleman from Virginia [Mr. BLAND] seek recognition for that purpose?

Mr. BLAND. I do.

The CHAIRMAN. The Chair recognizes the gentleman for 5 minutes.

Mr. BLAND. Mr. Chairman, we are talking of Irish potatoes, not Katahdan potatoes. I have never heard anything about Katahdan potatoes and I know nothing about the $200,000 which it is claimed has been spent in developing them. The gentleman from Texas [Mr. BLANTON] takes the gentleman from North Carolina [Mr. WARREN] to task for proposing this amendment. If he should go into the territory represented by the gentleman from North Carolina and the territory represented by me, by the Members from Maryland, by the Members from Maine, and by Members from many other potato sections, he would see such a deplorable condition that he would change his position and would undoubtedly support the amendment offered by the gentleman from North Carolina. While other commodities have been protected under the agricultural administration, the burden on the potato has become heavier and heavier. We are asking now for some relief.

We are not asking for the enforcement of the Potato Act of 1935, which in the light of recent decisions will be held unconstitutional in all probability. The Potato Act, however, was based on the cotton legislation, the tobacco legislation, and other legislation of that kind. The potato is just as much entitled to protection as any other agricultural product now receiving protection at the hands of the Government. We are asking that this money shall be appropriated for the purpose of collecting and disseminating information for the purposes which the gentleman from North Carolina so ably presented to the House. The gentleman from Texas says that you are asked to put it into Secretary Wallace's hands and states that he is afraid of Secretary Wallace. In the name of heaven, gentlemen, who should be afraid of Secretary Wallace but the potato growers themselves, who have tried to have enforced legislation for the benefit of potatoes? If we are willing to trust Secretary Wallace in this, surely the gentleman from Texas

should be willing to trust him with the administration of this fund. This legislation may mean escape from bankruptcy and would certainly provide some measure of relief. These people are unable to pay their debts. They have mortgages on their homes, their taxes are unpaid, and they are coming to you in desperation, asking that something may be done which may lighten some of the burdens that they must now bear. I ask you to support the amendment.

Mr. WOODRUM. Mr. Chairman, I offer the following amendment to the amendment which I send to the Clerk's desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. WOODRUM to the amendment offered by Mr. WARREN: Page 1, line 5, strike out "$1,000,000" and insert in lieu thereof "$500,000."

Mr. WOODRUM. Mr. Chairman——

Mr. FULLER. Mr. Chairman, I should like to inquire if this is in accordance with the agreement. The gentleman did not intimate that he was going to offer another amendment and then take up the time so that those who wanted to debate this matter would not have an opportunity to speak.

The CHAIRMAN. If the gentleman submits that as a parliamentary inquiry, the Chair will state that all debate on this paragraph and all amendments thereto has been limited to 30 minutes.

Mr. WOODRUM. Now, let us get the record straight on just where we stand on potatoes. It is admitted that all funds for the enforcement of the Potato Act are out; that no effort will be made to put funds into the bill for the enforcement of the Potato Act, although the Budget sent to us an estimate of $4,250,000 for that purpose. It came up, however, before the decision of the Supreme Court in the A. A. A. case. I think it might be fairly assumed that if that decision had come down before the Budget estimate there might have been some difference in the estimate sent to the committee.

Let me say it is well within the authority of the legislation which we passed, that money should be appropriated for a preliminary investigation and the gathering of useful information with reference to this large crop. Of course, I only speak for myself. The Committee on Appropriations has not acted on the matter, and I do not undertake to speak for all the Members of the Appropriation Committee. Each Member can speak for himself. But I have said to the gentleman from North Carolina [Mr. WARREN] and my colleague from Virginia [Mr. BLAND], who are so much interested in this, that, in my judgment, there is abundant reason why the Department of Agriculture should have adequate and proper information about this great industry, so that in any contemplated farm program that may be projected, they may be able to take care of this great portion of the farm population.

Mr. LUDLOW. Will the gentleman yield?

Mr. WOODRUM. I yield to my colleague.

Mr. LUDLOW. If they think they should have it, why have they not asked for it until this eleventh hour?

Mr. WOODRUM. Well, they have asked for it. They did not come before the committee, but the Department says it needs this information. It seems to me that $500,000 is a happy way out of this thing. We have cut the Budget from $4,250,000 down to $500,000. I have no interest in it, but I hope the committee will adopt the amendment and let the people who are interested in potatoes have a sum to gather their information, and in the farm program they will be prepared to present their case.

Mr. FULLER, Mr. TABER, and Mr. TARVER rose.

Mr. FULLER. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER], a member of the committee.

Mr. TABER. I yield to the gentleman from Arkansas [Mr. FULLER].

Mr. BOILEAU. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BOILEAU. Is the gentleman from Arkansas [Mr. FULLER] rising in opposition to the amendment offered by the gentleman from North Carolina [Mr. WARREN] or the amendment to the amendment?

Mr. FULLER. Yes; both the original amendment and the last amendment.

Mr. BOILEAU. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. BOILEAU. In view of the fact that the Chairman announced a moment ago that he intended to divide the time equally and in turn between those in favor of the Warren amendment and those opposed to it, does the Chair not take the position that the gentleman from Virginia [Mr. WOODRUM] was actually in opposition to the amendment offered by the gentleman from North Carolina [Mr. WARREN]?

The CHAIRMAN. Since the statement made by the Chair a moment ago, an amendment has been offered which, of course, altered the situation to that extent. The gentleman from Virginia was recognized in support of his amendment to the amendment.

Mr. TARVER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TARVER. I was on my feet asking recognition at the time the Chair recognized the gentleman from Arkansas. I am a member of the committee and I desire to be heard on the same side of the question on which the gentleman from Arkansas proposes to speak.

The CHAIRMAN. The gentleman from Georgia is eminently correct. The Chair will state, with due apology, that he sought to recognize the gentleman from New York [Mr. TABER], a member of the committee, and, as the gentleman knows, the ranking minority member. The gentleman indicated he would yield to the gentleman from Arkansas.

Mr. TARVER. I do not understand that the gentleman from New York has the right to designate who should take the floor. I insist that I am entitled to recognition.

The CHAIRMAN. The gentleman is entitled to recognition, and the Chair will endeavor to recognize him as soon as possible.

The gentleman from Arkansas [Mr. FULLER] is recognized for 5 minutes.

Mr. ELLENBOGEN. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. ELLENBOGEN. To submit a unanimous-consent request.

The CHAIRMAN. Does the gentleman from Arkansas yield for that purpose?

Mr. FULLER. No; not in my time.

The CHAIRMAN. It will come out of the gentleman's time if he yields.

Mr. FULLER. I do not yield, Mr. Chairman.

Mr. Chairman, this is nothing but a subterfuge to try to take care of the most unpopular measure that was passed by this Congress at the last session. Through the personal influence of the gentleman from North Carolina [Mr. WARREN], whom we all love, that bill was passed. The newspapers of the United States have justly held us up to ridicule and contempt for having passed the potato bill under the A. A. A. regulations. Even the Secretary of Agriculture in a newspaper article says it is practically impossible of administration. It is only an example of what we have done for our good friend from North Carolina. Not very long ago we went entirely outside the realms of agriculture and allowed him to put peanuts under the regulation of the A. A. A., and they are there now. Then, when we oppose a thing like this, which is holding us up to ridicule and contempt, he thinks he ought to get by with it. As a matter of fact, my good friends who are in sympathy with this measure come to me, put their arm around my shoulder, thinking I will go down the line all the time, and say: "Do not fight that, that just means jobs for these Government fellows who are going to be let out under the A. A. A." It is to allow a lot of them to hold jobs looking after potatoes and potato bugs. Let the "bug-ologists" perform this task. One million dollars to look after potato bugs, how their eyes grow, and how to keep them open! What is the purpose for this $1,000,000? How are you going to expend it? What are you going to do with it,

and what information do you want? People have been engaging in this business for years and years. They know more about the marketing and growing of potatoes than anybody you could get from a little college and who is unexperienced in the business. It is just a subterfuge to try to get away from this other provision that follows later in the bill. The potato industry held us out to the world in contempt. It is an infinitesimal part of agriculture.

Mr. SHORT. Mr. Chairman, will the gentleman yield for just a question?

Mr. FULLER. Just for a question.

Mr. SHORT. If we make an appropriation for this particular crop, will we not be asked to make appropriations for every other crop?

Mr. FULLER. Yes.

The people of my district ship more canned tomatoes, more peaches, and more apples in one year than all the potatoes shipped out of North Carolina and Virginia put together, and nobody seeks to regulate us or give us any benefit under this law. It is just an excuse to try to give some semblance of authority, to try to keep this potato law before the American public and make the American public like it, and make the people who live in the cities pay at least twice as much as they should for potatoes.

The idea of such regulations as requiring the tagging of all potato production over 5 bushels! It was enough to make the American press and the American people ridicule Members of Congress. The measure was passed without serious consideration, and now is the time to correct the error. In my opinion any man who votes for this appropriation has little regard for agriculture as a whole, has little regard for the money of the people of the country. Such a course brings into disfavor the great agricultural-adjustment program. The gentleman from Virginia [Mr. WOODRUM] acknowledges he does not speak for the committee, and has no authority to so speak for the committee, but is seeking to aid his buddy from North Carolina, Mr. WARREN, and asking for half. What is $500,000 to them? You could take that much money and make many a soul in this country happy. We have got to draw the line sometime on useless, worthless, frivolous expenditures which are sought simply for the purpose of keeping men in jobs. [Applause.]

[Here the gavel fell.]

Mr. TARVER, Mr. BARDEN, and Mr. MAY rose.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia, a member of the committee, for 5 minutes.

Mr. TARVER. Mr. Chairman, as a member of your subcommittee on agricultural appropriations, I hope to be able to submit to you some statements that should, in my judgment, receive your consideration.

Mr. Chairman, I am interested in the question of the regularity of the procedure here. The subcommittee on agricultural appropriations for some time has been, and at the present time is, holding sessions morning and afternoon on items of this identical character relating to other activities of the Department of Agriculture. Witnesses from the Department of Agriculture appear before our committee and testify concerning the uses to which they propose to put the appropriations which they ask, the number of employees which will be necessary in expending the appropriations, and every detail of their plans with regard to the expenditure of the appropriation if it should be granted.

That is the proper course to be pursued in appropriating money from the Treasury of the United States for the use of any department. You might as well do away with your subcommittees and your Appropriations Committee if you permit the inclusion of large amounts on the floor without any hearings having been had before a subcommittee; without even a letter from the Secretary of Agriculture or any official of the Department of Agriculture showing the appropriation to be necessary of the tremendous sum asked either in the original amendment or in the amendment offered by the gentleman from Virginia [Mr. WOODRUM].

Mr. LUDLOW. Will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Indiana.

Mr. LUDLOW. Has the gentleman's subcommittee at any time or in any way, shape, or form ever had this matter before it?

Mr. TARVER. We have not been requested to take any action in regard to this subject matter at all. I may say here that while this item is offered as an amendment to a deficiency bill it is clearly not a matter of deficiency, except upon the idea that it involves an appropriation for the present fiscal year, because no appropriation for this particular purpose has been made heretofore. It is clearly a matter which comes within the jurisdiction of your subcommittee on agricultural appropriations. I do not know what funds may be necessary for this purpose. You do not know. No official of the Department has testified before my subcommittee or any other subcommittee with regard to the matter. Let me assure the Members who are interested in the making of this appropriation that if those who are sponsoring it will have officials of the Department of Agriculture appear before us in our hearings which are now going on, and will submit evidence showing a necessity for this appropriation or any part of it, the subcommittee will give them sympathetic consideration. The matter would then only be delayed for the brief period of time which will elapse before our bill is completed and submitted to the House. That is not likely to be a greater period of time than 2 or 3 weeks.

Why not permit this matter to be investigated and have some evidence submitted to the House or one of its committees showing the necessity for this appropriation before we undertake to write it into an appropriation bill?

Mr. MAY. Will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Kentucky.

Mr. MAY. If the proposed appropriation is clearly for statistical purposes, what value is the farmer going to get by being told how many potatoes he raised last year?

Mr. TARVER. That is a matter which should be developed by evidence before a proper committee of the House. We have had no evidence submitted with reference to it, not even a letter from an official of the Department of Agriculture. I do not agree with my colleague from Texas that the Secretary of Agriculture should be blamed for this matter. The Secretary of Agriculture, however subject to condemnation or criticism his conduct may be regarded by some Members of the House, has had nothing to do with this. He is not asking the Congress to pass it, and if we agree to the amendment we agree to it at the request of our distinguished colleague the gentleman from North Carolina, loved, as has been said, by all Members of the House, and upon his request alone rather than upon the submission of proper evidence justifying the item.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Wisconsin [Mr. BOILEAU] and the gentleman from North Carolina [Mr. BARDEN] both seek recognition in support of the amendment. If agreeable to both gentlemen, the Chair will recognize them for 3 minutes. The Chair will recognize the gentleman from Wisconsin [Mr. BOILEAU] for 3 minutes.

Mr. BOILEAU. Mr. Chairman, the gentleman from Georgia, I presume, does not want to give the members of the committee the impression that this matter was not threshed out before the subcommittee on deficiency of the Appropriations Committee. It is true that there is some difference in the wording as between the amendment offered by the gentleman from North Carolina and the provision that is already in the appropriation bill; but the general subject matter was given consideration. I am informed that the matter was presented to that subcommittee requesting that money be made available to make the same type of an investigation to which the gentleman from North Carolina is now referring.

Mr. TABER. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from New York, briefly.

Mr. TABER. Nothing of that kind was presented, and I attended every hearing.

Mr. BOILEAU. I know that the bill now provides for $1,250,000. This deficiency bill was reported out since the

Supreme Court knocked out the A. A. A., and I presume every member of the Deficiency Committee knew that the Potato Control Act was as unconstitutional as the A. A. A. When they reported this bill out they must have assumed that the Secretary of Agriculture would use the money primarily in the way provided for in the amendment offered by the gentleman from North Carolina.

The gentleman from Texas, for whom I have a high regard, referred to the amount of money that was spent in making some inquiry in trying to develop a new potato known as the Katahdan potato. That is a collateral issue. What difference does it make how much money has been wasted in the past, provided it can be demonstrated that this money is needed in the future? I submit that all Members of the House who voted against the Potato Act in 1935 and who come from districts which produce potatoes should give this amendment their support. There is absolutely no connection between this bill and the Potato Act, which the Supreme Court declared was unconstitutional.

This bill simply tries to put the potato farmer in the same position that the wheat farmer, the cotton farmer, the tobacco farmer, and all the rest of them are in now, because, under the old A. A. A., the Department of Agriculture has spent millions upon millions of dollars to collect data with reference to wheat, with reference to tobacco, with reference to cotton, and all the other commodities. We propose now to appropriate just a little bit of money so that when the permanent program goes into effect they will have some information upon which to base a program for potatoes as well as for the other farm products.

[Here the gavel fell.]

Mr. BARDEN and Mr. TABER rose.

The CHAIRMAN. As indicated, the Chair feels the gentleman from North Carolina is entitled to recognition for 3 minutes.

Mr. BARDEN. Mr. Chairman, I come from a district which adjoins the district of the gentleman from North Carolina [Mr. WARREN]. I know something of the potato situation in that section and I know something of the needs of the potato farmers, and here we have garnered facts concerning every other major crop and left potatoes out.

In order to pass wise legislation we must have facts. There have been a considerable number of assaults made on the potato bill of last year; probably some may think they are justified in making them. I do not, but if so, we can charge a part of that to the very fact we did not have the information we are now calling for, and the next time we begin to legislate we will find that we will need this information.

Now, as to the gentleman from Texas, I do not take him very seriously about this situation, and I think he split the switch when he began to talk about the development of some unheard-of potato, and when it comes to the gentleman from Arkansas, who referred to this matter as a subterfuge, and branded it as such, I say to him in all frankness, my good friend [Mr. WARREN] does not indulge in subterfuge. [Applause.]

This piece of legislation is needed, this appropriation is needed, and it has been cut to $500,000 in order that we might carry through the investigation and ascertain the facts that are needed.

So far as going before the Agricultural Committee is concerned, these facts have been discussed before the Agricultural Committee many times——

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. Yes.

Mr. TARVER. If the gentleman means my committee, he is totally in error, because they have never been discussed at all there by anybody.

Mr. BARDEN. May I say to the gentleman that it might not have been labeled just as this amendment is, but I say we certainly had enough hearings about the potato situation to convey sufficient information to the Agricultural Committee that this is needed.

Mr. TARVER. The gentleman confuses the agricultural subcommittee of the Committee on Appropriations with the Committee on Agriculture, which is the legislative committee.

[Here the gavel fell.]

Mr. TABER rose.

The CHAIRMAN. Permit the Chair to invite attention to the fact that the gentleman from New York and the gentleman from Oklahoma are seeking recognition in opposition to the amendment. The gentleman from New York is recognized for 3 minutes.

Mr. TABER. Mr. Chairman, when this matter was before the committee it appeared that only $27,000 had been spent on this proposition to date, and that came by an allotment out of the $100,000,000 original A. A. A. appropriation. They are down to the point where potatoes are coming into the market from Florida, and they wanted this money not for study but for allotment purposes and for collection of taxes.

There was no intimation whatever they needed money for any such purpose as that set forth in the amendments under consideration. There is no intimation anywhere of any intelligent way in which this money might be spent.

Let me say that there is available in 1936 for experimental and research purposes $6,728,000 for the Department of Agriculture; for 1937 appropriation there is $7,778,000.

Now, it is utterly and absolutely ridiculous for us to appropriate either $500,000 or $1,000,000 for this purpose, because it is not needed.

These people were all ready to make allotments; they have made a study with the money they had. It is absolutely ridiculous for us to appropriate $1,000,000 or $500,000 to make a study on these matters which have already been made. [Applause.]

I hope the House will vote down the amendment of the gentleman from Virginia, and also the amendment offered by the gentleman from North Carolina [Mr. WARREN].

Mr. DONDERO. Will the gentleman yield?

Mr. TABER. I yield.

Mr. DONDERO. About 30 minutes ago it was said that this study to gather statistical data and information to be furnished the farmers on how to raise potatoes was worth a million dollars, and 15 minutes ago it was only half as important and was reduced to $500,000 by the amendment offered by the gentleman from Virginia [Mr. WOODRUM].

Mr. TABER. Yes; and I hope it will go all the way down.

Mr. DONDERO. Last year Maine, the first State in the Nation in the production of potatoes, raised so many potatoes that the price went down to 2 cents a bushel, and they dumped 5,000,000 bushels in a lake. How can this House justify the expenditure of a million dollars, or even $500,000, for the purpose proposed in the face of such facts?

Mr. TABER. I do not know about that; but the Census Bureau in the 1930 and the 1935 censuses has statistics of all the potatoes that each farmer raised. There is no legitimate need for taking this money out of the Treasury for any such purpose as this. [Applause.]

Mr. JOHNSON of Oklahoma. Mr. Chairman, both of the pending amendments ought to be voted down. To appropriate such a large sum of $1,000,000 as called for in the amendment offered by the distinguished gentleman from North Carolina [Mr. WARREN] without any hearings or consideration of a committee is to my mind unthinkable. To cut the amount half in two, as proposed by my good friend the able gentleman from Virginia [Mr. WOODRUM] is hardly less objectionable. It simply looks like an effort on the part of these two House leaders, whom we all respect, to come into the back door and get an unreasonable amount of money for potato investigation, but which matter has not even been presented to the proper committee.

We have just heard the gentleman from Georgia [Mr. TARVER], of the agricultural subcommittee of the Appropriations Committee, state that no such request has been even presented to his committee, but if such a request should come that it would be given sympathetic consideration. Certainly that committee should be given that much courtesy.

Now, considerable discussion has been made this afternoon about the much-discussed and much-abused potato bill

passed during the last session at the urgent request of the potato growers of the Nation.

Certainly it is not my purpose to defend the ill-fated potato-control bill that all agree is outlawed by the Supreme Court in its A. A. A. decision. But many of us who represent districts where very little, if any, Irish potatoes are grown for the market voted for the potato-control bill reluctantly, in the hopes that it would aid potato growers. Just to keep the record straight, be it remembered that potatoes were selling as low as 10 cents per bushel on the market when the bill was passed. And within 24 hours after the passage of the Potato Control Act the price advanced considerably.

Members of this House from Colorado, Iowa, Maine, and other potato-growing States had loyally supported legislation to help the cotton growers of the South, so I have no apology for lending my support to aid the distressed potato growers.

But that is water over the dam. I am willing now to further lend my assistance to my good friend from North Carolina [Mr. WARREN] in any reasonable manner, but I again insist that he should make the proper showing in a regular way before the proper committee of this House. [Applause.]

The CHAIRMAN. The time of the gentleman from Oklahoma has expired. All time has expired. The question is on the amendment offered by the gentleman from Virginia to the amendment offered by the gentleman from North Carolina.

The question was taken; and on a division (demanded by Mr. WARREN) there were—ayes 31, noes 116.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question recurs now on the amendment offered by the gentleman from North Carolina.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

MISCELLANEOUS

Potato Act of 1935: For carrying into effect the provisions of the Potato Act of 1935, approved August 24, 1935, there is hereby appropriated and made available to the Secretary of Agriculture the proceeds derived from the taxes imposed by such act to remain available until June 30, 1936; together with an additional amount of $1,250,000, fiscal year 1936.

Mr. WOODRUM. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WOODRUM: Beginning on line 6, page 16, strike out the paragraph ending in line 12.

Mr. WOODRUM. Mr. Chairman, in view of the sentiment of the House just expressed when the last vote was taken, I do not think that any debate is necessary on this amendment.

Mr. ELLENBOGEN. Mr. Chairman, I offer the following substitute, which I send to the desk and ask to have read.

The Clerk read as follows:

Substitute amendment offered by Mr. ELLENBOGEN: Page 16, line 6, strike out all of lines 6 to 12, inclusive, and insert in lieu thereof the following: "No appropriation heretofore made or contained in this bill shall be used for the enforcement of the provisions of the Potato Act of 1935, approved August 24, 1935."

Mr. WOODRUM. Mr. Chairman, I make the point of order that that is legislation on an appropriation bill and is not germane to the amendment to which it is offered. It undertakes to put a limitation on money heretofore appropriated and not covered in this bill.

The CHAIRMAN. Does the gentleman from Pennsylvania desire to be heard on the point of order?

Mr. ELLENBOGEN. I do.

The CHAIRMAN. The Chair will hear the gentleman briefly on the point of order.

Mr. ELLENBOGEN. Mr. Chairman, at this time the Department of Agriculture is using the appropriation for the purpose of enforcing the Potato Act.

Mr. WOODRUM. Mr. Chairman, I suggest the gentleman must confine his remarks to the point of order.

The CHAIRMAN. The Chair requested the gentleman to speak to the point of order.

Mr. ELLENBOGEN. The appropriation contained on page 16 of the deficiency appropriation bill is for the purpose of enforcing the provisions of the Potato Act. Therefore, any amendment that seeks to limit or prevent the Department from enforcing that act is a proper amendment.

The CHAIRMAN. The Chair is prepared to rule. The amendment offered by the gentleman from Pennsylvania, in the opinion of the Chair, goes further than indicated by the gentleman's statement in support of his amendment. The amendment, in the opinion of the Chair, very clearly embraces legislation which is not in order on an appropriation bill. The Chair, therefore, sustains the point of order.

Mr. GILCHRIST. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Virginia. At the time of the passage of the Potato Control Act of 1935 the House had no opportunity to discuss it except for 1 hour. It was attached in the Senate as a rider to the amendments made last year to the Agricultural Adjustment Act. It then came over here from the Senate with no opportunity for proper discussion. One hour's discussion is not sufficient for this House to act intelligently on a bill of that import and magnitude. On the Senate side the record shows that it was not submitted to any committee; that it never had the benefit of study by any Senate committee, and that there was no report from any such a committee. There was very limited debate in the Senate itself. It is true there was some consideration of it in the Agricultural Committee on the House side; and it was voted out of the House committee by a very close vote. I think that the vote was 11 to 12, but 12 were in favor of the bill, so the potato bill was reported to the House. But that particular bill never came before this House and was never considered by this House, because the Senate rider superseded it.

Mr. MICHENER. Will the gentleman yield?

Mr. GILCHRIST. I yield.

Mr. MICHENER. The gentleman prepared the minority committee report on the House bill, which was filed, and the gentleman also made a speech on the floor of this House at that time, which thoroughly convinced many of us just what the bill was. I think the gentleman is entitled to credit for the fight that he made and for what he did and said. The fight against the potato bill, led by the gentleman from Iowa, brought the whole thing to the attention of the country, and by reason of general indignation we are today wiping out the whole thing.

Mr. GILCHRIST. I thank the gentleman for his kind remarks. I was about to say that in the minority report, which I had the duty and also the pleasure of preparing, we point out the very thing that gentlemen now on this floor admit to be true, namely, that that act was unconstitutional. Now I am glad to have the brave and candid admissions of the gentleman from Wisconsin [Mr. BOILEAU] and the gentleman from North Carolina [Mr. WARREN] frankly stating that the act was unconstitutional. It follows that after all the views of the minority of the committee were correct.

Mr. BREWSTER. Will the gentleman yield?

Mr. GILCHRIST. I yield.

Mr. BREWSTER. Was the gentleman equally wise about the constitutionality about the remainder of the A. A. A. when that was here, or did the gentleman vote for that?

Mr. GILCHRIST. There were a great many portions of the A. A. A. Act that are not affected in any way by the decision of the Supreme Court. I have stated many times in discussing the Potato Act that compliance with it was not voluntary. No man had a chance to avoid it. Compliance with a great many of the other provisions of the A. A. A. is a voluntary matter with the farmer. He can go into it or stay out of it, as he chooses. That is what I pointed out last year. I then said that there was a great difference in principle between an act which forced a man to yield to it and one which did not force such yielding; between an act which coerces and compels and regiments and one which extends to the American farmer the right to elect for himself and to choose just what course he will pursue.

Mr. BREWSTER. Will the gentleman yield further?

Mr. GILCHRIST. I yield.

Mr. BREWSTER. Does the gentleman recognize that the Supreme Court was unable to draw his distinction as to voluntary and compulsory?

Mr. GILCHRIST. The Supreme Court has never passed upon that distinction. The Supreme Court held that the processing tax of the A. A. A. as related to cotton was not constitutional. It may never notice such a distinction.

Mr. DONDERO. Will the gentleman yield?

Mr. GILCHRIST. I yield.

Mr. DONDERO. In view of the fact that we raise more potatoes now than we can use, does not the gentleman think that the information that might be gathered under this section should be "how farmers should not raise potatoes"?

Mr. GILCHRIST. The House has already rejected the amendment proposed by the gentleman from North Carolina [Mr. WARREN], which provided for an appropriation to pay for gathering potato statistics, and I need not answer the gentleman's question or express any opinion regarding it, but will leave the suggestion implied in his question to the consideration of the House. But since the House voted down the amendment of the gentleman from North Carolina there has come into my hands a telegram from Mr. C. L. Fitch, the able and tireless secretary of the Iowa State Vegetable Growers' Association, reading as follows:

Grower representatives at Washington of potato interests wire me to wire you what money needed to get additional potato statistics for future adjustment program. In my judgment, 2 days' time of two good Washington men and travel money to bring 20 dealers and growers to central point would be all necessary. Check on present statistics potato production here is important, because everywhere but number large-scale producers hardly justifies State-wide detailed research.

I am willing to have the Agricultural Administration gather useful data concerning potatoes, but certainly no great additional sum is needed for that purpose if we regard the opinion of my good friend, the efficient secretary of the Iowa association. And I wish to say, finally, that I am ready at all times to support the interests of all farmers, wherever they may be and whatever they may produce. I do not believe that one group of farmers should chisel upon or against another group of farmers. I still believe, as I did a year ago, that potato growers who insist on raising surpluses and in glutting local markets may be taken care of under the marketing agreements and orders provided in the Triple A. I believe in helping the potato farmer, the cotton farmer, the tobacco farmer, as well as the corn farmer, the hog farmer, and the dairy farmer. We should do this in a way, however, that does not take away the rights of any farmer nor array the one against the other. The Triple A has been of service, and we should give credit to it for many good and wholesome things.

The potato farmer as well as all farmers must be given a just portion of that prosperity that is due to all agriculturists. Let him be a free man and not a regimented and controlled man, and give him a full measure of prosperity. But the excesses of the Potato Act of 1935, which were denounced at the time by many of us, have led it to an early death. Requiescat in pace!

The CHAIRMAN. The time of the gentleman from Iowa [Mr. GILCHRIST] has expired.

All time has expired on this paragraph and all amendments thereto.

The question is on the amendment offered by the gentleman from Virginia [Mr. WOODRUM] to strike out the paragraph.

The amendment was agreed to.

The Clerk read as follows:

Payments to cotton ginners: The appropriations for carrying into effect the act entitled "An act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes", approved April 21, 1934 (48 Stat., pp. 598–607), as amended, are hereby made available to enable the Secretary of Agriculture to carry out the provisions of section 40 of the act entitled "An act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935.

Mr. JONES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES: On page 16, after line 24, insert as a new paragraph the following:

"Payments for agricultural adjustment: To enable the Secretary of Agriculture to carry out all the purposes of and to meet all obligations and commitments—including salaries and administrative expenses—heretofore or hereafter incurred under the provisions of the Agricultural Adjustment Act, as amended, or regulations heretofore issued thereunder, except refunds pursuant to section 21 (d) of that act, an additional amount of $296,185,000, together with a sum equal in amount to the unexpended balances of the funds heretofore established by the President under authority of section 15 (f) of the Agricultural Adjustment Act, as amended, and directed by the Secretary of Agriculture, with the approval of the President, to be spent for the benefit of agriculture in Puerto Rico and Hawaii; said sums to remain available until expended. The expenditures authorized under this appropriation shall include, but shall not be limited to, rental and benefit payments, expenditures for rent and personal services in the District of Columbia and elsewhere, stenographic-reporting services, supplies and equipment, past purchase and exchange of law books, books of reference, directories, periodicals, newspapers, traveling expenses, printing and binding in addition to allotments under existing law, and such other expenses as may be necessary for the accomplishment of the purposes of this appropriation. No part of the sums appropriated herein shall be used for rental or benefit payments in connection with adjustment contracts entered into on or after January 6, 1936, provided that such funds shall be available for rental and benefit payments in an amount that the Secretary determines to be fair and equitable to farmers who have applied for contracts, and who prior to January 6, 1936, have in good faith made adjustments in acreage and otherwise complied with the regulations of the Secretary of Agriculture in connection with a crop program, regardless of whether contracts have been signed, and as to those contracts entered into prior to January 6, 1936, no part of the sums appropriated herein shall be used for rental or benefit payments in connection with adjustment contracts unless there has been partial performance by the farmer. Funds herein made available for administrative expenses shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal or State Governments as the Secretary of Agriculture may request to cooperate with or assist in the administration of the work under this appropriation or of the Agricultural Adjustment Act, as amended, including necessary investigative work.

Mr. JONES. Mr. Chairman, this amendment undertakes simply to provide funds for carrying out the moral obligation incurred by the Agricultural Adjustment Administration prior to January 6, 1936. It seems to me that the chairman of the subcommittee should agree to the terms. I do not think anyone can question the fact that the Congress should provide for making these payments.

Mr. WOODRUM. Mr. Chairman, the committee has had no meeting on this amendment, but so far as I know the amendment is satisfactory to the committee.

Mr. TABER. I may say, if the gentleman will yield, that I have been over this matter very carefully with the chairman of the Committee on Agriculture and with the ranking minority member of that committee, the gentleman from Kansas [Mr. HOPE], and that it is satisfactory with certain changes which have been agreed to and which the gentleman from Texas [Mr. JONES] has now presented for the consideration of the House. I believe the House should adopt the amendment.

Frankly, I want to say that, regardless of my position on whether or not the Government should have entered into these contracts in the beginning, I do not believe the Government or any part of it can fail to meet the obligations of its contracts.

Mr. JONES. Mr. Chairman, I will state that I had the matter up also with the gentleman from Texas [Mr. BUCHANAN], chairman of the Committee on Appropriations, and it is thoroughly agreeable to him. In fact, he made the suggestion that the amendment should be offered and the money made available immediately. The gentleman from Kansas [Mr. HOPE] introduced a similar bill, and assisted in working out this amendment. I have not found anyone who does not feel that these obligations should be met.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. WHITTINGTON. The gentleman might also state that the Committee on Agriculture has reported a resolution to this effect. The question has been given consideration by the committee.

Mr. JONES. The gentleman is correct.

Mr. FIESINGER. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. FIESINGER. What is the amount involved in these contracts?

Mr. JONES. Two hundred and ninety-six million one hundred and eighty-five thousand dollars.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. CRAWFORD. Does the amount now asked for include obligations on uncompleted contracts?

Mr. JONES. Only where there has been compliance. Some additional provision will need to be made on floor stocks on which a tax has been paid and on shipments to foreign countries and to charitable institutions in the country; but the amount needed for this purpose is not yet definitely determined and that can be taken care of separately. This clears up obligations to producers incurred prior to January 6.

Mr. CRAWFORD. The gentleman means floor stocks in the hands of retail grocery men and wholesale distributors?

Mr. JONES. On that part on which the law provided for a refund. I may state to the gentleman that they should be refunded and I am in favor of doing so.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. TABER. I want to make clear my understanding of this amendment, that it goes so far only as to meet the obligations of the contracts that had been entered into prior to the 6th day of January 1936, where there has been a partial performance on the part of the farmer, and in addition those others where there has been a partial performance and applications have been filed by the farmer, but the Secretary, because of technicalities and delays in the Department, had not reached the point of actually entering into the contracts.

Mr. JONES. That is correct.

Mr. TABER. And it is limited entirely to these features?

Mr. JONES. The gentleman is correct in that statement; and in those cases the applications contain practically all the terms of the contract anyway.

Mr. TABER. Mr. Chairman, in support of my contention I submit the following excerpt from a decision of the Supreme Court in the case of the *United States* v. *Realty Co.* (163 U. S. 444):

> In regard to the question whether the facts existing in any given case bring it within the description of that class of claims which Congress can and ought to recognize as founded upon equitable and moral considerations and grounded upon principles of right and justice, we think that generally such question must in its nature be one for Congress to decide for itself. Its decision recognizing such a claim and appropriating money for its payment can rarely, if ever, be the subject of review by the judicial branch of the Government. Upon the general principle, therefore, that the Government of the United States through Congress has the right to pay debts of the United States, and that the claims in these cases are of a nature which that body might rightfully decide to constitute a debt payable by the United States upon considerations of justice and honor, we think the act of Congress making appropriations for the payment of such claims was valid without reference to the question of the validity or invalidity of the original act providing for the payment of bounties to manufacturers of sugar as contained in the Tariff Act of 1890. The judgments in these cases are right, irrespective of how that question might be decided, or of any conclusion that might be reached upon other questions suggested at the bar.
>
> The judgments are, therefore, affirmed.

Mr. MAPES. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. MAPES. I have not had a chance to read the amendment. As I understand, it does not propose to anticipate any A. A. A. legislation and to make appropriations for it, as the newspapers have suggested?

Mr. JONES. That is correct. There is nothing whatever looking to any future legislation in this particular amendment.

Mr. BUCKLER of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. BUCKLER of Minnesota. Does the gentleman understand that farmers entering into contracts who have sowed winter wheat will come under this amendment? I should like to know also whether the spring wheat farmers who have entered into contracts, plowed their land but not sowed their wheat, will come under the amendment?

Mr. JONES. There are some contract payments on the 1935 crop that I understand have not been paid, but spring crops would not be included.

Mr. BUCKLER of Minnesota. Yes; there are some of those.

Mr. JONES. This does not undertake to cover crops where there has been no partial compliance. It is hoped we will be able to work out new plans for the Congress to pass on that will take care of different crops in the future; but we did not want to undertake to cover anything here except something that had been done prior to the decision of the Supreme Court. This simply enables the Government to take care of its moral obligations.

I submit herewith a statement of the Department giving a break-down by commodities of items included in the appropriation.

Classified list of elements entering into estimate submitted by Agricultural Adjustment Administration

Commitments on contracts entered into between Secretary of Agriculture and producers of the following commodities:		
Cotton	$15,177,000	
Wheat	59,160,000	
Corn-hogs	98,264,000	
Tobacco	7,195,000	
Sugar	35,143,000	
Peanuts	832,000	
Rice	169,000	
Total		$215,940,000
Purchase and disposition of agricultural commodities in conjunction with adjustment programs:		
Hogs	$154,000	
Wheat	319,000	
Sugar	114,000	
Peanuts	723,000	
Total		1,310,000
Administrative expenses:		
Cotton	$6,000,000	
Cotton ginning payments	3,000,000	
Corn-hog	3,000,000	
Wheat	1,500,000	
Tobacco	1,200,000	
Sugar	1,050,000	
Peanuts	125,000	
Rice	60,000	
General	3,000,000	
Total		18,935,000
		236,185,000
Estimated commitments and administrative expenses in connection with rental and benefit payments to farmers who have applied for contracts and who, prior to Jan. 6, 1936, have in good faith made adjustments in acreage and otherwise complied with the regulations of the Secretary of Agriculture in connection with a crop program regardless of whether contracts have been signed		60,000,000
Grand total		296,185,000

[Here the gavel fell.]

Mr. PETTENGILL. Mr. Chairman, I rise in opposition to the amendment.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 7 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. PETTENGILL. Mr. Chairman, I am entirely in accord with the general proposition that the United States

Government owes a moral obligation to the farmers who have in good faith relied upon what they thought was a legal contract entered into with the Government. When a carefully considered bill to authorize settlement with the A. A. A. contract signers is presented, I intend to support an equitable and just settlement.

The thing I am now protesting against is that we are spending $300,000,000 on an amendment offered under the 5-minute rule which has never been in print, which none of us have ever seen or had an opportunity to study or reflect upon, and which the committee that reported this deficiency appropriation bill has never considered. There is no immediate emergency to justify slap-dash action. I am tired of voting out hundreds of millions of dollars without careful consideration, and I serve notice that from now on I am going to stop, look, and listen. The people expect it; the farmers themselves expect it.

Mr. WHITTINGTON. Is it not true that the Committee on Agriculture has had this matter under consideration and consented to report a resolution for this very amount and for the very purpose?

Mr. PETTENGILL. I have not seen that, and may I ask the gentleman how many Members of the House have seen it? There are 400 Members of the House who are not on the Agricultural Committee, and I doubt if one of the 400 has ever seen what we are now asked to vote on on 5 minutes' notice.

Mr. JONES. The Committee on Agriculture, consisting of 25 Members and 3 Delegates, considered this matter several days ago and filed a report. It is now on the House Calendar, and has been for 4 or 5 days, I may say to the gentleman from Indiana.

Not only has the Committee on Agriculture taken favorable action but we have consulted the ranking members of the Appropriations Committee and also other Members, and I have found no one who does not agree that this obligation should be taken care of immediately.

Mr. PETTENGILL. I may say to the gentleman from Texas that if this was brought in as an independent measure and sufficient time given to consider it, rather than as an amendment under the 5-minute rule, my position would be entirely different, but I do object to voting the expenditure of $300,000,000 on a matter on which the House has not been informed and not even considered by the Appropriations Committee.

Mr. BLAND. Will the gentleman yield?

Mr. PETTENGILL. I yield to the gentleman from Virginia.

Mr. BLAND. This matter has not been considered by the Subcommittee on Appropriations as was deemed so important awhile ago?

Mr. PETTENGILL. That is my understanding. The committee that has reported the bill now under consideration today has not even considered this item of $300,000,000.

Mr. JONES. The matter has been submitted to the Budget Director and given very thorough consideration.

Mr. PETTENGILL. May I ask the gentleman from Texas what is the extreme emergency for passing this today?

Mr. JONES. These obligations have been incurred, and some of them are past due. In some instances checks have been made out. The farmers have complied with all of the obligations so far as their part of the contract is concerned, and it seems to me it is unthinkable that the Government of the United States should ask them to do something and comply with certain conditions, and then be put in the attitude of even questioning whether or not those obligations should be met.

Mr. PETTENGILL. I am not questioning the moral obligation, but I want to know what the resolution covers. I would like to ask the gentleman from Texas a question. What is partial performance under a contract within the gentleman's understanding of that term? Would it apply, as the gentleman from Minnesota [Mr. BUCKLER] asked a moment ago, with reference to crops placed in the ground after this date under a contract entered into prior to January 1936?

Mr. JONES. I understand there are practically few, if any, of that type of contract. The contracts that would be approved, and practically the only ones involving partial compliance, are those involving the winter-wheat growers, who had a 2- or 3-year contract signed up and who sowed their wheat last October or November, possibly some of it in December. They have complied with all the requirements for this year, their contracts covering more than 1 year. That partial performance would be adjusted on an equitable basis, as set out in the amendment. I may say to the gentleman it is hoped that we may have a new program to take care of future transactions insofar as we can, but that matter cannot be covered in this kind of an appropriation bill, which we tried to make of such a nature that there would be no question about its justice.

[Here the gavel fell.]

Mr. DOCKWEILER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I want to consume this minute to state to the members of the Committee that as a member of the Appropriations Committee I heard nothing about this item, and there has been no consideration given by my committee of this $300,000,000 appropriation. I am not saying now that I am either for or against the proposition, but I do say that my constituency in Los Angeles, Calif., do not want me to vote for the appropriation of $300,000,000 without better and more real consideration than has been given to this matter. I am opposed to it on that ground. [Applause.]

Mr. JONES. Mr. Chairman, there was no disposition to try to avoid going before the Appropriations Committee in the proper way. These are obligations which everyone recognizes, and we have studiously avoided including anything else. These obligations have already been incurred and the money is needed by the farmers who have in good faith complied with the terms of what they thought was a binding contractual obligation. The matter may be easily settled by the terms of the contract. If we undertook to go into an investigation of each one of these contracts before paying them, they would not get their money before next July.

Mr. CARPENTER. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Kansas.

Mr. CARPENTER. Have we not been giving this matter consideration ever since the Supreme Court decision?

Mr. JONES. The gentleman is correct.

Mr. CARPENTER. What further consideration do we have to give to the matter?

Mr. WOODRUM. And does not the gentleman understand that the estimate came to the committee since the bill was reported and if it is not put in here it will go to the Appropriations Committee of the Senate and will be put on the bill there and come back to the House? So there has been no effort to avoid due and orderly consideration; and inasmuch as our minority members are satisfied with it, certainly the rest of our colleagues should be.

Mr. JONES. I may say that one of the chief reasons I wanted the House to consider this proposition, as the chairman of the subcommittee has just said, was that the Budget estimate came up after the bill was reported. I hope the gentleman will not oppose it.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. JONES].

The amendment was agreed to.

The Clerk read as follows:

The 1935 cotton price adjustment payment plan: So much as may be necessary of the amount appropriated for the fiscal year ending June 30, 1936, by section 32 of the act approved August 24, 1935 (49 Stat. 774), is hereby made available, to remain available until expended, to enable the Secretary of Agriculture to make the payments provided for in the 1935 cotton price adjustment payment plan (set forth in the printed forms issued by the Secretary of Agriculture, designated forms nos. C. A. P. 1 to 5 and forms supplementary thereto) to the persons and in the amounts and in the manner prescribed in said plan, except that the provisions of said plan which condition the making of payments upon the producer undertaking to cooperate in the 1936 cotton-adjustment program formulated under the Agricultural Adjustment Act shall be of no force and effect, and to pay the necessary administrative expenses incurred and to be incurred in connection with the making





and auditing of the payments hereby authorized by the Department of Agriculture, the Treasury Department, and the General Accounting Office, in Washington and elsewhere, in accordance with said plan: *Provided*, That for the purpose of receiving applications for and making the payments hereby authorized and in order to expedite the making of such payments said forms shall be employed without alteration, but shall be read and construed as if there were deleted therefrom all references to any undertaking to comply with the 1936 cotton-adjustment program formulated under the Agricultural Adjustment Act, as amended: *Provided further*, That payments payable hereunder to cotton producers who in 1935 operated on a farm which was not in 1935 covered by a 1934 and 1935 cotton acreage reduction contract or which in 1935 was covered by such a contract which was not complied with in 1935 shall be made as soon as may be without delaying payments to producers who in 1935 operated on a farm covered by such a contract which was complied with in 1935.

Mr. WOODRUM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOODRUM: On page 17, line 20, after the word "Office", strike out the word "in" and insert the following: "including the employment of persons and means in the city of."

Mr. WOODRUM. Mr. Chairman, I may say, in explanation of the amendment, that I have not had a chance to show it to my colleagues on the committee, but this is simply a clarifying amendment enabling them to employ personnel in the District of Columbia.

The amendment was agreed to.

Mr. JONES. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. JONES: On page 17, line 22, strike out all of lines 22 and 23 and all of lines 1, 2, and 3 on page 18 down to and including the word "all" and insert in lieu thereof the following: "Applications for and the payment thereon are hereby authorized, and such forms may be employed without alteration and payments made without regard to any."

Mr. JONES. Mr. Chairman, this is largely a clarifying amendment, but it does take out some language that is thought not to be in the most desirable form. I worked this out in connection with the gentleman from New York [Mr. TABER] and the gentleman from Virginia [Mr. WOODRUM]. It does not change the meaning particularly, except that it avoids the necessity of deleting something from a contract.

The amendment was agreed to.

Mr. TABER. Mr. Chairman, I ask unanimous consent to extend the remarks I made in a colloquy with the gentleman from Texas [Mr. JONES] with reference to the preceding paragraph by inserting a paragraph of an opinion of the Supreme Court in the case of United States against Realty Co. in One Hundred and Sixty-third United States Reports.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOILEAU. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this paragraph beginning at the top of page 17 provides that so much as may be necessary of the amount appropriated for the fiscal year ending June 30, 1936, by section 32 of the act approved August 24, 1935, which is the act amending the Agricultural Adjustment Act, is hereby made available for purposes as outlined in the paragraph.

I would state to the membership of the House who are not familiar with section 32 that this is the section that provides that 30 percent of all the money realized from all import duties shall be available to the Secretary of Agriculture to aid agriculture in accordance with the provisions of that particular section. I understand there is about $90,000,000 available for this purpose. Is that right?

Mr. WOODRUM. That is correct—$92,000,000, to be exact.

Mr. BOILEAU. And about what part of the $92,000,000 that is available for all types of agriculture do you expect will be paid under this paragraph for cotton?

Mr. WOODRUM. About $50,000,000 is what the testimony showed it is expected will be used for cotton. This has been reduced to $45,000,000, I am advised by the gentleman from Texas [Mr. JONES].

Mr. BOILEAU. Is that with respect to all programs that may be attempted with respect to cotton or under this particular paragraph?

Mr. WOODRUM. Under this particular paragraph, as I understand it.

Mr. BOILEAU. And is there anything in this paragraph or in any other legislation that will prevent the Department of Agriculture or the Secretary of Agriculture from using any of the remaining $47,000,000 for cotton?

Mr. WOODRUM. The legislation, as the gentleman will recall, put it all at the discretion of the Secretary of Agriculture as to what he will use it for, and there is no change in that respect.

Mr. BOILEAU. Do I understand that this particular paragraph allocates definitely so much of that particular fund as the Secretary may see fit to use for cotton?

Mr. WOODRUM. The allocation was made in the law we passed, and this paragraph does not change it in that respect.

Mr. BOILEAU. What is the necessity, then, for this language?

Mr. WOODRUM. The necessity for this language is the Supreme Court decision, which provided they could not make contracts based on an agreement to reduce acreage or curtail crops in the future.

Mr. BOILEAU. Is the purpose for which this money will be used under this authorization different from that provided in the original section 32?

Mr. WOODRUM. Not at all, except for the fact that in the payments on the contracts made in the 1935 crop, some of them were conditioned on the fact the farmers would agree to enter into a reduction program in 1936, and to that extent they ran into the Supreme Court decision. Many of those contracts have been signed and are in the office of the Secretary of Agriculture, and rather than go back and make new contracts and go over the facts again we give them this saving language.

Mr. BOILEAU. How long ago did the Secretary make the allocation of $45,000,000 for cotton?

Mr. WOODRUM. Last summer or fall.

Mr. BOILEAU. Then there will be $47,000,000 available for other crops?

Mr. JONES. Only $15,000,000 of the appropriation just made goes to cotton—$15,000,000 out of the $296,000,000.

The pro-forma amendment was withdrawn.

The Clerk read as follows:

Administrative expenses, exportation and domestic consumption of agricultural commodities: Not to exceed $300,000 of the appropriation made for the fiscal year 1936 in section 32 of the act entitled "An act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935, is hereby made available for administrative expenses other than administrative expenses in connection with the 1935 cotton price adjustment payment plan.

Mr. WOODRUM. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 16, line 21, after the word "expenses", insert the following: a comma and "including the employment of persons and means in the city of Washington and elsewhere."

Mr. PETTENGILL. Mr. Chairman, the word "expenses" occurs twice in that line. After which word is the amendment to be inserted?

Mr. WOODRUM. After the word "expenses" where it first occurs.

The amendment was agreed to.

POTATO STAMPS

Mr. BREWSTER. Mr. Chairman, I move to strike out the last word. Mr. Chairman and gentlemen of the committee, I rise, not to go further in the discussion of potatoes, the eyes of which are weeping from the action of this Chamber, but to assist in what I am sure will be recognized on both sides of the House as a very laudable purpose.

I am going to cooperate with the gentlemen of the majority in seeking to pay the expenses of the Government, perhaps ultimately retiring the national debt, without resorting to inflation. [Laughter.]

I hold in my hand one of the potato stamps issued by the United States Treasury under the authority of the late lamented Potato Act, which are at present on sale. I call attention of those interested in stamp collecting—and I understand there is a most distinguished philatelist at the other end of Pennsylvania Avenue—to the fact that under the admissions of the gentleman from North Carolina [Mr. WARREN] and the opinion of the Supreme Court, these stamps may very soon disappear from circulation. I was obliged to wire to Jacksonville, Fla., to the collector of internal revenue in order to secure these stamps.

They are most beautiful specimens of the engraver's art with a most attractive young lady, whose eyes would do justice to even the finest product of our potato fields, gracing the face of the stamp above the word "potatoes." They are issued in denominations of three-fourths cent, 1½ cents, 2¼ cents, 3 cents, 3¾ cents, 7½ cents, 11¼ cents, 18¾ cents, 37½ cents, 75 cents, 93¾ cents, $1.12½, and $1.50.

There are at the present time a very limited number of these stamps in circulation in the entire country.

I am quite sure the stamp collectors of the country will desire to have in their archives these mementos of an experiment noble in purpose to solve one of the agricultural problems of the United States.

Mr. BLAND. Mr. Chairman, I ask unanimous consent to extend in the RECORD the remarks I made this afternoon.

The CHAIRMAN. Is there objection?

There was no objection.

The Clerk read as follows:

NATIONAL BITUMINOUS COAL COMMISSION

Salaries and expenses, National Bituminous Coal Commission: For all necessary expenditures of the National Bituminous Coal Commission in performing the duties imposed upon said Commission by the Bituminous Coal Conservation Act of 1935, including personal services and rent in the District of Columbia and elsewhere, traveling expenses, contract stenographic reporting services, stationery and office supplies and equipment, printing and binding, and not to exceed $2,500 for newspapers, reference books, and periodicals, fiscal year 1936, $400,000: *Provided*, That this appropriation shall be available for obligations incurred on and after September 21, 1935, including reimbursement to other appropriations of the Department of the Interior for obligations incurred on account of said Commission.

Mr. TABER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. TABER: Page 21, line 21, down to line 11, page 22, strike out all of the paragraph.

Mr. TABER. Mr. Chairman, this is a motion to strike from the bill the entire appropriation for the National Bituminous Coal Commission, the Commission set up under the Guffey Act. Frankly I believe that under the decision of the Supreme Court it is generally recognized that this act is unconstitutional. I do not believe we should appropriate for the operations of that Commission. My case is just as plain as that. I think it is putting Congress in a very serious position to appropriate this money when I believe 9 out of every 10 of the Members of the House believe the act itself under which this Commission is operating is unconstitutional. I have, therefore, offered this amendment to strike out the whole thing. This amendment, if adopted, I shall follow up with an amendment to strike out the following paragraph. I do not think I need say anything more.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate upon this section and all amendments thereto shall close in 10 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. Without objection, the Chair will recognize the gentleman from Ohio [Mr. HOLLISTER] for 3 minutes, the gentleman from West Virginia [Mr. EDMISTON] for 3 minutes, and the gentleman from Virginia [Mr. WOODRUM] for 4 minutes.

There was no objection.

Mr. EDMISTON. Mr. Chairman, to those of us who represent coal-mining districts to strike out this paragraph of the bill would render irreparable damage. The Coal Commission has been working since September 21. These men have been serving without salary. Over 4,000 have voluntarily signed under the Guffey Coal Act, and those 4,000 represent 80 percent of the commercial bituminous-coal tonnage of the country. By commercial bituminous coal I mean not captive mines that mine coal only to be used in their own establishments, but 80 percent of the coal production that is being sold to the American people is now represented by the Bituminous Coal Commission. For Congress to anticipate what the Supreme Court is going to do about a law which we passed in the last session, it seems to me, is presumptuous. We passed the law. The case is before the Supreme Court, and certainly we should appropriate for our own agencies which we set up, at least until the Supreme Court has rendered its decision. This act by the 1934 tonnage of coal will produce for the Federal Government in excess of $10,000,000. It is costing $400,000 to operate it, as is asked for in this appropriation. We passed the act and we should appropriate the necessary money to see that it functions as we passed it.

Mr. HOLLISTER. Mr. Chairman, I rise to supplement what the gentleman from New York [Mr. TABER] has said with respect to the inadvisability of providing for an appropriation for an act which is palpably unconstitutional. The gentleman from West Virginia [Mr. EDMISTON] has just stated that we should not anticipate what the Supreme Court will do.

I am in full agreement with him when there can be the slightest doubt of the outcome, but that is not the case here. When the Guffey bill was under consideration last year I predicted from the floor that it would be held unconstitutional. At that time, of course, we did not have the decision of the Supreme Court of January 6 in the Agricultural Adjustment Act. How anyone reading that decision, whether he reads the majority opinion or the minority opinion, can have any doubt that this act, at least as far as the drawback portion of the tax is concerned, will be held unconstitutional is beyond my conception.

The Guffey bill provides for a 5-percent tax on the sale of coal, but allows a drawback of 90 percent of this tax to producers who accept the Bituminous Coal Code provided for by the act. This code, among other things, contains provisions for the fixing of minimum and maximum prices, and of maximum hours of work, roughly similar to codes under the N. R. A.

The Supreme Court in the Schechter-N. R. A. case held that such a code could not be imposed on business, not in interstate commerce, by the directly coercive weapons of fine and imprisonment, and the Supreme Court on a number of occasions has held that the mining of coal is purely an intrastate business (*Heisler* v. *Thomas Colliery Co.*, 260 U. S. 245 (1922); *Oliver Iron Co.* v. *Lord*, 262 U. S. 172 (1923)).

The only way in which the principle behind the Guffey bill differs from that behind the N. R. A. is that in the former there is no apparent compulsion on the coal producer who fails to accept the code. He is assessed a large tax and is then refused the drawback to which his competitor who accepts code is entitled. In other words, instead of the coercion of fine and prison sentence which the N. R. A. provided, there is in the Guffey bill the coercion of a confiscatory tax. The producer's act in accepting a code is apparently voluntary, but as a matter of economic necessity it is really coercion.

Lawyers with some knowledge of constitutional law have thought that the child labor tax case settled some time ago the unconstitutionality of such a law, and evidently the President had some such view when he asked last summer that the Guffey bill be passed "irrespective of any doubt as to its constitutionality no matter how reasonable."

It would seem that the recent Agricultural Adjustment Act decision set this question at rest once and for all, for not only did the opinion itself advert to the question but the dissenting opinion agreed on this point.

Mr. Justice Roberts said:

> In the *Child Labor Tax case* (259 U. S. 20), and in *Hill* v. *Wallace* (259 U. S. 44), this Court had before it statutes which purported to be taxing measures. But their purpose was found to be to regulate the conduct of manufacturing and trading, not in interstate commerce but in the States—matters not within any power conferred upon Congress by the Constitution—and the levy of the tax a means to force compliance. The Court held this was not a constitutional use but an unconstitutional abuse of the power to tax.

Even Mr. Justice Stone, in the minority decision, concedes that if the A. A. A. tax had been used as coercion to bring about a result which otherwise could not be legally brought about by Congress it would be unconstitutional, pointing out, however, that in the A. A. A. case there was not the use of the tax as a direct method of coercion. He said it was simply the use of the spending power to bring about a result through voluntary cooperation. That is where Mr. Justice Roberts and Mr. Justice Stone differ in their opinions. Let me point out what the latter said in the minority opinion:

> The tax is unlike the benefits which were held invalid in the Child Labor Tax case, * * * because they were themselves instruments of regulation by virtue of their coercive effect on matters left to the control of the States.

Here is a tax which is an instrument of regulation by virtue of the coercive effect of the tax itself, accomplishing a regulation of something which the Congress might otherwise regulate.

We have just stricken out the appropriation for the Potato Control Act because we know that act is unconstitutional. Let us be consistent and do the same for the Guffey bill.

Mr. WOODRUM. Mr. Chairman, this is a new departure in legislative procedure when the House of Representatives undertakes to anticipate the action of the Supreme Court and thereby withhold appropriations from institutions.

Mr. TABER. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. TABER. Is that not just exactly what the gentleman from Virginia did a half an hour ago?

Mr. WOODRUM. No; not at all. The situation in regard to the potato-control bill was quite different. The Budget, in sending it up, recognized that there were inherent difficulties in it and sent no estimate for 1937. Our committee, in reporting it, came to that conclusion and reported merely an amount to run for a couple of months. But the Bituminous Coal Commission is in an entirely different situation. There may be respectable legal opinion that this act will ultimately be held unconstitutional, but certainly the House of Representatives, sitting as the Committee of the Whole, is not going to undertake to arrogate to itself the authority to anticipate a ruling of the Supreme Court, and disband and dismantle this Commission that has been set up under specific authority and warrant of Congress.

Of course, I appreciate the fact that this motion to strike out an appropriation, while probably it is made in good faith, is more or less routine, and that no really serious intention exists that Congress would take any such action as that.

There are other gentlemen here interested in it. If the gentleman from Kentucky [Mr. VINSON] or the gentleman from Pennsylvania [Mr. SNYDER] desire, I will yield a minute to them.

I yield to the gentleman from Kentucky.

Mr. VINSON of Kentucky. This is a new method of repealing an act of Congress heretofore regularly enacted. Gentlemen refer to the Guffey-Snyder coal bill as being unconstitutional. It is so easy to say a measure is unconstitutional. Gentlemen refer to the recent Supreme Court decision invalidating the A. A. A. as authority for their conclusions that the bill under discussion is unconstitutional. The Bituminous Coal Conservation Act may be stricken down by the Court, but no one can say what the conclusions of the Supreme Court will be until they pass on it regularly. Certainly the Hoosac case is not authority, in my opinion, that the Guffey coal bill is unconstitutional.

Sometime during the last session, as I recall it, prior to the consideration of the Guffey coal bill, the distinguished gentleman from Ohio [Mr. HOLLISTER] challenged the constitutionality of this bill and inquired if any Member would dare to say that it was constitutional. At that time I informed him of my opinion relative to its constitutionality and today I call his attention to the fact that the district court here in Washington, in the trial upon its merits, upheld the constitutionality of the act insofar as the price-fixing phase of it was concerned, however, agreeing with the gentleman from Ohio as to the invalidity of that part which dealt with the control of wages, hours, and so forth. A very distinguished Kentucky lawyer in the person of Hon. Elwood Hamilton, now gracing a Federal bench in the western district of Kentucky, upheld the validity of the act in a very illuminating and sweeping decision. There are a number of the courts that have enjoined the collection of the tax, but so far as I recall it, the district court case, brought by Mr. Carter, and the Kentucky case are the only two that have been prepared and decided upon their merits.

The basis of support in the A. A. A. was the taxing power and the welfare clause. The Court there held that the taxing power could not be used for the purpose of regulating that which was beyond constitutional power, but their holding of that, it seems to me, inevitably leads to the conclusion that the taxing power, said by the gentleman from Ohio in the Guffey Act to be coercive, may well be exercised if that which is to be regulated is within constitutional power. The things sought to be regulated are entirely different. That which is sought to be regulated under the Guffey Act are transactions directly affecting interstate commerce and defined as such by the Congress. In other words, the things sought to be regulated are within the power of the commerce clause of the Constitution as we see it.

The Hoosac case had no support of the commerce clause. I quote from the decision of Mr. Justice Roberts:

> The third clause endows the Congress with power "to regulate commerce * * * among the several States." Despite a reference in its first section to a burden upon, and an obstruction of the normal currents of commerce, the act under review does not purport to regulate transactions in interstate or foreign commerce. Its stated purpose is the control of agricultural production, a purely local activity, in an effort to raise the prices paid the farmer. Indeed, the Government does not attempt to uphold the validity of the act on the basis of the commerce clause, which, for the purpose of the present case, may be put aside as irrelevant.

The Hoosac case was closely akin, in principle, to the case of *Hill* v. *Wallace* where the taxing power was sought to be exercised to control intrastate transactions. Chief Justice Taft struck down the statute and in so doing mentioned the fact that the words "interstate commerce" were not found from the beginning of the statute to the end and that such power was not relied upon. Thereafter Congress enacted the law with the commerce clause as its foundation to regulate practices which directly burdened interstate commerce. The same Chief Justice Taft upheld the validity as being within the constitutional powers of Congress.

In view of the situation, we respectfully submit that the gentleman from New York [Mr. TABER], distinguished as he may be, should not be permitted to do by indirection that which he was unable to do in the direct attack on the measure when it was up for consideration. I trust that his motion to strike this appropriation will fail.

Mr. WOODRUM. I yield to the gentleman from Pennsylvania [Mr. SNYDER].

Mr. SNYDER of Pennsylvania. Mr. Chairman, this coal bill was written after the Supreme Court's decision on the N. R. A. The bill was analyzed before it was introduced by legal minds equal to any in our country. The bill was written so as to dovetail into the decision handed down on the Schechter case. In other words, if the Supreme Court uses the same premises as its basis of reasoning as it did in the Schechter case they will pronounce the Guffey-Snyder Coal Act constitutional. We must assume that since the Supreme Court is made up of the same nine men that they will be logical and use the same logical basis in arriving at their conclusion.

In the supplemental appropriation bill of 1936, now under consideration, we have the item of $440,000 to carry out the provisions of the Guffey-Snyder Bituminous Coal Act. It

will be observed that the National Bituminous Coal Commission started its function on the 28th day of September 1935. Due to the fact that the filibuster in the Senate in the closing days of the first session of the Seventy-fourth Congress held up a number of appropriations, this being one of them, a deficiency of $440,000 appropriation is necessary at this time in order to have the act in operation as per the requirements of the act until July 1, 1936.

Mr. Chairman, under the laws governing our land and governing Congress, any bill signed by the President, is a law, until the Supreme Court of the United States rules otherwise. Therefore, this Bituminous Coal Act that started to function September 28, 1935, is functioning under the law, and we are duty bound to provide means and methods, so as to have it function as nearly 100 percent as possible. That is the intent, the purpose, and spirit of all laws. This $440,000 is necessary to provide the equipment, personnel, and the set-up, to run this Commission to July 1, 1936.

Mr. Chairman, there are many who thought that this bill was not constitutional last August 19 when it passed the House of Representatives who now think that it is constitutional. The decision handed down by the Supreme Court since that time would indicate, upon close interpretation, that the Guffey-Snyder Coal Act is constitutional.

It seems singular that some of our Republican friends here in the House and some Liberty Leaguers throughout the Nation are using up so much of their energy howling about this Democratic Congress putting on the statute books acts of Congress that are unconstitutional. Why, bless your soul, all you have to do is to turn to the record and you will find that of the 65 or 66 acts of Congress that have been declared unconstitutional the Republican Party was in power when about two-thirds of them were put on the statute books. People living in glass houses should not throw stones.

The Commission has set up a most economical and efficient structure. To put the whole program into effect, it was thought necessary to have a personnel of 312 people, but, in order to economize, the contemplated personnel is not to be more than 225. To operate efficiently and effectively with such a small personnel, it is necessary that there be no branch offices, but the entire administrative force and personnel to be housed here in Washington. In order to start on September 28, it was necessary to borrow money and to borrow personnel from other bureaus and agencies. This $440,000 is merely to pay back the amount borrowed and continue to operate until July 1, 1936.

The one outstanding reason why this measure appeals to at least 90 percent of the people is because of the fact that there is so much harmony and cooperation between the operators and the miners in this procedure. I made it 90 percent, because as late as January 22, 1936, we were informed by the Commission that 81½ percent of the tonnage-output operators had signed up and were going along with the provisions of the act and were happy to do so. Of course labor is 100 percent for the measure.

The last three sessions of Congress passed many pieces of humane and constructive legislation, but it is generally conceded that the most outstanding piece of humane legislation as well as stabilizing legislation passed during the last 3 years was the Guffey-Snyder Bituminous Coal Stabilization Act. The businessmen, the bankers, and the farmers are for this act when they once analyze it and realize the benefits. They realize that if this act is in operation they will know approximately how many tons of coal will be mined in their district next year. They will know how much the pay rolls of the mines will be, approximately, for the next year. They will know, approximately, how much they will have to pay for the tonnage they require for their respective business for the next year. They know that over a space of years it will cost less for the purchase of a ton of coal under this procedure than under the old cutthroat procedure. Therefore, I think I am safe in saying that it is the hope of businessmen as well as labor that this act remains in operation.

I am not saying that it is perfect. It will need adjustments; but we must not go back to the cutthroat methods we had in the bituminous-coal industry. Nobody wants to go back to those methods. This is the best medium we have available for operating the bituminous-coal industry. Therefore, gentlemen, I am sure you agree with me that it is our duty to give this Commission the sum asked for so that they can function properly.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. WOODRUM] has expired.

All time has expired.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 29, noes 70.

So the amendment was rejected.

Mr. BACON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BACON: Page 22, line 11, after the word "Commission", insert "*Provided*, That if the Bituminous Coal Conservation Act of 1935 is declared to be unconstitutional by the Supreme Court of the United States, no money herein provided shall thereafter be spent, and all money herein appropriated and unexpended shall be immediately covered back into the Treasury."

Mr. WOODRUM. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state his point of order.

Mr. WOODRUM. This seems to me to be legislation undertaking to effect a limitation. If, of course, the Supreme Court declares the act unconstitutional, expenditures under it will cease and no money may thereafter be expended under the act.

Mr. BACON. Mr. Chairman, it seems to me this is an amendment that comes within the Holman rule, that it is a limitation saving money for the Treasury of the United States.

Mr. WOODRUM. But it is made contingent on something that may or may not happen.

Mr. BACON. Yes; it is made contingent on something happening.

Mr. KELLER. Mr. Chairman, if the gentleman will yield, is the gentleman suggesting that the Congress should hint the unconstitutionality of a law before it is passed on by the Supreme Court?

The CHAIRMAN. The Chair is of the opinion that the Holman rule does not necessarily apply. The Chair is of the opinion, however, that the amendment is a limitation. The purport of the amendment taken as a whole impresses the Chair as being a limitation.

Mr. WOODRUM. May I call the attention of the Chair to the fact that the amendment means hereafter, any time in the future, any appropriation that hereafter may be made, and that it is not confined to the appropriation in this bill?

The CHAIRMAN. Yes; that is the very point on which the Chair's decision turns. The Chair interprets the words used in the amendment to mean that it refers to the appropriation provided in this bill. It would, therefore, be a limitation on the appropriation here provided. The Chair, therefore, overrules the point of order.

Mr. BACON. Mr. Chairman, I offer this amendment in good faith. When the N. R. A. was declared unconstitutional there were attempts—and successful attempts—made to use the money appropriated for the N. R. A. for other purposes.

None of this money should be spent if this act is declared unconstitutional, and in view of past performances I think the House of Representatives, which should control appropriations, should be watchful for raids on the Treasury. They have the right to apply this limitation so that money that ought not to be spent shall not be spent. This amendment may save money and prevent money from being illegally used.

Mr. WOODRUM. Mr. Chairman, would the gentleman care to yield?

Mr. BACON. Mr. Chairman, I yield back the balance of my time. I have introduced this amendment in good faith to prevent what has happened in the past shall not happen in the future.

Mr. WOODRUM. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The Chair is of the opinion that debate had already closed, but inasmuch as the gentleman from New York was inadvertently recognized, the gentleman from Virginia will be recognized in opposition to the amendment.

Mr. WOODRUM. Mr. Chairman, I simply want to say that so far as the purpose the gentleman had in mind is concerned I am in sympathy with it. I would call to his attention, however, the fact that quite a different situation exists with reference to the money appropriated in this bill and the money with which the N. R. A. was operated. The N. R. A. was operating under direct relief funds or grants from the emergency funds which might be used or diverted. The money provided in this bill is appropriated by Congress for a specific purpose, and if the Court should hold unconstitutional the act for the administration of which this appropriation is made, I am sure the Comptroller General of the United States would never permit any expenditure of this fund to be made after that decision of the Court for any other purpose. I have no objection to the amendment being adopted, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. KELLER) there were—ayes 61, noes 11.

So the amendment was agreed to.

The Clerk read as follows:

Salaries, Department of State: For an additional amount for salaries, Department of State, including the same objects specified under this head in the Department of State Appropriation Act, 1936, $39,330, of which amount not to exceed $30,350 may be expended by the Secretary of State without regard to civil-service laws and regulations or the Classification Act of 1923, as amended.

Mr. TABER. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment by Mr. TABER: Page 30, line 8, after the figures "1936" and the comma, strike out "$39,330" and insert in lieu thereof "$8,980", and strike out all after the changed figures in that paragraph.

Mr. TABER. Mr. Chairman, this is an amendment to strike from the bill all appropriations for the operation of the reciprocal tariff act. These funds are asked for the purpose of employing additional help in the Department of State for the operations of that division. Under the tariff act we have had a reciprocal tariff agreement with Cuba, a reciprocal tariff agreement with Canada, with the Netherlands, with Belgium, and with Sweden, all of which have opened wide the gates to let in agricultural products at a lower rate of duty, to the great damage of the American farmer.

Mr. LUNDEEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Minnesota.

Mr. LUNDEEN. I want the RECORD to show that I support the gentleman's amendment, being opposed to this reciprocal tariff policy.

Mr. TABER. Mr. Chairman, I hope the committee will take the responsibility that is theirs and vote this out in order that this operation which is doing so much damage to American agriculture and American business may be stopped.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

Mr. REED of New York. Mr. Chairman, reserving the right to object, I would like to have 5 minutes.

Mr. CULKIN. Mr. Chairman, reserving the right to object, I would like to have 5 minutes.

Mr. WOODRUM. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 2 minutes. We have debated this question time and time again.

The motion was agreed to.

Mr. WOODRUM. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not want to be discourteous to my good friends on the other side, but they know that not once but three or four times we have debated this matter, and my good friend the gentleman from New York [Mr. CULKIN] spoke 10 or 15 minutes yesterday on this very matter. I do not know but what the gentleman from New York [Mr. REED] had some time also.

Mr. REED of New York. I did have some time yesterday.

Mr. WOODRUM. We have debated this matter time and time again. It is the same old question, whether in this appropriation bill we want to withhold appropriations for reciprocal agreements, which act was overwhelmingly passed by both branches of Congress, and which the gentlemen know will remain on the statute books until we take substantive action to wipe it off the books.

Mr. CULKIN. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from New York.

Mr. CULKIN. I do not wish to inflict myself on the House in this connection.

Mr. WOODRUM. I am trying to protect the Members of the House, too.

Mr. CULKIN. If I could have 5 minutes I am sure I could contribute something for the information of the gentleman himself.

Mr. WOODRUM. I am sure the gentleman could contribute an intellectual discussion on the whole tariff question that we talk so much about, but it is not in issue here. This appropriation involves a few clerks in the State Department that the State Department have to have in connection with these trade-agreement compacts.

Mr. REED of New York. Will the gentleman yield in order that I may say a few words?

Mr. WOODRUM. I yield to the gentleman from New York.

Mr. REED of New York. Mr. Chairman, everybody knows that I am vitally interested in the dairy business. It is one of the largest industries in my district.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include certain quotations and official figures.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Chairman, there appeared in the Canadian Forum under date of September 1932 an article in which the writer points to the effect of the Smoot-Hawley Tariff Act upon the Canadian dairy farmers. While the Democratic Members assert that the Smoot-Hawley tariff was of no benefit to the American dairymen, the Canadian authorities present an entirely different picture. I quote from the Canadian publication:

This act (Smoot-Hawley Tariff Act) practically wiped out Canadian export of feeder cattle and of milk and cream to the United States. The farmers of the prairies found the cattle a welcome source of cash income in times of poor wheat crops, and the dairy farmers of eastern Quebec and of New Brunswick had built up a profitable business selling to the metropolitan centers along the eastern seaboard of the United States. Furthermore, they had gone to great pains to change their herds of cattle to conform to sanitary requirements of the consuming markets.

Now, with reference to New Zealand as a potentional danger to the dairy interests of the United States under the recent trade agreement with Canada, I refer to the action taken by the Dominion Government when New Zealand saw fit to ship dairy products into Canada under a special dispensation primarily intended for Australia under a trade agreement. I quote from the Canadian Year Book, 1930–31:

New Zealand had taken full advantage of the opportunity to export butter to Canada, and this trade had reached such proportions as to alarm the dairy industry. In May 1930 the Dominion Government gave notice to New Zealand that on October 12 the Australian treaty rates would be withdrawn on New Zealand products, the intention being that in the interval a new arrangement would be concluded.

Let us examine this matter a little further. I find that the tariff research committee, Madison, Wis., has published information, and I quote from this document:

New Zealand: Until the summer of 1930 New Zealand and Australia had preferential trade agreements with Canada which en-

abled them to ship butter into Canada with a duty of only 1 cent per pound. In 1929 New Zealand shipped 34,000,000 pounds of butter to Canada. Considerable quantities of her butter were diverted to Canada during the period 1926–30. However, on October 12, 1930, the Canadian tariff on New Zealand butter was raised to 4 cents a pound and later increased to 8 cents. These duties virtually checked New Zealand butter shipments to Canada and increased the relative importance of the United States as a market.

This same report then continues and shows specifically why New Zealand shipments of butter to the United States injures our dairy farmers. I quote:

Imports from Denmark are spread throughout the year, while those from New Zealand are concentrated in the 4 winter months from December to March. It is during these 4 months that imports have their greatest effect on prices, because demand is very sensitive under the high prices characteristic of the winter season. Imports from New Zealand, therefore, because of their large total volume and concentration in a limited period, constitute the chief foreign competitive element in the United States industry.

You Democrats who state that the tariff, the Smoot-Hawley Act, was of no benefit to the dairy farmers recall that this act went into effect June 17, 1930. What was the effect on importations of butter into our market? Our imports of butter in 1932 were the lowest since 1918. Not only this, exports of butter exceeded imports by one-half million pounds in 1932. If you are not satisfied with the effect of tariff legislation, especially in behalf of the dairymen in the United States, and if you still believe it is not helpful to them, please observe the effect of the Canadian tariff upon the Canadian butter market. Let me quote:

The Canadian balance of trade in butter shifted from a net importation of 34,300,000 pounds during the first 8 months of 1930 to a net export balance of 3,400,000 pounds during the same period of 1931.

This shift in Canada from an import basis to an export basis occurred within 1 year from the time the Dominion Government took steps to protect its market from invasion by foreign dairy products. With all these facts available, yet, under the most-favored-nation clause, this administration, under a trade agreement with Canada, proposes to open our market, not only to Canadian dairy products but to the dairy products of New Zealand and other countries.

I have introduced a bill to take from the President the power to enter into trade agreements. I hope that it will have the support of those who believe that the American market, the best cash market in the world, rightfully belongs to the American farmer.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The amendment was rejected.

The Clerk read as follows:

Prohibition of export of arms and war munitions: For the expenses of administering Public Resolution No. 67, approved August 31, 1935, including personal services in the District of Columbia and elsewhere, stenographic reporting, translating, and other services by contract if deemed necessary, without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); rent in the District of Columbia or elsewhere; traveling expenses; purchase of necessary books, documents, and periodicals; stationery; communication service; printing and binding; equipment; and such other expenses as may be authorized by the Secretary of State, fiscal year, $25,000.

Mr. WOODRUM. Mr. Chairman, as far as I know there are no other items in the bill that are controversial. I therefore ask unanimous consent to dispense with the further reading of the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

Mr. RANKIN. Mr. Chairman, I have an amendment to offer on page 34.

Mr. WOODRUM. Then, Mr. Chairman, I shall ask unanimous consent to dispense with the further reading of the bill after page 34, the point at which the gentleman from Mississippi [Mr. RANKIN] desires to offer an amendment.

The Clerk read as follows:

Third World Power Conference: For the expenses of organizing and holding the Third World Power Conference in the United States in 1936 or 1937, including personal services in the District of Columbia and elsewhere without regard to the Classification Act of 1923, as amended, communication services, stenographic and other services by contract if deemed necessary without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); travel expenses, local transportation, hire of motor-propelled passenger-carrying vehicles, rent in the District of Columbia and elsewhere, printing and binding, entertainment, official cards, purchase of newspapers and periodicals, necessary books and documents, stationery, membership badges, and such other expenses as may be actually and necessarily incurred by the Government of the United States by reason of observance of appropriate courtesies in connection therewith, and such other expenses as may be authorized by the Secretary of State, including the reimbursement of other appropriations from which payments have been made for any purposes herein specified, fiscal year 1936, to remain available until June 30, 1937, $75,000.

Mr. RANKIN. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. RANKIN: On page 34, after line 2, insert a new paragraph to read as follows:

"Commission to study the subject of Hernando de Soto's expedition: For the expenses of a commission, consisting of not fewer than five or more than seven members, to make a thorough study of the subject of Hernando de Soto's expedition and report back to the second session of the Seventy-fourth Congress with recommendations for a suitable and appropriate celebration of the four hundredth anniversary of the landing of de Soto in Tampa Bay, including personal services in the District of Columbia and elsewhere, without reference to the Classification Act of 1923, as amended; stenographic reporting, translating, and other services by contract if deemed necessary, without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); rent, traveling expenses, purchase of necessary books, documents, newspapers and periodicals, stationery, official cards, printing and binding, and such other expenses as may be authorized by the President, including the reimbursement of other appropriations from which expenditures may be made for any of the purposes herein specified, $5,000."

The amendment was agreed to.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that the remaining portion of the bill be considered as read.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WOODRUM. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 10464) making appropriations to provide urgent supplemental appropriation for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and for prior fiscal years, and for other purposes, had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

Mr. WOODRUM. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The bill was ordered to be engrossed, read a third time, and was read the third time.

Mr. TABER. Mr. Speaker, I offer a motion to recommit.

The Clerk read as follows:

Mr. TABER offers the following motion to recommit:

"That the bill be recommitted to the Committee on Appropriations with instructions to report the same back forthwith with the following amendment: Page 21, line 21, strike out all the paragraph down to and including line 11, on page 22."

Mr. WOODRUM. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken, and the bill was passed.

A motion to reconsider was laid on the table.

ADJOURNMENT OVER

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

SOCIAL SECURITY—THE FRAZIER-LUNDEEN BILL, S. 3475 AND H. R. 9680

Mr. LUNDEEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including an address which I delivered over NBC on January 18, 1936.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. LUNDEEN. Mr. Speaker, on January 18, 1936, I had the honor to speak at the Cosmos Club, Washington, D. C., under the auspices of the People's Lobby, Benjamin C. Marsh, executive secretary, 113 First Street NE., Washington, D. C. The People's Lobby is doing splendid work along the lines of progressive legislation, and Mr. Marsh is an able director.

The broadcast was given through the courtesy of the National Broadcasting Co. On that occasion social security, unemployment, old age, health, accident, and maternity—the entire field of social insurance—was the subject of discussion.

The tide of resentment among the voters of America is rising against the administration Social Security Act. It is an empty gesture, and hangs up a zero on the wall in that department of social security which now is the most important of all—unemployment insurance. And in other respects it leaves much to be desired. I would like to see the entire act repealed, and S. 3475, introduced by Senator LYNN J. FRAZIER, senior Senator from the State of North Dakota, and H. R. 9680, introduced by ERNEST LUNDEEN, Representative from the Third District, Minnesota, enacted into law.

We ask all people interested in the subject of genuine, adequate social security to communicate with the Interprofessional Association, Miss Mary Van Kleeck, chairman, 130 East Twenty-second Street, room 600, New York City, for copies of the bill and methods and means of promoting its success.

SOCIAL SECURITY

Mr. Chairman, fellow citizens, 8 months ago I spoke to you in this same room at a noon meeting sponsored by the People's Lobby. I said to you at that time that the American people expect adequate, genuine social security, including unemployment, accident, maternity, and health insurance, and old-age pensions. I said to you 8 months ago:

"In the near future the American people will learn that under the administration social-security bill, fifteen million now unemployed will receive nothing, and those who are now employed must wait for years before they are eligible to pitiably and utterly inadequate sums for unemployment insurance in the future."

And I said when the American people analyze the provisions of the administration measure they will demand a new or revised social-insurance bill.

William Green, president of the American Federation of Labor, knew what he was talking about when he said last year that the administration Social Security Act would be "pitiably and utterly inadequate."

So far the press reports only 9 States and the District of Columbia have passed unemployment insurance laws and only 18 States have old-age-pension laws that meet the Federal requirements.

No wonder Abraham Epstein, executive secretary of the American Association for Social Security, calls the administration bill "the social insecurity act."

We do have real social-security legislation before Congress—the Frazier-Lundeen social-security bill, introduced on Monday, January 6 of this year by LYNN J. FRAZIER, of North Dakota, in the Senate and by ERNEST LUNDEEN in the House. This bill provides genuine, adequate social security along the same lines provided in the Lundeen bill of last session—this bill was favorably reported by the House Committee on Labor. The new Frazier-Lundeen bill is worked out in greater detail and many points are clarified, but the fundamental principles are the same. We insist on the basic principles of genuine social security. We would set up a Nation-wide Federal system. Unemployment is a national problem.

The Frazier-Lundeen bill goes into effect immediately, and provides for all workers, including all wage earners, all salaried workers, farmers, professionals, and the self-employed.

It guarantees an income equal to average earnings, but in no case less than $10 a week, plus $3 for each dependent. It maintains the American standard of living.

It provides a democratic system of administration by representatives of workers' organizations, under a system of civil service free from political control.

Finally, the Frazier-Lundeen bill lays down the policy that additional funds needed for social security shall be raised by taxation on high incomes and corporate surpluses. No tribute is levied on the worker or upon the employer whose income is not in the upper brackets.

I wish to give full credit to the Interprofessional Association—Mary Van Kleeck, chairman—an organization with 21 chapters throughout the United States, in the matter of drafting the bill and submitting the same to Congress. Professional people are awakening to the necessity of their joint action with other workers and farmers.

Now you may say: "Where will you get the money? How much will it cost?

The Frazier-Lundeen bill authorizes an appropriation of $5,000,000,000 for social security. A United Press dispatch of January 6 says that so far, the depression has cost us seventeen and one-third billion dollars. That is the figure in the President's budget presented to Congress 2 weeks ago. Seventeen and a third billion dollars for agricultural aid, relief, public works, home loans, and miscellaneous aid. Where do we get the money for that?

We canceled $12,087,667,000 of war debts back in 1926. Where did we get the money for that?

We appropriated more than a billion dollars last year for war and war preparations. Where did we get the money for that?

Many of our people have been under the impression that we must have more gold to give social security to our people. We have about 40 percent of the world's gold now; and yet, according to Lloyd George, there is more poverty and misery in one American city than in all the British Isles combined.

If it is gold we need, we have the gold, and we have heavy reserves lying idle in banks. We have reserves piled so high in banks that the Federal Reserve Board officials met in Washington a few weeks ago to decide what to do about it, and apparently decided to do nothing.

We have gold. We have bank reserves. And we have more—of greater value than all of these—the labor power of 50,000,000 working people. The wealth of America is not in dollars alone. We have tremendous developed and potential resources beyond the comprehension of the mind of man. Even if the profits from some of these great resources are being squeezed out by financial dictators at the expense of the people, we have these sources of wealth, and they belong to the people. They can be taxed. The people can take them over, if necessary, in a peaceful and lawful manner, under the Constitution of the United States.

Oh, yes; we have the sources of wealth. But today the control of these great natural resources is not in the hands of the people. That is why the people do not receive full benefit from them. Two hundred giant corporations control half the corporate wealth of the country, and, at the present rate of concentration, by 1950, 80 percent of the corporate wealth of the country will be controlled by 200 giant corporations.

Each year we read of the huge salaries and dividends drawn by bankers and captains of industry. Recently the top salaries for 1935 have been published.

In 1929 Eugene Grace, of Bethlehem Steel Corporation, received $1,635,000 in salary and bonus. In 1935 the chairman of Bethlehem Steel's board received $250,000 in salary alone. Coca-Cola's president received $100,350. Woolworth Co.'s president drew three hundred thirty-seven and a half thousand. The country's largest publisher, William Randolph Hearst, drew $500,000—and so on down a long list of executive salaries—and that is not mentioning the House of Morgan and other money lords of the American financial aristocracy. In addition to salaries there are dividends received by the same people. Dividends alone gave $1,700,000 to Samuel H. Kress, of Kress' chain stores, in 1934, and five and a half million dollars to John D. Rockefeller, Jr., from oil interests. These statistics are compiled by Labor Research Association of New York City. We can tax these salaries and these dividends. We can apply the British rates above $5,000.

As long as these great American natural resources continue to fill the greedy coffers of the super-rich, their corporations continue to function, corporate surpluses are piled high for the rainy day. But let business become slack and profits be reduced, and a great cry goes up from corporations that they cannot afford to do business and employ labor. That is why the American people do not derive full benefit from our enormous natural resources: Because they have no control over their operation or the distribution of the wealth they produce. We, the people, have lost the ownership of the country in which we live. Farmers and workers together will find a way to regain the ownership they have lost.

Labor cannot depend upon State governments or private industry to provide social security. When depression and panic strikes, labor pays. From 1929 to 1933 labor lost over $60,000,000,000 in wages. No one thought of asking if labor could afford it.

What of the corporate surplus that captains of industry set aside for a rainy day? Labor was not allowed to use that surplus. In 1928 the corporate surplus amounted to $47,000,000,000, and even in 1932 it was over 36 billions. This was the amount accumulated by corporations from funds which had not been distributed. Certainly, this surplus was not produced by capital alone. It was produced by labor. It was made possible by the cooperation of

capital and labor, and it should be available for labor's insurance against unemployment. Abraham Lincoln said that labor has a prior right to the fruits of toil, that capital could not exist if labor had not first existed, that labor deserves much the higher consideration. So labor has a prior claim to corporate surplus.

But this fact is not recognized by industrial leaders. Capital has been permitted to draw on the surplus, while labor becomes the army of the unemployed.

In contrast with labor's loss interest payments have decreased very little during the depression. There is no comparison with wages. Wages dropped 60 percent from 1929 to 1932. Interest payments dropped less than 4 percent. In many industries more interest than ever was paid during the depression. In the electric-light, power, and gas industries interest payments in 1932 were 24 percent higher than they were in 1929.

Now wages are supposed to be rising, but higher prices offset the increase in wages. Last year the American Federation of Labor reported that food prices rose 25 percent in the last 2 years while wages rose only 8 percent. Purchasing power of the working people cannot be increased that way. Standards of living cannot be maintained. Workers still cannot buy back the products they produce, and unemployment still hangs over us like a great cloud of the oncoming storm. The latest report of the American Federation of Labor shows that there are 11,650,000 American workers without jobs.

The dangers to American democracy lie not so much in armies across the sea nor in the agitation of radicals at home. The dangers to American democracy come from our lack of social security.

A financial oligarchy has entrenched itself in America. Chain stores and chain banks are destroying the independent merchant. Industry and finance have passed far beyond the control of any State.

They adopt antisocial attitudes toward the common people. They form "economy leagues" and "liberty leagues" to fight against the common people's rights. They carry on a loud-mouthed, swaggering campaign. They send the American people off on a wild-goose chase against a few thousand hungry "reds", while they continue their plunder.

The American people must have security. They demand security in return for their patriotism, their loyalty. The strength of democratic government is no greater than the love of its people.

A day may come in the not distant future when the patience of our long-suffering people is exhausted.

The storm may yet break upon our heads. We stand now upon the brink of an abyss.

If you ask me, "How much will it cost to give security to our people?", I say to you, "How much will it cost not to give them security?" We must calm this wail of anguish that cries out from the soul of America. We must dry this ocean of tears. I say to the Money Trust of America, you must pay and save yourselves, by the way, lest you be overwhelmed by the wrath and the fury of the coming storm. Some day the money powers of this country will pay, and pay double, and then we will all know that they can pay. It can be done in a peaceful and lawful manner. It must be done, regardless of cost, to save the life of America.

A PATENT ON PROGRESS?

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a short editorial from the Ann Arbor (Mich.) Daily News.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MICHENER. Mr. Speaker, under leave to extend my remarks in the RECORD I include an editorial from the Ann Arbor Daily News, of Ann Arbor, Mich. This is one of the leading daily newspapers in the Middle West and the editorial is well worth reading. The editorial is as follows:

A PATENT ON PROGRESS?

President Roosevelt, overlooking no opportunity to defend the New Deal, and especially those parts that have run afoul of the Supreme Court, used quotations from T. R. to bolster his case as he dedicated a memorial to his famous predecessor and cousin.

This is one of the quotations:

"A great democracy must be progressive or it will soon cease to be a great democracy."

The President uttered many words of tribute for the Chief Executive who was so much admired in his time and whose memory is revered by Americans.

"With clearness of vision, of energy, of unfaltering facts, he labored through his entire strenuous career to transform politics from a corrupt traffic to a public service," said President Franklin D. Roosevelt, discussing the policies and ideals of President Theodore Roosevelt. "With a very passion for justice and equality before the law, he sought with voice and pen, with every resource at his command, to obtain for men everywhere their constitutional guarantee of life, liberty, and the pursuit of happiness."

So it seems, from the address at the dedication, that Theodore Roosevelt always stood for progress and devoted much time and energy to the furtherance of the cause of a square deal for all Americans. All this was generally understood, however. Theodore Roosevelt was one of the greatest of Presidents, and therefore he was progressive.

But it does not follow that Theodore Roosevelt would have endorsed some of the principles of government which Franklin D. Roosevelt has sponsored and which have been ruled as invalid by the Supreme Court. It is doubtful if he would have lent an ear to any proposal for regimentation of industry, business, and the private lives of individuals.

The present administration seems to feel that whatever it attempts must be progressive, and that any interference with an experiment it undertakes must, therefore, be opposed to progress. There is a strong suggestion in the President's addresses and in phrases uttered by other administration mouthpieces that the Democrats stand for progress and that it must naturally follow that the Republicans are opposed to it.

The attitude of the present administration appears to be that the Roosevelt regime has a copyright on progress, that its formulas are the only ones that can bring about improvements in the Nation.

Theodore Roosevelt, a Republican, was a progressive. Any Republican that may be nominated for the Presidency this year must also be progressive. Any candidate that stands on a platform guaranteeing a static condition in government or the relations of men to each other is not likely to get far.

Conditions, socially or otherwise, in America are not perfect today. There are many faults calling loudly for correction. This does not signify that a radical must be entrusted with the reins of government any more than it signifies that an ultraconservative should be given control. Neither fascism nor socialism is wanted.

But progress there must be; a "square deal" is essential to national advancement because it is necessary to human happiness.

However, the New Deal is not necessarily a square deal, and it is not patently progressive in all its phases. Something new is desirable, but nothing can be considered desirable merely for the reason that it is new.

If the President stands on the premise that to be progressive the people must accept the N. I. R. A., the A. A. A., and other policies that have been ruled un-American, he can quote any number of great Americans as endorsing his policies. But his premise is wrong. There are several different ways to bring about advancement, and it should be brought about by methods that fit into the American scheme of things, rather than by those that may be adapted from fascism, nazi-ism, or communism.

The great national question of the day is not whether progress is wanted. The question is how to have it. The New Deal and the "square deal" may not be cousins.

THE INDEPENDENT BANKERS OF MINNESOTA

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein an address delivered by myself at the Independent Bankers Association of Minnesota.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. BURDICK. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following speech delivered by me before the Independent Bankers Association of the State of Minnesota at the Lowry Hotel, St. Paul, Minn., Saturday evening, September 28, 1935:

Mr. Chairman, I am pleased to be here on this occasion, as I am deeply conscious of contribution to freedom and good government which this organization has made. Single-handed and alone, you have stood as the only opposition to the organized chain-banking interests of the country in their high-powered and unlawful efforts to secure an absolute monopoly on the banking business of the Northwest. Without your voices and energies raised against the complete overthrow of independence in banking this territory today would have been financially under the complete control of a handful of men representing the international bankers of America. Our business, our money, our hopes, our ambitions, our happiness, and all opportunity for free expression of individual effort would have been blasted by a sinister organization which had for its purpose the complete enslavement of the millions in the great Northwest. I salute you as comrades of the plain people in their struggle for existence.

In due time and when the history of this period shall have been written into the history of the Nation your organization and your members will hold a high place in the esteem of a grateful generation.

That we are permitting money to be issued and circulated unconstitutionally cannot be seriously doubted. The Constitution of the United States provides that to Congress alone shall be given the power to issue money and regulate the value thereof. This provision of the Constitution has never been repealed and stands as the fundamental part of the Constitution. Ever since the National Bank Act of 1863 was passed, and more particularly since the passage of the Federal Reserve Act in 1913, the power to issue money and regulate the value thereof has been handed over to private banking interests, and to thus hand over the control of the Nation's money and credit was and still is unconstitutional. This question has never been squarely raised before the Supreme Court of the United States, but has been acquiesced in by mere custom.

The evil effects of this unconstitutional control can be clearly seen when we see the following effects of this control, stated substantially as follows:

Bonds of the Government are issued in place of money; these bonds are sold to the banks and draw interest at an average of 3 percent and are tax free. Having thus secured the Government's obligations, the private banking interests, through the Federal Reserve Board, deposit the same identical bonds with the Government as security, and the Government hands over printed but unsigned currency of the United States for the full amount of the security offered. For this money the Federal Reserve Board does not pay any interest whatever.

Second. Under the banking laws adopted by Congress the money thus obtained or actually issued by the banks can be loaned out in amounts of 10 times the actual cash. The credit thus extended draws interest to the same degree as actual money. Through this operation the private interests of the country have created a public and private debt in the United States of $275,000,000,000, or approximately three times the present value of all property in the United States, public and private. The interest on this huge debt saps the annual resources of agriculture and labor, and still all the interest cannot be paid. The buying power of the people is destroyed by the forced payment of interest on imaginary money, the real money of which belonged to the Government all the while this process was in operation.

Third. We witness loss of homes and property and the people mired down in a sea of debt. Relief and more debts take the place of sound business activity. Unemployment follows as the result of the failure of business to find purchasers. The purchasing power of the people has been destroyed by the payment of interest. Thirty cents of every dollar's purchase goes to interest.

Fourth. To bring back normal conditions and prevent starvation of the people the Government again issues bonds, and sales are again made to the private banking interests, and as the process keeps on the whole business life of the Nation becomes more stagnant and suffering of the millions increases.

The remedy is easy: Congress can do it if it will. The power to issue money can be taken away from the private banking interests and exercised by the Government. Money can then be issued directly by the Government; bond issues can be stopped and the great interest burden stopped on bonds, and in addition the loaning of hot air can be controlled and the billions of dollars of interest on this hot air can be eliminated. The fifteen billion, or a major part of it, now going down the rat hole of interest on debts, public and private, can be turned into the business channel in the form of purchasing power in the hands of the people. There is nothing difficult or complicated about this remedy. In fact, the remedy is to declare now that the Constitution means what it says and that Congress has reassumed a power which it has always had, but which Congress cannot surrender by an act of Congress.

Surely it cannot be denied that this statement of the situation is fair; the reasoning is logical and cannot be successfully questioned. Why, then, don't we begin to do that which we always had a right to do and should have done? We falter because it will bring to an end the reign of special privilege. That special privilege can and does control congressional elections. Congressmen thus elected remain true to the interests that elected them. If the people will elect a Congress whose membership is not afraid of special privilege, the job will be done. This momentous question can be settled in the first congressional election which comes up. The people can win if they themselves will shun the alluring emoluments of special privilege, and go to the polls with a determination to save the greatest Government on earth from complete bankruptcy. Neither party is solely responsible; both major parties are sustained by contributions from special privilege, and when in office respond identically to their master's voice.

This unbridled control of the money and credit of the Government by private interests makes every citizen, including the operators of this unjust system, a financial slave. For centuries now we look with horror upon the land feudal system of continental Europe, but, as devastating as that system was, it at least fed the victims. We drove out the last vestige of feudalism here when we established this country, and it was because of the fear of it that our Declaration of Independence and the preamble of the Constitution were written. Having destroyed one system, we opened the way for a worse one. We are at this very hour confronted with the most dangerous feudal system ever recorded in the history of mankind—a financial feudalism. This system has deprived more than half of our population of their wealth, of the opportunity to work, of the necessities of life, and made them, in this emergency, abject slaves kneeling daily before the gates of public and private charity for that pittance which alone sustains life.

Every conceivable remedy can be applied; we can go in debt $40,000,000,000 more, and with it create artificial and useless jobs; we can build W. P. A. golf courses across the continent north and south, east and west; we can cut every weed and bush along the roadsides of every highway in America; we can build towers rivaling the Washington Monument for the purpose of caring for wild ducks; we can pour billions more into the cash tills of railroads, insurance companies, and banks; we can pass refinance bills until the crack of doom, and still our plight will continue until not a home in all the land is secure from financial ruin, unless we will eliminate prejudice, until we shall forget personal gain and all that it means in ease and enjoyment, and stand up like patriots of old and eradicate this common enemy of all—the financial feudal system of America. All other issues are but anthills to this mountain of destruction.

We need no further evidence of the debauchery of the private control of the Nation's money and credit. We are now at a point in our Nation's history where we must act. For generations we have escaped this gigantic task because of the endless dominions of the great unsettled West. We have pushed on to that West, we have conquered it, and have been in return exploited by this same feudal system. We are now at the end of the trail, and for the very first time in American history we have turned to face our tormentors. We have the best form of government on earth. It was instituted for justice, peace, and happiness, but through the power of this feudal system we have permitted it to control our Government instead of demanding that it shall be controlled by the people for whom it was instituted.

Shall we stand here idly and witness the destruction of this great Government? Shall we permit its enemies from within to accomplish that which its enemies from without do not dare attempt? The time has come, my friends, when every citizen in the land must forget himself, his ease and enjoyment, and be willing to make sacrifices now beyond comprehension to rid this land of its enemies of destruction, and there are none so dangerous to our liberties and to our lives as this monster known as financial feudalism. The question is, Shall we live on as a nation composed of free men or will we be content with restricted freedom during our lifetime and leave our children to become the financial vassals?

Not only have great private interests obtained a monopoly on the use of Government money and Government credit, but by reason of this control the great banking oligarchy has not spared independent banking but has used every conceivable power so abundantly created by the control of money to blot out and destroy all independence in banking; nor have its efforts stopped there. They have gone into every business field. They have used their power to furnish credit to legitimate business only on condition that profits to them shall be made a first consideration. Service to the community has been entirely overlooked. The welfare of the country and the people in it have been entirely and intentionally overlooked. They have demanded and obtained interests in and, in many cases, control over all legitimate and sometimes illegitimate business that has been compelled by reason of controlled money and credits to come to them for loans. They have filled boards of directors of business and affiliates, and have cobwebbed the whole business structure of the country with their interlocked directorates. Their purpose has been to lay the drain pipes of profits to every business to suck from it its independence, its ability to serve the public, and its property. Having obtained unlimited financial power, it has sought through that agency to control every activity of a free people and make them finally financial slaves.

Not satisfied with this, they have been bold enough to connive with weak Government officials and dazzle them with their power until they have intrigued their way into every Government financial institution designed to relieve the people. They are today in supreme command of the Government cash, the Government credit, the Government financial institutions. They are bigger than party—their comradeship in this oligarchy of finance is strong enough to keep their representatives in high Government positions, regardless of what political party may be in control. They have become, as they believe, masters of the people. They are destroying the Government, yet call the loudest for Government protection when their interests are in jeopardy. They desire Government for their own protection when their interests are in jeopardy. They desire Government for their own protection, but would deny that same protection to the people who suffer under their untrenched reign. Profits are their only ideas of patriotism. They would stand idly by and see this Government crumble and decay if only they may preserve their own financial empire.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 50 minutes p. m.) the House adjourned to meet, in accordance with its previous order, on Monday, January 27, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

624. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated January —, 1936, submitting a report, together with accompanying papers and illustrations, on studies of beach erosion at Jacob Riis Park, Long Island, N. Y., made by the Beach Erosion Board, in cooperation with the State of New York, acting through the Department of Parks, New York City, as authorized by the River and Harbor Act, approved July 3, 1930 (H. Doc. No. 397); to the Committee on Rivers and Harbors and ordered to be printed, with 11 illustrations.

625. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated January 20, 1936, submitting a report, together with accompanying papers and illustration, on a preliminary examination of Yakima River, Wash., with a view to the control of

its floods, authorized by act of Congress approved June 13, 1934 (H. Doc. No. 399); to the Committee on Flood Control and ordered to be printed, with illustration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. HILL of Alabama: Committee on Military Affairs. Senate Joint Resolution 169. A joint resolution granting permission to Hugh S. Cumming, Surgeon General of the United States Public Health Service; John D. Long, medical director, United States Public Health Service; Bolivar J. Lloyd, medical director, United States Public Health Service; and Clifford R. Eskey, surgeon, United States Public Health Service, to accept and wear certain decorations bestowed upon them by the Governments of Ecuador, Chile, Peru, and Cuba; without amendment (Rept. No. 1922). Referred to the Committee of the Whole House.

Mr. COLDEN: Committee on the Disposition of Executive Papers. A report on the disposition of papers in the United States Veterans' Administration (Rept. No. 1923). Ordered to be printed.

Mr. COLDEN: Committee on the Disposition of Executive Papers. A report on the disposition of papers in the Department of the Interior (Rept. No. 1924). Ordered to be printed.

Mr. COLDEN: Committee on the Disposition of Executive Papers. A report on the disposition of useless papers in the Department of Commerce (Rept. No. 1925). Ordered to be printed.

Mr. COLDEN: Committee on the Disposition of Executive Papers. A report on the disposition of papers in the Department of the Treasury (Rept. No. 1926). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CURLEY: A bill (H. R. 10582) to provide for the honorary designation of St. Anns churchyard, in the city of New York, as a national shrine, and for the erection of a monument or statue thereon to the memory of Gouverneur Morris; to the Committee on the Library.

By Mr. BURNHAM: A bill (H. R. 10583) to authorize a preliminary examination of the San Diego River and its tributaries in the State of California with a view to the control of its floods; to the Committee on Flood Control.

By Mr. ELLENBOGEN: A bill (H. R. 10584) to repeal the Potato Act of 1935, and for other purposes; to the Committee on Agriculture.

By Mr. GREEN: A bill (H. R. 10585) to provide for the construction of a post office at Trenton, Gilchrist County, Fla.; to the Committee on Public Buildings and Grounds.

By Mr. DOUGHTON: A bill (H. R. 10586) to provide for the more adequate protection of the revenue, a more effective enforcement of the revenue and other laws administered by the Treasury Department, and for other purposes; to the Committee on Ways and Means.

By Mr. MITCHELL of Illinois: A bill (H. R. 10587) to prohibit the President of the United States and the United States Civil Service Commission, or any branch thereof, from requiring, as a condition precedent to the taking of an examination for a position in the classified civil service or as a condition precedent to an appointment in such service, a photograph of applicants for such examinations; to the Committee on the Civil Service.

By Mr. McSWAIN: A bill (H. R. 10588) to amend section 863, title 48, of the Code of Laws of the United States of America relating to the District Court of the United States for Puerto Rico; to the Committee on the Judiciary.

By Mr. STEFAN: A bill (H. R. 10589) to amend section 32 of the act entitled "An act to authorize the construction of certain bridges and to extend the times for commencing and/or completing the construction of other bridges over the navigable waters of the United States, and for other purposes", approved August 30, 1935; to the Committee on Interstate and Foreign Commerce.

By Mr. TARVER: A bill (H. R. 10590) providing for the refund of taxes collected under Public Law No. 169, Seventy-third Congress, known as the Bankhead Act; to the Committee on Agriculture.

By Mr. CARTWRIGHT: A bill (H. R. 10591) to authorize the Secretary of Agriculture to investigate and report on traffic conditions, with recommendations for corrective legislation; to the Committee on Roads.

By Mr. HAMLIN: A bill (H. R. 10592) to amend sections 557, 559, and 563 of the Tariff Act of 1930, as amended; to the Committee on Ways and Means.

By Mr. LEE of Oklahoma: A bill (H. R. 10593) providing funds for redeeming the bonds authorized to be issued to veterans of the World War as per the provisions of Public, No. —, Seventy-fourth Congress, approved ——— —, 1936, and for other purposes; to the Committee on Ways and Means.

Also, a bill (H. R. 10594) to authorize the issuance of Treasury notes for use in making payments of bonds authorized to be issued under the Adjusted Compensation Payment Act, 1936, and for other purposes; to the Committee on Ways and Means.

By Mr. LUNDEEN: A bill (H. R. 10595) to provide for the creation of a corporation to be known as United States Railway Service; to provide for the possession, control, operation, and ownership of certain property of carriers by the United States Railway Service, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SCHULTE: A bill (H. R. 10596) to amend section 24 of the Immigration Act of 1917; to the Committee on Immigration and Naturalization.

By Mr. GASQUE: A bill (H. R. 10597) granting uniform pensions to widows, children, and dependent parents of persons who served the United States in time of peace or war, and for other purposes; to the Committee on Pensions.

By Mr. SABATH: Resolution (H. Res. 403) authorizing further expenditures of $50,000 to be paid out of the contingent fund of the House for the continuance of the investigation by the Select Committee to Investigate Real Estate Bondholders' Reorganizations; to the Committee on Accounts.

By Mr. REILLY: Joint resolution (H. J. Res. 466) for the relief of Dr. M. Kellogg Mookerjee; to the Committee on Immigration and Naturalization.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Commonwealth of Kentucky, regarding the memorialization of the home of Gen. George Rogers Clark; to the Committee on Public Buildings and Grounds.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of New York: A bill (H. R. 10598) for the relief of John Pellet; to the Committee on Military Affairs.

By Mr. BLOOM: A bill (H. R. 10599) for the relief of Helen Reiner Burger; to the Committee on Immigration and Naturalization.

By Mr. CARTWRIGHT: A bill (H. R. 10600) granting an increase of pension to Mary E. Lee; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10601) granting a pension to Nely Keller; to the Committee on Invalid Pensions.

By Mr. COFFEE: A bill (H. R. 10602) granting pension to Elizabeth Fosket; to the Committee on Invalid Pensions.

By Mr. COLE of Maryland: A bill (H. R. 10603) granting a pension to Laura C. Hobbs; to the Committee on Invalid Pensions.

By Mr. DOCKWEILER: A bill (H. R. 10604) for the relief of Jerry Kearney; to the Committee on Naval Affairs.

By Mr. DUFFY of New York: A bill (H. R. 10605) granting a pension to Cora J. Lowell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10606) granting a pension to Grace E. Fairchild; to the Committee on Invalid Pensions.

By Mr. DUFFEY of Ohio: A bill (H. R. 10607) for the relief of Richard Zielinski and his parents; to the Committee on Claims.

By Mr. DUNCAN: A bill (H. R. 10608) for the relief of Minnie D. Hines; to the Committee on Claims.

By Mr. EICHER: A bill (H. R. 10609) granting a pension to Clara J. Byers; to the Committee on Invalid Pensions.

By Mr. FARLEY: A bill (H. R. 10610) granting a pension to Mary E. Michaud; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10611) granting a pension to Eliza Jane Wilkinson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10612) granting an increase of pension to Nancy A. Bortner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10613) granting a pension to Grace V. Lawrence; to the Committee on Invalid Pensions.

By Mr. FERGUSON: A bill (H. R. 10614) granting an increase of pension to Hannah Casler; to the Committee on Invalid Pensions.

By Mr. LUNDEEN: A bill (H. R. 10615) for the relief of the Northwest Tie & Timber Co.; to the Committee on Claims.

By Mr. McANDREWS: A bill (H. R. 10616) for the relief of the heirs of Florence Thromans; to the Committee on Claims.

By Mr. REED of Illinois: A bill (H. R. 10617) granting a pension to Lena Keating Wagner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10618) granting a pension to Josephine (Jessie) Campbell; to the Committee on Invalid Pensions.

By Mr. SISSON: A bill (H. R. 10619) for the relief of George Lauria; to the Committee on Naval Affairs.

Also, a bill (H. R. 10620) granting a pension to Arthur Boyce; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10621) granting an increase of pension to Carrie Holman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10622) granting an increase of pension to Mary L. Gage; to the Committee on Invalid Pensions.

By Mr. STACK: A bill (H. R. 10623) granting a pension to Ida M. Reed; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10624) for the relief of Herman Fox (Meilech Trok); to the Committee on Immigration and Naturalization.

By Mr. THOMAS: A bill (H. R. 10625) granting an increase of pension to Nettie Lennen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10626) granting an increase of pension to Minnie Halleran; to the Committee on Invalid Pensions.

By Mr. WOODRUFF: A bill (H. R. 10627) authorizing and directing the Secretary of the Treasury to reimburse Harold Scott and Ellis Marks for the losses sustained by them by reason of the negligence of an employee of the Civilian Conservation Corps; to the Committee on Claims.

Also, a bill (H. R. 10628) granting a pension to Esther Critchell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10629) granting a pension to Helen J. Selley; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9788. By Mr. BACON: Petition of sundry residents of Suffolk County, Long Island, urging the payment in full of the adjusted-compensation certificates; to the Committee on Ways and Means.

9789. Also, petition of sundry residents of Riverhead and Brooklyn, N. Y., urging enactment of House bill 8739, restoring prohibition in the District of Columbia; to the Committee on the District of Columbia.

9790. By Mr. GUYER: Petitions of citizens of Osawatomie, Kans.; to the Committee on the District of Columbia.

9791. By Mr. HIGGINS of Connecticut: Petition of 11 citizens of Willimantic, Conn., favoring strict and mandatory neutrality legislation; to the Committee on Foreign Relations.

9792. Also, resolutions of Ada Negri Lodge, No. 1687, Order Sons of Italy, Middletown, Conn., favoring the complete neutrality of the United States in all wars in foreign countries; to the Committee on Foreign Relations.

9793. Also, telegram from Local Union No. 2040, United Textile Workers of America, Dayville, Conn., favoring the passage of House bill 9072, to rehabilitate and stabilize labor conditions in the textile industry of the United States, and for other purposes; to the Committee on Labor.

9794. By Mr. HOOK: Petition of patrons served by star route no. 37143, Jacobsville, Mich., urging Congress to enact legislation to extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9795. Also, petition of patrons served by star route no. 37134, Pelkie, Mich., urging Congress to enact legislation to extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9796. Also, petition of residents and patrons served by star route no. 37141, Calumet, Mich., urging Congress to enact legislation to extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9797. By Mr. LUNDEEN: Petition of a mass meeting of 372 farmers in meeting in Crookston, Minn., on January 11, 1936, recommending the adoption by Congress of an adequate agricultural adjustment program; to the Committee on Agriculture.

9798. By Mr. RANDOLPH: Petition of the Woman's Christian Temperance Union of Salem, W. Va., on the Guyer bill; to the Committee on the District of Columbia.

9799. By Mr. STEFAN: Petition bearing the signatures of 384 citizens of Decatur, Orchard, Tekamah, Red Bird, and O'Neill, Nebr., asking Congress to enact legislation that will indefinitely extend all existing star-route contracts and increase the compensation to an equal basis with that of other forms of transportation; to the Committee on the Post Office and Post Roads.

9800. By the SPEAKER: Petition of the American union men; to the Committee on Labor.

9801. Also, petition of a mass meeting of several thousand citizens of New Orleans, La.; to the Committee on the Judiciary.

SENATE

MONDAY, JANUARY 27, 1936

(Legislative day of Thursday, Jan. 16, 1936)

The Senate met at 12 o'clock m., on the expiration of the recess.

JESSE H. METCALF, a Senator from the State of Rhode Island, appeared in his seat today.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, January 23, 1936, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House, having proceeded to reconsider the bill (H. R. 9870) to provide for the immediate payment of World War

adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes, returned by the President of the United States, with his objections, to the House of Representatives, in which it originated; it was

Resolved, That the said bill pass, two-thirds of the House of Representatives agreeing to pass the same.

The message also announced that the House had passed a bill (H. R. 10464) making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and for prior fiscal years, and for other purposes, in which it requested the concurrence of the Senate.

CALL OF THE ROLL

Mr. LEWIS. I note the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson	Pittman
Ashurst	Coolidge	Keyes	Pope
Austin	Copeland	King	Radcliffe
Bachman	Costigan	La Follette	Reynolds
Bailey	Couzens	Lewis	Robinson
Bankhead	Davis	Logan	Russell
Barbour	Dickinson	Lonergan	Schwellenbach
Barkley	Dieterich	McAdoo	Sheppard
Benson	Donahey	McCarran	Shipstead
Bilbo	Duffy	McGill	Smith
Black	Fletcher	McKellar	Steiwer
Bone	Frazier	McNary	Thomas, Okla.
Borah	George	Maloney	Thomas, Utah
Brown	Gerry	Metcalf	Townsend
Bulkley	Gibson	Minton	Trammell
Bulow	Glass	Moore	Truman
Burke	Gore	Murphy	Tydings
Byrd	Guffey	Murray	Vandenberg
Byrnes	Hale	Neely	Van Nuys
Capper	Harrison	Norbeck	Wagner
Caraway	Hastings	Norris	Walsh
Carey	Hatch	Nye	Wheeler
Chavez	Hayden	O'Mahoney	White
Clark	Holt	Overton	

The VICE PRESIDENT. Ninety-five Senators have answered to their names. A quorum is present.

COMMISSION FOR SETTLEMENT OF SPECIAL CLAIMS, UNITED STATES AND MEXICO—APPROPRIATION

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Relations, as follows:

To the Congress of the United States:

I commend to the favorable consideration of the Congress the enclosed report from the Secretary of State to the end that Public Law No. 30, Seventy-fourth Congress, be amended so as to increase, from $90,000 to $180,000, the amount of the appropriation authorized for the work of the commission for the settlement of the special claims comprehended within the terms of the convention between the United States of America and the United Mexican States concluded April 24, 1934.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 27, 1936.*

[Enclosure: Report.]

DOCUMENTS RELATING TO INAUGURATION OF THE PHILIPPINE COMMONWEALTH

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying paper, referred to the Committee on Territories and Insular Affairs, as follows:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, a compilation of documents relating to the inauguration of the Government of the Commonwealth of the Philippines, as provided in the Philippine Independence Act (Public, No. 127, 73d Cong.), approved March 24, 1934.

Inasmuch as it is believed that this compilation would be of great historical value and of general interest as a source of information, I concur in the recommendation of the Secretary of War that it be printed as a congressional document.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 27, 1936.*

[NOTE: The compilation of documents referred to accompanied similar message to the House of Representatives.]

SUPPLEMENTAL ESTIMATES—NAVY DEPARTMENT (S. DOC. NO. 150)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, an estimate of appropriation for the Navy Department to pay a claim for damages by collision or damages incident to the operation of a vessel of the Navy, in the sum of $76.67, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

(S. DOC. NO. 151)

The VICE PRESIDENT also laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, an estimate of appropriation for the Navy Department, to pay claims for damages incident to the operation of vessels of the Navy, in the sum of $2,094.91, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

CLAIMS FOR DAMAGES TO PRIVATELY OWNED PROPERTY (S. DOC. NO. 152)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, estimates of appropriations submitted by the several executive departments and independent offices, to pay claims for damages to privately owned property, in the sum of $23,080.68, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

JUDGMENTS RENDERED AGAINST THE GOVERNMENT BY DISTRICT COURT, SOUTHERN DISTRICT OF NEW YORK (S. DOC. NO. 153)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, a record of a judgment rendered against the Government by the District Court of the Southern District of New York, amounting to $569.86, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

JUDGMENTS RENDERED BY THE COURT OF CLAIMS (S. DOC. NO. 154)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, a list of judgments (under the War Department) rendered by the Court of Claims, amounting to $570,640.58, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

(S. DOC. NO. 155)

The VICE PRESIDENT also laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, a list of judgments (under several departments and bureaus) rendered by the Court of Claims, amounting to $42,325.88, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

CLAIMS ALLOWED BY THE GENERAL ACCOUNTING OFFICE (S. DOC. NO. 156)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, a schedule of claims allowed by the General Accounting Office, amounting to $22,265.70, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

(S. DOC. NO. 157)

The VICE PRESIDENT also laid before the Senate a communication from the President of the United States, trans-

mitting, pursuant to law, a schedule of claims allowed by the General Accounting Office, amounting to $132,183.52, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

(S. DOC. NO. 158)

The VICE PRESIDENT also laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, a schedule of claims allowed by the General Accounting Office, amounting to $14,643.26, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

(S. DOC. NO. 159)

The VICE PRESIDENT also laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, schedule of a claim allowed by the General Accounting Office, covering a judgment rendered by the District Court for the Southern District of New York against the collector of customs, amounting to $574.04, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

(S. DOC. NO. 160)

The VICE PRESIDENT also laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, a schedule of claims allowed by the General Accounting Office, covering judgments rendered by the District Court for the Southern District of New York against collectors of customs, amounting to $17,181.01, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATES—LEGISLATIVE ESTABLISHMENT (S. DOC. NO. 161)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting supplemental estimates of appropriations for the legislative establishment, fiscal year 1936, amounting to $100,443.55, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE—LIBRARY OF CONGRESS (S. DOC. NO. 164)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative establishment, pertaining to the Library of Congress, fiscal year 1936, in the sum of $3,800, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE—DEPARTMENT OF AGRICULTURE (S. DOC. NO. 162)

The VICE PRESIDENT laid before the Senate a communication, transmitting a supplemental estimate of appropriation for the Department of Agriculture, fiscal year 1936, salaries and expenses (fighting and preventing forest fires) Forest Service, amounting to $1,276,709, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATES—DISTRICT OF COLUMBIA (S. DOC. NO. 163)

The VICE PRESIDENT laid before the Senate a communication from the President of the United Strates, transmitting supplemental estimates of appropriations for the District of Columbia for the filtration system, workhouse and reformatory, fiscal year 1936, in the sum of $5,250, and for the same object (no year) $2,250, amounting in all to $7,500, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

CLAIM OF ALASKA COMMERCIAL CO., OF SAN FRANCISCO, CALIF.

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Treasury, transmitting a draft of proposed legislation for the relief of the Alaska Commercial Co., of San Francisco, Calif., which, with the accompanying paper, was referred to the Committee on Claims.

PARTICIPATION BY COAST GUARD IN RIFLE AND PISTOL MATCHES

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to permit the Coast Guard to participate in the annual rifle and pistol matches for which provision is made by law on a par with the other armed services, which, with the accompanying paper, was referred to the Committee on Military Affairs.

TRADE-IN OF USED MOTOR TRUCKS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize the trade-in of used motor trucks in the purchase of new motor trucks, which, with the accompanying paper, was referred to the Committee on Commerce.

REPORT OF NATIONAL ACADEMY OF SCIENCES

The VICE PRESIDENT laid before the Senate a letter from the president of the National Academy of Sciences, transmitting, pursuant to law, the report of that academy for the fiscal year ended June 30, 1935, which, with the accompanying report, was referred to the Committee on the Library.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a concurrent resolution of the Legislature of the State of Minnesota, memorializing the President of the United States and the Congress that it is the sense of the members of the Minnesota Legislature that the Government of the United States should perform its solemn promise and duty and place American agriculture on the basis of equality with other industries by providing an adequate system of credit, and that legislation to that end should be adopted at the earliest possible date, which was referred to the Committee on Agriculture and Forestry.

(See concurrent resolution printed in full when presented by Mr. SHIPSTEAD on the 23d instant, p. 893, CONGRESSIONAL RECORD.)

The VICE PRESIDENT also laid before the Senate a concurrent resolution of the Legislature of the State of Kentucky, favoring the adoption of a constitutional amendment, so as to provide relief to farmers under the invalidated A. A. A. program, which was referred to the Committee on the Judiciary.

(See concurrent resolution printed in full when presented today by Mr. LOGAN.)

The VICE PRESIDENT also laid before the Senate a letter from the Discussion Group of New York City, N. Y., enclosing copy of a letter addressed by that group to the Senator from North Dakota [Mr. NYE] commending him and the work accomplished by the Special Committee on Investigation of the Munitions Industry, and also favoring an additional appropriation for the expenses of the special committee, which, with the accompanying paper, was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

He also laid before the Senate the petition of O. G. Bargeron, of Brigham City, Utah, praying for the adoption of the so-called Townsend old-age-pension plan, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted at a meeting in Faneuil Hall, Boston, Mass., of lodges of the Massachusetts Grand Lodge of the Order of the Sons of Italy in America, favoring adherence to the practice and policy of American neutrality heretofore followed and now in effect, which was referred to the Committee on Foreign Relations.

He also laid before the Senate resolutions adopted by meetings of veterans and friends of veterans at Minneapolis, Minn., favoring the enactment of legislation providing for the immediate cash payment of adjusted-service certificates of World War veterans, which were ordered to lie on the table.

Mr. COPELAND presented a resolution adopted by Malone Grange No. 959, of Malone, N. Y., favoring the imposition of a 10-cent tax on oleomargarine for the protection of the

milk and butter industry, which was referred to the Committee on Finance.

Mr. CAPPER presented a resolution adopted by members of Company G, Twentieth Kansas Volunteers, at their annual reunion at Coffeyville, Kans., favoring the enactment of the so-called Spanish War travel pay bill for the benefit of volunteer soldiers who remained in the Philippines after the signing of the treaty of peace with Spain, which was referred to the Committee on Claims.

He also presented a petition numerously signed by sundry citizens of Phillipsburg, Kans., praying for the enactment of legislation to prohibit the advertising of intoxicating liquors, which was referred to the Committee on Interstate Commerce.

Mr. LOGAN presented the following concurrent resolution of the Legislature of the State of Kentucky, which was referred to the Committee on the Judiciary:

Concurrent resolution of the Senate of Kentucky and House of Representatives of the General Assembly of Kentucky requesting the United States Senate and the Congress of the United States to immediately enact legislation to provide for a constitutional amendment to take the place of the Agricultural Adjustment Act

Whereas the farmers of the State of Kentucky have been greatly benefited by the relief accorded them under the Agricultural Adjustment Act; and

Whereas the price of their products has been increased materially by the provisions of said act; and

Whereas said products before said act was passed were being produced at a loss to the farmers and that the benefits of said act have so increased the price of said products that the farmers of the State have been able to pay their debts and educate their children and save their homes; and

Whereas the Supreme Court of the United States has held said act unconstitutional, and the effect of said ruling will deprive the farmers of the State of the benefits of said act and will cause the prices of the products of the farmers to fall materially; and

Whereas the farmers of the State are not now adequately protected and our people are greatly distressed on account of the loss of the benefits of the A. A. A.: Now, therefore, be it

Resolved by the Senate of the Commonwealth of Kentucky (and the house of representatives concurring), That the Congress and the Senate of the United States immediately enact legislation to provide for a constitutional amendment to take the place of the Agricultural Adjustment Act, and to provide if it be possible the same relief that the farmers enjoyed under said A. A. A.; be it further

Resolved, That the chief clerk of the senate be directed to send copies of this resolution to the Clerks of the House and the Senate of the Congress of the United States and to each Member of Congress from Kentucky.

RELIEF OF UNEMPLOYMENT—PETITION

Mr. BONE. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred a petition addressed to me from a very large body of citizens of the State of Washington, asking Congress to make provision for the employment of this great body of citizens, who have not been on relief but have not had work for many years. I ask that the names be omitted from the RECORD, because it would necessitate too much printing.

There being no objection, the petition was referred to the Committee on Appropriations and ordered to be printed in the RECORD without the names, as follows:

To the Congress of the United States of America:

We, the undersigned, respectfully petition your honorable body and represent—

That there are at present in this country millions of unemployed who are desirous of securing employment and in need of work, but are not eligible to secure employment on the W. P. A. and other governmental agencies for the reason that they are not on relief rolls, either by reason of pride, or reliance upon their relatives or friends, or through the expenditures of savings in the past years which have dwindled to nothing, or through great sacrifice of property heretofore acquired.

This body of citizens, numbering 3 to 1 of those now employed on Government relief rolls, should be recognized and funds provided for their employment. These citizens are the backbone of the country and have in the past, and will in the future if employed, contribute largely toward the revenue which is necessary to carry on the Government. A failure to make suitable provision for this large number of citizens will necessitate their being placed on relief rolls.

REPORTS OF COMMITTEES

Mr. JOHNSON, from the Committee on Foreign Relations, to which was referred the bill (H. R. 9871) to amend an act entitled "An act providing for the participation of the United States in the California-Pacific International Exposition to be held at San Diego, Calif., in 1935 and 1936; authorizing an appropriation therefor, and for other purposes", approved March 7, 1935, to provide for participation in the California-Pacific International Exposition to be held at San Diego, Calif., in 1936, to authorize an appropriation therefor, and for other purposes, reported it without amendment and submitted a report (No. 1474) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which were referred the following bills, reported them severally, without amendment, and submitted reports thereon:

S. 3686. A bill to amend that provision of the act approved March 3, 1879 (20 Stat. L. 412), relating to issue of arms and ammunition for the protection of public money and property (Rept. No. 1475);

S. 3687. A bill to validate payments and to relieve the accounts of disbursing officers of the Army on account of payments made to Reserve officers on active duty for rental allowances (Rept. No. 1476);

S. 3688. A bill to validate payments and to relieve disbursing officers' accounts of payments made to Reserve officers promoted while on active duty (Rept. No. 1477);

S. 3737. A bill to authorize the Secretary of War to acquire by donation land at or near Newburgh, in Orange County, N. Y., for aviation field, military, or other public purposes (Rept. No. 1478); and

H. R. 3421. A bill to authorize credit in disbursing officers' accounts covering shipment of privately owned automobiles from October 12, 1927, to October 10, 1929 (Rept. No. 1479).

PRINTING REPORT OF DAUGHTERS OF THE AMERICAN REVOLUTION

Mr. HAYDEN, from the Committee on Printing, reported a resolution (S. Res. 220), which was considered by unanimous consent and agreed to, as follows:

Resolved, That the Thirty-eighth Annual Report of the National Society of the Daughters of the American Revolution for the year ended April 1, 1935, be printed as a Senate document.

EXPENSES OF SPECIAL COMMITTEE ON INVESTIGATION OF THE MUNITIONS INDUSTRY

Mr. NYE, from the Special Committee on Investigation of the Munitions Industry, reported a resolution (S. Res. 221), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate, as follows:

Resolved, That the special committee appointed by the Vice President, under authority of Senate Resolution 206, agreed to April 12, 1934, to investigate the munitions industry, hereby is authorized to expend from the contingent fund of the Senate $7,369 in addition to the amount heretofore authorized to be expended for the purposes set forth in said resolution: *Provided*, That the committee is requested to make its final report to the Senate, with recommendations for legislation at this session of Congress.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on January 23, 1936, that committee presented to the President of the United States the following enrolled bills:

S. 1626. An act for the refunding of certain countervailing customs duties collected upon logs imported from British Columbia;

S. 2421. An act to amend the act entitled "An act forbidding the transportation of any person in interstate or foreign commerce, kidnaped, or otherwise unlawfully detained, and making such act a felony", as amended;

S. 2887. An act authorizing the Perry County Bridge Commission, of Perry County, Ind., to construct, maintain, and operate a toll bridge across the Ohio River at or near Cannelton, Ind.;

S. 3120. An act to authorize and direct the Secretary of the Treasury to transfer certain moneys to "Funds of Federal prisoners";

S. 3131. An act to extend the times for commencing and completing the construction of a bridge and causeway across the water between the mainland, at or near Cedar Point, and Dauphin Island, Ala.;

S. 3245. An act to extend the times for commencing and completing the construction of a bridge across the Columbia River at Astoria, Clatsop County, Oreg.; and

S. 3425. An act authorizing an appropriation for payment to the Government of Norway in settlement of all claims for reimbursement on account of losses sustained by the owner and crew of the Norwegian steamer *Tampen*.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McNARY:

A bill (S. 3817) to amend section 36 of the Emergency Farm Mortgage Act of 1933, as amended; to the Committee on Agriculture and Forestry.

By Mr. BAILEY:

A bill (S. 3818) authorizing the Secretary of the Treasury to consider, ascertain, adjust, and determine certain claims for damages resulting from the operation of vessels of the Coast Guard and Public Health Service (with accompanying papers); to the Committee on Claims.

By Mr. CAPPER:

A bill (S. 3819) granting an increase of pension to Anna Perkins (with accompanying papers); to the Committee on Pensions.

By Mr. JOHNSON:

A bill (S. 3820) granting a pension to Lida M. Demorest; to the Committee on Pensions.

By Mr. LONERGAN:

A bill (S. 3821) granting the Purple Heart decoration to Maj. Charles H. Sprague; to the Committee on Military Affairs.

By Mr. TYDINGS:

A bill (S. 3822) to amend the act entitled "An act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890; to the Committee on the Judiciary.

By Mr. McADOO:

A bill (S. 3823) to establish a Court of Patent Appeals; to the Committee on the Judiciary.

A bill (S. 3824) for the relief of Maud Kelley Thomas; to the Committee on Claims.

By Mr. NEELY:

A bill (S. 3825) granting a pension to Maude Zickefoose; to the Committee on Pensions.

A bill (S. 3826) to amend an act entitled "An act for the retirement of employees in the classified civil service, and for other purposes", approved May 22, 1920; to the Committee on Civil Service.

By Mr. THOMAS of Oklahoma:

A bill (S. 3827) granting a pension to Ransom Payne; to the Committee on Pensions.

By Mr. GORE:

A bill (S. 3828) to provide for the acceptance of adjusted-service certificates and bonds issued under the Adjusted Compensation Payment Act, 1936, in payment of indebtedness to agencies of the United States; to the Committee on Finance.

By Mr. BONE:

A bill (S. 3829) for the relief of James C. Langley and Elena R. Langley; to the Committee on Claims.

By Mr. SMITH:

A bill (S. 3830) for the relief of James Austin Smith; to the Committee on Finance.

By Mr. SHEPPARD:

A bill (S. 3831) for the relief of J. H. Knott; to the Committee on Claims.

By Mr. McCARRAN:

A bill (S. 3832) to provide for Senate ratification of foreign trade agreements; to the Committee on the Judiciary.

Mr. COPELAND. I ask permission, on behalf of my colleague [Mr. WAGNER] and myself, to introduce a joint resolution which provides for the participation of the United States in the world's fair which is to be held in the city of New York in 1939. I ask to have the joint resolution referred to the Committee on Commerce.

The VICE PRESIDENT. Without objection, the joint resolution will be received and referred as requested by the Senator from New York.

By Mr. COPELAND (for himself and Mr. WAGNER):

A joint resolution (S. J. Res. 203) providing for the participation of the United States in the world's fair to be held by New York World's Fair, 1939, Inc., in the city of New York during the year 1939, and authorizing the President to invite foreign countries and nations to participate therein, and for other purposes; to the Committee on Commerce.

HOUSE BILL REFERRED

The bill (H. R. 10464) making appropriations to provide urgent supplemental appropriations for the fiscal year ending June 30, 1936, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1936, and for prior fiscal years, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

PUBLIC GRAZING LANDS—AMENDMENT

Mr. ASHURST and Mr. HAYDEN, jointly, submitted an amendment intended to be proposed by them to the bill (H. R. 10094) to amend section 1 of the act entitled "An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration; to provide for their orderly use, improvement, and development; to stabilize the livestock industry dependent upon the public range; and for other purposes", approved June 28, 1934 (48 Stat. 1269), which was referred to the Committee on Public Lands and Surveys and ordered to be printed.

AMENDMENT TO INDEPENDENT OFFICES APPROPRIATION BILL

Mr. KEYES submitted an amendment intended to be proposed by him to House bill 9863, the independent offices appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

At the proper place, under the heading "Veterans' Administration", to insert the following new paragraph:

"For allotment and transfer to the Navy Department, for disbursement by it under the various headings of its applicable appropriations, for 40 beds at the United States Naval Hospital at Portsmouth, N. H., for the care and treatment of beneficiaries of the Veterans' Administration, including minor repairs and improvements of existing facilities under their jurisdiction necessary to such care and treatment, $60,000."

AMENDMENT TO SUPPLEMENTAL DEFICIENCY APPROPRIATION BILL

Mr. KEYES submitted an amendment intended to be proposed by him to House bill 10464, the supplemental deficiency appropriation bill, 1936, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

At the proper place to insert the following:

"VETERANS' ADMINISTRATION

"For allotment and transfer to the Navy Department, for disbursement by it under the various headings of its applicable appropriations, for 40 beds at the United States Naval Hospital at Portsmouth, N. H., for the care and treatment of beneficiaries of the Veterans' Administration, including minor repairs and improvements of existing facilities under their jurisdiction necessary to such care and treatment, $30,000."

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES—VETO

Mr. HARRISON. I ask the Chair to lay before the Senate the veto message of the President of the United States with reference to the so-called bonus bill.

The VICE PRESIDENT. The Chair lays before the Senate a message from the President of the United States, which will be read.

The legislative clerk read as follows:

To the House of Representatives:

I return herewith, without my approval, bill H. R. 9870, entitled "An act to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes."

On May 22, 1935, in disapproving a bill to pay the bonus in full immediately instead of in 1945, I gave in person to a joint session of the Congress complete and explicit reasons for my action.

The bill I now return differs from last year's bill in only two important respects: First, it eliminates the issuance of

unsecured paper currency to make the payments required and substitutes interest-bearing bonds, which, however, may be converted into cash for face value at any time; second, it adds $263,000,000 to the total payments by forgiving interest after October 1, 1931, on amounts borrowed.

In all other respects the circumstances, arguments, and facts remain essentially the same as those fully covered and explained by me only 8 months ago.

I respectfully refer the Members of the Senate and of the House of Representatives to every word of what I said then.

My convictions are as impelling today as they were then. Therefore I cannot change them.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 24, 1936.*

The VICE PRESIDENT. The Chair lays before the Senate the action of the House of Representatives with reference to the veto message, which will be read.

The legislative clerk read as follows:

IN THE HOUSE OF REPRESENTATIVES
OF THE UNITED STATES,
January 24, 1936.

The House of Representatives having proceeded to reconsider the bill (H. R. 9870) entitled "An act to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes", returned by the President of the United States, with his objections, to the House of Representatives, in which it originated, it was

Resolved, That the said bill pass, two-thirds of the House of Representatives agreeing to pass the same.

Mr. KING. I move that the veto message just read by the clerk be referred to the Committee on the Judiciary.

Mr. HARRISON. I move to lay on the table the motion of the Senator from Utah.

The VICE PRESIDENT. The question is on the motion of the Senator from Mississippi [Mr. HARRISON] to lay on the table the motion of the Senator from Utah [Mr. KING].

The motion was agreed to.

The VICE PRESIDENT. The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?

Mr. KING. Mr. President, you have just heard read the message of the President dated the 24th instant, in which he returns without his approval H. R. 9870, known as the soldiers' "bonus" measure.

It is possible there may be some individuals who entertain the view that the veto message should have been longer and should have critically examined and condemned the provisions of the bill referred to. However, the President, in the message before us, specifically directs the attention of the Members of the Senate and the House to his veto message of May 22, 1935, in which he disapproved of the bonus bill which the House and the Senate passed.

In the message just read the President declared that he gave explicit reasons for his veto of that bill, and states that—

> With the exception of two provisions, the circumstances, arguments, and facts remain essentially the same as those fully covered and explained by me only 8 months ago.

He states that his convictions are as compelling today as they were then. In other words, the veto message of May 22, 1935, represents the views of the President with respect to the measure now before us, and the reasons therein set forth are the basis for his disapproval of the message now before us.

Mr. President, I request that the clerk read the message of May 22, 1935, because it is possible that some Senators have forgotten the invincible reasons then assigned by the President for his disapproval of the bonus bill.

No one has attempted to answer the facts and reasons assigned by the President for his disapproval of the measure referred to. His arguments are unanswerable; the message was one of the most powerful ever delivered by any President. It has often been stated by opponents of the President, as well as by his supporters, that his so-called economy message to the Congress and the veto message of May 22, 1935, not only were convincing but were enthusiastically approved by millions of the American people.

I can scarcely believe that Senators who voted to sustain the action of the President in disapproving the bonus bill in May 1935 can give their support to the bill now before us, and which has been returned disapproved by the President. If the President was right in vetoing the former bonus bill, he is right in vetoing the pending measure. Senators who have urged that we "follow the President" have an opportunity now to demonstrate the sincerity of their appeals.

Since the veto message of May last conditions have arisen which strengthen and fortify the position then taken by the President and which supply additional reasons for the disapproval of the pending bill. It is certain that the expenditures of the Government for the next fiscal year will be larger than anticipated and will exceed the Budget estimates. The deficit for the next fiscal year will be of greater magnitude than was thought possible, and will require additional revenues which must be met by increased taxation, or stupendous bond issues which will retard recovery and disturb the economic and financial conditions of the country. To add more than $2,500,000,000 to the public debt, as contemplated by the bill before us, will prove disturbing to our industrial and financial situation if it does not seriously impair the credit of the Government.

I request that the veto message of May 22 be read by the clerk.

The VICE PRESIDENT. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

Mr. Speaker, Members of the House of Representatives, 2 days ago a number of gentlemen from the House of Representatives called upon me and with complete propriety presented their reasons for asking me to approve the House of Representatives' bill providing for the immediate payment of adjusted-service certificates. In the same spirit of courtesy I am returning this bill today to the House of Representatives. As I told the gentlemen who waited upon me, I have never doubted the good faith lying behind the reasons which have caused them and the majority of the Congress to advocate this bill. In the same spirit I come before you dispassionately and in good faith to give you, as simply as I can, the reasons which compel me to give it my disapproval.

And I am glad that the Senate by coming here in joint session gives me opportunity to give my reasons in person to the other House of the Congress.

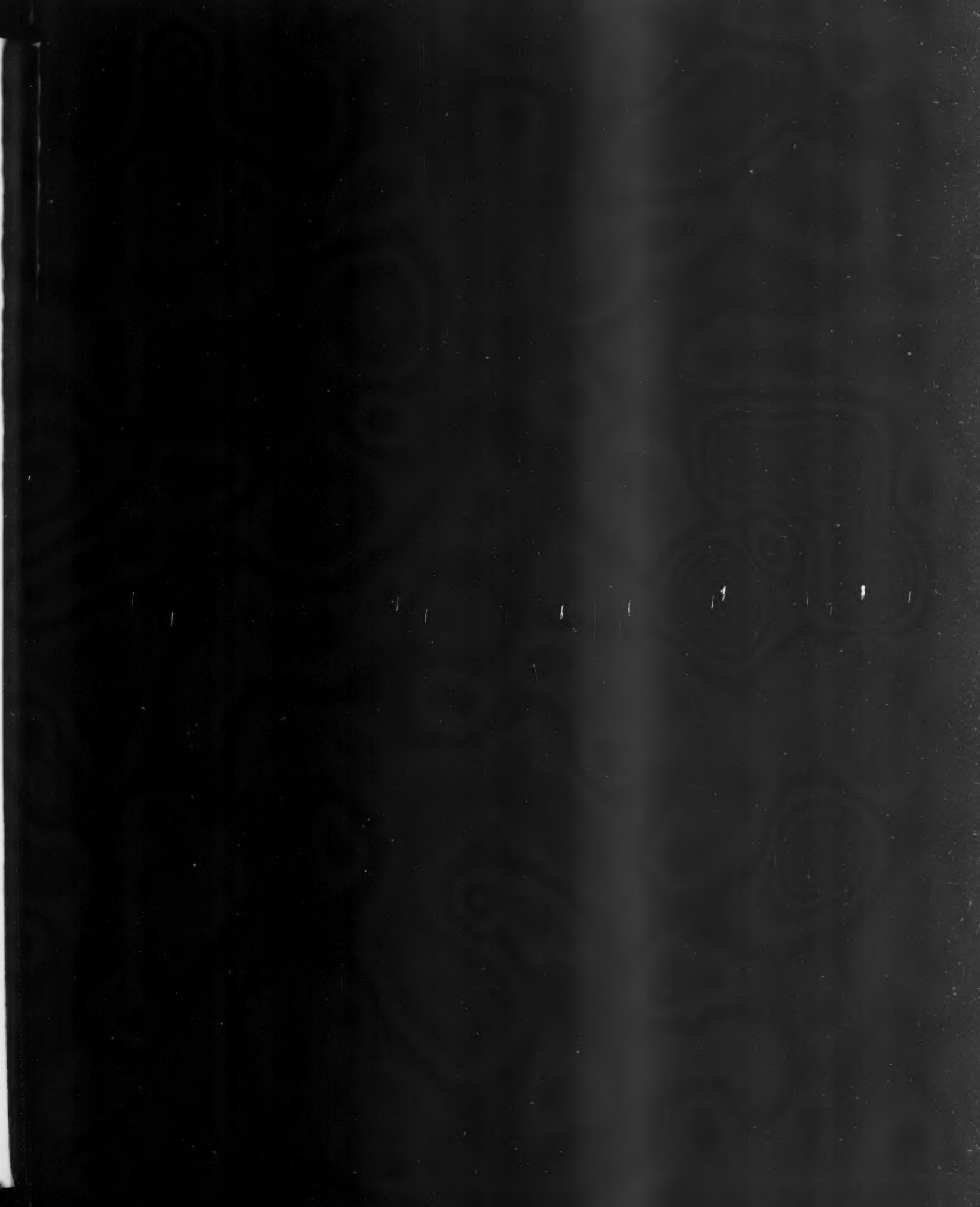
As to the right and the propriety of the President in addressing the Congress in person, I am very certain that I have never in the past disagreed, and will never in the future disagree, with the Senate or the House of Representatives as to the constitutionality of the procedure. With your permission, I should like to continue from time to time to act as my own messenger.

Eighteen years ago the United States engaged in the World War. A nation of 120,000,000 people was united in the purpose of victory. The millions engaged in agriculture toiled to provide the raw materials and foodstuffs for our armies and for the nations with whom we were associated. Many other millions employed in industry labored to create the materials for the active conduct of the war on land and sea.

Out of this vast army, consisting of the whole working population of the Nation, four and three-quarter million men volunteered or were drafted into the armed forces of the United States. One-half of them remained within our American continental limits. The other half served overseas; and of these, 1,400,000 saw service in actual combat.

The people and the Government of the United States have shown a proper and generous regard for the sacrifices and patriotism of all of the four and three-quarter million men who were in uniform no matter where they served.

At the outbreak of the war, the President and the Congress sought and established an entirely new policy, however, in order to guide the granting of financial aid to soldiers and sailors. Remembering the unfortunate results



that came from the lack of a veterans' policy after the Civil War, they determined that a prudent and sound principle of insurance should supplant the uncertainties and unfairness of direct bounties. At the same time, their policy encompassed the most complete care for those who had suffered disabilities in service. With respect to the grants made within the lines of this general policy, the President and the Congress have fully recognized that those who served in uniform deserved certain benefits to which other citizens of the Republic were not entitled, and in which they could not participate.

In line with these sound and fair principles, many benefits have been provided for veterans.

During the war itself provision was made for Government allowances for the families and other dependents of enlisted men in service. Disability and death compensation was provided for casualties in line of duty.

The original provisions for these benefits have been subsequently changed and liberalized many times by the Congress. Later generous presumptions for veterans who became ill after the termination of the war were written into the statute to help veterans in their claims for disability. As a result of this liberal legislation for disability and for death compensation, 1,140,000 men and women have been benefited.

During the war the Government started a system of voluntary insurance at peacetime rates for men and women in the service.

Generous provision has been made for hospitalization, vocational training, and rehabilitation of veterans. You are familiar with this excellent care given to the sick and disabled.

In addition to these direct benefits, Congress has given recognition to the interest and welfare of veterans in employment matters, through veteran preference in the United States civil service, in the selection of employees under the Public Works Administration through the establishment of a veterans' employment unit in the Department of Labor, and through provisions favoring veterans in the selection of those employed in the Civilian Conservation Corps. Many States have likewise given special bonuses in cash and veterans' preferences in State and local public employment.

Furthermore unemployed veterans as a group have benefited more largely than any other group from the expenditure of the great public-works appropriation of $3,300,000,000 made by the Congress in 1933, and under which we are still operating. In like manner the new $4,000,000,000 Work Relief Act seeks to give employment to practically every veteran who is receiving relief.

We may measure the benefits extended from the fact that there has been expended up to the end of the last fiscal year more than $7,800,000,000 for these items in behalf of the veterans of the World War, not including sums spent for home or work relief. With our current annual expenditures of some $450,000,000 and the liquidation of outstanding obligations under term insurance and the payment of the service certificates, it seems safe to predict that by the year 1945 we will have expended $13,500,000,000. This is a sum equal to more than three-fourths of the entire cost of our participation in the World War, and 10 years from now most of the veterans of that war will be barely past the half-century mark.

Payments have been and are being made only to veterans of the World War and their dependents, and not to civilian workers who helped to win that war.

In the light of our established principles and policies let us consider the case of adjusted compensation. Soon after the close of the war a claim was made by several veterans' organizations that they should be paid some adjusted compensation for their time in uniform. After a complete and fair presentation of the whole subject, followed by full debate in the Congress of the United States, a settlement was reached in 1924.

This settlement provided for adjustment in compensation during service by an additional allowance per day for actual service rendered. Because cash payment was not to be made immediately, this basic allowance was increased by 25 percent and to this was added compound interest for 20 years, the whole to be paid in 1945. The result of this computation was that an amount two and one-half times the original grant would be paid at maturity.

Taking the average case as an example, the Government acknowledged a claim of $400 to be due. This $400, under the provisions of the settlement, with the addition of the 25 percent for deferred payment and the compound interest from that time until 1945, would amount to the sum of $1,000 in 1945. The veteran was thereupon given a certificate containing an agreement by the Government to pay him this $1,000 in 1945 or to pay it to his family if he died at any time before 1945. In effect, it was a paid-up endowment policy in the average case for $1,000 payable in 1945, or sooner in the event of death. Under the provisions of this settlement, the total obligation of $1,400,000,000 in 1924 produced a maturity or face value of $3,500,000,000 in 1945.

Since 1924 the only major change in the original settlement was the act of 1931 under which veterans were authorized to borrow up to 50 percent of the face value of their certificates as of 1945. Three million veterans have already borrowed under this provision an amount which, with interest charges, totals $1,700,000,000.

The bill before me provides for the immediate payment of the 1945 value of the certificates. It means paying $1,600,000,000 more than the present value of the certificates. It requires an expenditure of more than $2,200,000,000 in cash for this purpose. It directs payment to the veterans of a much larger sum than was contemplated in the 1924 settlement. It is nothing less than a complete abandonment of that settlement. It is a new straight gratuity or bounty to the amount of $1,600,000,000. It destroys the insurance protection for the dependents of the veterans provided in the original plan. For the remaining period of 10 years they will have lost this insurance.

This proposal, I submit, violates the entire principle of veterans' benefits so carefully formulated at the time of the war and also the entire principle of the adjusted-certificate settlement of 1924.

What are the reasons presented in this bill for this fundamental change in policy? They are set forth with care in a number of "whereas" clauses at the beginning of the bill.

The first of these states as reasons for the cash payment of these certificates at this time: That it will increase the purchasing power of millions of the consuming public; that it will provide relief for many who are in need because of economic conditions; and that it will lighten the relief burden of cities, counties, and States. The second states that payment will not create any additional debt. The third states that payment now will be an effective method of spending money to hasten recovery.

These are the enacted reasons for the passage of this bill. Let me briefly analyze them.

First, the spending of this sum, it cannot be denied, would result in some expansion of retail trade. But it must be noted that retail trade has already expanded to a condition that compares favorably with conditions before the depression. However, to resort to the kind of financial practice provided in this bill would not improve the conditions necessary to expand those industries in which we have the greatest unemployment. The Treasury notes issued under the terms of this bill we know from past experience would return quickly to the banks. We know, too, that the banks have at this moment more than ample credit with which to expand the activities of business and industry generally. The ultimate effect of this bill will not in the long run justify the expectations that have been raised by those who argue for it.

The next reason in the first "whereas" clause is that present payment will provide relief for many who are in need because of economic conditions. The Congress has just passed an act to provide work relief for such citizens. Some veterans are on the relief rolls, though relatively not nearly as many as is the case with nonveterans. Assume, however, that such

a veteran served in the United States or overseas during the war; that he came through in fine physical shape, as most of them did; that he received an honorable discharge; that he is today 38 years old and in full possession of his faculties and health; that like several million other Americans he is receiving from his Government relief and assistance in one of many forms—I hold that that able-bodied citizen, because he wore a uniform and for no other reason, should be accorded no treatment different from that accorded to other citizens who did not wear a uniform during the World War.

The third reason given in the first "whereas" clause is that payment today would lighten the relief burden of municipalities. Why, I ask, should the Congress lift that burden in respect only to those who wore the uniform? Is it not better to treat every able-bodied American alike and to carry out the great relief program adopted by this Congress in a spirit of equality to all? This applies to every other unit of government throughout the Nation.

The second "whereas" clause, which states that the payment of certificates will not create an additional debt, raises a fundamental question of sound finance. To meet a claim of one group by this deceptively easy method of payment will raise similar demands for the payment of claims of other groups. It is easy to see the ultimate result of meeting recurring demands by the issuance of Treasury notes. It invites an ultimate reckoning in uncontrollable prices and in the destruction of the value of savings, that will strike most cruelly those like the veterans who seem to be temporarily benefited. The first person injured by sky-rocketing prices is the man on a fixed income. Every disabled veteran on pension or allowance is on fixed income. This bill favors the able-bodied veteran at the expense of the disabled veteran.

Wealth is not created, nor is it more equitably distributed by this method. A government, like an individual, must ultimately meet legitimate obligations out of the production of wealth by the labor of human beings applied to the resources of nature. Every country that has attempted the form of meeting its obligations which is here provided has suffered disastrous consequences.

In the majority of cases printing-press money has not been retired through taxation. Because of increased costs, caused by inflated prices, new issue has followed new issue, ending in the ultimate wiping out of the currency of the afflicted country. In a few cases, like our own in the period of the Civil War, the printing of Treasury notes to cover an emergency has fortunately not resulted in actual disaster and collapse but has nevertheless caused this Nation untold troubles, economic and political, for a whole generation.

The statement in this same second "whereas" clause that payment will discharge and retire an acknowledged contract obligation of the Government is, I regret to say, not in accordance with the fact. It wholly omits and disregards the fact that this contract obligation is due in 1945 and not today.

If I, as an individual, owe you, an individual Member of the Congress, $1,000 payable in 1945, it is not a correct statement for you to tell me that I owe you $1,000 today. As a matter of practical fact, if I put $750 into a Government savings bond today and make that bond out in your name you will get $1,000 on the due date, 10 years from now. My debt to you today, therefore, cannot under the remotest possibility be considered more than $750.

The final "whereas" clause, stating that spending the money is the most effective means of hastening recovery is so ill considered that little comment is necessary. Every authorization of expenditure by the Seventy-third Congress in its session of 1933 and 1934, and every appropriation by the Seventy-fourth Congress to date, for recovery purposes, has been predicated not on the mere spending of money to hasten recovery, but on the sounder principle of preventing the loss of homes and farms, of saving industry from bankruptcy, of safeguarding bank deposits, and most important of all—of giving relief and jobs through public work to individuals and families faced with starvation. These greater and broader concerns of the American people have a prior claim for our consideration at this time. They have the right-of-way.

There is before this Congress legislation providing old-age benefits and a greater measure of security for all workers against the hazards of unemployment. We are also meeting the pressing necessities of those who are now unemployed and in need of immediate relief. In all of this every veteran shares.

To argue for this bill as a relief measure is to indulge in the fallacy that the welfare of the country can be generally served by extending relief on some basis other than actual deserving need.

The core of the question is that a man who is sick or under some other special disability because he was a soldier should certainly be assisted as such. But if a man is suffering from economic need because of the depression, even though he is a veteran, he must be placed on a par with all of the other victims of the depression. The veteran who is disabled owes his condition to the war. The healthy veteran who is unemployed owes his troubles to the depression. Each presents a separate and different problem. Any attempt to mingle the two problems is to confuse our efforts.

Even the veteran who is on relief will benefit only temporarily by this measure, because the payment of this sum to him will remove him from the group entitled to relief if the ordinary rules of relief agencies are followed. For him this measure would give, but it would also take away. In the end he would be the loser.

The veteran who suffers from this depression can best be aided by the rehabilitation of the country as a whole. His country with honor and gratitude returned him at the end of the war to the citizenry from which he came. He became once more a member of the great civilian population. His interests became identified with its fortunes and also with its misfortunes.

Some years ago it was well said by the distinguished senior Senator from Idaho that "The soldier of this country cannot be aided except as the country itself is rehabilitated. The soldier cannot come back except as the people as a whole come back. The soldier cannot prosper unless the people prosper. He has now gone back and intermingled and become a part of the citizenship of the country; he is wrapped up in its welfare or in its adversity. The handing out to him of a few dollars will not benefit him under such circumstances, whereas it will greatly injure the prospects of the country and the restoration of normal conditions."

It is generally conceded that the settlement by adjusted-compensation certificates made in 1924 was fair and it was accepted as fair by the overwhelming majority of World War veterans themselves.

I have much sympathy for the argument that some who remained at home in civilian employ enjoyed special privilege and unwarranted remuneration. That is true—bitterly true—but a recurrence of that type of war profiteering can and must be prevented in any future war.

I invite the Congress and the veterans with the great masses of the American population to join with me in progressive efforts to root a recurrence of such injustice out of American life. But we should not destroy privilege and create new privilege at the same time. Two wrongs do not make a right.

The Herculean task of the United States Government today is to take care that its citizens have the necessities of life. We are seeking honestly and honorably to do this, irrespective of class or group. Rightly, we give preferential treatment to those men who were wounded, disabled, or who became ill as a result of war service. Rightly, we give care to those who subsequently have become ill. The others—and they represent the great majority—are today in the prime of life, are today in full bodily vigor. They are American citizens who should be accorded equal privileges and equal rights to enjoy life, liberty, and the pursuit of happiness—no less and no more.

It is important to make one more point. In accordance with the mandate of the Congress, our Budget has been set. The public has accepted it. On that basis this Congress has made and is making its appropriations. That Budget asked for appropriations in excess of receipts to the extent of

$4,000,000,000. The whole of that deficit was to be applied for work relief for the unemployed. That was a single-minded, definite purpose. Every unemployed veteran on the relief rolls was included in that proposed deficit—he will be taken care of out of it.

I cannot in honesty assert to you that to increase that deficit this year by $2,200,000,000 will in itself bankrupt the United States. Today the credit of the United States is safe. But it cannot ultimately be safe if we engage in a policy of yielding to each and all of the groups that are able to enforce upon the Congress claims for special consideration. To do so is to abandon the principle of government by and for the American people and to put in its place government by and for political coercion by minorities. We can afford all that we need; but we cannot afford all that we want.

I do not need to be a prophet to assert that if these certificates, due in 1945, are paid in full today, every candidate for election to the Senate or to the House of Representatives will in the near future be called upon in the name of patriotism to support general pension legislation for all veterans, regardless of need or age.

Finally, I invite your attention to the fact that solely from the point of view of the good credit of the United States, the complete failure of the Congress to provide additional taxes for an additional expenditure of this magnitude would in itself and by itself alone warrant disapproval of this measure.

I well know the disappointment that the performance of my duty in this matter will occasion to many thousands of my fellow citizens. I well realize that some who favor this bill are moved by a true desire to benefit the veterans of the World War and to contribute to the welfare of the Nation. These citizens will, however, realize that I bear an obligation as President and as Commander in Chief of the Army and Navy, which extends to all groups, to all citizens, to the present and to the future. I cannot be true to the office I hold if I do not weigh the claims of all in the scales of equity. I cannot swerve from this moral obligation.

I am thinking of those who served their country in the Army and in the Navy during the period which convulsed the entire civilized world. I saw their service at first-hand at home and overseas. I am thinking of those millions of men and women who increased crops, who made munitions, who ran our railroads, and who worked in the mines, who loaded our ships during the war period.

I am thinking of those who died in the cause of America here and abroad, in uniform and out; I am thinking of the widows and orphans of all of them; I am thinking of 5,000,000 of Americans who, with their families, are today in dire need, supported in whole or in part by Federal, State, and local governments who have decreed that they shall not starve. I am thinking not only of the past, not only of today, but of the years to come. In this future of ours it is of first importance that we yield not to the sympathy which we would extend to a single group or class by special legislation for that group or class, but that we should extend assistance to all groups and all classes who in an emergency need the helping hand of their Government.

I believe the welfare of the Nation, as well as the future welfare of the veterans, wholly justifies my disapproval of this measure.

Therefore, Mr. Speaker, I return, without my approval, House of Representatives bill no. 3896, providing for the immediate payment to veterans of the 1945 face value of their adjusted-service certificates.

The PRESIDING OFFICER (Mr. BARKLEY in the chair). The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?

Mr. LEWIS. Mr. President, I rise to invite the Senate to a thought, that it is apparent from the declaration of the President in the message just read and also from the views often expressed by the President that he has given very serious and deep consideration to the whole matter.

Sirs, at the outset the President declares before us his friendship for the soldier, and states his desire for beneficial service in his behalf. Above all, he makes a complete declaration of no interest otherwise than the preservation, as he sees it, of the credit of the Treasury and the welfare of the country. His sympathy for the soldier, and his thought of respect to the Congress and the committees—of one of which I was a member—that presented the measures and the reasons to him, and his position clearly indicates the very high and noble purpose the President had in returning the measure with his veto.

I commend to my honorable colleagues that which we all will approve and greatly endorse. It is that whatever has been the course of the President in this serious subject has been the result of the conception of a duty necessary to be discharged, sanctified by a sacred conscience.

Mr. KING. Mr. President, will the Senator yield?

Mr. LEWIS. I have finished.

Mr. KING. I desire to ask the Senator a question, if I may.

Mr. LEWIS. The Senator from Utah desires to interrogate me. I have concluded, but I yield for that purpose.

Mr. KING. I merely wish to ask the Senator whether his very eloquent apostrophe to the President does not compel him to vote to support the attitude of the President in this matter?

Mr. LEWIS. No; it compels me to do exactly as the President did—to follow the sense of duty, sustained by conscience.

Mr. BLACK. Mr. President, I ask unanimous consent to insert in the RECORD a very interesting editorial, written by the senior Senator from Wisconsin [Mr. LA FOLLETTE], appearing in the Progressive of January 25, 1936, on the subject of the payment of the soldiers' adjusted compensation.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Progressive of Jan. 25, 1936]

THE BONUS IS DESERVED!

(An editorial by Senator ROBERT M. LA FOLLETTE, JR.)

The day the United States entered the World War it undertook a serious obligation to the soldiers who were called into the service. The Government required nearly 4,000,000 boys to give up their places at home and help fight the war, and they were assured that their service would not be forgotten.

The sacrifice those American soldiers were asked to make cannot be estimated. Many of them left their families never to return. Others came back maimed and incapacitated for a useful life.

They not only made a physical sacrifice; they made an economic one as well. While profiteers were coining fortunes at home with the help of wartime prices, while the jobs these soldiers left behind were paying others the full measure of wartime wages, and while business and agriculture were both sharing in the prosperity of the war, they were serving their country for $30 a month.

The last war is now almost 20 years behind us, and many people are prone to overlook the circumstances on which the Government's obligations to the veterans are based. It has always been my contention that once the Government resorted to the plenary power of drafting men for service in a foreign war, it became responsible not only for the physical consequences to the men inducted into service but also for their economic handicap upon their return to civil life. This policy was recognized in the promises made to the veterans that "nothing would be too good for them when they came back."

The American people were morally obligated to share the burden of the war among them as equally as possible, and the Government was likewise obligated to do everything in its power to discharge this responsibility. But within 3 days after the first American draft contingent departed for France the United States Senate in the professed interest of the Federal Budget killed a proposal to increase the pay of soldiers at the front to $3 a day. Yet the same Senate consistently refused to act in the interests of the Budget when it came to the question of taxing war profits and putting the war on a pay-as-you-go basis.

The bonus is a belated attempt to compensate the veteran for the economic discrimination he suffered during the period of his war service. Unfortunately, the damage he sustained is probably now far beyond any practical hope of full compensation. The settlement outlined in the Adjusted Compensation Act of 1924 is no measure of it; it is only a recognition of the obligation and an attempt to meet it in part.

Since the question was first raised after the war the bonus has always been opposed by those who condemned it as a threat to the National Budget and the credit of the Government. However, throughout the administrations of Presidents Harding, Coolidge, and Hoover the Government was consistently committed to a policy of tax reduction for the benefit of the wealthy. Under the leadership of Secretary Mellon the taxes on great wealth and huge fortunes were consistently reduced. The same man who, as Secretary of the Treasury, so violently opposed every move toward

the payment of the soldiers' bonus on the ground that it would unbalance the Budget was thus pushing forward a policy of tax reduction which would have virtually the same effect, but the beneficiaries of the two policies were not the same. The veteran was sacrificed in favor of wealth.

The Government should have accorded its soldiers fair economic treatment during the war, but failing in that it should have paid the bonus after the armistice and promptly compensated them for the injury they suffered. The obligation was due immediately after the service was rendered. The Government belatedly recognized the obligation in 1924, but insisted that the payment should be postponed until 1945. Many veterans were justified in calling this a tombstone bonus.

It is too late to hedge on the costs of the last war. They should have been considered before we entered it, for once a war is fought it must be paid for. Bonuses and pensions are a part of the cost of war. The time to decide whether those costs are to be paid or not is before we go to war, not afterward.

A few years ago 72 percent of our regular national expenditures went for the payment for past wars and the preparation for future wars. Those who are opposed to the payment of the bonus can make better use of their energy by supporting a reduction of costly armaments, the adoption of a strict neutrality statute, and legislation to take the profit out of war instead of advocating the repudiation of our existing obligations at the expense of the World War veteran who has already done his part.

Mr. HASTINGS. Mr. President, I am somewhat embarrassed to find that, so far as I can discover, there is to be nothing said on the other side of the Chamber in an effort to support the President's veto of the adjusted-compensation bill. One of my colleagues suggested a few moments ago that any effort to sustain the President's veto was a good deal like the chap who wanted to whip the corpse. Whether that be true or not, it seems to me that something ought to be said on one side of this Chamber or the other in support of the President of the United States when he sends a veto message to the Congress upon an important subject.

A few days ago, when this matter was before the Senate, the chairman of the Finance Committee, the Senator from Mississippi [Mr. HARRISON] expressed the hope that the President would approve the bill, but also suggested that he was satisfied that whether the President approved it or not, it would become the law of the land. With his long experience in the Senate, with his quite accurate knowledge of what those on the other side are thinking and doing, I assume that his prediction is about to be fulfilled.

I may say that I was disappointed in the President's message in two particulars; first, that it was not as vigorous as I had hoped it would be. It has been described by some persons as of the milk-toast variety.

I was also disappointed in noting that he made the mistake of saying that the bill now before us differed from the one enacted in May of last year, in that it adds $263,000,000 to the bonus payment by forgiving interest after October 1, 1931, on amounts borrowed. I think the President is mistaken with respect to that, although the chances are it would not have affected his judgment with respect to the veto.

I desire to call attention to section 509, paragraph (c) of the Adjusted Compensation Act of 1935, as follows:

(c) If at the time of application to the Administrator of Veterans' Affairs for payment under this section the principal and interest on or in respect of any loan upon the certificate have not been paid in full by the veterans (whether or not the loan has matured), then, on request of the veteran, the Administrator shall (1) pay or otherwise discharge such unpaid principal and so much of such unpaid interest (accrued or to accrue) as is necessary to make the certificate available for payment under this section, and (2) deduct from the amount of the face value of the certificate the amount of such principal and so much of such interest, if any, as accrued prior to October 1, 1931.

Mr. President, I only read that into the RECORD for the purpose of keeping the RECORD as nearly straight as possible.

In the veto message of May 22, 1935, the Senate was invited to join the House and for the first time, so far as I know, hear the President deliver a veto message to a joint session of the Congress. It was a dramatic thing to do, and the President appeared there with all the fire of a real general satisfied that he was correct, and satisfied that he was sure to win. Today there is no such dramatic situation, unless writing the veto message with his own hand may be said to be dramatic. But, in my judgment, there is one thing the President ought to have commented upon. Senators will recall what has just been read to them—the veto message of May last—as to what the President said about not being able to say that with the bonus added at that time, in May 1935, it would put the country in the position where it could not meet its obligations. However, it seems to me that he might have added to this veto message a very significant fact, namely, that between that time and June 30, 1937, according to the Treasury Department, the debt of the country, including the payment of this bonus, will be increased by something like $7,000,000,000.

Mr. President, the distinguished Senator from Kentucky [Mr. BARKLEY], who now occupies the chair, spoke following me the other day when the bonus bill was before the Senate, and undertook to minimize the dangers which would come to the country if the bill were passed. The distinguished Senator is a member of the Finance Committee. He was present when Mr. Morgenthau, the Secretary of the Treasury, was before the committee. I propose to show that the Senator from Kentucky made a very serious mistake, however, in his statement to the Senate as to the condition of the Treasury—a serious mistake, it seems to me, because it involves literally billions of dollars. The Senate will recall that the Senator from Kentucky went on to show that the refunding of $5,800,000,000 was not important at all, because the Secretary of the Treasury could do the same as a distinguished Governor did in his State at one time, namely, give a new note for an old note, a practice which the distinguished Governor had been following all his life in his personal affairs. So the Senator from Kentucky gets rid of the difficulty of refunding that $5,800,000,000 with that interesting story.

Then he goes on to show that the next item—the billion-dollar item—was the item that was placed there for the purpose of returning to the processors the amount of tax which they paid under an act which had subsequently been declared unconstitutional. The Senator was in error with respect to that. That billion dollars is for no such purpose. I shall read in a moment or two what the Secretary of the Treasury said, because before we vote upon this bill I desire the Senate and the country to know the exact facts with respect to the condition of the finances of the country as shown by the Secretary of the Treasury himself. However, before going into that let me call the Senate's attention to some other statements made by the Senator from Kentucky.

In the first place, he calls attention to the fact that the Government debt during the Hoover administration was increased from $16,000,000,000 to about $21,000,000,000. Then he goes on to use this language:

In other words, in the 4 years of the administration of Mr. Hoover our public debt increased from about $16,000,000,000 to about $21,000,000,000, whereas it has increased since the 4th of March 1933 from about $21,000,000,000 to about $28,000,000,000.

Then he goes on to show that it has been estimated that by the end of June of next year the public debt would be $31,000,000,000. Then he deducts from that the recoverable assets of $4,300,000,000, and thereby undertakes to show that the much-talked-of increased debt during the Roosevelt administration was not, after all, very different from that of the Hoover administration.

But he does not give to the Hoover administration the credit—it is not very important so far as this discussion is concerned—he does not give to Mr. Hoover's administration the credit for $2,283,000,000 of that $4,300,000,000. So that if he had been accurate with it all, and assuming that we ought to deduct the $4,300,000,000, he should in all fairness have deducted the $2,283,000,000 from the $5,000,000,000 deficit during the Hoover administration. But, like him, I do not propose for the moment to discuss the merits of those administrations with respect to the matter of the public debt. However, he gives the figures of the public debt at the present time as being $28,000,000,000. The actual public debt on December 31, 1935, was $30,557,324,062, according to the Treasury's own statement. So with respect to that he was at least two and one-half billion dollars off in his figures.

I may now refer to the testimony given by the Secretary of the Treasury to show that the distinguished Senator from Kentucky was not justified in minimizing the condition of

the Treasury. This testimony does not appear in the hearings in logical order, so in places it is duplicated; but this, to my mind, is an important matter, and I hope the Senate will be patient with me until I can get it in the RECORD. Senator COUZENS inquired:

Included in that, of course, is not any additional expense of the Government?—

Referring to the $5,800,000,000—

Secretary MORGENTHAU. No, sir. I was going to come to that. For the rest of this fiscal year we estimate, after the decision of the Supreme Court on the A. A. A., that we will have to raise in new funds about $1,000,000,000 between now and the 1st of July * * * A billion dollars in cash between now and the 1st of July. That is taking into account the loss of revenue through the decision of the Supreme Court on the A. A. A. and not allowing for any legislation to refund the Treasury in view of the Supreme Court decision. We do not know what Congress will do in that connection.

It seems to me it is there made perfectly clear that the billion dollars referred to by the Senator from Kentucky is not the estimated billion dollars that has been illegally collected from the processors. Further along in this testimony that fact is emphasized—

The CHAIRMAN. Is that assuming that the money that has been paid already on the processing tax can be recovered by them?

Secretary MORGENTHAU. No; but it does take into account the loss of impounded money.

Senator CLARK. It provides for paying off the contractual obligations of the Government and for disposing of the impounded money?

Secretary MORGENTHAU. No, sir; it does not take into account the money which is due the farmers for having carried out the 1935 contracts.

Later in this testimony that is estimated to be $236,000,000. So we have a billion, and then we have two hundred and thirty-six million more.

Secretary MORGENTHAU—

Talking about the impounded money—

I am trying to state it as I see it on this morning, with the Court's decision behind us, and not taking into account new legislation which is being discussed by the Congress and the administration.

So, taking everything into account, we figure we have to raise another billion dollars between now and the 1st of July.

* * * * * * *

Now, starting in with July 1, 1936, as the President's Budget stood the morning he sent it to you, we would have had to raise $500,000,000 new money for the year beginning July 1, 1936.

So we have $1,000,000,000; we have two hundred and thirty-six million which it is estimated will be returned to the farmers, and we have five hundred million more to take care of the President's Budget for the next fiscal year.

The President stated in the Budget message that he would send up the figures for the relief in a couple of months, and he indicated that the amount would not exceed $2,136,000,000. If you wish to use round figures as to what Congress may vote, let us use $2,000,000,000 for relief, plus the $500,000,000 deficit. That is two and one-half billion dollars that we might have to raise in the fiscal year beginning with July 1, 1936.

Now, on top of that there is the figure for the veterans, in between your $1,700,000,000 and the $2,200,000,000, and the average of which is about the figure of $2,000,000,000. So there is five hundred million in the President's Budget; let us use the figure $2,000,000,000 for relief, and let us use $2,000,000,000 for the soldiers' bonus, so you get another four and one-half billion dollars that we might have to raise during the fiscal year beginning July 1, 1937.

That four and a half billion dollars plus the one billion that he needs for this fiscal year make five and a half billion, and adding to that the $5,800,000,000 for the next 7 months makes a total of $11,300,000,000, without saying anything about the $236,000,000 that must be returned to the farmers.

Mr. President, I am trying not to burden the RECORD with some of the duplications in this matter. So I will ask the Senate to bear with me a moment until I can find the quotations from this testimony which I wish to call to the attention of the Senate.

Bearing in mind the condition in which the Secretary of the Treasury finds himself, let me quote this statement:

Now, when we talked about a decreased deficit, that is what a bond buyer looks for. He wants to know what is the state of his own Government's finances. He will say, "Are they going to go constantly into debt or are they coming out of this depression with decreasing deficits? * * *"

The thing I am trying to say is this: Since Monday a week ago I do not think anybody in the United States can say what the picture is going to be. So many things have happened that affect the Treasury that I certainly am not smart enough, and I haven't met anybody that is smart enough, who can say what is the future of the Government bond market.

Now, this whole question of Government credit is such a delicate thing. One day there is confidence and the people who buy bonds are with you, and then overnight something happens and they won't buy.

Again—

Senator BAILEY. Now, Mr. Morgenthau, let me ask you, if in the next 90 days the Treasury undertakes to sell bonds, or if in the next 17 months the Treasury undertakes to raise $11,000,000,000 by way of selling bonds or short-term notes, and you should fail to sell them, and a demand is being made, what would be the effect on the economic structure of the Government?

Secretary MORGENTHAU. The minute I cannot raise the money required to finance the Government, that minute you will have complete chaos.

Further along Senator BARKLEY asked:

That puts no immediate string on the Treasury, unless they ask for cash—

Talking about the bonus.

Secretary MORGENTHAU. What I was trying to do was to answer Senator BAILEY'S question as to what effect this proposed legislation will have on the bond market. Now, you have got to put yourself in the place of a man who wants to buy United States Government securities, and the thing that is going through his mind is, "What is the worst he may expect."

Mr. President, I am quite certain that the Secretary of the Treasury is correct when he estimates that we shall require for the remainder of the present fiscal year a billion dollars of new money; that we shall require for the next fiscal year when the bonus bill becomes operative four and a half billion dollars, making a total of five and a half billion dollars to be added to the debt which on December 31 last was more than thirty and a half billion dollars, making a total debt, if you please, of $36,000,000,000.

Mr. KING. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. KING. Is the Senator taking into account in the total just given what obviously we will have to appropriate under contemplated legislation, including several hundred million dollars, perhaps $500,000,000, for agriculture, and then, in addition to that, as I think the Senator from North Dakota will bear me out, an appropriation for naval and military purposes larger than that which was contemplated by the President in the Budget message which he transmitted to the Congress? I think the amount that Congress will have to appropriate in order to meet the demands of Congress if not of the executive departments before adjournment will be greatly in excess of the sum indicated by the able Senator.

Mr. HASTINGS. I have no doubt the Senator is correct, but what I was endeavoring to do, and all I was endeavoring to do, was to point out what the Secretary of the Treasury himself said he could see as the needs of the Treasury without any additional legislation, which was a point he emphasized on more than one occasion.

Mr. President, we have heard read this morning the message of the President of May 22, 1935, which he emphasized in the veto message we now have before us is still his opinion. I desire to read an extract from the former message because I want to emphasize it:

I cannot in honesty assert to you that to increase that deficit this year by $2,200,000,000 will in itself bankrupt the United States. Today the credit of the United States is safe. But it cannot ultimately be safe if we engage in a policy of yielding to each and all of the groups that are able to enforce upon the Congress claims for special consideration. To do so is to abandon the principle of government by and for the American people and to put in its place government by and for political coercion by minorities. We can afford all that we need; but we cannot afford all that we want.

I do not need to be a prophet to assert that if these certificates, due in 1945, are paid in full today every candidate for election to the Senate or to the House of Representatives will in the near future be called upon in the name of patriotism to support general pension legislation for all veterans, regardless of need or age.

Finally, I invite your attention to the fact that solely from the point of view of the good credit of the United States the complete failure of the Congress to provide additional taxes for an additional expenditure of this magnitude would in itself and by itself alone warrant disapproval of this measure.

Mr. President, with respect to minorities controlling the Congress and running the Government, we have heard that cry throughout the country for many years and for many generations. Everyone appreciates that there is much in what the President said with respect to it. Everyone at the same time appreciates that it is only the strong Executive who can stop that sort of thing; and when the Executive does undertake to stop it, it seems to me his message and his determination ought to meet with some reasonable response from the Congress itself.

I think the President could have added to this message. I repeat what I said before, that he could have written a stronger message and made a stronger appeal to Congress if he had called our attention to the fact that between the last message and this he and his Secretary of the Treasury can see $7,000,000,000 more of debt being piled upon the citizens of this country.

O Mr. President, I do not know where the limit is. It may be that there is no such danger as I anticipate; it may be that there is no such danger as the Secretary of the Treasury intimates and as the President of the United States intimates; but, as the distinguished Senator from North Carolina said to the Secretary of the Treasury, if you keep on going to the well at sometime it must be true that you will come away without anything in the bucket except that which you take there.

O, Mr. President, the fact that minorities are calling upon the Congress, the fact that we are being asked today and tomorrow and every other day that we are here to do something special for some particular group is the one thing that endangers our democracy itself. And, Mr. President, while we may feel compelled to yield to many of them, in this particular instance, when we are faced with this terrible deficit and this terrible debt, with the assurance that the relief of this country is going to need more than $2,000,000,000 of Federal funds to keep people from being cold and hungry, notwithstanding that, without knowing definitely whether the bond market may break or not, here we are, 9½ years before the debt is due, paying the debt and at an additional cost to the country of something like a billion and a quarter or a billion and a half dollars.

Mr. President, I am rather pleased in one respect. It is true I have not agreed with many things the present administration has done; and because I did not agree I have been called all kinds of names and have been accused of being controlled by all kinds of interests. But today I am delighted to know that I stand here approving, for once, the one time that I know he is right, the President of the United States, with whom I do not agree on many matters. It seems to me, as I think about that and as I think about the position the President is in today, that he would be in tears when he finds 85 percent of the large majority on the other side of the Chamber voting against him. Oh, I am so sorry for him today. [Laughter.]

What is it that has brought about this new alinement? What is it that enables me to say the President is right for once, and the President to say, "HASTING'S is right for once"? I do not quite know what it is. What is it that has put him on the same side with the United States Chamber of Commerce? What is it that has put the National Economic League on the same side—at any rate, has gotten them together on the bonus bill? What is it that has brought about this alliance between the President of the United States and the Liberty League?

Oh, that is the thing which is interesting; that is the thing I should like to find out. I wonder if it may be said that industrial autocrats have control of the country once more, as has recently been stated? I wonder if it be true the industrial autocrats have grabbed this administration and control it as they controlled the three last Republican administrations, according to the President himself? O Mr. President, do you suppose it could be true that the vested interests have control in Washington again? Do you suppose it could be true that entrenched greed of the industrialists had anything to do with the writing of this veto message? Oh, no, Mr. President. Oh, no; it is not true. You know it is not true, and I, too, know it is not true; but I deny it for the Democrats, rather than to embarrass them by leaving them to deny it.

But may I inquire just now what you think the attitude on the other side of the Chamber would be today, feeling as you do with respect to approving the bonus bill and overriding the President's veto? Think what you would do if this had been a Republican President who had returned the measure to the Senate of the United States. Oh, you would cry out again, "Industrial autocrats are back at their old tricks; entrenched greed is in control once more." You would blame it on Mellon or Mills if they were in office. I can see the distinguished junior Senator from Washington [Mr. SCHWELLENBACH] rising in his place and calling attention to the fact that the Liberty League was in control of "crooks and rascals", with all those "bloodsuckers"! Senators will remember his speech. I have not any doubt that if the situation were reversed he would rise in the Senate and blame the Liberty League with being responsible for what has happened here, with being responsible for trying to prevent the soldiers from getting what they claim is due them. O Mr. President, it makes a lot of difference sometimes who is in the White House. However, I am shocked that it does not make enough difference to enable me to convince anyone that I am right and that he is wrong.

Mr. President, when this bill was here previously I called attention to the fact that it seemed to me the chairman of the Finance Committee ought to be somewhat embarrassed, because I had the privilege of sitting here and not being compelled to say anything when the veto message was before the Senate in May 1935. Who led that fight? The distinguished chairman of the Finance Committee. I did not have to do anything except to vote to sustain the President. I asked the distinguished Senator from Mississippi [Mr. HARRISON] the other day whether he was embarrassed, and he said he was not. I am not surprised at that, but I did suppose there would be some out of the 85-percent majority on the other side of the Chamber who would feel somewhat embarrassed because they are turning down their great leader. Oh, I beg of you not to desert him now! [Laughter.] You have told us that he is the Moses who was leading us out of the wilderness. You have assured us that all we had to do was to wait and wait, and finally we would see the things accomplished which were hoped for by the great mass of the citizens of America.

O Mr. President, I beg the distinguished leader on the other side of the Chamber, I beg the distinguished Chairman of the Finance Committee, I beg the distinguished President pro tempore of the Senate, I beg the distinguished Senator from Pennsylvania [Mr. GUFFEY] who has recently taken on the important duty of increasing instead of losing the majority on that side of the Chamber—I beg of all of you just now on this historic occasion not to desert your leader. Give him your support and show him you have always been with him. You know you have voted for things you did not like, all of you, and merely because he has asked you to do it. Now when he asks you to do something that you know is right and that he knows is right, I beg of you to make it easy for yourselves and go along with him. Help him to reduce the expenses of the Government by 25 percent, which he promised in his campaign. Help him to balance the Budget. Help him to eliminate some of the governmental bureaus instead of increasing the number. Do all of that, I beg of you, for this is the last day, this is the last occasion on which this particular bonus measure will be before the Senate.

Mr. President, I ask permission to insert in the RECORD as a part of my remarks a quotation from former Senator Oscar W. Underwood's Drifting Sands of Party Politics.

There being no objection, the excerpt was ordered to be inserted in the RECORD, as follows:

QUOTATION FROM OSCAR W. UNDERWOOD'S DRIFTING SANDS OF PARTY POLITICS

Where our danger lies is not from a majority of the mass of all the people, whether they live in the North or the South, the East or the West, but it comes from majorities reflected in legislative bodies induced by the fear or influence of the organized blocs, classes, and clans who have taken upon themselves the purpose to govern our country in order that they may achieve political power, business or class advancement, and ethical progress. * * *

No system could be more productive of bad government for the individual citizen, than for organized class to direct the destiny of our country. What can be done to overthrow the rule of class and return to the simple government of the people, that persisted in the main from the days of the Revolution to the dawning of the twentieth century? * * *

The men and women of America who desire the preservation of their individual rights under the Constitution of their country and are opposed to the establishment of a system of paternalism in the United States must above all else and at all times stand steadfast to the first principles of government, and see to it that their representatives in Congress do not sacrifice principle under any circumstances, no matter how alluring that bait may be.

We should divorce the Federal Government from any intimate association in the domestic affairs of the people; confine its active function to the national endeavor contemplated in the beginning; as far as possible abolish the numerous boards, commissions, and bureaus that are now exercising powers of government. We should confine the power to exercise legislative discretion to the Congress of the United States and maintain the power to execute the laws in the hands of the President, where power and responsibility may be united in one person; allow only the courts of the land to pass judgment that affects the rights and liberties of the citizen. In other words, we should abolish the discretions that are now vested in a bureaucratic government and restore in its entire integrity the government of law we inherited from our fathers.

Mr. WALSH. Mr. President, in connection with the debate on the President's veto, I ask to have printed in the RECORD an editorial from the Boston Post.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The editorial is as follows:

[From the Boston Post of Jan. 25, 1936]

THE BONUS VETO

President Roosevelt's reiteration of his former bonus veto assumes that the same conditions exist as in May 1934 when he intimated that the credit of the country was endangered by the appropriation for the bonus.

Since then, however, money has been spent with a lavish hand and much of it for the benefit of certain classes of the population. Hundreds of millions of dollars have been expended or will be expended on a multitude of very dubious and costly experiments.

Therefore, when the veterans argued that a part of this huge expenditure might well have been used to pay the bonus, many persons who had opposed the bonus payment on the ground that the country could not stand the strain changed their views. Added to this was the claim made by Secretary Morgenthau of a $2,000,000,000 Treasury gain from the dollar devaluation and a profit of more than $500,000,000 from silver purchases.

At all events, the President's short message gives the impression that no fresh argument against the bonus was necessary on his part. Doubtless the Senate will speedily overrule the veto as did the House yesterday.

The VICE PRESIDENT. The question is, Shall the bill pass, the objections of the President to the contrary notwithstanding?

Mr. KING. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Byrnes	George	Lonergan
Ashurst	Capper	Gerry	McAdoo
Austin	Caraway	Gibson	McCarran
Bachman	Carey	Glass	McGill
Bailey	Chavez	Gore	McKellar
Bankhead	Clark	Guffey	McNary
Barbour	Connally	Hale	Maloney
Barkley	Coolidge	Harrison	Metcalf
Benson	Copeland	Hastings	Minton
Bilbo	Costigan	Hatch	Moore
Black	Couzens	Hayden	Murphy
Bone	Davis	Holt	Murray
Borah	Dickinson	Johnson	Neely
Brown	Dieterich	Keyes	Norbeck
Bulkley	Donahey	King	Norris
Bulow	Duffy	La Follette	Nye
Burke	Fletcher	Lewis	O'Mahoney
Byrd	Frazier	Logan	Overton
Pittman	Schwellenbach	Thomas, Utah	Van Nuys
Pope	Sheppard	Townsend	Wagner
Radcliffe	Shipstead	Trammell	Walsh
Reynolds	Smith	Truman	Wheeler
Robinson	Steiwer	Tydings	White
Russell	Thomas, Okla.	Vandenberg	

The VICE PRESIDENT. Ninety-five Senators have answered to their names. A quorum is present. The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?

Mr. McNARY. I call for the yeas and nays.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, which resulted—yeas 76, nays 19, as follows:

YEAS—76

Adams	Clark	Logan	Pittman
Ashurst	Coolidge	Lonergan	Pope
Austin	Copeland	McAdoo	Radcliffe
Bachman	Costigan	McCarran	Reynolds
Bailey	Davis	McGill	Robinson
Bankhead	Dickinson	McKellar	Russell
Barbour	Dieterich	McNary	Schwellenbach
Barkley	Donahey	Maloney	Sheppard
Benson	Duffy	Metcalf	Shipstead
Bilbo	Frazier	Minton	Smith
Black	George	Moore	Steiwer
Bone	Gibson	Murphy	Thomas, Okla.
Borah	Gore	Murray	Thomas, Utah
Bulow	Guffey	Neely	Trammell
Byrnes	Harrison	Norbeck	Truman
Capper	Hatch	Norris	Van Nuys
Caraway	Holt	Nye	Walsh
Carey	La Follette	O'Mahoney	Wheeler
Chavez	Lewis	Overton	White

NAYS—19

Brown	Couzens	Hastings	Townsend
Bulkley	Fletcher	Hayden	Tydings
Burke	Gerry	Johnson	Vandenberg
Byrd	Glass	Keyes	Wagner
Connally	Hale	King	

The VICE PRESIDENT. Senators, the Chair should like to be permitted to make an observation before announcing the result of the vote. There are at present 95 Members of the Senate. This is the first time since the present occupant of the chair has been Presiding Officer of the Senate that all Senators have been in their seats and have voted when the roll was called. The Chair congratulates the Members of the Senate on their good health.

On this question the yeas are 76, the nays are 19. More than two-thirds of the Senators have voted in the affirmative, the bill is passed. [Applause in the galleries.]

UNITED STATES VETERANS' ADMINISTRATION

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 3328) to provide an official seal for the United States Veterans' Administration, and for other purposes, which was on page 1, line 13, to strike out "evidenced" and insert "evidence."

Mr. ASHURST. Mr. President, I will state in a word the situation of this matter.

The bill passed by the Senate provided for a seal to be used by the Administrator of Veterans' Affairs. The word "evidenced" was used when it should have been "evidence." I move that the Senate concur in the amendment of the House.

The VICE PRESIDENT. The question is on the motion of the Senator from Arizona.

The motion was agreed to.

ACQUISITION OF THE PHILIPPINES

Mr. GIBSON. Mr. President, a group of Senators and Representatives headed by the Vice President and Speaker of the House recently made a trip to the Philippine Islands as guests of the Philippine government to attend the inauguration of Hon. Manuel L. Quezon as first President of the new Philippine Commonwealth. This visit served to renew interest in our possessions in the Pacific and afforded an opportunity for Members of the Congress to study conditions in the Orient at first hand.

Considerable discussion has been indulged in during the past 35 years concerning the original intention of the high officials of our country with respect to the Philippines.

In order to keep the record clearly in mind I ask unanimous consent that there may be inserted in the CONGRESSIONAL RECORD a copy of a telegram sent to Mr. Day, chair-

man of the peace commissioners representing the United States at Paris at the time of treaty negotiations with Spain, under date of October 26, 1898, and signed by the then Secretary of State, John Hay; also copy of a portion of a telegram from the Secretary of State to Mr. Day under date of October 28, 1898.

Also I ask to have printed a copy of a letter written by Admiral George Dewey under date of October 3, 1898, to Commander A. D. Brown, then president of Norwich University.

All of these throw some light as to what was in the mind of the President and in the mind of the American naval commander in dealing directly with the situation.

The VICE PRESIDENT. Is there objection to the request of the Senator from Vermont?

There being no objection, the letter and telegrams were ordered to be printed in the RECORD, as follows:

[Telegram]

OCTOBER 26, 1898.

MR. DAY: The information which has come to the President since your departure convinces him that the acceptance of the cession of Luzon alone, leaving the rest of the islands subject to Spanish rule, or to be the subject of future contention, cannot be justified on political, commercial, or humanitarian grounds.

The cession must be of the whole archipelago or none. The latter is wholly inadmissible, and the former must, therefore, be required. The President reaches this conclusion after the most thorough consideration of the whole subject, and is deeply sensible of the grave responsibilities it will impose, believing that this course will entail less trouble than any other, and besides will best subserve the interests of the people involved, for whose welfare we cannot escape responsibility.

HAY.

[Telegram]

DEPARTMENT OF STATE,
Washington, October 28, 1898.

MR. DAY: While the Philippines can be justly claimed by conquest, which position must not be yielded, yet their disposition, control, and government the President prefers should be the subject of negotiation, as provided in the protocol. It is imperative upon us that as victors we should be governed only by motives which will exalt our Nation. Territorial expansion should be our least concern; that we shall not shirk the moral obligations of our victory is of the greatest. It is undisputed that Spain's authority is permanently destroyed in every part of the Philippines. To leave any part in her feeble control now would increase our difficulties and be opposed to the interest of humanity. The sentiment in the United States is almost universal that the people of the Philippines, whatever else is done, must be liberated from Spanish domination. In this sentiment the President fully concurs. Nor can we permit Spain to transfer any of the islands to another power. Nor can we invite another power or powers to join the United States in sovereignty over them. We must either hold them or turn them back to Spain.

Consequently, grave as are the responsibilities and unforeseen as are the difficulties which are before us, the President can see but one plain path of duty—the acceptance of the archipelago. Greater difficulties and more serious complications, administrative and international, would follow any other course. * * *

HAY.

UNITED STATES NAVAL FORCE ON ASIATIC STATION,
FLAGSHIP "OLYMPIA",
Cavite, P. I., October 3, 1898.

Commander A. D. BROWN,
United States Navy.

MY DEAR BROWN: I wish to thank you most sincerely for your kind letter of August 2 received by the last steamer.

All the nice things you and other friends are saying about me has quite turned my head and I am now the vainest man in the Philippines, and that is saying a good deal.

The insurgents are now quiet, waiting, I suppose, to see what will be done by the commission in Paris. Indeed, we are all looking Parisward. I trust the entire archipelago will be retained by the United States. Any other arrangements will lead to no end of trouble.

I enclose an official letter to you in connection with asking State aid for the university.

Sincerely yours,

GEORGE DEWEY.

POLITICAL CONDITIONS IN CALIFORNIA—ADDRESS BY SENATOR M'ADOO

Mr. LEWIS. Mr. President, I present to the Senate and make request that there be published in the CONGRESSIONAL RECORD an address delivered on January 25, 1936, by the junior Senator from California [Mr. MCADOO] over the radio to the constituency of California touching matters of government of serious import.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen and fellow Democrats, this zero weather in Washington makes me doubly sorry that I cannot attend your barbecue today and enjoy the sunshine of your comradeship in our beautiful California. I felicitate you on this auspicious gathering. It evidences the enthusiasm and determination of a regenerated democracy.

I must advert to the recent significant developments in the Democratic situation in California, because they raise issues which must be met squarely and without hesitation.

A special meeting of the Democratic State Central Committee was called on short notice by its "Epic" chairman, Mr. Olson, to meet in Los Angeles January 17 for the purpose of selecting a delegation to the national convention in Philadelphia and for the adoption of resolutions concerning national policies. This unexpected move aroused Democrats throughout the State. There was no occasion for the meeting, because the State committee has no power to nominate a delegate ticket under our primary law; and the interjection of controversial platform issues into our Presidential primary would arouse needless antagonisms over questions which can be settled alone by the national convention. When the State committee met, the Olson plan was overwhelmingly repudiated. A resolution, drawn upon my suggestion, endorsing Franklin D. Roosevelt for renomination and requesting him to select a list of delegates to be entered in the May primary with his endorsement, was adopted.

This action of the committee is binding upon the State chairman any every member of the committee. It thereupon became Mr. Olson's duty to present to the President that resolution, and that one only, as the official expression of the State committee of the Democratic Party.

The next day following the action of the State committee a convention of the so-called Epic League was held in Los Angeles. State Chairman Olson was a member of and a party to the action of that convention. Its deliberations were concluded with the adoption of a resolution to name a list of 100 or more "Epics" pledged to the "production for use" program. Delegate Olson was requested, or directed, to submit this list of "Epics" to President Roosevelt with the request that he choose from it the 44 delegates from California. The resolution then proceeds: "Resolved, that President Franklin Delano Roosevelt be given until February 10, 1936, to accept a working majority of the candidates as determined by caucus in this convention, and that if this shall not be done by the President in the specified time * * *, a convention of all 'Epic' forces will be called for the purpose of selecting an independent 'Epic' delegation pledged to the support of other candidates as President and Vice President."

This is the first time in the history of America that any group of individuals has delivered an ultimatum in such offensive terms to any President of the United States. This ultimatum is not only ill-advised, but it is a direct challenge to every effort which leading Democrats have been making to effect, if possible, a basis of cooperation between all elements in the party. It is an affront to the President to demand that he perform the will of the "Epics" in California without regard to the real Democrats, who constitute the vast majority of the party; it is an insult to attempt to read all Democrats out of the Democratic Party.

You will observe that the action of the Democratic State Central Committee is diametrically opposed to the action of the "Epic" convention. How can Mr. Olson perform his duties as chairman of the Democratic State Central Committee and at the same time execute the will of the "Epics" as expressed in their recent convention? Did Mr. Olson visit the President as chairman of the Democratic State Central Committee, advocating the plan which that committee has adopted, or did he go as Delegate Olson of the "Epic" convention and press upon the President acceptance of the ultimatum of the "Epics"?

I wish now and here to say that Mr. Olson cannot act in this dual capacity with the consent of the vast majority of the Democrats of California. He must either be a Democrat or an "Epic." I do not believe in hyphenated parties or hyphenated citizenship. We are either Democrats, owing allegiance to our party as such, or we are "Epics", owing allegiance only to the "Epic" organization. We cannot be "Epic"-Democrats and "Epics" at the same time. The demand that "Epic" delegates be chosen by the President presents an issue which cannot be avoided. We may as well fight it out in the May primary, so that by November 1936 we shall have a united and cohesive Democratic Party, acting for the good of all the people instead of for any particular group or class, and capable of delivering the electoral vote of California to the nominees of the Democratic national convention in 1936.

Chairman Farley, at the meeting of the Democratic National Committee in Washington on Jackson Day, warned Democrats throughout the Nation that the political battle of 1936 would be one of the most bitterly contested in the history of America. I have no doubt that his statement is correct. The Democratic Party can win on true Democratic principles. It cannot win by shifting to any socialistic, communistic, or other doctrines which are alien to the basic principles for which Washington stood, for which Jefferson stood, for which Jackson stood, for which Lincoln stood, and for which Woodrow Wilson stood.

I notice that the claim is continually asserted by certain "Epic" leaders that they are themselves and that they also represent the liberal forces in California. They denounce all regular Democrats as reactionaries. This is, of course, a wild claim, looking at it either way. All my life I have been considered a liberal. I

have fought with the liberal elements of the Democratic Party against reactionaries of every kind and character. I was such a liberal that I voted for Sinclair for Governor of California, and I think it takes a liberal, or more, to do that. I have no sympathy with the effort of the so-called "Epic" leaders to proscribe those members of the Democratic Party who have borne the brunt of battle for Democratic principles these many years and who won the great Democratic victory in California in 1932, 2 years before the "Epics" were born. At that very time—1932—Mr. Sinclair was the Socialist candidate for Governor and was using every effort to defeat Roosevelt and to destroy the Democratic Party.

I urge upon Democrats everywhere and of every shade of opinion to pull together for the principles of true democracy. Let us repudiate those warring chieftains who are dominated by selfish ambitions and who would rule or ruin the party.

I have great respect for the rank and file of those who have identified themselves with the "Epic" movement. They are honest and earnest citizens like the rest of us. I appeal to them and to all Democrats to forget factional differences and to join in a united effort in support of the administration and of the nominees of the Philadelphia convention.

Let us now consider some of the great achievements of the administration during the past 3 years.

First of all, I would put the law under which all deposits of $5,000 or less in national banks or member banks of the Federal Reserve System are insured so that depositors within that limit need not fear for the safety of their money. The savings of the people cannot be stolen from them by mismanaged banks or by the criminal operations of officers or directors of the banks. Thus by one piece of constructive legislation we have made secure the very foundations of our financial structure.

This law was not passed without the bitter opposition of every powerful interest in the United States, but public opinion—which represents the will of the people—was irresistible. That is the virtue of our form of government. The ultimate appeal is to the people. They make their decisions not through arsenals and violence but through the power of the ballot.

After making secure the depositors in banks the next step was to make farms safe from mortgage foreclosures. We strengthened the Farm Credit Administration and gave it power to make loans on farms with long maturities and at low rates of interest. This has resulted in saving thousands of farmers from the loss of their farms and has made it easier for them to pay the interest on their mortgages.

Another step was to save city and suburban homes from foreclosures, so the Home Owners' Loan Corporation was created. The homes of thousands of people have been preserved to them through the operation of this law. Like the farmers, city and suburban home owners have been refinanced at low rates of interest and on long time.

It was necessary to do more than save these homes. They needed to be modernized so that the owners and their families might live with a larger measure of comfort, convenience, and sanitation. Hence, the Federal Housing Administration was formed. Through its operations millions of dollars have been loaned for the installation of plumbing, refrigeration, and other modern appliances. The home owner and his family have been made more secure in the possession of their home and are now permitted to enjoy the blessings of modern facilities.

The Civilian Conservation Corps has taken more than a half million American youngsters out of the streets of our great cities, has enabled them to lead wholesome lives in the open air, and has trained them in useful occupations.

Great Government projects have been stimulated by Federal aid. In California, for instance, we have the All-American Canal now well under way. Its completion will give the farmers of the Imperial Valley independence of a foreign-controlled water supply and make them safe for all time against an insufficient irrigation system. The Government has supplied loans to the Metropolitan Water District, by means of which a 300-mile aqueduct, tunneling great mountains and stretching its useful length over valleys and deserts, will bring from the Colorado River an unlimited supply of water for the necessities of the Southland. The bureau of power and light of the city of Los Angeles was provided with a loan on reasonable terms to build a great high-tension line from the Boulder Dam to the city of Los Angeles. Thereby it has secured an ample supply of cheaply generated power for the millions of people south of the Tehachapi and for other millions yet to come. We have largely extended the seawall at San Pedro and will continue the work until it is finished. This will give us one of the finest protected harbors on the Pacific coast and will assure the adequacy and preeminence of this great port not only for mercantile vessels but for our great and growing Navy.

Work on the Central Valley irrigation project has been begun through money advanced under this liberal administration, thus making permanent the welfare of the inhabitants of the San Joaquin and Sacramento Valleys. Grants have been made for flood control in various localities throughout the State. Aid has been given to the construction of our magnificent highway system, but, more than all, the unemployed have been protected against want, and the general economic structure has been strengthened to such an extent that private industry will in the near future be able to absorb the redundant supply of labor.

Congress has appropriated six and one-half million dollars for our Federal building in Los Angeles. Work on this splendid structure will soon begin.

These are some of the many progressive and liberal things which have characterized Democratic control of the Government. But our opponents will ask the American people this year to turn this administration out and to put a new and untried administration in. Upon what rational ground can they ask the people to do this? Would they stop the march of progress, now so well under way, and revert to the calamitous period over which the last Republican President presided? What do our opponents have to offer? What improvement can they suggest that they would make either in the legislation already enacted or in the policies to be pursued? There is no ground upon which they can make a successful appeal to the people. Stripped of all pretense, all oratory, and all frenzied utterances, what they say simply comes to this: "The Democrats have the offices and we want them." If this is their appeal, I predict that it will be rejected by an overwhelming vote of the American people.

What we are really trying to do in Washington is to reorganize, not destroy, our economic and social order by an intelligent understanding of human needs, human suffering, and human craving for a safe refuge from the affliction of disabled bodies and hungry souls.

We have marched far in the direction of this inspiring goal, which, after all, must be the aim of every humane government; but these great things do not "spring full-fledged from the brow of Jove." They come from the patient progress marked by toil, suffering, and sacrifice until the wonderful hinterland of happiness has been won. We must, therefore, in spite of temporary reverses in the courts or on the hustings, march proudly forward under the banner of democracy and progress. We invite all men and all women of liberal views to join us in a noble effort to complete the work so auspiciously begun by giving an additional 4 years within which to do it. I am confident that the future of America depends not upon a resurgence of reaction but upon an unswerving adherence to the policies of progress and the supremacy and exaltation of the Democratic ideal.

LEGISLATION IN AID OF DEBTORS—ARTICLE BY JUDGE GALSTON

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD an article written by a very distinguished Federal judge, Clarence G. Galston, concerning legislation in aid of the debtor.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOME REFLECTIONS OF FEDERAL JUDGE CLARENCE G. GALSTON CONCERNING LEGISLATION IN AID OF THE DEBTOR

This paper is not intended as a technical article for lawyers but rather presents a consideration of the subject matter in its social aspects. Who is there that is not directly or indirectly affected by the social problems of the day? All important Federal legislation enacted and proposed during the last few years seeks to remedy the economic maladjustments which have threatened and still do threaten the social conditions of the Nation. Apart from the constitutional clouds enveloping them, statutes adopted during this period demonstrate to a marked degree how far we have advanced as a socially minded people. Certainly 25 years ago the function of government as then conceived by the lawmakers countenanced no such regulation of private undertaking or business as results from the National Recovery Act; no such effort to regulate agriculture as is embraced in the various statutes to aid the farmer; no such support of labor as is the aim of the national labor bill; no remote notion of insurance, such as is embraced in the proposed Social Security Act; no such relief measures as the public-works statute provides.

Such legislation, particularly the invalidated agricultural composition statute, challenges the attention of students of economics, as, indeed, do most of the laws which have been enacted during the last 2 years, and among the issues involved is the question whether relief to one economic group can be effected without visiting substantial distress on other groups.

An investor is not by any proper definition of the term necessarily one who is in the creditor class. Included in the investor group are those whose sole means of support may be a very limited fixed income. Those who hold obligations of farmers, of railroads, of owners of hotels and apartment houses, may themselves show a distressed balance sheet. Terms are relative. A creditor may be a very poor person indeed, and the invasion by operation of law of his contractual rights may cause burdens no less oppressive to him than those of the debtor, whom the law seeks to aid.

Effort to bring succor to any one depressed economic group requires the most rigid scrutiny. Lines of demarcation are shadowy indeed. It is doubtful whether there can be any general classification of citizens into debtors and creditors. Many belong in both groups. As between the so-called debtor and the so-called creditor there is no median line except as the terms express a relationship between two parties to a contract. If A is a debtor and B is a creditor of A, legislation that seeks to relieve A at the expense of B may so disaffect B as to impair his power to meet his obligations to C, D, E, and F. Each in turn becomes involved in the process and involves countless other persons.

Lawmakers who are faced with class problems have no simple task. Unfortunately it is just such class problems as are fundamental in our affairs today.

Political or social problems of this kind lead to an observation on the inexactitude of political science as contrasted with the natural sciences. Man-made law is likely to be imperfect. It would be marvelously strange were it otherwise. Those who make

the law, those who administer it, those who interpret it, those who seek to conform to it, those who violate it, are all human beings. Each has his prepossession, his bias, or prejudice, inherited or acquired, or both. It may be conscious bias or below the seat of consciousness. Each has his self-interest, conscious or otherwise. In the social sciences we find both the observer and the observed variable quantities. The constants are few. Consequently the gathering of social data and the interpretation thereof result in the widest differences of opinion. Could any more conclusive illustration be found than that afforded by the report of the National Crime Commission appointed by President Hoover? Here was a trained group of high-minded, intelligent, and truth-seeking people. It would seem that only euphemistically can the social sciences be so termed.

How is predictability possible among 125,000,000 people distributed over so vast an area as the United States, of diverse sectional, economic, social, educational, political, and religious interests? Nevertheless, in every city, town, or hamlet one can find cure-alls for the social ills—each one, of course, sounding more in disguised hope than in valid thought. Within limited communities such as existed in our early settlements where the church exercised a rigid control and the examples set by the elders were followed by the flock, predictability was possible. But in a complex civilization, highly organized, not only not homogeneous as was theirs but heterogeneous to the *n*th degree, variability, not fixation of standards predominates. Since the regeneration of mankind is not yet in sight, laws made by human minds to regulate the destinies of human beings cannot reasonably be expected to attain scientific perfection.

However earnest, well-meaning, and competent a legislative body may be, however resolute the effort to ascertain the facts before the enactment of the law, a consistently scientific technique cannot be developed to discover truth with any such assurance as the laboratory worker pursues in physical science. The philosopher in the natural sciences has to deal with physical elements and forces that are themselves free from bias, prejudice, motive, or any of those emotional states which distinguish human beings from the objects of the physical world. The chemist knows how the gases and metals will behave; and if his knowledge of them is not perfect, it is because of no fault of theirs. All oxygen is the same. There are no inherited traits and nothing by way of environment which distinguishes one atom of oxygen from another. The scientist deals with uniformity. Such is not the happy position of the social experimenter. Like the scientist, he starts with an hypothesis, but, unlike him, his hypothesis is tainted with an inherent bias. The sum total of his prior experience, his environment, and his inheritance indubitably affect his interpretation of human beings and their relationships to one another. Out of this may come at best only approximation to sound laws.

Of the sections of the laws for the relief of the debtor to which I shall presently refer, those, save that relating to agricultural compositions, resulted from studies of bankruptcy conditions, abuses, and defects under existing law made by many agencies. This procedure was proper in principle. Investigation committees consisting of a number of industrial and credit associations assisted the Solicitor General. If the enactments which followed fail in the objectives predicated on the findings of the investigators, it cannot be charged to lack of earnestness in the survey, but rather to the usual and infinite variety of difficulties encountered in obtaining perfect laws. A comprehensive bankruptcy act based on the present-day needs and designed to correct the abuses of creditor control of bankrupt estates remains still only a hope. Some of such abuses and inadequacies are revealed in the report of William J. Donovan, submitted in March 1930, to Judge Thomas D. Thacher on the administration of bankrupt estates. The theory of unlimited creditor control is the subject of caustic criticism in that document. Foremost among the recommendations made is the creation of the office of a permanent Federal bankruptcy commissioner with control over trustees of bankrupt estates. Thus the administrative functions would be centralized in the commissioner as in England they are centralized in the board of trade under the Inspector General in Bankruptcy. This would free the courts from administration burdens and leave them to perform judicial functions only.

The bankruptcy amendments enacted by the Congress in the sessions of 1933 and 1934 have provoked a more than usual amount of discussion. This results, I think, from a persistent thought that theretofore bankruptcy laws had been designed mainly to aid creditors, whereas in this legislation the objective is relief for the debtor.

Tracing as we do our fundamental law to England, we find that prior to the American Revolution, statutes in respect to bankrupts in England beginning with the first English bankruptcy act in 1542, and subsequent acts for 150 years, were concerned only with the criminal aspects of the bankrupt's activities and set up no adequate system for the administration of bankrupt estates. Pursuant to the terms of the first English bankruptcy act, the offender was commanded to return to the realm, and on his failure so to do all his goods, chattels and lands of every kind were ordered seized and distributed among his creditors. Not content with such provisions, Parliament, in 1623 decreed that pillory and the loss of an ear should be imposed upon a debtor who failed to show that his bankruptcy was owing solely to his misfortune. Voluntary petitions by the bankrupt were unknown to the law.

Surprisingly some marked advance is recorded as early as the Statutes of Anne of 1705 and 1711. These statutes permitted a bankrupt a discharge, but no general bankruptcy system had been developed in England when the Constitution of the United States was adopted.

By virtue of the fourth clause of section 8 of article 1, power was vested in Congress "to establish * * * uniform laws on the subject of bankruptcies throughout the United States." Though this clause has been the source of legislation of extreme importance, curiously enough there is no record, or at least none that I have been able to find, of a discussion thereof during the deliberations of the Constitutional Convention; and only the briefest reference is found in the Federalist papers. In paper XLI there is this comment:

"The power of establishing uniform laws of bankruptcy is so intimately connected with the regulation of commerce, and will prevent so many frauds where the parties or their property may lie, or be removed into different States, that the expediency of it seems not likely to be drawn into question."

The first of our bankruptcy statutes was that of 1800. This was a law primarily directed against debtors and followed the teachings of the English bankruptcy acts. It was confined to traders, and provided only for involuntary, not voluntary bankruptcy. The act was short lived and was repealed in 1803. Not until 1841 did Congress again assert its prerogative as to this subject. During the intervening years the States dealt with insolvent debtors. The Federal act of 1841 also was short lived, but is interesting because there was some provision for a system for administering insolvent estates, and for the discharge of the debts of the bankrupt.

Again there was a long lapse of time before the Congress passed a bankruptcy act. That was the law of 1867. Under this act the bankrupt for the first time was privileged to effect a composition. The primary object of the act though was to secure a just distribution of the bankrupt's property among his creditors, and a release of the bankrupt from his obligation to his creditors was but a secondary consideration.

Then followed the present Bankruptcy Act of 1898, which was framed to correct many of the faults and limitations of the earlier statutes.

We come then to the amendments of 1933 and 1934, known as chapter 8 of the National Bankruptcy Act, and entitled, in terms to arouse our interest, "Provisions for the relief of debtors."

This chapter has to do with individual debtors, with agricultural compositions, with reorganizations of railroads engaged in interstate commerce, and, lastly, with corporate reorganization.

However multifarious the purpose behind this legislation may have been, it is notable for its frank concession that creditors should be concerned with the well-being of their debtors.

The chapter for the relief of the individual debtor became a law on March 3, 1933. Its novel features deserve attention. Any person, excepting a corporation, is permitted to file a petition stating that he is insolvent or unable to meet his debts as they mature and that he desires to effect a composition or an extension of time to pay his debts. The provision for extension is important, particularly so since the terms in respect to extensions may apply to all classes of creditors, secured as well as unsecured. The court will confirm the debtor's proposal for a composition or extension after it has been accepted by a majority in number of all creditors whose claims, if unsecured, have been allowed, or, if secured, are proposed to be effected by the extension, which number must represent a majority in amount of such claims, and if satisfied that it includes an equitable and feasible method of liquidation for secured creditors whose claims are affected and of financial rehabilitation for the debtor and that it is for the best interest of all creditors.

Observe the use of the term "debtor" instead of the term "bankrupt." The term "bankrupt" is discarded and the substituted phrase, "unable to meet his debts as they mature", employed. The object of the phrase was to avoid whatever stigma attached to the use of the term "bankrupt." At once the phraseology was seized upon as a ground for attacking the constitutionality of the act. It was said that while the Congress has power to establish uniform laws on the subject of bankruptcies, it has no power to pass laws for the aid of debtors who are unable to meet their debts as they mature, and hence that the act did not fall within the purview of the constitutional clause. In one of the earliest cases to reach the courts involving this question the court said:

"It is not necessary for us to say that mere unwillingness, or mere failure to pay his debts has ever been sufficient under our laws to entitle a debtor to the benefit of a bankruptcy act, but we do say that except under the act of 1867, inability to pay has always been recognized as a proper cause for adjudication, whether that inability were caused by a lack of assets or a lack of liquidity of assets (In re *Landquist*, 70 Fed. (2d) 929, at p. 931).

Thus the common-sense inference must be drawn that it is of no moment whether one who is unable to pay his debts as they mature be classified as a bankrupt or an insolvent, so long as the enactment in respect to persons so situated is uniform throughout the United States.

The subject was discussed also in *Continental Illinois Bank & Trust Co.* v. *Chicago, Rock Island & Pacific Railway Co.* (opinion delivered Apr. 1, 1935; not yet officially recorded), recently decided by the Supreme Court, and the same conclusion reached.

The provision for agricultural compositions, unlike the section of the act heretofore discussed, was a radical amendment of the bankruptcy statute. It was the subject of divergent views by various lower courts, but recently has been declared unconstitutional by the United States Supreme Court. The ground for the conclusion is readily understood. However broad the bankruptcy clause of the Constitution is, it is not unlimited in scope. The constitutional power is subject to the amendments to the Con-

stitution. Congressional authority to enact bankruptcy laws is thus tempered by the due-process clause. The act in question was in part retroactive in terms and purported to deprive the mortgagee of rights in specific property since as to mortgage debts it applied only to those existing prior to the enactment of the act. Mr. Justice Brandeis wrote:

"The bankruptcy power, like the other great substantive powers of Congress, is subject to the fifth amendment. Under the bankruptcy power Congress may discharge the debtor's personal obligation, because, unlike the States, it is not prohibited from impairing the obligation of contracts. Compare *Mitchell* v. *Clark* (110 U. S. 633, 643). But the effect of the act here complained of is not the discharge of Radford's personal obligation. It is the taking of substantive rights in specific property acquired by the bank prior to the act."

The opinion contains also this observation, which clearly shows that the Court passed only on the specific question involved in the case:

"But we have no occasion to decide in this case whether the bankruptcy clause confers upon Congress generally the power to abridge the mortgagee's rights in specific property. Paragraph 7 declares that 'the provisions of this act shall apply only to debts existing at the time this act becomes effective.' The power over property pledged as security after the date of the act may be greater than over property pledged before; and this act deals only with preexisting mortgages."

Nevertheless, the opinion concludes with this stirring admonition, after holding the act void:

"For the fifth amendment commands that, however great the Nation's need, private property shall not be thus taken even for a wholly public use without just compensation. If the public interest requires, and permits, the taking of property of individual mortgagees in order to relieve the necessities of individual mortgagors, resort must be had to proceedings by eminent domain; so that through taxation the burden of the relief afforded in the public interest may be borne by the public."

Perhaps of the recent-debtor-creditor legislation the most interesting as well as the most effectual is that which has come to be designated as 77B. That is the act which provides for corporate reorganization. Under preexisting law such reorganizations were effected through equity receiverships. That machinery was not wholly satisfactory. To avoid certain of its more pronounced defects, such as forced judicial sales of mortgaged properties, burdensome and expensive ancillary administration, bringing secured creditors within the fold were some of its main objects. The powers vested in the court are both considerable and extensive. It makes possible conservation of assets for junior creditors and shareholders and sets up new remedial practice. In the financial and industrial centers of the country the act has been generously, perhaps too generously, resorted to. One immediate effect has been to reduce the number of petitions in bankruptcy, for all corporations, small as well as the larger and more important organizations, have sought relief under its terms. This had led to much abuse, for debtors are prone to avail themselves of all maneuvers to stave off the fatal day of payment or bankruptcy. If the business is hopelessly insolvent, if there is no grounded expectation that creditors will fall in line, if there is no prospect for new funds, if conditions in the industry, immediate and prospective, menace further operations of an impoverished plant, the debtor should not delude itself, for in such circumstances not reorganization but liquidation is clearly indicated.

But in a proper case it is a very meritorious enactment, and when I say proper case I mean one in which the petition for relief is filed in good faith and with a reasonable expectation that a plan of reorganization can be offered which will prove satisfactory to two-thirds of each class of creditors involved.

There has been no adjudication by the Supreme Court as yet of its constitutionality, but what that Court is likely to say when that question is presented has perhaps been foreshadowed in a case recently decided by the Supreme Court (*Continental Illinois National Bank & Trust Co.* v. *Chicago, Rock Island & Pacific Railroad Co.*, decided Apr. 1, 1935), involving section 77 of the Bankruptcy Act, a statute for reorganization of railroad corporations, and which contains many similar provisions. In that case the factual question presented was whether a secured creditor, during the pendency of the reorganization proceedings under section 77, could be enjoined from the sale of collateral belonging to the railroad company and held by the creditor as security for a note issue. Starting from the major premise that the Federal Constitution vests Congress with the power to establish uniform laws on the subject of bankruptcies throughout the United States, the Court propounded to itself the question, "Does section 77 constitute a law on the subject of bankruptcies?" The opinion sets forth an historical consideration of cases bearing on this subject. It is recited that within the meaning of the constitutional provision bankruptcy and insolvency are convertible terms, and have been so recognized. The act under consideration, like that relating to the individual debtor, did not use the term "bankruptcy", but instead provided that "any railroad corporation engaged in interstate commerce may file a petition stating that the railroad corporation is insolvent or unable to meet its debts as they mature, and that it desires to effect a plan of reorganization." The Court found that since the Bankruptcy Act defines an "insolvent" as one whose assets, at a fair valuation, are not sufficient to pay his debts, it may be construed to include a debtor who, although unable to pay promptly, may be able to pay if time to do so be sufficiently extended. Thus by liberal construction it was held that section 77 is in effect an amendment to the Bankruptcy Act, and therefore within the power to Congress to enact.

So it is a fair assumption, based on the reasoning employed in the Rock Island case, that 77B also will be held to be an amendment of the Bankruptcy Act.

At first reading one perhaps is startled by the remedial possibilities of the act, but when the alternative which a creditor faces means ownership of the debtor's property and all its attendant problems and responsibilities, he may well believe it advantageous to avoid a forced judicial sale. After all, a plan of reorganization is nothing more than a composition. Even for a secured creditor to scale down his indebtedness may, in all the circumstances of a case, be a most wise decision. Resentment frequently is stirred when people seem to be getting something for nothing, as when a debtor is permitted to get a receipt in full for paying but a small percentage of his indebtedness; but it does not follow that the debtor is the only party benefited. The indirect benefits may well be worth the apparent sacrifice which the creditor makes. He foregoes a present satisfaction for future direct and indirect benefits. Creditors in business must have customers and to the extent that customers can be rehabilitated there is corresponding benefit to the creditor. In a practical way, too, creditors can aid themselves by participating in the management of the reorganized company. Most, or at least many business failures, like other failures in life, are the result of unwisdom, inexperience, incompetence, lack of management. Creditor representation in the reorganization may prove of substantial importance in overcoming such defects.

One of the weaknesses of 77B is the immense volume of administrative detail which it casts upon judges. Every important policy in the management of a corporation which is brought under its provisions may be and frequently is submitted to the judge for his determination. This is so whether the debtor remains in possession or whether a trustee is in control. The act is but a year old and nevertheless the business cares cast upon the judge who fathers the proceeding are vastly burdensome. New petitions multiply far beyond the number of pending petitions disposed of. Reorganizations take time. Most Federal judges, at least in the southern and eastern districts of New York, begin and end their day with administrative problems arising out of 77B proceedings. Such duties are not judicial in nature. The main function of a court should be to decide controversies and not to operate a business.

Nevertheless, judges are confronted daily with such purely business questions, as what the terms of a lease shall be, the salaries to be paid officers, whether and when and in what quantities commodities to be used in manufacture should be purchased, whether money may be borrowed and machinery bought, whether seasonable commodities held by a secured creditor as collateral should be sold and if so, under what condition. Equally numerous, and indeed greater in variety, are the business enterprises that come to the Federal courts on the wings of 77B. Thus we have a swing from dairies to breweries, coal yards, lumber, cement, wines and liquors, hotels and apartment houses, shoes, furniture, even kiddie shops have sought relief in our court. An administrative medium, even at the risk of setting up another bureau of control, would seem to be indicated as a wise expedient, providing always there be reserved the right of judicial review.

Another judicial function to be exercised is the consideration of the fairness of the plan proposed. This in part calls also for the exercise of a business judgment, even though the court will not desire to work out a plan itself nor hazard its own business judgment to supplant that of those who supply the capital for the new enterprise. However, since creditors of all classes and indeed all interested parties are given a free opportunity to be heard, the court is thus ordinarily provided with sufficient data with which to determine the question of fairness of the plan. Each case will present its own problem. The language of the act is clear. It forbids confirmation of a plan unless the court is satisfied that it is "fair and equitable and does not discriminate unfairly in favor of any class of creditors or stockholders."

As I indicated at the outset, this is not intended as a technical paper for lawyers, and in consequence no attempt was made to present a detailed analysis of the foregoing sections of the chapter in aid of debtors. An appraisal at the moment seems to be premature, though it may be said that the main objective of the legislation in many cases is being attained. There remains, however, the broader question suggested in the 1934 majority report of the committee on bankruptcy of the American Bar Association as to whether, in view of the ratio of debts to wealth in this country, in the effort to establish a national recovery, the relief afforded does more than ease restricted credits and distressed property and bring some readjustment, but without effecting with dispatch a debt reduction of significant proportions.

CAN WE PAY AS WE GO?—ADDRESS BY GOVERNOR LA FOLLETTE

Mr. COSTIGAN. Mr. President, on January 9, 1936, Wisconsin's Progressive Governor, Philip F. La Follette, discussed at the Town Hall in New York City, in the light of experiences in the State of Wisconsin, the important question of government fiscal policy which is being more and more currently debated, Can We Pay as We Go? I ask unanimous consent to have this address printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, ladies, and gentlemen, the State of Wisconsin has followed the pay-as-you-go policy for more than 80 years. It has met its responsibilities as generously as any. It has a public-school system from kindergarten through university; a public-health service second to none: a model system of highways. It pioneered in legislation protecting men and women from the hazards in industry and abolishing child labor. It originated and leads America in vocational education, which is an important factor in the outstanding technical skill of our workers. It led in agricultural research, education, and in establishing high standards of quality and purity, which are factors in Wisconsin's leading position as a dairy State. It pioneered with workmen's compensation, and was the first State to enact and put into operation unemployment insurance. It was the first State government to provide financial aid to help carry the burden of relief, and is among the first to secure approval of its plan for old-age pensions.

I cite these facts, not to prove Wisconsin the best State, but to show that a State that follows the pay-as-you-go policy can at the same time provide generously for the needs of its people. The State of Wisconsin has paid its bills out of each year's income. The State government operates on a cash basis. We have paid our bills and do not owe anyone a dollar of indebtedness.

Progressive Wisconsin is not a new convert to the idea of balancing the budget and paying as we go. We know out of long experience that it is a sound financial policy. But more, we know that it promotes honesty and efficiency, eliminates waste, and compels governments to face facts. Where the taxpayer gets his bill annually for the expenditures of his government he is deeply interested in that government. When it spends a dollar he knows it is his dollar, and he does not want it wasted. He is alert, and insists not only that there shall be no graft, but he insists that there shall be efficiency. He wants his money's worth.

The most effective cure for political pap in all its forms is a pay-as-you-go policy. It is no accident that a State like Wisconsin has perhaps the most efficient public service in America. Aside from thirty-odd administrative officers every employee of the State and its institutions is under civil service. But it does not stop with the State government. When citizens demand good government they demand it up and down. That is why municipal government has been out of partisan politics in Wisconsin for years. That is why our judicial system gives us an administration of justice that makes life and person safer there than in any other place in the United States. These things have come to pass, not because our politicians do not like political patronage. But political pap and good government do not go together. Our voters demand efficient government; and the voters, in this, as in most things, get what they demand.

But America as a whole has not followed this policy. Those governments that have not followed it cannot expect to attain it overnight. They must be prepared to pay the price. That price is willingness to levy and collect the taxes each year to pay that year's bills. Those governments that have piled up debts "cannot have their cake and eat it, too." For years States like Wisconsin have been ridiculed and assailed because we did raise the taxes to pay our bills. We were charged with being radical, unfriendly to business, and driving industry out of the State. It is only natural that we are pleased today when a great leader of American industry says this about Wisconsin:

"Because of its honest government, wise use of taxing powers, and natural advantages, Wisconsin is one of the most attractive States in the Nation for manufacturers. Wisconsin has paid its way as it has gone, and there has been no scandal, graft, or corruption. * * * If Wisconsin continues to use its tax power wisely, it will find itself advantageously situated in comparison with other States."

We who pay as we go face facts. We cannot evade thinking by borrowing. When our State raises a dollar to meet the problems of the depression we have to dig down and bring up a dollar in cash. We cannot issue bonds, or give our note to a banker. We cannot postpone or evade thinking about the problems of unemployment by mortgaging the future to buy groceries and fuel for unemployed.

In order to pay cash, there must be enough income to meet the bills. The Government's income comes from taxpayers. As the depression has eaten into the income of our taxpayers, so it has immediately reduced the revenues of the Government. States like Wisconsin are constantly aware that the only way to improve the State's income is first to improve the income of taxpayers. We cannot deceive ourselves by borrowing. We know today that we have just about reached the bottom of the tax barrel. We cannot go on in the future, as we have in the past, taking more and more out of our citizens' flattened pocketbooks to maintain millions of other human beings and billions of dollars worth of resources in idleness. We cannot borrow, so we are compelled to face the difficult and complex problem of unemployment. If we are to have balanced Government budgets, our people must first have the income to balance their own budgets.

All the wealth we have ever had or ever will have comes from the labor of man applied to our natural resources. We cannot create wealth by printing presses or waving a wand. Wealth comes from work, and poverty from idleness.

Since 1929 America has tolerated enforced idleness for millions of men and women and billions of dollars worth of material resources. This unemployment of human and material resources has cost us over one hundred and fifty billion dollars in lost income. But on top of that, we have had to pay doles out of our decreased income to support this unemployment. We are a rich country, but we are not rich enough to carry the cost of unemployment, either in terms of dollars or in terms of human character. Another way must be found.

The only way out—short of bankruptcy—is putting our resources to work creating greater wealth. How can it be done? The conservative claims these resources will go back to work when governments balance their budgets. "Restore confidence and capital will flow back into productive enterprise and put us all at work."

There is lack of confidence abroad in America. But its source is not loss of the gold standard, nor unbalanced budgets. The real cause is the undermining of confidence of millions of Americans in their own ability to earn their own living. Ten million unemployed—40,000,000 men, women, and children—who for over 6 years have lived in the richest land on earth, only to be told "we will feed you, but we have no work for you to do." That is the cancer that eats at the confidence of the American people. Give back to our people, and particularly to our younger men and women, faith in themselves, in their usefulness to our country, and faith in their own ability to find a place in our life, and you thereby restore their confidence in themselves and in the future of the Nation they inhabit.

We must turn our backs on trying to get rich by having less. We need more, instead of less. The Brookings report demonstrates that we had no overproduction even in 1929. To have supplied the American people with a modest standard of living in that year, we would have had to increase by three times the production of consumable goods. Today the backlog of unsupplied wants is enormous. Supplying the minimum needs, let alone increasing our standard of living, would today swamp every resource we have.

Our great economic objective should be to increase the total production of wealth in America. There is no sound reason why our national income should not be one hundred billions a year in 1937—that means doubling our income of today. But it can come only by all of us going back to work. Not raking leaves or digging ditches, but productive work which when completed leaves something needed and useful. There is more than $100,000,000,000 of that kind of work waiting here in America—a job for every able-bodied person that needs one for years to come.

But equally, if not more important, we must turn our backs on the whole idea of something for nothing. We must return again to the wise and sound policy that America owes no able-bodied person a living, but that we do owe every able-bodied person a real chance to earn his own living. We must provide generously for old-age pensions, and a far broader and more adequately supported system of education for our youth. But for all the rest of us, it must be back to work. Not a penny of public money to support able-bodied persons in idleness, but millions to provide them with useful work. Thus, and thus alone, can we balance our budgets.

How will such a plan be paid for? A year ago I made a business proposition to the taxpayers of Wisconsin. That offer still stands. We are ready to launch a program. First, that will provide every able-bodied person with a chance to earn his own living from useful work at decent wages; second, that will finance the share to be paid by local units of government out of their current income without incurring a dollar of debt; third, that will completely wipe out the whole system of relief; fourth, that will provide an adequate and generous system of old-age pensions; fifth, that will not increase the taxation of our present incomes by a single dollar; sixth, the only tax of which will be based on increased income. If we make the taxpayers more money, they will pay a small slice of the extra money into the common pot to pay for it. It is a pay-as-you-go program—one that will pay for itself from the wealth and business it creates.

Thus you will see that I am convinced that this policy applies to extraordinary, as well as to ordinary expenditures of governments, though naturally the period for balancing an extraordinary expenditure must be longer than for ordinary. To make this policy effective it must be imbedded in the Constitution itself.

The deep underlying principle which supports "pay as you go" is moral responsibility, not responsibility for just dollars and cents but responsibility for the material and spiritual consequences of public policies. A deep sense of moral responsibility makes men formulate policies they believe in sufficiently not only to win with but to go down to defeat for. "Gold is tried in the fire, and acceptable men in the furnace of adversity." It is such men who can say in the face of adversity: "Neither the clamor of the mob nor the voice of power will ever turn me by the breadth of a hair from the course I mark out for myself, guided by such knowledge as I can obtain and controlled and directed by a solemn conviction of right and duty."

ADDRESS BY SECRETARY ICKES ON PUBLIC WORKS PROGRAM

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered last night by Hon. Harold I. Ickes, Secretary of the Interior and Administrator of Public Works, before the Town Hall meeting

at the Shoreham Hotel in this city on Why I Favor a Program of Public Works.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

WHY I FAVOR A PROGRAM OF PUBLIC WORKS

During the years that America was skimming the cream from off its rich natural resources it acquired a happy-go-lucky attitude toward life that has become traditional. We were taught to believe that the morrow would always take care of itself. We should trust entirely in the Lord, or what passed for the Lord in our materialistic minds. If one accumulated a greater share of wealth than a sound social system should permit anyone to have and to hold, what mattered it? It was notorious that in America it was only three generations from shirt sleeves to shirt sleeves and the poorest man under the flag might aspire in his turn to own a private yacht and send the women of his family abroad to buy a face lift of culture and a permanent wave of music and the arts. The rich man was to be looked up to and emulated; the poor man had only himself to blame.

When hard times befell we were not greatly concerned, because there were new lands just beyond to be had for the taking; fresh forests waiting for the woodsman's ax, undiscovered mines to be searched for and developed. But then came the day when it was forced upon the consciousness of even the most unregarding that our physical frontier had vanished into the western horizon; the shock of the discovery that our resources, rich and varied though they were, were not inexhaustible. Nor was this the whole of the depressing prospect. Our inventive genius outran even our incredible industrial expansion. The result was bitter competition for jobs of which there were fewer than composed the army of eager claimants for those jobs. With no new lands to turn over to the fast-growing farm population, to say nothing of the technological unemployed, where was work to be found for the hands, increasing in number every year, that eagerly reached out for work?

One of the gravest and most pressing problems that we face today is that of the standing army of our unemployed. No longer may we trust to luck unless we choose recklessly to laugh in the very face of inevitable disaster. We must find some means of supplying employment for those who are able and willing to work and thus sustain our population on a basis that approximates our supposed American standard of living. We must take an inventory of our national assets and on the foundation of that inventory plan for the future development of our America so as to make the best possible use of all our resources for the greatest good of the people.

I make this suggestion with not a little misgiving, because it has not been the American way. He who ventures to suggest the advisability of planning for the future is taking his very life into his hands. It simply is not done in the best American circles. We must reverse our forefathers and they never planned. When they had devastated one forest, they merely moved on to another. When they had exhausted the fertility of a farm in one section, there was always another farm a little farther on to be had for the taking. As I say, they never planned; they merely exploited. Ergo, we should not plan. Moreover, certain foreign countries have taken to planning and that makes it un-American for us to do likewise. It may be objected also that planning involves the use of our mental processes, and that implies a "brain trust." We have been properly ridiculed for drafting the brains of specialists to help us solve our social and economic problems. That is, too, un-American. Brains should be used not to help Government but to get what they can out of Government!

However, there are certain stark facts that confront us which, whether we relish it or not, are forcing a realistic tempering of the traditional American optimism that every citizen who is willing to work can find employment at a satisfactory job that will yield him and his family a comfortable living, which implies also a standard American education for his children, some modest luxuries, and a reasonable degree of leisure.

With the depletion of our natural resources there has gone hand in hand a sharp curtailment of opportunities for employment on the farms, in the mines, and in the factories. Year after year, due to improved processes, more produce and goods are being turned out with less human labor. The result is what has come to be known as technological unemployment. It has been estimated that in 1929, which was supposed to be the peak year of American prosperity for all time, there were in this country between two and two and a half million men ready and willing to work who could find no work to do. There seems to be no limit to the output of American inventors and technicians. And it is reasonable to suppose that, as time goes on, there will be more and more men unable to find employment for technological reasons.

What do we propose to do for these men? Without even making a strugggle in their behalf, shall we endure the building up in this country of a permanent class to which we shall grudgingly dole out a bare living? Or shall we seriously address ourselves to the problem of creating worthwhile employment for all the men and women of America who want to sustain themselves by their own efforts in the honorable and traditional American manner?

It may not be the only way out, but to my mind, one of the soundest and most statesmanlike undertakings in which we could engage would be a system of useful public works, which, while taking up the slack in employment, at the same time would add to our national assets. Obviously, such a program should not be undertaken unless it could be kept free of politics. The nature, the size, the extent, and the location of the projects should be determined by the best brains the country contains solely on the basis of the facts, unaffected by prejudice, or uninfluenced by those who possess power.

There should be no logrolling in making up the list of projects, no trading for parochial benefits after the manner in which our tariff laws have been written. That ancient and dishonorable institution, the American pork barrel, should be rolled down the precipice of public disapproval to burst its staves beyond repair on the hard rocks of a scientific and objective determination of what undertakings should have priority for the greatest good of the country as a whole. Projects should be built by the Federal Government, either on its own account or on some fair basis of cooperation with States or local communities or other beneficiaries, but wherever Federal money is given or loaned there should be strict Federal supervision to the end that a dollar in value shall be forthcoming for every dollar spent. All projects, insofar as possible, should be self-liquidating.

Personally I favor a program of public works in a time of unemployment, because, both socially and economically, it is much to be preferred to the dole. I hope that never again will America have to resort to direct relief in order to supply its unemployed employables with food and shelter and clothing. The dole is destructive of morale. Insidiously, it weakens the moral fiber, tending to develop a class whose sense of pride and personal integrity is permanently undermined. Not only is direct relief objectionable as a social measure, it is economically unsound. It does not pay for itself, to say nothing of earning a return upon the sums laid out. It merely keeps men and women and children from starving or freezing to death, because we are too humane, for the time being at least, to permit that.

When America decided on direct relief she had no other choice. We knew that we were in a desperate situation economically; that undetermined millions of people were unemployed; that banks were crashing to the right of us and to the left of us, carrying down with them the savings of many a depositor who, given those savings, could have gone along for at least another lap on his own economic power, but we merely sat and talked about our wonderful American initiative and resourcefulness, hoping—oh, so desperately hoping—that the last factory would not close nor the final bank fail before a new administration had come into power which we might hold responsible, in some degree at least, for the catastrophe that had overwhelmed us.

When that new administration did come into power, to its credit be it said that it lost no time in going to the rescue of communities that had exhausted their resources in taking care of their unemployed. We have done our best to see to it that no one went hungry in the United States. The cries of anguish that have gone up in the land have not so much been outbursts caused by the pangs of hunger, as they have been symptoms of economic sciatica which has affected the pocket nerves of the wealthier classes called upon to share their excess riches with those who in more fortunate times had by their labor and services contributed to the accumulation of those riches.

It has always seemed to me that one of the greatest failures in statesmanship in American history was that of not having ready a comprehensive and well-matured plan of useful public works and a determination to put that plan into effect as soon as we could hear the thunder of the depression upon the rocks. Senators WAGNER, LA FOLLETTE, and COSTIGAN, among others, had, I believe, been urging upon the floor of the Senate the formulation and adoption of such a program before and just after the full force of the economic hurricane struck us in the fall of 1929, but the administration in power, through ineptness or failure to grasp the real situation, proved to be unequal to the occasion.

There are sincere people who object that public works cannot stem the tide of such a depression as swept over the country in 1929. They say that England tried the plan and failed, and that we have attempted it only to discover its inadequacy. I express no opinion as to what may or may not have happened in Great Britain, because I have no first-hand knowledge of the facts, but so far as the United States are concerned, I have no hesitation in saying that the public-works theory has not failed here. It has never really been tried. We have dabbled with public works; we have done some wishful thinking about public works, but the principle has never been given a trial on a scale commensurate with our needs and adequate to the situation. Notwithstanding, I believe that our program, tentative though it has been, has more than justified itself.

In June of 1933 the National Industrial Recovery Act appropriated $3,300,000,000 for public works. From the Emergency Appropriation Act of 1934, $396,500,000 more were made available. In the spring of 1935 Congress drew on the Treasury for a further sum of $4,800,000,000, of which $445,047,762 went for public works. In addition to these congressional appropriations we have a revolving fund into which has gone money received from the sale through the Reconstruction Finance Corporation of bonds taken by the Public Works Administration in making loans for local projects. Already we have sold about $302,638,000 worth of such bonds. This money has been available for additional loans on other local projects to create more employment.

I might interject here that we have made a profit for the Government of more than $4,750,000 on the bonds that have been sold thus far. I might say also that the investment bankers who purchased these securities through the Reconstruction Finance Corporation and paid this $4,750,000 profit to the Government could

have bought them at the original price paid by us if they had had a little more of that confidence in the future of America which they insist is so essential to recovery.

It would appear from the foregoing figures that P. W. A. has appropriated and allotted for investment during the past 2½ years a total sum of $4,444,000,000 in round numbers. But this is not quite the true story. While Congress appropriated or made available sums totaling this amount the customary and usual appropriations for permanent improvements for the various departments of the Government were withheld, with the result that it was necessary to give them large allocations out of P. W. A. funds. Then, too, we were called upon to provide for the administrative expenses of many of the emergency agencies that were set up to fight the depression.

The fine C. C. C. program of the President originally was largely financed out of P. W. A. funds, and in the fall of 1933 he drew on us for $400,000,000 for the Civil Works Administration. At the outset $238,000,000 were transferred to the Navy for the shipbuilding program on which it is engaged in order to bring our fleet up to treaty parity. All told, approximately $1,183,000,000 went to C. W. A., C. C. C., T. V. A., the Farm Credit Administration, and other recovery agencies, reducing the total sum available to P. W. A. from $4,444,000,000 to about $3,261,000,000.

Nor is this all. Subsequently it became necessary to impound out of our unappropriated and unobligated balances another $310,000,000 in order to finance the Federal Emergency Relief Administration pending the passage of the Emergency Relief Appropriation Act of 1935. This left us a balance of approximately $2,951,000,000. Through the sale of borrowers' securities and the release of a small portion of impounded funds the net result is a final sum of about $3,000,000,000 for 2½ years, or an average of $1,200,000,000 a year, for the real public-works program.

Of course, a billion dollars a year looks like a good deal of money, but when it is considered in connection with what was customarily spent on the average for new construction in the United States during the years just prior to the depression, it is truly insignificant.

The total volume of construction work in normal times in the United States is not definitely known, but various experts have estimated that in the peak years of the 1920's from eleven to fifteen billions of dollars was the annual outlay. Let us be conservative and call it twelve billions. These twelve billions during the depression fell off to a sum of from three and a half to four billion dollars annually, which means a shrinkage in outlay for construction work of, let us say, $8,000,000,000 a year. Contrast this $8,000,000,000 with the average of $1,200,000,000 spent annually under the public-works program. Or, to tell the story in gross sums, we have $30,000,000,000 spent in 2½ years prior to the depression as against about twelve billions for a like period during the depression.

Am I not right, on the basis of these figures, in suggesting that the public-works theory has never really been tried, and therefore cannot have failed in the United States? Yet some people have expected this sum to pulse through the arteries of trade in the same volume and with the same reinvigorating effect as the eleven to fifteen billions of dollars whose place it has been trying so bravely to fill. It was like sending out a tugboat to capture the Atlantic fleet. Instead of siphoning enough money into the channels of trade through the construction of substantial public works to do a recovery job we have been using an eye dropper. And the resulting drop in the eye to the undiscriminating has seemed to be as big as a house.

I anticipate that through the minds of some of you there may be running the thought that conveniently I am ignoring the large sum of money allocated for the work-relief program under the act of 1935. I have not overlooked this important factor. I will even admit that some of this money has gone for public works, but, generally speaking, only a small part of it has been spent for public works of the type that I have in mind. About $928,000,000 of the $4,800,000,000 appropriated in 1935 were allocated for direct relief, while more than $1,000,000,000 of this sum have been, or are being, spent on projects which are fully justified although they may not come within the classification of public works under discussion. The allocation of every cent of this money was proper and in the public interest. It represents a necessary and justified investment in character and morale.

As I have already said, if the Nation should determine upon a policy of public works in times of unemployment, it should plan ahead. Careful advance planning and the maintenance of a skeleton organization that can be expanded to meet any need will mean that if, unhappily, we are called upon to endure another depression, the idling engine can be thrown into high gear instantly. Delays that were unavoidable because of lack of preparedness when the present program was undertaken in 1933 need not impede the speedy undertaking and carrying out of public-works programs in the future. We must not repeat the experience of 1933, when, without a single plan, mature or immature, and without an organization, the national administration was suddenly called upon to undertake a program of public works practically overnight.

Considering the difficulties that confronted us, we are entitled to feel proud of the record that we have made. So far, disbursements under the first program total approximately $1,900,000,000, and it is estimated that some 3,400,000 man-years of direct and indirect employment have been created. It is to be remembered that these figures do not include the money spent and the vast amount of work created under the programs of C. C. C., C. W. A., and T. V. A.

Practically all of the 15,000 Federal projects included in the first public-works program have been completed. Large projects such as the Columbia River Basin development, Casper-Alcova, and Fort Peck Dam remain on the dwindling list of uncompleted undertakings. Considerably more than half of the 4,000 non-Federal projects undertaken under this same program have been completed and are in use. The $200,000,000 worth of railroad rehabilitation and equipment construction is 95 percent finished.

The remaining projects under the first program are being pushed to completion rapidly as our new program, including 4,166 non-Federal projects and 37 additional slum-clearance and low-rent housing projects, is getting quickly under way. With respect to 4,149 of the new non-Federal projects and the 37 housing undertakings, construction contracts had been let on January 16 last, or they were being advertised for bids. These call for an expenditure of approximately $849,000,000.

Although our current program is somewhat smaller than the first, it will, nevertheless, result in over three-quarters of a billion dollars worth of construction.

I am confident that any fair-minded and impartial critic, after studying the record, would say that the public-works job of this administration has not only been well and honestly done but that, considering all the circumstances, it has been expeditiously carried out.

I say this, conscious though I am of certain hypercritical editorial writers, many of whom have never built a chicken coop, who have pounded out on their typewriters sage and informed opinions of the shortcomings of the Public Works Administration. I reflect also that politicians out of office and eager to get back in have joined in a loud chorus of "red tape" without going to the trouble to discover how little they knew about what was going on. Then there have been the critical chiselers, the grafters, and the corner-cutters who resented the loss of opportunities for illicit profits that are implicit in "haste makes waste" operations.

I conceived it to be one of my principal duties as Public Works Administrator to perform the tasks assigned to me in such a manner as to convince the people of the country that Government is able to build a great series of public works covering practically every county in the United States, not only in a workmanlike manner but substantially free from scandal. The result has been that communities that had come to regard corruption and graft and chiseling as inseparable from public construction have learned that such work can be as honestly and economically done by the public as by any prudent businessman. If we are to adopt the principle of public works during depression periods as a fixed policy of government, it was well worth proving, as we have done, that the taxpayers' money that goes into public works can be economically and honestly spent.

One of the most significant outgrowths of our present public-works program has been the institution by the President of what in effect is a national planning board. The name of this valuable instrumentality is the National Resources Committee. The heart and nerve center of that committee is an advisory board, of which that able, devoted, and distinguished citizen of Washington, Mr. Frederic A. Delano, is chairman. Another member is Dr. Charles E. Merriam, of the University of Chicago, and until he resigned recently, Dr. Wesley C. Mitchell, of Columbia University. Two new members are Messrs. Beardsley Ruml and Henry S. Dennison. Mr. Charles W. Eliot, 2d, has served as executive officer of this board.

I know of no agency of Government that has done more effective and outstanding work than this advisory board—and all without any blaring of trumpets. Under its leadership, there have been set up in every State except two, as well as in Alaska, planning committees that are working in close cooperation with the national committee. The result is that if and when there shall be occasion in the future for undertaking a public-works program, at least a comprehensive and carefully considered general national plan will be ready. I go so far as to express the hope that henceforth no public work will be undertaken anywhere by the Federal Government until it has been approved by this national planning body, not only as to necessity and social importance, but as to priority. The days of the discredited pork barrel in the United States ought to be at an end forever.

According to the economists, the reason for, or the immediate result of, an economic depression is the stagnation of money in the circulatory system of commerce. Money is to trade and industry what blood is to the human body. An economic embolism means an immobile patient under the care of doctors and nurses. In order to cure the patient it is necessary to absorb the embolism and restore that normal and healthy circulation, without which business will continue to lie flat on its back.

Although recognizing this principle in the abstract, some timid statesmen and economists nevertheless insist that the Nation must not help to restore circulation, at least to the point of transfusing health-giving currency and credit from its own sounder body. Their reasoning seems to run along this line: Business must be stimulated; only the circulation of money can stimulate business; banks and private individuals possessing funds refuse to make use of them; the Government alone has both the money and the will to stimulate business; therefore the Government must not spend any money for this purpose, but, on the contrary, must keep at all times strictly within its budget.

One of the outstanding defenders of this illogical theory has been Mr. Lewis W. Douglas, former Director of the Budget, for whom I have a very genuine respect and personal regard. In his official capacity he did all he could to oppose the public-works program; and about a year ago, in a speech before the Wharton School of Finance and Commerce of the University of Pennsylvania, he said: "The huge obligations entered into on account of

public works, even if no further appropriations for public works are made, will continue for many years to constitute tremendous drains on the Federal Treasury."

Imagine a board of directors of a great corporation declaiming against the expenditure of money for the building of a badly needed fabrication plant because the obligation, if entered into, "would constitute a tremendous drain upon the resources of its treasury." This is not merely laissez faire; it is economic sclerosis. Needed or useful capital expenditures constitute assets and not liabilities. And at what better time can capital be invested in permanent improvements than in a period of depression, when it is comparatively cheap to build and when the employment of men will contribute to economic recovery?

If an investment in a permanent improvement constitutes an economic burden, then no addition to plant equipment in private ownership would ever be justified. As a matter of fact, the pursuit of this doctrine to its logical conclusion would inhibit not only additions to the plant but the initial building of the plant itself. It would mean that a man should not deposit money in a bank because the banker might lend it to an industrialist to increase the operating capacity of his factory. The only sound course to pursue would be to tie it up in the traditional sock and hide it under the mattress.

Many billions of dollars could properly be spent in the United States on permanent improvements that would add to our assets. Such spending would not only help us over depression periods, it would do much for the health, well-being, and prosperity of the people. I am unable to believe that providing an adequate water supply for a municipality or putting in a sewerage system is a wasteful outlay of money. Money spent in such fashion as to make our people healthier and happier human beings is not only a good social investment, it is sound from a strictly financial point of view. I can think of no better outlay, for instance, than money invested in education and health. In our first program, more than 24 percent of the 4,000 non-Federal projects were educational buildings, while in our present program the percentage is in excess of 50. Had it not been for public works, school construction in this country, already far below normal requirements, would indeed be in a sorry state today. Sound and well-trained minds in sound bodies would add more to the actual prosperity of this country, measured purely in money values, than anything else I can think of at the moment.

If we admit the theory that during a time of depression it is necessary to keep money pulsing in order to bring about a return of prosperity; and if the situation is such that, as has been the case during the last few years, only public monies, whether National, State, or local, are available to supply the circulation without which health cannot be restored to our economic system, then I submit that there is no choice except for the people en masse to do what individuals cannot or will not do. They must invest in the future of America. If America has the economic resiliency that we believe it to have, there is little risk in such adventuring, provided that we are reasonably prudent.

And if public moneys are to be put into circulation, always, of course, within the bounds of reason, I am convinced that the soundest, safest, and most beneficial manner in which this can be done is through a Nation-wide building program. There are several arguments that can be made for public work which, as it seems to me, are conclusive for this type of project, on the assumption that the Nation should undertake at all to join issue with a depression by directly stimulating employment.

In the first place, well-planned and built and worth-while public works constitute valuable assets. Directly or indirectly, they will yield a return to the community. In a very real sense, they will be self-liquidating. Even in those cases where they do not make an equivalent return in actual dollars and cents, such projects as waterworks, sewerage systems, schoolhouses, hospitals, and others that could be enumerated, do pay out handsomely, even if indirectly, through the beneficial services that they render.

Another advantage of the types of public works that are under discussion is the widespread stimulation to employment that they give. The value to the Nation of a project cannot be measured alone in terms of the actual employment at the site. The most ephemeral type of project may, while it is in progress, employ at the site a large number of men as compared with, let us say, a bridge or a schoolhouse. However, the aggregate of those employed, directly and indirectly, in building a bridge or a schoolhouse may be as large as, or larger than, the number put to work on a temporary project. It is the indirect employment which is one of the chief values of and justifications for substantial public works, as compared with unsubstantial construction. And the product is a permanent addition to the real wealth of the Nation.

Take the Pennsylvania Railroad project, for instance. Here was a straight loan to the Pennsylvania Railroad of approximately $70,000,000 at 4 percent (be it noted in passing that the major portion of the securities taken by the Government for this loan was subsequently sold by us at a profit of more than $2,000,000). This project consisted of finishing the electrification of the line from New York to Washington and of certain other portions of the road, of building new electric locomotives and freight cars, of changing old locomotives from passenger to freight, and of relining the old Union Tunnel in Baltimore. The project was completed in about 22 months. The direct employment numbered 15,000 men. The indirect employment probably ran to at least 30,000 men. The total employment, both direct and indirect, was scattered among 15 States.

Steel had to be fabricated, stone had to be quarried, concrete had to be manufactured, cars had to be built, trees had to be made into lumber, copper had to be melted into transmission lines, electric locomotives had to be built, and all of these materials and the final products into which they were transformed had to be transported from points of origin to final destinations.

A similar story could be told of every project of a substantial character that is built. The benefits percolate into many communities in widely separated States. We think of the great Boulder Dam as local to Nevada, yet many millions of the money that have gone into the construction of that record-breaking project have been expended in States lying east of the Mississippi River.

Another fortunate result flowing from a public-works program is the stimulation that it affords to the producers' goods industries. If, as economists seem to agree, the measure of the success in overcoming a depression is the measure of the quantity of producers' goods that are manufactured, then it stands to reason that whatever has the effect of stimulating the heavy-goods industries will, more quickly than anything else, bring us out of a depression. It is a well-known fact that the greatest stimulation that can be afforded to the heavy-goods industries results from the construction of projects calling for materials for the production of which those industries must be drawn upon or for machinery and tools required to produce those materials.

A public-works program has all of the attributes required to stimulate business and industry and thus make a frontal attack upon a depression. It also has social qualities of a high order. It puts money into circulation; it creates permanent and valuable assets in return for the money expended; it has a tonic effect upon the production of producers' goods; it gives men employment at worth-while jobs; it increases Federal revenues. In addition to providing work directly at the site, it calls back to factory and quarry and railroad still other men to produce and transport the materials that are used at the site. Its benefits are widely diffused. I submit that there is nothing else that can be undertaken by the Government that is so well calculated to put an end to a depression as is a carefully planned and executed program of public works. But enough money must be spent to give a real stimulation.

There is hardly any limit to the amount of money that can legitimately and wisely be spent on public works in this country over a series of years. I will not pause to dwell on the need in every part of the land for schools, for sewerage systems, for new or improved waterworks, for power plants, or for public construction of other sorts. But if I may, I will refer briefly to certain types of monumental public works that can be done on a national scale.

Three magnificent superhighways could be built from the Atlantic seaboard to the Pacific coast unmarred by billboards, hotdog stands, or indiscriminately located service stations. These longitudinal highways could be bisected by three or four similar ones running from Canada to the Mexican border, or to the Gulf coast. The westernmost of these North-South highways, with the consent of and in cooperation with our neighbor, Canada, could extend into Alaska. And, strange at it may seem, the best opinion is that this road would be open to travel for the greater part of the year. Similarly, one or two of these highways, if Mexico and our other neighbors farther south were willing, could stretch across Mexico and the countries of Central America down to the Canal Zone.

And why not consider lighting our highways? This would permit safe hauling of heavy freight at night and provide less dangerous traffic conditions in the winter months when the days are short.

I have long desired to see the elimination of every grade crossing in the United States, excepting only those on insignificant spur and branch lines that are scarcely ever used. Here indeed is an enterprise to engage the interest of the richest nation in the world. In these days of heavy motor traffic on many thousands of miles of improved roads radiating into every nook and corner of the United States, the question of grade crossings is one of grave public concern; all the more so since our railroads, in order to meet the competition of airplanes and motor trucks and busses, are putting on lighter and faster trains.

It stands to reason that, as motor vehicular traffic increases and additional light and fast trains are put into service by the railroads, our grade crossings will become sources of even greater danger than they are at present. Our casualty list grows longer every year until it has become a matter of major importance. Nor should grade-crossing elimination be restricted to junctures between highways and railroads. In many parts of the United States where vehicular traffic is unusually heavy there should be grade separation at highway crossings. Not only would there be a precious saving in human life flowing from a separation of grade crossings, there would be a notable resulting economy in dollars and cents, to say nothing of the saving in time.

There are other great projects to be undertaken. The United States, in cooperation with local authorities, could enter upon a program for the correction of stream, lake, and coastal waters pollution. What a wonderful thing it would be if once again our streams were so pure that fish could live in all of them, that our children could swim without danger of contracting loathsome diseases, and that a dependable supply of uncontaminated water for domestic uses would be available. We could renew our forests more rapidly than we have done so far. Hundreds of millions of dollars are required for erosion correction and control. What remains of the public range requires careful attention if we are to maintain flocks and herds to supply our needs. (Of course, if our natural resources had been wisely and prudently used, it would not be necessary for us now and in the future to tax ourselves until it hurts in order to repair the ravages that are the direct

result of uncontrolled and ruthless exploitation by selfish and greedy men). Large sums of money could profitably be spent on flood control and on river and harbor improvement. Not the pork-barrel type of project but improvements that are needed and which will yield returns to the country in the future, both social and economic.

In the arid West there are still waters running to waste that can be impounded and used for the irrigation of immensely rich soil that is capable of furnishing homesteads for hundreds of thousands of happy and prosperous American families. That it will be necessary, in support of a sound national economy, sooner or later, to irrigate every acre of land in the United States which, if put under water, will yield profitable crops to the farmers, is not to be doubted. The fact that it is expedient now to restrict farm production is, in my judgment, only a temporary measure forced upon us as the result of past economic imprudences. If we are going to raise our standard of living—and that is something that we must and will do if we are to realize the ideal of America—we will need more food and not less food; more clothing and not less clothing; more shelter and not less shelter. This will mean that the land will be called upon to produce whatever it is able to produce to advantage, and this in its turn will mean more irrigation projects, especially in the great West.

When we consider irrigation we naturally think also of hydroelectric power. Great national projects for the production and distribution of power are something to which the Government can turn its hand in the future for the benefit of the people. Other Boulder Dams remain to be built. The many-sided Tennessee Valley experiment can be reproduced in varying degrees and on different scales in widely separated parts of the country.

Transcending in importance even great transcontinental highways or reclamation projects, or in fact any of the types of public works already referred to, would be a program of low-cost housing undertaken in all parts of the country. I can think of nothing in the way of building that would be so fully worthwhile or which would have such a quick regenerating effect upon stagnating business. I have been, and continue to be, more interested in low-cost housing than in any other phase of public works. It might be said that the nature and the extent of the housing that America provides for those in the lowest-income groups is the real measure of our civilization. We talk about building power projects here and there as yardsticks with which to measure the reasonableness of the charges of private plants. In a true sense, the insanitary, disease-breeding, vice-ridden, and fetid slum areas that can be found in every part of the United States is a measuring rod, and a shocking one at that, of man's inhumanity to man in a supposedly civilized and humanitarian country. For my part I would not take it amiss, if, during the next depression, every cent of the large public-works funds that we ought to appropriate should go into decent houses for those in the lowest-income groups. I am confident that such an investment would prove, from every point of view, to be the soundest that as a people we have ever made.

In fact, as I have indicated, there is practically no limit to the worth-while physical improvements that can be made in this country. But I want to repeat that any program of public works should be carefully planned in advance. It should be free from politics. It should be grounded firmly upon the principle of the greatest good to the greatest number of the people. I hope that we will never go through another depression, especially such a one as that from which, as I trust, we are now emerging. But there have been depressions, many of them, in the past, and there may be others in the future, to bring us to our knees for our economic sins.

My own belief is that if we return to the old happy-go-lucky system of laissez faire we may expect other depressions that will be our just due. But we may at least hope that there is wise enough statesmanship and sufficient general intelligence in this country to profit by the experience of the recent past so that we will be prepared to meet them wisely and with courage. And in my opinion, we will not meet them wisely unless we have fully prepared our blueprints for a comprehensive and far-flung program of useful public works. Nor will we meet them with courage unless we are prepared to spend sums of money adequate to the need. We may not always be able to prevent fires, but at least we can keep them from spreading if we have trained and experienced firemen, up-to-date equipment, and a ready and sufficient supply of water.

ELECTRIC RATES IN WEST VIRGINIA

Mr. HOLT. Mr. President, I present certain data relative to electric rates in West Virginia, which I ask may be published in the RECORD.

There being no objection, the paper was ordered to be printed, as follows:

ELECTRIC RATES IN WEST VIRGINIA

WEST VIRGINIA

Estimated annual revenue, $19,733,946. Estimated annual saving under T. V. A. rates, $6,955,093. Estimated annual saving under Tacoma rates, $8,272,874. Estimated annual saving under Ontario rates, $8,805,681.

BARBOUR COUNTY

Estimated annual revenue, $217,073. Estimated annual saving under T. V. A. rates, $76,517. Estimated annual saving under Tacoma rates, $91,002. Estimated annual saving under Ontario rates, $96,862.

BERKELEY COUNTY

Estimated annual revenue, $315,743. Estimated annual saving under T. V. A. rates, $111,298. Estimated annual saving under Tacoma rates, $132,366. Estimated annual saving under Ontario rates, $140,891.

BOONE COUNTY

Estimated annual revenue, $276,275. Estimated annual saving under T. V. A. rates, $97,385. Estimated annual saving under Tacoma rates, $115,820. Estimated annual saving under Ontario rates, $123,280.

BRAXTON COUNTY

Estimated annual revenue, $256,541. Estimated annual saving under T. V. A. rates, $90,429. Estimated annual saving under Tacoma rates, $107,547. Estimated annual saving under Ontario rates, $114,474.

BROOKE COUNTY

Estimated annual revenue, $276,275. Estimated annual saving under T. V. A. rates, $97,385. Estimated annual saving under Tacoma rates, $115,820. Estimated annual saving under Ontario rates, $123,280.

CABELL COUNTY

Estimated annual revenue, $1,045,899. Estimated annual saving under T. V. A. rates, $368,673. Estimated annual saving under Tacoma rates, $438,462. Estimated annual saving under Ontario rates, $466,701.

CALHOUN COUNTY

Estimated annual revenue, $118,404. Estimated annual saving under T. V. A. rates, $41,737. Estimated annual saving under Tacoma rates, $49,637. Estimated annual saving under Ontario rates, $52,834.

CLAY COUNTY

Estimated annual revenue, $157,872. Estimated annual saving under T. V. A. rates, $55,649. Estimated annual saving under Tacoma rates, $66,183. Estimated annual saving under Ontario rates, $70,445.

DODDRIDGE COUNTY

Estimated annual revenue, $118,404. Estimated annual saving under T. V. A. rates, $41,737. Estimated annual saving under Tacoma rates, $49,637. Estimated annual saving under Ontario rates, $52,834.

FAYETTE COUNTY

Estimated annual revenue, $828,826. Estimated annual saving under T. V. A. rates, $292,156. Estimated annual saving under Tacoma rates, $347,461. Estimated annual saving under Ontario rates, $369,839.

GILMER COUNTY

Estimated annual revenue, $118,404. Estimated annual saving under T. V. A. rates, $41,737. Estimated annual saving under Tacoma rates, $49,637. Estimated annual saving under Ontario rates, $52,834.

GRANT COUNTY

Estimated annual revenue, $98,610. Estimated annual saving under T. V. A. rates, $34,780. Estimated annual saving under Tacoma rates, $41,364. Estimated annual saving under Ontario rates, $44,028.

GREENBRIER COUNTY

Estimated annual revenue, $414,413. Estimated annual saving under T. V. A. rates, $146,078. Estimated annual saving under Tacoma rates, $173,730. Estimated annual saving under Ontario rates, $184,919.

HAMPSHIRE COUNTY

Estimated annual revenue, $138,138. Estimated annual saving under T. V. A. rates, $48,693. Estimated annual saving under Tacoma rates, $57,910. Estimated annual saving under Ontario rates, $61,640.

HANCOCK COUNTY

Estimated annual revenue, $315,743. Estimated annual saving under T. V. A. rates, $111,298. Estimated annual saving under Tacoma rates, $132,366. Estimated annual saving under Ontario rates, $140,891.

HARDY COUNTY

Estimated annual revenue, $118,404. Estimated annual saving under T. V. A. rates, $41,737. Estimated annual saving under Tacoma rates, $49,637. Estimated annual saving under Ontario rates, $52,834.

HARRISON COUNTY

Estimated annual revenue, $888,028. Estimated annual saving under T. V. A. rates, $313,024. Estimated annual saving under Tacoma rates, $372,279. Estimated annual saving under Ontario rates, $396,256.

JACKSON COUNTY

Estimated annual revenue, $177,606. Estimated annual saving under T. V. A. rates, $62,605. Estimated annual saving under Tacoma rates, $74,456. Estimated annual saving under Ontario rates, $79,251.

JEFFERSON COUNTY

Estimated annual revenue, $177,606. Estimated annual saving under T. V. A. rates, $62,605. Estimated annual saving under Tacoma rates, $74,456. Estimated annual saving under Ontario rates, $79,251.





KANAWHA COUNTY

Estimated annual revenue, $1,795,789. Estimated annual saving under T. V. A. rates, $633,004. Estimated annual saving under Tacoma rates, $752,832. Estimated annual saving under Ontario rates, $801,317.

LEWIS COUNTY

Estimated annual revenue, $256,541. Estimated annual saving under T. V. A. rates, $90,429. Estimated annual saving under Tacoma rates, $107,547. Estimated annual saving under Ontario rates, $114,474.

LINCOLN COUNTY

Estimated annual revenue, $217,073. Estimated annual saving under T. V. A. rates, $76,517. Estimated annual savings under Tacoma rates, $91,002. Estimated annual saving under Ontario rates, $96,862.

LOGAN COUNTY

Estimated annual revenue, $670,954. Estimated annual saving under T. V. A. rates, $236,507. Estimated annual saving under Tacoma rates, $281,278. Estimated annual saving under Ontario rates, $299,393.

M'DOWELL COUNTY

Estimated annual revenue, $1,026,165. Estimated annual saving under T. V. A. rates, $361,717. Estimated annual saving under Tacoma rates, $430,189. Estimated annual saving under Ontario rates, $457,895.

MARION COUNTY

Estimated annual revenue, $769,624. Estimated annual saving under T. V. A. rates, $271,288. Estimated annual saving under Tacoma rates, $322,642. Estimated annual saving under Ontario rates, $343,422.

MARSHALL COUNTY

Estimated annual revenue, $453,881. Estimated annual saving under T. V. A. rates, $159,990. Estimated annual saving under Tacoma rates, $190,276. Estimated annual saving under Ontario rates, $202,531.

MASON COUNTY

Estimated annual revenue, $236,807. Estimated annual saving under T. V. A. rates, $83,473. Estimated annual saving under Tacoma rates, $99,275. Estimated annual saving under Ontario rates, $105,668.

MERCER COUNTY

Estimated annual revenue, $690,688. Estimated annual saving under T. V. A. rates, $243,463. Estimated annual saving under Tacoma rates, $289,551. Estimated annual saving under Ontario rates, $308,199.

MINERAL COUNTY

Estimated annual revenue, $236,807. Estimated annual saving under T. V. A. rates, $83,473. Estimated annual saving under Tacoma rates, $99,275. Estimated annual saving under Ontario rates, $105,668.

MINGO COUNTY

Estimated annual revenue, $434,147. Estimated annual saving under T. V. A. rates, $153,034. Estimated annual saving under Tacoma rates, $182,003. Estimated annual saving under Ontario rates, $193,725.

MONONGALIA COUNTY

Estimated annual revenue, $572,284. Estimated annual saving under T. V. A. rates, $201,727. Estimated annual saving under Tacoma rates, $239,913. Estimated annual saving under Ontario rates, $255,365.

MONROE COUNTY

Estimated annual revenue, $138,138. Estimated annual saving under T. V. A. rates, $48,693. Estimated annual saving under Tacoma rates, $57,910. Estimated annual saving under Ontario rates, $61,640.

MORGAN COUNTY

Estimated annual revenue, $98,670. Estimated annual saving under T. V. A. rates, $34,780. Estimated annual saving under Tacoma rates, $41,364. Estimated annual saving under Ontario rates, $44,028.

NICHOLAS COUNTY

Estimated annual revenue, $236,807. Estimated annual saving under T. V. A. rates, $83,473. Estimated annual saving under Tacoma rates, $99,275. Estimated annual saving under Ontario rates, $105,668.

OHIO COUNTY

Estimated annual revenue, $828,826. Estimated annual saving under T. V. A. rates, $292,156. Estimated annual saving under Tacoma rates, $347,461. Estimated annual saving under Ontario rates, $369,839.

PENDLETON COUNTY

Estimated annual revenue, $118,404. Estimated annual saving under T. V. A. rates, $41,736. Estimated annual saving under Tacoma rates, $49,637. Estimated annual saving under Ontario rates, $52,834.

PLEASANTS COUNTY

Estimated annual revenue, $78,936. Estimated annual saving under T. V. A. rates, $27,824. Estimated annual saving under Tacoma rates, $33,092. Estimated annual saving under Ontario rates, $35,223.

POCAHONTAS COUNTY

Estimated annual revenue, $157,872. Estimated annual saving under T. V. A. rates, $55,649. Estimated annual saving under Tacoma rates, $66,183. Estimated annual saving under Ontario rates, $70,445.

PRESTON COUNTY

Estimated annual revenue, $335,477. Estimated annual saving under T. V. A. rates, $118,254. Estimated annual saving under Tacoma rates, $140,639. Estimated annual saving under Ontario rates, $149,697.

PUTNAM COUNTY

Estimated annual revenue, $197,339. Estimated annual saving under T. V. A. rates, $69,561. Estimated annual saving under Tacoma rates, $82,729. Estimated annual saving under Ontario rates, $88,057.

RALEIGH COUNTY

Estimated annual revenue, $769,624. Estimated annual saving under T. V. A. rates, $271,288. Estimated annual saving under Tacoma rates, $322,642. Estimated annual saving under Ontario rates, $343,422.

RANDOLPH COUNTY

Estimated annual revenue, $276,275. Estimated annual saving under T. V. A. rates, $97,385. Estimated annual saving under Tacoma rates, $115,820. Estimated annual saving under Ontario rates, $123,260.

RITCHIE COUNTY

Estimated annual revenue, $177,606. Estimated annual saving under T. V. A. rates, $62,605. Estimated annual saving under Tacoma rates, $74,456. Estimated annual saving under Ontario rates, $79,251.

ROANE COUNTY

Estimated annual revenue, $217,073. Estimated annual saving under T. V. A. rates, $76,517. Estimated annual saving under Tacoma rates, $91,002. Estimated annual saving under Ontario rates, $96,862.

SUMMERS COUNTY

Estimated annual revenue, $236,807. Estimated annual saving under T. V. A. rates, $83,473. Estimated annual saving under Tacoma rates, $99,275. Estimated annual saving under Ontario rates, $105,668.

TAYLOR COUNTY

Estimated annual revenue, $217,073. Estimated annual saving under T. V. A. rates, $76,517. Estimated annual saving under Tacoma rates, $91,002. Estimated annual saving under Ontario rates, $96,862.

TUCKER COUNTY

Estimated annual revenue, $157,872. Estimated annual saving under T. V. A. rates, $55,649. Estimated annual saving under Tacoma rates, $66,183. Estimated annual saving under Ontario rates, $70,445.

TYLER COUNTY

Estimated annual revenue, $138,138. Estimated annual saving under T. V. A. rates, $48,693. Estimated annual saving under Tacoma rates, $57,910. Estimated annual saving under Ontario, rates, $61,640.

UPSHUR COUNTY

Estimated annual revenue, $197,339. Estimated annual saving under T. V A. rates, $69,561. Estimated annual saving under Tacoma rates, $82,729. Estimated annual saving under Ontario rates, $88,057.

WAYNE COUNTY

Estimated annual revenue, $355,211. Estimated annual saving under T. V. A. rates, $125,210. Estimated annual saving under Tacoma rates, $148,912. Estimated annual saving under Ontario rates, $158,502.

WEBSTER COUNTY

Estimated annual revenue, $157,871. Estimated annual saving under T. V. A. rates, $55,649. Estimated annual saving under Tacoma rates, $66,183. Estimated annual saving under Ontario rates, $70,445.

WETZEL COUNTY

Estimated annual revenue, $256,541. Estimated annual saving under T. V. A. rates, $90,429. Estimated annual saving under Tacoma rates, $107,547. Estimated annual saving under Ontario rates, $114,474.

WIRT COUNTY

Estimated annual revenue, $78,936. Estimated annual saving under T. V. A. rates, $27,824. Estimated annual saving under Tacoma rates, $33,091. Estimated annual saving under Ontario rates, $35,223.

WOOD COUNTY

Estimated annual revenue, $651,220. Estimated annual saving under T. V. A. rates, $229,551. Estimated annual saving under Tacoma rates, $273,005. Estimated annual saving under Ontario rates, $290,588.

WYOMING COUNTY

Estimated annual revenue, $236,807. Estimated annual saving under T. V. A. rates, $83,473. Estimated annual saving under Tacoma rates, $99,275. Estimated annual saving under Ontario rates, $105,668.

SOIL EROSION AND ITS CONTROL IN THE UNITED STATES

Mr. HAYDEN. Mr. President, I ask to have printed in the CONGRESSIONAL RECORD an address entitled "Soil Erosion and Its Control in the United States", delivered by Dr. Walter C. Lowdermilk, associate chief of the Soil Conservation Service, at the Third International Congress of Soil Science in London, England, on August 7, 1935.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Soil wastage from accelerated erosion has been heralded in a dramatic way by unprecedented dust storms in the United States during the spring months of the past 2 years. Gigantic clouds of dust have been blown aloft out of the Great Plains region, blotting out the sun at midday, and, as an ominous yellow pall, have swept eastward over a front of hundreds of miles up to 10,000 feet in height. For the first time in history dust clouds blown out of the farm fields of western Kansas, Texas, Colorado, Oklahoma, and Nebraska have repeatedly cast a yellow gloom over cities of the Atlantic seacoast. The dust cloud of May 11, 1934, was observed 300 miles offshore in the Atlantic. Choking dust storms arising from wind erosion of unprotected soils of the Great Plains paralyzed traffic, interrupted train service, made life intolerable, even to taking toll of human lives caused by "dust pneumonia." Newspapers carried startling accounts of the necessity of burning street lights during the day, of the blocking of roads with drifted soil, and of blowing soil out of fields down to plow depth. These repeated dust storms on such a gigantic and fearsome scale have been effective as never before in calling the attention of the American people to the problems of soil wastage in erosion by wind and by water.

The wastage of the basic and indispensable resource of the country—the soil—has become one of the most important problems confronting the Nation. Within a short period of 300 years the agricultural and plains grazing lands have been transformed from their pristine fertility to a state of progressive and menacing depletion as a result of accelerated and unrestrained soil erosion. The economic and social aspects of this tragic transformation have been tremendous. The acceleration of erosion in the East and in the South, in the North and in the West, has exacted an enormous cost to the Nation, as measured by soil depreciation and reduced crop yields alone; and has carried with it consequences of first importance to the permanence of investments in billions of dollars in river navigation, water power, municipal water-supply reservoirs, irrigation, agriculture, and grazing. Accelerated erosion has combined with and speeded up runoff of surface water from bared and cultivated slopes to accentuate flood peaks and to augment the cutting and transporting power of stream flow. Equally significant has been the transformation of fertile soils by the sorting action of flood flows into sterile overwash sands on alluvial bottom lands and into troublesome sediments in stream channels and reservoirs.

It is my purpose in this paper to examine in a broad way the problem of soil erosion or man-induced erosion and its control in the United States. The subject falls naturally into three parts: first, a review of the condition of the Americas when the English colonists cleared their first corn fields; second, the present condition of the land after three centuries of agricultural exploitation; and, third, measures that are being taken to meet the menace and challenge of soil erosion to the people of the United States.

I

By one of the most remarkable facts of history the North American Continent, as well as South America, was isolated from the Old World during the long and tedious rise of its civilizations and was preserved in pristine beauty and fecundity, in waiting for the establishment of new nations and a new civilization.

The structure of the North American Continent was vast, extending 3,000 miles from east to west, and from the frozen wastes of the Arctic to the luxurious forests of the Tropics. More than a third of the land comprised the great central valley of the Mississippi River, which Adams calls the most spacious habitation for human life to be found in the world. Of the area confined within the limits of the United States embracing nearly 2,000,000,000 acres, nearly one-half, or 830,000,000 acres were covered with primeval forests of great density. A squirrel might have leaped from bough to bough for a distance of a thousand miles and have seen scarcely a flicker of sunshine on the ground, so contiguous were the tree crowns and dense the foliage. The giant Sequoia trees of the Pacific coast, some with 4,000 annual rings, are the oldest living things in the world. Great mountain ranges flanked the valleys and rose in lofty peaks to the zone of perennial snows.

Nearly a third of the land area was occupied by broad expanses of grasslands, across which roamed great herds of buffalo and antelope and furnished the red men with happy hunting grounds prior to the white man's arrival. Absolute desert spread over only 2.5 percent of the area. The remainder of the land 405,000,000 acres, was occupied by open woodland, mountain waste, and water surface. Buried deep under the soils were fabulous riches of coal and iron, silver and gold, copper and oil. And a half-billion acres of virgin soils plenteous in the accumulated fertility of centuries were awaiting the plow. The few small clearings and irrigated patches cultivated to the hitherto-unknown crops of maize, tobacco, and sweetpotatoes were little indication of the potentialities of the land in huge crop production.

To the English colonists three centuries ago this was the land of promise; its resources exceeded the fondest dreams of an immigrant people. Except in an insignificant way the aborigines of North America had done little to cultivate the soil or to change the primeval character of vast expanses of the land surface and its vegetation. The coverage of vegetation and the soils protected by it were natural responses to long processes of interdependent soil and plant development under favorable climates. The streams, abundant in fish, bore oceanward the residue of precipitation waters that flowed gently from drainages of unbroken stands of vegetation. Such streams ran clear except in floods, when channel and bank erosion furnished the major burden of silt. Channel cutting and bank erosion generated soil creep down vegetated slopes and, supplemented by solution, served to sculpture and wear down the land with the leisure of geologic processes.

Where, however, comparatively rapid differential land uplift had occurred or within climatic zones too rigorous or too arid to support a complete coverage of vegetation, storm waters swept from unprotected surfaces substantial quantities of erosional debris into drainage streams. Processes of erosion proceeded in these instances at more rapid rates than elsewhere throughout the land. Streams such as the Missouri and the Colorado ran muddy throughout most of the year. The vast extent of soils suited to agriculture, however, had with few exceptions been built up under unbroken mantles of forest, woodland, or grass vegetation.

In the broad expanses of the country, from semitropical to boreal climates, from humid to arid zones, there spread before the eager colonists and settlers an infinite variety of rich promises and rewards for their efforts. By far the larger area was completely covered with vegetation ranging from grasses to dense forests. Such coverage had in the long period of interdependence of soil formation and plant succession protected the land surface from rain wash and favored the absorption of rain and melting snow by deep soils honeycombed and made porous by the burrowing of subterranean animals and insects and by plant roots. Little or no surface washing of soils occurred, and the slow process of soil formation had developed a wide variety of profiles of different ages.

Certainly under such conditions the processes of erosion, which the writer has termed "geologic norms of erosion" (1934), had not proceeded at rates in excess of those of soil formation. Beneath the protecting coverage of vegetation lay the nourishing soils, of varying depths, which were the products of intricate processes of soil formation during thousands of years. This fact is of fundamental importance in considering problems of soil conservation in long-time planning of land use. Erosion had not exceeded soil formation under these natural and little-disturbed conditions: The soil was maintained despite the geologic process of erosion.

II

Into this pristine continent entered the colonists and settlers with a burst of energy that began a transformation of the earth's surface at a rate never before equaled, and with it the creation of a civilization of fabulous wealth. There were reservoirs of population in Europe which supplied in a comparatively short time millions of vigorous and daring people to clear away the forests and to cultivate the soil at an astonishing rate in their westward march of agricultural occupation. It was no steady infiltration into undeveloped regions but a rapid advance over a wide front by farmers and stockmen with their plows and herds. Frontiers were pushed farther and farther westward at a pace that eliminated planning or thought of the effect of this occupation upon the sustained utility of the abundant resources that everywhere swept away to the horizon. The American people were engrossed in subduing the "wilderness", in felling the forest, in slaughtering the buffalo, in breaking the sod of the prairies and, in turn, the short-grass plains of the West. In his eagerness the settler became wasteful, thoughtless, and lost sight of his stewardship of the newly occupied continent.

Confronted by apparently limitless resources there developed in the minds of the colonists and succeeding generations an attitude to develop and exploit the land as rapidly as possible with little regard for the consequences. This became the typical American attitude, heedless and unplanned land exploitation, without regard for continued or sustained use. If land "wore out", there was new land to clear in the West. The impelling motive in exploitation of resources, moreover, was complex and contained to a major degree the lure of large gains at low costs and with comparatively little effort. This early belief in the limitless expanse and resources of the new-found continent has persisted too long and played a villainous role in the wasteful practices of land use which now have become a recognized menace to continued national welfare.

The agricultural occupation of the land is completed. When President Franklin D. Roosevelt, by Executive order of November 26, 1934, withdrew the remaining public domain from homestead entry he brought to a close an era in American history, an era of land settlement and exploitation. All the good lands of the Nation are occupied. The frontier of new lands was pushed westward, ever westward, until it dissolved in the waters of the Pacific. And a new frontier now appears in the conservation of lands under cultivation.

Withal, it is only necessary here to call attention in this era of land exploitation to the significant changes in rate of erosional processes occasioned by the clearing of vegetation, the breaking of the soil with plows, and the heavy consumption of the forage

herbage by rapidly multiplying herds. Soils, which had been thoroughly protected through thousands of years of time by unbroken mantles of vegetation and had for this reason been weathered to fine textures, high organic contents, and good fertility, were suddenly exposed to the dash of customary torrential rains and to the blasts of winds over extensive areas. There began under these conditions a rate of erosion which was accelerated far above the rates that hitherto obtained. The significant fact of this period is that the rate of soil removed by rain wash and wind blasts greatly exceeded, and still does exceed, the rate of soil formation over vast areas—a sure process of soil destruction. Topsoils have been literally washed away, leaving raw, comparatively unproductive, unabsorptive, and intractible subsoil exposed at the surface, such as is conspicuous throughout the major agricultural soil provinces of the Nation, as the Piedmont Plateau, the areas of glacial and loessial soils, much of the Atlantic and Gulf Coastal Plains province, the Great Plains region, and the greater part of the crop and grazing areas of the West. Moreover, concentration of run-off has cut enormous gullies through topsoils (A horizons) into underlying materials (B and C horizons). These gullies are cutting headward and laterally into valuable farms, pasture, range, and forest lands, disgorging erosional debris upon alluvial bottom lands and into drainage channels. So enormous has been the work of accelerated water erosion as to reduce and destroy the productivity of millions of acres of farm and grazing lands of densely populated agricultural regions of the United States within the past century.

The first inventory on a national scale of the condition of the land as to erosion was made as a reconnaissance erosion survey by the Soil Conservation Service in 1934, under the immediate direction of Glenn L. Fuller, in charge of erosion surveys. The erosion map prepared from the reconnaissance shows the condition and extent of soil erosion, or accelerated erosion, besides the dominant soil types, the character of topography as expressed in degree of slope and present land use. Three general types of erosion were recognized, namely, (1) sheet erosion, including rill erosion; (2) gully erosion; and (3) wind erosion. No one type of erosion occurs alone; it was necessary to show conditions of the land as combinations of these major types of erosion. Gully erosion is easily noted; sheet erosion is less conspicuous but more wide-spread. The degree of sheet erosion is determined by the amount of truncation of the original soil profile. It was thus necessary to reconstruct the original soil profile from relict areas or from former soil surveys to determine the amount of loss of topsoils or a horizon of the profile.

For purposes of mapping conditions of the land as to erosion were classified into nine categories represented by numerical symbols. They are:

Condition of land as to erosion

Erosion symbol:

1. Little or no soil erosion; less than 25 percent of the topsoil lost.
2. Moderate sheet erosion, representing loss of 25 to 75 percent of topsoil.
3. Severe sheet erosion, representing loss of more than 75 percent of the topsoil.
4. Moderate wind erosion, representing small amounts of topsoil removed, accompanied by local accumulations, such as hummocks.
5. Severe wind erosion, where major amounts of surface soil are removed, usually associated with sandy hummocks.
6. Extreme wind erosion, representing losses of soil and drifting too severe for cultivation.
7. Land cut with occasional gullies.
8. Land cut with frequent gullies.
9. Land rendered useless for further cultivation by gullying.

In the arid and desert regions of Western States conditions were found where erosion was designated in a generalized statement, such as—

A. Mesas, canyons, badlands, rough mountain land.
R. Barren mountain tops. Areas above timber line.
W. Scab lands, shallow soils with frequent rock outcrop.

Conditions representing combinations of these nine categories were shown by grouping of the appropriate symbols. In this manner 26 separate classifications were recognized for purposes of mapping.

Certain difficulties were encountered in the arid regions where it was hard to distinguish between the normal process and an accelerated phase of erosion. As regions are more intensively mapped, such differences will be more accurately delineated on subsequent maps.

The field survey was made by counties and plotted on county base maps. These were assembled by States, which, in turn, were assembled and combined into a generalized national map (fig. 1).

The results of the erosion survey are summarized in table 1.

TABLE 1.—*Summary of erosion conditions in the United States by classes (based on erosion reconnaissance survey, 1934,*[1] *by Soil Conservation Service of the Department of Agriculture)*

	Acres	Percent
Erosion class symbols (major classes with combinations):		
1	578, 167, 570	30.3
17	94, 458, 249	5.0
18	16, 533, 701	.8
2	96, 102, 194	5.1
27	297, 134, 916	15.6
28	174, 826, 467	9.2
3	6, 763, 146	.4
37	60, 762, 160	3.2
38	108, 927, 631	6.7
9	4, 177, 738	.2
4	124, 438, 724	6.5
24	18, 882, 026	1.0
47	16, 306, 130	.9
48	1, 271, 394	.1
247	43, 232, 142	2.3
248	16, 910, 280	.9
347	3, 953, 190	.2
348	9, 029, 688	.5
5	54, 818, 134	2.9
25	5, 927, 316	.3
35	192, 390	(2)
57	5, 777, 072	.3
58	278, 692	(2)
257	2, 640, 644	.1
258	7, 229, 015	.4
357	248, 698	(2)
368	2, 424, 019	.1
6	8, 702, 527	.5
67	78, 375	(2)
68	420, 875	(2)
W	10, 049, 727	.5
A	130, 252, 535	6.8
R	4, 602, 127	.2
Total[3]	1, 907, 721, 392	100.0

[1] The Erosion Reconnaissance was made under the immediate direction of Glenn L. Fuller, Head, Division of Physical Land Surveys.

[2] Less than one-tenth of 1 percent.

[3] Exclusive of large cities and water area.

Of the three major types of erosion, sheet erosion was found to be the most extensive, occurring on 857,306,000 acres, in varying degrees of severity. The survey revealed that on 192,300,922 acres or 10.1 percent of the total area, an average of more than three-fourths of the topsoil (A horizon), including some subsoil (B horizon) in places, had been washed or blown away. The major part of this great area has been rendered unsuitable to further tillage under prevailing systems of agriculture. Consequent reduction in land productivity has converted former good lands into a submarginal status.

Moderately eroded lands, from which one-fourth to three-fourths of the topsoil had been washed or blown away comprised a vast area of 665,006,000 acres, or 34.9 percent of the total land area. Much of this land is still good agricultural land, but cultivated areas and heavily grazed lands on slopes are rapidly losing additional topsoil.

Gullying or trenching superimposed on normal land surfaces was found to be widespread. Severe gullying of frequent and deep trenching on agricultural cut-over forest, heavily grazed and abandoned lands was found on more than a third of a billion acres, whereas 4,177,738 acres were destroyed for further cultivation and crop production by gullies.

Wind erosion, which has developed to menacing proportions in the western plains States was recorded on a little less than a third of a billion acres. Land seriously damaged by the action of wind comprised 79,735,800 acres. In this region "dry farming", overgrazing, accompanied by periodic drought, favor active wind erosion. Fallowed lands are sometimes blown away to the depth of plowing by one wind storm. The wind-blown soils are sorted by the wind; the fine and fertile particles are carried aloft and blown beyond the area in great dust clouds or "black blizzards", whereas the coarser and sand particles are left behind to form drifts and hummocks. All together 9,201,700 acres of land have been essentially destroyed for cultivation by the spectacular phenomenon of wind erosion.

Other consequences of national importance follow in the train of soil wastage from accelerated erosion. In regions of wind erosion, sand drifts, the residue of wind-sorted soils, overwhelm good land, roads, fences, orchards, and houses. Such regions are menaced with the ultimate development of wandering sand dunes. The control of wind erosion within the grassland plains is, however, not as formidable a problem as that of water erosion throughout the more humid regions.

Accelerated water erosion in removing the physical body of the soil also extracts plant nutrients. It is estimated by Lipman (1934) that the losses of plant nutrients in the processes of accelerated erosion exceed those extracted by crop plants. Maintenance of the integrity of the soil becomes in this way one of the prerequisites of conserving soil fertility.

Further consequences of accelerated erosion appear as troublesome outwash debris, sediments, and increased flashiness of flood flows. Deposition of erosional debris on bottom lands in reservoirs and in stream channels impairs land productivity and the utility of water resources. The covering of formerly rich bottom lands with silt and sands excavated from eroding slopes of tributary watersheds has impoverished important areas in the East as well as in the West.

Silting of reservoirs is taking place at exhorbitant and ominous rates in agricultural and grazing regions where accelerated erosion is active. Serious inroads have already been made on developed

water power, municipal water power, and irrigation reservoir storage. The irrigated agriculture of the West is seriously menaced by the rapid rate of silting of great reservoirs as a result of extensive acceleration of erosion on overgrazed range lands of tributary drainages.

Shoaling of river channels with sorted erosional debris interferes with the orderly development of water courses. River grades are steepened and flow lines elevated. Increasing volumes of sediments are progressively delivered downstream into succeeding streams of the general river system. The capacities of stream channels are thus reduced and accentuate hazards of overflow.

Accelerated erosion tends to increase frequency and height of flood flows through the increased volume and flashiness of run-off and decreased discharge capacity of alluvial channels. The volume of run-off is increased by reduced permeability of eroding soils and lessened time of possible percolation. Flashiness of run-off is developed by gully systems which increase time of concentration of torrential flow. Increased surface run-off takes place at the expense of replenishment of underground waters, and impairs ground-water supply.

In general, accelerated erosion proceeds at rates in excess of soil formation; it destroys the integrity of soil profiles, and aside from the production of troublesome erosional debris lowers the aggregate productivity of land. Soil nutrients are removed from the soil in suspension and in solution in the surficial run-off, and the cultivability of fields is destroyed by the riddling effect of gullies. Most significant is the insidious nature of the process of accelerated sheet and gully erosion by water which all too soon reaches a stage where the value of the land will not pay for the control of erosion on it. Thus, eventually, the problem passes beyond the resources of the individual landowner. Erosion unabted becomes a concern for the community, the State, and the Nation.

III

Accelerated erosion has not thus advanced in its devastating work on land without notice and study. As early as 1835 an observer deplored the progressive destruction of loessial soils in Louisiana cultivated to cotton without safeguards against erosion and their consequent abandonment (1835). Shaler (1896), McGee (1911), and Glen (1911) of the Geological Survey described the effects of acceleration of erosion upon the utility of land and upon the shoaling of stream channels. Bailey (1917) in a book entitled "The Holy Earth" pleaded for the recognition of a responsibility for preserving the productivity of the land from wastage by erosion. Bennett early called attention in Soil Survey Reports to the necessity of recognizing the effects of soil erosion in changing the character of soil profiles and as well as in depletion of soils and their productivity (1913, 1921, 1928, 1934, etc.). Students of the problems of conservation initiated a movement for the conservation of natural resources at the beginning of the present century which supported by numerous experimental studies has grown to national proportions and has made possible the act of Congress of April 27, 1935, by which soil erosion is recognized as a national menace, and the Soil Conservation Service was created a bureau of the Government to coordinate all activities for the prevention and control of soil erosion. And most fittingly H. H. Bennett was made chief of the Bureau to carry out a national program of soil conservation for which he had worked for more than two decades.

Experimental studies, which have grown from small beginnings, have played a major part in establishing scientifically a series of measurements of soil and water wastage due to soil erosion. Among these, the studies of Sampson and Weyl on grazing lands (1918), Duley and Miller on agricultural soils of Missouri (1923), of the writer in China (1926, 1927, 1929, etc.), of Dickson (1929), and Conner (1930) on Texas farm soils have established experimental methods and practice which have disclosed that erosion processes are far more active and destructive than had been suspected. In 1929 Bennett established in the Bureau of Chemistry and Soils a series of erosion experiment stations in 10 typical regions of the United States. The results from these experimental installations have been instrumental in establishing the urgent need for control measures, and for the initiation of a national program of erosion control and soil conservation. A summary of these results is shown in table 2 (1935).

TABLE 2.—*Comparison of erosion and run-off from 12 widely separated important soil types*

Soil and location	Slope	Clean-tilled crop		Thick crop		Averages for periods covered by data
		Soil loss	Water loss	Soil loss	Water loss	
		Tons per acre	*Percent precipitation*	*Tons per acre*	*Percent precipitation*	
Shelby silt loam, Bethany, Mo.	8.0	60.8	27.4	0.3	7.7	1931-33.
Shelby loam, Columbia, Mo.	3.7	19.7	30.3	.3	12.5	1918-31.
Colby silt clay loam, Hays, Kans.	5.0	13.2	17.5	.004	.04	1930-33.
Kirvin fine sandy loam, Tyler, Tex.	8.8	19.1	20.0	.2	1.5	1931-33.
Nacogdoches fine silt loam, Tyler, Tex.	10.0	6.1	15.4	.02	1.4	July 1931-33.
Vernon fine sandy loam, Guthrie, Okla.	7.7	28.1	14.2	.04	1.5	1930-33.
Marshall silt loam, Clarinda, Iowa.	9.6	44.6	12.5	1.3	6.5	June 1932-33.
Clinton silt loam, La Crosse, Wis.	16.0	59.9	19.2	.003	2.9	1933.
Abilene clay loam, Spur, Tex.	2.0	6.1	12.8	1.6	5.8	1926-33.
Houston blackclay, Temple, Tex.	4.0	12.0	11.6	0	0	1931-33.
Cecil clay loam, Statesville, N. C.	10.0	13.8	9.3	.7	5.5	1931-33.
Palouse silt loam, Pullman, Wash.	30.0	[1] 31.2	[1] 29.8	.4	.3	July 1931-33.

[1] Hard fallow (no continuous clean-tilled crop).

Average results show grass approximately 65 times more effective with respect to soil conservation than a clean-tilled crop on same kind of soil having the same slope; and approximately 5 times more effective with respect to conservation of water.

The Soil Erosion Service was established in September 1933 under the office of the Secretary of the Interior to administer a grant made by the Federal Emergency Administration of Public Works for erosion-control activities. In April 1935 this Bureau was transferred to the Department of Agriculture, and renamed the Soil Conservation Service, and with it consolidated all activities of the Federal Government in erosion control on agricultural lands.

The objectives of the program devised and undertaken by the Soil Conservation Service are: (1) To demonstrate that the impoverishment and destruction of remaining areas of good agricultural land by continuing soil erosion can be controlled; (2) to conduct investigations and research relating to the character of soil erosion and the preventive measures needed; and (3) to lay the foundation for a permanent national erosion-control program of adequate scope to meet the acute land crisis created by wasteful methods of land utilization.

To these ends the Service has established and is actively prosecuting research and demonstration projects on a national scale. Investigations and research into the character of soil erosion and methods of control are being conducted at 12 regional erosion experiment stations. Field work of demonstrations is in progress on 40 erosion-control projects in representative watersheds of the major geographic and agricultural regions of the country where destructive soil erosion is prevalent and a critical factor in land use. Thirty-seven of these projects are essentially demonstrational in character and involve private lands. The remaining three are complete land rehabilitation and utilization projects and are located, for the most part, on land owned by the Federal Government.

The three complete land-rehabilitation projects cover an aggregate area of 35,700,000 acres in highly erodible Southwest, most of which is Federally owned. These projects involve, respectively, 16,000,000 acres on the Navajo Indian Reservation in Arizona and New Mexico; 3,200,000 acres on the watershed of the Gila River in the same States, and 11,500,000 acres on the watershed of the Rio Grande in New Mexico.

The Navajo project covers lands which contribute vast quantities of silt to the Boulder Reservoir on the Colorado River, being impounded by the great Boulder Dam, now nearing completion, and involves the preparation and application of comprehensive erosion-control, land-use, and range-control measures. It also involves reorientation of the entire agricultural-economic system of the 45,000 Navajo Indians. Completion of the work now well under way on this project will require several years. The Gila River project involves seriously eroded lands which are contributing vast quantities of silt from overgrazed range lands of the Gila River drainage to the Coolidge Reservoir. The Rio Grande project covers the most densely populated and highly productive region of New Mexico, where serious erosion threatens to force abandonment of large areas. The Elephant Butte Reservoir is being silted up at a disquieting rate with erosional debris washed out of the Rio Grande watershed, and menaces the social security of a large population dependent upon stored irrigation water.

The demonstration projects form the nucleus of the present Soil Conservation Service program. Varying in size from 25,000 to 200,000 acres each, they now cover a total of 4,000,000 acres and portions of 31 States. Each demonstration project area includes a complete drainage unit, wherein the full responses in control of flood flows and silting may be observed. Each project area has been selected with careful consideration of the representative nature of its soil and erosion problems and is typical, in this respect, of the entire region in which it is located. The 4,000,000 acres actually covered by demonstration projects on privately owned land are representative of approximately 75,000,000 acres of surrounding country, and erosion-control measures applied within the limited project areas may therefore be applied generally with efficiency to the eroding parts of this large segment of the Nation's farm land.

The plan of the erosion-control program of the Soil Conservation Service is to bring to bear all necessary technical specialties upon solutions to problems involved in erosion control and soil and water conservation. Solutions to the complex problems of an eroding area must be an evaluation of important factors and a balancing and coordination of the measures of control. The solution must be a composite one. The needs of the land determine the specialists and their activities to be marshalled and coordinated. No single line of attack is adequate. Each demonstration project, accordingly, is staffed with agricultural experts, including soil technologists, agronomists, agricultural engineers, farm-management specialists, foresters, range-management specialists where needed, and in some instances game-management specialists. The work of the project staff is coordinated by the project director, so as to develop a balanced program of erosion control. Both vegetative and mechanical measures are used in accordance with the peculiar needs and adaptabilities of each separate parcel of land.

The second step involves the preparation of a comprehensive, practical plan for the control of erosion and reduction of floods and silting over all the lands within the watershed areas. This plan is based on the physical and chemical characteristics of the soils involved, the slopes, the climate, the vegetation, adaptable crops and the agricultural practices of the area, and applies tested methods of control chosen for their particular adaptability to the particular situation. In the detailed plans careful consideration is given to needs of the farm as an economic unit in order that the property owners or operators may not suffer financial loss and that their cooperation may be obtained.

The plans for the program of control measures are based upon aerial photographic maps of the entire working area, such as can be enlarged to scales generally of 10 inches equal 1 mile for use in the field. The enlarged photographs are used as base maps, on which are mapped the field survey of four items, namely, (1) soil type, (2) slope of fields by classes, (3) condition of soil erosion, and (4) type of use. These surveys show the distribution by fields of the soils, slope gradients, and different degrees of erosion by classes, as well as the susceptibility of the cultivated, idle, forested, and grassed areas to future erosion. With these physical facts in usable form a practical farm plan is prepared in conference with the farmer for putting into effect the major control measures of soil conservation.

On a basis of carefully prepared land-use plans, 5-year agreements are entered into between the property owners or operators and the Government, whereby the owners or operators agree to carry out the land-use practices advocated by the Soil Conservation Service and to contribute certain labor and materials necessary for construction and installation of control devices, such as check dams, strip crops, terraces, contour furrows, new fences, and relocated fences. Fields too steep for safe cultivation are taken out of cultivation and seeded down to pasture or planted to forest wood lots. In return for these undertakings by the owners or operators the Government agrees to lay out the work, to provide supplementary labor and material (which the farmer cannot supply) needed to put the cooperative program into operation, and to furnish seed, trees, and shrubs, as the farmer may not be able to furnish, for the planting of areas taken out of cultivation because of their highly erodible character and consequent dangerous relation to good lands lying below.

Upon the completion of the cooperative agreements actual field work is got under way, and the plans are put into effect as rapidly as local climatic and agricultural conditions permit.

In view of the serious menace of erosion wastage to national welfare and of the complex nature of the problem, it is gratifying to report that at last the opportunity has arrived for initiating a national program of soil conservation, involving erosion prevention and control. It is one of the most important steps in conservation of natural resources taken by the Government of the United States since the establishment of national forests and the Forest Service.

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TAXATION—ADDRESS BY FORMER GOVERNOR MURRAY

Mr. GORE. Mr. President, I ask unanimous consent to have printed in the RECORD an address by former Governor Murray, of Oklahoma, on the subject of taxation.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

My motives and the sentiments with which I confront you are best expressed by that matchless orator Ben Hill:

"Who saves his country saves all things; and all things saved bless him. Who lets his country die lets all things die; and all things dying curse him."

The Association for Economy and Tax Equality was organized with a view of uniting, if possible, the multitudes of factions and supporters of plans and thus making practical a movement calculated to serve the best interests of the land.

We have made nine announcements of principles, but all of the nine surround the questions of honesty, tax economy, and constitutional government. When the American people shall have been enabled to accomplish these things, other reforms will inevitably and naturally follow.

This declaration of principles goes to the vitality of all questions that confront the people.

NO MONEY, NO PENSIONS

We hear much said about old-age pensions and social security; but how are you going to provide for these things without money; and how can the money be had except through taxation; and how much money from the taxes will be left so long as one bureau out of many spends a million dollars to get to the relief clients only $300,000—where will any money be left for such social security?

Of what use to provide homesteads if they are to pay a tax that takes them away?

I hear one say, "Let the Government make it."

To use their term "inflation", which means merely making cheap the American dollar; and while a reasonable inflation could serve a good purpose, the trouble would be as it always has been, that they would follow the example of the man who found that one pill was good for his system, and took the whole box of pills.

HAPPENED IN GERMANY

That's what happened in Germany when the mark became so worthless since the war; that's what happened with the Confederate dollar, long before it was apparent that the Confederacy would fail; it was founded on nothing of value.

That was the trouble with the Continental money after the American Revolution, when so much of it was issued that it grew so cheap in comparison with the value of property and necessities of life, that it required $250,000 of it to buy the supper for four men and nearly as much to buy a pair of boots.

The paper money was termed the "Continental damn", and it was so worthless that until this day if you want to express the utter worthlessness of anything, you can do so by saying: "It is not worth a Continental damn."

Its disturbance of business and wreck of enterprise caused a group of merchants and other intelligent citizens to meet at Annapolis prior to the adoption of the present Constitution.

TO MAKE MONEY

They soon learned what ought to be done and could be done, but were prevailed upon by a lawyer, who knew that the wisest method would be to get some constituted authority before any measure should be proposed; and they merely asked the Continental Congress to authorize the Thirteen States, or Colonies, to send delegates to a convention to revise the Articles of Confederation, which was but the written Constitution of that Government.

The Continental Congress did so, and the result was the present United States Constitution. And that Convention thought they had planned whereby the mistake of finance could not be repeated by providing in our Constitution that "Congress shall have power to stamp money"—no; "to print money"—no; "to make money."

No; the Constitution didn't say either, because the makers of the Constitution knew that you couldn't make property by law, and that the only way to make property was a combination of labor, management, and creative nature cooperating.

What the Constitution said is this: "Congress shall have power to coin money and regulate the value thereof and of foreign coin."

"Coin" has a specific meaning and implies metal. What metal? Another clause of the Constitution states what metal, providing "no State shall make anything in payment of debts except gold and silver."

That is the Constitution, and that meaning was not to coin one and speculate in the other by purchase.

PACKED WITH POLITICIANS

Moreover, the Constitution was made in view of the then existing banking system, which were the Scotch banks, that could issue bank currency redeemable on demand in coin and backed by something of value, and, not as now, based upon public or private debts. But, alas, when the Supreme Court of the United States (the only time) was packed with politicians, between 1865 and '70, the decisions on this question for 75 years were overturned, and that has given us financial trouble ever since.

As stated before, a reasonable inflation of money, which merely means the lowering of the value so that it would be of the same value when a debtor went to pay as when the debt was made, is wholesome and just. But to go beyond that means wrack and ruin to business, to private enterprise, particularly to the laboring man and those holding salaried positions and to those who have invested their life savings to give them something in their old age.

WRACK AND RUIN

To all these it means wrack and ruin and a cost of living beyond their capacity to pay. And later, as in the case of Germany, which tried the experiment after the World War, found that they must needs return to a sounder principle of finance, and in doing so brought trouble upon themselves. That would be our experience did we attempt to embark upon the principle, for any purpose, of printing money to meet the situation.

We may coin money, because the coin is limited by nature, but we cannot print money, because there is no limit to the amount of paper or of the capacity of the printing press; and it would wreck all hope of prosperity as well as that little that now exists.

GROW CHEAP

The money would grow so cheap that it would start a speculation, because men would buy anything, even a dog, to get rid of it.

So, in government, the only safe way to do anything or to work any reform requiring money is to obtain that money by taxation; and to have such taxes for the purpose the Government must needs be operated on the lowest possible expense, consistent with justice and efficiency.

And here I wish to state that no one denies or ought to deny that the aged and the needy should be cared for; and it's the duty of the Government to aid the people to aid themselves and not become the manager of the people's business or mamma and papa to them.

Permit me to say in black letters:

The greatest danger to the prosperity of any country is to "monkey" with the solvency or stability of its money and currency. To increase the value of money when pay day of a debtor arrives, above its value when the debt was made, is unjust and means confiscation; and it is equally unjust and confiscatory when the value of that money is made cheaper on pay day than when the debt was created.

RECOVERY UNDER THE NEW DEAL

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial and a table accompanying it from the Capital Times, of Madison, Wis., of Friday afternoon, January 24, 1936.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

[From the Capital Times, Madison, Wis., of Jan. 24, 1936]

FACTS FOR THE FAKERS

If you have that congested feeling that comes from a mental diet too rich in canned Hoover and devitaminized Hearst, we suggest that you try, for a change, the table printed in the adjoining columns as a sure-fire antidote.

The treatment will clear your system, no matter how many forced feedings of elephant (G. O. P. and Liberty League) "baloney" you may have unwittingly found yourself forced to undergo.

To complete the cure, we suggest that you cut the table out, paste it in your hat, or fold it and slip it gently into your lower right-hand vest pocket.

Whenever some interested gentleman with an armful of axes to grind tells you how much better it was under Hoover and how much the New Deal has hurt you, flip out the clipping and wave it briskly in his face.

With a little practice you ought to be able to stop his flow of invective before he can finish saying "balance the Budget" or "tax eating."

The Capital Times is indebted to the New York Post for the figures and are assured by that newspaper that it vouches for the accuracy of every figure in the adjoining table comparing the New Deal and the Old Deal. The table was prepared with the aid of expert statisticians.

No one is claiming that the Roosevelt administration is a 100-percent, flawless success, but when these old dealers come hawking their wares and tell of the promised glories of a new old deal under Hoover, Landon, Knox, or another of the pack, this interesting array of facts provides an answer that can't be beat.

Last 3 years of the Old Deal compared with first 3 years of the New Deal

OLD DEAL					NEW DEAL				
Labor									
Unemployment	Apr.	1, 1930	3,188,000	Advance 313%	Unemployment	Apr.	1, 1933	13,178,000	
	Apr.	1, 1933	13,178,000			Dec.	1, 1935	9,177,000	Decline 30%
Agriculture									
Cotton	Mar.	1, 1930	15.10 cents per pound	Decline 61%	Cotton	Mar.	1, 1933	5.90 cents per pound	
	Mar.	1, 1933	5.90 cents per pound			Jan.	1, 1936	11.35 cents per pound	Advance 92%
Wheat	Mar.	1, 1930	$1.16 per bushel	Decline 59%	Wheat	Mar.	1, 1933	48 cents per bushel	
	Mar.	1, 1933	48 cents per bushel			Jan.	1, 1936	101.5 cents per bushel	Advance 111%
Corn	Mar.	1, 1930	88.40 cents per bushel	Decline 73%	Corn	Mar.	1, 1933	24.12 cents per bushel	
	Mar.	1, 1933	24.12 cents per bushel			Jan.	1, 1936	60.87 cents per bushel	Advance 152%
Industry									
Industrial production (Index: 1926=100%)	Jan.	1, 1930	110.4	Decline 44%	Industrial production (Index: 1926=100%)	Jan.	1, 1933	61.4	
	Jan.	1, 1933	61.4			Jan.	1, 1936	92.9	Advance 51%
Steel production (Month ending)	Jan.	1, 1930	2,903,012 gross tons	Decline 70%	Steel production (Month ending)	Jan.	1, 1933	861,034 gross tons	
	Jan.	1, 1933	861,034 gross tons			Jan.	1, 1936	3,081,000 gross tons	Advance 257%
Auto registration (Month ending)	Jan.	1, 1930	161,830 units	Decline 66%	Auto registration (Month ending)	Jan.	1, 1933	55,105 units	
	Jan.	1, 1933	55,105 units			Jan.	1, 1936	235,000 units	Advance 326%
Commerce									
Wholesale prices (Index: 1926=100%)	Jan.	1, 1930	92.5	Decline 34%	Wholesale prices (Index: 1926=100%)	Jan.	1, 1933	61.0	
	Jan.	1, 1933	61.0			Jan.	1, 1936	81.0	Advance 33%
Total exports (Year ending)	Jan.	1, 1930	$3,843,000,000	Decline 56%	Total exports (Year ending)	Jan.	1, 1933	$1,675,000,000	
	Jan.	1, 1933	$1,675,000,000			Dec.	1, 1935	$2,228,000,000	Advance 33%
Total imports (Year ending)	Jan.	1, 1930	$3,061,000,000	Decline 52%	Total imports (Year ending)	Jan.	1, 1933	$1,450,000,000	
	Jan.	1, 1933	$1,450,000,000			Dec.	1, 1935	$1,993,000,000	Advance 37%
Securities									
Listed stocks (Average)	Mar.	1, 1930	60.52	Decline 75%	Listed stocks (Average)	Mar.	1, 1933	15.20	
	Mar.	1, 1933	15.20			Jan.	1, 1936	35.62	Advance 134%
Listed bonds (Average)	Mar.	1, 1930	96.19	Decline 22%	Listed bonds (Average)	Mar.	1, 1933	74.89	
	Mar.	1, 1933	74.89			Jan.	1, 1936	91.83	Advance 22%
Public utilities									
Power production (Month ended)	Jan.	1, 1930	7.87 billion kilowatt-hours		Power production (Month ended)	Jan.	1, 1933	7.14 billion kilowatt-hours	
Power production (Month ended)	Jan.	1, 1933	7.14 billion kilowatt-hours	Decline 9%	Power production (Month ended)	Jan.	1, 1936	8.50 billion kilowatt-hours	Advance 19%

To eliminate seasonal differences where they are a factor, the corresponding months in calendar years are used

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

The Senate resumed consideration of the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

Mr. ROBINSON. Mr. President, when the Senate was last in session, an amendment to the bill having been agreed to by the Senate by an overwhelming vote, the Senator from Oklahoma [Mr. GORE] moved to postpone indefinitely the further consideration of the bill. At that time I suggested to him that the Senate might desire to proceed with the bill, it might desire to reconsider its action on the amendment, or it might desire to recommit the bill.

I now yield to the Senator from Oklahoma.

Mr. GORE obtained the floor.

Mr. O'MAHONEY. Mr. President——

Mr. GORE. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. At the last session of the Senate, when this bill was under consideration, and the motion of the Senator from Oklahoma was pending, I sought an opportunity to move that the measure be recommitted. The

motion was declared out of order at that time; but since the Senator from Oklahoma has withdrawn the motion which was then pending, I now move that the bill be recommitted to the Committee on Interoceanic Canals.

The VICE PRESIDENT. The question is on the motion of the Senator from Wyoming.

The motion was agreed to.

INTERNATIONAL MANUFACTURERS' SALES CO. OF AMERICA, INC.—CONFERENCE REPORT

Mr. LOGAN submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4178) for the relief of the International Manufacturers' Sales Company of America, Incorporated, A. S. Postnikoff, trustee, having met, after full and free conference, have agreed to recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows: In lieu of the amount inserted by the Senate, insert the following: "$900,000"; and the Senate agree to the same.

M. M. LOGAN,
WALLACE H. WHITE, Jr.,
Managers on the part of the Senate.
AMBROSE J. KENNEDY,
ROBERT RAMSPECK,
WILLIAM A. PITTENGER,
Managers on the part of the House.

Mr. LOGAN. I move the immediate consideration and adoption of the report.

Mr. KING. Mr. President, will the Senator from Kentucky indicate the difference between the two bills?

Mr. LOGAN. The House passed a bill allowing the sum of $968,000. The Senate adopted an amendment cutting the amount down to something less than $700,000. In the conference it was discovered that in making the calculation of deductions the Senate had made an error of something like $200,000, which I am frank to admit. The $68,000 was cut off, and the conferees agreed that $900,000 was as near as we could get to the correct amount which should be allowed.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

ESTABLISHMENT OF AIR CORPS TECHNICAL SCHOOL

The VICE PRESIDENT. Under the unanimous-consent agreement heretofore entered into, the Chair lays before the Senate the special order, being Senate bill 3398.

The Senate proceeded to consider the bill (S. 3398) to establish the Air Corps Technical School, and to acquire certain land in the State of Colorado for use as a site for said Air Corps Technical School and as an aerial gunnery and bombing range for the Army Air Corps, which had been reported by the Committee on Military Affairs without amendment.

Mr. COSTIGAN obtained the floor.

Mr. DIETERICH. Mr. President, will the Senator yield?

Mr. COSTIGAN. I yield.

Mr. DIETERICH. In order that the entire subject matter may be considered, I desire to say that during the last session of Congress I gave notice that I would offer an amendment to the bill for the Air Corps Technical School. I should like now to have unanimous consent out of order to offer the amendment, so that it may be considered with the bill.

The VICE PRESIDENT. Without objection, the amendment will be received.

Mr. COSTIGAN. Mr. President, I ask that the bill be read.

The Chief Clerk read as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to establish in or near Denver, Colo., the Air Corps Technical School and to accept on behalf of the United States, free from encumbrance or conditions and without cost to the United States, for use as a site for the Air Corps Technical School, the title in fee simple to 640 acres of land, more or less, within the city limits of the city of Denver, Colo., including the property known as the Agnes (Phipps) Memorial Sanitarium, together with existing buildings and equipment located thereon; and also, a tract of land within the State of Colorado, suitable for use as an aerial gunnery and bombing range by the Army Air Corps: *Provided*, That in the event a donor is unable to perfect title to any land tendered as a donation, condemnation of such land is authorized in the name of the United States, and payment of any and all awards for title to such land as is condemned, together with the cost of suit, shall be made by the donor.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Illinois [Mr. DIETERICH], which will be stated.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause and in lieu thereof to insert the following:

That the Secretary of War is hereby authorized and directed to use whatever appropriations are available to repair, improve, and equip the present Air Corps Technical School located at Rantoul, Ill., to render it adequate to provide the necessary training. This direction to include the construction of permanent buildings and quarters for officers and enlisted men and the necessary equipment to carry on such training.

Mr. COSTIGAN. Mr. President, the bill read at the desk is of importance to the country as a whole. The bill was favorably reported, without amendment, by the Committee on Military Affairs of the Senate. The chairman of that committee, the distinguished Senator from Texas [Mr. SHEPPARD], has indicated his willingness to make a statement at this time on the pending measure.

Mr. SHEPPARD. Mr. President, legislation providing for the removal of the Air Corps Technical School from its present location at Rantoul, Ill., is the outgrowth of extensive and prolonged study and investigation by the War Department.

The Secretary of War, in communicating with the Senate Military Affairs Committee on March 13, 1935, stated in part that in order to obtain an intelligent estimate of the factors involved he had appointed a board of Air Corps officers and directed them to make a comprehensive survey of all localities involved. After personally investigating some 86 different sites in all sections of the United States, this board came to the conclusion that the present location at Rantoul, Ill., was unsuitable as a location for the Air Corps Technical School, and that the best location for the school it could find, after investigating these 86 sites, was Denver, Colo.

After receiving the extensive report of the board of Air Corps officers, a subcommittee of the Senate Military Affairs Committee, of which the Senator from Indiana [Mr. MINTON] was chairman, gave the matter further study. Hearings were held on two different occasions. Representatives of interested parties were notified of these hearings. War Department representatives and several members of the board of officers were present for questioning by any who were not satisfied with the board's findings.

Following these hearings, the testimony obtained, the board's report, and the subcommittee's report were carefully considered by the Military Affairs Committee. It is readily seen, therefore, that this matter has not been undertaken in haste, but that on the contrary it has been approached through deliberation and a careful weighing and analysis of all the factors involved.

The War Department was called upon to submit legislation embodying the recommendations of its board. This proposed legislation was received from the War Department, and was given to the Senators from Colorado for introduction, inasmuch as the proposed location of the school is in their State. The Senators from Colorado did not initiate this move. In reporting favorably Senate bill 3398 to the Senate on August 12, 1935, your committee pointed out that the subcommittee had found nothing to impeach the findings of the board of Air Corps officers, and that the subcommittee's report had been adopted by the committee.

The bill under consideration authorizes the Secretary of War to establish in or near Denver, Colo., the Air Corps Technical School, and to accept on behalf of the United States, free from encumbrance or conditions, and without cost to the United States, for use as a site for the school, the title to some 640 acres of land, more or less, within the city of Denver. The bill further authorizes the Secretary of War to accept a tract of land within the State of Colorado suitable for use as an aerial gunnery and bombing range by the Army Air Corps. The measure carries a proviso that in the event a

donor shall be unable to perfect title to any land tendered as a donation, condemnation of such land is authorized in the name of the United States, and payment of any and all awards for title to such land as may be condemned, together with the cost of suit, shall be made by the donor.

In summarizing its reasons for concluding that Denver is suitable as a location for the Air Corps Technical School, the Board listed these features:

First. Large, modern city.

Second. Good site, which will be presented to the Government, together with several valuable buildings.

Third. Excellent climate and recreational facilities.

Fourth. Good location for training in altitude flying.

Fifth. Good strategical location.

In its findings on the present location the Board pointed out that there is no bombing and machine-gun range in connection with the present site at Rantoul, and that the expense of securing one within a reasonable distance of Rantoul is prohibitive. In its findings on Denver the Board pointed out that it was stated an extensive area could be acquired for a nominal sum within a few miles from the proposed site of the school. Such a range is essential to the proper operation of an institution of this character. The Board further found climatic features of the present location to be unsuitable for the training to which the school is devoted.

The Senate Committee on Military Affairs, after careful consideration, came to the conclusion that the recommendation of the Board of Officers should be carried out, and reported the bill favorably to the Senate.

Mr. COSTIGAN. Mr. President, I ask unanimous consent that, following the remarks of the Senator from Texas [Mr. SHEPPARD], the report of the Committee on Military Affairs with respect to the pending bill may be incorporated in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

The Committee on Military Affairs, to which was referred the bill (S. 3398) to establish the Air Corps Technical School and to acquire certain land in the State of Colorado for use as a site for said Air Corps Technical School and as an aerial gunnery and bombing range for the Army Air Corps, having considered the same, report favorably thereon with a recommendation that it do pass.

On March 13, 1935, the War Department transmitted to the Senate Military Affairs Committee report of a board of Air Corps officers recommending that certain property in Denver, Colo., be acquired by the War Department and that the Air Corps Technical School be located thereon. The board concludes that Chanute Field, Rantoul, Ill., is unsuitable as a location for the Air Corps Technical School, and that the best location which it has been able to find is at Denver, Colo.

Following receipt of this report of the board of Air Corps officers a subcommittee of your committee took the matter under consideration and held hearings. The subcommittee reported that it found nothing that would impeach the findings of this board of officers. The subcommittee's report was adopted by your committee, and it was directed by the committee that the War Department be notified of this action. Under date of August 7, 1935, the War Department submitted draft of S. 3398, along with the following letter:

AUGUST 7, 1935.

Hon. MORRIS SHEPPARD,
Chairman Committee on Military Affairs,
United States Senate.

DEAR SENATOR SHEPPARD: In accordance with your letter of May 24, 1935, there is transmitted herewith a draft of bill to consummate the report of the board of Air Corps officers on the location of the Air Corps technical school.

There is no existing law permitting the acceptance by the United States of a donation of land for the purpose for which this property is to be used.

This bill, if enacted into law, would enable the War Department to secure a suitable site, without cost, for the eventual establishment of long-needed Air Corps Technical School facilities.

Sincerely yours,

GEORGE H. DERN,
Secretary of War.

S. 3398 provides that the Secretary of War is authorized to establish in or near Denver, Colo., the Air Corps Technical School. It further authorizes him to accept on behalf of the United States, free from encumbrance or conditions and without cost to the United States, for use as a site for the Air Corps Technical School, the title in fee simple to 650 acres of land, more or less, within the city limits of the city of Denver, Colo., including the property known as the Agnes (Phipps) Memorial Sanitarium, together with existing buildings and equipment located thereon. The bill also authorizes the Secretary of War to accept a tract of land within the State of Colorado, suitable for use as an aerial gunnery and bombing range by the Army Air Corps. The measure carries a proviso that in the event a donor is unable to perfect title to any land tendered as a donation condemnation of such land is authorized in the name of the United States, and payment of any and all awards for title to such land as is condemned, together with the cost of suit, shall be made by the donor.

Mr. THOMAS of Utah. Mr. President, will the Senator yield?

Mr. COSTIGAN. I yield.

Mr. THOMAS of Utah. I wish to ask the Senator from Colorado a question, if I may. The Senator is familiar with the Wilcox bill which was passed last year, introduced into the House by Representative WILCOX, of Florida, and which I had the honor to introduce in the Senate. That bill provides for the establishment of air bases throughout the United States, and leaves with the War Department, or the War Department's experts, the selection of these bases. I wish to ask whether the pending bill in any way will interfere with the free selection of those bases on the part of the War Department's experts? Will it cause or tend to cause the War Department to look more kindly toward Denver, for example, for one of the bases which must be set up in the Rocky Mountain area? Is there any connection between the two bills?

Mr. COSTIGAN. So far as I am informed, the answer to the Senator from Utah is unequivocally in the negative. However, since the chairman of the Senate Committee on Military Affairs is in the Chamber, it would appear advisable, for the sake of the legislative record, that the same inquiry be addressed to him, if he is willing to respond.

Mr. SHEPPARD. Mr. President, I shall state that there is no connection between the two measures, and that the selection of Denver as a site for the school will have no bearing on the selection of an air base, in my judgment.

Mr. THOMAS of Utah. Mr. President, I should like merely to say that that was the understanding which I had when we considered the two bills in the Committee on Military Affairs, and, as the Senator from Texas [Mr. SHEPPARD] has said, there is no reason for a connection between the two.

Mr. COSTIGAN. Perhaps the attention of the Senator from Utah should be redirected to the provision in the Wilcox bill carrying a general designation of consideration of some possible base in the intermountain region or Rocky Mountain area. I think I correctly quote language with reference to one possible Air Corps base. In referring to that it should be said that the answers already made to the Senator from Utah have been made in the light of that language and remain the same.

Mr. President, the bill before the Senate is one with reference to which the sponsors of the measure, my able colleague from Colorado [Mr. ADAMS] and myself, have been treated with exceptional courtesy. It should be and is acknowledged. The measure was reported to the Senate last August, and because of the crowded condition of the calendar of the Senate at that time, following a generous suggestion by the Senator from Wisconsin [Mr. LA FOLLETTE], assented to by the leader of the Democratic side of the Chamber, the Senator from Arkansas [Mr. ROBINSON], the measure was set down, by unanimous consent, for consideration on the third day of the present session.

Mr. LEWIS. The Senator will not omit the opposition of both Senators from Illinois.

Mr. COSTIGAN. The Senator from Illinois, I believe, suggests that there was no dissent from that agreement on the part of the Senators from Illinois.

Mr. LEWIS. But opposition to the measure.

Mr. COSTIGAN. Of course; but as is shown by the unanimous-consent agreement, there was no expressed opposition from any source to setting down the measure for the third day of the session. Since that time the measure, by further unanimous consent, has been kept before the Senate in a preferred position. This gives the measure first place at this time.

Acknowledgment should also be made to the chairman of the Senate Committee on Military Affairs [Mr. SHEPPARD] for his valued statement today. One clear inference from

that statement is that this is a measure not merely of importance to the State of Colorado but of primary importance to the efficient development of the Air Corps of the War Department of the United States.

An investigation of the record will disclose that the conclusion thus drawn from the statement of the Senator from Texas is amply confirmed. The remarks of the able chairman of the Military Affairs Committee derive added value from the circumstance that the technical committee of the Air Corps, which, unanimously, after extended investigation, reported in favor of the selection of Denver as a site for Air Corps Technical School purposes, selected some six cities, including two in the Senator's State, as possible sites suitable for the purposes of such a school, but awarded priority, for reasons summarized, to Denver.

As already indicated by the Senator from Texas, sponsorship of the pending measure became an official responsibility of the Senators from Colorado because of the location thus recommended. It was not due to any initiation of the investigation or other efforts on their part to advance, except by routine official communications, consideration of the merits of the city of Denver.

Mr. President, without unduly emphasizing the grave national intimations with respect to actual warfare abroad given by the President in his opening address to the Congress, it must now be apparent to all interested Members of the Senate and House of Representatives that new national reasons not known last summer when the unanimous-consent agreement was entered into may now be urged for action on the pending bill as promptly as is reasonably possible.

The bill is designed to establish the Air Corps Technical School and to acquire certain land in the State of Colorado to be used for a site for that school and for an aerial bombing and gunnery range for the Air Corps. It is stated in the letter of Secretary Dern to the Military Affairs Committee, which appears in the report on the bill, that—

> There is no existing law permitting the acceptance by the United States of a donation of land for the purpose for which this property is to be used.

The bill now before the Senate is designed to authorize such an acceptance in accordance with the recommendation of the Senate Committee on Military Affairs. It has become necessary to enact some such law if the report is to be given effect and if the War Department is to be put in a position to secure without cost a suitable site at Denver, as strongly recommended by the War Department, for the eventual establishment of long-needed Air Corps Technical School facilities.

It may be added in further preliminary explanation of the exact text of the bill under consideration that on May 21, 1935, by a vote of 39,395 to 15,085, the tax-paying electors of Denver, at a duly held election at which this was among the submitted questions, authorized and approved the issuance of $750,000 par value of municipal bonds to enable the city of Denver to secure and donate without cost to the United States title in fee simple to some 640 acres of land within the city limits, including the property known as the Agnes Phipps Memorial Sanitarium, together with existing buildings, equipment, and railroad spur connections, all located on this land, and also a tract of land within the State of Colorado 10 miles square, in other words, a hundred square miles, suitable for use as an aerial bombing and gunnery range by the Army Air Corps. It should be added that the special election at which these bonds were voted was held following publication of the recommendations in the report of the committee of officers of the Air Corps, and the references of that report to the Senate Committee on Military Affairs.

In the hearings on the bill no question was raised with respect to the readiness of Denver, or the legality of the steps taken by it, to comply with the necessary conditions precedent for the acceptance of the proposal by the War Department and for compliance with the conditions expressed in the pending measure.

As already stated, the bill is the legislative result of the report transmitted to the Senate Military Affairs Committee on March 13, 1935, by a technically equipped and impartial board of Air Corps officers recommending such action, for the reason that Chanute Field at Rantoul, Ill., is deemed unsuitable as a location and that the best location the board has been able to find, after extended and exhausted personal inspection and corroborative inquiries in many parts of the United States, is at Denver.

That report, which contains detailed comparative findings, was prepared by four Army Air Corps officers, Lieutenant Colonel Yount, Lieutenant Colonel Dargue, Major Lyon, and Captain Trunk, the last named a member of the board without a vote. The board, by direction of the Secretary of War, was appointed in February 1934 by the Chief of the Air Corps School to make a thorough study of the location of that school as one of the Air Corps' most important activities.

At the subcommittee hearing on that report it was developed by members of the Senate Military Affairs Committee that members of the technical War Department committee, after their appointment for that service almost 2 years ago, personally inspected some 57 different localities in many parts of the United States, and examined reports on many additional localities before making its carefully considered recommendation in favor of Denver.

When the report by the War Department, which was painstakingly considered and checked for some months after it was received by the War Department, was brought to the attention of the Committee on Military Affairs of the Senate in March 1935, a subcommittee of three able members of the Military Affairs Committee—the Senator from Indiana [Mr. MINTON], the Senator from Washington [Mr. SCHWELLENBACH], and the Senator from Vermont [Mr. AUSTIN]—was assigned the task of holding hearings on the report. At those hearings the Senator from Indiana [Mr. MINTON] usually presided, and he and other members of the subcommittee carefully interrogated witnesses. Hearings were held before the subcommittee on June 24, July 10, and July 25, 1935, following which the subcommittee unanimously reported to the Senate Committee on Military Affairs in favor of the findings of the board of Air Corps officers, and the Military Affairs Committee as a whole later favorably reported the pending measure to the Senate.

The bill submitted to the chairman of the Senate Military Affairs Committee by Secretary of War Dern is the one now before the Senate.

At the hearings of the Senate subcommittee objections to the report were raised by Representative DOBBINS, of Illinois, who represents the congressional district in that State in which during the World War Chanute Field, near Rantoul, Ill., was established to give the type of training now planned to be given under more favorable and up-to-date conditions at Denver through the authorized establishment there of the Air Corps Technical School. In addition to Representative DOBBINS, the resourceful Senators from Illinois urged an unfavorable in lieu of the present favorable report from the Senate Military Affairs Committee. These colleagues in both Houses of the Congress expressed dissent from the proposal to transfer this important technical Air Corps training school from the State of Illinois to the State of Colorado.

Representative DOBBINS in particular assailed the report at length because of his faith in the merits of Chanute Field, his conviction that it had been, in effect, unfairly and discriminatingly treated by the War Department in its report, and because the comparative advantages thus found of conditions in Denver for the future location of the school were deemed by him to be exaggerated and in part due to prejudice against Chanute Field and to what he contended were special inducements held out by Denver to persuade the War Department to make its recommendations.

The Senate subcommittee which heard the testimony last summer unanimously reported in favor of the official findings and the Senate Military Affairs Committee, as already appears, supported the conclusion that there was shown—I quote the words of the report—

> Nothing that would impeach the findings of this board of officers.

In consequence, on August 12, 1935, the distinguished chairman of the Military Affairs Committee [Mr. SHEPPARD] submitted the report of the full committee to the Senate. It was ordered printed, is before the Senate, and includes a favorable submission by Secretary of War Dern of the bill now before the Senate, sponsored, as already stated, by the Senators from Colorado. The Senate Military Affairs Committee in its report recommends that the pending bill be passed without amendment.

Mr. President, attention should now doubtless be first called to the comparative conclusions and summaries of the board of Air Corps officers, referred to by the chairman of the Military Affairs Committee in his preliminary statement, reciting known unsatisfactory conditions for important technical training at Rantoul, and present and the contrasted advantages of Denver, the proposed site of the school.

The Rantoul summary and conclusions are printed in part I at pages 35 and 36 of the hearings of the subcommittee of the Senate Military Affairs Committee.

I read, beginning on page 35 of the first part, or pamphlet, of the printed hearings, the following:

IX. SUMMARY

Chanute Field is the present home of the Air Corps Technical School. The field is a mile square, with good soil suitable for heavy foundations but with rather poor drainage due to the very flat character of the country all about. Much additional expense would be necessary to drain this field properly. The natural surroundings are excellent, the terrain is generally very level, there are few obstacles to flight, and there is plenty of room to the south and east for the expansion of the field if necessary. There is no bombing and machine-gun range and the expense of securing one within a reasonable distance is prohibitive. The field is now owned by the Government.

The climate in this section is very poor for the operations of the Air Corps Technical School. The reduced visibility, due to dense and light fog and haze, and to rain and snow, interferes a great deal, particularly in the execution of photographic machines. The unsatisfactory climatic conditions were commented upon in all departments of the school. Chanute Field is in a section where there are great extremes of temperature both winter and summer, the thermometer recording temperatures in the winter well below zero, with an average of 38 days continuously below freezing, and in the summer going many times to over 100, with 60 days having temperatures over 90. The humidity is high, making the cold weather very penetrating and the hot days of the summer very uncomfortable. Many days are lost as far as flying operations are concerned, and it is seldom the school year comes to an end without the omission of some of the scheduled flying missions.

Morale at Chanute Field is exceedingly low, and many of the conditions creating this situation would remain even though the fine new construction of a permanent school were placed at this location. While the low morale may in small part be due to the very dilapidated condition of the buildings on the field, other conditions in this vicinity over which the War Department has no control are believed far more responsible. Living conditions are unsatisfactory; recreational facilities are lacking; there is little exchange of civic and social courtesies with the people in the neighboring towns, the interest of these towns, and particularly of Rantoul, is primarily for their own economic purposes. The location is isolated in the great open prairie land of Illinois. Rantoul is too small a town to properly absorb an institution approximately equal in population to its own size. It is obvious many of these conditions will not change and will always be adverse to good morale.

The transportation facilities at Rantoul are very limited, other towns and cities are too far away to be readily accessible; health suffers somewhat on account of the temperature, climate, and rapid changes of weather; schools are good but limited.

The water is exceedingly hard and a source of great annoyance both in the home and in the conduct of some of the work in the course. Electricity service is very poor and it cannot be wholly depended upon for precision work in the school; other fuels except hard coal are available at fairly reasonable prices.

The geographical location of Chanute Field is good in relation to other Air Corps stations, recruiting areas, and supply points. It is also a good strategical location for a school.

The conclusions of the War Department's official board, printed immediately following the foregoing detailed references to Rantoul, are as follows:

Chanute Field, Rantoul, is considered unsuitable as a location for the Air Corps Technical School. The following principal reasons taken together lead to this conclusion:

(a) Rantoul is too small to properly absorb an institution of this kind which has almost as large a population as the town itself.

(b) A poor climate that interferes seriously with the conduct of flying operations in the course of instruction at the school.

(c) Very poor morale conditions which are in great part not subject to change.

(d) Relatively poor transportation facilities.

(e) Utilities not entirely satisfactory.

In contrast to this summary—which is read, not as testified to from the personal knowledge of the Senate sponsors of the measure but as part of the official findings recorded in the committee hearings—there should also be mentioned the corresponding findings of that committee with respect to Denver. Perhaps the following conclusions, at the end of the detailed discussion of conditions in Denver, printed on pages 40 and 41 of part 1 of the hearings of the subcomittee, should be here read:

Denver is a fine city of 300,000 inhabitants, which the board is certain would take a great interest in the school and would cooperate fully in its support. The type of citizenry is exceptionally high, with the percentage of American-born considerably above average.

Every type of cultural advantage is at hand and readily available.

Recreational facilities are exceptional due to the progressive attitude of the city and to its close proximity to the Rocky Mountains.

The site proposed is excellent and sufficiently close to the city to afford the personnel all of its advantages.

The climate affords all changes of season, and while it has its cold periods in winter it should not interfere materially with flying operations. The summer climate is good. The altitude has its advantages and its disadvantages as stated in paragraph VI 4. It is thought that the advantages outweigh the disadvantages. There is practically no fog or haze and normal visibility is very great due to the high altitude.

Denver is not particularly well located with respect to other Air Corps stations. It is 700 miles from the present center of Air Corps population.

Denver has a very low annual rainfall. This is compensated for by an adequate water supply which is furnished at a reasonable rate and which makes irrigation inexpensive. The soil is fertile when irrigated.

The cost of living, including foodstuffs, servants, and rentals, is average. Building materials and labor are average.

Schools and religious facilities are considerably above average. In fact, they appear to be superior.

All utilities are available and reasonable in cost.

Rail transportation facilities are excellent. Switching facilities to the site would be furnished by the city.

Communications are on a par with other cities of the same size.

Denver has every attribute to make it popular with the commissioned, enlisted, and civilian personnel pertaining to the school.

Paragraph VI, 4, referred to in the summary just quoted from the printed hearings, is also printed on page 40 of those hearings, preceding the summary.

The board's conclusions with respect to Denver to be compared with those with respect to Rantoul are as follows (hearings, p. 41):

Denver is considered suitable as a location for the Air Corps Technical School for the following reasons, which, taken together, lead to this conclusion:

(a) Fine, large, modern city.

(b) Good site which will be presented to the Government, together with several valuable buildings.

(c) Excellent climate and recreational facilities.

(d) Good location for training in altitude flying.

(e) Good strategical location.

Senators here will have noticed the reported absence at Rantoul and existence at Denver of an available adequate bombing and aerial gunnery site. There was no offer for Rantoul of such a site; but the record sets out the offer and availability of such a site at Denver, its personal inspection by Captain Brophy, and a report thereon by him to The Adjutant General in Washington. That report will be found at the end of the second part of the printed hearings before the Senate subcommittee, accompanying its report to the Senate. It is at page 42, and I ask that it may be here incorporated in the RECORD without reading.

The PRESIDING OFFICER (Mr. FRAZIER in the chair). Without objection, it is so ordered.

The report is as follows:

OFFICE OF THE AIR CORPS INSTRUCTORS,
COLORADO NATIONAL GUARD, LOWRY FIELD,
Denver, Colo., December 29, 1934.

To: The Adjutant General, Washington, D. C.

1. The following information anent bombing and gunnery range for proposed Air Corps Technical School, Denver, Colo., is hereby submitted:

(a) Description of range:

(1) Size, 10 by 10 miles.

(2) Location, approximately 12 miles east by southeast of proposed site of school; 19 miles from city of Denver.
(3) Terrain, slightly rolling prairie land.
(4) Approach to range, no obstructions.
(5) Emergency landing fields, at least four available on range.
(6) Approach from school, several lanes over uninhabited area, with good emergency fields.
(b) Terms.
The terms upon which bombing and gunnery site can be obtained cannot be stated at this time. I have contacted the chamber of commerce of the city of Denver, and they advise me that they will immediately take the matter under consideration and notify me as soon as possible what they will do toward providing this land to the Government. Because of their action with regard to the present site of Fitzsimons General Hospital and their proposed tender of land for the location of the Air Corps Technical School, it is my belief that the city of Denver will provide the gunnery and bombing range without expense to the Federal Government. The chamber of commerce reply anent the subject of terms relative to gunnery and bombing range will be forwarded immediately upon its receipt.
2. After both an aerial and a ground survey of the proposed gunnery and bombing range I am convinced that same is adequate and provides all requirements for its purpose.

NORMAN D. BROPHY,
Captain, Air Corps,
Instructor, Forty-fifth Division Aviation,
Colorado National Guard.

Mr. COSTIGAN. So significant, according to the testimony, is a proper bombing and aerial gunnery site, and so serious is its continuing unavailability at Rantoul, that it can hardly be too emphatically stressed. The facts are laden with enormous potential consequences. And there is no dispute about the facts.

Answering a question on this subject propounded by the Senator from Indiana [Mr. MINTON], Colonel Yount, when testifying before the subcommittee, discussed its importance for the Air Corps Technical School. Indeed, his statement on the nature of any instruction given by the school, for fuller understanding of the pending measure, doubtless ought to be detailed at this point in my remarks. I read from page 52 of the second part of the published hearings:

Senator MINTON. What do they do at these schools?

Referring to the Air Corps Technical Schools.

Colonel YOUNT. The exact curricula for this school is the training of officers and enlisted men in care of, operation, maintenance, and repair of Air Corps equipment. It is not a flying school, excepting that there is considerable flying which is incident to the curriculum and the testing of the equipment.
The exact courses which are taught there for officers are aircraft engineering, both airplanes and engines; armament; communications, principally radio; photography; special maintenance engineering; and certain other courses for officers of the National Guard.
For enlisted men the courses are airplane mechanics; aircraft armaments, which have to do with the question of machine guns and bomb racks and releases; and aircraft welders; and sheet-metal workers; parachute riggers; photographic and radio mechanics; and supply and technical clerks.
Senator MINTON. What is the personnel of the field?
Colonel YOUNT. For the next year—it has been very depleted during the past year, due to the very dilapidated condition of the buildings—the next year they have planned to train about 600 students. Of these, 250 will be especially enlisted out of the extra enlisted personnel recently authorized by Congress, and about 350 especially selected men sent from other Air Corps stations.
When the field was built, I believe it called for 86 officers and around 1,000 enlisted men.

Then, referring more particularly to the precise activities of the institution:

This school is considered one of our most important schools, and one for which we have a crying need at the present time. The question of technique is becoming so important, the question of training and having trained officers and enlisted men on every field who are thoroughly familiar with this equipment, is of the highest importance.
In fact—

And there is no more important statement in the report than this:

In fact—

Said Colonel Yount—

it involves the lives of men, and so the War Department naturally is very anxious that this matter should be settled so that we can go ahead wherever the school may be located and carry out this course of instruction which we consider to be one of our most important.

The Senator from Vermont [Mr. AUSTIN] at this point in the testimony propounded, and the witness answered, another question:

What particular part of that curriculum is affected by the location of the school?
Colonel YOUNT. The particular parts of the curriculum which we feel are affected by the location of the field are the courses in photography and the course in armaments.
Of course, in photography, as given at the present time, at Chanute Field, there is considerable lacking, due to the fact that we have a great deal of foggy, hazy, rainy weather, when it has been impossible to carry out the curriculum.
As far as the flying is concerned, in practically all of these courses, we have a very through theoretical course, in classrooms and in the laboratories, and this classroom and laboratory work is followed by practical demonstrations in the air.
Of course, photography can't be more than half taught on the ground. The men must be taken into the air to teach them the use of the apparatus. As far as our armament is concerned, we feel that the greatest thing which is lacking at Chanute Field is a possibility of a bombing field and a machine-gun range. Up to the present time, the course of instruction has been purely theoretical, and men have been taught how to build or put together the various pieces of armament appartaus, machine guns, sights, etc., on the ground, but they have not had an opportunity to take that apparatus into the air and actually test it under service conditions.

I trust that Senators who are listening realize the import of this particular statement of Colonel Yount, a technically qualified expert on Air Corps problems. One of the reasons, he asserts, calling imperatively for the removal of this school from its present site to a more favorable location, is that under present conditions this important branch of the school's activities, involving the lives of men, is on a theoretical basis due to the lack of a bombing and gunnery field such as has been offered voluntarily to meet the needs of this school by the city of Denver, by vote of the taxpayers, and without cost to the Federal Government.

Mr. DIETERICH. Mr. President——

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). Does the Senator from Colorado yield to the Senator from Illinois?

Mr. COSTIGAN. I yield to the Senator from Illinois.

Mr. DIETERICH. It is proposed in the Senator's bill to permit the Government to accept a grant of 640 acres of land. Is that correct?

Mr. COSTIGAN. That is part of the proposal.

Mr. DIETERICH. Are any further areas of land offered by the city of Denver so far as the Senator's bill is concerned?

Mr. COSTIGAN. On lines 3 and 4, page 2, the Senator from Illinois will find this description, in part, of what the War Department is authorized to accept from the city of Denver:

Also, a tract of land within the State of Colorado, suitable for use as an aerial gunnery and bombing range by the Army Air Corps.

Mr. DIETERICH. But that has nothing to do with the donation that is offered by the city of Denver through its chamber of commerce, has it? Furthermore, that is not a definite location. Am I correct on that point?

Mr. COSTIGAN. A definite location is reported upon, as already indicated to the Senator from Illinois, as inspected and, so far as the personal inspection permitted, approved by Norman D. Brophy, captain of the Air Corps, under date of December 29, 1934, in a letter addressed to The Adjutant General. As already stated, I may say to the Senator from Illinois, the letter will be found on page 42 of the printed hearings.

Mr. DIETERICH. I do not desire to interrupt the Senator any further, but I wish to be clear on that point. At present the Government owns a 640-acre tract at Rantoul, upon which its present equipment is located. The bill authorizes the Government to accept a similar tract in or near Denver. So far as the bombing range is concerned, it is as indefinite in Colorado as it is in Illinois.

Mr. LEWIS. Mr. President——

Mr. COSTIGAN. I yield to the Senator from Illinois.

Mr. LEWIS. I call the attention of the Senator from Colorado to the fact that the testimony of the witness, Colonel Yount, when referring to the prospects of both flying and bombing, is based upon technical conceptions only.

There has been no real attempt at flying in the field at Rantoul. He merely draws a deduction as to the prospect of what might follow from what he assumes are the conditions around him. May I not ask whether it is not equally true as to Colorado that no attempt has been actually put afoot to try the matter out? It is a mere technical conception on the part of this officer, his judgment as to how one locality might operate as against another, but is not based upon actual experience.

Mr. COSTIGAN. If the Senator from Illinois [Mr. LEWIS] refers at this moment to actual bombing operations in Illinois and in Colorado, what he says is obviously true; but if an intimation is attempted to be given to the Senate that there is some doubt about the unavailability of the field at Rantoul or the availability of a suitable site at Denver, the record clearly does not sustain that intimation.

Moreover, as already stated, we have the affirmative testimony of a highly qualified expert, Colonel Yount, as to the importance of such a site. We have, in addition, the admission in the record of the absence of such a site made by Representative DOBBINS in the hearings before the committee on June 24. I read from page 14 of the printed hearings, beginning with a question by the Senator from Indiana [Mr. MINTON]:

Senator MINTON. Well, there was some question or comment about a bombing field. You didn't touch on that.

The statement was addressed to Representative DOBBINS who was appearing at that time before the committee in opposition to the report. The printed record proceeds:

Congressman DOBBINS. Yes. A bombing field would be available, I think, at Denver, at an expense that would be a very great advantage over the cost of any bombing field that could be provided in the vicinity of Rantoul. In fact, the cost would be prohibitive in getting a 10-square-mile area in Rantoul. It would cost between five and ten million dollars to clear off and take the habitations away from an area of land 10 miles square in the vicinity of Rantoul, and I think it would be prohibitive.

Mr. DIETERICH. Mr. President, will the Senator yield?

Mr. COSTIGAN. I yield.

Mr. DIETERICH. But there was no location of an aerial bombing field inspected by this board of Army Air Corps officers in Colorado.

Mr. COSTIGAN. A representative of the board, as already stated, inspected an area and reported in favor of it.

Mr. DIETERICH. That is not described in the bill, is it?

Mr. COSTIGAN. There is no description of a particular tract of land. There is, however, a very definite authorization to the Secretary of War by the terms of the measure to accept 640 acres of land, more or less, within the city limits of Denver, together with existing buildings and equipment, also a tract of land within the State of Colorado suitable for use as an aerial gunnery and bombing range by the Army Air Corps.

Perhaps, in view of the questions raised by the Senators from Illinois, a reference to the language used by Captain Brophy should be made more definite by reading at least a portion of it. The entire statement will be found printed at page 42 of the hearings, and by unanimous consent has already been ordered printed in the RECORD of my remarks.

Under date of December 29, 1934, to repeat, Captain Brophy wrote as follows to The Adjutant General:

1. The following information anent bombing and gunnery range for proposed Air Corps Technical School, Denver, Colo., is hereby submitted:

(a) Description of range:

(1) Size, 10 miles by 10 miles.

(2) Location, approximately 12 miles east by southeast of proposed site of school; 19 miles from city of Denver.

(3) Terrain, slightly rolling prairie land.

(4) Approach to range; no obstructions.

(5) Emergency landing fields; at least four available on range.

(6) Approach from school; several lanes over uninhabited area, with good emergency fields.

(b) Terms.

The terms upon which bombing and gunnery site can be obtained cannot be stated at this time. I have contacted the chamber of commerce of the city of Denver, and they advise me that they will immediately take the matter under consideration and notify me as soon as possible what they will do toward providing this land to the Government. Because of their action with regard to the present site of Fitzsimons General Hospital and their proposed tender of land for the location of the Air Corps Technical School, it is my belief that the city of Denver will provide the gunnery and bombing range without expense to the Federal Government. The chamber of commerce reply anent the subject of terms relative to gunnery and bombing range will be forwarded immediately upon its receipt.

2. After both an aerial and a ground survey of the proposed gunnery and bombing range I am convinced that same is adequate and provides all requirements for its purpose.

This report should be supplemented by further reference to the vote of the taxpayers of Denver on May 21, 1935. The question was submitted to the taxpaying electors in the following words:

Shall the city council of the city and county of Denver issue negotiable interest-bearing bonds of the city and county of Denver, in the sum of $750,000, for the purpose of acquiring or contributing to the acquiring of such lands, buildings, and building sites and railway trackage as may be necessary and selected by the War Department of the United States for the location of its proposed Army Air Corps Technical Training School and its proposed bombing field, or either of them, should both not be located in or near the city and county of Denver, as as is in the judgment of the mayor and his cabinet and the city council may be deemed necessary in cooperation with the Federal authorities, such bonds to be issued and sold only when and as the Federal Government shall comply with its agreed part of the undertaking, hereinbefore described, and such bonds to bear interest at a rate not to exceed 4 percent per annum payable semiannually to mature as follows.

There follows a specification of five different groups of bonds, which I shall ask to have incorporated in the RECORD at this point without reading.

The PRESIDING OFFICER. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

1947	$75,000
1948	75,000
1949	75,000
1950	75,000
1951	75,000
1952	75,000
1953	75,000
1954	75,000
1955	75,000
1956	75,000

Mr. DIETERICH. Mr. President, will the Senator yield?

Mr. COSTIGAN. I yield.

Mr. DIETERICH. Some of the lands to be acquired are located within the corporate limits of the city of Denver. The aerial bombing tract may not be located within the corporate limits of the city of Denver. I wish to direct the attention of the Senator from Colorado to the question I am propounding. Does he, as an eminent attorney from Colorado familiar with its laws, consider that this is a proper municipal purpose for which to bind the taxpayers, in order to raise this fund for the city of Denver, and has there ever been a test of whether or not they could do that? Has there been any similar case which would indicate that it was within their corporate power to levy a tax upon the property of the city of Denver for the purpose of giving it to the Federal Government for some air activity?

Mr. COSTIGAN. The city and county of Denver, so called by virtue of its exceptional and self-governing municipal organization, authorized by an amendment to the Colorado constitution some years ago, purchased and has long controlled with similar authority various tracts of land some miles from Denver known as the Denver Mountain Parks. Very large powers have been given to Denver, and it is my judgment—confirmed, I think, by the judgment of attorneys who have inquired into the authority for such action in passing on the validity of bonds—that there is no valid legal or constitutional objection to the particular bonds authorized by vote of the taxpaying electors at the election in May 1935, to which reference has been made.

Mr. ADAMS. Mr. President, will my colleague yield to me for an inquiry?

Mr. COSTIGAN. I yield.

Mr. ADAMS. I gather from the interrogatory of the Senator from Illinois [Mr. DIETERICH] that his only concern in the matter is lest the city of Denver should be unable to provide the site for the bombing field. Other than that, he would have no objection. Could he not be told of the ade-

quate assurances and guarantees by responsible citizens of Denver to that effect, even though there should be some legal question as to the city's rights?

Mr. DIETERICH. Mr. President, will the Senator yield?

Mr. COSTIGAN. I yield to the Senator from Illinois for the purpose of answering the inquiry of my colleague.

Mr. DIETERICH. With the indulgence of the senior Senator from Colorado, I might say, in order to disillusion the junior Senator from Colorado, that what he mentioned is not my only concern, and I expect to state briefly and plainly what the concern of Illinois is in trying to prevent the chambers of commerce of the State of Colorado from buying an institution which is now located in Illinois. That is the principal concern which Illinois has in this matter.

Mr. COSTIGAN. Mr. President, the record will be searched in vain, in my judgment, for any affirmative or other support of the implications conveyed in the last statement made by the Senator from Illinois.

Before I continue I should say that my attention has just been informally drawn to the fact that certain Members of the Senate did not hear the detailed statement with respect to the vote of Denver taxpayers on the question submitted concerning the issuance of bonds authorizing the purchase of the land for use in part as a bombing field. I therefore repeat that on May 21, 1935, bonds in the total amount of $750,000 par value were authorized to be issued by Denver for the purposes repeatedly specified, and that the vote of the taxpaying electors, who, pursuant to our self-governing home-rule amendment to the Colorado Constitution, determine such questions, was 39,395 in favor and 15,083 against; approximately two and a half times as many voting in favor of this bonded obligation as voted against, all qualified voters being taxpaying electors.

Mr. DIETERICH. Mr. President, will the Senator yield?

Mr. COSTIGAN. I yield.

Mr. DIETERICH. The Senator says that the vote was confined to taxpaying citizens of the city of Denver. Is there a law providing that those who are not property owners are not permitted to exercise their right of franchise on whether or not the city should do such a thing?

Mr. COSTIGAN. The provisions of the constitutional amendment giving home rule to Denver, and the Denver charter provisions adopted in conformity, are construed as requiring a vote of taxpaying electors in such instances, and such a vote was had. So far as known, until now, there has been no technical question raised, if one is now raised, as to the validity of these proceedings. Of course, the War Department is under no obligation to accept, and it is certain that it would not accept, other than fee-simple title to land which is or may be tendered under the provisions of the pending measure, if it becomes law.

What I have been endeavoring to say on the subject of the bombing field is that the unchallenged testimony of technically highly equipped officers of the Air Corps discloses the value in addition to theoretical training in this important field of aerial preparedness. It also discloses an admission by the Representative from the part of Illinois in which Rantoul is located of the absence of any suitable available location there for these purposes. The prohibitive cost is specified by him.

It ought without that admission to be obvious to anyone familiar in general with conditions in the vicinity of Rantoul, Urbana, and Champaign that those communities are located in a rich agricultural region of the great State of Illinois, and that, even if such an area as a gunnery site were available at moderate cost, there would be special dangers to people in that vicinity involved in the use of such a site which would not attach to available far-stretching, largely unoccupied lands in the vicinity of but outside of Denver. There it is possible to segregate a tract of land 10 miles square and to safeguard individuals in that vicinity.

Pictures which I have here for the inspection of any Senator who cares to inspect them illustrate the nature of the considered site in the vicinity of Denver.

Surely some of the questions presented by the Senator from Illinois with respect to problems heretofore undisputed may well surprise members of the Committee on Military Affairs who have followed the testimony so far given and are familiar with the careful and specific reasons assigned by the War Department for the removal of the Air Corps Technical School from its present site in Illinois.

Lest there be further similar questions presented hereafter, there should be definite reference to the opening statement of Representative DOBBINS at the first hearing of the subcommittee. Representative DOBBINS in his opening statement frankly gave the following information, which is of importance not only for what it says but also for its implied support of the accuracy of much of the final report of the officers' committee.

I quote on page 2 of the printed proceedings from that statement of Representative DOBBINS:

> Champaign County is in a flat, plain country, and the location at Chanute Field is characteristic of the rest of the country.
>
> It was established during war times as a practice field, and then developed as a technical school about 14 or 15 years ago. The improvements there are the greatest drawbacks—old wartime buildings—both as to housing and technical construction. They have had two bad fires within the last 5 years which have depleted the technical facilities of the school.
>
> In considering the student personnel of the field, it runs at present, I think, about 600—a maximum figure, I think, has been something like 1,000 students. I think instruction is given not only to mechanics, enlisted or drawn from civil life, but also the official personnel of the Army.
>
> The first agitation for moving of the school was with reference only to the question of Dayton, Ohio, where, as you know, a considerable amount of Air Corps activity is centered. There was quite a contest between the Illinois people and the Ohio people on that question for several years. The result of that conflict was that the improvements in the field were not made.
>
> In 1932 something like a million dollars was appropriated for new construction. Advertisements for bids were taken and had been received, and contracts were about to be let, when in the winter of that year, in December, the appropriation was canceled and the funds appropriated for that purpose were covered into the general appropriation for the Army, without specification being made as to how it was to be expended. From that time to this the need for improvements to the field has increased. In 1934, early last year, the War Department was understood to be the sponsor of a resolution, which was introduced by Representative McDuffie in the House of Representatives, proposing the creation of a special commission to study, to make a study, of different locations and report upon a proper location for that school.
>
> The resolution was not adopted, but while pending this special board, whose report is before you, was created by order of the Secretary of War for three Air Corps officers. They were to prepare a report on each of the places visited, and continued their survey for 6 or 8 months, visiting, I think, over 100 locations—up in that neighborhood, at any rate.

It must then be evident that for many years there has been substantial dissatisfaction among those responsible for the administration and development of the Rantoul school over conditions prevailing at Chanute Field and in that vicinity; that various efforts have been made from time to time to find a more suitable location; that extreme precautions have been taken to determine a present suitable location for such a school, and that finally, and as a result of detailed, country-wide inspection, such a location is now unanimously favored at Denver.

I think, Mr. President, that there is little else that needs to be said unless new reasons for subsequent discussion should develop.

Summarizing what I have been endeavoring to say, the history of this school discloses that after years of evident dissatisfaction, in February 1934, continuous efforts by the War Department to find a more suitable location than Rantoul were renewed. The deficiencies in training facilities and other factors making for lowered morale; the climatic, photographic, necessary aerial training, and other limitations of the present site, not faced at the proposed new location, the detailed and careful tests applied in seeking new and better conditions have been specified.

The ability and impartiality of the Army officers pledged on their honor to investigate and report fairly on other possible sites with a view to securing the most suitable of such sites, the care which was exercised by superior Army officers through some 5 months to check the accuracy of the report before it was submitted to the Senate, the review of the merits of the case by the Senate Military Affairs Committee,

the patient examination by the members of that committee of the testimony and arguments presented in favor of retaining the school at the present site at Rantoul, and the final approval for Senate consideration of the steps taken by the War Department, including the pending measure, are all part of the record.

I need not add to what I have said any special emphasis on the pressing importance, as well as the scientific justification of the pending bill. Those features have been sufficiently reviewed. Even those members of this body who with special conviction passionately resent civilization-destroying wars, their multiplied cruelties, and their futilities, may well recognize in such a measure as this more efficient safeguards than have heretofore had first place in the help given by the Congress to the Air Corps Technical School. This is not a new problem, but the pending measure has the value of providing more adequate treatment of existing responsibilities.

The pending bill, therefore, comes before the Senate with an up-to-date emphasis which few will care to dispute. The scientific evidence of technicians who support it justifies the conclusion that unless it is acted on with reasonable promptness, the cost of delay or defeat will be national and will be paid in relatively inadequate training and efficiency and in the lives not only of Army fliers but also those who depend on their trained knowledge and skill. The warning has been authoritatively sounded and with special reference to this anticipated legislative proposal. The evidence is conclusive; the findings have been made with unusual deliberation by competent witnesses on the basis of appropriate tests, minutely and expertly applied and checked by Members of the Senate who are exceptionally qualified to determine credibility. It is hoped that favorable action on the pending bill will no longer be deferred.

Mr. DIETERICH obtained the floor.

Mr. LEWIS. Mr. President, if my colleague will yield——

Mr. DIETERICH. I yield.

Mr. LEWIS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson	Pittman
Ashurst	Coolidge	Keyes	Pope
Austin	Copeland	King	Radcliffe
Bachman	Costigan	La Follette	Reynolds
Bailey	Couzens	Lewis	Robinson
Bankhead	Davis	Logan	Russell
Barbour	Dickinson	Lonergan	Schwellenbach
Barkley	Dieterich	McAdoo	Sheppard
Benson	Donahey	McCarran	Shipstead
Bilbo	Duffy	McGill	Smith
Black	Fletcher	McKellar	Steiwer
Bone	Frazier	McNary	Thomas, Okla.
Borah	George	Maloney	Thomas, Utah
Brown	Gerry	Metcalf	Townsend
Bulkley	Gibson	Minton	Trammell
Bulow	Glass	Moore	Truman
Burke	Gore	Murphy	Tydings
Byrd	Guffey	Murray	Vandenberg
Byrnes	Hale	Neely	Van Nuys
Capper	Harrison	Norbeck	Wagner
Caraway	Hastings	Norris	Walsh
Carey	Hatch	Nye	Wheeler
Chavez	Hayden	O'Mahoney	White
Clark	Holt	Overton	

The PRESIDING OFFICER. Ninety-five Senators having answered to their names, a quorum is present.

Mr. DIETERICH. Mr. President, I believe I can say without any impropriety that I have not been given to quarreling with any agency of the Federal Government in the matter of performing the duties which devolve upon it. If I felt that this investigation had been made as fairly, as openly, and as thoroughly as the senior Senator from Colorado [Mr. COSTIGAN] represented that it was, I should not be here talking to this body now.

If I felt that there had been exhibited a desire to find the location in the United States most suitable for the establishment of this institution, one that would take into consideration everything necessary to be taken into consideration in order that the institution might give thorough and efficient training to that class of citizens who during war must be learned and skilled in the matter of aviation and in the matter of those destructive forces which aviation carries in the war, I should not be talking to this body at this time.

If I felt that my own State had not been discriminated against—not by the United States Senate but by some subordinate officer to whom perhaps the flat prairies of Illinois did not appeal, those prairies which produce the men and produce the goods and pay the revenues in their just proportion to this Government—if I did not believe there was a discrimination of that kind I should not be talking to the Senate today. I should not ask the indulgence of your time and attention.

Rantoul Field was established shortly after the World War. The activities of Kelly Field, in Texas, were moved to Illinois. Sufficient land was acquired, and at that time temporary buildings were either in existence or were constructed for the purpose. It is an established institution of that State.

I realize that it is rather difficult to get Senators who are not very much interested in the establishment of institutions of this kind—possibly because their own States have not had the opportunity to have similar institutions established there—to take any other course than to say, "If a proper board has been appointed, if a Federal investigation has been made, if the proposed site has been investigated in the proper manner, we do not care to disturb the situation." I realize that is the ordinary logic which moves a Senator in the discharge of his duties.

I say to the Senate here and now that I am not given to suspicion. I am not given to charging bad faith to anyone. I am one of the last persons in the world who would raise his voice to charge anyone with bad faith in any agency of his Government, especially in those agencies of defense of his Government. There are some things connected with this proposal, however, which were not brought in by any Member of the Congress. When chambers of commerce become ambitious to build up their communities, become ambitious to have institutions taken from somewhere else and brought to them, they sometimes do things which are not in accordance with the line of ethics pursued in the Congress of the United States.

The question which presents itself to the Senate is this:

Here is an institution, established in one State, which is sought to be removed from its present location and established in another State. It is not a question of finding a location for an institution which is not in existence, the building of which is only contemplated. It is a question of taking an institution away from a State. If it were the establishment of a new institution, the question would be altogether different.

True, conditions at Rantoul Field are not good. Why that field was not properly prepared for a flying field, no one except those who had to do with the expenditure of the appropriations can tell. Appropriations have been available year after year to correct the drainage of that field, about which this commission complained, and to erect at the field permanent buildings to take the place of those whose decay and depreciation is said to have caused a bad morale. The appropriations were made, and the money was lying in the Treasury, but no appeal could induce the authorities to do for this field what they should have done, and what they expect to do if the proposed field is established in Denver.

I had some concern about this matter when I first came to Congress. It is a matter which was discussed in Illinois. It was involved in a scheme of politics which I was never able to see through, never was able to fathom, never was able to understand. When I went to the War Department, which had charge of these activities, when I came here as a Representative at large from Illinois, I tried to get them to spend the available appropriations and place that field in a proper condition for the purposes for which it was intended.

I was told by the Department that they intended to consolidate these activities; they intended to move this field to Dayton, Ohio, where other air activities were located, so that when men attended this technical school they could have the benefit of the additional and broad training in fly-

ing which was going on at the Dayton field. I was told that they wanted to do that as a matter of economy. It was a matter of raising the efficiency of the field.

When they told me that, they had no quarrel with me, because I said, "If this will render the training of these men more efficient, if it is a matter of consolidating these activities, if it is a matter of economy, I am big enough to go back to my people and tell them that they need not hope to retain an institution in the State of Illinois when those considerations are against it"; and I told them that.

That, however, evidently is not what was in mind. Up to that time, not one finger had been raised to condemn or impeach this field. Up to that time, so far as anyone could gather from that Department of the Government, the field was absolutely suited for the activities for which it was intended so far as climate, terrain, and everything else was concerned.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER (Mr. MINTON in the chair). Does the Senator from Illinois yield to the Senator from Nebraska?

Mr. DIETERICH. I yield to the Senator from Nebraska.

Mr. NORRIS. I desire to make an inquiry concerning a matter which has impressed me since listening to this debate. Prior to the debate I knew nothing about the questions at issue or about this bill.

The matter which has impressed me seems to me important. I may not be sufficiently informed to be right in regard to it; but it is this: For the school, and for the theoretical work connected with it, and possibly some flying, a section of land probably would be sufficient; but to put it into practice for the bombing and the shooting and the other work connected with the practical application of the theoretical work, as I understand, a very large tract of land would be required; so that somewhere in the vicinity of the school there should be a large field, I should think 25 or 30 miles square, for use in practice operations.

I am wondering, first, if my conclusion is right. If it is not, what I have suggested has no application to this case; but if it is, it is very important that this field be located somewhere where a large tract of land could be acquired without prohibitive expense; and it seems to me it would necessarily have to be located in the vicinity of the mountains, or other public lands, or other places where land would not be too expensive. Can the Senator from Illinois give us some information on that point?

Mr. DIETERICH. Yes; I think I can.

I realize the truth of what the Senator from Nebraska has said. That argument was brought up in connection with the matter of removing the field to Denver, Colo.

No complaint was ever made, while the appropriations were available, that there was not sufficient space for conducting the training in these bombing operations. This is a new thing that has come in. It is not even necessarily connected with this training school. The matter of perfecting the men in flying, the matter of training them in the art of bombing, has nothing whatever to do with this school. That can be carried on in the State of Illinois. It can be carried on 200, 300, or a thousand miles away; and under the present bill it is indicated that its location in the the State of Colorado is not necessarily near this school where the men are taught the technical, mechanical construction of airplanes and air equipment.

That is my answer to that question. This is the first time the War Department has said that these two particular activities, these two institutions, should be located close together. The conclusions drawn in the report—and I am going to call attention to the report—say that the necessary land could not be obtained around the present field except at prices that would be prohibitive. That is a mere conclusion. I do not know whether or not a tract of land 10 miles square is required. So far as I know, they have not such a tract of land anywhere. I do not know the price of land in Colorado. I understand that they are going to issue bonds and donate the land to the Government. It is not for me to complain about that; but I wish to say to Senators that this is the first time this important activity of the Government has been put up at auction, to be given to the locality which furnishes, in dollars and cents, the best inducements; and that proposition was not made to us in order that we might avail ourselves of it.

Why locate this field at Denver? Why not locate it at Pueblo, Colo., where the terrain is much more suitable for the purpose? Why not locate it at Colorado Springs? Why not somewhere else? Why not down in the fields of Kentucky? Why not in Missouri, among the Ozark Mountains, where they can find space a thousand times more centrally located? Why Colorado? Why Denver?

The fact is that the irresistible entertainments of the Chamber of Commerce of Denver are responsible for the removal of this field, and I shall go into that, and when I do, I go into it with reluctance. When I say that the irresistible entertainments of the Chamber of Commerce of Denver are the cause of this removal I am saying it advisedly and I am not using reckless language or thoughtless language. I am going to show the Senate why I say that and why I have a right to say it.

Mr. COSTIGAN. Mr. President, will the Senator yield?

Mr. DIETERICH. I yield.

Mr. COSTIGAN. Without raising, but reserving, any question as to the accuracy of statements newly made by the Senator from Illinois, in view of the inquiry by the Senator from Nebraska, I think it proper to ask, because it is believed nothing not heretofore cited has been testified to with respect to reasons for earlier efforts to move the Air Corps school from Rantoul to Dayton, Ohio, whether at that time any reference was made to the availability of Dayton, Ohio, for bombing or aerial gunnery purposes?

Mr. DIETERICH. I do not want the Senator to argue his case again in my time, but if he doubts my word I can find other Senators who are interested in this matter to whom the same thing was told.

Mr. COSTIGAN. No intended suggestion of doubt of the Senator's word has been given at this time. There has been——

Mr. DIETERICH. Mr. President——

Mr. COSTIGAN. If the Senator will permit me——

Mr. DIETERICH. I like to yield for questions, but I do not like to have this speech I am making interlined and interspersed with other speeches, because it would be hard for the printer to cut the interruptions out and find out what I was saying.

Mr. COSTIGAN. If the Senator will pardon me, just one comment.

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Colorado?

Mr. DIETERICH. I yield for a question.

Mr. COSTIGAN. Does the Senator know whether the availability of a bombing or aerial gunnery site at Dayton, Ohio, was mentioned or considered some years ago when the proposed removal from Rantoul was under consideration?

Mr. DIETERICH. I will answer that question. So far as I know, it was not; and, so far as I know, this is the first time that has been tied on to the question of this technical training school.

Mr. COSTIGAN. May I ask the Senator to yield for one further question?

Mr. DIETERICH. If the Senator will quietly listen until I get through, I believe I will clarify the points and save a lot of the Senator's time.

Mr. COSTIGAN. May I ask whether the Senator from Illinois suggests that Denver, or any organizations representing Denver, had anything to do with the earlier proposals for the removal of this school? I have particularly in mind the suggestion of a removal to Dayton, Ohio.

Mr. DIETERICH. I do not suppose the Denver Chamber of Commerce was very much in favor of removing the school to Dayton, Ohio, and I doubt whether they had very much to do with the particular agitation for the removal of the school to that place.

The report made by this board of four Army Air Corps officers is based upon information obtained mostly by them-

selves at Chanute Field, and beautiful prospectuses, and photographs, and statements of wonderful weather conditions issued by the chamber of commerce of the city of Denver. The photographs disclose a damp, wet field at Chanute Field at a time when it was in the worst condition in which it had been for years. The photographs which they incorporated in the record, furnished by the Chamber of Commerce of Denver, paint climate of Denver as most heavenly, the skies clear and blue, and beautiful to behold. No painting like that was presented on behalf of Illinois. No; it was damp, hazy, rainy.

Bless you, when we fight wars, we cannot take the boys up along the mountain sides and into rarefied atmosphere. We have to fight them where the battles take place, and if we are to train them in a wonderful climate such as exists in Denver, if they have to go down in the swamps somewhere, they will not know what to do.

They discovered every day the atmosphere over Illinois was cloudy, and it does look bad in the record. But they did not even discover in the last 2 years a dust storm along the east slope of the Rocky Mountains. This board of Army Air officers did not even know of these storms.

As I have said, this is the first time we have heard this Illinois field impeached. Illinois may not boast of ideal weather. Ohio, Indiana, Kentucky, Tennessee, and all those States of the Central West, may not be able to boast of ideal weather. But we have a healthful climate and we have blue skies most of the year.

They even took the temperatures and directed a movement against the field on the theory that the weather was too hot and humid for the men to train properly—that it would distract them from their work. I do not think there is any question but that men should be trained, perhaps, in all kinds of climate and when we compare the days referred to with the winter days along the east slope of the Rockies we will strike a pretty good balance.

If we talk about danger in flying, I should rather have my boy, if something went wrong, come down in the cornfields of Illinois than fall among the rocks of the Rocky Mountains, if we are talking about safety.

It is said that this is urgent; that it should be done immediately; that the lives of our boys depend upon this being carried out immediately. Why did they not think of that from the time this field was established at Rantoul, and when the appropriations were available to go ahead and build this field and mold it into what it should be?

I guess this is one of the ordinary things with which we sometimes meet. Is there anything in the accounts of Colorado and Illinois, comparing the revenues and expenditures, that would indicate that there was an overbalance along that line, and that some institution should be removed from one State to the other so that a more just distribuion of the revenues and expenditures of the Government should take place?

I have a statement here which shows that Colorado, with a population of 1,056,000, paid $26,826,155 as revenues into the Federal Treasury to carry on governmental activities, and at the same time took out of the Federal Treasury $48,760,386.

I believe I have a right to present this matter to the Congress. I believe it is a factor which has a right to be taken into consideration in this matter. The revenues of Illinois were more than $100,000,000 in excess of what she received, with her poulation of something over 7,000,000.

I believe that is proper to be taken into consideration here.

There is something still a little bit worse than that concerning the matter, which I do not understand. There was introduced in the record a letter written to Lt. Col. B. K. Yount, of the United States Army, chairman of the Board for Recommending Site for Air Corps Technical School, Munitions Building, Washington, D. C., in which the writer says:

Confirming our telephone conversation just now:

Yesterday I was away from my office all day, being engaged in a series of conferences at the Interior Department, which did not conclude until late in the afternoon. While I was away from my office, there was received by Western Union a day letter dated Denver, Colo., August 7, addressed to me, signed "Denver Chamber of Commerce, C. A. Shinn, president"—

S-h-i-n-n, president—

which I just read to you over the telephone. Body of the telegram is as follows:

"Please advise Colonel Yount, chamber of commerce, joined enthusiastically by mayor and Denver City Council and supported by newspapers, proposes to arrange for outright donation to Government of entire site with present buildings and equipment. Request this be embodied in Denver prospectus and that consideration of Denver be based accordingly. Buildings and equipment, exclusive of land, cost originally $560,000, now conservatively worth $325,000. Trackage must await further negotiation, as both railroads claim tonnage insufficient to warrant building. Please do not release to press."

But this is the thing I desire to call attention to:

As requested by Mr. Shinn—

S-h-i-n-n, this president of the chamber of commerce—

and by you—

That is, Mr. Yount. There we have the chairman of the board and the president of the chamber of commerce.

I can assure you that there will be no "leak"—

L-e-a-k, leak—

from this office concerning the correspondence between you and the Denver Chamber of Commerce.

Mr. COSTIGAN. Mr. President——

Mr. DIETERICH. I will not brook an interruption now.

Mr. President, if that savors of fairness, I do not understand it. That letter was written by Congressman LEWIS, who represents the city of Denver, for, as I understand, the congressional district and the corporate limits of the city of Denver are coextensive.

L-e-a-k, leak! The public will not know what we have done! We have got something between us that must not come out in the light of day, and I can assure you, as I assured the president of the chamber of commerce, there will be no leak.

I was surprised to find the explanation given about this matter. Of course Colonel Yount gives a long explanation by saying that he is satisfied that it was perfectly aboveboard and honest. Colonel Yount, on whom he was not going to leak, is thoroughly satisfied there is nothing improper in the transaction. When Representative DOBBINS took the stand, his explanation was certainly a thorough explanation of what he meant:

Representative DOBBINS. I could see no impropriety in such correspondence—

I am reading now from the hearings before the subcommittee of the Committee on Military Affairs in the United States Senate, Seventy-fourth Congress, under date of June 24, 1935. What I now read follows immediately after the letter:

Representative DOBBINS. I could see no impropriety in such correspondence, but only in their statement that they had not had such correspondence.

Evidently somebody would not have made a statement that there was going to be no leak if leaky matter did not exist.

Congressman LEWIS. There is no impropriety in the correspondence, I can assure you of that.

That is all he says in defense of it. He continues:

Now, I would be glad to submit this other information on the cost of living, and also—

And he leaves it at that. That is the explanation of a transaction which took place between the chairman of this board to locate a technical air school and the president of the chamber of commerce. That is why I am here on the floor of the Senate saying that this was not fair, and the entire record is absolutely stacked against Chanute Field. I have the highest respect for the officers of the United States Army. I think they are the most honorable, true, and patriotic men that ever lived; but they do not go out pursuing a public function concerning which there must be no leak. I do not doubt that the society and the bright



lights of Denver, with all the entertaining establishments they have in that beautiful city—entertainment of any kind you want—are a little more alluring for an Army officer, and that it is more alluring for him to live there, than the uninteresting fields of Illinois on which her crops are raised.

I do not doubt that the social whirl and the entertainments of Denver might appeal more to those who spend their lives in the Service than the uninteresting corn and wheat fields of Illinois. But, on the other hand, we have the little city of Rantoul, some 10 or 12 miles distant from the field, connected by ample superhighways to the university city of Illinois, to the seat of learning and culture, to the place near which you want your boy brought up, to the place where if you had your choice you would rather have him making contacts than going down the brightly lighted streets of the beautiful city of Denver, with her western tinge and her western allurements.

That is why the Senators from Illinois are protesting against the proposed action. Springfield, Mo., wanted this field; and anyone who has looked around the terrain and the surroundings of Springfield, Mo., for bombing fields and everything else, knows it has better fields than Colorado. The Senator from Texas [Mr. SHEPPARD] knows of fields in his State that are better equipped than the proposed field in Colorado, that have better surroundings, and are better places in which to train men.

Mr. President, even the difference in the cost of living and foodstuffs as between Denver and the community in Illinois was gone into. Can Senators imagine such a thing? They had that record stacked against us, until Representative DOBBINS—for which I want to say that he deserves the thanks of the district which he represents—went into the matter, made comparisons, took out a great deal of the cloudy days which they had stacked in the record against us, and reduced the cost of living which they had raised up. I know that one can live cheaper in Illinois and in Iowa than one can live in Denver, Colo.

I have stated what is back of the bill and why we are protesting the removal of the field. I say that the committee could have done nothing else from the record which was made, because the chairman of the board, who did not want any leak and had to be assured there would not be any leak, stacked the record the way he wanted it.

Mr. President, I make a promise—not a threat—that whenever anyone talks about leaks and leaking with respect to the expenditure of Government money, I am going to make it my business to see that there is not some other leak somewhere. I am going to do that in connection with my official duties.

This is the first time in all my life I have had occasion to say what I have said against one who was a member of a department of my government, whether State or National.

Of course the record was right. Of course they did not let that which might impel them to move leak out. It is always dangerous to have a chamber of commerce fooling along with a board which is trying to locate technical schools. Those boys just will try to sell their community in any fashion they can.

If those who desired the field moved to Denver wanted to pass off the bombing field as being prohibitive, why did they not give us a chance to see if we would donate a bombing field to them? We never did have that opportunity. Why did they not give the State of Kentucky the chance to donate land for the purpose, along those beautiful hills south of the Ohio River where the grass grows down to the water's edge?

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. DIETERICH. I yield.

Mr. BARKLEY. If a proposition is brought before the Congress to move the field from Illinois to Kentucky, will the Senator from Illinois favor such removal?

Mr. DIETERICH. I shall be more in favor of that removal than to have the field moved out West. I will say that to the Senator from Kentucky. I am not in favor of putting it in Denver. I do no think it should go to Denver. I think we ought to have it where it is; but if I wanted my boy trained in these dangerous activities, I would rather have him flying over the beautiful hills of Kentucky than out West. I suppose the board considered some of those questions. They have the weather and the cost of living and everything stacked against us. There is just one place where this school can go, and that is the place where the understanding is so thorough that there will be no leak as to what happens.

Mr. COSTIGAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Colorado?

Mr. DIETERICH. I yield for a question.

Mr. COSTIGAN. May I ask the Senator from Illinois whether he does not think it would be fairer for the purposes of the record to do what the Senators from Colorado must themselves do unless the record is clarified at this time; namely, incorporate fully in the RECORD the statements made by the able Representative from Denver, Mr. LEWIS, and by Lieutenant Colonel Yount, with respect to the so-called "leak" letter.

Mr. DIETERICH. Yes; I shall read Colonel Yount's letter. I am glad the Senator called attention to it. Colonel Yount made one of the most thorough explanations of what "leak" means that anybody ever did. When he got through, it was just as clear as mud as to what he meant by "leak." If there was any confusion before he got through, then when he got through there was still more confusion.

Colonel Yount said:

> As I remember, I called Congressman LEWIS' office and called his attention to the fact that this information had not been furnished in connection with the site at Denver and asked that it be furnished. That certainly was in connection with the site and perfectly legitimate.
>
> Congressman LEWIS used the word "leak." I think by using that word he simply meant that the confidence which we had asked in every case, the confidential nature which we had imposed or attempted to impose upon all of these proceedings, would continue to be kept.

That is what he stated he meant. I do not want to be unduly suspicious, but I can think he meant something else just as reasonably as he can think that is what was meant.

Mr. COSTIGAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield further to the Senator from Colorado?

Mr. DIETERICH. I yield.

Mr. COSTIGAN. Does the Senator plan to incorporate in the RECORD the portion of the statement of Lieutenant Colonel Yount which precedes the conclusion read by the Senator? I refer to the language on page 56 of the hearings.

Mr. DIETERICH. I beg the Senator's pardon. My attention was diverted. Will the Senator repeat his question?

Mr. COSTIGAN. Since it is the Senator's desire that any statement be made in the form of a question, I am asking whether the Senator wishes to incorporate in full the statements of Lieutenant Colonel Yount preceding those portions of the statements which were in part read by the Senator from Illinois?

Mr. DIETERICH. I have no objection to the Senator from Colorado incorporating in the RECORD anything he wants to place there, but from my very earliest years I have never made it a practice to let my adversary write my speech. I am simply telling what I understand by this, the RECORD is open to every Member of the Senate. I am not trying to conceal anything nor to have any leak. I am not afraid of any leak in this matter at all, because it is all in the record. There is no reason why the Senator from Colorado should not have anything incorporated in the RECORD he desires.

Mr. President, there are some other matters which I wish to bring to the attention of the Senate.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. DIETERICH. Certainly.

Mr. BARKLEY. It is evident that this matter cannot be concluded this afternoon. I understand the Senator from Illinois desires to retain the floor.

Mr. DIETERICH. Yes; I do.

Mr. BARKLEY. Will the Senator therefore yield to me to ask for an executive session?

Mr. DIETERICH. I yield for that purpose.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. MINTON in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations (and withdrawing several nominations), which were referred to the appropriate committees.

(For nominations this day received and nominations withdrawn, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. VAN NUYS, from the Committee on the Judiciary, reported favorably the following nominations:

John J. Quinn, of New Jersey, to be United States attorney, district of New Jersey;

Gustav Peck, of New York, to be a member of the Prison Industries Reorganization Board, created by Executive order of September 26, 1935, establishing the Prison Industries Reorganization Administration; and

James P. Davis, of New York, to be a member of the Prison Industries Reorganization Board, created by Executive order of September 26, 1935, establishing the Prison Industries Reorganization Administration.

Mr. CONNALLY, from the Committee on the Judiciary, reported favorably the nomination of T. Whitfield Davidson, of Texas, to be a United States district judge, northern district of Texas, vice Edward R. Meek, retired.

Mr. TRAMMELL, from the Committee on Naval Affairs, reported favorably the nominations of sundry officers in the Navy.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nomination of Albert Hazen Blanding, National Guard of Florida, to be Chief of the National Guard Bureau of the War Department, with the rank of major general, for a period of 4 years from date of acceptance, with rank from December 1, 1935, vice Maj. Gen. George E. Leach, Chief of the National Guard Bureau, whose term of office expired November 30, 1935; also the nominations of sundry other officers for appointment, by transfer, in the Regular Army.

The PRESIDING OFFICER. The reports will be placed on the calendar. If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

NATIONAL EMERGENCY COUNCIL

The legislative clerk read the nomination of Lyle T. Alverson, of New York, to be acting executive director of the National Emergency Council.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS IN MINNESOTA

The legislative clerk proceeded to read the nominations of sundry postmasters in Minnesota.

Mr. BARKLEY. I ask that the nominations of postmasters in Minnesota go over.

The PRESIDING OFFICER. Without objection, the nominations of postmasters in Minnesota will be passed over.

FEDERAL HOUSING ADMINISTRATION

The legislative clerk read the nomination of Stewart McDonald, of Missouri, to be Federal Housing Administrator.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. FLETCHER. I ask unanimous consent that the President be notified of the confirmation of Mr. McDonald.

The PRESIDING OFFICER. Without objection, it is so ordered.

FARM CREDIT ADMINISTRATION

The legislative clerk read the nomination of Samuel D. Sanders, of Washington, to be Cooperative Bank Commissioner.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

The PRESIDING OFFICER. Without objection, the nominations of postmasters, other than those in Minnesota, are confirmed en bloc.

That completes the calendar.

RECESS TO THURSDAY

The Senate resumed legislative session.

Mr. BARKLEY. I move that the Senate stand in recess until noon on Thursday next.

The motion was agreed to; and (at 4 o'clock and 10 minutes p. m.) the Senate took a recess until Thursday, January 30, 1936, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 27 (legislative day of Jan. 16), 1936

FEDERAL RESERVE BOARD

The following-named persons to be members of the Board of Governors of the Federal Reserve System for the terms indicated, as follows:

Ralph W. Morrison, of Texas, for a term of 2 years from February 1, 1936, vice J. J. Thomas.

Marriner S. Eccles, of Utah, for a term of 4 years from February 1, 1936. (Reappointment.)

Ronald Ransom, of Georgia, for a term of 6 years from February 1, 1936, vice George R. James.

John McKee, of Ohio, for a term of 10 years from February 1, 1936, vice Charles S. Hamlin.

M. S. Szymczak, of Illinois, for a term of 12 years from February 1, 1936. (Reappointment.)

Joseph A. Broderick, of New York, for a term of 14 years from February 1, 1936, vice Adolph C. Miller.

DIPLOMATIC AND FOREIGN SERVICE

H. Earle Russell, of Michigan, now a Foreign Service officer of class 3 and a consul general, to be also a secretary in the Diplomatic Service of the United States of America.

The following-named persons to be Foreign Service officers of class 1, consuls general and secretaries in the Diplomatic Service of the United State of America.

Harry A. McBride, of Michigan.

Herbert C. Hengstler, of Ohio.

Cornelius Van H. Engert, of California, now a Foreign Service officer of class 3, to act as minister resident and consul general of the United States of America to Ethiopia.

Henry S. Villard, of New York, now a Foreign Service officer of class 8 and a consul, to be also a secretary in the Diplomatic Service of the United States of America.

UNITED STATES DISTRICT JUDGE

Mell G. Underwood, of Ohio, to be United States district judge, southern district of Ohio, vice Benson W. Hough, deceased.

PROMOTIONS IN THE COAST GUARD

The following-named officers in the Coast Guard of the United States, to rank as such from the dates set opposite their names:

TO BE COMMANDERS

Lt. Comdr. Carl C. von Paulsen, June 1, 1935.
Lt. Comdr. Fletcher W. Brown, October 1, 1935.
Lt. Comdr. John E. Whitbeck, October 7, 1935.

TO BE LIEUTENANT COMMANDER

Lt. Donald G. Jacobs, October 1, 1935.

TO BE LIEUTENANTS (JUNIOR GRADE)

Ensign Chester L. Harding, May 15, 1934.
Ensign Roy E. Stockstill, May 15, 1934.
Ensign Harold B. Roberts, May 15, 1934.
Ensign James R. Hinnant, May 15, 1934.
Ensign Richard C. Foutter, May 15, 1934.
Ensign Charles O. Ashley, May 15, 1934.
Ensign Quentin McK. Greeley, May 15, 1934.
Ensign Randolph Ridgely, III, May 15, 1934.
Ensign Arthur M. Root, Jr., May 15, 1934.
Ensign John T. Stanley, May 15, 1934.

APPOINTMENT IN THE REGULAR ARMY

DENTAL CORPS

To be first lieutenant with rank from date of appointment

First Lt. Edgar Gunther, Dental Corps Reserve.

APPOINTMENTS BY TRANSFER IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

Capt. Henry Hapgood Fay, Infantry, with rank from January 8, 1929.

TO CORPS OF ENGINEERS

Second Lt. Salvatore Andrew Armogida, Field Artillery, with rank from June 12, 1935.

Second Lt. Paul Elton LaDue, Field Artillery, with rank from June 13, 1933, effective March 1, 1936.

Second Lt. Ivan Clare Rumsey, Field Artillery, with rank from June 12, 1935.

Second Lt. Sidney George Spring, Coast Artillery Corps, with rank from June 12, 1935.

TO ORDNANCE DEPARTMENT

Capt. Emerson Leroy Cummings, Corps of Engineers, with rank from August 1, 1935.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 27 (legislative day of Jan. 16), 1936

NATIONAL EMERGENCY COUNCIL

Lyle T. Alverson to be Acting Executive Director of the National Emergency Council.

FEDERAL HOUSING ADMINISTRATION

Stewart McDonald to be Federal Housing Administrator.

FARM CREDIT ADMINISTRATION

Samuel D. Sanders to be cooperative bank commissioner of the Farm Credit Administration.

POSTMASTERS

IDAHO

James W. Christensen, Downey.

ILLINOIS

Jacob Feldman, Batavia.
Harold F. Kuettner, Dundee.

INDIANA

Bessie L. Gage, Ashley.

MAINE

Fred S. Littlefield, Brooks.
Adrian F. Kelleher, Camden.
Carlton R. Barlow, East Boothbay.
Arthur H. Carpenter, Limerick.
Herbert L. Osgood, Mattawamkeag.
Clara M. Colcord, Stockton Springs.

MARYLAND

Lena S. Townsend, Girdletree.
Jacob H. Reinhardt, Lansdowne.
Turner B. Waters, Severna Park.

MASSACHUSETTS

Maynard N. Wetherell, Chartley.

NEW JERSEY

Edmund H. Carpenter, Woodbury.

NEW YORK

Henry Karchmer, Kiamesha.
Helena F. Cuatt, Mohegan Lake.

NORTH DAKOTA

Lincoln A. Hanson, Aneta.
Helen Morton, Manning.
Veronica F. Bimler, Munich.
Carl Jahnke, New Salem.
Carl L. George, Sarles.
Bridget A. Hennessy, Tolna.

OHIO

Charles H. Mullen, Pomeroy.
Lema M. Collins, Proctorville.

WISCONSIN

John F. Clancy, East Troy.
Anna Kettering, Glen Flora.
Charles E. Martin, Medford.
Exilda L. Grendahl, Sheldon.
Samuel Dewar, Westfield.

WITHDRAWALS

Executive nominations withdrawn from the Senate January 27 (legislative day of Jan. 16), 1936

POSTMASTERS

MASSACHUSETTS

Mary A. Fallon to be postmaster at West Stockbridge, in the State of Massachusetts.

OKLAHOMA

Leonard C. Wiley to be postmaster at Glencoe, in the State of Oklahoma.

PENNSYLVANIA

Russell E. Reese to be postmaster at Fredericktown, in the State of Pennsylvania.

Margaret E. Malley to be postmaster at Wyncote, in the State of Pennsylvania.

HOUSE OF REPRESENTATIVES

MONDAY, JANUARY 27, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O God, our everlasting Father, we thank Thee for the fidelity and for the surpassing wonder of divine love. We pray Thee to clothe us with that spirit of charity that thinks no evil, that loves not suspicion and is slow to detect it in men. We pray Thee to deliver us from downward-weighing temptations that root us in pride and selfishness. Heavenly Father, the cries of suffering ones are in our ears; they are overcrowded with privations and driven out of courage. Do Thou direct human hands to turn their way, lingering early and late with rich blessings. Crown the Congress, we beseech Thee, with wisdom and with the wealth of mind and heart that bring forth the fruits of happiness and contentment. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of Friday, January 24, 1936, was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries.

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent to address the House for 30 minutes on the state of the Union.

The SPEAKER. The Chair wishes to state that we are about to take up an appropriation bill on which there will be general debate. The gentleman is a member of that committee, and I think, with all due deference as a Member of the House, the Speaker has the right to interpose an objection.

Mr. WOODRUM. Mr. Speaker, I am quite willing to withdraw my request and ask for time in general debate.

The SPEAKER. The Chair thanks the gentleman for withdrawing it.

WHICH CONSTITUTION?—AL SMITH KNOWS, OR OUGHT TO KNOW, THE ABSURDITY OF HIS STATEMENTS

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, "Alfred E. Smith, of America"—as he was characterized in the introduction, although his conception of America is now plainly that of a plutocratic, Wall Street owned America, rather than the liberal America he once championed—made a speech the other night, with 12 members of the Du Pont Powder Trust in the audience.

The man we have so generally liked personally and for whom we have had such affectionate regard in the past came before the Nation in the role of a foe of social-security legislation and a defender of reaction. Mask his motives as he might, praise the purposes of the American Liberty League and its clique of millionaires and billionaires as he might, there could be no mistaking why he was speaking and what he was attempting to accomplish. Glittering generalities and bombastic boisterousness about one's patriotism do not prove that what he is championing is best for his country. Because a man has come from humble beginnings on the sidewalks of New York it does not follow that he is now allied with the poor and the exploited. In this case quite the contrary is true. It is a far cry from the Al Smith who once fought for the victims of hard-hearted industrialists to the Al Smith of 1936, who consorts almost exclusively with the Bourbons and Tories of the United States.

Conspicuous was the slight mention of workers and farmers. He talked about the Democratic platform and sought to prove that its promises have not been kept, but he did this not in the sense of urging more progressive and social-justice laws but in a deliberate vein of fault-finding. It was his obvious object to tear to pieces the administration by harping on expenditures for the hungry and homeless and trying to brand them as evil and extravagant. His attempt to raise a red scare by calling the moderate reforms of the Roosevelt administration "communistic" and "coming from Moscow" was what the better Al Smith of the olden days would have bluntly stigmatized as "the bunk."

Al Smith knows the absurdity of statements about the Supreme Court settling the significance of the Constitution. He orated in raucous roars about the legislation that, according to him, did not conform to the basic law.

Somebody who read a recent issue of the American Mercury might have quoted the title of an article in that magazine headed "Back to Which Constitution?"

Of course, Al Smith realizes, as all of us do, that the Constitution has been amended a score of times. Strictly speaking, the first Constitution was not the second Constitution, for the addition of the Bill of Rights made it quite a different document than it was in the beginning—and the second Constitution was not the third, and so on. From former Governor Smith's language you would think there never had been more than one Constitution. You would imagine that it was a paper drafted spontaneously, like a national decalogue, with no changes possible throughout eternity. The very essence of our Constitution is its possibility for amendment, a right which has been exercised frequently. A man who shouts about preserving the Constitution as if it were an unalterable mandate is, in language which Al Smith has often heard among the plain people of his own sidewalks of New York, "talking through his hat."

How nonsensical to scream that administration heads should make "the Constitution the civil bible of the United States and pay it the same respect and reverence that they would religiously pay the Holy Scriptures", when all of us appreciate that the founding fathers never expected to write an immutable and everlasting code.

To be true, we respect the Constitution and we revere the wisdom expressed in this—and any other—ably prepared work of fundamental legislation. But we do not kneel before it in blind adoration as a savage kneels before a fetish. We do not bend as heathen do before an idol of wood or stone. The Constitution of the United States is a living document, affording a general statement of basic ideals and outlining a framework for our Government, but specifically authorizing adoption of new articles and sections to meet new conditions.

"Reverence!" Thanks to my common sense I have too much reverence for the authors of the Constitution to believe that they did not expect it would undergo numerous alterations in the course of decades and centuries. To contend otherwise would be to accuse them of intellectual inferiority to the average high-school student.

When they provided for changes they thereby established the clear contrast between the new American Republic and the governments of the Old World, which had rested upon the assumption that every government was ordained by the Almighty and should continue without modification unto the end of time.

Contrast the remarks of Governor Smith with the statements of Thomas Jefferson—also of America as well as of Democracy—when Jefferson asserted that no society should have a perpetual constitution or a perpetual law; that a new constitution would be desirable about every third of a century; and that sometimes "a little revolution is a good thing in any country."

Contrast Mr. Smith's words with those of Thomas Paine, who ranks with Jefferson, Patrick Henry, and James Madison as one of the greatest of the founders. All of us are aware what a vast part Paine played in the formation of an independent nation here on the Western Hemisphere. Paine, answering those who held that the Colonies should not sever relations with Great Britain "because America hath flourished under her former connection", wrote in his trenchant style:

> Nothing can be more fallacious than this kind of argument. We may as well assert that, because a child has thriven upon milk it is never to have meat, or that the first 20 years of our lives is to become a precedent for the next 20.

An excellent presentation of the view that the Constitution is not static but subject to alteration in the course of progress was made by Atorney General Homer S. Cummings in his address on The American Constitutional Method before the New York City Bar Association December 18, 1935. In the closing paragraph of General Cummings' speech is found more wisdom, more vision, and more democracy than could be discovered in a thousand violent outbursts like that of Al Smith:

> Our Government is not a logical, a documentary, or a judicial absolutism. The American constitutional method is a process of adaptation and growth, as well as a means whereby wrongs may be corrected and governmental measures may be attuned to the essentials of justice, through the orderly ways of discussion and education, as opposed to the violent changes and intolerable tyrannies by which absolute governments are inevitably characterized. Were this not true, the Constitution would be a dam against which the waters of life would beat in vain, rather than a directing channel through which the stream of national existence may safely pass.

LEAVE TO SIT DURING THE SESSIONS OF THE HOUSE

Mr. CONNERY. Mr. Speaker, I ask that the subcommittee of the Committee on Labor, considering the Ellenbogen textile bill, have leave to sit during the session of the House.

Mr. O'CONNOR. Reserving the right to object, for how long?

Mr. CONNERY. The Governors of the New England and Southern States are coming here before the subcommittee and I will ask for the privilege of sitting this week, and then if necessary I can renew the request.

The SPEAKER. Is there objection?

There was no objection.

THE COCONUT OIL EXCISE TAX

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to extend my own remarks on the coconut oil excise tax and include therein a few tables.

The SPEAKER. Is there objection?

There was no objection.

Mr. STEFAN. Mr. Speaker, I take the floor at this time in the defense of the millions of American farmers who milk

cows, and in an effort to bring before Members of this House of Representatives the necessity of protecting the American market for the American producer.

Last year Congress passed a bill levying a 3-cents-a-pound tax on Philippine coconut oil, and now there is a movement on foot, by what I believe to be a gigantic lobby, to eliminate this tax and open the floodgates of the United States to the importation of foreign-produced oils.

The fact that about 4,000,000 of our farmers milk cows, and the fact that 50 percent of oleomargarine is represented by coconut oil, will give you Members of Congress who represent farm States some idea why this alleged powerful coconut-oil lobby is endeavoring to remove this 3-cent excise tax on coconut oil. These taxes became effective on June 10, 1934, and results which have come from this levy have been among the most powerful and important in benefits to agricultural products of any from any other laws passed in that session of Congress. Contrary to the arguments now being put up by those forces who are deluging Members of Congress with pleas to eliminate the 3-cent excise tax on coconut oil, the oils and fats industries have prospered because of this tax. Values have increased to the tune of $249,000,000; millions of cotton, corn, peanut, soybean, beef cattle, swine, and dairy farmers have benefited by better prices. The price of cottonseed was increased by $9 to $12 per ton. Better prices for soybean oil and soybean results have doubled the acreage of beans planted, and the purchases of Philippine coconut products, although declining in volume, have increased in dollar value. Contrary to the arguments put forth by the coconut-oil lobby, the Philippine coconut-oil producers have been benefited not only by higher prices, but the Philippine Commonwealth as a whole will benefit because they will receive this 3-cent excise tax which is collected from the American consumer, but which in turn helps to protect the American producer.

Farm organizations, such as the Farmers Union, the National Grange, the American Farm Bureau Federation, American Cotton Cooperative Association, and the National Dairy Organization have petitioned for permanent retention of this tax. In my opinion, this tax is not only fair and just, but I believe the tax should be increased. The very fact that this tax produced a positive benefit of $249,000,000 to the American producers in the first 16 months of its operation is an argument that the tax should not be changed, nor should the act be repealed.

In some of the propaganda reaching Members of Congress, especially those representing farm districts, the coconut-oil industry indicates that if they can have no more open doors to the entry of coconut oil they will so adulterate this coconut oil as to make it unfit for edible purposes. This statement, in my opinion, is mere camouflage to allay the fears of Congressmen representing the dairy and farm regions. We need only to turn back to prohibition days, when alcohol was so adulterated as to make it unfit for a beverage. Inedible oils—with very few exceptions—become edible when impurities are removed by refining. If the 3-cent tax on coconut oil is removed by a "denaturing" proviso to that effect, there will be an immediate change of condition in every fat and oil industry. A large increase in imports of coconut oil will result with sharp price declines among all oils used in soap and other inedible products; this followed by displacements, changes, and price reductions among the oils used in the edible trade.

Tables and statements of facts issued and compiled by the conference of domestic oils and fats of Washington, D. C., state that soap makers in 1934 used 341,000,000 pounds of coconut oil. They also used over a billion pounds of other oils which could in large part be replaced by coconut oil. Other industrial buyers used two or three million pounds of coconut oil. Makers of edible products used about 211,000,000 pounds more. The total coconut oil used in 1934 was 589,602,000 pounds.

If the tax on denatured oil is removed by law, it will completely change this picture both as to quantity of coconut oil used and its distribution.

First, the undenatured coconut oil now used in soaps—341,000,000 pounds in 1934—will be replaced by the cheaper tax-free denatured oil. Next, every other taxed foreign oil used in soap will be displaced, as far as possible by the tax-free denatured coconut oil. It might replace all of these oils or a total of 275,000,000 pounds now used in soaps as follows: Palm oil, 154,704,000 pounds; palm-kernel oil, 16,516,000 pounds; sesame and sunflower oils, 7,608,000 pounds; and whale and fish oils, 98,544,000 pounds—all 1934 basis.

Next, these tax-free imports would tend to displace the domestic oils now used in soaps, principally corn oil, 6,268,000 pounds; edible tallow, 1,098,000 pounds; inedible tallow, 662,858,000 pounds; and grease, 142,782,000 pounds—1934 basis.

These replacements would certainly take place unless the prices of all these domestic oils were brought down to or near the price of the Philippine denatured coconut oil. This reduction in prices of all the oils used in soap is evidently the purpose of the proponents of this proviso.

They claim, however, that this will be its only effect; that prices of edible oils will not be affected thereby.

The error in that claim is due to the fact that the oils affected are not exclusively used for soap. In every case but one or two these same oils with a little additional refining are largely used for edible purposes. Both the imported oils which are now taxed and the domestic oils now used in part in soap, once their prices are reduced and they become plentiful, will seek every possible outlet which includes all edible uses. The Philippines can continue to send millions of pounds of undenatured oil, Netherlands East Indies will send millions of pounds of palm oil, Africa and the East Indies will send millions of pounds of palm-kernel oil, and India and China sesame oil, Russia sunflower oil, and all will compete in the edible markets. Corn oil, domestic soybean oil, peanut oil, cottonseed oil, fish oil, edible tallow, oleostearine, oleo oil, neutral lard, and so forth, are all used edibly or in edible commodities. This brings us to the culmination of the whole proposal.

This whole list of oils will be forced in increasing volume to lower prices and/or to edible uses. All, without exception, are ingredients used in making oleomargarine and lard compound and other edible products which compete directly with butter and with lard. This means cheaper oleomargarine—cheaper butter—and lower-priced lard compound and vegetable shortenings—cheaper lard, cheaper hogs, cheaper corn.

The play of cause and effect set forth above is natural and inevitable. Its basis is the remarkable similarity in physical characteristics and close relation of chemical composition of every oil and fat involved in this joint industry. Every product manufacturer seeks the cheapest usable material, and each shift in supply and price affects the price of all from top to bottom.

Only a very few oils are fully inedible, all the others, no matter their conditions as crude oils, can be refined to "edible" character. The interchangeability and close-price relationships between all of these oils are well understood by the oils and fats trades and are as stated above.

PHILIPPINE-AMERICAN TRADE NOT SERIOUSLY AFFECTED BY TAX ON IMPORTED OILS AND FATS

There have been many misstatements of fact and many false inferences, guesses, and propaganda statements made with reference to this subject. The facts, disclosed by official figures, are:

I. The value of coconut oil and copra imported from the Philippine Islands to the United States has actually increased in the period since the effective date of the tax, compared with the same period before that date.

II. The balance of trade between the Philippine Islands and the United States has been adverse to the United States during almost every year of the colonial relationship. The tax law has not changed this situation in any material way.

I

This tax law became effective June 10, 1934. The law was passed May 10, 1934, and its passage had been forecast for

about a month prior to that date, so during both April and May 1934 there were heavy imports in an effort to escape the tax. Notwithstanding the heavy imports for this 2-month period, a tabulation of the imports and their valuation during the whole period from January 1, 1933, to May 30, 1934 (17 months), compared with the imports from July 1, 1934, to October 30, 1934 (16 months) shows that the value of such imports per month was about $190,000 greater in the period after the tax became effective than in the period before the tax was enacted.

The amounts and values of copra and coconut oil imports from the Philippine Islands showing this increase after the tax became effective are as follows:

Imports of copra and coconut oil from the Philippines (January 1933 to October 1934)

[Source: Reports of U. S. Tariff Commission; Monthly Summary Foreign and Domestic Commerce]

	Copra		Coconut oil	
	Quantity	Value	Quantity	Value
January to December 1933	442,168,076	$6,008,775	316,078,135	$8,555,892
January to May 1934	165,505,445	1,929,172	161,776,487	4,014,548
July to December 1934	150,791,838	1,882,850	124,578,270	2,674,421
January to October 1935	344,349,054	7,584,644	286,288,889	10,197,388

Copra and coconut oil value for 17 months before tax, $20,508,377; $1,206,375 average monthly value. Copra and coconut oil for 16 months after tax, $22,343,303; $1,396,456 average monthly value. Amount and value of imports in June 1934 are omitted from this table. The law was in effect on June 10, but the official figures do not divide the month's imports between the two parts of the month.

It is well known to every economic observer and to every business man engaged in Philippine import or export business that the business between the countries for the past 35 years has been an exploitation of Philippine resources, chiefly agricultural, by interested United States fabricators of products made from their raw materials, while a few struggling United States exporters sought to build up such limited amount of export business as could be secured for a limited line of manufactured products. However, the general public has not been generally informed of these facts, and a body of sentiment has built up for American exporters who it is claimed might lose some business because the United States placed a tax on coconut oil.

The facts are that if the entire coconut-oil business were shut off—as to which there is neither intent nor likelihood—the record shows that many millions of dollars have and will continue to flow from the United States to the Philippine Islands every year, over and above their total past, present, or future purchases from the United States exporters.

The exact state of this trade, showing that in the past 35 years the buyers in the United States have poured over $360,000,000 into the island resources more than Philippine buyers have spent in the United States, is seen in the following table:

United States trade with the Philippines, 1900–34

[Source: Statistical Abstract]

	Imports	Exports
1900–10	$121,536,824	$89,391,683
1911–20	468,748,925	406,979,119
1921–30	967,209,137	700,605,809
1931	87,133,456	48,883,393
1932	80,877,402	44,986,542
1933	93,047,796	44,781,832
1934	87,811,089	47,528,316
1935 (to September)	77,504,688	37,969,759

The reasons for the showing of increased values of imports of copra and coconut oil from the Philippine Islands since the tax became effective can be readily understood if the conditions of this tax are understood.

First, it placed the tax on both the oil itself and on the oil if made from imported copra. Theretofore copra imports into the United States had been subject to no duty or tax of any kind. Next, it placed a differential between Philippine Island oil and copra and these products from other sources. This differential is 2 cents per pound in favor of the Philippines.

The results were exactly as estimated in advance by the proponents of the measure. The entire oil and copra buying of the United States has been concentrated in the Philippine trade. Not only this but the increased prices of competing domestic oils induced by the tax raised the entire price level, so both copra and oil from the Philippines was sold in the United States at higher prices.

All this has resulted, as cited above, namely, in an increase in value over a period of 16 or 17 months of over $190,000 a month in our purchases of oil and copra from the Philippine Islands.

Congressmen who are interested in saving the American market for the American producer should realize all inroads which are being made by oleomargarine, 50 percent of which represents coconut oil shipped into our country. During the fiscal year of 1934, according to data from the Bureau of Internal Revenue, there were 104,942 oleomargarine retailers in the United States. This number, from the same data, and for the year just passed, 1935, had increased to a total of 155,415. In my State of Nebraska, where, during the black months of depression and farm-poverty days, these farmers depended on the humble cow for a living, the number of oleomargarine retailers jumped from 1,680 in 1934 to 2,630 in 1935.

By continually conceding and giving here and there to the great pressure of propaganda and coconut oil lobbying, the American farmer last year lost a sale of 200,000,000 pounds of milk, which could have been used for butter purposes. This represents millions of dollars out of the American farmers' pocket.

Mr. H. G. Keeney, president of the Farmers' Educational and Cooperative State Union of Nebraska, who has studied the question in great detail, tells me that foreign oils have already cost the American farmer a great deal of money. He tells me that there used to be sale for animal fats, tallow, lard, and oils extracted from waste meat, which now are practically valueless, to go into the manufacture of soap and other products. Imported oils have now taken the place of these animal fats. These vegetable fats can be shipped in from the Philippines at the lowest water rate and then take a long-haul rate to the big soap factories in the East. It is this expert's opinion that while we are trying out a policy of controlled production of hogs we are importing an increasing amount of vegetable oils to take the place of animal fats. Most of the trade agreements made and in process of ratification make it easier for the importation of products which compete with agricultural products in this country.

It is because I am of the sincere belief that it will be during this session of Congress that this powerful and rich coconut-oil lobby will endeavor to eliminate the excise tax on coconut oil, that I ask the indulgence of Members of Congress to listen very carefully to my plea to show a united front when this lobby brings to the floor of this House their bill to in some way compromise or eliminate the tax against this foreign imported oil. This lobby, in my opinion, is combined with other great industries, which I believe includes the sugar industry, and the subsidized ship industry, which I had occasion to study at close quarters during the past few months. As a member of the Insular Affairs Committee, and as a guest of the Philippine people at the inauguration of their new Commonwealth, I found myself besieged with coconut-oil propaganda from the day I left my home to the time I arrived in Seattle, until embarkage on the steamer at Seattle, and on board the steamer on the high seas, through China and Japan, through the Philippine Islands and Hawaii, and even on the return trip home; and after returning to Washington again I found myself being confronted with a vast amount of printed matter and propaganda endeavoring to turn my mind in favor of opening up the gates of America to the flood of coconut oil.

I made a careful study of the copra and coconut-oil industry in the Philippine Islands and also the sugar industry. I had personal interviews with people who had a personal interest in the industries, and they told me without mincing words that a desperate attempt is being made to open the gates of America to a flood of coconut oil, and no stone is being left unturned by this powerful lobby in their efforts to change the law which Congress passed in 1934, and which has helped protect the American producer, and at the same time has been a fair treatment to the producers of coconut oil.

Careful study during this tour of the Far East leads me to believe that unless we, as representatives of the American farmers, do not protect their products, we shall find ourselves in practically the same position as some of our industrial Eastern States find themselves in their futile efforts to compete against the importation of cheaply manufactured articles which are pouring into our country by boatload from Japan. If we eliminate the excise tax we will have told these farmers who produce butterfat that they must compete with cheaply produced coconut oil from the Philippine Islands, and eventually we will have the same condition at our doors as was seen a year ago when boatload after boatload of foreign butter came into our country to compete with butter produced on our farms.

This is a warning to Congressmen, especially those representing farm and dairy regions, that they are facing one of the richest, most powerful lobbies this country has ever seen, and whose propaganda is more complete and more determined than any other we have experienced in Washington. The propaganda is carried out in such a systematized manner and with the help of great corporations in this and other countries. In my opinion, the objective of this great lobby is the enslavement of the farmer and wage earners of America. If ever America needed protection in its efforts to keep up the American standard of living, it is now.

Members of Congress should know how the American livestock farmer has benefited from the excise tax on vegetable oils of foreign origin. For several years before 1934 the price of animal fats was ridiculously low. These commodities sold far below the cost of production. Large surpluses had accumulated and hung heavily over the market. During this time tremendous quantities of coconut oil and other fats and oils were being imported into the United States at ridiculously low prices. The price level of these imported oils seemed to serve as a brake in checking any advance on price of animal fats and oils, either edible or inedible.

When the Internal Revenue Act of 1934 went into effect a perceptible increase in the price of animal fats and oils took place; an increase which eventually proved to be practically equal to the tax.

Prof. H. J. Gramlich, chairman of the department of animal husbandry of the University of Nebraska, has stated that it would be most unfortunate from the standpoint of the consumer to let them remove the excise tax.

Do not forget that all these excise taxes collected on Philippine coconut oil are held as a separate fund and are to be paid into the treasury of the Philippine Islands. The coconut-oil industry is arguing that this money does not go back to the coconut-oil industry in the Philippines, but the arguments put forward by those who wish to continue this tax is that all of the money goes back to the Philippine people, and at the same time, while not as much of the coconut oil is coming into our country, it resulted in more money going to the hands of the Philippine coconut-oil industry.

It is time to preserve the American market for the American producer. It is time to trade with foreign lands for those things which we cannot produce in our own land; for the things that our fertile acres cannot produce, and things which we cannot manufacture. It is also high time that those who are endeavoring to trade off our farm produce to realize that unless the farmer is protected all industry will fail.

Mr. COCHRAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. COCHRAN. In the last session of Congress the House passed an omnibus-claims bill. That bill went to the Senate and one bill I have in mind was passed by the Senate with amendments and is now in conference. I desire to inquire if that conference report will come back to the House on that particular bill or will it come back to the House as a conference report on the omnibus claims bill?

The SPEAKER. The conferees will report on the individual bill which was passed by the two Houses. The gentleman understands that under the Private Calendar rule, after an omnibus bill is passed by the House, it is resolved into the several bills of which it is composed so that each bill contained therein again assumes its original form. The Chair thinks the gentleman will find that there are no omnibus-claims bills in conference but that there may be some individual bills in conference that were at one time incorporated in an omnibus bill. In that case the conferees could only report on the individual bills committed to them.

Mr. COCHRAN. Then it will come back here as a conference report on an individual bill and considered under the general rules of the House?

The SPEAKER. The gentleman is correct.

INTERIOR DEPARTMENT APPROPRIATION BILL, FISCAL YEAR 1937

Mr. TAYLOR of Colorado, from the Committee on Appropriations, reported the bill (H. R. 10630, Rept. No. 1927) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1937, and for other purposes, which was read a first and second time, and, with the accompanying report, referred to the Union Calendar and ordered printed.

Mr. LAMBERTSON. Mr. Speaker, I reserve all points of order.

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10630, the Interior Department appropriation bill. Pending that, I ask the gentleman from Kansas what suggestion he has to make in respect to time for general debate?

Mr. LAMBERTSON. Anything the gentleman might suggest would be satisfactory, I think.

Mr. TAYLOR of Colorado. Then I suggest that we let general debate run on through the day, the time to be equally divided between the gentleman from Kansas and myself.

Mr. LAMBERTSON. Mr. Speaker, I have some requests for time tomorrow, and probably we will run into tomorrow with general debate.

Mr. TAYLOR of Colorado. I have also. Mr. Speaker, I ask unanimous consent that general debate run on through the day, to be equally divided between the gentleman from Kansas and myself.

The SPEAKER. The gentleman from Colorado moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10630; and pending that, asks unanimous consent that general debate continue through the day, the time to be equally divided between himself and the gentleman from Kansas. Is there objection?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Colorado.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10630, with Mr. DOUGHTON in the chair.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 40 minutes to the gentleman from Virginia [Mr. WOODRUM].

Mr. WOODRUM. Mr. Chairman and fellow rubber stamps, departing from my custom in debate for obvious reasons, I

respectfully ask your indulgence to be permitted to proceed without interruption.

Saturday night last a great feast was spread in the District of Columbia, the Nation's Capital. It was under the auspices of an aggregation which had ascribed to itself the righteous designation of the American Liberty League. There had been unusual ballyhoo, fanfare of trumpets, beating of the tom-toms, and all of the usual performance that precedes an unusual burlesque show. Even in spite of that, I fancy the meeting would have created but little attention, probably would not have even gained the front pages of the daily press except for the fact that a very personable, likeable, and distinguished former Governor of New York State, and former Democratic nominee of the Democratic Party, was scheduled to make a speech, in which it was freely predicted that he would pay his respects to the New Deal in general, and give particular "hell" to the present administration. Some years ago a very enterprising manager of a county fair, exasperated because of his failure to secure attendance at his meetings, devised the idea of advertising that on a certain day in the fair two steam locomotives would be turned loose and run into each other at full steam ahead. So he bought two old locomotives, fired them up, put them up on the track, and set them down on either end of the fair grounds, got a full head of steam, put a string in, and pulled the throttle and turned them loose, and they exploded, to the glee and gratification of a vast crowd. A thoughtful spectator remarked, "That is just like the American people, is it not? They will go anywhere to see somebody bust "hell" out of something." So, after all of this ballyhoo, a very large audience gathered on this occasion in Washington to see the performance, and they were not disappointed. There have been many descriptions of that meeting. To my mind Heywood Broun gave the best one. He said it was a good technical performance, but otherwise "lousy."

Mr. Chairman, a very distinguished audience gathered upon this occasion—members of the American Liberty League. There were ladies bedecked in jewels and ermines. There was wealth and affluence. In all respects it was a gala occasion. If I understand correctly, the league is made up in general of three groups of people; one a group of very industrious, shrewd, and clever members of our political adversaries, the Republicans who are quite willing to enter into any honorable enterprise which may bring confusion and consternation to their enemies the Democrats on my side of the aisle. Another group is a small group of disgruntled, disillusioned, disappointed political "has beens" who have entered into this unholy alliance. Another group, quite a sizable group in this aggregation, is a company of political nondescripts. Political parties mean nothing to them except as they are able to use them and manipulate them for their own selfish interest and advantage. If they think they can gain control of the Democratic Party they are for that party. If they think they can gain control of the Republican Party then they contribute to that party's campaign fund; and oftentimes they contribute to the money chests of both parties.

But there is one thing in common between those three groups which composed that audience. That is the objective. They have declared war upon the Democratic administration, the liberal government which it is espousing, and its great leader, Franklin D. Roosevelt. [Applause.] Actuated by widely different and separated motives, their objective is the same—the destruction of the Democratic Party, the New Deal, and the President of the United States.

They call it the Liberty League. Liberty League! O Liberty, what crimes are committed in thy name! [Applause.] Liberty League! In what liberties are they interested? As I looked over the roster of that imposing company I wondered which of their liberties were in danger. I wondered if there was gathered at that sumptuous table a single human being who had missed a meal during this depression. I wondered if numbered in that company there was a single head that had tossed upon a sleepless pillow during these fateful years because of the fear of the loss of his farm, his home, or his business, or who had drunk from the bitter cup of failure and disappointment! Liberty League! They are not interested in liberty. They are interested in license—license to use and control the functions of Government for their own advantage. [Applause.] That is what they are interested in. I could not help but wonder, as I listened on the radio—it is radio now. It used to be "raddio." [Laughter.] We have reformed our language since we got into the Liberty League. [Laughter.] Moved uptown. [Laughter.]

When I heard this distinguished speaker, there amid the guffaws and applause of the gathered guests to his sallies and witticisms and wisecracks and jibes, my mind seemed to be running pretty much along the same channel as another mind, a fellow New Yorker of the distinguished ex-Governor. The Reverend Stephen S. Wise is quoted as having said this in this morning's New York Times:

> "There was high drama, if not tragedy," Dr. Wise said, "in the spectacle last night of a most eminent American, risen from direst poverty to fame and power, who prefaced an address which dealt with the misery of one-third of the American people over a term of years, from the viewpoint of one who said of himself: 'I have supreme happiness and comfort.'
>
> "Can any man in these bitter years of tragedy who refers to 'my supreme happiness and comfort' qualify himself for passing on the quality of a Nation which aims not to comfort the few but to lift out of the hell of misery and starvation tens of millions who, through no fault of their own, know no happiness or comfort?"

[Applause.]

It was a strange gathering in which our erstwhile Democratic friend found himself. His unequaled ego doubtless feeding upon the applause of this sumptuous gathering, I wondered if he realized that 75 percent or more of those in attendance were people who in 1928 started a certain very well-known whispering campaign against the Democratic nominee in 1929. [Applause.] And what were they whispering? Oh, they were pointing the finger of ridicule and scorn at the Democratic nominee for the Presidency. They were kindling the fires of bigotry. They were offensively personal in their attacks. And yet Saturday night there they were applauding him, enjoying his remarks and his jibes at the Democratic Party, which had conferred upon him the highest honor that it can confer upon an American citizen. Indeed a strange spectacle.

Of course, the big news of the affair was that there was supposed to be forthcoming from this gentleman a statement of what the country might expect his attitude to be in the future, and, with characteristic dramatic effect, he told the audience. He admonished the Congress to forget the election, but he said:

> My mind is on the Democratic Convention, and I seem to see the resolutions committee coming in with a resolution endorsing Roosevelt and his administration.

Well, at least he is a good prophet, is he not? [Applause.] Now, he said:

> What am I going to do, and what are some of these other Jacksonian and Jeffersonian Democrats going to do? There is only one of two things we can do; either put on the mantle of hypocrisy or take a walk, and we will probably take a walk.

Well, that is what we might have expected. The Happy Warrior takes a walk! But let me point out to you a very definite and subtle effort was made in that speech to make it appear to the country that because of the fact that the Democratic Party had allegedly left its platform and betrayed its trust, here was a great Democratic chieftain who was now finding it necessary to part company with his colleagues and his allies. Do you catch it? Oh, he read off the Democratic platform section by section. With jibes and wisecracks he would read a section, and he would say, "That is thrown into the wastebasket." Al Smith having said that, of course, it was definitely adjudicated in the affirmative, and why waste time talking about it? Pass on to the next. He tossed all of the Democratic platform into the wastebasket and then, with tears in his heart, told us that he had the painful duty of saying that if the Democratic convention in Philadelphia should bring in such a resolution he would have to take a walk. My friends, he would not have to take a walk. He took that walk some time ago. [Applause.] You cannot

walk out of some place you have never been in. He is not going to take a walk in Philadelphia. He and Shouse took the walk in Chicago. [Applause.]

How well do we remember that walk. Failing to receive the nomination, they, like spoiled children, gathered up their blocks and paper dolls and slid out of sight! Then followed months of silence. There was speculation as to whether the Governor would ever vote with his party. Not until within a few weeks before the election in 1932 did he break his silence. Then came the famous speech in New Jersey. As I recall it, he spent about 55 of his 60 minutes delivering a lecture on intolerance and lambasting the forces that had defeated him at Chicago. For the last few minutes of his speech he called the name of the nominee and called for the support of the ticket.

What then? Did he buckle in and offer his influence, experience, and wise counsel in trying to solve the tremendous problems at hand? Not he! Every time the Governor has opened up he has taken a crack at the administration. So, after all, we are not so much surprised at his attitude.

In fact, he is just about now coming to be Democracy's most famous "walker-outer." The Governor and his pals were strong for the show if they can be in the center of the main ring; strong for the parade if they can lead the procession and beat the base drum; strong for the Democratic Party if they could rule it and dictate to it; but if anybody else ever had an idea, if anybody else were ever given an honor, they take a walk.

And whom do they walk out on? He walked out on the man who had nominated him in three national conventions, and who had referred to him—what an unhappy phrase!—as the "Happy Warrior." "Happy Warrior", indeed! Well, he may be happy, but where is the warrior? He says now that the Democratic Party is being ruined; he says that America is being ruined. His heart is bleeding, and what does he do? He takes a walk! Can you imagine Jefferson, or Jackson, Woodrow Wilson, Cleveland, or Franklin D. Roosevelt taking a walk if their party and their country were in danger? They would have been in there with the fight. No; he took the walk in Chicago and is still walking; and he just happened to stop in Washington the other night on his hike. [Laughter.] Paradoxical as it may seem, the very first thing the present administration did was to carry out Al's 1928 platform of his own making—repeal of the Eighteenth Amendment.

Now, my friends, I do not want to be flippant, and I certainly am not going to be personal about this matter. I remember back a little further even than 1932; I remember 1928; and I want to ask you this question: When did the sanctity of a Democratic platform become so important in the eyes of this gentleman? I seem to remember a convention at Houston in 1928. I remember that at that time both major political parties were shot through the middle with the prohibition issue. Neither party wanted to take a definite stand on it. Our friends, the Republicans, over here, did not take a definite stand on it. There was a strong element at Houston who wanted to come out for a repeal plank. They made a fight in the committee on resolutions for an outright repeal plank. Another element wanted to avoid that issue. Finally they compromised their differences and brought in a plank on observance of the Constitution and law enforcement. They nominated the Governor of New York and sent him a telegram. Do you remember the telegram he sent Senator ROBINSON? Talking about political platforms! after expressing his gratification, he said:

> It is well known that I believe there should be fundamental changes in the present provisions for national prohibition, based, as I stated in my Jackson Day letter, on the fearless application to the problem of the principles of Jeffersonian democracy. While I fully appreciate that these changes can only be made by the people themselves through their elected legislative representatives, I feel it to be the duty of the chosen leader of the people to point the way which, in his opinion, leads to a sane, sensible solution of a condition which I am convinced is entirely unsatisfactory to the great mass of our people.

He wrote his own prohibition plank and then started running on it. He selected his own chairman for the National Democratic Committee. He got him from the other side of the aisle. Why, Johnny Raskob has never been a Democrat. He said he had never been but that he had voted for Wilson once. He said he had never been affiliated with any party. But "Who's Who" has him down as a Republican. Al selected him, however, and the public press quoted Mr. Raskob at that time as saying this—and how well I remember it; some of you other gentlemen of the South probably remember it too when he was quoted as having said in substance: "I accepted the chairmanship of the National Democratic Committee because I saw in it an opportunity to rid the Nation of the abominable affliction of prohibition."

Where was the party platform adopted at Houston? Rewritten by the Democratic nominee and the chairman of the National Democratic Committee.

And now, as my friend said the other night, I want to let you in on something. Down in the South where the Democratic fires burn all the time we were having a battle. You know, there were some people down there who wanted to take a walk. They did take a walk, and a certain Democratic nominee for the Presidency did not like it very much when other people were doing the walking. I can say to you, however, that every responsible leader in my State, including every Democratic Member of Congress, both United States Senators, the Governor, who was an ardent personal and political dry, the Lieutenant Governor, and, with one or two exceptions, every member of the State senate and house of delegates not only supported Governor Smith on his own self-made platform but took the stump, took the hustings in our own State, and in other States, advocating his candidacy because he was the nominee of a great party. Nobody took a walk on him then, none of the leaders. Personally, I openly and aggressively supported him. I made speeches all over my State, and in other States, unqualifiedly supporting his candidacy. [Applause.] But his attitude in running out on the Democratic platform at Houston was the principal cause, my friends, of my great old State, Virginia, leaving its traditional place in the Democratic column. [Applause.] I thank the gentleman for that lone applause on the Republican side. [Laughter.]

Now, I want to give you another one, as the gentleman said. He said he would not mind what was happening if we had gotten anywhere, but that we had destroyed the country and were just where we were when we started. That we were spending too much money, too many bureaus, and so forth. Do you remember a certain Jackson Day dinner in Washington in either '31 or '32, in which Governor Smith advocated a vast public-works program of many billions of dollars? Well, I remember it quite well. Well, my friends, I am one Democrat who does not claim perfection for the efforts of the present administration. There are, of course, only two groups in the country that I know of at the present that are perfect. One is our good friends on the left-hand side of the aisle, and the other is the Liberty League. [Laughter and applause.] The Democrats are just ordinary human beings and make mistakes. Perhaps there have been mistakes, undoubtedly there have been disappointments; but I will tell you one disappointment the American people have not had: When they enlisted under the banner of Franklin D. Roosevelt they wanted an honest, courageous, fearless, determined, consecrated leadership, and they have gotten this. [Applause.] If some of the efforts at recovery have run into constitutional objections, is there an intelligent person who honestly believes that the Congress of the United States or the President of the United States deliberately, willfully seeks to usurp the Constitution of the United States or to destroy it in its fundamental essentials?

Why, perhaps the A. A. A. was unconstitutional. For all intents and purposes it was unconstitutional, but at least one of the greatest and most liberal judicial minds of your age and mine, who comes from the Governor's own State, says it was constitutional. I do not feel any embarrassment if I am mistaken and that gentleman is mistaken.

The Governor says the country is being ruined. I want to read an editorial in my time, with the consent of the House, which comes from the Richmond Times-Dispatch, a news-

paper that has not always agreed with all of the policies of the present administration. This is such an unanswerable argument to the flimsy claptrap of the Liberty League the other night that I want to read it to you:

RUINING THE COUNTRY

We were about to get a bad case of blues after reading an address by Merle Thorpe, editor of Nation's Business, official organ of the United States Chamber of Commerce, before the Bond Club of New York, when we chanced to glance at other headlines on the same page. Mr. Thorpe explained to the members of the club that the Roosevelt administration must assume responsibility for "the retarded business recovery", and was so convincing that we were about to put on sackcloth and ashes, or, since we have given support to a great many of the administration's measures, that famous hair shirt of which Mr. Hoover spoke.

But on the same page we ran across the headline, "Power Output at New High", showing that the first week in January had reached the record set during the second week in December. The story went on to say that the consumption of electricity in kilowatt-hours was 9 percent above 1934 and 2.7 percent above 1929, that year which almost all of us speak of with awe. Whether justifiably or not, the electric companies feel they have been worse treated by the administration than anybody else, next, perhaps, to the telephone companies, who are scheduled for an investigation. It happened that the same page carried, along with Mr. Thorpe's address and a record of power consumption, a story that earnings of the Bell System for 1935 were about $7 a share in comparison with $5.96 for 1934 and that the increase in telephone subscribers showed a net gain of 460,000 in 1935 and 298,000 during 1934.

We felt somewhat better about Mr. Thorpe's speech but decided to chase the gloom away entirely by looking over the headlines on the financial pages of the New York Times since January 1. A few of the items we culled follow:

From April 1, 1935, the low point of stock prices for the year, to January 1 of this year, the value of stocks on the New York Exchange alone (the figures are not available for the Curb Market or the markets located in a hundred other cities of the country) increased from $30,936,000,000 to $46,945,581,555. In other words, there had been restored to stockholders who have shares listed on the New York Exchange alone more than twice the amount of money the Federal Government has spent for recovery, excluding the recoverable items represented, for instance, by R. F. C. lendings. That does not take into account, of course, the millions of shares on the curb and on provincial exchanges, nor the values inherent in unlisted stocks, in bank stocks, in real-estate holdings all over the United States. Nor does it undertake to show how much money value has been restored since March 4, 1933, when the Government started spending for recovery.

But that is not all. Steel output was up 35 percent in 1935 and predictions are that durable goods will show an increase for this year of 50 percent. There was a rise of 10.64 percent in sales by chain stores, pig iron production was at a 5-year record; gold mining set a record for all time; furniture volume in the Chicago mart showed an increase of 25 percent; New England business, solidly against the administration, showed a general average increase of from 10 to 15 percent; bank clearings were up 6 percent; automobile production in the last quarter of 1935 increased 191 percent over a year ago; realty values made big gains; electric goods consumption increased by 20 percent; savings banks depositors numbered 16,000,000 at the turn of the year, with $10,000,000,000 in savings banks, a figure higher than 1929; life-insurance sales gained $2,500,000,000, the greatest year since 1930; foreign trade was up $500,000,000 for the year; dividends were at a 4-year record; the oil industry had its best year since 1929.

Freight-car loadings were the highest since 1931, and revenues for the railroads were up 8.1 percent over 1934. November operating income was up 66.7 percent for the country, with the West leading with an increase of 121.9; the East with 52.9; and the South with 25.4 percent increase. A New York Times headline said, "Rail Securities Reach Stable Basis."

Another study, made by the Northwestern National Life Insurance Co. of Minneapolis, showed in November a 29-percent increase in theater attendance; a 23-percent increase in household furniture purchases; luggage sales for winter travel, 25.4 percent increase; sporting goods, 24.1 percent better than last November; piano sales up 10.1 percent over a year ago; department-store jewelry sales up 18.1 over a year ago.

As Dorothy Parker (or was it Margaret Fishback?) said, "We feel better now." Or, as Josephus Daniels has frequently and ironically said in his Raleigh News and Observer, "This fellow Roosevelt is ruining the country."

If time permitted—and I have taken too much time already—I could quote from the Washington Star of Sunday morning, which carried the Governor's speech in which he said that the Democratic Party was ruining the country. The first column says, "Store sales rise slightly, despite cold wave—24 percent gain in the last year." The next column, dated New York, states, "Corporate earnings show an average increase"; and there is listed 10 or 12 of the big corporations that had larger dividends last year. The industrial index shows a gain over all of last year. "Virginia tobacco sales set a new record." Almost every column shows the same.

My friends, these facts refute the statement that the policies of the administration have retarded recovery and verify the statement that recovery started when President Roosevelt took office and has proceeded conservatively without intermittence up to this hour. [Applause.]

Mr. GIFFORD. Will the gentleman yield?

Mr. WOODRUM. I cannot yield to the gentleman.

Mr. GIFFORD. I have a newspaper article of yesterday that I would like to give the gentleman to read.

Mr. WOODRUM. The gentleman can get plenty of time from his side.

Mr. Chairman, it is very well that we understand just where we are. Something was said in the meeting the other night about a prodigal son that strayed from the house of his father. I believe the great Democratic Party and its leaders would be just as liberal, just as kind, considerate, and tender as that father in the days to come if and when this prodigal decides to foresake the error of his ways when he tires of that unnatural company with which he has associated himself, when he decides again—and God grant that he will—to throw his influence and his great personality back into the great fight that seeks to bring government back to the people where it belongs. [Applause.] We will welcome him back if he wants to come back again and join the forces of progress.

In closing, may I say that no one has suggested any attack upon the Constitution of the United States. The speaker thought it was perfectly proper in 1928 for him to point the way to change the Constitution, yet it seems to be a great sin now if any gentleman or any group of gentlemen have the temerity to suggest that perhaps in the years to come the Constitution might be further liberalized. Let us not forget that Thomas Jefferson believed that every 30 years the Constitution ought to be revised; that there ought to be a convention to revise it. But whatever that may be, Mr. Chairman, in the days to come, as in the days gone by, the Constitution and the Government will belong to the people, and it will be in safe custody in the hands of the American people. [Applause.] It will not need the Liberty League to protect it. [Applause.]

The recovery program of this administration moves on apace; the ship of state has weathered many storms; it has passed over rock and reef. There are doubtless others ahead of it. But I believe the great rank and file of American people, appreciating the courage and the sincerity of our leader, applauding his fine efforts in their behalf, will continue to give him their support and that there will go up to the mercy seat a fervent prayer that this great humanitarian, the great leader of the Democratic Party now in the White House, may have divine guidance, power, and strength to go forward with his great mission. [Applause.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I am reminded of the old adage that "Where the feathers fly is where the shot hit." [Applause and laughter.]

The distinguished gentleman from Virginia [Mr. WOODRUM] has just orated in a most eloquent manner for over a half hour, ridiculing, attacking, and belittling Alfred E. Smith, a former candidate for President of his own party. And why? Because he just cannot take criticism, because the Democratic Party cannot take criticism, from their own members any more than they can take it from the Republicans.

What right has the distinguished gentleman from Virginia, of all others, to take the floor and criticize Alfred E. Smith when his own State turned against him when he was your bona-fide candidate for President in 1928? Where was the State of Virginia then? The gentleman from Virginia himself should be precluded from making this attack upon one of the outstanding Americans this country has produced in our day or generation, regardless of party politics.

I am glad to take some time here, as one who knows him personally and belongs to an opposite party, as one who served for years with him in the State legislature and saw him grow up there to be the leader of his party in the State of New York and later on become the outstanding Democrat in the country. The gentleman from Virginia, however, spent one-half hour, or more, denouncing Alfred E. Smith personally, ridiculing him, and did not answer at any time in his speech a single one of the criticisms made by Governor Smith in his speech a few nights ago.

Mr. FORD of California. Mr. Chairman, will the gentleman yield?

Mr. FISH. I cannot yield.

On no occasion did he even attempt to answer a single one of the criticisms of Governor Smith aimed at the repudiation of the Democratic platform by the present administration. From the very beginning it was an indirect attack on Alfred E. Smith, his family, his table manners, and his use of the English language, and nothing else. If he had answered those criticisms, perhaps, I would not be justified in taking the floor at the present time. Governor Smith took up one plank of the Democratic platform after the other and showed, in a clear-cut and definite way, how each one of them had been repudiated by the Roosevelt administration. The gentleman from Virginia says that Governor Smith proposes to walk out on the administration, and why not? It is true that Governor Smith denounced the New Deal administration as being socialistic, and Governor Smith, in his political lifetime, has never been identified with the Socialist Party. How can Governor Smith walk out on his own party when his own party has gone socialistic? Here are his own words:

> Just get the platform of the Democratic Party and get the platform of the Socialist Party and lay them down on your dining-room table side by side and get a heavy lead pencil and scratch out the word "Democratic" and scratch out the word "Socialistic" and let the two platforms lie there. Then study the record of the present administration up to date.

Further on, he has this to say:

> Well, in 25 years of experience I have known both parties to fail to carry out some of the planks of their platforms, but this is the first time that I have known a party upon such a huge scale, not only not to carry out the planks, but to go directly the opposite way to the things which they promised.

This was a definite charge. Every Democrat on this side, and I think every one of you listened in, knows it is made in good faith. It would be perfectly right for a Democrat to take the floor and challenge these statements and attempt to deny them, but no one has. Not a single member of your party is able to challenge these statements, and I hope one of you will try to do so in his own time.

Mr. FORD of California. Mr. Chairman, will the gentleman yield?

Mr. FISH. No; I will not yield.

I hope in your own time you will attempt to answer the charges made by Governor Smith. I challenge any Democrat in Congress to undertake to do so.

Mr. FORD of California. The gentleman says he is issuing a challenge. Why will not the gentleman yield?

Mr. FISH. Not in my time. I am offering the challenge now to any Democrat to take the floor and deny the specific charges made one by one with respect to the repudiation of your own platform.

Now, what is it that Governor Smith said the other night? I am going to put it in different words. I also intend to answer, as far as I am able, the challenge made in the House of Representatives by the President of the United States on January 3.

What does the opposition party propose? What do the Republicans object to about the New Deal? Governor Smith and the opposition party agree on the fundamental issue. I think every Republican will agree that the fundamental issue in the next campaign is the liquidation of the socialism of this New Deal administration. [Applause.] Political liquidation of the brain trusters who have never been Democrats in their lives and who have never been affiliated with the Democratic Party in the past. Political liquidation of such brain trusters as Rexford Guy Tugwell, Felix Frankfurter, the Cohens and the Corcorans, and other New Deal socialistic termites seeking to undermine the Constitution and our American system; and we propose likewise the retirement of President Roosevelt to private life next November. [Applause.]

We also urge the repeal of all unsound, unconstitutional, and socialistic New Deal experiments that have destroyed business confidence and prolonged the depression.

This is practically the same recommendation made by Governor Smith. We do not indict the whole New Deal. We indict the unsound, un-American, and unconstitutional measures that have destroyed confidence in this country.

Mr. FORD of California. Mr. Chairman, will the gentleman now yield?

Mr. FISH. I will not yield.

Governor Smith, in his speech the other night, takes exactly the same point of view as the Republican Party when he says that he stands for the preservation of the Constitution and representative government; the maintenance of the powers of the Supreme Court, of the Congress, and of the States; and a restoration of government by law instead of by Executive orders.

I cannot speak for all the members of my own party, but there was not a single statement made by Governor Smith that I cannot endorse personally, and there was no single statement made by him that is in conflict with any Republican or Jeffersonian Democrat who believes in our constitutional and representative form of government.

The one fault with Governor Smith's speech, which I consider to have been the most effective political speech made recently affecting the rank and file of the Democratic Party and those who know his record for progressive legislation in New York State for the past 30 years—my main objection to it is that it did not go far enough. It merely touched on the planks that have been repudiated; it did not go into the utter disregard of the political creed and faith of the Democratic Party; it did not discuss the principles of Thomas Jefferson; it did not take up the violations of party principles, but merely the repudiation of the planks in the Democratic platform.

What is it that the Democratic Party has stood for for the last 140 years?

Mr. CREAL. A point of order, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. CREAL. The gentleman is speaking as a Republican, but he is making a Democratic speech. [Laughter.]

The CHAIRMAN. That is not a point of order.

Mr. FISH. I will say this to the gentleman, that we Republicans expect a great number of Jeffersonian and Jacksonian Democrats to cross over to the Republican Party in the defense of their own party faith and principles and help elect a Republican President this year. [Applause.]

Mr. FORD of California. A point of order, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. FORD of California. The gentleman from New York is making a Democratic speech.

The CHAIRMAN. That is not a point of order.

Mr. FISH. For 140 years the Democratic Party has stood for certain principles of government, certain definite principles, which has constituted their party faith. It has stood for the rights and liberties of the individual under the Constitution. It has stood for State rights and State sovereignty and for national economy and against the centralization of governmental powers in Washington to interfere with the rights and liberties of individuals and of business.

This has been the political creed of Jeffersonian Democrats for 140 years in the North as well as in the South.

Why has not Alfred E. Smith the right to cry out against the present administration? You are violating not only your party platform but also violating your party creed.

We Republicans have always stood for a reasonable central government. We have always advocated a strong Federal Government at Washington.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. WIGGLESWORTH. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. FISH. Mr. Chairman, what is it that Alfred E. Smith and other Jeffersonian Democrats complain about? You have been arraigning Alfred E. Smith. If he were the only Democrat to speak out, that would be one thing; but he is not. How about Governor Ritchie, of Maryland, who sat at that dinner the other night? How about Governor Ely, of Massachusetts, who was likewise at that dinner? What about former Senator Reed, of Missouri? What about John W. Davis, a former Presidential candidate of the Democratic Party? What about two former national Democratic chairmen? What about Lew Douglas, a former Member of this House? What about William R. Hearst, Bainbridge Colby, Governor Talmadge, and a host of other Jeffersonian Democrats? They are all in the same boat. Do you propose to read them out of your party? If so, say so. But when Governor Smith speaks, he speaks not alone for himself, he speaks for every one of these Democrats who know that you have deliberately repudiated your party platform and violated your political faith. Let us get back to the question of political principles and party faith, which Governor Smith did not touch upon. The "brain trusters", as I say, never before identified or affiliated with the Democratic Party, have taken the great Democratic Party far beyond any idea of centralized government, which Republicans have stood for in the past. They have taken it far, far beyond into collectivism, regimentation, crushing bureaucracy, and into State socialism where we are today. That is the definite charge. That is the one outstanding charge made by Alfred E. Smith—that the New Deal Democratic Party has gone socialistic, and has taken the Government into state socialism, and with that we Republicans agree. But this is an interparty fight between you and your former leaders. I challenge, therefore, a single Democrat to deny categorically the charges made by Alfred E. Smith. I challenge any Democrat to come upon this floor and read Alfred E. Smith out of your party, or any of the followers of Governor Smith or other Jeffersonian Democrats. That is the issue. And beyond and above that issue there is the liquidation of these men in your own party who have never been Democrats, the liquidation of State socialism, the liquidation of unconstitutional laws, of un-American laws, and of all the unsound New Deal measures.

But throughout the entire speech of the gentleman from Virginia [Mr. WOODRUM] he never answered one single charge made by Governor Smith. All he did was to ridicule him and those who attended that dinner. How can any Democrat ridicule other Democrats for attending a sumptuous dinner on Saturday at the Mayflower Hotel at the nominal price of $5 a plate when only a week before you had your own Jacksonian, Rooseveltian Belshazzar feast at $50 a plate in the same hotel? It comes with bad grace from the gentleman from Virginia to attack another Democrat for attending a dinner at a hotel in Washington at the customary price and then claiming that it was a sumptuous and luxurious repast. I am not here to protect the American Liberty League. I am not a member of it, I do not expect to become a member of it. I am not in sympathy with some of its aims and purposes, but I am glad to take this floor and uphold the character, courage, independence, and sincerity of Alfred E. Smith, a popular and able Democrat, and with a long record of achievements for social and industrial progress and justice as a former Governor of the State of New York. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 20 minutes to the gentleman from Texas [Mr. EAGLE].

Mr. EAGLE. Mr. Chairman, it again becomes my duty immediately to succeed the brilliant oratorical performance of the distinguished and modest gentleman from New York State [Mr. FISH]. I have no considerable interest, I might say, in the so-called and misnamed Liberty League, except in passing to comment upon the fact that the National Manufacturers Association, the United States Chamber of Commerce, the National Economy League, and the misnamed Liberty League, made up of the aggregated wealth of this Nation, have seen fit, as they had a perfect right to do, to have a banquet at which a distinguished member of the Democratic Party came by invitation and delivered an address. If 3 percent of the population of this Nation, which owns 97 percent of its wealth, can meet in banquet hall in the Nation's Capital and by flattery bribe a patriot like Alfred E. Smith to forget the jibes they uttered at him when, as Governor of New York and later as Democratic nominee for President, his heart and leadership were upon the side of the masses of the people amongst whom he was reared, and now to take the side of monopoly because he offices as Raskob's agent on the one hundred and third floor of John J. Raskob's and the Duponts' Empire State Building he is clearly within his rights as an American citizen to do so. If Mr. Smith chooses to walk out on the Democratic Party, then the Republican gentleman from New York [Mr. FISH], who praises Mr. Smith today, is clearly within his rights in doing so, because I am informed he also walked out on his own party in 1912. [Laughter.] It seems that the gentlemen from Amsterdam or Rotterdam and some other "dam" place in New York have a habit of walking out on their political pledges and obligations.

The whole effort in this Presidential year is for all reactionary forces who desire again to exploit the scattered and unorganized masses of American people, to deceive them by belittling the noble work which the Democratic President and the Democratic Congress have done to lift the country out of despair. When the Democratic Party assumed control on March 4, 1933, we inherited a $5,000,000,000 deficit which the Republicans left us. We inherited 16,000,000 idle workers which the Republican Party left us. We inherited 50,000,000 hungry men, women, and children which 12 years of Republican Party control of Government left us. We inherited the total break-down of the system of American business. We promptly and resolutely began the Herculean task of rejuvenating business and social life in America. What is it now that these gentlemen upon the Republican side, most of whom, I am happy to say, are my personal friends, would have the country believe we have improperly done? They do not specify. What is the cause of their constant complaints. They never specify. Are they distressed because in 1933 we voted $3,300,000,000, with $3,000,000,000 of which we put 3,000,000 men back to work under the N. R. A.; that we feed 50,000,000, American citizens Republican control had left hungry until hope again came into their hearts? Are these gentlemen in a bad humor because we established the Civilian Conservation Corps and put 600,000 wandering, unhappy, wretched American men to work—men whom the maladministration and futile legislation of the Republican Party for 12 long years had made wretched in this land of plenty? Are they in a bad humor because we gave them happiness and plenty and enabled them to help their families? Do these gentlemen regret—and is that what is the matter with them—that our Home Owners' Loan Corporation was such a success; that it saved 1,072,000 homesteads in towns, villages, and cities from foreclosure? Would they have preferred that the financial institutions, mortgage companies, and Wall Street foreclose and own those 1,072,000 homes? Are we not a Nation of home owners? Would there be any permanent Government but for the solidity and stability of the family and the home? Are they angry at the Democratic President and Congress because we have saved over 500,000 farms from foreclosure?

Eighty percent of the farms of the Nation were in debt and in arrears with taxes, interest upon their mortgages, and partial payments upon their mortgages when the Democrats took over the reins of government on March 4, 1933; but now there are 10 percent only of those farms that are in distress. Their taxes have been paid. Grocery accounts have been paid by the farming masses. Their interest and matured mortgage notes are paid. Their notes to banks which, in turn, had been rediscounted with the central reserve banks, have been liquidated by the sale of their crops at fair prices. Happiness is in the hearts of 40,000,000 people who produce the food and raiment on which this Nation

subsists. Are these Republican gentlemen in distress of mind because the Democratic Party at the beginning of the New Deal found wheat selling at 19 cents and caused it to be selling now at $1 per bushel? Are they in distress because 2,000,000 farming families in the South, who buy one and one-half billion dollars annually from northern manufacturers in food and merchandise and manufactures, can now buy that much, when they could not have bought even $1,000,000 worth if 1933 conditions had continued to prevail? There were 2,000,000 farm families in the South, meaning 10,000,000 people, who were receiving in March 1933, four and a half cents a pound for their cotton when it had cost them 8 cents a pound to produce it; but for the last two and a half years they have been receiving 12 cents a pound, so that prosperity has returned in the South, and we are again the heaviest purchasers from northern manufacturers of any section of this country. Would they have us go back to the time in 1932 and 1933 when even Wall Street no longer had an idea how to rejuvenate the country; when we had not a Republican statesman upon this floor in the 3 years from 1929 to 1933 to utter even one sane constructive thought? Would they have us go back to the time when the few rich got richer in the sense of foreclosures and in the sense of taking away all of the valuable equities people had all over the Nation, leaving the Nation strewn with the wreck of human hopes and filled with the cry of human despair?

This is a fight in which the American people must make up their minds whether they will keep as the proceeds of their annual toil not only barely enough for existence but enough in addition to give to their families the civilizing influences of modern life, or will again submit themselves, by electing a monopolistic Republican administration, to the control and dominance of greed? I shall never believe it. My people in Texas are free and happy again. Your people on the golden coast of California, in the mighty Corn Belt of the West, all along the Ohio River in the agricultural districts, in industries everywhere, are happy and prosperous. Four hundred and fifty thousand coal miners under the N. R. A., for the first time in their lives, became free and happy people. They and their families make 3,000,000 people. When the Supreme Court killed the N. I. R. A. it killed hope and happiness in the hearts of 3,000,000 people. But by the labor disputes bill we have restored that, and again we took the side, as we ought to have taken and as the Democrats always take, of the general common good.

This is a fight throughout this Nation between the selfish and greedy portion of aggregated wealth, upon the one side, striving to monopolize everything the American people make every year above enough to keep their soul and body together, and a general diffusion of the rewards of American labor, upon the other side.

If those men who gathered at the misnamed Liberty League dinner could see it in its proper light, they would rejoice that the New Deal had saved, first, themselves from wreck and chaos, and, second, restored happiness and general prosperity to the whole country, and would be willing that there be a policy of live and let live, instead of allowing the selfish, greedy portion of big business and great wealth to dominate the councils of their group.

Those who sat at that feast of the so-called American Liberty League the other night represented $1,000,000,000 of wealth. Twelve members of the Du Pont family alone sat there, men who contributed 61 percent of the $600,000 budget last year of the Liberty League in order to keep the ballyhoo going; and those 12 members of the Du Pont family and their business associates alone have $500,000,000 of wealth. Yet, how much better are they than the farmer in the State of Maine hoeing potatoes? How much better are they than the coal miner in the State of Pennsylvania who goes down into the bowels of the earth, risking his life in order to keep the homes and industries going?

The Democratic Party has never overtaxed wealth, never confiscated wealth, and we will not overtax or confiscate wealth; but rather than repeat all the suffering, the woe, and the agony of this depression which was brought on this country by Republican administrations over 12 long years, rather than put that again upon the masses, I am willing to tax down to the bare net all income of all the Du Ponts and the rest of them who have pillaged the country.

Justice to all, special privileges to none. Think and legislate in terms of the general common good, not class advantage. It is not the rich special classes, but it is the general masses who make our America great and strong. Thus only can the general diffusion of prosperity come, bringing with it to the hearts of our people everywhere the sense of justice and universal happiness and the ennobling feeling that such a country is worth living for, worth working for, and, if need be, worth dying for.

Mr. WIGGLESWORTH. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Chairman, it is not my purpose in taking the floor to defend Alfred E. Smith; that great American needs no defense whatever at my hands, nor by anyone else, either in this House or any other place in this great country. I care not how biased you are, you must admit that the speech delivered by Mr. Smith last Saturday evening was an epic in American politics. The man you denounce on the floor of this House, the man who rose from a newsboy on the sidewalks of New York, overcoming obstacles under which many of you would bend, and finally becoming the nominee for President of a great major party—such a man needs no defense at my hands, I can assure you.

I notice there have been some criticisms of Mr. Smith's speech. One of the most bitter came from a man named Broun, Heywood Broun, a radical, who ran for Congress on a radical ticket in the State of New York in 1932. Mr. Smith's speech, of course, would not appeal to a radical. We do not expect that it will appeal to a New Dealer, because the two terms are synonymous.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield for a question?

Mr. KNUTSON. Mr. Chairman, I do not care to yield.

You have criticized Mr. Smith because he said that he would either have to don the cloak of hypocrisy or take a walk this year. Well, Mr. Smith would not be the first one to take a walk. I remember away back in 1896, when your great party proposed to debase the currency of this country, some of the best Democrats in the land took a walk, and, as I recall, they put up a gold Democrat ticket headed by Palmer and Buckner; and it is to those Democrats that we can give thanks for having saved the currency of our country from being debased.

If Mr. Smith takes a walk, he will not be the first one to do so. The people of Virginia took a walk in 1928; so did the people of North Carolina; so did the people of Tennessee; so did the people of Kentucky; so did the people of Texas; and so did the people of Oklahoma, all Democratic States. Why did they take a walk?

The gentleman from Texas [Mr. EAGLE] had something to say about the condition of the country when the New Deal took over the reins in 1933. Yes; the country was in bad shape. We were in the midst of a bad depression; but, my friends, that depression was caused by the war that you promised the American people to keep us out of in 1916, and I do not think you are going to fool them again.

The gentleman from Virginia says that prosperity in this country is growing apace. That is news to the rest of us. According to the latest available figures, there are 20,000,000 people on relief in this country right now and 11,000,000 out of work. If you add to the number of people out of work those engaged on Government-made work, W. P. A. work, you will find the total about 13,000,000; at least 2,000,000 more people out of work now than there were when Mr. Hoover left the Presidency. Talk about going apace! Of course, you are going apace, as Mr. Smith told you; you are going through the window, three letters at a time.

Mr. FORD of California. Will the gentleman yield?

Mr. KNUTSON. No; I do not care to get into a controversy with anyone now. I am merely making a few observations.

Mr. Chairman, getting back to Mr. Smith, I think it ill-behooves any man on either side to get up on the floor of this House and criticize him. We must go back to the immortal Lincoln to find a man whose life is a parallel to that of Mr. Smith. Think of the obstacles that he overcame, growing to manhood in the most squalid part of New York, and having to fight every inch of the way, overcoming all disadvantages and finally becoming the standard bearer of the great party of Jefferson, Jackson, and Grover Cleveland. I do not wonder that Mr. Smith cannot go along with this radical program. Many of you old-fashioned Democrats, in the privacy of the retiring room, are just as severe in your denunciation of the New Deal as was Mr. Smith on Saturday evening. There is this distinction, however, Mr. Chairman, that Mr. Smith places his country first and his own political welfare second, while some of you political bellhops place your own political welfare first and the welfare of your country second. [Applause.]

I thank you.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. LEE].

Mr. LEE of Oklahoma. Mr. Chairman, every lawyer knows that when you want to get the true meaning of a document you take the whole document. You consider it from first to last, and if any small part of it seems to disagree with the document as a whole, then that small part must be harmonized with the spirit of the whole document.

As to both the platform of the Democratic Party and the Constitution itself, I believe that any fair-minded person reading from first to last will agree that Mr. Roosevelt's administration has been in full keeping with the spirit of both. [Applause.]

"Save liberty", shout the Liberty Leaguers. "Save the Constitution", shout the leaders of the Republican Party.

Wall Street is the powerful, invisible holding company in the background, while the Republican Party and the Liberty League are the operating companies. There is an unholy alliance between these groups and big business. There is more than an alliance; there is a conspiracy; a conspiracy for the purpose of destroying President Roosevelt and discrediting his program.

These spokesmen of big business would make it appear that the Constitution is not safe in the hands of the Democratic administration. They would lead the people to believe that liberty itself is at stake and that the only hope for the future is to destroy Roosevelt and return the Republicans to power.

This long, loud wail for the Constitution is just about as convincing as the blubbering of paid mourners at a Hottentot funeral. They are not fooling anybody but themselves. Their real purpose is to wreck President Roosevelt's program of social justice and economic security.

The Declaration of Independence and the Constitution have suddenly become very dear to the big business leaders. Although they have for many years trampled under unhallowed feet the Constitution's guaranty of human rights, they now come out with pious faces and unctuous voices to invoke that same Constitution for the protection of their ill-gotten gains.

THE SPIRIT OF THE CONSTITUTION

In order to get a true meaning of the Constitution you must keep the whole instrument in mind. When Mellon and Morgan, the Gold Dust twins, were running the Government they passed by the preamble to the Constitution and most of the guaranties of human liberty and picked out the property clause, which they made the whole Constitution. But, taken alone, that does not represent the spirit of the Constitution.

I can take isolated passages of Scripture and prove by the Bible that you should go hang yourself. For instance, the Scripture says, "And Judas went out and hanged himself." It further says, "Go thou and do likewise." And it also says, "What thou doest, do quickly."

And now if the Liberty Leaguers will do that, we will do better by them than was done by Judas. We will take them down and bury them, because "we don't want 'em a-hangin' around."

No one has more reverence for the Constitution than I, but I do not propose to single out one phrase and give it a meaning inconsistent with all the rest of the document. Mr. Roosevelt's program is in harmony with the spirit of the whole Constitution. It harmonizes perfectly with the true intent and purpose of the instrument. There is no inconsistency or lack of agreement between his humanitarian program and that document.

The Constitution was never intended to used as a refuge for predatory business. If Thomas Jefferson, James Madison, Andrew Jackson, and Abraham Lincoln knew that the Constitution was used to shield the exploitation of humanity, they would turn over in their graves. The fathers intended that it serve the very opposite purpose. The Government was set up to promote human welfare.

Let me quote a few lines from the Declaration of Independence:

> We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights, that among these are life, liberty, and the pursuit of happiness. To secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed * * *.

We, therefore, must conclude that governments are set up for men, and not men for governments.

No one can read the entire Constitution and not be convinced that it was ordained to promote human welfare and happiness. The spirit and purpose of that great document are set forth in the preamble. Those who are now shouting "Save the Constitution" from the humanitarian program of Roosevelt must have overlooked the preamble.

Listen—

> We, the people of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquillity, promote the general welfare, provide for the common defense, and secure the blessings of liberty to ourselves and our posterity do ordain and establish this Constitution.

There you have the very essence of the Constitution. Can there be any question that it was established to promote the general welfare of the people? The reason that it became necessary to have 12 men in the jury box was because the judges and legal men kept their eyes so close to the naked letter of the law that they lost sight of the spirit of the law. Thus, the very law that was set up to insure justice was used to defeat justice. Let me illustrate it.

There was a widow in western Oklahoma who sold some mortgaged hogs and used the money to feed and clothe her five little children. She was not able to hire a lawyer; the judge appointed one. The woman had no legal defense, but the young lawyer told her to come on to court, and then she took the witness stand to tell the truth.

The judge asked her if she knew that the hogs were mortgaged when she sold them. She said, "Yes." Then he asked her why she sold them. She pointed over to the bench where there were five little children. She said, "To feed my babies."

The legal mind of the judge saw only the cold letter of the law and it broken. The judge in his mind said, "Guilty."

But the jury, the 12 good men and true, saw 10 little bare feet and five little hungry mouths, and they said, "Not guilty." They saw the operating of a greater law, the law of justice. They saw a little mother obeying the law of life, fighting the world for her offspring. "Not guilty." They refused to see justice defeated by the very law that was set up to insure it.

It is the duty and purpose of government to protect the weak against the strong. It was never intended by the authors of the Constitution that it should be used by the strong to give them additional advantages over the weak, but rather that it should protect the weak from the exploitations of the mighty.

LIBERTY LEAGUE

Soon after President Roosevelt was elected skipper of the old ship of state and began steering it back to its true

course, there was founded an organization called the Liberty League. Its membership is made up of some of the wealthiest people in the United States. The keen sense of humor of the founders of this organization caused them to name it the Liberty League. I suppose their intention was to play a joke on the American people. The same sense of humor that causes wags of a community to name a fat man "Slim", or to call a tall man "Shorty", must have prompted the name of the Liberty League. Did you ever see a real coal-black Negro that somebody did not call him "Snowball"? [Laughter.] Well, by that same token, they called this organization the Liberty League. You can label a bottle of castor oil "Pure Honey", but it doesn't change the contents. It looks very much like honey, but the label will not keep you from gagging when you take it.

"Rugged individualism" is another beautiful label, but during the regime of rugged individualism the wealth of the country was concentrated into a few hands, until 10 percent of the families owned 90 percent of the Nation's wealth. Under that regime, thousands of small businesses were driven into bankruptcy. Under that regime, there came into existence the fetid sweatshop and the inhuman institution of child labor. As a result of that dog-eat-dog regime, of the gold-plated policy of rugged individualism, 1 percent of the families of the Nation came into possession of 59 percent of the Nation's wealth, and 15,000,000 people were given the same kind of liberty that the Liberty League would save. They were given the liberty to beg, steal, or starve.

The survival of the fittest is the law of the jungle, but the fathers set up a Government to replace this law of barbarism with the humanitarian law of equal opportunities, and guaranteed these rights to the people of the United States by ordaining the Constitution as the supreme law of the land.

That law was intended to prevent the strong from exploiting the weak, it makes no difference whether that strength is mental, physical, or financial, it must be held within bounds. The Constitution recognizes and protects the rights of every individual.

But right is a relative term. One man's right ends where another's begins. Each individual right is limited by the rights of other individuals. One man's right to make money is tempered by the other fellow's right to live.

Right is a relative matter, as illustrated by the story of the Irishman who heard of free America, where there was so much liberty. As soon as he landed at New York he started walking up the street, breathing in the free air, enjoying his liberty. The first man he saw whose face he did not like, he socked on the nose. The officers took the Irishman to jail, but he protested vigorously, saying that he understood that a man had liberty over here in America. The old judge says, "Yes; but your liberty ends where the other fellow's nose begins."

The Liberty League is not thinking of liberty. They are thinking of license. They should be named the "license league." There is a vast difference between liberty and license. Liberty means a man's right to the opportunity to earn a living; it means the right to some of the sunshine of life. It means the opportunity to feed his children when they tug at his coat and ask for bread. It means the right to food, clothes, and shelter for himself and family in return for his toil.

But that is not the kind of liberty the Liberty Leaguers have in mind. They are not thinking so much of the liberty of millions of people as they are of the license to exploit them. It is not liberty they want, it is license—license to exploit their fellow man, license to run an unrestrained stock market, license to corner the markets of the world, license to form pools and get millions at the expense of the people, license to form monopolies in order to exploit the consumer.

CONSTITUTION IN SAFE HANDS

The Republicans shout, "Save the Constitution." These self-styled, self-annointed, self-appointed defenders of the Constitution would save it from what? Why, from destruction by the Democrats. And is not that good, when the entire Bill of Rights of the Constitution was written by the father of the Democratic Party, Thomas Jefferson himself? And now the Republicans would save that document from destruction by the Democrats.

Why the Democrats have taken care of the Constitution when there was no Republican Party. The Democrats have taken care of the Constitution during the periodic deaths of the Republican Party. When Thomas Jefferson was elected President in 1800, the Federalist, the then Republican Party, was as dead as a door nail. They did not even have a ticket in the field. The Democrats took care of the Constitution then without the aid of the extinct Republican Party.

Then again, when Andrew Jackson was elected President, you see the second demise of the Republican Party, and once more the Democrats were the sole and only custodians of the Constitution, but it emerged unimpaired.

Furthermore, do you remember the last hectic days under the last administration, when the clouds of depression began "Hoovering" over us? [Laughter.]

The soup lines lengthened. Communism was knocking at our door. There were food riots. The feet of the unemployed wore down the grass in our public parks. Want and misery were on every hand.

One morning we picked up the newspaper and read where the banks in Arkansas had closed. Next the banks in California went, and Minnesota followed with her bank holiday. Then Ohio closed, then Michigan, then New York.

Grim-faced men stood in little groups on the street corners and whispered to each other, "What is going to happen to our Government? Will the Constitution stand?"

In Russia, Joseph Stalin smiled to himself. In Germany Adolf Hitler pointed to the United States as an example of the failure of democratic government.

In that critical hour, out of the ranks of the Democratic Party arose a leader, calling the people to a crusade, a crusade against selfishness, a crusade for the forgotten man, a crusade to place human rights above property rights, a crusade for a New Deal; that means but one person; that spells but one name, Franklin D. Roosevelt. [Applause.]

Like a thunderbolt, he moved in and started action. And what I mean is, he moved in, and the crisis was averted.

But now the Republican Party, whose policy of favoritism allowed a bunch of financial highbinders to steal this Nation blind, whose do-nothing leader sat there in the White House and allowed millions of workers to be thrown out on society by the men whom they had enriched by their toil, now this party, flanked by the big business leaders, whose selfish policies brought this Nation to within 6 inches of red revolution are telling the people to save the Constitution from the Roosevelt administration. Why, man alive, the Roosevelt administration not only saved the Constitution but actually saved democratic government in the United States.

This is now the third time that the Democrats have saved the Constitution when there was no other party to save it. And now the twice-dead Republican Party is once more flat on its back, gasping for breath. Yes, sir; the Republican Party is under the oxygen tent, and a few die-hards are trying to keep life in it until the next election by pumping in fresh air from the grass roots.

UNCONSTITUTIONAL LAWS

What do these Republicans base their howl of "Save the Constitution" on? On the fact that the Supreme Court knocked out three recovery measures. Why, they would have you believe that the Democrats cannot be trusted with the Constitution. Let us examine the record. Congressman FLANNAGAN, of Virginia, last August inserted a very interesting chart into the RECORD of the first session of the Seventy-fourth Congress, page 13134.

Up to May of 1935 altogether 67 laws have been declared unconstitutional since the beginning of this Government. Twenty of those laws were passed by Democratic Congresses, four were passed by Democratic Houses and Republican Senates; one was passed by the first Congress that assembled, which was nonpartisan; and now comes the surprise. For those Republicans who have forgotten their history and are going about shouting "Save the Constitution", 42 of the laws that have been declared unconstitutional by the Supreme Court were passed by Republican Congresses and only 20 by Democratic Congresses.

But, you say, that is because there have been more Republican Congresses than there have been Democratic Congresses; but that is where you are wrong. The record shows that there have been 33 Democratic Congresses and 27 Republican Congresses. The other Congresses were either nonpartisan or else the House was of one political party while the Senate was of the other. Now, therefore, although the Democrats have had six more Congresses than the Republicans, yet the Democratic Congresses have passed only 20 unconstitutional laws, while the Republicans have passed 42.

But let us go a little further into the record. These self-styled, self-anointed defenders of the Constitution are shouting, "Save the Constitution from the Democrats." Theodore Roosevelt was a great President; no one denies that; but six of the laws passed during his term of office by a Republican Senate and a Republican House were declared unconstitutional by a Republican Supreme Court.

Then, again, everybody agrees that Abraham Lincoln was not only a great President but a great constitutional lawyer; and yet seven of the acts passed by a Republican House and a Republican Senate during Lincoln's term of office were declared unconstitutional by the Supreme Court.

That is not all; during President Grant's term 12 unconstitutional acts were passed; 10 of these were passed by Republican Congresses and the other 2 by a Republican Senate and a Democratic House. In other words, over half as many unconstitutional acts were passed during the administration of one Republican President as were passed by all the Democratic Congresses and Presidents since the ratification of the Constitution.

Well, so much for the stubborn, unanswerable facts. The leaders of the Republicans forgot to look up the facts before they started their theme song of "save the Constitution."

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield for a brief question?

Mr. LEE of Oklahoma. I yield.

Mr. BANKHEAD. Referring to the record of Theodore Roosevelt, it will be recalled that he himself recommended that the decisions of the Supreme Court on important questions be submitted to a referendum of the American people. [Applause.]

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield the gentleman from Oklahoma 5 additional minutes.

Mr. LEE of Oklahoma. Now, let us compare the record of the Republicans with the spirit of the Constitution and determine whether or not their policies have been in harmony with the intent and purpose of that sacred document. It is not necessary to enact legislation in order to violate the spirit and purpose of the Constitution, but if the policies of the Government are not in harmony with the intent and spirit of the document, the instrument is rendered null and void, even though there may not be an enactment on which the Court can rule.

In the first place, if the A. A. A. law was unconstitutional because it taxed all of the people for the benefit of some of the people, then what about the tariff, Governor Smith? If the A. A. A. farm program is unconstitutional, then certainly the tariff violates at least the spirit of that same document.

Then, again, trusts and monopolies violate the spirit of the Constitution, for its purpose is to grant equal opportunity to large and small alike. But for 12 years under the Republican regime of rugged individualism small and independent businesses were forced into bankruptcy by the most questionable methods employed by the gigantic corporations. Where were the Constitution savers then? Why, they were the directors of those same corporations.

Then, again, the spirit of the Constitution was violated when they sought to curtail representative government by the use of money. We saw the wealthy pay more for seats in the Senate than for seats in the stock exchange. Then we saw the Republicans vote to seat these Senators, thereby approving such flagrant violations of the spirit of the Constitution.

Then, again, the marines were kept in Nicaragua from 1912 to 1932 in violation of the spirit of the Constitution. They were kept there at a cost to all of the people of $6,000,000 to protect the private investments of eighteen and a half million dollars of some of the people. Where were the Constitution savers then?

Furthermore, not only the spirit but the letter of the law was violated in 1920 during Mr. Harding's administration when Mellon, Morgan, Mitchell, and Mills, the four horsemen of the depression, changed the rediscount rules so drastically as to destroy billions of dollars of credit and increase the value of the dollar five times. And although the Constitution specifically says that "Congress shall coin money and regulate the value thereof", yet we heard no cry of "Save the Constitution" from any of the present members of the Liberty League, because it was their dollars that would be increased in value.

Then again, this sudden change of the value of the dollar caused farmers to lose their farms and homesteaders to lose their homes. They could not pay their debts in the same dollars they had borrowed. Consequently their homes were foreclosed. That property was not taken by "due process of law," but by a financial coup planned and sprung by those who are either members or eligible to membership in the American Liberty League.

Then again, the purpose and spirit of the Constitution is to establish justice, but where were the Constitution savers when our old settlers and pioneers were being foreclosed from their homes by that financial coup which created a dishonest dollar? Where were these Constitution savers when this unconstitutional injustice was being perpetrated? Why, they were busy foreclosing the mortgages, but when President Roosevelt stopped those foreclosures and threw away the auctioneer's hammer they began to shout, "Save the Constitution."

The past record of those who are now shouting "Save the Constitution" does not square with the precepts of that document. Listen, "We, the people of the United States * * *." Not we, the bankers; not we, the capitalists; not we, the Liberty League; but "We, the people."

Let me ask you, do we form a more perfect union by permitting policies that make the rich richer and the poor poorer?

Do we establish justice when men who have labored all their lives creating wealth for others are thrown out on society to starve or steal?

Do food riots, soup lines, and hunger strikes insure domestic tranquillity? Are you providing for the common defense when poverty and hunger opens the door to communism and prepares the way for radicalism?

Is the general welfare promoted when the gaunt wolf of starvation crouches at a million doors in a land where granaries are bursting with surplus grain?

Then, again, do we secure the blessings of liberty to ourselves and our posterity with 15,000,000 unemployed and millions of others in economic slavery?

Governor Smith accused our administration of being socialistic and communistic. But the fact is that Mr. Roosevelt saved this country from communism.

Three years and some months ago I was in New York City—Mr. Smith's home city—and I saw two long lines of people; one was composed of well-dressed people standing in line for the privilege of paying 65 cents to go into a show; the other was a line of poorly dressed men and women who were waiting their turn to get a bowl of soup.

We have made mistakes, that is true, but we have made them on the side of humanity. These mistakes have been inconsequential to the good that has been accomplished. The criticisms have been as superficial as the mist that wraps Niagara's mighty shoulders in comparison to the great undercurrent stream of relief that has gone forward to a distressed people. [Applause.]

If Governor Smith fears communism, then he should approve the efforts of this administration to remove the causes of radicalism. Misery and suffering had opened the doors



to communism, and communism was stalking in. Soup lines are the best places to hand out red propaganda and have it take root.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. LEE of Oklahoma. I yield.

Mr. LUCAS. Does the gentleman know whether or not any of those men that he saw in that line have since joined the American Liberty League? [Laughter.]

Mr. LEE of Oklahoma. I am sure they have not.

But the "sin of it is", to use one of Governor Smith's favorite phrases, that the Liberty Leaguers have ridden around in private cars so long that they have gotten a "fatty degeneration" of the point of view.

Governor Smith has come up from the sidewalks of New York, but he has come up too far. The forty-seventh floor of the Empire State Building is a long way from the fish market.

Governor Smith called our President a dictator. Well, I want you to know, Governor, that no lily-fingered, milk-livered man can stand up against the crowds you have joined. We Members of Congress have not forgotten the pressure your utility friends put on us, nor the money they spent in doing it.

Yes, Mr. Roosevelt is a leader who leads. He is leading us out of this depression, and we will follow his leadership in the next Presidential campaign and roll up another great victory for the plain, common people—a victory like the Democrats rolled up in Kentucky last November; a victory like the Democrats rolled up in New York in the recent election of Congressman BARRY, right under the very nose of the Liberty League.

Governor Smith says he is going to "walk out" at Philadelphia. He must be getting tamer, because he ran out at the last Democratic convention. Well, we worried along without him in that election, and I suppose we can do it again.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. LEE of Oklahoma. I yield.

Mr. BLANTON. Can the gentleman think of antipodes being further apart than HAM FISH and Al Smith?

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. LEE of Oklahoma. Now, the Republicans holler, "Extravagance." Extravagance for what, may I ask? For feeding the unemployed. Whose depression is this, anyway? The nerve of the Republicans charging the Democrats with extravagance for feeding people who have been turned out of employment by a Republican depression is indeed refreshing. It reminds me of the boy who murdered his mother and father and then plead to the court for mercy on the grounds that he was an orphan. [Laughter.]

Yes; Roosevelt has spent money trying to feed those hungry human beings, and has thereby done much to prevent radicalism in this country. The best answer to radicalism is liberalism. Governor Smith, if you and the other business leaders destroy Roosevelt, you are sawing off the limb between yourselves and the tree. He is the one man that is saving us from a radical turn to the left. He is liberal enough to give relief, and that is the only answer to radicalism.

Perhaps some of the measures it was necessary for Congress to pass in order to avert a crisis have technically conflicted with the letter of the Constitution, but if you take the whole humanitarian program of Roosevelt and compare that with the platform of the Democratic Party and its avowed purpose of promoting human happiness, and then compare that administration with the Constitution, you will find Mr. Roosevelt's administration is completely in harmony with that document.

Instead of destroying the Constitution, it will breathe the breath of life into it, and make it a living, effective instrument. It will make it what its framers intended it to be, a tower of strength for the weak and a haven of refuge for the distressed.

The Liberty League shouts, "Save the Constitution."

The Roosevelt administration will save the Constitution. We have saved it from inactive, inoperative oblivion, and put it into force.

We will also save it from the dead-letter morgue of another Republican administration.

Do you think that it satisfies hunger to say to hungry men, "We will save the Constitution for you"? Do you think that helps them when their old stomachs are flappin' like a pair of rayon bloomers in an Oklahoma windstorm to tell them about the need of balancing the Budget?

You shout, "Save the Constitution!"

We answer, "Save human beings from the wretchedness of poverty."

Save the Constitution? Save 15,000,000 people from unemployment.

Save the Constitution? Save the stockholders from being robbed of their dividends by the holding companies.

Save the Constitution? Save the consumer from paying exorbitant rates to the power companies.

Save the Constitution? Save the investors from being swindled by stock-market pools.

Save the Constitution? Save the small businesses from the cut-throat competition of the big corporations.

Save the Constitution? Save millions of mothers who die in childbirth for the want of medical care.

Save the Constitution? Save millions of women from the evils of the sweatshop.

Save the Constitution? Save millions of children from the curse of child labor.

Save the Constitution? Save the home owner from foreclosures.

Save the Constitution? Save the feeble old fathers and mothers from the humiliation of the poorhouse.

Save the Constitution? Save farmers from bankruptcy.

Save the Constitution? Save the wage earners from economic slavery.

Put the humanitarian program of Mr. Roosevelt into law and you have saved the Constitution.

This is more than a political campaign. It is a fight between the people and the corporations. It is a contest between profits and blood, between men and money. It is a test whether or not we will have a government in harmony with the whole spirit of the Constitution or whether the property clause will dominate the entire Government. It is a test determining whether or not human rights are more sacred than property rights.

We have on our side Roosevelt, the fearless, lion-hearted leader. On the other side is the wolf of Wall Street. We have him in the corner. He is showing his teeth. Roosevelt is going in to finish him.

Let every patriot, regardless of previous party affiliations, support this great champion of human rights, and save once more constitutional government for the United States of America. [Applause.]

[Here the gavel fell.]

Mr. LAMBERTSON. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, for perhaps the first time I wish to indulge myself the pleasure of a political speech. I wish the gentleman from Oklahoma, who preceded me, could meet Al Smith this morning. I think Mr. Smith would tell him a story similar to this one of the actress. A young man fell violently in love with this actress. His grandfather called him aside and argued with him about it. He said, "Young man, I was in love with her once myself, when I was young; but, oh heavens, how she has changed!" I think that is what Al Smith tried to tell the country last Saturday. Commenting on another phase of the remarks by the gentleman from Oklahoma, I would say that the Republicans have been in power so much and the Democrats so little of the time it is small wonder there were 42 decisions of the Supreme Court against the Republicans and only 20 against the Democrats. I cannct argue that until I know the quality of the decisions and the importance of

the issues at stake. It reminds us of the old Dutch governor who, when evidence was produced by both sides, merely weighed it according to its avoirdupois. I sympathize with these older Democrats who also loved the actress of the former day and who, down in their hearts, still love her, and have to endure in silence the great change that has been manifest in their Miss Democracy. Many of them have approached me and told me their true feelings regarding the socialistic doctrines now engrafted on their party. I sympathize deeply this afternoon with the Democratic Members from the State of New York. The excoriation of their beloved leader of so many years must have seared their souls. Will they take it silently? I shall hope that a New York Democrat will stand here before the day is over and reply to Virginia.

Those who have preceded me on that side have simply abused Mr. Smith personally. They have not answered a single argument of his speech. Mr. Smith was careful to say about as follows: "I represent nobody; I am perfectly happy because I do represent nobody, not even the Liberty League—they merely invited me here to speak." But you received awful bruises from his speech, and we see the marks on your faces. Mr. Lewis W. Douglas has handed you many; Governor Talmadge has handed you many; ex-Senator Reed and a host of others who used to love the old Miss Democracy have handed you additional bruises and you have said nothing about them. But now that you have had a real one given you by a greatly beloved personality of your own party you this afternoon drag him into court to be indicted and with the hope that he may be punished. A poor colored woman was thus brought into court. She had a dreadful bruise on her cheek, and, when asked how she got it, said, "It was given to me by my gentleman friend." So you are trying to indict one who is, perhaps, the greatest friend of the Democratic Party. The judge—the great American public—will now determine whether or not you provoked and deserved the punishment he inflicted more in sorrow than in anger. Mr. Smith set forth in plain terms the explanation of the resounding blow he felt forced to deliver. Mr. Smith said that he would probably take a walk. He was going to walk out of what? He emphasized what he would be forced to walk away from. He said, in effect, "I am walking out of the socialistic party that has swallowed up my own party." He is not walking away from the Democratic Party. You should fully understand that fact. He told you to again take up the Democratic platform of 1932. Will you excoriate him for that appeal? Many, many times he and others have warned you against accepting a socialistic platform. Regarding the framers of these socialistic measures he said, "I never heard of them; I would not know one of these under secretaries if you would show him to me; they are not Democrats of whom I have ever heard." This socialistic party is what he is walking out of, not the Democratic Party.

And many of you—if you dared say what is deep down in your hearts—would express similar serious misgivings over what has happened to your party. You deified your candidate of 1932 and promised to bow down and obey. In consequence Congress is now only a rubber stamp. In one vote we gave him, to spend as he pleased, the vast sum of $4,800,000,000. Never in my political life did I get such a shock as when my friend from Texas, Mr. BLANTON, sitting in front of me—cast his vote for that measure. After all those years of watching and objecting to every small expenditure the exact method of which could not be proven, he suddenly capitulated to the spendthrifts and wasters. The Democratic donkey, like the old gray mare, ain't what she used to be. Perhaps that is one reason why we read in the papers so constantly that Congress has fallen "to its present low estate."

I call your attention now to Governor Talmadge, of Georgia. I have not the time to read all that he says in this article, but I do not want you to miss this political gem. I do not know him, of course, but sometimes even unpopular men can say something in rhyme or epigram which is so pertinent and expressive that it is really helpful. He draws our attention to these socialistic reform measures, most of which are being proven unconstitutional and proving un-American. Limericks often aptly express the logic of a situation, and I was interested to read at the end of Governor Talmadge's speech the follow lines, in his usual picturesque style:

I thank my God the sun and moon
Are both stuck up so high,
That no presumptuous hand can stretch
And pluck them from the sky.

If they were not, I do believe
That some reforming ass
Would recommend to take them down
And light the world by gas.

[Laughter.]

Somebody from Texas dared to boast about the N. I. R. A. this morning. I did not know there was anyone left who would even suggest that the N. I. R. A. was really good legislation. The A. A. A. has gone. Others are going. What will be left? Later on, when you are tempted to boast of some of your other reforms, I shall wish to have something to say about the meager results obtained, compared with the enormous expenses already incurred and which must be continued almost indefinitely.

The gentleman from Virginia who made the opening speech this morning was probably not, at heart, with Al Smith in 1928, since his State voted for Hoover. My good friend from Virginia can do better than he did today. He should not employ the arts of the demagogue on Governor Smith. He received great applause from your side when he said probably there was not a man at the Liberty League dinner who had gone without a meal during the last 2 or 3 years. That is a demagogic utterance. It is not argument. It is not answering Governor Smith. He was evidently selected to reply to the arguments advanced by the Governor. He did not even attempt to do so. I know but little about the Liberty League. I do not belong to it myself. But I thank them for any contribution they may make to me or to you, by providing us with information. I am not identified with the organization. It am not one of those who has any reason whatsoever to join in protecting what some of us have characterized as "entrenched greed", and I do not for a moment believe that the league does stand for that sort of thing. Yet, if we should attempt to champion it we, too, would come in for violent abuse.

Mr. BLANTON. Will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. BLANTON. Is my friend from Massachusetts jealous of the gentleman from Virginia [Mr. WOODRUM] because he received applause?

Mr. GIFFORD. Oh, no; but I am sorry for any gathering that will applaud demagogic appeals. This seems to be a court this afternoon. You are sitting here to try Al Smith. I wish you to be like the judge the gentleman from Texas would be if he were sitting on the bench in a trial. If a lawyer attempted to draw tears from the jury by such a type of appeal, I am sure that he would remind them in his charge that the facts are what they have to consider, not the emotional appeal.

Mr. BLANTON. But the gentleman from Virginia did get applause, and I have not heard any yet for the gentleman's speech.

Mr. EKWALL. You will in just a few minutes.

Mr. GIFFORD. I do not come here attempting to bore for tears or court applause.

Mr. HOFFMAN. Will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. HOFFMAN. Does the gentleman not think if he brought the Members of the Senate and the Cabinet over to hear him he would have gotten some applause?

Mr. GIFFORD. I am not looking for applause, I am not sorry to say. The gentleman from Virginia [Mr. WOODRUM] portrayed the improvement in business. I asked him to yield. I would not have done it had I known that he had stated his refusal to yield at the beginning. He was very

wise. The gentleman had read the papers so assiduously on yesterday. Well, I read them also. I noted the downward trend of business during the last 10 days or 2 weeks.

I noted the plight of our dollar in nearly all the nations of the world, as set forth in the newspapers yesterday. What is the reason for it. What has happened lately? It was not Al Smith's speech that caused it. We know the cause, however. Keep on balancing the Budget the way you are doing. You cannot continue to fool the people after the Budget debacle of the past 2 weeks. Business knows and financial experts know what it means, and since there is no attempt being made to raise additional revenue they have good reason to fear further tinkering with the currency itself. Of course business has been improving, in spite of all this. Governor Smith told you why in his speech. I did not expect to speak this afternoon, but I recognized that you were holding court on Governor Smith, and I did not wish a demagogic, personal attack resorted to when Mr. Smith has presented such a plain, clear-cut case that merits real argument.

Mr. HOUSTON. Is it not true that it is rumored the Republican Party is going to nominate Al Smith for President?

Mr. GIFFORD. I do not think so. One of you fellows said once that any Democrat was better than any Republican.

Mr. BLANTON. Is not that so?

Mr. GIFFORD. I believe the gentleman thinks so. Looking over this Republican delegation can you not find one big enough to match the poorest of your membership? I fear the gentleman thinks not.

Mr. BLANTON. That is not our fault.

Mr. EKWALL. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. EKWALL. I just want to admonish the gentlemen on the other side that if they will only be patient, we will show them a candidate who will run them clear out the back door next time.

Mr. BLANTON. When? Who?

Mr. HOUSTON. Who? Name him.

Mr. GIFFORD. Al Smith told them there is only one pair of ears the news has not reached yet.

Mr. MILLARD. Mr. Chairman, will the gentleman yield for a brief question?

Mr. GIFFORD. I yield.

Mr. MILLARD. The gentleman heard the orator from Oklahoma optimistic for the Democrats. Does the gentleman think he reads the Literary Digest?

Mr. GIFFORD. If he does not, I have the Digest poll right here and shall be glad to read it to him. Of all the oratorical speeches that have been made here this afternoon, no one has even attempted to answer Governor Smith; they were personal attacks. Must we wait until tomorrow night, holding our breath in expectation, that the leader in the other body will annihilate his former party candidate, who rode with him in 1928 as candidate for Vice President?

Mr. HOUSTON. Mr. Chairman, will the gentleman yield for a question?

Mr. GIFFORD. I yield.

Mr. HOUSTON. Is my friend from Massachusetts supporting the Borah-Fish ticket?

Mr. GIFFORD. Oh, no. I have no candidate as yet.

Mr. HOUSTON. I thought maybe that was the ticket our good friend was referring to.

Mr. GIFFORD. I am telling my people in emphatic terms that all we desire is a good candidate; that the next campaign is to be on issues. Has not the gentleman heard about that? And we have plenty of issues, as important as any ever presented to the country, particularly the Constitution. It will be a campaign of real patriotism. [Applause.]

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 4 minutes to the gentleman from Oklahoma [Mr. GASSAWAY].

Mr. GASSAWAY. Mr. Chairman, every time I hear a speech like Al Smith's speech it makes me think more of Judas Iscariot and Aaron Burr, especially when I stop to consider that Al Smith was made by President Roosevelt.

Mr. EKWALL. Mr. Chairman, will the gentleman yield?

Mr. GASSAWAY. Yes.

Mr. EKWALL. Are both those gentlemen members of the Democratic Party? [Laughter.]

Mr. GASSAWAY. Mr. Roosevelt is. Incidentally, I want to apologize to this House for the fact that I made 104 speeches for Al Smith in 1928.

Mr. ANDREWS of New York. Mr. Chairman, will the gentleman yield?

Mr. GASSAWAY. I yield.

Mr. ANDREWS of New York. Can the gentleman give me some suggestion as to why no gentleman of the Democratic Party or from New York State, or from the North has seen fit to answer Al Smith's charges or to defend them?

Mr. GASSAWAY. I do not know about that, but I would sure enough like to answer them; and I believe that any man with common intelligence or decency could answer them. I will say to the gentleman that he is just taking up some of my time, and I have used only 2 minutes' time since I have been in the House. Al Smith was most certainly unfair and unkind to a friend who had been kind to him on two specific occasions that I know of in a national convention and nominated him for President of the United States.

Mr. MILLARD. Mr. Chairman, will the gentleman yield for a brief question before he proceeds?

Mr. GASSAWAY. No; the gentleman just wants to use up my time.

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 2 additional minutes to the gentleman from Oklahoma.

Mr. MILLARD. The gentleman stated that the President had made Al Smith. Is not the gentleman mistaken? Did not Al Smith make the President?

Mr. GASSAWAY. No; and the gentleman knows better than that.

Mr. MILLARD. The people of New York believe to the contrary.

Mr. GASSAWAY. Well, Roosevelt happens to be President and Al Smith is not President. That takes care of that matter.

Mr. Chairman, I just come from the State of Oklahoma, but I know what is fair and square. The gentleman on the other side are just popping off a little bit about Al Smith's speech the other night, but they do not like him any better than I do. There is not a decent Republican here who likes him. Take the Republican Members who sit on the Judiciary Committee with me. I love them, and they know I do. Those Members do not admire Smith. No. They despise him just exactly as I do. Al Smith has turned—I do not know for how many pieces of silver, but he has turned against his friends. [Applause.]

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. DUNN].

Mr. DUNN of Pennsylvania. Mr. Chairman, I do not believe that we Democrats ought to consume a great deal of time condemning the Republicans. Do you know that most of us who call ourselves Democrats, and may I also include Franklin D. Roosevelt—one of the most progressive and humanitarian men that ever occupied the White House—would not have been elected to office had it not been for the Republicans voting for the Democratic candidates? In the primary election in 1932 there were but 750 registered Democrats and 33,000 registered Republicans in the district which I represent. I was successful in securing the Democratic nomination.

Mr. MORITZ. Will the gentleman yield and tell us what his total vote was on the Democratic side?

Mr. DUNN of Pennsylvania. Yes. In the general election that vote of 750 increased to 34,000.

Mr. Chairman, in 1932 our country was in a terrible plight and had it not been that a man like Roosevelt was elected President we would have had a revolution.

I am now going to tell you something that most of you do not know. On about the 5th of January 1932 I was one of 25,000 men who came to Washington, led by Rev. James R. Cox, pastor of St. Patrick's Church, Pittsburgh, Pa.. At that time I was a member of the Legislature of Pennsylvania. When I heard that Father Cox, the champion of the oppressed, was going to lead this army I did not hesitate to inform my colleagues in the legislature that I was going on that march with Father Cox, who had the courage to lead an army of unemployed to Washington to see if something could not be done for them. May I inform the Members of the House the unemployed men who came to Washington were desperate—in fact, I heard many of them say they would be willing to storm the White House if Father Cox would say the word.

Mr. Chairman, since President Roosevelt has been in office there has been no march of the unemployed to Washington. He has prevented that by the humanitarian legislation he was instrumental in having Congress pass. It is a fact that some of the legislation which has passed was declared unconstitutional.

For example, when the N. R. A. was functioning the salaries of employees were increased and the hours of labor were decreased. This morning I was informed by an elevator operator that he is now working 12 hours a day and does not get a day off in a month. He said that when the N. R. A. was in effect he worked only 8 hours a day and 6 days a week. Since the repeal of the N. R. A. the salaries of the employees in many of the chain stores and other business institutions were decreased and the hours of labor have been increased.

Let us take the Social Security Act, which provides pensions for the aged, unemployment insurance, and other worth-while measures. It is true that the pensions provided for in the bill for the aged are inadequate but, nevertheless, the act in itself is an excellent foundation on which adequate pensions and other constructive legislation can be based. In other words, a great deal of the legislation which President Roosevelt sponsored is outstanding, because it applies not only to the unfortunates of our country but also to all who labor for a livelihood.

We Members of Congress can solve the economical problems of our country if we will permit ourselves to be actuated by humanitarian motives instead of selfish ones. The opponents of the New Deal maintained that the legislation the President has sponsored is socialistic and communistic. If socialism or communism means employment for the unemployed at a saving wage, adequate pensions for the aged, unemployment insurance, abolition of poorhouses, and wiping out the slum districts of our country, then, damn it, let us have socialism or communism!

I hope that the time is not far distant when the Democrats, Republicans, Farmer-Laborites, Progressives, and those affiliated with all other parties will put party politics aside and pass legislation which will benefit humanity. There is no need for a depression. The people should be employed at all times. Our natural resources are inexhaustible. They are not worth billions of dollars but are worth trillions of dollars.

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. DUNN of Pennsylvania. I yield.

Mr. KNUTSON. The gentleman states that our resources are worth trillions of dollars.

Mr. DUNN of Pennsylvania. Yes; I said trillions.

Mr. KNUTSON. A trillion is a thousand billion, as I recall. Then we cannot depend upon Government figures, which gave the total assets of this country in 1929 as $350,000,000,000, or only about one-third of a trillion.

Mr. DUNN of Pennsylvania. The amount to which you have referred, the $350,000,000,000, means the property and resources now in operation. I still maintain that our undeveloped resources are worth trillions of dollars.

Mr. KNUTSON. And the gentleman could go further and talk about the fertility of the soil and the stuff we are going to take out of the soil in the next thousand years, which would bring our potential assets up to quadrillions.

Mr. DUNN of Pennsylvania. Yes; they are really worth that. Our developed and undeveloped natural resources should not be determined by those metals called gold and silver. They could evaporate overnight and we would not starve or thirst to death. Is it not a fact that we can destroy a tree in less than 5 minutes, but it takes many years to grow a tree?

Mr. MORITZ. Mr. Chairman, will the gentleman yield?

Mr. DUNN of Pennsylvania. I yield.

Mr. MORITZ. I want to congratulate the gentleman on saying that there is nothing sacred about political parties. The gentleman has shown this, because the people of Pittsburgh have all turned Democrats because that was their only salvation. [Applause.]

Mr. DUNN of Pennsylvania. In conclusion I wish to state that next November the citizens of the United States will decide whether or not they believed in the legislation sponsored by the President. The fact that many of the labor organizations in the Unted States have already endorsed President Roosevelt's policies is a good indication that he will be reelected to the high office he now holds. The Republicans and Democrats ought to unite in behalf of Roosevelt because his legislation is nonpartisan. [Applause.]

[Here the gavel fell.]

Mr. LAMBERTSON. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. EATON].

Mr. EATON. Mr. Chairman, I have observed the distress and dismay of my brethren on the Democratic side today with great sympathy, and while the role of a peacemaker in a family row is always dangerous, if they will permit me, I would like to make a suggestion as to the easiest way out.

The Democratic Party, for which I have real respect—if I were not a Republican I would probably be a Democrat—I am a Jeffersonian Democrat in much of my thinking now—the historic old Democratic Party looks to me like a fine, venerable gentleman of high standing who got along in years and being somewhat lonely decided to marry a young wife. She was beautiful, brilliant, spoke his language, and seemed designed by Providence to inspire and comfort his declining years; so he married her.

Everything went along beautifully for a few months. Then she began to change. Women will. She began to speak in loud, dictatorial, and domineering tones when he came home, telling him what to do, and how and when to do it—"must" legislation, for instance. Then she went out and without his consent or authority ran heavy bills in all directions, which he did not feel quite able to pay, but which he felt compelled to pay in order to protect his good name. Then, worse still, she began to go out with strange men described by the neighbors as "brain trusters." At last came the dinner Saturday night, which threatens to become the most embarrassing episode in the old gentleman's experience.

I have been surprised that some of these New Yorkers have not stood up here today for Al Smith. He is their leader, and he will continue to be, come hell or high water.

Now, I want to suggest to this venerable, high-class gentleman a course of procedure which I think he ought to take, and which will restore his peace of mind and reestablish him in the confidence of the community. I think he ought to apply at once for a divorce on the ground of extreme mental cruelty and incompatability of temper.

Mr. EKWALL. And desertion.

Mr. EATON. And desertion, and I believe that he will be granted that divorce in the court of public opinion, and without alimony. Now, my beloved Democratic brethren, that is as far as I can go. I do not know whether you will take my advice or not, but it is offered in the spirit of helpfulness in this hour of your deep distress and grief.

Mr. BEITER. Mr. Chairman, will the gentleman yield?

Mr. EATON. I am of a yielding disposition.

Mr. BEITER. And that alimony will be paid, I suppose, by the Liberty League.

Mr. EATON. Well, if you want to work it off on somebody else, that will show that you are smart. [Laughter.]

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent to extend my remarks made earlier in the day.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LEE of Oklahoma. Mr. Chairman, I make the same request.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. MEAD].

Mr. MEAD. Mr. Chairman, there have been so many political speeches delivered today that any further attempt on my part to continue that sort of discussion would lack interest and probably result in the evacuation of the House. I want to talk about a more important subject—a subject that every man and woman in this House ought to be constantly talking about, thinking about, and doing something about; a subject that the world is seriously seeking an answer to today.

Talking about Republicans and Democrats, about their being liberals or radicals, or talking about a Democrat and referring to him as a socialist is all thin air when you think of what is happening around us. Hidebound, reactionary Republicans and progressive, forward-looking Democrats are found today in movements that would be alarming to the average Member, whether he sat on the Democratic or Republican side of the aisle a few years ago. Men are coming to Congress with ideas which are strange to both radicals and reactionaries of a few years ago.

Why this change? It is coming about, my friends, because we have not yet solved the one enigma of the century, and that is the problem of distribution. We can stand here and talk politics from now until doomsday, yet people back home will leave both parties unless we solve that problem of unemployment.

A few days ago we were treated to a very interesting philosophical address by that distinguished student and scholar from Texas, the chairman of the Committee on the Judiciary. He told us of the coming of the Triple A, of the great benefits which resulted to agriculture from that Act. He told us in no uncertain terms that agriculture was the basic industry upon which the prosperity of every other industry depended. He explained to us that under that act, an affirmative and direct act, agriculture had prospered and that its income had risen from $4,000,000,000 in 1932–33 to approximately $7,000,000,000 last year.

He told us how wheat had struck the lowest price in a century when it sold for 42 cents in the concluding year of the previous administration, and how it had reached a new high under the present administration when it went over 96 cents. Above all, he admonished us to hold that gain and to hold it by law, by giving our thought, time, and attention to it to prevent that low price level from returning to scourge this Nation again.

There is another matter as important as is a prosperous agriculture, which I desire to discuss with you today, and I want to explain to you the recent attitude of both political parties insofar as the labor question is concerned. The Democratic Party traditionally has been the friend and advocate of direct labor legislation. The Republican Party has been the traditional advocate of indirect labor legislation.

Since the turning of the century, we have had two progressive eras in the political history of our country—one under the late Woodrow Wilson and the other under the present President of the United States. If you look at the record, you will agree with me that in both administrations the Democratic Party attempted to solve the labor question by direct, affirmative action. On the other hand, the Republican Party, not content with the repeal, modification, or weakening of those direct attempts, went on to settle the problem by giving to the special interests of the country protective-tariff legislation, by modifying, diminishing, and reducing taxes on wealth, and giving industry a freer hand by which it might work out its destiny, leaving labor to the crumbs that might be dropped to it.

The Democratic Party, in keeping with its tradition, enacted the N. I. R. A.

In order that I may not be criticized, I have here in the CONGRESSIONAL RECORD the roll call listing the men and women of this House who took their stand in this Chamber for or against that measure. I find, on reading the RECORD, that there were Members on both sides of the aisle defending it because of its being constitutional, and I also find a few individuals on both sides opposed to the legislation because, in their opinion, it was not constitutional.

When the N. R. A. was passed there was not only an authority given by direction, there was a mandate to wipe out child labor and to eliminate the sweatshop. There was also authorized the shorter work periods and higher wage scales. And after you digest the philosophy of the N. R. A., if you will look over the labor legislation under Woodrow Wilson, you will find there a similarity that will prove the point I am trying to make, that there was an attempt by direct action to solve the labor problem.

During the administration of Woodrow Wilson an effort was made to increase the wages of labor and give labor the right to collective bargaining. Also an effort was made to destroy the injunction against labor. An effort was made to wipe out the "yellow dog" contract against labor, and labor was given the dignity and prominence accorded to industry, a place in the Cabinet of the President.

Direct and affirmative action was not only given the administration in the days of Woodrow Wilson but under President Roosevelt we find a similar effort to give labor the right to bargain collectively and an act to prevent the "yellow dog" contract. Also another measure to destroy the power of injunction against labor and give labor the right, through its own organized power, to shorten work periods and increase wage standards.

We did this not by indirection, but by direction. The Democratic Party undertook to solve it, not by indirection, the philosophy of the Republican Party, but by direction, by positive, friendly acts of Congress.

The N. R. A. restored 3,000,000 jobs to the unemployed. It buoyed up the buying power by approximately $3,000,000,000; but machines and power have destroyed more labor opportunities since the coming of the N. R. A. than N. R. A. could create. More than that, there are over a million boys and girls becoming of working age each year, and with lessened and diminished working opportunities they only increase the number of unemployed. Unless something akin to the N. R. A. is adopted, unless that twilight zone which allows the exploiters of labor to escape between Federal and State authority, then by 1945, if labor-saving devices continue in the future as they have in the past, there will be 20,000,000 wage earners in America without work.

Today there are 17,000,000 of our population between the ages of 45 and 60 years, and the bars are up against them in industry; they are, in the estimation of some, too old to meet the requirements of the high-powered, efficient machines of today. But again, the affirmative and positive action of the Democratic Party must take place or we do not solve the labor problem.

Mr. McCORMACK. Will the gentleman yield?

Mr. MEAD. I yield gladly.

Mr. McCORMACK. In connection with the N. R. A. the gentleman has made a very powerful and constructive speech, which I think most of us agree with. I know I agree with it. I think this is a very excellent place to put in the RECORD that before the passage of the N. R. A., business, with practical unanimity, urged the Congress to pass N. R. A. legislation.

Mr. BANKHEAD. Will the gentleman yield briefly in another connection at that point?

Mr. MEAD. I will be glad to yield.

Mr. BANKHEAD. I do not know whether the gentleman has secured permission to revise and extend his remarks, but inasmuch as our party is being constantly assailed about some of the New Deal measures I trust the gentleman will incorporate the vote to which he has just referred on the adoption of the N. R. A. and indicate which Democrats and which Republicans voted for it.

Mr. MEAD. I shall be very glad to do that.

In following up the statement made by the distinguished gentleman from Massachusetts [Mr. McCORMACK], let me say

there was little opposition in this House or in the other Chamber or in the press or as far as public opinion was concerned when we were passing recovery measures. When we were passing recovery measures in this House—and that included the A. A. A., the N. R. A., and the rest of the so-called alphabetical list which applied to recovery—we were the white-haired boys of the exploiters of American labor.

If we dared to vote against our President, then we were marked men back home. It was not until we had completed the recovery program, after we had taken care of the wreck and ruin by opening the Treasury through the Reconstruction Finance Corporation and other media in order to rehabilitate the insurance companies, the railroads, the banks, and other industries from their losses, only when we turned to prevent the coming of another wreck, only when we turned to reform measures, that we were put on the spot and denounced by big business throughout the country. [Applause.] Now they attack the reform program by condemning the recovery program which they favored and which saved them.

Now, so that you will be sure I am right, I say our philosophy of recovery and reform in no way retards recovery.

There is nothing wrong, as I see it, with the program adopted, with the help of many of the Republicans in this House, looking toward recovery and reform, because this is the record. And every morning, in order that you may enjoy your breakfast, let me make this suggestion to you: After glancing at the news look at the financial and market pages of our papers. You will find that production is almost back to the high peak of 1929. You will find earnings, dividends, and profits soaring to new heights, prices of stocks and bonds looking better than they ever did.

However, proving that I am right, that we have a problem difficult to solve, that we have an enigma which challenges the wisdom of statesmen the world over, one that is giving an opportunity to those outside of political parties to attempt, either by good methods or bad, to solve this question, new leaders are coming up in our midst because of the growing problem of unemployment and the discontent and unrest associated with it. That is true in this country and in every other industrial country of the world. Unless we put our minds to the task and solve it, someone will solve it for us; they will solve it in their own way without any aid from us.

I said a moment ago the Democratic Party has an affirmative plan and the Republican Party has one of negation. I want to summon a great Republican as my witness today to prove that statement. This is his letter to the chairman of the Republican National Committee. It is signed by Frank E. Gannett, publisher of a chain of conservative newspapers:

> As a Republican, I earnestly urge the national executive committee and all leaders of our party to concentrate on these issues:
>
> 1. How can the American economic system be made to function, within the Constitution, so private business can put 10,000,000 idle back to work?
>
> 2. How can the income of agriculture be raised, by constitutional means, so that the wage of ten and one-half million Americans gainfully employed in farming shall be more than $1.39 a day, including the A. A. A. benefits, as in 1934?
>
> * * * * * * *
>
> Our program must be affirmative, not merely negative. We must convince the country that our policy can restore the whole people's well-being with economic freedom; that we can make capitalism function again under the Constitution so as to restore prosperity to farm and city, give equality of opportunity to all, and the added social security of as many jobs as there are workers.

"Our program", he says, "must be affirmative, not merely negative"; and this is just what I have been saying. The affirmative, positive advocate of labor is the Democratic Party, and in the only two progressive eras since the turn of the century we find that to be the record. They tried by all practical means to ban child labor, to give labor the right to organize and bargain collectively, to shorten the work period and increase wage standards. To ban the injunction and "yellow-dog contracts" used against labor. The Democratic Party made the American sailor the freeman of the seas; it gave our wage earners liberty of action. The Democratic Party is the positive, affirmative voice of American labor.

In concluding his letter Mr. Gannett proves my argument, because he says:

> Our program—
>
> Referring to the Republican program—
>
> must be affirmative, not merely negative.

Mr. Chairman, the one big problem confronting the American people is the problem of unemployment. The one party that has a program, a positive, direct program, is the Democratic Party; and the one party that can and will, because it has the courage, the vision, the leadership, and the progressive spirit to solve this question, is the Democratic Party. [Applause.]

What is the difference between the two parties today? The Democratic Party has a positive plan and you know its every detail. The Republican Party must, of course, have a plan and you all know its details. They believe in balancing the Budget; in reducing the taxes on wealth; they believe in a restoration of tariff barriers; they believe in the elimination of Federal relief agencies; they would stick to gold when almost every other nation sought to leave it for a controlled currency. What would happen if we balanced the Budget at this time? We would have to abandon the 9,000,000 urban workers and the 10,000,000 rural workers of the country. Local government or private charity could not take care of them, and suffering, even starvation, would be the result. If we balance our Budget by reducing taxation, then the program of social legislation, including unemployment insurance, old-age insurance, widow and dependent-child benefits, will, of course, have to be repealed. It means the youths who are now working in the camps will be consigned to the street corners. It means that the public-works program and the W. P. A. program that have given work opportunities to our people will be abandoned and those there employed will join the ever-growing army of the unemployed. This cannot be done; this will not be done.

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 5 additional minutes to the gentleman from New York.

Mr. MEAD. Our plan will insure a permanent public-works program. The youth of our country—those boys who, becoming of working age and armed with a diploma, walk from employment agency to employment agency, only to be disappointed—will be given the satisfying experience of finding a job where they can enrich this great Nation of ours. Our public-works program will be continued especially for those men between the ages of 45 and 60 who are boycotted now by industry. If industry does not take them there is only one agency in the world to which they can turn, and that agency would be less than human if it did not take them. That agency is the Federal Government. Our party will take care of them by the continuation of a permanent public-works program that will favor these groups now unable to find employment in industry.

We will continue our affirmative and direct attack by insuring through every legal means an opportunity for the worker to increase his wages and to reduce his working period, an example we set when we passed the 5-day week for postal employees. When the 5-day week becomes universal, then we shall have diminished our problems to the point where normal thinking will set in again, to the point where we shall be able to solve without difficulty our remaining questions.

We find Republicans leaving their party, becoming Progressives, Farmer-Laborites, or associating with the Democratic Party, because they are dissatisfied with their party's negative labor program. I cannot blame them, because they are looking for direct action, and if they cannot find it in the old conservative party, then they are going to leave that party, as they did when State after State west of the Mississippi River turned to the Democratic or Progressive Parties.

The old theory that the situation will adjust itself if we but take care of wealth and of industry is now but a relic of a backward age. It will not work in this machine age.

For 30 years, since the coming of the automatic machine, this problem has grown worse. If it had not been for the tremendous rise in business volume during the last 3 years

we would have had an unemployment problem of nearly 20,000,000 instead of less than 9,000,000. We are rapidly becoming a nation of machine attendants; the electric eye throws open the gates and the doors; electrical devices run our elevators; telephones are operated without the switchboard operator; locomotives are bigger and more powerful; airplanes are more rapid and carry greater loads; ships are speedier and carry tremendous tonnage. We now have the mechanical robot, the electric eye, the electric-power motor, remote-control devices, and other labor-saving contrivances; Henry Ford tells us that the time is coming when the machine will manufacture the machine. All man will have to do then will be to enjoy the machine if he has any purchasing power left to buy the machine.

Either we will control the machine or the machine will control us, and we will never control it by indirect action or by the negative plan of the Republican Party.

I am inserting herewith in my remarks the roll-call vote on the national industrial-recovery bill—H. R. 5755—as requested by Mr. BANKHEAD:

The SPEAKER. The question is on the passage of the bill.

Mr. RAGON. On that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 325, nays 76, answered "present" 1, not voting 28, as follows:

Yeas—325: Adair, Adams, Allgood, Almon, Andrews of New York, Arens, Arnold, Auf der Heide, Ayres of Kansas, Bacharach, Beam, Beedy, Beiter, Berlin, Biermann, Black, Blanchard, Bland, Blanton, Bloom, Boehne, Boileau, Boland, Boylan, Brennan, Britten, Brooks, Brown of Kentucky, Brown of Michigan, Browning, Brunner, Buchanan, Buck, Bulwinkle, Burch, Burke of California, Burke of Nebraska, Burnham, Byrns, Cady, Caldwell, Cannon of Missouri, Carden, Carley, Carter of California, Carter of Wyoming, Cary, Celler, Chapman, Chavez, Church, Claiborne, Clark of North Carolina, Clarke of New York, Cochran of Missouri, Coffin, Colden, Cole, Collins of California, Colmer, Condon, Connery, Cooper of Ohio, Cooper of Tennessee, Cravens, Crosby, Cross, Crosser, Crowe, Crowther, Crump, Culkin, Cullen, Cummings, Darden, Dear, Delaney, DeRouen, Dickinson, Dickstein, Dies, Dingell, Dirksen, Dobbins, Dockweiler, Dondero, Doughton, Douglass, Doutrich, Doxey, Drewry, Driver, Duffey, Duncan of Missouri, Dunn, Durgan of Indiana, Eagle, Eicher, Englebright, Evans, Faddis, Farley, Fernandez, Fiesinger, Fitzgibbons, Fitzpatrick, Flannagan, Fletcher, Focht, Ford, Foss, Foulkes, Frear, Fuller, Fulmer, Gambrill, Gasque, Gavagan, Gibson, Gilchrist, Glover, Goldsborough, Goss, Granfield, Gray, Green, Greenwood, Gregory, Griffin, Haines, Hamilton, Hancock of North Carolina, Harlan, Hart, Harter, Hastings, Healey, Henney, Hess, Higgins, Hildebrandt, Hill of Alabama, Knute Hill, Samuel B. Hill, Hoeppel, Hoidale, Holmes, Howard, Huddleston, Hughes, Imhoff, James, Jeffers, Jenckes, Jenkins, Johnson of Minnesota, Johnson of Oklahoma, Johnson of Texas, Johnson of West Virginia, Kahn, Kee, Keller, Kelly of Illinois, Kelly of Pennsylvania, Kennedy of Maryland, Kennedy of New York, Kenney, Kleberg, Kloeb, Kniffin, Knutson, Kocialkowski, Kopplemann, Kramer, Lambeth, Lamneck, Lanzetta, Larrabee, Lea of California, Lee of Missouri, Lehr, Lemke, Lesinski, Lewis of Colorado, Lewis of Maryland, Lindsay, Lloyd, Lozier, Lundeen, McCarthy, McClintic, McCormack, McDuffie, McFarlane, McGrath, McGugin, McKeown, McLeod, McMillan, McReynolds, McSwain, Major, Maloney of Connecticut, Maloney of Louisiana, Mansfield, Marshall, Martin of Colorado, Martin of Oregon, May, Mead, Meeks, Millard, Miller, Milligan, Mitchell, Montet, Moran, Morehead, Mott, Muldowney, Murdock, Musselwhite, Nesbit, O'Brien, O'Connell, O'Connor, O'Malley, Oliver of Alabama, Oliver of New York, Owen, Palmisano, Parks, Parsons, Patman, Peavey, Peterson, Pettengill, Peyser, Pierce, Polk, Prall, Ragon, Ramsay, Ramspeck, Rankin, Rayburn, Reece, Reilly, Richards, Richardson, Robertson, Robinson, Rogers of New Hampshire, Romjue, Rudd, Ruffin, Sabath, Sadowski, Sanders, Sandlin, Schaefer, Schuetz, Schulte, Scrugham, Sears, Secrest, Shallenberger, Shoemaker, Sinclair, Sirovich, Sisson, Smith of Virginia, Smith of Washington, Smith of West Virginia, Snyder, Somers of New York, Spence, Steagall, Stubbs, Studley, Sullivan, Sumners of Texas, Sutphin, Swank, Sweeney, Taylor of Colorado, Taylor of Tennessee, Thom, Thomason of Texas, Thompson of Illinois, Thurston, Tobey, Traeger, Treadway, Truax, Turner, Turpin, Umstead, Underwood, Utterback, Vinson of Georgia, Vinson of Kentucky, Wallgren, Walter, Warren, Weaver, Weideman, Welch, Werner, West of Ohio, West of Texas, White, Whittington, Wilcox, Williford, Williams, Wilson, Withrow, Wolcott, Wolverton, Wood of Georgia, Woodruff, Woodrum, Young, Zioncheck.

Nays—76: Allen, Andrew of Massachusetts, Ayers of Montana, Bacon, Bailey, Bakewell, Beck, Bolton, Brumm, Busby, Carpenter of Kansas, Carpenter of Nebraska, Cartwright, Castellow, Cavicchia, Chase, Christianson, Cochran of Pennsylvania, Collins of Mississippi, Connolly, Cox, Darrow, Deen, Ditter, Eaton, Edmonds, Elizey of Mississippi, Eltse of California, Gillette, Goodwin, Guyer, Hancock of New York, Hartley, Hollister, Hooper, Hope, Jacobsen, Jones, Kinzer, Kurtz, Kvale, Lambertson, Lanham, Lehlbach, Luce, Ludlow, McFadden, McLean, Mapes, Martin of Massachusetts, Merritt, Monaghan, Parker of Georgia, Parker of New York, Powers, Ransley, Rich, Rogers of Massachusetts, Rogers of Oklahoma, Seger, Shannon, Stalker, Stokes, Strong of Texas, Swick, Taber, Tarver, Taylor of South Carolina, Terrell, Tinkham, Waldron, Watson, Wearin, Whitley, Wigglesworth, Wolfenden.

Answered "present"—1: Wadsworth.

Not voting—28: Abernethy, Bankhead, Buckbee, Cannon of Wisconsin, Corning, De Priest, Disney, Dowell, Fish, Gifford, Gillespie, Griswold, Hornor, Kemp, Kerr, Marland, Montague, Moynihan, Norton, Perkins, Pou, Randolph, Reed of New York, Reid of Illinois, Simpson, Snell, Strong of Pennsylvania, Wood of Missouri.

So the bill was passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

The Clerk announced the following pairs: Mr. Corning (for) with Mr. Wadsworth (against); Mr. Bankhead (for) with Mr. Snell (against); Mr. Randolph (for) with Mr. Griswold (against); Mr. Pou (for) with Mr. Reid of Illinois (against).

Additional general pairs: Mr. Disney with Mr. Dowell; Mr. Montague with Mr. Simpson; Mr. Fish with Mr. Perkins; Mr. Kemp with Mr. Reed of New York; Mr. Gillespie with Mr. Buckbee; Mr. Hornor with Mr. Gifford; Mr. Strong of Pennsylvania with Mr. Moynihan.

Mr. WADSWORTH. Mr. Speaker, being paired with the gentleman from New York, Mr. CORNING, I withdraw my vote and answer "present."

The result of the vote was announced as above recorded.

Now, Mr. Chairman, we must realize that 1779 is not 1936, and what might solve the labor problem in those days will not solve the labor problem of today.

Messrs. Gilbert & Colt, America's Power Resources, New York Century Co., estimated that in terms of manpower "it would require the labor of 3,000,000,000 men to accomplish the work done annually in the United States by our energy resources."

Wayne W. Parrish and Harold F. Clark, in their excellent article in Harper's Magazine entitled "Chemistry Wrecks the Farm", say:

The elimination of the horse by the gasoline engine has reduced the consumption of food as sharply as if 40,000,000 persons had stopped eating.

And quoting from other sources:

Every industry is hell-bent on cutting the cost of labor by the use of labor-saving machines. We rush in to cut labor costs and by cutting out labor we reduce the power of laborers to buy our goods. How silly our little minds think?

The seriousness with which labor-saving machines and automatic production are taking jobs away from human beings may be realized when it is learned that 75 workers can produce as much today as 100 did in 1929.

Furthermore, it is estimated by the United States Department of Labor that automatic production using coal, oil, and water power has provided the same thing as 50 servants for every workingman in the country. Thus if we were a hand-labor country there would be 50 jobs for every workingman.

The automobile industry is the best-known example of mass production and the consequent elimination of skilled workmen. For example: A western motor-car company is turning out more than 8,000 automobile frames a day with less than 100 push-button employees in the plant. This same production a few years ago would have required 20 times that many workers.

By the natural process of inventing more and more labor-saving machines there will eventually be very little work for anybody to do. And if there isn't any work to do, nobody will have any money to buy anything with and we will have a perpetual depression. We are on our way to that "utopia" today but don't know it.

One of the latest "marvels" for the destruction of labor is a new device which will do all the hand picking of cotton with machines and thus destroy employment for 4,000,000 cotton pickers. Perhaps 1,000 people will be employed to make these machines, but 4,000,000 workers may be added to the relief rolls.

The worshippers of science, invention, progress, and civilization claim that these marvelous inventions may destroy jobs; but they reduce the cost of goods, add luxury to life, and those thrown out of work find employment elsewhere.

Where is this "elsewhere"? Another name for this "elsewhere" is the C. C. C., the W. P. A., the P. W. A., or the relief rolls. There are 9,000,000 suffering souls seeking jobs in this "elsewhere" today.

The idolaters of invention argue that when the steamboat and the steam engine were invented people talked like we do about the destruction of employment. However, these inventions were not labor-saving—they were labor-making inventions.

But America will be safe in these trying times through the intelligent, progressive, and courageous leadership of the Democratic Party and our great party leader who presides over the Republic's destiny today.

[Here the gavel fell.]

Mr. LAMBERTSON. Mr. Chairman, I yield 15 minutes to the gentleman from Michigan [Mr. ENGEL].

Mr. ENGEL. Mr. Chairman, I want to discuss a problem this afternoon in which both parties are interested, a problem which I believe is one of the most important confronting Congress. I refer to the old-age pension. I have been a supporter of an adequate old-age-pension law ever since I served my first term in a legislative body in 1921. For 15 years I worked patiently for that cause, hoping that the time would come when the worthy aged of our land would be properly and adequately cared for. While many States have passed so-called old-age-pension laws, these laws are wholly inadequate. Public sentiment now has crystalized to a point where that public not only supports but demands that adequate laws be passed caring for our aged people.

Today many plans are being advocated. The plan that has been discussed most and that claims the greatest support is the Townsend plan. It is that plan I desire to discuss this afternoon. However, before entering into the discussion permit me to say that I feel very kindly toward those, whether Members of this body or not, who are supporting any old-age-pension plan, including, of course, Dr. Townsend and his supporters. I willingly and readily concede to them the same sincerity, the same honesty of purpose, and the same desire to help the aged that I claim for myself. Permit me to say further that, in my humble opinion, Dr. Townsend has done as much or more than any one individual to crystallize public sentiment in favor of an adequate old-age-pension law.

While there are two McGroarty bills, and while there is some talk of a third and revised McGroarty bill being introduced, the Townsend plan I am discussing this afternoon is that advocated by Dr. Townsend himself, both in his official organ, the Townsend Weekly, and in the testimony the good doctor, his agents, actuaries, and supporters gave before the Finance Committee of the Senate and the Ways and Means Committee of the House of Representatives.

The following is the Townsend plan as I understand it:

First. Each retired person 60 years or over, except criminals, will receive $200 per month. The recent statement on the front page of the Townsend Weekly leaves no question as to the amount to be paid, and reads as follows:

> Two hundred dollars per month stands. There has never been, nor will be, any compromise on the $200 per month provision in the Townsend demands. All statements to the contrary are false.

This $200 must be spent each month to qualify the applicant for the next month's pension.

Second. Just what will the Townsend plan cost annually? According to the hearings before the House and Senate committees, there are approximately 11,000,000 people in the United States who are 60 years old and over. This number will, of course, increase from year to year as the population increases. Of the 11,000,000, it is reasonable to assume that one-half, or 5,500,000 are women, most of whom are married. The percentage of women whose age is 60 years or more, who are either engaged in business or employed is very small. The percentage of these women who would fail to qualify under this law because they are earning more than the $200 per month is infinitesimal. Remember the testimony of Dr. Townsend that everyone, regardless as to his wealth, could qualify under the law. Of the 5,500,000 men who would qualify, a small percentage would, in my judgment, be engaged in business or employed, earning over $200 per month, and certainly the percentage of those who would fail to retire to obtain this pension would be extremely small.

Assuming that 10 of the 11 million people qualify at $200 per month, the total cost will be $24,000,000,000 each year. It is upon this amount that my computations are based, as well as upon the testimony given at those hearings. Should you, however, desire to take a smaller number, or only 8,000,000 people, you may do so and simply take 80 percent of the cost figures submitted in the tables to be introduced later. The tremendous expense of administering this law is not included in this $24,000,000,000 annual cost. Thousands of bookkeepers and accountants necessary to keep the records, make up the pay rolls, and the traveling expenses; the vast army of employees who will scrutinize 10,000,000 accounts monthly, checking over the value of each article purchased to make sure that the $200 is spent monthly before the applicant can qualify for the next month's pension—all this cost is not included.

Third. Just how is the $24,000,000,000 to be raised annually? Dr. Townsend and his supporters advocate a transaction tax of 2 percent, with authority in the President to increase the tax to 3 percent. Let us see just how this tax operates and will be paid. According to Dr. Townsend's testimony before the Ways and Means Committee, each citizen, including, of course, every farmer, must be licensed and pay a tax on every transaction he makes. I quote from page 688 of the record:

> Mr. HILL. Turning to section 3, that provides the means for raising the money with which to pay these pensions. It provides a tax of 2 percent on the gross dollar value of each business commercial, and/or financial transaction done within the United States. That may be increased under the provisions of this bill 50 percent or decreased 50 percent by the President?
>
> Dr. TOWNSEND. Yes.
>
> Mr. HILL. That would include practically every business transaction of every nature?
>
> Dr. TOWNSEND. Yes, sir.
>
> Mr. HILL. It would include, of course, the sale by a manufacturer to a wholesaler; the sale by a wholesale merchant to a retail dealer; there would be a tax on sales from the retail merchant to the consumer. That is in the ordinary channels of commerce or business. Would it apply to a farmer who sold a cow or a pig?
>
> Dr. TOWNSEND. Certainly. The farmer will have to be registered. He will have to take out a license the same as anyone else.
>
> Mr. HILL. Would it apply to a housewife who sold a dozen eggs?
>
> Dr. TOWNSEND. The farmer and his wife——
>
> Mr. HILL. Or a pound of butter?
>
> Dr. TOWNSEND. The farmer and his wife will constitute one set of licensees, of course; one business. Their aggregate sales will have to be computed at the end of each month.

Take a concrete illustration. The farmer purchases a flock of sheep, pays a 2-percent transaction tax, adding it, of course, to the cost of the sheep. He shears those sheep, sells the wool to the buyer, paying and adding a 2-percent tax. The buyer sells the wool to the jobber, paying and adding a 2-percent tax. The jobber sells the wool to the woolen mill, paying and adding a 2-percent tax. The woolen mill sells the manufactured garment to the wholesaler, paying and adding the 2-percent tax. The wholesaler sells the garment to the retailer, paying and adding a 2-percent tax. The retailer sells to the consumer or user, paying and adding a 2-percent tax. The consumer pays the entire pyramided tax plus the additional overhead expense of each company or individual through whose hands it has passed from the beginning. If there ever was a tax that was paid by the consumer, and practically every tax is paid by the consumer, the transaction tax is that tax.

There is only one way that that tax can be figured, and that is upon a per-capita basis. Twenty-four billion dollars will have to be paid annually by 122,775,046 people, taking the 1930 census. Without figuring the tremendous overhead mentioned before, the per-capita cost is $195 for each man, woman, and child in America. The breadwinner of the family will have to earn enough to pay this tax for himself and those dependent upon him. A man with a wife and four children would have to pay $1,140 each year. I have personally computed the cost of the Townsend plan on a per-capita basis and compiled a table for each of the 11 counties in my district. I have also compiled a separate table for each of the 11 counties in my district, showing the cost by townships. These tables show the population under the 1930 census, the assessed valuation of each township, city, and county in my district, and what it will cost that township, city, or county annually if we have the Townsend plan in force.

I here ask unanimous consent to place into the RECORD table 1, which gives that information for the 11 counties in my district; table 2, which is the same computation for my home county of Missaukee by townships, one of my smallest counties; and table 3, which gives the same computation for the county of Muskegon by townships and cities, the largest county in the district.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The tables are as follows:

TABLE I.—*Annual cost of Townsend old-age-pension plan on a per capita basis by counties, and population and assessed valuation of each county in the Ninth District of Michigan*

County	Population	Assessed valuation	Annual cost
Mason	18,756	$15,244,365	$3,563,640
Missaukee	6,992	3,443,485	1,363,440
Leelanau	8,206	5,674,590	1,600,170
Lake	4,006	2,551,585	781,170
Benzie	6,587	4,302,411	1,284,465
Grand Traverse	20,011	18,217,511	3,902,145
Manistee	17,409	13,289,198	3,394,755
Wexford	16,827	10,349,758	3,281,265
Oceana	13,805	10,451,523	2,691,975
Newaygo	17,029	14,874,465	3,320,655
Muskegon	84,630	74,669,579	16,520,850
Total	214,318	170,068,470	41,791,010

Annual cost is $195 per capita, or 24.7 percent of assessed valuation, ranging from 39.6 percent for Missaukee County to 21.3 percent for Muskegon County.

TABLE 2.—*Annual cost of Townsend old-age-pension plan on a per-capita basis for Missaukee County by townships, giving assessed valuation of each township and population*

Township	Population	Assessed valuation	Annual cost
Aetna	513	$247,660	$100,035
Bloomfield	236	129,315	46,020
Butterfield	294	143,800	52,330
Caldwell	377	188,610	73,515
Clam Union	801	338,825	156,195
Enterprise	135	110,910	26,325
Forrest	206	132,840	40,170
Holland	221	93,950	43,095
Lake	351	243,685	68,445
Norwich	299	205,725	58,305
Pioneer	151	87,725	29,445
Reeder [1]	1,094	254,025	213,330
Lake City		259,575	
Riverside	674	354,055	131,430
Richland	878	357,115	171,210
McBain	463	145,080	90,285
West Branch	209	150,300	40,755
Total	6,992	3,443,485	1,363,440

[1] Lake City was incorporated since last census.

TABLE 3.—*Annual cost of Townsend old-age pension plan on a per capita basis for Muskegon County by townships, giving the population and assessed valuation of each township*

	Population	Assessed valuation	Annual cost
Township:			
Blue Lake	112	$392,335	$21,840
Casnovia	1,292	1,193,720	251,940
Cedar Creek	382	295,470	74,490
Dalton	1,080	953,295	210,600
Egelston	948	499,980	184,860
Fruitland	689	1,128,685	134,355
Fruitport	1,454	705,362	283,530
Holton	775	572,595	151,125
Laketon	639	423,365	124,605
Montague	1,161	356,340	
City of Montague		530,695	226,395
Moorland	836	615,875	163,020
Muskegon	10,232	1,698,650	1,994,240
Norton	3,156	3,475,856	615,420
Ravenna	1,208	1,222,850	235,560
Sullivan	542	335,891	105,690
Whitehall	1,472	1,148,068	287,040
White River	308	626,980	60,060
Cities:			
Muskegon	41,390	45,832,847	7,071,050
Muskegon Heights	15,584	10,861,875	3,038,680
North Muskegon	1,370	1,798,845	267,150
Total	84,630	74,669,579	16,502,859

Mr. ENGEL. I call attention to the fact that according to the 1930 census the population of the Ninth District of Michigan was 214,318. The assessed valuation in 1935 of the entire district was $170,068,470. The annual cost of the Townsend plan to the Ninth Congressional District on a per-capita basis would be $41,791,010, or 24.6 percent of the assessed valuation of the district. This annual cost ranges from 39.6 percent of the assessed valuation of my home county of Missaukee to 21.3 percent of the assessed valuation of the largest county—Muskegon. The little county in which I live has a population of 6,992. The assessed valuation is $3,443,485. The annual cost of the Townsend plan to that county would be $1,363,440. In other words, Missaukee County would pay each year a sum equal to 39.6 percent of its assessed valuation. Muskegon County, the largest county in the district, has a population of 84,630. The assessed valuation in 1935 was $74,669,575. The annual cost on a per-capita basis would be $16,502,850, or 21.3 percent of the assessed valuation, and bear in mind, this would have to be paid each and every year.

In 1931 the city of Detroit owed, as I recall it, $426,000,000. These obligations were outstanding in bond issues and notes and most of them were to be paid in 20 or 25 annual installments. These bonds had been purchased mostly by banks with depositors' money and life-insurance companies with moneys paid in premiums by the public generally. Due to the apparent inability of the city of Detroit to meet both principal and interest, these bonds had dropped from 100 to 57. If these bonds went into default, it meant that in all probabilities they would drop in value to 25 cents on the dollar. It was to prevent this from happening that the governor called a special session of the legislature at the request of the city of Detroit and its businessmen, in trying to solve this problem. Two Members of the Senate and two Members of the House were appointed on a committee to revamp a bill which had been introduced. I happened to have been one of the two Members of the Senate appointed on that committee. The bill was introduced and passed, authorizing the issuing of an additional $20,000,000 in bonds to pay interest and prevent this $426,000,000 in obligations from going into default. The city of Detroit was unable to pay the interest on these obligations and the actual installment of principal on a 20- to 25-year basis.

If anyone had then or would now advocate the payment of this tremendous obligation in two annual payments of $213,000,000 each their judgment would certainly be questioned, to say the least. The Townsend plan on a per-capita basis would cost the city of Detroit each year $305,889,090. It would cost Wayne County, in which is located the city of Detroit, each year $368,344,470 on a per-capita basis. The accumulated unpaid debt of the State of Michigan and every subdivision within the State is $800,000,000, deducting, of course, moneys in sinking funds. This includes the unpaid balance of a $50,000,000 State highway bond issue, a $30,000,000 soldiers' bonus bond issue, and a war loan bond issue. It includes bonds issued by township and counties for roads and buildings, by cities for waterworks and parks, by school districts for schoolhouses; in fact, it includes every debt of every political subdivision and municipality in the State. Many political subdivisions of Michigan have found it impossible to pay the interest on this tremendous debt; and, of course, have found it impossible to make the payments of principal on a 20- or 25-year basis.

If I were to advocate a plan in either the State legislative body or in Congress, if such a plan were constitutional, to compel the State of Michigan and every municipality in that State to pay this tremendous debt in one payment, again my judgment would be questioned, to say the least. The Townsend plan on a per-capita basis would cost the State of Michigan each year $944,253,375. In other words, the Townsend plan would cost the State of Michigan $144,253,375 more each year than the total accumulated outstanding debt of the State and every political subdivision of the State.

If these computations do not demonstrate the absolute impossibility of financing the Townsend plan, there is nothing further that I can say except perhaps to quote Dr. Robert H. Doane, of New York City, who was one of Dr. Townsend's witnesses and testified at Dr. Townsend's request. On page 1121 of the hearings before the Committee on Ways and Means of the House of Representatives, we find Dr. Doane, in answer to questions of Congressman WOODRUFF, of Michigan, using the following language:

The way I approached that problem from the start was whether or not we could afford to support this additional service charge—

I view this as a pure service charge—against our ability to produce in terms of physical income at current rates an additional $24,000,000,000 on top of that. Of course, my first reaction was that it could not be done, and my reaction is yet that it cannot be done in that maximum amount. I think it possible to introduce the idea in a modified form that Dr. Townsend or others, or this committee, may devise, taking on just a small number. You may even change the pension from $200 to a smaller figure, and after a period of years you might be able to care for three to four million additional income recipients. But to take in all of the full ten or eleven million in that age group immediately, I think none of us have the remotest idea that it is possible.

I realize the argument about the increase in business, but in the final analysis, 1 person out of every 12 is being paid $2,400 a year without working. The other 11 will have to earn that $2,400 by the sweat of their brow. The other 11 will have to manufacture for nothing whatever the one buys with his $2,400 each year. Some have argued that inflation would be a good thing, and it could be argued that inflation would help to wipe out the tremendous debt of the State and its political subdivisions, but they forget that these obligations are held by banks and life insurance companies, that the money which was loaned to Michigan by these banks and life insurance companies was not the money of the banks nor the money of the life insurance company, but the money of the depositors, the money of the insured, the money that will ultimately belong to the beneficiary of the policy. To wipe out or reduce public and private debts by inflation would wipe out every life-insurance fund, bank deposit, and trust fund in America.

I wish to repeat again that I have only the kindliest feeling for all the advocates of old-age pensions, whether they be Townsendites or others. I again say that I concede to them the same sincerity, the same honesty of purpose, the same desire to help the aged that I claim for myself. But what I want is an old-age pension that will pay a definite sum monthly now. Michigan passed one old-age-pension law in 1932, financing it with a head tax. The aged looked forward hopefully to monthly payments, only to be bitterly disappointed. In 1934 a second law was passed in Michigan. Again the aged looked forward eagerly, hoping that they might receive some aid. Today they are receiving $8 and $10 a month, a sum that is absolutely inadequate.

[Here the gavel fell.]

Mr. LAMBERTSON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. ENGEL. If we keep on with a plan of this kind, which I believe is absolutely impossible, the time when these aged people will receive real help will be postponed again. Would it not be a wonderful thing if on the 1st day of every month an old couple could go to the post office and get a check for $60? Would it not be a wonderful thing if they could depend upon that amount monthly, without strings attached as to spending but to spend as the pensioners saw fit and without having Government employees coming into their homes to see what the money was spent for? Not perhaps everything that we would like, but a beginning.

I recognize the absolute inadequacy of the present law. I am willing to do everything I can to bring about the passage of a law which will place a definite sum into the hands of every aged person on the first day of every month, commencing not next year, or the year after, but now. I cannot see my way clear to support a proposition such as the Townsend plan, which in my judgment is absolutely impossible, and delays again the time when a real old-age-pension law is adopted that will pay a definite amount on the 1st day of each and every month.

Mr. HOUSTON. Will the gentleman yield?

Mr. ENGEL. I will.

Mr. HOUSTON. Does the gentleman think that the present law we have is adequate?

Mr. ENGEL. I do not.

Mr. HOUSTON. In my State I have learned—last week—that under the provisions of our law and State requirements it averages $7.50 a month. Does the gentleman think that is adequate?

Mr. ENGEL. I do not.

Mr. EKWALL. Will the gentleman yield?

Mr. ENGEL. I yield.

Mr. EKWALL. Do not you think it would be fair if the Government would pay the same rate, regardless of any particular State—treat all the people alike—and let the States augment that payment?

Mr. ENGEL. The question as to the amount paid by the Federal and State Governments will have to be worked out.

Mr. GIFFORD. Will the gentleman yield?

Mr. ENGEL. I yield.

Mr. GIFFORD. I want to accord all sincerity of purpose to those who advocate the Townsend plan. I did that on the floor the other day. But I want to ask the gentleman what sort of sincerity are we going to consider it when our splendid friend, the gentleman from California, over the radio 2 or 3 days ago, said: "I am appealing to you for the Townsend plan as embodied in the McGroarty bill to go out and defeat every Congressman who will not vote for the Townsend bill." That is from one of our own colleagues. Does the gentleman think that is the thing to do?

Mr. ENGEL. I think everyone in my district has a right to differ with me and to vote against me if he desires. The gentleman from California is trying to bring about a reasonable compromise in the passage of an adequate old-age-pension law. I have no objection to any one of my colleagues opposing me in my district because he differs with me on this or on any other question.

Mr. FIESINGER. Mr. Chairman, will the gentleman yield?

Mr. ENGEL. Yes.

Mr. FIESINGER. Has the gentleman figured out how much it would cost individually, per capita, to pay people over 60 years of age $200 a month?

Mr. ENGEL. Basing the figures on 10,000,000 pensioners and the total cost at $24,000,000,000 a year, the per capita cost would be $195 a year, using the 1930 census. If you pay 8,000,000 pensioners, the cost would be $19,200,000,000 a year, or a per capita cost of about $160.

Mr. PIERCE. Mr. Chairman, will the gentleman yield?

Mr. ENGEL. Yes.

Mr. PIERCE. The gentleman is a lawyer, I believe?

Mr. ENGEL. Yes.

Mr. PIERCE. I notice a question by my colleague from Oregon [Mr. EKWALL] in which he indicated he wanted to pay the pension directly throughout the United States instead of contributing to the States. Does the gentleman think that that would be constitutional?

Mr. ENGEL. Personally I do not, but, of course, I feel this problem is important enough to have it solved permanently and, if necessary, to so amend the Constitution.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. ENGEL. Yes.

Mr. MOTT. The gentleman says that he is in favor of a pension which will pay $60 a month.

Mr. ENGEL. Sixty dollars per couple.

Mr. MOTT. How many eligibles did the gentleman have in mind when he arrived at that figure?

Mr. ENGEL. I had in mind to start with people 65 and over.

Mr. MOTT. I asked how many eligibles.

Mr. ENGEL. I had in mind particularly the figures of the social-security bill. As I recall the testimony before the Committee on Ways and Means—and I stand subject to correction—an old-age-pension law such as was passed, which would pay $30 per month—$15 a month by the Federal Government and $15 a month by the State—to the aged who were 65 years old or more, would cost approximately $800,000,000 a year. I think that was the testimony before the Committee on Ways and Means.

Mr. MOTT. And the gentleman thinks that $800,000,000 or $900,000,000 a year would be an adequate pension to everyone in the United States who needs a pension?

Mr. ENGEL. I would not say that; but I say eight or nine hundred million dollars a year is a handsome sum to start with, and I think we might better start with eight or nine

hundred million dollars and pay it than to pass a law to pay twenty-four billions a year and not pay it.

Mr. EKWALL. Mr. Chairman, will the gentleman yield?

Mr. ENGEL. Yes.

Mr. EKWALL. My genial colleague from Oregon, the ex-Governor, wanted to know whether you thought this suggestion of mine was constitutional. Does the gentleman not think it would be as nearly constitutional as it would be to tax all of the people of every State to pay their share, and then to deny people of certain States such Federal money because the States themselves were too poor to pay their share?

Mr. ENGEL. I would rather not get into a constitutional argument, because I realize there are a great many controversial questions involved. I say let us try to pass a law which will place into the hands of every old couple $60 on the first day of each and every month.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. McGROARTY].

Mr. McGROARTY. Mr. Chairman, first of all I want to set my esteemed and very much beloved friend from Massachusetts right. He seems to be hurt at the statement that I made over the National Broadcast a few evenings ago, namely, that my advice to the supporters of the Townsend old-age pension plan at the coming election is that they should at the coming election vote for candidates favoring that plan regardless of party affiliations. What is wrong with that? If in the gentleman's district he is running for Congress and favors a high tariff, and I favor a tariff for revenue only, would he expect me to vote for him? Would not I have a right to campaign against him? There is nothing wrong or unjust about that. Politics is the same as war, it is the same as football. You must go out to win. We are for the Townsend old-age-pension plan, and we are out to win, and that is all there is to it. There is nothing unjust or unfair about it so far as I can see.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. McGROARTY. Yes.

Mr. GIFFORD. I listened so carefully that I ask the gentleman to put that speech he made over the radio into the RECORD so that we may judge of the exact language. I think it is unusual for a colleague to indirectly or directly in a speech advocate the defeat of his colleagues if they could not endorse the Townsend plan.

Mr. McGROARTY. I made the speech extemporaneously, and it would be very difficult to have it inserted into the RECORD, but I do not see anything unethical about that, even. If I am for the Townsend plan, as I am in my district, and some of my constituents are opposed to that plan, certainly I would not take offense at those constituents voting against me. They ought to vote against me, and they should advise others who feel like them to vote against me. It is not necessary that all of us who are here should always be here. Other men can take our places. They have done it in the past and the Republic still endures.

I want to correct the gentleman from Michigan [Mr. ENGEL]. He and others keep insisting that the pension must be $200 a month. Why do they not give the McGroarty bill credit for what it says. It says "not to exceed $200 a month."

Mr. HOFFMAN. Does not the Townsend Weekly of December 30 say $200 and nothing less? Is that your plan?

Mr. McGROARTY. I heard the gentleman from Michigan the other day in a very angry mood, and I regret it. The gentleman is a young man.

Mr. HOFFMAN. Only 61.

Mr. McGROARTY. You are burning yourself up. You are expending such vitality with your emotions that I dread what may happen to you. Why can we not discuss these things calmly?

Mr. HOFFMAN. Will the gentleman answer my question? Did you not say in your paper $200 a month?

Mr. McGROARTY. It is not my paper.

Mr. HOFFMAN. In the paper called the Townsend Weekly. Does the gentleman stand for $200 a month or does he not?

Mr. McGROARTY. There is something in the New York Times this morning. Did I say it? I do not own the paper.

Mr. HOFFMAN. No; but do you stand for $200 a month, or do not you?

Mr. McGROARTY. I stand for the McGroarty bill, not to exceed $200 a month. I wish it could be $200 a month. The bill says "not to exceed $200 a month."

Mr. HOFFMAN. Then you do not stand, as the paper says, for $200 a month?

Mr. McGROARTY. If we can get it; yes.

Mr. ENGEL. Will the gentleman yield?

Mr. McGROARTY. I yield.

Mr. ENGEL. The Townsend Weekly is owned by Dr. Townsend, is it not?

Mr. McGROARTY. Yes; I understand so. I do not know.

Mr. ENGEL. The statement which I read in the RECORD was taken from the Townsend Weekly, right on the front page.

Mr. McGROARTY. Why hold me for that? I am standing for my bill, not for the Townsend Weekly or anything else. Why do not you be fair about these things?

Mr. ENGEL. I am fair.

Mr. McGROARTY. Why quibble? I hate this quibbling. It lessens my regard for this House of Representatives—quibbling. That is just quibbling and nothing else. Read the bill. I stand on the bill.

Mr. KNUTSON. Will the gentleman yield?

Mr. McGROARTY. I yield.

Mr. KNUTSON. As I recall, when Dr. Townsend appeared before the Ways and Means Committee he merely stated that $200 was something to shoot at. Evidently they are shooting at it.

Mr. McGROARTY. I thank the gentleman. That is it exactly. I had not the wit to say that, but that is the situation exactly.

We advocates of the Townsend plan of old-age pensions realize that we are facing a hostile Congress. There is no use quibbling about that. We know that. That is another reason why we are forced to go to the country in this year's election. We have a right to advise the people of this country to send to this Congress by their ballots this year those who favor the Townsend idea of old-age pensions. Nobody has a right to deny us that. I am a Democrat. Nobody can drive me out of my party. Al Smith cannot do it. Franklin D. Roosevelt cannot do it. I stay in the Democratic Party. I was born in it, reared in it, and I am going to stay in it. Nobody can drive me out of it, but I will favor a man for Congress, even against my own party if my party is against it, who favors the Townsend plan. That is legitimate warfare, and this is war to lift the old people of this country out of want and despair and fear. We want a pension for them. If we can get $200 a month, it will put them in luxury. They have a right to luxury, the same as anybody else. They have a right to it. Because a man is poor they say he must always stay poor. Most every man I know over 60 years of age is a better man than I am. He has a right to whatever luxury he can get, whatever comfort he can get. We also contend, if you had the sense, if you could just get it into your heads, that an act of legislation like this would not only take care of these old people but it would bring about full recovery. I want to say to the gentleman from Michigan not to think that because we are not fighting every minute on this floor that we are laying down. We are not doing it. We are watching every opportunity we can get. The Townsend movement is not waning, let me tell the gentleman that. Do not think it is. Do not fool yourselves. It is not waning. It is growing stronger every day that passes. We are going to make a fight and we are going to make it to the people at the next election. That is what we are going to do, and we are not going to make any bones about it, either.

Mr. WOLCOTT. Will the gentleman yield?

Mr. McGROARTY. I yield.

Mr. WOLCOTT. I have two questions that I should like to ask the gentleman: One is, whether he agrees with Dr. Townsend when he says that this is not primarily an old-age pension, but it is primarily a means of distributing purchasing power. The next question is this: If it is a means of distributing purchasing power primarily and an old-age pension secondarily, whether the gentleman is in favor of raising the amount of taxes that the American people must pay, 300 percent? This question is based upon the fact that for all public purposes we raise at the present time about $7,000,000,000, and that under the Townsend plan or the McGroarty bill, it will be necessary to raise three times that much?

Mr. McGROARTY. Now the gentleman asks me to answer for Dr. Townsend. I cannot do it. He answers for himself.

Mr. WOLCOTT. No. I am asking the sponsor of the plan that is before the Congress of the United States.

Mr. McGROARTY. When the time comes, and it is at hand——

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield the gentleman from California 10 additional minutes.

Mr. GIFFORD. Mr. Chairman, if the gentleman will yield, I want to withdraw the request that I made that he put in the RECORD the speech he made over the radio. Our colleague has told us so plainly that every Democrat here who did not believe in the Townsend plan should be defeated, that the speech he made over the radio does not need to go in the RECORD. I withdraw my request.

Mr. McGROARTY. All right. I do not try to hedge on what I say. I am not a politician. I am a Democrat elected from the most rock-ribbed Republican district in the United States. I do not want to come back to this Congress, but if I want to I can.

Now, do not be afraid of being reelected. I admire the gentleman from Massachusetts. He is against the Townsend bill; he says so, he does not give a whoop who knows it. I respect a man like that much more than I respect a man who does not believe in a thing but who, in order to keep some office, will say he does. [Applause.] I would not do a thing to take a vote away from the gentleman in his district. I admire him.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. McGROARTY. I have just a few minutes more.

Mr. WOLCOTT. I did not ask my questions in any partisan spirit at all; I was very sincere when I asked them. I really desire the gentleman to answer; I want to know the whole situation.

Mr. McGROARTY. Yes. I stated I could not answer for Dr. Townsend.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. McGROARTY. I yield.

Mr. BANKHEAD. Let me preface my interrogation by saying that I am seeking information, as I am not familiar with what is in the gentleman's bill. Do we understand that the gentleman now takes the position that he does not necessarily insist upon a minimum of $200 a month for each person but that he lays down a formula of taxation and whatever amount of money is raised shall be appropriated monthly pro rata among the people who are eligible?

Mr. McGROARTY. That is correct; the gentleman is exactly correct.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. McGROARTY. Yes.

Mr. MOTT. Does not the gentleman from California think it is about time for Members to quit talking and concerning themselves about what somebody outside of Congress says the Townsend plan is, but instead should study the revised McGroarty bill and decide whether they are for it or against it?

Mr. McGROARTY. Exactly; that would be a very wise and sensible thing to do.

Mr. LAMBETH. Mr. Chairman, will the gentleman yield?

Mr. McGROARTY. I yield.

Mr. LAMBETH. I do not wish to evoke a controversy with the gentleman; I am merely asking for information. At the last session of Congress the gentleman introduced several different versions of the so-called Townsend plan.

Mr. McGROARTY. No.

Mr. LAMBETH. They were different bills, I will say. Will not the gentleman tell the House just what are the provisions of this latest version of the Townsend plan?

Mr. McGROARTY. My colleague does not want me to use the rest of the day, does he?

Mr. LAMBETH. I thought the gentleman could summarize it briefly.

Mr. McGROARTY. Why does not the gentleman read the bill for himself; why ask me to read it? [Applause.]

Mr. WOLCOTT. Mr. Chairman, before the gentleman concludes, will he answer my questions?

Mr. McGROARTY. Will the gentleman from Michigan state his questions again?

Mr. WOLCOTT. I will put them one at a time. First, does the gentleman agree with Dr. Townsend when Dr. Townsend says that the plan which, I understand, is embodied in the McGroarty bill is not primarily an old-age plan but is primarily a means of distributing purchasing power?

Mr. McGROARTY. The gentleman is asking me if I agree with that?

Mr. WOLCOTT. Yes.

Mr. McGROARTY. I do not agree with Dr. Townsend in everything. For instance, he proposed a third party the other day. I do not agree with him in that.

Mr. WOLCOTT. Does the gentleman agree in the statement Dr. Townsend made to the effect that his plan was primarily one to distribute purchasing power?

Mr. McGROARTY. If the gentleman asks me, it is both; it does both things.

Mr. WOLCOTT. What is the primary purpose of the bill?

Mr. McGROARTY. What difference does it make which you place first, the cart or the horse? It does not make any difference. My dear friend, do not quibble about these things; get down to brass tacks. [Applause.]

Mr. WOLCOTT. Will the gentleman answer my second question now?

Mr. McGROARTY. I cannot stand here all day answering questions. I say to the gentleman to look them up for himself; he can read and write.

There is a very important matter I have on my mind, and I want to speak about this matter to my fellow Democrats, for I do not think the gentlemen on the other side would be inclined to respond to my appeal. I am going to talk to my own people now on this side of the House. There is a petition on the Clerk's desk with 214 names on it—a petition to discharge the Rules Committee from further consideration of the Frazier-Lemke bill. We need only four more signatures to this petition. I want four Democrats today who have not already done so to sign this petition. Let not the sun go down on your delinquency. It will answer two charges made against us as Democrats if you do. First of all, it will answer the charge made against us that we are gagged.

It will be flung in our faces all summer long until the polls close in November that we gagged ourselves or permitted ourselves to be gagged. If this petition is signed, it will give the lie to our opponents. It will prove that we were not gagged, no matter what the requirements were. It will prove that the Democrats of this Congress were courageous and conscientious enough to break the rules. Two hundred and fourteen names are an awful lot of names to get for anything in this Congress. It ought to be enough without begging for four more names.

Another charge that will be flung at us, which we can disprove if we add four more names to this petition, is that we are a rubber-stamp Congress. The filing of this petition will prove that we are not a rubber-stamp Congress. I do not know whether I will vote for the Frazier-Lemke bill or not, but I believe that any bill that has merit has the right to be debated on the floor of this House. That is what

I believe, and that is the kind of a Congressman I want to be.

I suppose what I am about to say will fall on deaf ears, but why should it? Are there not 4 other Democrats in this House who will join the 214, whether they favor the Frazier-Lemke bill or not? What kind of people are we? I do not know why the Committee on Rules refuses to come out and fight because it has a challenge. I do not know the personnel of the Committee on Rules, but I do know its chairman, and his name is O'CONNOR. The blood of Irish kings flows in his veins. [Applause.] He is the first O'CONNOR in all history who refuses to come out and fight when he was dared to. Do you think the rest of us here in this House who belong to that great historic race of Phoenicians would refuse to come out and fight? It is that great race which produced the greatest fighting man of all times, Hannibal of Carthage, who picked up a nondescript army and chased the legionnaires of Rome all over the map for 15 long years. Where are the O'Connors, the O'Neals in this House; the O'Connells; the O'Byrns, in whose veins not only courses the blood of the O'Byrns but of the O'Briens on their grandmother's side? Do they refuse to do this? Where are the McFarlands, the McReynolds, the McSwains, the McAndrews, and the McCormacks? Do any of us be dared to fight and not come out in the open? [Applause.]

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 5 minutes to the gentleman from Wyoming [Mr. GREEVER].

Mr. GREEVER. Mr. Chairman, the morning papers carried the sad news to the Nation of the death of Dr. Elwood Mead, Commissioner of Reclamation, a former Wyoming citizen.

Those of us in Congress from the Western States feel that the passing of Dr. Mead is an irreparable loss. There was perhaps no man in the country who had as thorough an understanding of the problems of irrigation and reclamation as had Dr. Mead. His entire life had been devoted to that subject.

He was born in Switzerland County, Indiana, and entered the field of engineering at a very early age as a rodman. He worked his way through Purdue University by teaching and by working for the county as surveyor, graduating from that institution in 1882. Immediately upon graduating he served 1 year as United States assistant engineer on improvements then being made on the Wabash River, and at the end of that year became professor of mathematics at the Colorado Agricultural College, and was appointed assistant State engineer for the State of Colorado. He rapidly acquired a reputation as one of the country's leading experts on irrigation, and in 1886 when the chair of irrigation engineering was established at Colorado Agricultural College, Dr. Mead was appointed to that position. In 1888 he resigned from this position to become the Territorial engineer of Wyoming and wrote the irrigation provisions of the new State's constitution. He served for several years as State Engineer for the State of Wyoming. In July 1899, he was made irrigation expert of the United States Department of Agriculture, and at the same time became professor of institutions and practice of irrigation at the University of California. During the years 1907 to 1915, he served as chairman of the State rivers and waters supply commission of Victoria, Australia, and established a reclamation program for that country. On his return to the United States he was appointed professor of rural institutions at the University of California and chairman of the State land settlement board.

Dr. Mead was a member of the American Society of Civil Engineers and the British Institution of Civil Engineers.

For many years Dr. Mead was a resident of the State of Wyoming and left an indelible imprint upon that State in the form of his acts as State engineer and the constitutional provisions and the laws relating to irrigation in that State.

Since 1924, when he was appointed Commissioner of Reclamation by President Coolidge, he has constructed many important irrigation projects throughout the West, the largest of which is the great Boulder Dam, which was dedicated last October by President Roosevelt. Probably no man in the history of the United States has directly assisted in and superintended the construction of as much constructive and useful development as has Dr. Mead. He was a man of vision and courage. He saw the possibilities of the development of the great West and was an unflinching advocate of reclamation, which has been so important in the development of the West and of the entire United States.

Dr. Mead lived to see, by reason of the adoption of his policies, the construction of reclamation projects upon which there exist thousands and thousands of the finest homes in agricultural America. He lived to see by reason of his forward and progressive thought, the desert converted into useful and economic agricultural communities. He lived to see prosperous and thriving towns built upon these projects and great markets for eastern products established in the West, because of the fertility of the soil and the development of the resources of that great region.

It will be difficult to travel for any considerable distance through the Western States without seeing a monument to the vision and progressive spirit of this great man.

To all of us who knew him, his personality and character were refreshing. He had a kindly sympathy and a spirit of helpfulness which characterized his every thought and action. He was a man of courage and of wisdom. He was loved by everyone who knew him. His loss is mourned by the people of the State of Wyoming and of the entire Nation, and we extend to his widow and children our sincere and heartfelt sympathy.

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. EKWALL. Mr. Chairman, will the gentleman yield?

Mr. GREEVER. I yield to my good friend the gentleman from Oregon.

Mr. EKWALL. Is there any way that we can appropriately honor the name of our deceased friend, Dr. Mead, by naming, for instance, the Boulder Dam or one of these other dams after the gentleman?

Mr. GREEVER. I hope that some adequate expression of our high regard for Dr. Mead may be made possible by Congress.

Mr. EKWALL. I should like to see the gentleman figure that out, because if there is any way we can do that, I believe it ought to be done.

Mr. GREEVER. I think that would meet with the approval of all who knew him, and I shall personally do everything in my power to that end.

[Here the gavel fell.]

Mr. LAMBERTSON. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. MAIN].

Mr. MAIN. Mr. Chairman, I would not presume to put words into the mouth of my good friend, Dr. MCGROARTY, nor would I presume to say a word by way of being spokesman for Dr. Townsend, but I do think my colleague from Michigan [Mr. WOLCOTT] is entitled to a prompt answer to the two questions which he propounded on the floor of this House this afternoon.

As I understand those questions they are, first, do you consider the Townsend plan a distribution of purchasing power? Absolutely yes. In my own personal opinion that is the essence of the Townsend plan as we now have it. There is no denying the fact that the mainspring which furnished the initial impetus for the Townsend program was sympathy and concern for the welfare of the aged, but there is likewise no disputing the proposition that at the present time the program is broad and comprehensive and takes in not only the welfare of the aged, but the problem of the unemployed, and the general problem of recovery and stabilization of industry.

Therefore, we look upon the transaction tax not merely as a source of dividing the income for a given year, but it is this, and so far as I know this is the first time it has been spoken in public—however, I claim no invention or inven-

tive power in connection with it—the transaction tax is a mild form of capital levy and in that form is not at all limited by the amount of the national income for a given year. For this reason it does very nicely tally with the suggestion of Senator BORAH, in the current issue of Colliers, that it might well be named the "Townsend plan for redistribution of purchasing power."

If this plan is so productive of revenue and income that it produces three times the amount of national revenue at the present time, then I say there are no people better entitled to benefit from that revenue than these people who for 40 or 50 or 60 years have been law-abiding citizens in our land.

[Here the gavel fell.]

Mr. LAMBERTSON. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Chairman, it had not been my purpose to talk on the Townsend plan, because, frankly, I think that the less said about the plan the better for this Congress and the country; but I cannot let go unchallenged the fact that the sponsor of the plan does not see fit to give this House an answer to two questions which I think are the very crux of the Townsend plan.

I do not think there is a man in this House who is not sincerely in favor of adequate and practical old-age pensions. I think I can speak for the entire body of the Congress when I say it has a perfect understanding of the plight in which so many of our aged find themselves at the present time due to reverses attending the depression. It is the purpose of this Congress to do everything it possibly can to relieve this suffering; but I am not so sure but that the Townsend plan is, relatively speaking, the same to old-age pensions today that inflation was to the bonus for years.

For a good many years the sponsors of the bonus had to contend with the fact that every time the word "bonus" was mentioned inflation came to the person's mind. There should not have been any more connection between inflation of the currency and payment of the bonus than there was between the appropriation of $4,800,000,000 and inflation, or the year before that the appropriation of $3,300,000,000 and inflation, but for some reason or other every time the bonus has been mentioned we hear of inflation; and so every time we hear of old-age pensions this bugbear of the Townsend plan is thrown in our faces, until we have the people of this Nation scared stiff that any old-age-pension plan will embody the principles of the Townsend plan. So I am not so sure that the advocates of the Townsend plan are not doing much more harm in this Congress than they are good, especially when they will not answer what I consider a question which goes to the crux of the situation—whether they want to burden the people of the United States with a tax 300 percent greater than they are carrying at the present time—and I think a brief but conclusive answer to whether we want to adopt the Townsend plan of giving old-age pensions is embodied in this one thought.

Is the Congress of the United States ready today or at any other time to raise the tax burden of the people of the United States 300 percent? This question is predicated upon the fact that the taxes of the National Government, the State governments, the counties and municipalities and all the special taxes which are raised in the United States at the present time aggregate about $7,000,000,000. The lowest figure I have heard that would put the Townsend plan into effect is $19,000,000,000 and the highest figure I have heard is $26,000,000,000. So we can safely assume it will cost at least $21,000,000,000 to make this plan effective, and therefore the moment we would vote for the Townsend plan taxes to the extent of $21,000,000,000 would need to be raised. We would vote to raise the taxes of the people 300 percent; and I will defy any Member of the Congress to vote to raise the taxes of the people of the United States 300 percent and go back to his district and justify it.

Now, my friends, the question is simply this, whether this is an inflation plan or a plan to distribute purchasing power. If it is distribution of purchasing power it is simply another means of inflating the currency, and frankly we ought not to demagogue any more to these old people who need our help so badly.

We have had other schemes. Some people have advocated taking a dollar bill, printing only one side of it, and in each transaction putting a 2-cent stamp on the back of it. I thought it was the craziest thing every presented to the Banking and Currency Committee.

What difference is there between inflation of the currency in such a manner and this proposal, because every time you turn the dollar bill over you will put a 2-cent stamp on the back of it. The theory of one was that you would actually buy the stamps and put them on the back, and when you put fifty 2-cent stamps on the back of the bill the Treasury in some mystical manner would issue a Federal Reserve note to redeem it. There is not only an increase in the dollar value when you put the 2-cent stamp on, but you thereby depreciate the currency. I cannot see any difference between the Townsend plan for old-age pension, because in each there would be an inflation of the currency wholly out of proportion to the purchasing power.

Mr. KENNEY. Will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. KENNEY. If the money could be raised for old-age pensions by a lottery, there would be no inflation.

Mr. WOLCOTT. I have not voiced my opinion of the gentleman's bill, but I think it would be a good deal safer from the standpoint of the Federal Treasury to adopt the gentleman's plan rather than the Townsend plan. [Laughter and applause.]

Mr. LAMBERTSON. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, the thing that some of us object to in this Townsend campaign is the fraud in the whole proposition. It is all right for a Member to introduce this bill, which provides, as he says, and as it does, for a division of the jackpot—$200, or whatever it may bring—to each person over 60 with an income of $2,400 or less per year; and none of us knows what it may bring. That is one thing here in Congress, but here is the thing that is not right; here is the fraud in the whole proposition. Back home, where they circulate their Townsend Weekly, they put right on the first page—and we called the gentleman's attention to the article—

Two hundred dollars per month stands.

Here is the statement in their own words:

There has never been, nor will be, any compromise on the $200-per-month provision in the Townsend demands. All statements to the contrary are false.

That is not where they stand at all. Fraud in the Townsend campaign! They have one proposition here to get our vote, and they have another proposition back home to defeat us; and I cannot see where it is right or fair for any Member of Congress to stand up and say that you gentlemen should be defeated simply because you will not adopt and support one particular thing, when we all know there is a multitude of questions here. Here are 435 of us. How many of us agree on all of the propositions that are before us? The gentleman from California [Mr. MCGROARTY] said it does not make any difference whether some of us, or perhaps any of us, come back. That is not the question, and I am not talking now about myself and I am not talking about Members on this side, except a few of those who have been here for years. I am talking about these gentlemen on the Democratic side who have represented their districts for so many years, who have served their districts long and faithfully, and who are patriotic and loyal to the principles they believe to be right. These Townsend people want to defeat all of you just because you will not vote for some idea which one fellow has in mind, and they will advocate your defeat. That is entirely different from standing on a party platform. What do they want you to do? Let us start over here and take these 16 young people, beginning right along here with my friend from New York, Mr. O'CONNOR, and my friend from Texas, Mr. BLANTON. They want to put you fellows to work to support an old fellow like me.

Mr. O'CONNOR. We would be glad to contribute.

Mr. HOFFMAN. I know that you would contribute, of course you would, and that is the thing that keeps old people from starving, that kindness, that charity, but they want to put you all to work in order that I may have $200 a month and that my wife may have $200 a month—with an income of $4,800 a year, more money than we have ever had as a net income. The gentleman from Michigan asked a question. Here is a letter I want to incorporate, if I may, in the RECORD, and I ask unanimous consent to extend it in the RECORD.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. HOFFMAN. This letter goes on to say:

Your letter of the 16th at hand and contents noted.

And here is the characteristic answer to every question that you ask them—the Townsend speakers—

We are very much surprised at your little knowledge in regard to the Townsend plan.

You start to argue with them, and that is what they always tell you, but perhaps I better read the whole letter. Here it is:

BANGOR, MICH., *January 21, 1936.*

Mr. CLARE E. HOFFMAN,
Washington, D. C.

DEAR SIR: Your letter of the 16th at hand and contents noted.

We are very much surprised at your little knowledge in regard to the Townsend plan.

We have now in our little town of Bangor Townsend Club No. 1 almost 300 members, and we expect to have 400 by the 1st of March.

Practically all towns in the fourth district show the same growth. We have enough members in the 4th District that will enable us to elect either a Democrat or Republican.

You stated in your letter that the Townsend plan was getting nowhere. To enlighten you on the matter we have 21,000,000 so far who have pledged to support this movement. Do you not think the people will stand to be fooled by the Old Guard Republican Party or the Democrat Party any longer. We are awake.

This is not an old-age-pension plan, but it is a recovery plan to benefit the young as well as the older people, and bring back buying power that has been taken from us.

Please do not think that your articles in different newspapers, seeking publicity for yourself, will hurt our cause, showing plainly how uninformed with this plan you are, for every knock is a boost for the Townsend plan.

Very truly yours,

MRS. K. G. FOSTER,
Sec., Townsend Club No. 1.
C. S. CHURCH.
C. M. GEHLSEN.

You will notice that they say that the Townsend plan is not an old-age-pension plan, but that it is a recovery plan to benefit young as well as older people and bring back buying power which has been taken from them.

Then why not extend the plan? Give the pension to the young between 20 and 25 and let them get an education, so they may support themselves. Or give it to them in a lump sum and let them engage in farming, in business, in manufacturing.

The gentleman from Michigan [Mr. MAIN] says he wants to restore buying power. What difference does it all make as to purchasing power, whether 15 men spent $200 per month, or whether 1 man spends $200 per month? Under the Townsend plan, you 15 gentlemen there are to contribute to me $200 per month and I spend it. Why not let you spend it? Is there any reason why you should not? Oh, but they say under this plan it is the law that I must spend it within the month, and that seems to be the real thing in this plan. Spend it! Spend it for whisky, if you wish, says Dr. Townsend in his sworn testimony. Just spend it! I wonder if they have forgotten that merely having a little more money does not increase buying power. Some of them make me think of this statement which was made in the Congress in 1780, so this idea of an increase in the circulating medium is not entirely new. This delegate said:

Why should we vote to tax the people, when a Philadelphia printing press can turn out money by the bushel?

Why not pay this pension in that way?

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. LAMBERTSON. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Yes.

Mr. BLANTON. My friend represents the Fourth District of Michigan.

Mr. HOFFMAN. Most unworthily, sir.

Mr. BLANTON. He will remember that his colleague from the Third Michigan District [Mr. MAIN] made his maiden speech here, and forgot to even mention the Townsend plan, but when we prodded him——

Mr. HOFFMAN. When you what?

Mr. BLANTON. When we "prodded" him. When we prodded him with a prod pole. The gentleman has prodded cattle in a car, has he not?

Mr. HOFFMAN. No; I raise cows and grow apples.

Mr. BLANTON. We prodded him about his forgetting Dr. Townsend in his maiden speech, and finally got him up on the floor again today. Did he convert our friend with his speech today on the Townsend plan?

Mr. HOFFMAN. I am in the same situation that I was when these gentlemen wrote me this letter in which they say that they are very much surprised at the little knowledge I have in regard to the Townsend plan. I learned nothing from his speech.

Mr. BLANTON. I just want to ask this one question. The gentleman knows about the Republican standing in the Third and Fourth Districts in Michigan. He knows that in my friend's district, the third, there are 45,000 Republicans normally, while my friend from Michigan, Mr. MAIN, received the votes of only 25,000 of them.

Mr. HOFFMAN. I do not know about that.

Mr. BLANTON. What became of those other 25,000 Republicans?

Mr. HOFFMAN. Like Al Smith, they "took a walk." [Laughter.]

Mr. MAIN. Will the gentleman yield?

Mr. HOFFMAN. Yes; I yield.

Mr. MAIN. By way of reply to the gentleman from Texas, I should like to state that the election was a special election involving one office, and it was held a week before Christmas on a very stormy day. The other voters in that Third District would be pardoned, I think, if they did not walk at all under such circumstances. I may say that the gentleman from Texas tried to prod me into some action the other day, whereas if he had read my speech carefully he would have found that I made a very significant reference to the problem of social security as well as a number of other problems that are in the lap of the Congress at the present time.

Mr. BLANTON. Did the gentleman mention the Townsend plan? No! He did not mention the Townsend plan, did he?

Mr. MAIN. I want to say that I mentioned the problem of social security. I suggest that the gentleman read that speech and ponder over some parts of it as a challenge to the gentlemen on the majority side of the House. At that time, I may say, I was reminded of the girl's definition of a typhoon. She said, "In some parts of Texas they have typhoons, and very bad ones. They get in your hair even though you keep your mouth closed." [Laughter.]

Mr. BLANTON. I read the gentleman's maiden speech throughout, and I am still pondering. I did not get anything out of the speech to put me out of that ponder.

Mr. HOFFMAN. Now, we were talking about purchasing power. Money alone does not giving purchasing power. Let me quote from the American Revolution, by John Fiske, volume II, pages 200 and 201:

The condition of American finance in 1780 was simply horrible. The "greenback" delusion possessed people's minds even more strongly than in the days following our Civil War.

* * * * * * *

As Webster truly said, the country had suffered more from this cause than from the arms of the enemy. "The people of the States at that time", said he, "had been worried and fretted, disappointed and put out of humor, by so many tender acts, limitations of prices, and other compulsory methods to force value into paper money, and compel the circulation of it, and by so many vain funding schemes and declarations and promises, all which issued from Congress but died under the most zealous efforts to

put them into operation, that their patience was exhausted. These irritations and disappointments had so destroyed the courage and confidence of the people that they appeared heartless and almost stupid when their attention was called to any new proposal."

* * * * * * *

As Washington said, "It took a wagonload of money to buy a wagonload of provisions." At the end of the year 1778 the paper dollar was worth 16 cents in the Northern States and 12 cents in the South. Early in 1780 its value had fallen to 2 cents, and before the end of the year it took 10 paper dollars to make a cent.

In October Indian corn sold wholesale in Boston for $150 a bushel, butter was $12 a pound; tea, $90; sugar, $10; beef, $8; coffee, $12; and a barrel of flour cost $1,575. Samuel Adams paid $2,000 for a hat and suit of clothes.

To say that a thing was not worth a continental became the strongest possible expression of contempt. A barber in Philadelphia papered his shop with bills, and a dog was led up and down the streets, smeared with tar, with this unhappy money sticking all over him.

All this talk of creating purchasing power, of bringing prosperity, by taking money from a group of 16 people and giving it to one person to spend, as is the plan of Dr. Townsend and the gentleman from California [Mr. MCGROARTY] is nothing but folly and nonsense.

I do not know whether the gentleman from Michigan [Mr. MAIN] got into the hair of the gentleman from Texas by what he said.

Mr. BLANTON. Oh, no; he did not. No one ever heard of a typhoon in Texas. We do not have them there.

Mr. HOFFMAN. I still want the gentleman from California [Mr. MCGROARTY] to tell us why it is that here they talk about one thing and back home, when they receive these dimes for monthly dues and the quarters for membership fees and selling a newspaper, that, according to reliable reports, brings Dr. Townsend $2,000 a week and Mr. Clements a like sum, they tell their prospective members that if they join in this plan, each eligible person will receive $200 a month. Is that told to the people back home, to the aged, to the poor, when they ask them to subscribe to the Townsend Weekly at $2 each, to pay a membership fee of 25 cents, give them the opportunity of paying monthly dues of 10 cents, for the purpose of really furthering a plan to give those solicited $200 a month? Or are those statements made for the purpose of selling the paper, collecting membership fees and monthly dues? If not for the latter purpose, then why do they not follow the Townsend Weekly, with its demand for $200 a month, when they get down here and introduce their bill?

On the other hand, if the author of the McGroarty bill and you who are backing it here do not mean to support a bill calling for a pension of $200 a month, why do you not have the Townsend National Weekly print the truth about your activities?

Tell the folks who are taking this weekly, who are paying their dimes and their quarters to further this organization, who have relied upon this statement—I quote again—

There has never been, nor will be, any compromise on the $200-per-month provision in the Townsend demands. All statements to the contrary are false—

whether you stand upon the McGroarty bill, which does not provide for a $200-a-month pension, or whether you stand on the statement quoted from the Townsend Weekly.

In the Townsend Weekly you are advertised as supporting the Townsend plan. Your names are on the front page of the issue of December 30, and that same page carries the declaration which I have just quoted.

Are those back of the McGroarty bill asking support of the home folks on the theory that they are working for a $200-a-month pension? Are the home folks supporting those who receive Dr. Townsend's blessing on the theory that they will get $200 a month? Is it fraud, or is it not, to tell the voters one thing, to have something else here?

Mr. MAIN. It is not fraud in my case, because I did not make those promises, and I did not subscribe to any statement other than that I would support the McGroarty bill—H. R. 7154. I will support that bill or a similar bill when it is presented, and I challenge the gentleman to prove that there was any fraud or misrepresentation in the Third District of Michigan during the campaign or at any time in my public career.

Mr. HOFFMAN. I am only making these statements generally. I am not making any charge against the gentleman from the Third District [Mr. MAIN]. My understanding is that Dr. Townsend campaigned in his district for him; that, with Dr. Townsend, he spoke from the same platform; and, if I may be pardoned a personal reference, the gentleman's picture is in the Townsend National Weekly of today, Monday, January 27, on page 6, as supporting the Townsend plan, and under that picture is this statement, in blackface type:

Representative V. W. MAIN, Republican, of Michigan, newly elected to the House of Representatives on a platform favoring the Townsend old-age-pension plan, is one of the first to receive a seat on such a platform.

They inscribe $200 a month on their flag and let it wave there. Does the gentleman stand by that?

Mr. MAIN. I stand for this, if the gentleman will yield——

[Here the gavel fell.]

Mr. LAMBERTSON. I yield the gentleman 2 additional minutes.

Mr. MAIN. Dr. Townsend has subscribed to the McGroarty bill, and the McGroarty bill is now the Townsend plan.

Mr. HOFFMAN. Then, as I understand the gentleman from the Third District of Michigan, he does not stand on the statements contained in Dr. Townsend's paper, the National Weekly. Am I right in that?

Mr. MAIN. I do not see the paper. I do not take it. I do not know what they say, but I do know that Dr. Townsend has said that he subscribes to the McGroarty bill and that the McGroarty bill as introduced will be the Townsend bill, known and cited as the Townsend plan.

Mr. HOFFMAN. But the gentleman does not stand for the $200 a month, or does he?

Mr. MAIN. I do not stand for $200 a month or for any other sum that will give to anybody any place any more than the revenue produced will provide.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 2 minutes to the gentleman from Kansas [Mr. HOUSTON].

Mr. HOUSTON. Mr. Chairman, this being more or less a field day for the state of the Union, I want to quote from an editorial by a nationally known, prominent Republican publisher. Before that I want to admonish the gentleman from Michigan [Mr. HOFFMAN] that there is not anything to worry about being defeated on the Townsend plan. Most of us are going to be defeated because we did not vote for the "death sentence", as I understand it.

INDEPENDENTS DISCUSS OLD GUARD CAMPAIGN

As Republicans we must tell the country what we propose to do about it. Surely if we are against the New Deal and call it a "raw deal" to abolish child labor, give the farmer a place in the economic sun, provide for the aged, the blind, and other dependents, consider human values and give labor a square deal with capital, why not say right out that all these things are "unconstitutional" and that we favor returning to the Hoover depression by abolishing prosperity? (William Allen White in the Emporia Gazette, Republican.)

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 2 minutes to the gentleman from Kentucky [Mr. CREAL].

Mr. CREAL. Mr. Chairman, my agricultural district of 19 counties down in the heart of old Kentucky surrounding the Lincoln Monument was greatly perturbed over the death of the A. A. A. They are also greatly perturbed over the loss of their liberty and constitutional rights as pointed out to them at Saturday night's meeting of the Liberty League. The liberty the loss of which they lament most deeply was that of choosing one of the three exalted privileges they had under the preceding administration. They had three options: First, homelessness and bankruptcy; second, starvation and death or go naked; third, suicide. Being free American citizens, they are clamoring that this privilege of choice be restored to them, for this administration with its usurpation of power has relieved them of the necessity of choosing any of these routes.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. CREAL. I yield.

Mr. WOLCOTT. If what the gentleman has stated is true with reference to the lamentations of his constituents with respect to the A. A. A., will the gentleman tell us if the sharecroppers of the South, or the tenant farmers as we knew them, are of the same mind; and if they are, why it has been necessary for this Congress to authorize the appropriation of $1,000,000,000 to relieve the situation in the South with respect to sharecroppers?

Mr. CREAL. I will answer the gentleman's question by saying that he has been here very much longer than I have, and ought to know the reason better than I.

THE DEATH OF THE A. A. A.

Mr. Chairman, on January 7, about 2 o'clock, a Member of Congress asked recognition of the Chair and announced that the Supreme Court had just declared void the Agricultural Adjustment Act. Heavy applause came from the minority side of the House. He said, "I note all the applause comes from the Republican side of the House." At this mention they applauded again and in greater volume and longer than ever. On the Democratic side all was silence and gloom.

Members of the House from the Eastern States, whose chief industry is the factory, were elated. Members of Congress from the Middle West, South, and West were thinking of the disappointment and ruin soon to be given on the wires to the boys back home on the farm.

The highly organized East with its centralization of wealth, which imagines that the rest of the Union exists for their benefit, were elated and that horse laugh and elation of victory over the downfall of the farmer seemed as appropriate as applause at a funeral. I doubt if any of those applauding ever worked a day on a farm in their lives. They know nothing of the work hours from 4 in the morning until 8 at night. I can see in my mind the two pictures of these two sections of the country. One with short working hours, fair wages, comfortable homes, good schools, good roads, and good clothes, spending money for occasional entertainment, and, all in all, pleasant surroundings for comfortable living. And just back of these people towered the great centers of wealth of the Nation.

They were elated at what? The farmers stabilized prices would go down and they would be fed cheaper than ever—cheaper wages could be paid to factory workers because of cheaper food. The capitalist in the end would be the chief beneficiary.

The other picture was that of the farmers and tenant farmers with poor roads, ragged clothes, poorly equipped homes, poor methods of transportation, no amusements, or time, or money for recreation, a dismal slave-driving life. He would now have to work harder to raise more to get less.

The Agricultural Adjustment Act was passed for the purpose, as stated by the President, as follows:

> To stop the decline and rout of American agriculture; originated in the aspirations of the farmers themselves. We sought to stop rule of tooth and claw that threw farmers into bankruptcy or turned them virtually into serfs.

For years the farmer bought his needs at prices fixed by the seller of what he bought, and sold his own product without either price-fixing agencies or limited production. For years the farmers through legislation tried to control and bring down the price of that which the farmer bought, but the capitalistic East was most all the time in control of that party which owed its obligations to them, and the effort did but little good except in small piecemeal.

Who ever heard of any shoe factory making one shoe more than they had demand for? The quantity and the price was organized and stabilized. Now, these industrial organizations seriously object to any law which will regulate farm prices and farm production, yet they have been practicing for 50 years just what they now condemn in the farm act. Who ever heard of a bunch of farmers making up money and going into court to have a law changed which affected factory industries on the pretense that it was a hardship on the factories? Who was it that jumped on the farmers' law with which he had begun to get his head above water again? It was the Republican ex United States Senator Butler, of Massachusetts, whose financial interest is in the textile mills of that State. It was brought in his name and he sat on the front row of the Supreme Court room to listen to the decision rendered in his favor. Three of the nine judges said the law was all right and six said it was unconstitutional. Once a Republican Supreme Court said the income-tax law was unconstitutional by a 5-to-4 decision. Today we have the income-tax law. Who can truly say which decision is right, that of the six or that of the three?

But there is one thing plain to the farmers of the West and the South: There never was, nor will there ever be, a law written for their benefit by eastern capitalists and their representatives in Congress. It must come from the agricultural States and their Members of Congress. The end sought by the A. A. A. was to eventually elevate farm prices to the point where a bushel of corn would buy as much factory commodities as it bought in the 5-year average from 1909 to 1914, which is termed "parity basis." The farmers voted for this program by a vote of 3,693,732 for it and only 562,707 against it, or nearly seven to one. That one out of seven who did not sign reaped the benefit from the program just the same, although unwilling to cooperate.

Did the program succeed? Figures tell their own story—milk was rated as 114 percent of the parity basis on 5-year average, flue-cured tobacco was 114 percent, fire-cured tobacco 117 percent, hogs 94 percent, wheat 80 percent, and corn 70 percent.

There is no law on the Federal statutes deader or more obsolete than the antitrust laws intended to prevent extortion and price fixing. The farmer has long tried but failed to organize production as production is organized by factories. There is no politics for the farmer except for him to know that politics is wholly a matter of geography and occupation. Any eastern capitalist would be foolish to join in with this Democratic Congress from the farm States for a farm program like the A. A. A.

And what are we to say to our farmer friend who expects to live and die on a farm casting his lot with the program of the New England States' capitalist? He would certainly be classed as one who believed it was more blessed to give than receive. This is the first time in history that an administration has dared to draw the wrath of the eastern hoarders of wealth and to openly challenge the cause of the farmer. In doing so the President has paid a great compliment to the intelligence of the farmers. He assumes that they will have vision enough to see he is for their uplifting and also assumes that they will be broad enough to stay with him to the finish of this fight.

There is no question at all involved as to whether grandpa fought in 1865 on the side of the North or South. That was permanently settled 70 years ago and will never rise again.

Are the farmers alive to the issue of the hour? Yes; the lines between the farmer and that 10 percent of the people who have 90 percent of the money are sharply drawn and should be more sharply drawn. As one who knows from personal experience the meager existence which a poor farm affords, and the labor required for existence, I know it has been said too often that farmers have the power but lack organization to stand together and get what they want.

It is one thing to read from the cold pages of a newspaper of an alinement in Congress against the farmer but quite a different feeling to see before your eyes and ears a section of this Nation highly organized for greed applauding the verdict which means more toil and less pay for the farm boys back home. Members of the House from farm districts must stand in unbroken lines. We have the votes. We should be able to rely on the farmers to likewise stand pat. They lament drawing of class lines, yet they have met behind closed doors and, by agreement, drawn the lines against the farmer's interest for their own interest for years, while the farmer innocently toiled on, unaware of the conspiracy to rob him. Poverty has sapped the courage, to some extent, of the farm people, but as the bugle calls them again there is enough Americanism left to rouse the old fire in

them. This is not a military war between the States but a commercial struggle for existence of the farmers of the West, Middle West, and South to break the stranglehold of the capitalistic East.

The one infallible sign of decay and age in any nation is when a few people get all the money. We have reached that stage in America. We, as a nation, are prematurely gray. The only way to meet a controlled price is to sell a product with a controlled price. It has all been one-sided in the past. The farmer is not radical, but he wants and needs a fair, square deal and a living wage. Agriculture is the first occupation of the world. The children of man cultivated the soil before they built cities. No critic of the A. A. A. has ever offered or pretended to offer any substitute whatever. They want the system to revert to the old system with the old prices that drove the farmer into bankruptcy and lowered the standards of living for him and his children.

The farmers cannot use the 8-hour law or strike for higher wages, and, worst of all, he cannot today have anything to say about the price of his own product sold. When the farmer buys he says, "What will you charge me?" When he sells he says, "What will you give me?" This condition would ruin eventually any business in the world.

I wish every farmer of America could sit in the galleries of the House of Representatives for a few days and see and hear. He would decide that if he ever in his life expected a square deal that he would never get it from the centers of organized industry. One of these days he will break the bonds of superstition that hangs with some of them and organize with a united front for his own interest. This will result in another emancipation proclamation freeing the American farmer from bondage and slavery. Yes; this is a class issue, and it is a matter of geography and occupation, and it is the only issue of the hour.

I hope to be able, when we have regained what we have lost, to return that applause which sank into me as adding insult to injury.

I propose to vote for each and every measure, large or small, now or later, intended for the farmers' benefit, regardless of what group or class opposes it. And, also, whether it be to enhance the price of the product of the farm or to reduce the price of what he buys.

Organized greed says they have no malice aforethought toward the farmer, which, in a way, may be true, but when they fix all the terms of business to suit themselves, it results in injury to the farmer as much as if done maliciously.

This is the day the farmer is entitled to his day in court, and if a suitable substitute for recently destroyed legislation cannot be had, then a constitutional amendment is the only remedy. This would require 2 years and a fight, but since we are all enlisted for the war, regardless of its duration, let us "stand pat" until the end is accomplished. In the meantime the next best substitute for the A. A. A. must be enacted while we have the votes.

Any administration which fails to recognize farm industry as the first industry and the basis of all other prosperity is short-sighted and detrimental. Let us dedicate ourselves to the task of regaining that which we have temporarily lost and then hold it.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, there always will be two major parties in the United States, one of which will be in control of this Government. That is the only safeguard for the American people. These parties will always have platforms. When one of them in power is unfaithful to the people, the people have the right and opportunity to displace them from power.

I am a party man. I believe in party government as a safeguard to the American people. In 1928, at the time of the national convention at Houston, I was a candidate for the United States Senate in Texas, and I had an awfully good chance to be elected. I had promises of support from many of the best people all over Texas. Then the Houston convention was held. I had opposed Hon. Al Smith from this floor many times on fundamental questions. He was nominated in that convention in the city in which I was born, and immediately at the place where I was making my campaign speeches that day I received a telegram from a newspaper reporter wanting to know what I was going to do now since Al had been nominated. He was trying to put me on the spot. Here is the telegram I sent him:

I am a Democrat. I believe in party government. It is the people's only safeguard. When a party ceases to be faithful to the people it can be removed. Through no other system have the people any redress. The Democratic Party is bigger than any nominee. I have never yet scratched a Democratic ticket. It is too late for me to begin now. Al Smith and I differ on some fundamental questions, but my Democratic Party has spoken and he is my party nominee. I was against him prior to his nomination, but I subject my will to the will of my party. I shall support the Democratic ticket from top to bottom, from President to constable. I realize full well it will defeat me for the United States Senate, but I have been the recipient of Democratic favor too long for me now to desert its banner. I won't be a traitor. I am still a loyal Democrat.

That is my position now and it ought to be the position of the man who received the nomination for the highest office at the Houston convention.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield for a question?

Mr. BLANTON. Not now, but I will later if I have time.

Mr. Chairman, I made 150 speeches that year before Democratic audiences. I spoke for my ticket from top to bottom. In the primaries were six prominent candidates running for the United States Senate. One of them was the sitting Senator, Earl Mayfield; one of them was a former national commander of the American Legion; one of them was a good woman, the national head of the Woman's Federated Clubs of the country, Mrs. Minnie Fisher Cunningham. Another was a former Governor of the State. My good friend, TOM CONNALLY, too, was one of my opponents. CONNALLY and I made 150 speeches against each other, and not an unkind word did I say about him, and not one did he say about me. I carried 79 counties against the field of six candidates in Texas, yet TOM CONNALLY beat me, although he carried only 46 counties, because in those counties were some big cities. So he got more votes than I did in the first primary and I was eliminated. The next day I took the stump for and helped elect him, and in the campaign following, although I had been eliminated for the Senate, I made many speeches for our national ticket and not one single dime did I ask from the national committee.

I paid my own expenses; I paid my own railroad fare; I paid my own automobile and hotel bills, as well as the expenses of the man who drove me. I did not "walk out" on Al or on the Democratic Party.

I am disappointed in Al Smith, the recipient of Democratic favor, the man who has received as much favor from the Democratic Party as almost any man in the United States. I am surprised that he should be a turn-abouter and a walk-outer at this time.

Mr. Chairman, during that same campaign I heard Members who are now applauding Al Smith bemeaning him, ridiculing him, making fun of him, and attacking him. Now they have taken Al Smith under their wing and are talking for him. You now have your Republican ticket enlarged. Instead of being the Borah-Fish ticket, it is now the Borah-Smith-Fish ticket that you are getting out. You gentlemen are welcome to that.

Mr. DINGELL. Will the gentleman yield?

Mr. BLANTON. I yield to the gentleman from Michigan.

Mr. DINGELL. I was wondering how Texas went that year.

Mr. BLANTON. I am not responsible for how Texas went. I did my part. I carried every county in my district by a tremendous vote so far as I personally was concerned, but for the first time in the history of the Nation my district nationally went Republican. For the first time in the history of democracy the State of Texas nationally went Republican.

Al Smith ought to be a big enough man to take it and take it with a smile and not be disgruntled. You good

Republicans who believe in parties and believe in party government ought to stand up like men and espouse the cause of your own candidates and let our disgruntled alone. We will take care of them. You take care of your own disgruntled. If the gentleman from Michigan can walk up to the polls and support a ticket that is mixed up with BORAH and FISH, if he can reconcile those two antipodes that are farther apart than any two antipodes I know of, FISH and BORAH, all right. Just think of it. FISH, a great conservative, and BORAH, the great liberal. Why, BORAH is so liberal he is thinking right now, like the gentleman from Michigan [Mr. MAIN] about flirting with the Townsend plan. Read the article he had in Collier's the other day. You cannot tell whether he is for it or against it. He is just flirting with it. That is a question too serious to be flirted with.

The gentleman from Michigan [Mr. MAIN] knows that the Townsend plan had no more to do with his election than the whining of a cat on a rock fence has to do with Sunday school.

Mr. MAIN. Will the gentleman yield?

Mr. BLANTON. Did the Townsend plan have anything to do with the gentleman's election?

Mr. MAIN. Will the gentleman send that message to the chairman of the Republican National Committee?

Mr. BLANTON. Yes. But I asked the gentleman did the Townsend plan elect him?

Mr. MAIN. It was very influential in securing for me the nomination at the primary.

Mr. BLANTON. Then I want to ask the gentleman, if it caused him to be sent to Congress, when he was allotted 20 minutes the other day, in his maiden speech from this floor he never mentioned it, never even referred to Dr. Townsend or the Townsend plan, never referred to Mr. MCGROARTY, never referred to Mr. Clements, the former real-estate man of Los Angeles, who, when he hooked up with Dr. Townsend, was as poor as a church mouse and is now almost as rich as Croesus.

[Here the gavel fell.]

Mr. TAYLOR of Colorado. I yield the gentleman 4 additional minutes.

Mr. BLANTON. I want to say to the gentleman from Michigan [Mr. MAIN] that while I twit him and prod him, I like him personally, and I think possibly he may live through this Townsend business.

May I ask him a further question. Since he has come from Michigan and has spoken on the floor of the House, and has been associated with the Members on both sides, does he think for one moment that there is any chance of passing the Townsend plan? May I say further, that every man here, who was not just blown in temporarily on some landslide, has done something worth while in his district or he would not stay here long. Every man here is an outstanding man in his district. Now, after having associated with them, does the gentleman from Michigan [Mr. MAIN] believe for one moment that there is any chance of passing this Townsend law?

Mr. MAIN. Not at this session. The gentleman has answered his own question.

Mr. BLANTON. I want to ask the gentleman some more questions. The gentleman does not expect to do it at this session?

Mr. MAIN. No.

Mr. BLANTON. Does the gentleman expect to do it at the next session?

Mr. MAIN. That remains to be seen.

Mr. BLANTON. Then does the gentleman from Michigan [Mr. MAIN] expect to come here and undermine his colleagues and cause them to be put out of the House? Or does the gentleman expect by his logic to convince his colleagues of the soundness of the Townsend plan? How is he going to do the latter if he does not even mention the Townsend plan in his entire speech? How do you expect to change the judgment, discretion, and opinion of these Members here if you do not get up and do it by a logical argument?

Mr. MAIN. I came here interested primarily in the old people in my district and to find a way to raise revenue in order to provide for a generous pension for their maintenance. I am not interested in Dr. Townsend, and I am not interested in Mr. Clements. I am only interested in the protection of those elderly people.

Mr. BLANTON. I do not want the gentleman from Michigan [Mr. MAIN] to leave that out of his remarks, because I have finally gotten the truth. He stated "he is not interested in Dr. Townsend." Of course, he is not interested in him. When he took that oath the other day to abide by the Constitution it impressed him. His whole maiden speech was on the Constitution after he took the oath, it impressed him so. He was talking about obeying and upholding the Constitution, and he heard the great leader of Dr. Townsend and of Brother MCGROARTY on this floor, my young friend, MONAGHAN, from Montana, get on the floor here and say the other day, "It is true that the Constitution nowhere authorizes you to tax all the people to pay a gratuity to a particular class."

Mr. MONAGHAN made that statement here in the presence of our friend from Michigan, Mr. MAIN, and when he heard his leader speak he dropped the Townsend plan. He is not interested in it. It is dead as Hector, and he knows it.

Mr. MAIN. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. The gentleman from Michigan [Mr. MAIN] is not going to change the position of a man on this floor, and the sensible people back home are going to back up every man in this House who stands here and fights against this impossible monstrosity.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I yield to my friend from Colorado.

Mr. MARTIN of Colorado. I want to say first to the gentleman from Texas that when I mention Senator BORAH, I mention him not as a Member of another body but as a candidate for President.

Mr. BLANTON. The gentleman always has that right. When a man is a candidate you have the right to mention him anywhere because the rule changes.

Mr. MARTIN of Colorado. I think the gentleman from Texas a few moments ago very properly used the word "flirting" in connection with Senator BORAH's attitude toward the Townsend plan. During the recess of Congress out in Idaho he was reported to have very kindly mentioned Dr. Townsend and the Townsend plan, which has brought him a great deal of favorable publicity through the Townsend Weekly. I think it is only proper at this time to remind the Townsend people throughout the country that Senator BORAH allowed 8 long months to go by in the last session of Congress without saying a kind word for Dr. Townsend or the Townsend plan on the floor of the Senate. He is doing the same thing now—that is, saying nothing in the Senate—and he let the opportunity go by over there in the last session to offer the McGroarty bill as a substitute for the security bill, as was done in this House, or to introduce a Townsend bill in the Senate. So I think the gentleman from Texas very properly used the word "flirting" to describe what the Senator is doing, because flirting is never meant seriously.

Mr. BLANTON. Every good lawyer in the United States knows full well that the proposed Townsend plan is unconstitutional and that it would be set aside and annulled by the Supreme Court before it could be put into effect. Not an aged person would ever receive one dollar from it. Hence it is a delusion and a snare. It is a fraud on its face. It is deceiving good people. It is taking money from them under false pretenses. It will end in their sad disappointment.

But even if it were constitutional, which clearly it is not, a 30-page report just made public, of an intensive study of it made by 18 professors in the Chicago University, shows that it would be absolutely ruinous to the country and could not raise but a small part of the money needed to pay it. I quote the following from today's Washington Daily News just off the press:

[From the Washington Daily News of Jan. 27, 1936]

TOWNSEND PLAN HELD "DELUSION" IN STUDY BY UNIVERSITY GROUP—CHICAGO PROFESSORS DECLARE PROPOSED TAX INADEQUATE TO FINANCE VAST PENSION SCHEME

The Townsend plan's proposal for $200-a-month pensions for some 7,000,000 Americans past 60, financed by a 2-percent "transaction tax", was declared "altogether a delusion" in a report made public today by the economics faculty of the University of Chicago.

The report covers 30 pages, and is the first intensive study made of the Townsend plan by an academic group of experts. Eighteen faculty members engaged in the study, under the direction of Dr. H. A. Millis, head of the university's department of economics.

40 PERCENT OF INCOME

"The vast pension scheme," says the report, "would cost twenty billions a year, which is 40 percent of the 1934 national income."

To finance this burden would "throw over all hope of preserving a sound monetary system" and cause a currency or credit inflation to the tune of 15 billion or more a year, it asserts.

The income tax proposed to supplement the transaction tax would raise only $51,000,000 a year, say the Chicago economists, and the 2-percent extra tax on inheritances and gifts would yield "not much more than $25,000,000."

TAX INADEQUATE

The transaction tax, says the report, would yield "very much less than the slogan of $200 a month implies.

"There is no ground for thinking that it could possibly produce more than $6,000,000,000 a year in anything like present circumstances. In fact a yield of over $3,000,000,000 would be surprising.

"Its administration would be prodigiously difficult, if not impossible." The report adds that, far from reviving business, it would have the opposite effect.

SCARCELY $75, NOT $200

Instead of financing $200 a month, say the economists, the transaction tax would "scarcely yield enough to pay $75 per month" to 7,000,000 pensioners, much less $200 to 10,000,000, "even without shrinkage of transactions below present levels."

And while proving ineffective to meet the claims, it "would constitute a burden strong enough to exert a strong upward pressure on living costs and a strong downward pressure on farm prices and wages." Furthermore, it is asserted, "the tax would operate in favor of large firms as against small, and in favor of chains as against independent units. Many firms would probably be wiped out."

Such a tax, the report says, would cause the "virtual disappearance (or migration to Canada) of security markets and produce exchanges." It would "reduce employment and intensify the depression by increasing business uncertainty and inducing public and private hoarding."

The Queen Anne's Record is a newspaper ably edited by William E. Grose at Centreville, Md., and in its issue of Thursday, December 26, 1935, is such a splendid editorial against robbing the aged I want to quote it, as follows:

PAUPER PENNIES

It is not often here at the Record that we decline to publish contributions to our Mail Bag.

We consider that department of the paper an open forum and letters are welcomed.

Last week we declined to publish one. It was written by Mr. G. D. Neavitt, advocating the formation of Townsend clubs in Queen Annes County.

In our opinion, to lend tacit approval to the formation of such groups in this county by printing Townsend propaganda would be violating the creed that appears in our masthead—i. e., "To espouse the best interests of the Nation, Queen Annes County, and the Eastern Shore * * *."

And we are not immediately concerned with the all-consuming objective of the Townsend plan—the payment of a $200-a-month pension to all persons in the United States who have reached the age of 60.

We are concerned, however, with the amount, albeit small, that it will cost the people of Queen Annes County to pursue the pipe dream and delusion of ever obtaining a $200-a-month pension.

It is the pittance wrung from the aged and infirm—many unable to afford it—that concerns us.

Dr. Townsend personally is a gentle old soul. True, his imagination spawned the idea, but it is not Dr. Townsend who conceived all the schemes to keep the idea alive and make it grow.

It is not Dr. Townsend who thought up all the ways to milk old people of their dollars, quarters, dimes, nickels, and pennies.

Political sharpsters and younger parasites, quick to size up the money-making possibilities of the scheme, flocked to the cause. Theirs was the job of designing the trimmings.

Knowing that no one will blow Townsend bubbles if the cost is too high, all has been geared on chicken feed.

For 25 cents a palsied hand can send for a booklet outlining the movement. For 10 cents per member per month the aged and infirm can join the club and sit in while a young or middle-aged crackpot discourses on Utopia.

For nickels and pennies many who dread thoughts of the almshouse or the sharp tongue of an in-law can buy reports, copies of the bill, buttons, banners, stickers, and doodads to fan the flames of delusion.

For a dollar rheumy eyes can read the movement's weekly newspaper and live in a world of make-believe, conjuring up dreams of the heaven-on-earth that $200 a month will bring.

Eventually the bubble will burst, but until it does younger leeches will sit in swivel chairs and fatten on pauper pennies.

Let me repeat again, that after all of the money which has been spent organizing Members' districts, and having Members threatened with defeat if they did not support the Townsend plan, when the matter came to a vote in the last session there were only 56 Members who voted for it. Not a member of the Texas delegation voted for it. All 21 Members of the Texas delegation were solidly against it. If the gentleman from Michigan [Mr. MAIN] were to stay here for 50 years he would never see any Congress pass a law which we all know is unconstitutional and which would ruin the United States.

Mr. TAYLOR of Colorado. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DOUGHTON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 10630) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1937, and for other purposes, had come to no resolution thereon.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate having proceeded to reconsider the bill (H. R. 9870) to provide for the immediate payment of World War adjusted-service certificates, for the cancelation of unpaid interest accrued on loans secured by such certificates, and for other purposes, returned by the President of the United States to the House of Representatives, in which it originated, with his objections, and passed by the House on a reconsideration of the same, it was

Resolved, That the said bill do pass, two-thirds of the Senators present having voted in the affirmative.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4178) entitled "An act for the relief of the International Manufacturers' Sales Co. of America, Inc., A. S. Postnikoff, trustee."

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 3328. An act to provide an official seal for the United States Veterans' Administration, and for other purposes.

DESIGN AND CONSTRUCTION OF AIRSHIPS

Mr. HARTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a report made to the Secretary of the Navy by a committee which was appointed to review and analyze the past and present situation as to design and construction of airships and make recommendations as to their future design and construction.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HARTER. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following report made to the Secretary of the Navy by a committee which was appointed to analyze the past and present situation as to design and construction of airships, and made recommendations as to their future design and construction.

NEW YORK CITY, *January 16, 1936.*

Hon. CLAUDE A. SWANSON,
Secretary of the Navy, Washington, D. C.

MY DEAR MR. SECRETARY: The committee appointed at your request by the Science Advisory Board is intended "to review and analyze the past and present situation as to the design and construction of airships and to make recommendations as to their future design and construction."

We have understood the first phrase in the specification of our field of investigation as indicating a study historical and analytical in character and logically essential in order to proceed with the second specification relating to the future of such construction.

At the present time we desire to make a report of progress relating in particular to the basic question of the practicability of the design, construction, and operation of airships, with a reasonable assurance of their safety and reliability and with such technical characteristics as to offer good promise of potential usefulness either for commercial or military (naval) use.

While in accordance with our instructions we make no attempt to discuss the technical phases of the uses of airships, either military (naval) or commercial, we cannot present our conclusions regarding the practicability and potential usefulness of such structures independent of some recognition of the general fields in which they seem to offer effective service.

Thus referring to the annual report of the Secretary of the Navy for 1935, and in particular to the report of Rear Admiral King to the Secretary, uses of the following character seem to be indicated:

"(1) Coast patrol service, especially detection of submarines and mines.

"(2) Guidance of troops convoys and naval vessels through mine fields.

"(3) It is also common knowledge that the large airship is looked to especially for services of the character of strategic reconnaissance and as an airplane carrier.

"For the first-mentioned services, nonrigids (blimps) and rigid airships of small or moderate size are indicated, while for the last-named service, ships of the largest size will be required."

In the commercial field we recognize the possibility of effective service for ships of various sizes, small, medium, or large, according to the various traffic requirements. Demonstration of such service in recent years is given by the *Graf Zeppelin* of the Luftschiffbau-Zeppelin, and is further indicated by the continuing policy of this company as evidenced not only by their construction of the *L. Z. 129*, now approaching her test trials, but also their announced intention of building additional ships.

We now consider, therefore, the basic question: Can a reasonably safe and useful airship be designed, constructed, and operated, and if so, under what broad conditions?

DESIGN AND CONSTRUCTION OF A SAFE AND USEFUL AIRSHIP

The answer to this question turns immediately on the meaning attached to the two words "safe" and "useful."

First regarding safety in the various means of transport. Nothing is entirely safe. Railway travel has its accidents and casualties, surface ships are wrecked, airplanes crash, and the automobile, including errors of operation, is perhaps the most unsafe of all modern agencies of transport. Yet in the face of these all too familiar occurrences, we do not contemplate giving up any of these means of transport.

The reason is partly or perhaps largely psychological. These means of transport have established themselves as a part of our modern civilization. They are performing a service which, in the mass estimate of our people, justifies their retention and development in the general scheme of the transport of persons and things, despite the numerous continuing accidents and casualties.

Obviously it is impossible to fix any definite percentage or measure of performance as constituting a safe surface ship, a safe airplane, or a safe airship. We may, perhaps, however, define a safe airship as one the performance of which, in the mass estimate of those interested in this mode of transport and with some competence of judgment, is such as to justify its present retention in the general scheme of transport and its development at least to the point of demonstrating whether or not it is or will be capable of attaining and retaining an assured and useful place among other competitive means. The point here is that quite aside from the question of safety, the airship, especially the airship of the largest size, must be considered as not yet having acquired a wholly assured place as an agency of transport, and in order to make practicable a satisfactory determination of this latter question the structure itself must be given a measure of safety which, in the mass estimate of those with some competence of judgment, will justify its further development and use to the point of definite demonstration.

In connection with the general question of airship safety and the future of the airship as an agency of transport, we have given special attention to the record of the principal casualties which have marked the development of this type of structure. Regarding these casualties, both in the United States and in Europe, we note especially two points:

1. All development of a new form of transport, and more broadly all new developments, are subject to possible hazards. This has been true in marked degree with the airplane, the heavier-than-air form of air transport. We have, however, accepted these hazards and casualties as a part of the price which must be paid for all such steps forward.

2. Our study of the record of these casualties leads us to the belief that, with the lessons which have been drawn from them, and with the general advance in our understanding of the technical problems of airship design, construction, and operation, the probability of a repetition of such casualties under like conditions should for future construction be reduced to a point which, if not vanishing entirely, may be considered as acceptable in comparison with the promise of useful service.

Regarding the question of a useful airship, we have already referred, in broad terms, to the apparent fields of potential service for structures of this character and we do not consider that further discussion of this phase of our problem is essential at this point.

Regarding the safety of such types of construction, we consider the entire record of the service of small nonrigids and of rigid airships of moderate size, in convoy and patrol services, during the Great War and elsewhere, as warranting the assertion that safe and useful ships of these types and sizes can be designed, constructed, and operated.

As regards airships of the largest size, such as the *Akron* type and upward, it becomes necessary to define more carefully the conditions under which a reasonable and proper margin of safety can be secured.

With reference to this type, your committee is prepared to give likewise an answer in the affirmative, as to the practicability of a safe and useful airship, but under general conditions as follows:

CONDITIONS FOR DESIGN AND CONSTRUCTION OF A SAFE AIRSHIP

1. Design in the light of the most careful and thorough analysis of world experience with airships up to the present time and including in particular all failures and casualties regarding the causes of which reasonably adequate information is available.

2. Design in the light of the most recent studies and advances in the mechanics of typical airship structures.

3. Specification of aerodynamic loads, whether due to maneuvers or to storm conditions (gusts, etc.) in the light of the most recent and careful studies based on:

(a) Approved aerodynamic theory including the most recent advances.

(b) Results of wind-tunnel research and of experience with actual ships.

(c) Recent advances in meteorological science with special reference to the structure of gusts, polar fronts, line squalls, etc.

4. Construction under conditions as to supervision and inspection which will insure the nearest practicable approach in the completed structure to the qualities and characteristics contemplated in the design.

5. On the completion of the structure itself, opportunity for operation under some cooperative arrangement between builder and owner, over a period of time sufficient to permit the taking of strain-gage readings at all critical points of the structure and other technical observations under progressively and more and more exacting conditions, maneuvers and weather, up to and including conditions approaching the most severe to be anticipated. Such period of test should not be curtailed or hurried. It is of vital and fundamental importance. It will furthermore give opportunity for the development and correction of many matters, important or otherwise, which may always be expected when a new design first takes the air.

6. When delivered for service, operation by a personnel thoroughly trained and experienced in the handling of airships and in the light of the most complete meteorological information available, analyzed for the guidance of the command by an experienced aerologist trained in the more recent advances in meteorological science.

Of these various conditions it seems proper to note at this point that for the designs of the *Akron* and *Macon* Nos. 1, 2, 3, and 4 seem to have been met within the measure of the information available at the time when these designs were developed. While there have been differences among experts in airship design regarding the relative value of certain general types of structure, especially as to certain features of what may be called English design and German Zeppelin design, the adoption of the general type of Zeppelin structure seems to have been justified on the ground of successful experience. And with the adoption of this general type of design the requirements of conditions (1) to (4), as based on the information available at that time and the methods of design then current, seem to have been consistently undertaken.

The history of the trial runs, however, shows that condition (5) was not adequately met.

Regarding operation as referred to in condition (6) we express no present opinion, especially in the sense of indicating responsibility for the loss of either the *Shenandoah*, the *Akron*, or the *Macon*. Furthermore, in the cases of these ships the question of operation as a factor involving personal responsibility for their loss has already been passed on by official naval boards of inquiry, and a review of the findings of those various boards is no part of the specified duty of this committee.

IMPROVEMENTS IN CONDITIONS FOR AIRSHIP DESIGN SINCE 1928

Regarding airship design and construction at the present time or in the immediate future as compared with the situation in 1928, when the designs of the *Akron* and *Macon* were developed, improvement in these various conditions may be noted as follows:

Condition 1. There is a large amount of actual experience available at the present time not available at the earlier period. This includes:

(a) Actual flying experience with the *Akron* and *Macon* for 3,257 hours of time and over 160,000 miles of distance, together with the special studies relating to the conditions surrounding the loss of these two ships.

(b) The experience of the *Graf Zeppelin* in demonstration flights around the world and in commercial flights during the past 6 years aggregating some 11,868 hours of flying and covering some 736,289 miles of distance. Through the kindness of Captain Eckener and his governing board in permitting both officers of the Navy and American engineers in civil life to participate in the trips of this ship in regular flights between Europe and South America, the salient features of this long and successful period of airship operation are at the disposal of American designers in connection with the development of new designs.

Condition 2. In recent years there have been developed certain advances and refinements in the theoretical treatment of the mechanics of structures such as airships, all of which will aid in obtaining enlarged assurance of the desired and contemplated relation between the loads assumed and the strength of the structure provided to carry such loads.

Condition (3). The importance of aerodynamic loads and of due allowance for their effect on the structure has received continued and careful study over the period since the preparation of the *Akron-Macon* design and there has been a continued accumulation of information which, we believe, will serve as a more adequate basis for the estimate of such loads than was possible in 1928. In addition, this committee has now under investigation certain phases of this general problem, especially as regards the aerodynamic load on fins and its distribution, together with studies on the structure of gusts and their influence on airship structures as a whole or locally. We have also in mind recommendations for further studies on this particular subject, all of which should aid in making practicable a more adequate estimate of the loads to be provided for, due to various combinations of aerodynamic conditions.

Likewise, in meteorology, since the period of the design of the *Akron* and *Macon*, there have been great, even revolutionary, changes in the technique of accurate forecasting. It may be assumed that there will always be a possible hazard for airships, or for any aircraft, in extreme weather conditions; but with these more recent advances in the science of meteorology and with the enlarged information now available from more numerous sources and points of observation, it would seem that there should be no serious difficulty in avoiding such extreme hazards. Here, again, the 6 years' experience of the *Graf Zeppelin* seems to furnish proper grounds for this general conclusion.

On the whole, therefore, and with special reference to airships of the larger sizes, we believe that it is practicable to design, construct, and operate such airships with a reasonable assurance of safety and with a presumptive life which should serve to permit of a demonstration of their capacity for useful service, whether commercial or military (naval).

RECOMMENDATIONS AS TO FUTURE CONSTRUCTION

It has been already pointed out that the experience with large airships in the United States has not as yet been sufficient to give ground for a wholly settled opinion as to the character and extent of their potential usefulness, either commercial or naval.

In view, therefore, of our expressed opinion as to the practicability of the design, construction, and operation of such airships with a reasonable margin of safety and with the presumption of capacity for useful service, it is the unanimous opinion of this committee that the best interests of the services in which airships give promise of useful and effective service, both commercial and naval, require a continuing program of construction and use.

And in pursuance of this opinion it is our recommendation that the Navy Department should continue with a positive, carefully considered program of airship construction, including nonrigids and rigid ships of small or moderate size as service requirements might indicate, and extending to a ship or ships of large size, to the point, at least for the latter, of furnishing ground for definite conclusions regarding the capacity for useful naval service of constructions of this character.

We further recommend most strongly that the first large airship built under such a program should, at least for a time, be considered not an adjunct to the fleet but, rather, a flying laboratory or flying training ship, not only for extensive technical observations of the structure under operating conditions but also for enlarging our knowledge regarding the best conditions of service for such vessels and, as well, for giving opportunity for the training of officers and crew in the technique of handling airships under all conditions of weather and service.

In a subsequent report or reports we shall, with suitable recommendations and supporting documents, present in some detail material more fully and directly responsive to the technical phases of your letter of instructions.

Respectfully submitted.

A. V. DE FOREST.
WILLIAM HOVGAARD.
FRANK B. JEWETT.
TH. V. KARMAN.
CHARLES F. KETTERING.
R. A. MILLIKAN.
STEPHEN TIMOSHENKO.
W. F. DURAND, *Chairman*.

LOW-COST HOUSING

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on low-cost housing.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BEITER. Mr. Speaker, less than a year ago the senior Senator from New York [Hon. ROBERT WAGNER] introduced a bill in the Senate—S. 2392—in an effort to meet the housing situation in the United States. Its title told the story. It was a bill "to promote the public health, safety, and welfare by providing for the elimination of insanitary and dangerous housing conditions, to relieve congested areas, to aid in the construction and supervision of low rental dwelling accommodations, and to further national industrial recovery through the employment of labor and materials."

With the consent of the Senator, I introduced the same bill in the House on January 20, 1936, H. R. 10386.

I believe it will be agreed by many Members of this House that social ills and moral dangers are brought about through neglect in providing wholesome and proper housing for families of moderate income.

Our Government has been and will continue to be compelled to pay in impaired vitality and health of a large part of its people for its failure to recognize the seriousness of this situation.

Delay and inaction have less excuse now than ever before. H. R. 10386 has been devised for dealing with this basic and all-important problem, which is rational, economically sound, and thoroughly American. Clean American life requires good homes, decent living and working conditions, and adequate space for play. Efforts to meet the situation are of two main types, restrictive and constructive. Of the former type is the unevenly distributed system of regulatory laws and ordinances which set up minimum standards of light, air, sanitation, and safety by an exercise of the police power in the interest of health, morals, and general welfare. Under the second heading are classed employers' housing and the housing erected by limited dividend companies, insofar as they produced better housing at cheaper cost than private business enterprise.

It should be clearly understood, however, that restrictive housing legislation involves an expansion of the functions of government, limiting the right of the individual to do as he likes with his property at the point where the community believes the health, morals, or safety of others are liable to be endangered. Such regulations are always resented and fought by owners of insanitary and dilapidated old houses and by those builders and real-estate developers who want to overcrowd the land with shoddy buildings in the future.

In studying means of advancing the President's forward-looking policies of rehabilitating our Nation, the problem of providing adequate homes and living conditions for America's lower-income earners presented itself prominently. His recognition of the great social evil of the slum gives us cause to hope that the program now directed toward its abolition may be continued and enlarged until the sought-for goal is attained.

Innumerable records made by the cities themselves, the researchers of P. W. A.'s own Housing Division, and surveys of the United States Department of Commerce, all show that the maintenance of slum areas costs from 3 to 10 times the aggregate of their tax contributions.

When it comes to slums, we are financing annually a terrible deficit. Here is a perennial unbalanced budget that does not give the Liberty League and the United States Chamber of Commerce or the Wall Street bankers the slightest concern. Literally, we are subsidizing the most shameful phase of our civic life. As long as the need for parks and playgrounds and hospitalization is recognized there is also need to recognize good housing for those of small incomes. We have been using millions of dollars of public money annually for many years to pay the cost of slums, to perpetuate our lowest income group in worse than medieval squalor. Here, in very truth, is a sordid investment of the taxpayers' money in vice and crime and disease. As the philosopher said:

When millions of people are still living in hunger, pain, degredation, and slavery, all work which has not for its purpose, direct or indirect, the alleviation of human suffering is either useless, futile, or criminal.

"Disaster spreads death in forgotten slum-clearance area" was the headline of a first-page story in a leading Buffalo paper January 2, 1936.

Five persons lost their lives, and six others miraculously escaped death—

Continues the gruesome story. Victims trapped under crumbling ruins of building in LeCouteuleux Street.

The explosion crumpled the 40-year-old building with a crash that rocked the entire downtown area. It dragged down into the ruins two women, a man, and four children. Some of the oldest buildings in the city are located there. Many were built in the 1830's. After the district saw the peak of its prosperity around the time of the Civil War, the area had a reputation carried around the world by sailors as one of the "toughest places in the United States, equaling the Barbary Coast for crime of all kinds."

This building and this area are typical, whether in Buffalo, Chicago, New York City, or San Francisco. Some of the cheapest and most undesirable places house from 1 to 50 families and provide little wooden cubicles about 7 feet by 10. A floor formerly used for business or manufacturing, with windows at the front and rear, is divided off into as many of these little cubbyholes as space will permit. Only a few have direct light and ventilation from the outside. Bathing facilities are poor and scant. Some houses have a water supply inside, the others have only a yard hydrant which compels families to carry in buckets the water supply for cooking, scrubbing, bathing. Many outside brick walls are cracked and in need of painting; some chimneys seem ready to topple; many rooms need artificial light all day; and the narrow passages of cobbled streets, the dead-end streets, and the courts have little light at night. Overcrowding is prevalent, and there are many instances of a whole family in one room.

There are still 10,000 privies in Philadelphia, and many of the courts have open gutters for surface drainage. The tuberculosis death rate in the congested Negro sections is from three to five times as high as that of the city as a whole.

In Cincinnati there are about 12,000 tenement houses, and a survey discloses that of the buildings visited 70 percent of the rooms are dark, 3.7 percent are damp, and that there were but 80 bath tubs in 1,706 apartments.

New York City has had a housing and health problem from the earliest days. The city was originally built up with one-family dwellings. When a neighborhood lost social standing, property was neglected, and many families moved into a house intended for one, living there in filth and squalor without sanitary convenience. The early tenements were mere barracks. Water supply and toilets were in the yards. Dark rooms were numerous.

The number of interior rooms in old houses, without windows to the outer air, is incredible to those who have not studied the subject. New York has over 350,000 such rooms. Boston has them, San Francisco, New Orleans—every big city. But so have many of the small ones, and they are not unknown in the open country. And then there are millions of rooms, only a little better, whose windows look out on dark, narrow courts and passageways, sometimes mere cracks between two walls.

Darkness develops rickets in children and helps the spread of tuberculosis from every open lesion case. Almost all tenement babies have rickets to a greater or lesser degree. Dark rooms, moreover, are not kept as clean as light rooms, because the dirt does not show.

This is a favorable opportunity to push H. R. 10386 for the following reasons:

First. Every dwelling built saves something like $400 which must otherwise be wasted in keeping in idleness the labor which the building of the dwelling would directly or indirectly employ.

Second. Materials are plentiful and cheap and are mainly produced at home.

Third. Building prices are favorable.

Fourth. Money is so plentiful, so idle in the banks, that hundreds of millions are available for Government use at from 1 to 3½ percent.

Fifth. The building of houses that are needed creates a valuable capital asset capable of earning a revenue for 50 or 75 years. There are few forms of wealth from which the return is more steady or more secure.

Sixth. There are not many forms of large-scale expenditures which have so little effect in disturbing the balance of trade or the rates of exchange.

Seventh. There are few channels through which purchasing power can be so widely and safely distributed, or through which a more healthy stimulus to home industry can be given; while every dollar so spent or distributed produces equivalent and permanent value.

Eighth. And, last but not least, the price of the slums represents a constant drain upon the community in terms of ill health, crime ,juvenile delinquency, and relief. Slums never yet have been a profitable investment for any city. They return little to the municipality at the tax window; they exact much of the public revenue for police and fire protection, health service, charity, and the upkeep of jails and penitentiaries.

The problem has been long neglected, but it is not insoluble.

I believe above others that there has been a divided responsibility—a responsibility divided as between the local authorities and the Government.

By such means as outlined in H. R. 10386 we concentrate that responsibility, because the Government itself accepts that responsibility for undertaking to see the thing through.

Mr. Speaker, there is an urgent need for action, and I trust my colleagues will join with me in urging the committees to report the bill. If the Members will act now, even though the way is long and the going tedious, the millions of respectable American families that now lack even a minimum of decent shelter will be given modern, healthful, comfortable, and efficient dwelling units at low rentals.

THE NATIONAL DEFENSE

Mr. HIGGINS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address by my colleague the gentleman from Massachusetts [Mr. MCCORMACK].

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HIGGINS of Massachusetts. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address by Representative JOHN W. MCCORMACK, Democrat, of Massachusetts, over the Columbia Broadcasting System, Friday, January 17, 1936, at 4 p. m.:

The Constitution of the United States, the fundamental law of the land, guarantees to each and every one certain rights which Government itself cannot impair or destroy. It is the greatest document relating to a government ever devised in the history of mankind. In that immortal document will be found the efforts of many generations of bygone days to obtain recognition of human rights and to establish safeguards for the preservation of these rights. Under our form of government the people, the supreme or sovereign power, speaking through the Constitution, established a democratic form of government operating through the representative system and setting forth the great human rights that past generations so courageously fought to obtain.

A democracy is a government by the people as distinguished from a dictatorship, which is a government of one person invested with the absolute powers of government; or an oligarchy, a government in which the supreme power is in the hands of a few. Under all forms of government other than a democracy the people have no inherent rights; they are political slaves, having no voice in the conduct of government except what he or they in control of government permit by sufferance. What rights exist are simply at the will of the supreme power. In a democracy the opposite is true. Our rights are set forth in the Constitution, with safeguards to protect them. Legislative bodies possess no power to limit or abridge such rights except by the will of the people, as provided in the Constitution.

The value of our form of government and the necessity of detecting its enemies is best evidenced by what is happening in other countries of the world where dictatorships or class governments exist. I particularly refer to Soviet Russia, the form of government which an un-American movement seeks to establish in the United States, under which the individual possesses no natural rights and where even the great principle of freedom or religious conscience has been destroyed.

In the United States we possess by constitutional guarantee the right of freedom of speech and the press, of the right of a trial by jury, of the right of ownership of our property and which cannot be taken away from us except by due process of the law, of protection of the sanctity of the home and family life, of freedom of a religious conscience and of the free exercise thereof, and of other great human rights necessary for the "life, liberty, and the pursuit of happiness" of a people. Under dictatorships, or class governments, we find few, if any, of these rights existing, and where they do exist, it is only by sufferance, not as a matter of right, and simply because expediency permits or calls for their existence, and then only for such period as those in control of government desire.

In addition to our inherent right of a free religious conscience, we possess another right, one of the pillar stones of a democracy, which I have already mentioned, the right of free speech and of a free press. That does not mean that one can talk or write without any limitations. That does not mean that one can slander or libel another and if sued or indicted, claim that the Constitution permits unlimited utterances or writings. Slander is license, not the exercise, not the freedom of speech. Libel is also license, not freedom of the press. To take any other position would subject a person to any kind of a false and malicious attack, the deliberate attempt to destroy character and reputation without any means of legal protection. If such a condition existed, or was permitted to exist, no person would be safe, the ultimate result would be chaos. If legal means did not exist for the protection of a person against unfair or unwarranted attacks, one would be compelled, through necessity, to devise means of protecting himself.

While we possess this great right, it does not mean that unbridled utterances cannot be legislated against, and that the well-being of the decent, law-abiding person cannot be protected against utterances, oral or in writing, of those who would exercise this great right in a malicious and destructive manner. It does not mean that one can slander and libel another and then claim that he has a right to do so because of the constitutional provision of freedom of speech or of the press.

Freedom of speech and of the press, as guaranteed by the Constitution, also does not and should not mean that any organization or movement can advocate the overthrow of our Government by violence and force. We have in the United States, as a part of a world-wide revolutionary movement, such an organization, which has as its objective the overthrow of the Government of the United States by force and violence. This movement—communism—through the use of force and violence, has as its objective the establishment of a dictatorship of the so-called proletariat, along the same lines as the Soviet regime of Russia. It is a movement alien to our institutions. It is subversive to our form of government. It is the avowed enemy of every American ideal and tradition. And yet, those who are a part of such efforts, and their allies—and there are many giving them aid and comfort who profess to be Americans—claim that they have a right under our Constitution—freedom of speech and of the press—to advocate not only the destruction of this great right and all others contained in the Constitution, but government itself.

I do not recognize the right of any movement to claim constitutional protection in their efforts to obtain such an iniquitous and destructive objective. I recognize the right of any person, organization, or movement to advocate anything that they want, or any change in our Government, provided they do so within and not outside of the laws—provided they do so in the American way, through the ballot box. Our Constitution provides for an orderly manner of bringing about changes in either government or our fundamental law. While I may not agree with proposed changes, and as a citizen may oppose them, nevertheless, acting within the law, they are proceeding in a constitutional manner, in accordance with the great principle and right to which I have referred. When any movement goes beyond the Constitution and advocates force and violence to obtain their objective, whether this movement is communism, fascism, nazi-ism, or any other name, it is beyond the pale of constitutional protection and should be legislated against.

It is the duty of government to protect itself and its people against such utterances, particularly when they are a part of a deliberate movement to employ force and violence, either presently or ultimately. The people of the United States should demand that their Senators and Representatives in the Congress pass legislation which will make such utterances, spoken or written, knowingly and willfully made, a crime. Such a bill is pending at the present time before the Congress. This bill was recommended to the Congress by the Committee on un-American Activities, of which I was chairman, as a result of our investigations of last year. This bill was reported favorably out of the House Committee on the Judiciary, and at present is on a House calendar awaiting the consideration of the House. It provides that "any person who knowingly and willfully advocates the overthrow of our Government by force and violence shall be guilty of a crime; and if guilty, shall be punished by a fine of not more than $5,000 or by imprisonment for not more than 5 years, or both."

Such legislation is proper and necessary. It is aimed at those who advocate overthrow of government by force and violence. It presents clearly the line of distinction between freedom of speech and of the press, and uncontrolled and destructive license. Why should we permit such conditions to exist without the enactment of legislation to meet the same? Members of such a movement are enemies of our form of government. They admitted before my committee their objectives and that they would employ any and all means, legal or illegal, to accomplish the same. It is not a question of whether this movement can be successful in this country, which it cannot; but should we permit them to continue such illegal and contemptible attempts, by force and violence, to disturb the peace of our people, and to try and impose upon us in an unconstitutional manner the government of Soviet Russia, with its destruction of human rights and liberties?

This bill will also apply to any other movement, no matter what its name may be, which attempts to overthrow government, not in the manner provided for by the Constitution, but by force and violence. Under existing law they cannot be prosecuted. Our existing Federal laws provide prosecution only when a conspiracy exists, which means that it must be proved that two or more persons conspired, and some act is performed in furtherance of the conspiracy. Because of the difficulty of proving a conspiracy, the present law is inoperative and dead.

The special committee also recommended another bill making it a crime for any person who "with the intent to incite disaffection advises, counsels, or solicits any member of the Army and Navy to disobey the law and regulations governing the Army and Navy." This bill is aimed at those who try to incite disobedience just the same as the present law making it a crime for anyone to incite desertion is aimed at those who want to destroy the effectiveness of our national defense. This bill also was reported out of committee, and is pending on the House Calendar. Both bills, in no way affecting the great principle of free speech and a free press, are aimed at the enemies of our Government. Both bills are aimed at the abuse of license. They should both receive the support of all persons who, like myself, love our institutions of Government and who are determined that proper legislation, the purpose of which is to meet the attacks of such enemies, shall be enacted into law. The argument of free speech being involved is a fallacious one, the purpose of which is to mislead and deceive. There is no involvement of free speech, no more than there would be in the constitutional right of a free religious conscience if some group claimed that they had the right, as a part of their religious ceremonies, to offer up human sacrifice or as a part of their religious beliefs to marry as often as they desired. No one with common sense would accept the argument that under the Constitution they had a right to do either of these things, and that no law could be passed against them, as otherwise it would be an attack on the constitutional right of a free religious conscience.

I want to convey a warning and, at the same time, a suggestion to you. Be careful of joining organizations with appealing sounding names and with professed idealistic objectives. Investigate them before joining. One of the methods used by the Communists, and their radical and ultraliberal allies, is to form such an organization with the objective, if sincere, that many are in sympathy with, but which in fact is either a Communist organization or controlled or influenced by them. Hundreds of thousands of fine Americans, in good faith, have joined such organizations without realization of their real purpose. The reason for this warning and suggestion is obvious.

The constitutional guaranty of freedom of speech and of the press is the right of a person to advocate anything that he wants to, provided he does not slander or libel another, and that he does so within the law. It does not permit of the intentional and deliberate advocacy and attempt of the ultimate overthrow of our Government by force and violence. It is about time that this movement, whose hatred of our institutions is admitted and who are doing everything that they can to attain their objective, be made to realize that an aroused American public opinion is going to demand the passage of legislation that will make such illegal and unconstitutional attempts a crime.

EXTENSION OF REMARKS

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made in the Committee of the Whole this afternoon and to insert some excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

BILL TO PAY THE ADJUSTED-SERVICE CERTIFICATES (SO-CALLED BONUS)

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. PATMAN. Mr. Speaker, today, January 27, 1936, the Senate of the United States, by a vote of 76 for to 19 against, overrode a Presidential veto of a bill providing for the payment in full now in cash of the adjusted-service certificates held by World War veterans. This has caused the bill to be the law of the land, notwithstanding a Presidential veto, the House of Representatives having overridden a Presidential veto January 24, 1936, by a vote of 325 to 61. This ends a 7-year fight that commenced May 28, 1929.

FULL FACE VALUE TO BE PAID

The bill not only pays in full the face value of the certificates but the bonds, which are to be delivered to the veterans, upon which 3-percent interest will be paid, will be encouragement to the veterans to keep their investment just as long as possible. The average age of the veteran is 43½ years. I believe that they will discreetly dispose of this asset. I believe that very little of it will be wasted. The payment of this debt will not only help the veteran but will help everyone throughout the entire country. It is a great relief to me to know that the 7-year fight has ended victoriously.

STEERING COMMITTEE

Too much cannot be said by me in appreciation of the good steering committee that has at all times assisted in effectively carrying on this fight. The steering committee is composed of the following members:

Abe Murdock, Utah, secretary; Adolph J. Sabath, Illinois; James G. Scrugham, Nevada; Arthur H. Greenwood, Indiana; William M. Colmer, Mississippi; Jennings Randolph, West Virginia; Clarence Cannon, Missouri; William P. Connery, Jr., Massachusetts; William M. Berlin, Pennsylvania; Frank Hancock, North Carolina; Jed Johnson, Oklahoma; James P. Richards, South Carolina; Gerald J. Boileau, Wisconsin; Andrew J. May, Kentucky; Fred H. Hildebrandt, South Dakota; Martin F. Smith, Washington; Martin Dies, Texas; John E. Miller, Arkansas; George A. Dondero, Michigan; Paul J. Kvale, Minnesota; Roy E. Ayers, Montana; and myself.

CONGRESSMEN VINSON AND M'CORMACK

It has also been a pleasure to me to work with my good friends, Congressmen VINSON of Kentucky and MCCORMACK of Massachusetts in the sponsorship of this measure, which is known as the Vinson-Patman-McCormack bill. Space will not permit the mentioning of all the names of the many people in Congress and out of Congress and all over this Nation who are entitled to be commended for their efforts in behalf of this legislation. The three major World War veterans' organizations, the American Legion, Veterans of Foreign Wars, and the Disabled American Veterans, are to be commended for their effective shoulder-to-shoulder work.

BOOKLET TO GIVE CREDIT

In the near future I expect to prepare a booklet which will give the history of this proposal from the time the first bill was introduced, May 28, 1929, to date. In this booklet, the name of every person and organization will be mentioned that I know of who has made a contribution to this cause. The road has been very rough, discouragements many. It was only through perseverance, patience, and being armed with a just and honest cause that has permitted us to be successful.

SYNOPSIS OF THE BILL

It has been our contention that the veterans should be paid the amount due them as of the time they rendered the service with a reasonable rate of interest since that time; that if the certificates are dated back to the time they rendered the service and a reasonable rate of interest is allowed, that each veteran was entitled to an amount equivalent to the full face value of his certificate October 1, 1931. The bill that has become a law has vindicated our fight in that it recognizes that each veteran was entitled to the full amount October 1, 1931, notwithstanding that the certificates are payable January 1, 1945. Therefore, no interest is charged on loans after October 1, 1931.

A veteran who is entitled to $445 will receive $45 in cash, or a check from the Government, and the $400 in $50 nontransferable, nonassignable bonds, which will be interest bearing from June 15, 1936, which may be cashed at any post office or other places designated by the Secretary of the Treasury. This money which a veteran will receive will not be subject to attachment, levy, or seizure under any legal or equitable process, and shall be payable only to the veteran.

Veterans who have not received adjusted-service certificates may apply for them now or at any time before January 3, 1940, and immediately exchange the certificates for bonds in compliance with this act.

No charge will be made against the veteran for any interest on loans after October 1, 1931.

FORM OF APPLICATION TO BE USED

Each veteran will be required to execute adjusted-compensation form no. 1701, published today as follows:

Caution: If a loan has been obtained from the Veterans' Administration and not repaid, the application must be forwarded to the office which made the loan. Failure to obey this instruction will cause delay in settlement. Do not write regarding application. All applications will be handled in order of receipt. If you do write for any purpose other than to notify of change of address, you will only delay action in your case. Filing application or calling in person will not expedite settlement.

APPLICATION

(Application may be filed at any time prior to maturity of certificate)

READ INSTRUCTIONS ON REVERSE OF APPLICATION

_____

(Location of station making settlement. Not to be filled in by applicant)

PENALTY FOR MAKING FALSE OR FRAUDULENT STATEMENT IN APPLICATION

"Whoever knowingly makes any false or fraudulent statement of a material fact in any application, certificate, or document made under the provisions of this act, shall, upon conviction thereof, be fined not more than $1,000 or imprisoned for not more than 5 years, or both."

I hereby make application to the Administrator for the settlement of any amount due and payable to me on adjusted-service certificate no. _____, dated _____; amount, $_____, further identified by No. A _____, which was issued to _____

(Type or print first, middle, and last names of veteran)

based upon military or naval service during the World War, who was born at _____

(Place of birth of veteran)

_____ on _____

(Date of birth of veteran)

and who may be further identified by Army, Navy, or Marine Corps Serial No. _____, date of enlistment _____, date of discharge _____, and rank and organization at date of discharge _____.

I hereby surrender all right, title, and interest in the above-described adjusted-service certificate.

(Sign here) _____

(Signature of veteran)

Please print or typewrite address of veteran here. (This is address to which settlement will be sent.)

_____

(Street address or route number)

_____

(City or town and State)

Fingerprints of right hand of veteran: Imprint of four fingers taken at same time in presence of person identifying.

CERTIFICATE OF IDENTIFICATION

(NOTE.—Certificate should be executed by some authorized person as set forth in item 6 on reverse side of application.)

STATE OF _____,

Date _____, 19__

County of _____, *ss:*

I, _____, do hereby certify that I am

(Name of person certifying)

_____ and that the person applying for

(Title of office or position)

settlement, evidenced by the above application, is known to be the veteran named and referred to therein and that the signature and fingerprints thereon are his and were made in my presence.

_____

(If the person certifying is a notary, the above certificate must bear the notarial seal; if a postmaster, an impression of the cancelation stamp of the postal station should be made on the above certificate.)

Veterans' Administration
Adjusted Compensation Form 1701
January 1936

INFORMATION CONCERNING SETTLEMENT OF ADJUSTED-SERVICE CERTIFICATE

1. If no loan is outstanding against the adjusted-service certificate it should be forwarded with the application to the regional office or Veterans' Administration facility conducting regional-office activities nearest the applicant's home. Facilities at which regional-office activities are not conducted are not authorized to make these settlements.

2. If a loan was obtained from a bank, but has not been redeemed by the Veterans' Administration, the application will be executed and forwarded to the Veterans' Administration, Arlington Building, Washington, D. C.

3. If a veteran obtained a loan from the Veterans' Administration he was furnished a pink slip (form 1184–c). The same would be true if a loan was obtained from a bank and redeemed by the Veterans' Administration, except that the form would be numbered 1186–a. In such a case if either form is in the possession of the veteran it should be attached securely to the application when submitted.

4. The name and address to which you desire the proceeds of your certificate mailed should be printed or typed in the space provided therefor on the face of this application to avoid any mistake in name or address. The Post Office Department will not accept mail unless addressed to an individual at an established post-office address. Therefore, in giving the post office to which settlement is to be mailed, care should be exercised to give the name of place or post office correctly.

5. It is important that the information required in the application be furnished in order to insure positive identification.

6. Identification: Before settlement is made on an adjusted-service certificate the person applying therefor will be identified as the person entitled to the settlement for which an application is made. If made in the United States or possessions, certification will be accepted if made by a United States postmaster or assistant postmaster over an impression of the post-office cancelation stamp; a commissioned officer of the Regular Establishment of the Army, Navy, or Marine Corps; a member of the United States Senate or the House of Representatives; an officer, over his official title, of a post, chapter, or other comparable unit of an organization recognized under Veterans' Regulation No. 10, or an officer over his official title, of the State or National body of such organization, or any person who is legally authorized to administer oaths in a State, Territory, possession, District of Columbia, or in a Federal judicial district of the United States. If the identification is made in a foreign country, it will be certified by an American consul, a recognized representative of an American Embassy or Legation, or by a person authorized to administer oaths under the laws of the place where identification is made; provided there be attached to the certificate of such latter officer a proper certification by an accredited official of the State Department of the United States that such officer was authorized to administer oaths in the place where certification was made.

7. In the rectangle set-off on the left side of the application blank the applicant will make his (her) fingerprints. The fingerprint impression of the four fingers of the right hand are to be made all at the same time after the fingers have been inked with black printers' ink, or by using a stamp pad. If possible, use printers' ink. It is necessary that the ridges in the print be clear and distinct; otherwise the application will have to be returned to you for better fingerprint impressions. In case any or all of the fingers of right hand are gone, take impression of the fingers of the left hand, stating under the fingerprints that it is the left hand instead of the right. In the case of veterans who are mentally incapacitated and application is being executed by a representative of the veteran, the veteran's fingerprints will be obtained if possible. If this cannot be done, as also in the case of an individual whose fingers are all missing, make a statement to that effect in the space provided for the fingerprints.

8. After making out your application, go back over it and check each item so as to be sure you have omitted nothing and that each item is properly filled out. It will be especially noted that the application must be signed and fingerprints made in the presence of the person certifying as to the identity of the veteran.

The above forms will be made available to all veterans. The bonds are expected to be delivered to the veterans before June 15, together with a check for the fractional part of $50.

AMOUNT VETERANS IN EACH COUNTY WILL RECEIVE

January 9, 1936, pages 209 to 214 in the CONGRESSIONAL RECORD, there is listed the amount of money that the veterans in each county in the United States will receive by reason of the enactment of this bill. The calculations were based upon the fact that no interest would be charged veterans after October 1, 1931. Since that provision is in the law that was enacted today, the figures placed in the RECORD on January 9 are up to date.

COPY OF LAW

I am inserting herewith a copy of the law as it was enacted:

[H. R. 9870]

Be it enacted, etc., That notwithstanding the provisions of the World War Adjusted Compensation Act, as amended (U. S. C., 1934 edition, title 38, ch. 11), the adjusted-service certificates issued under the authority of such act are hereby declared to be immediately payable. Payments on account of such certificates shall be made in the manner hereinafter provided upon application therefor to the Administrator of Veterans' Affairs, under such rules and regulations as he may prescribe, and upon surrender of the certificates and all rights thereunder (with or without the consent of the beneficiaries thereof). The payment in each case shall be in an amount equal to the face value of the certificate, except that if, at the time of application for payment under this act, the principal and unpaid interest accrued prior to October 1, 1931, with respect to any loan upon any such certificate has not been paid in full by the veteran (whether or not the loan has matured), then the Administrator shall (1) pay or discharge such unpaid principal and interest as is necessary to make the certificate available for payment under this act, (2) deduct such unpaid principal and so much of such unpaid interest as accrued prior to October 1, 1931, from the amount of the face value of the certificate, and (3) certify to the Secretary of the Treasury as payable an amount equal to the difference between the face value of the certificate and the amount so deducted.

SEC. 2. In the case of each loan heretofore made pursuant to law by the Administrator of Veterans' Affairs and/or by any national bank, or any bank or trust company incorporated under the laws of any State, Territory, possession, or the District of Columbia, upon the security of an adjusted-service certificate, any interest unpaid accrued subsequent to September 30, 1931, that has been or, in consequence of existing law, would be charged against the face value of such certificate shall be canceled insofar as the veteran is concerned, notwithstanding any provision of law to the contrary. Any interest on any such loan payable to any such bank or trust company shall be paid by the Administrator of Veterans' Affairs.

In the case of any such loan which is unpaid and held by a bank or trust company at the time of filing an application under this act, the bank or trust company holding the note and certificate shall, upon notice from the Administrator of Veterans' Affairs, present them to the Administrator for payment to the bank or trust company in full satisfaction of its claim for the amount of unpaid principal and unpaid interest, except that if the bank or trust company, after such notice, fails to present the certificate and note to the Administrator within 15 days after the mailing of the notice, such interest shall be paid only up to the fifteenth day after the mailing of such notice.

SEC. 3. (a) An application under this act for payment of a certificate may be made and filed at any time before the maturity of the certificate (1) personally by the veteran, or (2) in case physical or mental incapacity prevents the making or filing of a personal application, then by such representative of the veteran and in such manner as may be by regulations prescribed. An application made by a person other than a representative authorized by such regulations shall be held void.

(b) If the veteran dies after the application is made and before it is filed it may be filed by any person. If the veteran dies after the application is made it shall be valid if the Administrator of Veterans' Affairs finds that it bears the bona-fide signature of the applicant, discloses an intention to claim the benefits of this act, and is filed before payment is made to the beneficiary. If the death occurs after the application is filed but before the receipt of the payment under this act, or if the application is filed after the death occurs but before mailing of the check in payment to the beneficiary under section 501 of the World War Adjusted Compensation Act, as amended, payment under this act shall be made to the estate of the veteran irrespective of any beneficiary designation. If the veteran dies without making a valid application under this act no payment under this act shall be made. If the veteran dies on or after the passage of this act without having filed an application under section 1, in making any settlement there shall be deducted on account of any loan made on an adjusted-service certificate only interest accruing prior to October 1, 1931.

(c) Where the records of the Veterans' Administration show that an application, disclosing an intention to claim the benefits of this act, has been filed and the application cannot be found, such application shall be presumed, in the absence of affirmative evidence to the contrary, to have been valid when originally filed.

(d) If at the time this act takes effect a veteran entitled to receive an adjusted-service certificate has not made application therefor he shall be entitled, upon application made under section 302 of the World War Adjusted Compensation Act, as amended, to receive, at his option, under such rules and regulations as the Administrator may prescribe, either the certificate under section 501 of such act, as amended, or payment under this act.

SEC. 4. The amount certified pursuant to section 1 of this act shall be paid to the veteran or his estate on or after June 15, 1936, by the Secretary of the Treasury by the issuance of bonds of the United States, registered in the name of the veteran only, in denominations of $50 having a total face value up to the highest multiple of $50 in the amount certified as due the veteran, and the difference between the amount certified as due the veteran and the face amount of the bonds so issued shall be paid to the veteran or his estate by the Secretary of the Treasury out of the fund created by section 505 of the World War Adjusted Compensation Act, as amended. The bonds shall be dated June 15, 1936, and shall mature on June 15, 1945, but shall be redeemable at the option of the veteran or his estate at any time, at such places, including post offices, as the Secretary of the Treasury may designate. Such bonds shall be issued under the authority and subject to the provisions of the Second Liberty Bond Act, as amended, and shall not be transferable, assignable, subject to attachment, levy, or seizure under any legal or equitable process and shall be payable only to the veteran or, in case of death or incompetence of the veteran, to the representative of his estate. Interest on each bond issued hereunder shall accrue at the rate of 3 percent per annum from June 15, 1936, to date of maturity or payment of the principal of the bond, whichever is earlier, and will be paid with such principal: *Provided further*, That no interest will be paid on any bond redeemed prior to June 15, 1937. The provisions of this section shall be carried out subject to regulations of the Secretary of the Treasury to be issued from time to time to effectuate the purposes of this act.

SEC. 5. The Secretary of the Treasury is authorized and directed to redeem from the United States Government life-insurance fund all adjusted-service certificates held by that fund on account of loans made thereon, and to pay to the United States Government life-insurance fund the amount of the outstanding liens against such certificates, including all interest due or accrued, together with such amounts as may be due under subdivision (m) of section 502 of the World War Adjusted Compensation Act, as amended. The Secretary of the Treasury is authorized and directed to make such payment by issuing, to the United States Government life-insurance fund, bonds of the United States which shall bear interest at the rate of 4½ percent per annum. No such bonds shall mature or be callable until the expiration of a period of at least 10 years from date of issue, except that any such bond shall be redeemed by the Secretary of the Treasury and the

principal and accrued interest thereon paid to the United States Government life-insurance fund at any time upon certification by the Administrator of Veterans' Affairs that the amount represented by such bond is required to meet current liabilities. Bonds issued for the purposes of this section shall be issued under the Second Liberty Bond Act, as amended, subject to the provisions of this section.

SEC. 6. The adjusted-service certificate fund is hereby made available for payments authorized by this act.

SEC. 7. Notwithstanding the provisions of Public Law No. 262, Seventy-fourth Congress, approved August 12, 1935, no deductions on account of any indebtedness of the veteran to the United States, except on account of any lien against the adjusted-service certificate authorized by law, shall be made from the adjusted-service credit or from any amounts due under the World War Adjusted Compensation Act, as amended, or this act.

SEC. 8. There is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

SEC. 9. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

SEC. 10. Whoever knowingly makes any false or fraudulent statement of a material fact in any application, certificate, or document made under the provisions of this act shall, upon conviction thereof, be fined not more than $1,000 or imprisoned not more than 5 years, or both.

SEC. 11. This act may be cited as the Adjusted Compensation Payment Act, 1936.

A BRIEF RÉSUMÉ OF THE NEW DEAL

Mr. MILLARD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. MILLARD. Mr. Speaker, the American electorate must make a momentous decision at the general election next November, and it is our duty as Republicans, who stand for a constitutional government, to bring forcefully to the voters of the country the seriousness of the national situation and the crisis facing us. Our own consciousness of this impending crisis makes it mandatory upon an educated citizenry to place before all of the people the issues of the coming campaign, and it will be well for us to sit down now together and reason out the problems. The coming campaign will not be one of personalities; it will be a clear-cut question of issues, the principal one being whether the American people are to rise to the heights of prosperity heretofore enjoyed under our constitutional form of government or whether they are to submit to a dictatorship under centralized government and the socialistic reforms advocated by the President since his election.

In his 1932 campaign for election President Roosevelt himself said that the measure of sincerity is in the things done and the things said. By what has been done, therefore, we accept the challenge and gage the accomplishments by his own yardstick, a standard whereby the American people can intelligently judge. Fortunately for the Republicans, if not for the country, the Democratic strength in the Congress gives the administration no alibi for its failures. The small Republican minority in Senate and House of Representatives has been unable to make its remonstrances felt, or even heard, and full responsibility, therefore, rests squarely upon the shoulders of the party in power. There can be no counter of lack of cooperation by the Congress. The broom was new and swept clean.

By his own yardstick, therefore, we can examine the President's promises, weigh them with past performances, and gage the outlook for the future. President Roosevelt was elected on a platform which pledged the American people "a sound currency to be preserved at all hazards." Yet it was the President himself who took us off the gold standard. Since that time the fear of an uncontrolled currency inflation has materially retarded the restoration of a sound condition of business.

Mr. Roosevelt, in his campaign pledge, promised a reduction in public expenditures. The Democratic Party platform called for an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance to accomplish a saving of not less than 25 percent in the cost of Federal Government. In this the President went further than his party platform by denouncing not only the then current level of Federal expenditures; he denounced the further borrowing of money and increasing deficits; denounced the creation of a Federal bureaucracy. This solemn covenant between the President and the American people has been completely repudiated. Examination of the way in which this promise has been kept would be enlightening to the taxpayer. The actual expenditures for 1934 and the estimates for 1935 and 1936 total $24,206,533,000; the appropriations during the first session of the Seventy-fourth Congress amounted to $10,250,000,000. Instead of the promised reduction we have extravagant waste; the establishment of countless commissions and bureaus to make positions for worthy Democrats and supporters of the President, chosen by Mr. Farley—100,000 of them, exclusive of those on relief, employees on public works, and with the Civilian Conservation Corps. An increase never before paralleled—though in his campaign Mr. Roosevelt assured the American people he regarded reduction in Federal spending as one of the most important issues and one of the most direct and effective contributions that the Government could make to business.

The Democratic platform pledged, I quote the exact words, the "maintenance of the national credit by a Federal budget annually balanced on the basis of accurate executive estimates within revenues, raised by a system of taxation on the principle of ability to pay." This plank in the platform appears to have been entirely overlooked. Without such a balanced budget we cannot hope for recovery, normal or otherwise. Yet I challenge the supporters of the administration's policies to point to one feeble effort to bring about such a balance.

Both the platform and the candidate in the 1932 contest denounced the policy of pegging the price of farm products, as practiced by the Federal Farm Board and branded as unsound the policy of restricting agricultural production to the demands of domestic markets. Yet the same party which denounced the policy as unsound lost no time in placing restrictions on the quantity of cotton raised. What happened? The cotton farmer reduced his crop, accepted his bonus, and planted his idle acres in tobacco. With the stimulated producton of tobacco, a restriction similar to that placed on cotton was imposed.

The cotton and tobacco farmers, consequently, were driven to raising peanuts which again resulted in overproduction and ultimate restriction. In natural sequence the cotton, tobacco, and peanut farmers turned to planting potatoes. Until the Supreme Court's declaration of the unconstitutionality of the Agricultural Adjustment Act there were 14 farm commodities under direct control by the Department of Agriculture with restricted production and under a heavy tax levy which was paid by the consumer. But for the Supreme Court there would have been no end to it. It would not have stopped with the farm. If the policy of restriction had been allowed to continue, we eventually would have faced Government control of all articles which compete with farm products. Notwithstanding President Roosevelt's denunciation of any increase in taxes on food and clothing before his election, the basis of the entire Agricultural Adjustment Act was a tax levy exclusively on food and clothing—the processing tax. Unless the policy of centralized control is abandoned, it will lead inevitably to more and more Federal control. The vicious circle ever widens.

In my opinion the whole A. A. A. experiment had to go the way of the N. I. R. A. when the Supreme Court ruled, but meanwhile the American people carried the burden of the processing taxes and the farmer yielded to a dictator in the person of the Secretary of Agriculture. This policy, though it has put money in the hands of the farmer, has by no means solved his problems.

Every activity of the New Deal has been a flagrant repudiation of the pledge to remove the Government from all fields of private enterprise. The Government, as every businessman knows, has been thrust into competition with private enterprise, another serious stumbling block to a return to normalcy from this depression. Business during this period has not only had to submit to a bureaucratic

control without precedent, it has had also to face active competition from its Government. The bill introduced in the last session proposing to eliminate public-utility holding companies is only the first step toward governmental ownership of all utilities. We already have the vast project in the Tennessee Valley proposing to bring cheaper light and power to the consumer at an ultimate cost to the taxpayer of approximately a billion dollars, and a probable result of wiping out the savings investment of millions of people. Mr. Norman Thomas speaks of the T. V. A. as "an excellent example of pure socialism." Whether the act creating the Tennessee Valley Authority is constitutional is now under consideration by the Supreme Court.

But what of other public utilities? Will the railroads come next? The centralized government toward which we are heading must include ownership and operation of all public utilities. Mr. Roosevelt in a message to the Congress urged that all forms of transportation be brought under the control of a Federal commission. We have an edifying example of Government control and operation of our railway system during the World War when our transportation facilities were grossly inefficient and wretchedly conducted. During the period of Government management, despite a generous increase in freight rates, the operating loss is estimated at a million dollars a day, and the total payments from the Treasury reached the staggering sum of one and three-quarter billions of dollars of the taxpayers' money. Are we to sit by and see a reenactment of this?

Let us turn for a moment from the promises of the Democratic platform upon which the people voted in 1932 and which the President, then a candidate for election, pledged himself to support. Let us examine, too, the platform of the Socialist Party, which polled less than 900,000 votes in the 1932 election. The Socialist platform advocated $5,000,000,000 for relief and a like amount for public works. These have been realized under the Roosevelt regime. The Socialist Party platform recommended the recognition of Soviet Russia. Russia has been recognized, but even those who strongly advocated this step are, I think, sorely disappointed that the anticipated volume of trade with the Soviet has not materialized.

The Socialist Party proposed to transfer principal industries, national resources, and public utilities to public ownership; we have now the Wheeler-Rayburn Act, the first step in this direction. Public employment agencies, which have become a reality, unemployment insurance, and old-age pensions as provided in the social-security law enacted at the last session of Congress; Government aid to farmers, accomplished through various legislative channels; increased income and inheritance taxes, effected by the share-the-wealth tax program; a change in the Constitution to relieve its burdensome restraint and abolition of the power of the Supreme Court, both of which have been strongly advocated by New Deal spokesmen. The Secretary of the Treasury has gone on public record as favoring ownership by the United States Treasury of the Federal Reserve banks and socialization of banking is certainly the target at which the new act is aimed. The Socialist platform also called for legislation providing the acquisition of land and equipment for the unemployed. The Agricultural Adjustment Act and the other laws relating to crop production and control substantially weakened the rights of landowners and gave the Federal Government the power to determine production quotas and fix prices.

Looking at the record of the last 3 years, we understand why the editor of the Socialist daily Forward declared President Roosevelt qualified to become a full-fledged member of the Socialist Party. We have Mr. Roosevelt's record of accomplishment, and we have his promise to support his own party platform "100 percent"; but we find him disregarding his own pledges and, instead, coercing a strongly Democratic Congress into the enactment of measures of pure socialism. He has faithfully fulfilled the promises, not of the Democratic platform, but of the Socialist Party. Is the President, a candidate for reelection, going to continue to carry water on both shoulders with the sanction of the American people? I do not think he is. If Mr. Roosevelt believed in the policies he has advocated at the time he was a candidate for office, he should have taken the American people into his confidence and told them so, and should have explained how he proposed to help their situation. He did not. Clever student of psychology that he is, he understood full well that, had he gone before the American people and pledged himself to the support of the platform of the Socialist Party, he could not have been elected.

EXTENSION OF REMARKS

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that all Members who spoke in Committee may have permission to extend their remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

CONSERVATION OF NATURAL RESOURCES

Mr. CARLSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a speech I made in St. Louis.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. CARLSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address, which was delivered by me at the annual meeting of the Mississippi Valley Association in St. Louis on November 25, 1935, in regard to conservation of our natural resources.

Mr. Chairman, members of the Mississippi Valley Association, and friends, it is a privilege to meet with you in your annual meeting. I have observed the activity of your organization, and, knowing personally a large number of its officers and members, I feel that you are rendering our Nation invaluable service in regard to flood control.

The Scriptures tell us that where there is no vision, people perish. Your organization has a vision and a program for flood control. It is only in recent years that we have observed the great waste of our natural resources through water run-off or erosion of our land. The time has arrived when our Nation must adopt a policy of conservation of its land and water resources. The breaking of the prairie sod, the destruction of our forests, the draining of natural water basins, and the construction of a highway system that encouraged a rapid run-off of our rainfall has brought about a scarcity of water in some sections and a superabundance of it in others. In reality, it is a problem of droughts and a problem of floods. Among the many hopeful plans that have been advanced lately is the one offered by the Mississippi Valley Committee of the Public Works Administration. In studying this great drainage basin the committee could observe the problem of the arid sections of the Plains States, the drainage problems of the Ohio River and its tributaries, and the flood menace of the alluvial valley of the Mississippi. Their report contains the following statements:

"Planning for the use and control of water is planning for most of the basic functions of the life of the Nation. We cannot plan for water unless we also consider the relevant problems of the land. We cannot plan for water and land unless we plan for the whole people. It is of little use to control rivers unless we also master the conditions which make for the security and freedom of human life. We are but tenants and transients upon the earth. Let us hand down our heritage not only unimpaired but enriched to those who come after us."

The Mississippi Valley Committee also suggests that "Federal participation should be freely entered into when national benefits are anticipated or national ills are to be averted."

I believe the time has arrived when our Nation should begin with the development of a program for flood control. This program, which will of necessity be a long-time program, should give consideration to every phase of water run-off. The entire Plains region is in need of measures which will bring relief from the more critical conditions caused by floods and droughts. The laws of man cannot remove the causes of flood and drought, but should be directed toward the protection of the people from the destructive effects of them. Throughout the length and breadth of this region natural water storage is nonexistent. It is because of that that the streams vary so greatly in their flow.

While undoubtedly some levees and channel straightening are needed for flood protection, particularly on the lower reaches of the streams, the great need is for the conservation and storage of water.

Kansas is already engaged in an intensive water storage program, the chief purpose of which is to make water available in localities where it is sorely needed in times of drought to make water available for stockmen who, during period of drought, have had to haul water for miles or dispose of their livestock; to provide water supplies for cities whose wells or streams fail in dry

periods; to create lakes for public parks and to raise the water table in many localities. About 3,000 ponds and lakes are now under construction or have been recently completed in our State.

It is my purpose to call attention to the needs of flood control in Kansas, and what I say in regard to Kansas is applicable to a large percent of the drainage area of the Mississippi River Basin. In fact, it would include all of the area of the Middle West that has an average annual rainfall of 30 inches or less. We must first have a thorough survey of the Mississippi River and its tributaries.

Despite the fact that a large portion of our State is listed as semiarid, we suffer severe flood losses practically every year in some section of our State. A typical example of this is the Kansas River. This stream system has a drainage area of 60,000 square miles, comprising the northern half of Kansas, the southern part of Nebraska, and a portion of eastern Colorado. It receives an average annual rainfall of 24 inches. The maximum recorded flow of this stream at its mouth was more than 200,000 cubic feet per second, a flood which caused the loss of 57 lives and property damage at Kansas City alone estimated at $22,000,000.

This year tributaries of the Kansas River, namely, the Republican, Solomon, Smoky Hill, and Blue Rivers suffered severe losses. The figures furnished by the United States engineers' office at Kansas City, after assembling all available information on flood volume, inform us that the flood on the Republican River was by far the greatest and most destructive flood on that stream in its history.

The United States engineers' office estimate a volume flow of 150,000 cubic feet per second near St. Francis in the northwest corner of our State, then this river flows into Nebraska and again enters Kansas in the north central part. As it crossed the Nebraska-Kansas line near Superior, Nebr., the engineers' office estimated the volume flow at 225,000 cubic feet per second. The height of volume flow was at Holbrook, Nebr., with an estimated flow of 285,000 cubic feet per second.

It is true that by the time the flood waters of the Republican River reached the Missouri River at Kansas City its volume was greatly spent and therefore the damage there was not great. Mr. George S. Knapp, of Topeka, Kans., our State water resources engineer, informs me that there is a reservoir site on the Republican River in Kansas below the Nebraska line which, had there been a dam constructed there, would have held the entire flood with 100,000 acre-feet to spare. The estimated capacity of this reservoir is 800,000 acre-feet and the estimated flood volume was about 700,000 acre-feet. I believe it is safe to assume that this reservoir can be constructed at a cost of less than $3,000,000 and that when you consider the flood protection, the supply of water for irrigation, the beneficial effects of this large body of water in a semiarid region and its value as a recreational area in this section, it would be a worth-while investment.

Col. R. C. Moore, in charge of the Missouri River division of the Corps of Engineers, informs me that surveys and preliminary reconnaissance has been made on eight reservoir sites on the Kansas River. These sites include Milford on the Republican River, Kanapolis on the Smoky Hill River, Wilson on the Saline River, Tuttle Creek on the Big Blue River, Onega on Vermillion Creek, Arrington on the Delaware River, Clinton on the Wakarusa River, and Jarbalo on Stranger Creek.

These reservoirs have a combined estimated capacity of about three and one-half million acre-feet. Further surveys are being made on these projects and every effort should be made to secure such additional funds as are needed for this work.

In southeastern Kansas the mean annual run-off is somewhat larger because of an increased rainfall within the drainage area of Osage, Neosho, and Verdigris Rivers. They are, however, subject to much greater differences between their high and low stages than the Kansas River. These three rivers during 1934 were almost dry, but during the past summer have flooded thousands of acres of land, reaching many homes and destroying crops of great value. The south-central and western portion of our State are drained by the Arkansas River, which flows across Oklahoma, emptying directly into the Mississippi River. Waters from this river add greatly to the volume of flow in the Mississippi and is at all times a flood menace. During the 1927 flood 560,000 acres of farm lands were flooded, some of it as often as five times. During this period known flood losses reached a total of $3,500,000, which figure took no account of loss of life, sickness as a result of flood, nor losses caused by suspension or interruption of business. The water leaving the State through the Arkansas and Missouri River contributed substantially to the floods during that period on the lower Mississippi.

The floods in Kansas this year took a heavy toll of human lives, they overflowed more than 1,000,000 acres of our best farm lands, and damages are estimated at approximately $11,000,000.

During the last session of Congress I enjoyed my work as a member of the Flood Control Committee, and it was a great privilege to work with the members from the alluvial basin of the Mississippi River. Theirs is a different problem than that of the tributaries, but despite this fact we were able to work together in submitting a bill to Congress known as H. R. 8455. This program is one of flood prevention rather than flood control. It calls for the construction of a large number of dams and flood-control reservoirs on tributary streams. The projects in this measure have been approved by the corps of Army engineers as the most meritorious of a great number of undertakings upon which studies and examinations have been made. These projects are of such character and scope that they will contribute to the general well-being and safety of the people in the localities where they are located and will be a part of a well-planned network of reservoirs which will greatly reduce the floods on the Mississippi River.

The construction of these and other reservoirs will withhold large bodies of water at its source. A number of these proposed reservoirs are located in Kansas, Oklahoma, Nebraska, and Colorado. The Corps of Army Engineers, through their chief, General Markham, is making further surveys on these streams with a view of locating other reservoir sites and determining their economic value and feasibility of construction. Our Government is fortunate in having placed the flood-control problem in the hands of General Markham and his efficient corps of engineers. Everyone who is familiar with their work has the greatest confidence in them.

The greatest need in Kansas at this time is the development of a comprehensive general plan of water development embracing the entire State. Without such a plan, development, whether for the use of water or control of floods, cannot proceed along those orderly and well-coordinated lines. A comprehensive plan is absolutely necessary to bring about effective control and the greatest use of this most important natural resource. The purpose of such a plan should be to lay the foundation for the systematic control and development of our streams in order that the greatest ultimate good may be obtained from them.

Despite our pond and lake program recently undertaken, study should be undertaken without delay, and followed with definite steps, to control and use these streams which in the past have left a long and tragic history of the effects of flood and drouth. Recent rains stress the fact that an abundance of these elements necessary to the life of mankind is provided us by nature, which must be conserved and often combated. We must do our utmost to make use of those extreme periods of rainfall when floods threaten us. These periods, properly controlled, will provide water for basins, lakes, and small ponds, and provide an abundance of moisture in the subsoil for the growth of crops and for the seepage to those great underground streams for our water supply.

Things God-given may be for our use or for our destruction. To gain the greatest good we must learn how to use them. We need to bend every effort toward conserving rainfall for such periods as 1932 to 1934. We must make long-time plans to help prevent such catastrophes as the loss of life during the recent flood on the Republican River. The Federal Government should construct reservoirs of a purely flood-control character to control flood waters for such as can be justified by the costs of the projects and the needs and necessities of the people.

While this paper deals largely with the water problems of Kansas, it portrays a situation which exists throughout the vast domain known as the Great Plains. On behalf of this region, which comprises the great surplus-producing States of this country, I will respectfully urge that the Mississippi Valley Association give more consideration to the conservation and storage of water on the headwater streams in connection with a broad Mississippi Valley water program.

MESSAGES FROM THE PRESIDENT OF THE UNITED STATES—INAUGURATION OF THE GOVERNMENT OF THE PHILIPPINES (H. DOC. NO. 400)

The SPEAKER laid before the House the following communication from the President of the United States, which was read and referred to the Committee on Insular Affairs and ordered to be printed:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, a compilation of documents relating to the inauguration of the Commonwealth of the Philippines, as provided in the Philippine Independence Act (Public, No. 127, 73d Cong.), approved March 24, 1934.

Inasmuch as it is believed that this compilation would be of great historical value and of general interest as a source of information, I concur in the recommendation of the Secretary of War that it be printed as a congressional document.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 27, 1936.*

SETTLEMENT OF SPECIAL CLAIMS

The SPEAKER laid before the House a further message from the President of the United States, which was read and referred to the Committee on Foreign Affairs:

To the Congress of the United States:

I commend to the favorable consideration of the Congress the enclosed report from the Secretary of State to the end that Public Law No. 30, Seventy-fourth Congress, be amended so as to increase from $90,000 to $180,000, the amount of the appropriation authorized for the work of the commission for the settlement of the special claims

comprehended within the terms of the convention between the United States of America and the United Mexican States concluded April 24, 1934.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 27, 1936.*

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 3328. An act to provide an official seal for the United States Veterans' Administration, and for other purposes.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 31 minutes p. m.) the House adjourned until tomorrow, Tuesday, January 28, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

626. A letter from the Secretary of the Treasury, transmitting a draft of a proposed bill for the relief of the Alaska Commercial Co.; to the Committee on Claims.

627. A letter from the Secretary of the Treasury, transmitting a draft of a proposed bill to permit the Coast Guard to participate in the annual rifle and pistol matches for which provision is made in the act of May 28, 1928 (45 Stat. 786, U. S. C., title 32, secs. 181a, 181b, 181c), on a par with the other armed services enumerated in that act; to the Committee on Military Affairs.

628. A letter from the Secretary of War, transmitting a draft of a bill for the relief of the leader of the Army Band; to the Committee on Military Affairs.

629. A communication from the President of the United States, transmitting a report from the Secretary of State to the end that Public Law No. 30, Seventy-fourth Congress, be amended; to the Committee on Foreign Affairs.

630. A communication from the President of the United States, transmitting a compilation of documents relating to the inauguration of the Government of the Philippines (H. Doc. No. 400); to the Committee on Insular Affairs and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. TAYLOR of Colorado: Committee on Appropriations. H. R. 10630. A bill making appropriations for the Department of the Interior for the fiscal year ending June 30, 1937, and for other purposes; without amendment (Rept. No. 1927). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 10626) granting an increase of pension to Minnie Halleran, and the same was referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. TAYLOR of Colorado: A bill (H. R. 10630) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1937, and for other purposes; to the Committee on Appropriations.

By Mr. CULKIN: A bill (H. R. 10631) to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Alexandria Bay, N. Y.; to the Committee on Interstate and Foreign Commerce.

By Mr. DALY: A bill (H. R. 10632) to amend the act entitled "An act to amend and consolidate the acts respecting copyright", approved March 4, 1909, as amended, and for other purposes; to the Committee on Patents.

By Mr. MARTIN of Colorado: A bill (H. R. 10633) to authorize the Bureau of Mines to conduct certain studies, investigations, and experiments with respect to subbituminous and lignite coal, and for other purposes; to the Committee on Mines and Mining.

By Mr. SABATH: A bill (H. R. 10634) to prevent excessive charges and loss of assets in connection with certain reorganizations, compositions, and extensions; to amend the Bankruptcy Act of July 1, 1898; to aid the district courts in the administration thereof; to authorize the Reconstruction Finance Corporation to make loans to finance certain reorganizations, compositions, and extensions; and for other purposes; to the Committee on the Judiciary.

By Mr. WITHROW: A bill (H. R. 10635) to provide that flags to drape caskets of veterans of any war be available at all post offices; to the Committee on the Post Office and Post Roads.

By Mr. VINSON of Georgia: A bill (H. R. 10636) to amend section 22 of the act approved March 4, 1925, entitled "An act providing for sundry matters affecting the naval service, and for other purposes"; to the Committee on Naval Affairs.

By Mr. WILLIAMS: A bill (H. R. 10637) granting the consent of Congress to the State Highway Commission of Missouri to construct, maintain, and operate a free highway bridge across Current River at Powder Mill Ford in sec. 16, T. 29 N., R. 2 W., east of Eminence, on route No. Missouri 106, Shannon County, Mo.; to the Committee on Interstate and Foreign Commerce.

By Mr. ELLENBOGEN: A bill (H. R. 10638) to amend the Home Owners' Loan Act of 1933, to reduce the rate of interest to 3½ percent, to extend the time of maturity to 25 years, and for other purposes; to the Committee on Banking and Currency.

By Mr. SAMUEL B. HILL: A bill (H. R. 10639) to amend the Emergency Relief Appropriation Act of 1935, with reference to the employment of labor; to the Committee on Appropriations.

By Mr. McSWAIN: A bill (H. R. 10640) to authorize appropriations for construction at military posts, Panama Canal Department, and for other purposes; to the Committee on Military Affairs.

By Mr. PETERSON of Florida: A bill (H. R. 10641) providing for the protection and conservation of equities, easements, or rights accruing to the Government because of lands granted for the purpose of aiding in the building or establishment of railroads; to the Committee on the Public Lands.

By Mr. GILLETTE: Joint resolution (H. J. Res. 467) authorizing the erection of a memorial to the late Haym Salomon; to the Committee on the Library.

By Mr. McGRATH: Joint resolution (H. J. Res. 468) to authorize and direct the Secretary of the Navy to prepare plans and designs for two lighter-than-air craft, together with estimates of costs, and to report the same to the Naval Affairs Committee of the House of Representatives; to the Committee on Naval Affairs.

By Mr. MERRITT of New York: Joint Resolution (H. J. Res. 469) providing for the participation of the United States in the world's fair to be held by New York World's Fair, 1939, Inc., in the city of New York during the year 1939, and authorizing the President of the United States to invite foreign countries and nations to participate therein, and for other purposes; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AYERS: A bill (H. R. 10642) conditionally validating a homestead entry for Fort Peck Indian land; to the Committee on the Public Lands.

By Mr. BOILEAU: A bill (H. R. 10643) for the relief of George J. DeRouchey; to the Committee on Claims.

Also, a bill (H. R. 10644) to provide for the refund of the claim for loss incurred in the burglary of the post office at Vesper, Wis.; to the Committee on Claims.

By Mr. BLOOM: A bill (H. R. 10645) for the relief of Benno Shmukler; to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 10646) for the relief of Joseph Herschmann; to the Committee on Immigration and Naturalization.

By Mr. BURNHAM: A bill (H. R. 10647) for the relief of Verne B. Bennett; to the Committee on Claims.

By Mr. CASEY: A bill (H. R. 10648) for the relief of the Trent Trust Co., Ltd.; to the Committee on Claims.

By Mr. CULKIN: A bill (H. R. 10649) granting an increase of pension to Jane M. French; to the Committee on Invalid Pensions.

By Mr. FIESINGER: A bill (H. R. 10650) granting an increase of pension to Mary E. Spencer; to the Committee on Invalid Pensions.

By Mr. GILLETTE: A bill (H. R. 10651) for the relief of Frederick Henry Pollman; to the Committee on Military Affairs.

By Mr. HOUSTON: A bill (H. R. 10652) granting an increase of pension to Mary Hawk; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10653) granting an increase of pension to Miranda C. Hill; to the Committee on Invalid Pensions.

By Mr. NELSON: A bill (H. R. 10654) granting an increase of pension to Smantha Midgett; to the Committee on Invalid Pensions.

By Mr. PLUMLEY: A bill (H. R. 10655) for the relief of the Vermont Transit Co., Inc.; to the Committee on Claims.

By Mr. STACK: A bill (H. R. 10656) for the relief of Mrs. Gitte Ferman, nee Rubin; to the Committee on Immigration and Naturalization.

By Mr. STUBBS: A bill (H. R. 10657) granting a pension to Amanda Vickers Boyd; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 10658) granting a pension to Elizabeth Tuttle; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10659) granting a pension to Betsy Ann Boles; to the Committee on Invalid Pensions.

By Mr. WHELCHEL: A bill (H. R. 10660) granting a pension to Mildred Elizabeth Sailors; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9802. By Mr. AYERS: Petition of Adolph J. Ziesmer and 34 other citizens and patrons of star route no. 63282, Mosby to Melstone, Mont.; to the Committee on the Post Office and Post Roads.

9803. Also, petition of Elick Roane and 21 other citizens of Forest Grove, Mont.; to the Committee on the Post Office and Post Roads.

9804. Also, petition of Ethan Atchley and 18 other citizens and patrons of star route no. 63283, Brusett to Edwards, Mont.; to the Committee on the Post Office and Post Roads.

9805. Also, petition of W. R. Johnsen and 18 other citizens and patrons of star route no. 63288, Cohagen to Grisdella, Mont.; to the Committee on the Post Office and Post Roads.

9806. Also, petition of Henry Krause and 14 other citizens and patrons of star route no. 63372, Belmont to Painted Rock, Mont.; to the Committee on the Post Office and Post Roads.

9807. Also, petition of Albert Roane and 24 other residents of Grass Range, Mont.; to the Committee on the Post Office and Post Roads.

9808. By Mr. BIERMANN: Petition of A. C. Philipp and D. J. Meggenburg, of Manchester, and other citizens of the Fourth Iowa District, favoring House bill 6246; to the Committee on Interstate and Foreign Commerce.

9809. Also, memorial of Motor and Equipment Wholesalers Association, regarding lease and agency agreements; to the Committee on Interstate and Foreign Commerce.

9810. By Mr. CARPENTER: Petition of citizens of the State of Kansas, county of Lyon, to prohibit, within the District of Columbia, the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spiritous, vinous, malt, fermented, and all alcoholic liquors, whatsoever, etc.; to the Committee on the District of Columbia.

9811. Also, petition of citizens of the State of Kansas, county of Reno, to prohibit, within the District of Columbia, the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors, whatsoever, etc.; to the Committee on the District of Columbia.

9812. Also, petition of citizens of the State of Kansas, county of Clay, to prohibit, within the District of Columbia, the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors whatsoever, etc.; to the Committee on the District of Columbia.

9813. Also, petition of citizens of the State of Kansas, counties of Dickinson and Ottawa, to prohibit within the District of Columbia the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors whatsoever, etc.; to the Committee on the District of Columbia.

9814. Also, petition of citizens of the State of Kansas, county of Riley, to prohibit within the District of Columbia the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors whatsoever, etc.; to the Committee on the District of Columbia.

9815. Also, petition of citizens of the State of Kansas, county of Morris, to prohibit within the District of Columbia the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors whatsoever, etc.; to the Committee on the District of Columbia.

9816. Also, petition of citizens of the State of Kansas, county of Rawlins, to prohibit within the District of Columbia the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors whatsoever, etc.; to the Committee on the District of Columbia.

9817. Also, petition of citizens of the State of Kansas, county of Wabaunsee, to prohibit within the District of Columbia the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors whatsoever, etc.; to the Committee on the District of Columbia.

9818. Also, petition of citizens of the State of Kansas, county of Lyon, to prohibit, within the District of Columbia, the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors, whatsoever, etc.; to the Committee on the District of Columbia.

9819. By Mr. CULKIN: Petition of the National Council, Sons and Daughters of Liberty, urging that the immigration laws, in reference to deportation of aliens, be enforced; to the Committee on Immigration and Naturalization.

9820. Also, petition of the National Guard Association of the State of New York, urging that sergeant-instructors detailed from the Regular Army to the National Guard be allowed $35 per month for rental of quarters; to the Committee on Military Affairs.

9821. Also, petition of the National Association of Cotton Manufacturers, protesting against the present policy of the Government which allows the importation of manufactured goods from countries where the cost of labor is less than one-tenth of what it is here; to the Committee on Interstate and Foreign Commerce.

9822. Also, petition of the New York State Conference of Mayors and other municipal officials, urging passage of Senate bill 2883; to the Committee on Agriculture.

9823. By Mr. FITZPATRICK: Petition of the National Guard Association of the State of New York, recommending legislation authorizing an allowance of $35 per month for quarters to each enlisted man of the United States Army detailed to duty with the National Guard as sergeant-instructor while on such duty; to the Committee on Military Affairs.

9824. By Mr. FULMER: Resolution of the South Carolina Petroleum Industries Committee, memorializing the Congress in behalf of the members of this organization, the eliminating of the tax now imposed by the Federal Government on gasoline; to the Committee on Ways and Means.

9825. By Mr. GRAY of Pennsylvania: Petition of citizens and patrons of star route no. 10307 from Spangler to Nicktown and to Ivison, Pa., to enact legislation that will indefinitely extend all star-route contracts, and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9826. By Mr. HAINES: Petition of citizens served by star route no. 10547 from Amberson to Spring Run, Pa., urging enactment of legislation at this session that will indefinitely extend all star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9827. By Mr. HOLMES: Petition of residents of the towns of Milford, Mendon, and Hopedale, Mass., asking Congress to indefinitely extend all star-route contracts and to increase the compensation of the star-route contractors; to the Committee on the Post Office and Post Roads.

9828. By Mr. KENNEY: Petition of the National Restaurant Association, in convention assembled in Chicago, October 11, 1935, voicing its objection to the continuance of Government competition with private enterprise in this operation of restaurants, and petitions the President of the United States to immediately take steps to have such Government-operated restaurants either discontinued or thrown open to the highest bidder to operate; to the Committee on Expenditures in the Executive Departments.

9829. Also, petition of the Pacific Coast Association of Port Authorities, in convention at Vancouver, British Columbia, August 15–17, 1935, requesting the Congress of the United States to further amend S. 1632; to the Committee on Interstate and Foreign Commerce.

9830. By Mr. LEWIS of Colorado: Petition prepared by the Reverend R. D. Dexheimer, of Denver, Colo., urging that the House of Representatives restore to the District of Columbia its prohibition law by passing, at the earliest moment, House bill 8739; to the Committee on the District of Columbia.

9831. By Mr. MICHENER: Petition signed by Ira Girkin and 20 other residents of Jackson, Mich., urging that legislation be enacted to indefinitely extend all existing star-route contracts, and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9832. Also, petition signed by the Doran Chevrolet Co. and 21 residents of Washtenaw County, Mich., urging that legislation be enacted to indefinitely extend all existing star-route contracts, and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9833. By Mr. MILLARD: Resolution adopted by the annual convention of the National Guard Association of the State of New York, requesting the enactment by the Congress of legislation authorizing an allowance of $35 per month for quarters to each enlisted man of the United States Army detailed to duty with the National Guard as sergeant instructor; to the Committee on Appropriations.

9834. By Mr. RUDD: Petition of the National Guard Association of the State of New York, concerning desired legislation authorizing an allowance of $35 per month for quarters to each enlisted man of the United States Army detailed to duty with the National Guard as sergeant-instructor while on such duty; to the Committee on Military Affairs.

9835. By Mr. TAYLOR of Colorado: Petition from citizens of Bayfield, Colo., requesting passage of legislation indefinitely extending all existing contracts for star mail routes, etc.; to the Committee on the Post Office and Post Roads.

9836. Also, petition from citizens of Hesperus, Colo., requesting passage of legislation indefinitely extending all existing contracts for star mail routes, etc.; to the Committee on the Post Office and Post Roads.

9837. Also, petition from citizens of the city of Delta, Colo., requesting passage of House bill 8739, providing for prohibition in the District of Columbia; to the Committee on the District of Columbia.

9838. Also, petition from citizens of Mancos, Colo., requesting passage of House bill 8739, providing for prohibition in the District of Columbia; to the Committee on the District of Columbia.

9839. Also, petition from citizens of Hotchkiss and Eckert, Delta County, Colo., requesting passage of House bill 8739, providing for prohibition in the District of Columbia; to the Committee on the District of Columbia.

9840. Also, petition from citizens of Paonia, Colo., requesting passage of House bill 8739, providing for prohibition in the District of Columbia; to the Committee on the District of Columbia.

9841. By Mr. THOMAS: Petition of citizens of Glens Falls, N. Y., to restore to the District of Columbia its prohibition law; to the Committee on the District of Columbia.

9842. By Mr. TINKHAM: Resolution of Massachusetts Grand Lodge of the Order of the Sons of Italy in America, and of other organizations, in meeting assembled in Faneuil Hall on January 19, protesting against proposed changes in the practice of American neutrality during the continuance of the Italo-Ethiopian conflict; to the Committee on Foreign Affairs.

9843. By Mr. WOODRUFF: Petition of 21 residents of Bentley, Mich., favoring enactment of legislation placing star-route carriers on same salary and working basis as rural carriers; to the Committee on the Post Office and Post Roads.

9844. By the SPEAKER: Petition of representatives of lodges of the Massachusetts Grand Lodge of the Order of the Sons of Italy in America; to the Committee on Foreign Affairs.

HOUSE OF REPRESENTATIVES

TUESDAY, JANUARY 28, 1936

The House met at 12 o'clock noon.

Rev. Father Edward P. McAdams, pastor of St. Joseph's Church, Second and C Streets NE., Washington, D. C., offered the following prayer:

O Heavenly Father, who in ages past guided Thy chosen people into the ways of peace and prosperity, direct us, who profess undying faith and loyalty in Thy supreme dominion, by the light of Thy counsels, that visioning the future according to Thy standards we may wisely enact legislation that will preserve us as a nation in the way of peace, and confirm unto us Thy blessings, both physical and spiritual, that the other nations of the world, beholding the manifestations of Thy divine interest in our concerns, and of our submission to Thy divine will, may be drawn into Thy service and established in Thy love. Amen.

The Journal of the proceedings of yesterday was read and approved.

TEXAS CENTENNIAL EXPOSITION

Mr. JOHNSON of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table House Joint Resolution 459, to amend the joint resolution entitled "Joint resolution providing for the participation of the United States in the Texas Centennial Exposition and celebrations to be held in the State of Texas during the years 1935 and 1936, and authorizing the President to invite foreign coun-

tries and nations to participate therein, and for other purposes", with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER. The gentleman from Texas asks unanimous consent to take from the Speaker's table House Joint Resolution 459, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate. Is there objection?

There was no objection.

The Chair appointed the following conferees: Mr. McREYNOLDS, Mr. BLOOM, and Mr. MARTIN of Massachusetts.

THE LATE CARL RUTH

Mr. EATON. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. EATON. Mr. Speaker, it is my sorrowful duty to announce the death of a very dear and beloved friend, Carl Ruth, who for many years has been an honored member of the great journalistic service of this Capitol. Over 30 years ago when he was a mere lad, connected with one of the Cleveland newspapers, I knew him first, and ever since then, following his career with affectionate interest, I have thought of him as one of the noblest-minded, whitest-souled types of American manhood in my acquaintance. His going is a real loss to the journalistic profession and to the good citizenship of our country. He has left the priceless heritage to his family of a spotless name, and has left an example to us all of honorable, high-minded American citizenship. With a deep sense of personal loss, I lay this simple wreath of memory and affection at his feet this morning.

NATIONAL DEFENSE REQUIRES THE REHABILITATION OF NAVAL SHIP CONSTRUCTION ON THE PACIFIC COAST

Mr. WELCH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD with reference to naval ship construction on the Pacific coast.

The SPEAKER. Is there objection?

There was no objection.

Mr. WELCH. Mr. Speaker, I desire to call the attention of the Members of the House of Representatives to H. R. 9652, a bill to aid the national defense by fostering shipbuilding on the Pacific coast in order to more perfectly provide the necessary shore support for the maintenance and operation of the Pacific Fleet by encouraging shipbuilding on the Pacific coast. I introduced this bill in the House of Representatives on January 3 last because shipbuilding and ship-repair facilities on the Pacific coast are far below those required for safety should any emergency arise.

Along the entire Pacific seaboard, almost 2,000 miles in length, there are at the present time only two United States navy yards, and a correspondingly few shipyards. The navy yards are as fine as any in the world, but the privately owned shipyards, except for a limited amount of small ship construction and repair, have been allowed to deteriorate so that there are not the facilities there at present to construct either a large war vessel or a large merchant vessel. This condition cannot be allowed to continue if our Navy is to be expected to give the protection to the Pacific coast which will be needed should an emergency arise.

If the United States is ever attacked by a foreign foe, it will be at some point along its thousands of miles of coastline. On the Atlantic coast there are seven first-class navy yards and many large privately owned shipyards, at least seven of which now have contracts for the construction of war vessels to bring our Navy up to treaty strength. With only two navy yards and the limited number of privately owned shipyards now on the Pacific coast, facilities for meeting our naval requirements in an emergency are totally inadequate.

Prior to the World War ship construction was a major industry on the Pacific coast. Notwithstanding the fact that there was the added cost of transporting materials entering into ships thousands of miles across the country, the need for vessels and more vessels maintained this industry. The Navy Department, recognizing the necessity for adequate shipyard facilities being available at all times on the Pacific coast, allowed a differential in favor of war vessels constructed on the Pacific. The need for ships and shipyards were primary factors and cost was secondary. With the close of the World War, however, shipbuilding on the Pacific coast ceased. Since that time not a single naval vessel has been built in privately owned shipyards on the Pacific. Of the total amount expended for new naval construction since the war in both navy yards and private shipyards, less than 8 percent has been spent on the Pacific.

Yet the need for proper shipyard facilities is probably greater on the west coast than anywhere along our entire coast line. During recent years the Navy Department has maintained our entire Navy in Pacific waters. It is recognized that the greatest danger lies in that direction. Should an emergency arise whereby major ship repairs are required in time of war, the limited facilities here will be unable to meet the emergency unless Congress now takes action that will encourage private capital to provide the necessary shipbuilding plants.

H. R. 9652 provides such encouragement. It reestablishes a policy maintained by the Navy Department prior to the World War in that it authorizes the Secretary of the Navy to allocate a percentage of new naval vessels to Pacific coast shipbuilders, providing their bids do not exceed the bids of other shipbuilders by more than 6 percent. The granting of this 6-percent differential does not, however, mean that greater profit will be made by Pacific coast shipbuilders.

Of the almost one-half billion dollars appropriated by the last session of this Congress for the construction of war vessels to bring our Navy up to treaty strength, not a single vessel would have been constructed on the Pacific coast by private shipbuilders had not the Navy Department made an agreement with the Bethlehem Steel Co. to build two destroyers at their Pacific coast plant. Only these two small vessels are being constructed there now. The truth of the matter is that they will be assembled there. For all practical purposes their construction is taking place within a few hundred miles of this Capitol Building.

Ninety-five percent of all materials entering into these two destroyers is being produced and manufactured in the eastern part of the United States. All fabrication, the construction of engines, boilers, machinery, armament, and other materials is undertaken in other sections of the country and then shipped to the Pacific coast for assembling into a vessel. The long distance these materials must be transported is the principal factor in increasing the cost of construction on the Pacific coast.

I should like to invite the attention of each Congressman to the fact that there are three definite links in the chain of our national naval defense. They are, first, our Navy; second, our merchant marine; and third, our shipbuilding facilities. All three are interdependent upon each other for national security. There must be available at all times the proper facilities to care for our naval and merchant vessels under any and all circumstances. We have recognized the importance of the first of these by last year's appropriations to bring our Navy up to treaty strength. The House of Representatives recognized the importance of the second of these by its passage of the merchant-marine bill during the last session of this Congress, and it is hoped this bill will be enacted into law during the present session. The enactment of H. R. 9652 will go far toward developing the third of these factors by encouraging shipbuilding plants to reopen and reestablish their operations.

With the major portion of the United States Navy operating in the Pacific, which has been its base for the past several years, the importance of having such facilities is increasingly apparent. In the interest of national defense we should encourage these private plants. Until they are available our Navy cannot be at its maximum efficiency. The enactment of this legislation will aid in giving the Pactfic coast the same "national security" now given only to the Atlantic coast.

NEUTRALITY LEGISLATION

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include

therein an address which I delivered on the subject of neutrality legislation.

The SPEAKER. Is there objection?

There was no objection.

Mr. ELLENBOGEN. Mr. Speaker, one of the most important and most difficult questions before this session of Congress is that of satisfactory neutrality legislation. There are no precedents, except the bill which was passed last year and which expires on February 29, 1936. It is a momentous decision—a law more far-reaching and more profoundly affecting our economic conditions in peace and in war than any bill which has come before the Congress for many years. I hope that you will not think that that is exaggerated. For with the exception of one bill, very limited in scope, which was enacted during the Presidency of George Washington, practically no other neutrality legislation has been placed on the statute books of the United States.

At first blush it seems fairly easy to draft such legislation. We want to pass a law that will keep us out of war—out of all wars that do not directly concern us. However, upon closer examination many problems come up. What should the law provide? What will be its effect? It is difficult to answer, because it is not easy to foresee what will happen in the future.

PEOPLE WILL SUSTAIN MONROE DOCTRINE

If a European sea power should attack Mexico or a country in South America, our attitude would naturally be different from that in the case of a war between two European nations. In a war in the Far East, say between Japan on one side and England and Canada on the other, many people would want us to take a different position from that in a war between Italy and Ethiopia. However, there are some features upon which it should be fairly easy to unite.

SHOULD KEEP OUT OF FOREIGN ENTANGLEMENTS

First. I am positive that a vast majority of the people of the United States are determined to keep out of foreign entanglements. We should not enter into any war which does not directly concern us. We should stay out of all wars between European nations. I think there should be no difficulty among citizens of the United States on that point. We need only to remember the last World War when hundreds of thousands of American boys went overseas to fight on the soil of Europe. We need only to remember the last war, when 126,000 Americans were killed and 234,000 were wounded; a war which involved no gain or profit to us but which cost the Government of the United States $55,318,158,000.

ITALO-ETHIOPIAN WAR DISCUSSED

Second. There should be no difficulty for citizens of the United States to unite in a policy of the strictest neutrality on the conflict between Italy and Ethiopia. Some would urge us to side with Ethiopia because, they claim, it has been unjustly attacked by Italy.

Others want us to side with Italy because they claim that England has prevailed upon the League of Nations to declare sanctions against Italy, not because of any interest in Ethiopia, but because England is determined to continue her domination in the Mediterranean Sea and in Africa.

In spite of these opposing partisans, it is clear to me that it is the duty of the President, and of the Congress in particular, to assure strict American neutrality in that conflict. I say it is particularly the duty of Congress because Congress is the only body in the United States which can declare war upon another nation.

OPPOSED TO SANCTIONS

When I say "neutral" I mean just that. Neutrality means lack of partisanship. It means the maintenance of good relations with both Italy and Ethiopia. Neutrality does not mean sanctions, for sanctions are a form of war; and, whether economic or otherwise, sanctions, if pursued, must in the end lead to war.

EMBARGO MUNITIONS

Third. There should be no difficulty for the vast majority of the citizens of the United States to unite in favor of a law which will prohibit the export from the United States to belligerent nations of arms, munitions, and implements of war. We do not want to profit at the expense of human blood. We do not want to build an imaginary or short-lived prosperity on human slaughter. We do not want to furnish arms to continue and prolong wars.

AGAINST WAR LOANS

Fourth. There should be a unity of opinion among citizens of the United States that no nation which is at war should be permitted to float bonds and securities in the United States, or to borrow money from citizens of the United States. Surely we must have learned our lesson in that respect from the last war. Surely we have not forgotten the billions of dollars we loaned in the World War and of the default of the foreign governments, with the honorable exception of Finland.

Surely we have not forgotten that, as of November 15, 1935, there was due us from foreign governments $12,328,960,509.67.

The experience of the World War debts—the amazing spectacle of England, France, and other foreign governments defaulting on their debt payments to us—must have taught us the lesson that in war we should keep our money at home and attend to our own business.

WAR-DEBT BILL INTRODUCED

Just in passing I want to say that I have introduced in Congress a bill—H. R. 10310—for the appointment of a commission to open negotiations immediately with all debtor governments in order to secure the immediate resumption of payment on these obligations.

For be it remembered that if we could collect at least the principal amount due us on the foreign-debt claims, we could with that money feed the unemployed, pay for public works, pay the soldiers' bonus, and pay off a large amount of our governmental debt, a debt which was incurred in large part for the purpose of making these loans to the foreign governments.

Fifth. There should be no difficulty for citizens of the United States to unite upon the principle that in time of war between foreign nations, our citizens who travel on the ships of belligerent nations do so upon their own risk and without the protection of our Government.

FIVE-POINT PROGRAM SUMMARY

These five points which I have just enumerated should give little difficulty. Let me go through them again:

First. Keep out of foreign entanglements. Stay out of wars which do not directly concern us.

Second. Remain absolutely nonpartisan in the war now going on between Italy and Ethiopia.

Third. Prohibit the exporting of arms, munitions, and implements of war to belligerent nations, or to neutral nations for transshipment to belligerent nations. The prohibition of such shipments shall be absolute and not in the discretion of the President.

Fourth. Prohibit the making of loans in the United States to governments which are at war.

Fifth. Prohibit our citizens from traveling on ships of nations who are at war.

On these five points, as I have stated, there should be almost unanimity of opinion. But when a neutrality law proposes to go further, we find violently clashing opposing views. Let me cite the major points of difference which have arisen in Washington.

EMBARGO OF FOODS AND MATERIAL

First. Many people say that we should not only prohibit the export of munitions and arms but that we also prohibit the exports of other materials which are useful in the conduct of war—such as coal, steel, cotton, oil, foods, and many others.

Some of the advocates of neutrality in Washington are advocating that in time of war we should go into a storm cellar—that we close our doors to all commerce with belligerents. Opponents of such a policy say that it would mean the starvation by the United States of civilian populations; it would destroy our foreign trade, bankrupt millions of our people, and would cause tremendous unemployment.

Some advocates would go to the other extreme. They would ship everything—except perhaps arms—anywhere. That policy was followed by us in the World War, and was admittedly a failure.

MANY ADHERENTS FOR CASH-AND-CARRY POLICY

A third school—and it has many adherents—advocates that during a war between foreign nations we should, of course, prohibit the export of munitions and implements of war, but as to all other commercial articles we should adopt what might be called a cash-and-carry policy. In other words, these men say, let the nations who are at war and want to buy in the United States come and get the goods, pay for them in cash, and then take them away in their own ships or in ships of other nations.

SHIPMENTS LIMITED TO PRE-WAR STATUS

Still a fourth school—and their thought is embodied in the bill favored by the administration—would prohibit the exporting of arms and munitions but would allow exports of other materials, such as coal, steel, iron, cotton, oil, and so forth, in such amount as these materials have normally been exported from the United States to the nation which is at war.

That school of thought says that we do not desire and should not permit interference with the normal trade between the United States and another nation, whether that nation is at war or at peace. But as far as exports of such materials beyond the normal amount are concerned, they say that it cannot be determined at this time, whether such additional exports can be made without endangering the neutrality of the United States and that therefore the decision in each case—as to such additional exports—should be left to be determined by the President in his own discretion.

DISCRETIONARY WITH PRESIDENT

Such a law would leave it with the President to say whether in a given case certain materials—as distinguished from munitions—may be exported to warring nations, or to neutral nations for transshipment. This would lodge in the President a tremendous power. It would give him the power to say whether we may ship coal, cotton, steel, oil, or anything else to a nation at war. The opponents of this provision are fearful of lodging such tremendous powers in the hands of a human being. They feel that a President who has such powers will be importuned at all sides and that it will be humanly impossible for him to make a decision without having his impartiality questioned at home and by foreign nations.

NEUTRALITY LEGISLATION CERTAIN

I believe that this Congress should pass a neutrality bill to keep us out of war. I have explained to you the points upon which there is not much disagreement. I have also endeavored to explain to you the other points upon which the conflict of opinion has centered, a conflict which will break into the open when the neutrality bill comes up for discussion on the floor of the House.

As far as I personally am concerned, I am pledging to you my vote and vigorous support for a real neutrality bill. I am determined to do my part to keep us out of wars which do not concern us. I am determined to do my part to assure peace and liberty to the people of the United States, even though foreign nations may be at war.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS

Mr. WOODRUM. Mr. Speaker, it is apparent that general debate upon the Interior Department appropriation bill will continue at least through the day and possibly longer. I ask unanimous consent that the business in order on Calendar Wednesday be dispensed with.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANKIN. Mr. Speaker, will the gentleman give us some idea of about how long general debate upon this Interior appropriation bill will continue?

Mr. WOODRUM. I shall have to refer that inquiry to the gentleman from Colorado [Mr. TAYLOR].

JUDICIARY COMMITTEE—PERMISSION TO SIT DURING SESSIONS OF HOUSE

Mr. ADAIR. Mr. Speaker, by direction of the Committee on the Judiciary, I ask unanimous consent that that committee may sit during the sessions of the House during the remainder of the week.

The SPEAKER. The gentleman from Illinois asks unanimous consent that the Committee on the Judiciary may sit during the sessions of the House during the remainder of this week. Is there objection?

There was no objection.

INTERIOR DEPARTMENT APPROPRIATION BILL, 1937

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 10630) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1937, and for other purposes. Pending that motion, I inquire of the minority leader on the committee, the gentleman from Kansas [Mr. LAMBERTSON], about the condition of the time. Can we close general debate today?

Mr. LAMBERTSON. I do not see how we can. We can confine it to the bill tomorrow.

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that general debate continue throughout the day, the time to be equally divided between myself and the gentleman from Kansas. I may say that the majority has used much more time than the minority, and I shall try to divide it more equally.

The SPEAKER. The gentleman from Colorado moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 10630; and pending that, asks unanimous consent that general debate may continue throughout the remainder of the day, the time to be equally divided between himself and the gentleman from Kansas. Is there objection to the request of the gentleman from Colorado?

Mr. RANKIN. Reserving the right to object, I shall not object to a continuation of the debate; but if debate is going to be confined to the bill, it ought to be confined to the bill all along, because when these bills are brought in here invariably the first day or two the time is yielded to members of the committee. So we would have the anomalous situation of the men who are members of the committee and should know about the bill talking about something else, and men who are not members of the committee and do not know about the legislation being compelled to confine their remarks to the bill.

Mr. TAYLOR of Colorado. I yielded to 12 Members yesterday and only 1 was a member of the committee.

Mr. RANKIN. I hope the gentleman will withdraw that part of the request which confines the debate to the bill, because if it is to be confined to the bill the time should be consumed by somebody who knows something about it.

Mr. TAYLOR of Colorado. There will be some member of the committee who knows about the bill who will speak on the bill.

Mr. LAMBERTSON. There was no member of the committee on this side who talked yesterday.

Mr. RANKIN. I am not going to agree to confining the debate to the bill unless we do so now.

Mr. BLANTON. There is nothing in the gentleman's request about confining the debate to the bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado [Mr. TAYLOR]?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Colorado.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill, H. R. 10630, the Interior Department appropriation bill, with Mr. DOUGHTON in the chair.

The Clerk read the title of the bill.

Mr. LAMBERTSON. Mr. Chairman, I yield 30 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, on yesterday the distinguished gentleman from New York [Mr. MEAD] made a rather constructive and informative speech to the committee on the subject of unemployment. It was regrettable to me that not more Members of the House were in attendance to hear that address, and it was equally regrettable that it has not appeared at length in the RECORD this morning; but I believe the gentleman from New York has served to emphasize and to focus attention upon the greatest problem that confronts the country and that has confronted the country in the way of domestic problems since the formation of the Union.

There were occasions in the course of his speech when he mentioned Republican reactionaries, but did not particularly emphasize the fact, and I am satisfied that that speech was couched in no partisan language and in no partisan manner. I want to say at the outset of my remarks on the general subject of unemployment today, that I believe we do a great deal of damage to the thinking of the country by assuming in an undiscerning, hysterical moment that anybody, no matter how much of this world's goods he may have accumulated, no matter what high station he may occupy in the industrial realms of the Nation, is insensible to the problems that aggravate the country's condition at the present time, particularly unemployment. As a matter of fact, it seems to me that the men who have climbed highest in the industrial world, the men who number their employees by the thousand and tens of thousand, have a more abiding interest in the matter of the solution of the problem of unemployment than anybody else, because only in proportion as we solve the unemployment problem of the country do we rehabilitate purchasing power and create a vast market for the diversified products that come out of industry in every one of the 48 States in the Union. So I say there is no man in this House, there is no man identified with industry anywhere, who is insensible to the sufferings, who is insensible to the distress and hardships that have sprung from the static, aggravated unemployment condition that has been with us since 1929.

Manifestly we disagree in our approach to the problem. If our premise is wrong, if our philosophical approach to the solution of this problem is wrong, the remedy will be wrong. So we can honestly and sincerely disagree in our approach to the solution of the unemployment problem, just as men disagree on all matters affecting the welfare of the Government. We in this legislative body are just like storm-tossed sailors. We all agree that we want to go to a common port, but we are not quite agreed as to what route we shall travel in order to get there. On the one side, I may say, in this approach to the unemployment problem are those, for instance, who might take the attitude of doing absolutely nothing. They are a great deal like a story I recall about a gentleman in a hospital who was visited by a doctor and supplied with a vial of medicine. It was set down on one of these white iron tables beside the hospital bed. The doctor said, "Now, you take that medicine according to directions, and I know that in a day or two you will feel better."

Two days later he stuck his head in the door and noticed a visible improvement in the condition of the patient. He looked at the bottle on the table and he said, "You have not taken any of my medicine." The patient said, "Doctor, I followed directions." Just then the doctor picked up the bottle and looked at it, and, sure enough, there was an inscription on the bottle which said, "Keep bottle tightly corked." [Laughter.]

There are a lot of people who honestly believe that the bottle of fiat legislation to cure unemployment should have been kept tightly corked; and there is some historical basis for their attitude. The first major depression in the world came 1,903 years ago. It came under rather unusual circumstances. There was a large international trading house that had its main office in the city of Tyre in Phoenicia, and had a branch office in Antioch and another branch office in Rome, doing business all through the civilized world during that time. It was obtaining heavy loans from the leading banking house of Rome, under the partnership name of Maximus & Vibo. You Latin students will remember Quintus Maximus, who was the great banker of antiquity, and his copartner, Lucius Vibo.

A combination of circumstances took place. First, one of the trusted employees of this international trading house which, by the way, did business under the name of Malchus & Co., embezzled a large amount of funds. They had to go through bankruptcy. When the bank learned of it, what did they do? They called in their loans. And, coincident with that, a number of vessels with rich cargoes went down. What happened? The banks began to call the people who had bank loans. Forthwith there was a run upon the banks, people were plunged into despair, there was an aggravated unemployment condition; and there you had the first major depression in the annals of human history. Tiberius was the Emperor of Rome, and, obviously, it was up to him to do something about it. He envisioned the situation something like this: He thought here is an international trading house dealing in two commodities—not wheat, not cotton, not tobacco, but ostrich feathers and ivory. Those were the two commodities that plunged the world into the first major depression. When Tiberius, in true statesmanlike manner, surveyed the difficulties that surrounded the Roman Empire, did he forthwith summon the Roman tribunal and attempt to cure by sumptuary legislation? No; he simply declared a moratorium; and in a little while confidence returned and the panic came to an end and the depression began to peter out. Once more the Roman Empire began its onward march in the paths of economic glory. That was the first depression. He said, "Let things alone and we will get out of it"; and they did get out of it.

There are, therefore, those who, having taken note of that and other depressions, believe in keeping the bottle covered. Then there are, however, lots of folks who will embrace any panacea or nostrum that may be devised in order to effect a quick cure of depression. This reminds me of an instance that happened in the city of Detroit when the American Legion was in national convention. I think possibly I have told this incident before, but it will bear repetition. One of the men had planned a party for a certain Tuesday night. On Tuesday morning a lot of his friends gathered around him in the lobby of the hotel and one of them said, "John Jones is not going to be at your party today." He asked, "Why?" And the other man said, "He has a case of laryngitis." Then the sponsor spoke up and said, "All right; tell him to come and bring it around, because these guys will drink anything." [Laughter.]

There you have still another sentiment, if you please. They will do anything for any man. But I submit to you members of the committee, upon whom devolves the duty of meeting the problem to adopt some constructive, affirmative, and militant remedy for unemployment, that we find a felicitous means that will ultimately bring this country out of the chaos that attends a static unemployment condition. So everything is embraced in the philosophy of our approach, and I am going to survey the thing as I see it for just a little while in the hope that I may perhaps clarify your thinking or give some stimulus to your thinking upon this major domestic problem.

If we can solve the unemployment problem and bring about a continuing kind of prosperity to agriculture, this country will get out of its difficulty. Numerically, what is the situation at the present time? If we will adopt some practical figures we can say this: There are about 15,000,000, roughly, who go into the mines, factories, and the industries of the country in order to make a living. We have, roughly, 10,000,000 people identified with the soil, making a total of those who have to labor with their hands of about 25,000,000 out of a total of 50,000,000 who are normally gainfully employed. The other 25,000,000 are identified with what I am pleased to call the service industries. They run the filling stations, they run the banks, they practice medicine, they practice law, they do all those things that render a service to the rest of the producers in the country; but obviously no person in a service industry can make any money, no filling-station operator can sell any gasoline, no proprietor of a laundry can

do any business unless the 25,000,000 at the bottom have something to spend. In proportion as we bring prosperity to the substructure, the foundation of 25,000,000, that prosperity will trickle up instead of percolate down; it will trickle up again as once was the case in the history of our country.

I am therefore very definitely concerned with the 10,000,000 tillers of the soil and the 15,000,000 people who go into the mines, the factories, and industries of the country, because their problem must be solved before we find a durable kind of prosperity.

When we consider these people who are unemployed and their relation to the total number of those gainfully employed in the country there are certain basic conclusions to which we can come. The first is that all the fact-finding agencies that have given special study to the unemployment problem are pretty well agreed that right now, in this first month of the year of our Lord 1936, we have approximately 10,000,000 people out of work. I suppose at one time there were possibly twelve, thirteen, or fourteen million out of work, but at the present time the American Federation of Labor, the National Industrial Council Board, the Department of Labor, and a great many others are in substantial agreement that we have almost 10,000,000 people out of work today. What have we done for them? What have we done for those who were part of that great, sad, distressed army of unemployed since 1929? Very briefly, we appropriated $3,300,000,000 and dumped it into the Public Works Administration, ostensibly to give employment. We appropriated $4,800,000,000 to set up a new W. P. A. We allocated some $600,000,000 for the C. C. C. camps. We spent $950,000,000 on the short-lived Civil Works Administration. When all of this money has been spent we still look out into the highways and byways of the country and find that we still have 10,000,000 people out of work today.

I submit that, irrespective of what side of the aisle you may sit on, this is not a partisan question, and we must lay all consideration of partisanship to one side before this problem becomes more aggravated and gets this country to the point where it will entirely disturb its economic picture and push over its fiscal set-up. Having spent all of this money, and looking at exhibit A in the form of 10,000,000 unemployed today, what kind of an answer are we going to give to the country in this the last session of the Seventy-fourth Congress? Obviously since this problem has been with us since 1929 we are coming to the place where we must find a real rather than an artificial solution, otherwise there will be those blocs of minority groups in large centers and small in every section of the country who are going to present and press for summary measures to this Congress; they will start lobbying for their effectuation into law; there will then be heat and desperation. We as Members of the Congress can well afford to forget a lot of the problems that have beset us. We should forget our quibbling on many things that have been aired here in the people's forum and give every bit of our constructive attention to this problem of unemployment.

I think the best answer, the most summary answer, and the most conclusive answer to the question of unemployment you will find recorded in the Scriptures more than 2,000 years ago. Go back and dust off the family Bible. Examine the Gospel of St. Matthew, and there you will read the story about the vineyardist who went down to the market place one morning and he saw people out of work. He said to them, "I will hire you and put you to work in the vineyard", and he did. Then the Scripture records that he went down the sixth hour and he saw more men unemployed and he hired them also. He went down there the ninth hour and he saw more men there and those he also hired. Then at the eleventh hour the vineyardist went down to the market place once more and there were still men there idle and unemployed. He said to them, "Why stand ye here all the day idle?" One of them with less temerity than the rest spoke up and said, "Because no man hath hired us."

That is a rather summary answer to the question, "Why stand ye here all the day idle?"

We might readily raise our voices in crescendo and talk to every village, hamlet, and metropolis in America today and say to this long line of unemployed, "Why stand ye there idle?" And the swelling voice will come back and say, "Because no man hath hired us."

Now, too often we stop right there when they say, "No man hath hired us." That is the end of the chapter. That is where we close the book. But it is high time for you and me to go a little bit further than the answer recorded in the Scriptures 2,000 years ago and find out why "no man hath hired them" and why 10,000,000 people are still unemployed in America today. Sometimes we get off the track in seeking to find a solution, and permit ourselves to be blinded by surface causes. We fail to penetrate and find the real solution. More and more I see injected into this thing the talk of technological unemployment, the fact that we have devised new methods, have invented new machinery, have projected into industry all sorts of ingenious and diabolical devices which displace human hands and results in what economists are pleased to refer to as technological unemployment.

I submit to the members of this committee that before anyone impresses upon us this idea that the machine is at the base of our trouble, we ought to go back and look at the historical evidence. In this very connection I am reminded that only this last week they started a bicentennial observance of the birthday of James Watt, the man who first made a practical application of steam to the problems of industry, and out of whose ingenuity the first technological unemployment problem is alleged to have sprung.

He was that little Scotch boy who sat in his mother's kitchen and watched the kettle lid go up and down, and his childish mind was intrigued with the properties of steam. He is the one who heated water and let that white vapor be inducted into a chamber to push a piston out and let it come back into a vacuum and turn a wheel at the other end of the piston. He was the one who gave us the industrial revolution in 1788. He precipitated the machine age.

What happened when the age of machinery was here? They had to build factories in which to build machines. They had to have the money with which to build machines, and so the banking houses of England began to float bond issues that were sold not only over there but in South America and in North America as well, and by 1820 they had sold bond issues all over the known world to build machinery to displace human hands.

Then what happened? Oh, the inevitable crash came in 1820, when some 70 banks popped in 6 weeks in England, and they had a depression. Then what happened? Workingmen went through the factories of London, through the factories of Leeds and Manchester and Birmingham with sledgehammers to break the castings that made this machinery, because they saw them as being entirely inimical to human welfare. They tried to stop it by destroying the machine, but what happened? Invention went on just the same, and the ratio of the employed to the total number of people in that country and elsewhere steadily gained because of new inventions, because of the broadening of home markets. They did not find an answer in the destruction of machinery.

What happened in our own country? Why, I understand that in 1872, about the time of the Black Friday panic, this Congress, mind you, employed Dr. Carroll Wright, one of the most celebrated economists in our country, to investigate the economic conditions and the problems that prevailed at that time and to come to some settled conclusions that were to be reported back to Congress.

I suppose in due time the Archivist down here on Pennsylvania and Constitution Avenues will probably come across that celebrated document. What did Dr. Carroll Wright tell the august and enthusiastic Congress? He said, "We have reached a place now where the machine has destroyed all possibilities of expansion." Then what happened? Along came Mergenthaler to invent the linotype and the duotype to increase printing everywhere in the country and to give work to more printers than they ever thought could find work in this Nation. Then came McCormick to invent the reaper, and it took men to build them. Then followed men inventing mowers and binders and reapers and all these other productive machines, and so gradually, through tech-

nological devices, we have climbed to a higher and to a better economic state in this country because of this condition, and not in spite of it. So when we think about the machine in relation to the people out of work it looks to me like superficial reasoning. A glance at the figures will show that in 1930 a larger percentage of the whole population was employed than in 1870. Here are figures which should make us be cautious about a categorical conclusion as to technological unemployment.

Now, getting back to these 10,000,000 unemployed in the country at the present time, in spite of all the money we have appropriated, in spite of all the instrumentalities of government that we have set up to help them—and they are still here—and the bitter cries of little children going to bed supperless still ringing in our ears in every hamlet and city in the country—why is it? Do we not have the ingredients for prosperity? Have we not the ingredients with which to manufacture a condition that will absorb everybody into a gainful occupation who wants to work?

I should put as the first desideratum of unemployment the matter of money and the free flow of money. Obviously you cannot hire skilled workers and buy raw materials unless there is money. Do we have the money? Look at the report of the Comptroller of the Treasury and you will find that in America today we have almost reached the same peak, the all-time peak, we achieved on the 31st of December 1928, so far as bank deposits are concerned. We have more available money today than we have had at any other time in the history of the country except one, and that was the last day of the year 1928. The money is there and the stewards of the money, the men who operate the banks of the Nation, want to lend this money. There is no virtue in having money in the banks doing nothing.

Idle money, unproductive money, has no more value to humankind than an idle man in the full possession of his faculties. Money has value only when it is put to work, and nobody can come into the well of this House and tell me that these alleged stony, flint-hearted, grasping bankers do not want to put out the money, because I have seen them beg for loans. All they want is adequate security to satisfy the investigators and examiners who go from the Comptroller's office and from the Treasury and from these other agencies of Government, because they are in these banks constantly. Generally speaking, the money is here, and a free flow of money can be easily attained.

So consideration no. 1 is with us in solving this problem of unemployment.

The second matter is one that is constantly before us. Have we the men? Look anywhere, look in the National Capital, and you will find men idle. No Member of this House can walk down Pennsylvania Avenue at 5:30 or 6 o'clock but what he will see them congregated in the upper reaches of Pennsylvania Avenue. No man can walk down that historic Avenue but what he is touched for a hand-out to help somebody who would rather have a job than have to besmirch and lower his self-respect by asking for a hand-out.

We have the money, we have the men. And thirdly, we have the markets. They sent an agent out to Illinois representing a governmental department to make a survey, and what did they find? Among 2,200 farm families they found that about 1,800 did not have bathtubs. They found that 1,700 had no sinks in the kitchens. A thousand families lived on a farm and did not have a power washing machine. Similar facts have been disclosed in the 60 representative cities which were surveyed last year.

There is the basis of a potential market, and you can find it everywhere in this country. In every State in this Nation the markets are available.

We have the money, we have the men, and we have the markets. Then why does not the country break loose? Why is it anchored to an invisible dead man instead of forging ahead and absorbing these people into some gainful operation? What is the reason?

I will give you my reason. It is simple. We have been doing some things, to which I, too, have been a party along with a great many on this side that have been disturbing confidence of the people. Today we lack confidence. That fact should be written in flaming letters across the economic sky.

I appreciate the difficulty when we undertake to discuss so elusive and abstract a thing as confidence.

Sometimes you are impelled by doubtful methods to knock it off the economic pedestal, but you cannot do it. You cannot do it for the simple reason that all mankind is selfish, even as you and I would be, if we were among the biggest or the smallest businessmen. If we had money in the bank and we were going to invest in some kind of an enterprise, you would count all hazards, you would weigh carefully all the legislation, everything that imperiled your investment, and whether it would not be better for you to put it in tax-exempt securities rather than undertake the hazards of any private enterprise.

After all, we are motivated by selfishness—and that goes for everybody—and since we cannot unmake human nature we are going to have to take it for what it is, and somehow adapt any program we may devise to human nature as it is.

Now, what has impaired confidence? For one thing I should say reform, but too often, in discussing reform, we go to that extreme or to this extreme. Ever since this country was founded there have been reforms, and there will be reforms long after you and I are dead and gone and passed on to the dust of obscurity. But that is not the question. The question is always what kind of reform and to what degree are we going to carry our reforms. If they are going to be destructive, if they are going to be confiscatory, and if you are going to use the ax on business and lambast it over the head through some reform legislation, obviously you will destroy confidence and business will back up a little bit. I am willing to go along with almost any kind of constructive reform, but not if it has the effect of being unduly restrictive, unnecessary, and if it retards recovery.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. LAMBERTSON. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. DIRKSEN. From reform let us go for a moment to money tinkering. I voted against the first silver proposal that came into the House and I voted against the Silver Purchase Act. I voted against the impairment of these gold clauses in contracts between the Government and between corporations and private individuals.

I voted for some of the monetary measures, and I can say this, that when we tinker with private contracts and say to a citizen, "You are not entitled to be unjustly enriched because of some manipulation in the gold supply of the country, and therefore we must pass legislation which takes away from you your right to go into court and have your rights tested", much might be said on one side and on the other; but you cannot escape the basic fact that some day the Government, in hysteria, may say to an individual of other contracts, "We are going to impair the sanctity of this contract", and certainly that is not conducive to confidence in business.

What has been the result of our money tinkering and silver policies? We thought we were going to develop a trade with China. We wanted to develop a 3-to-1 ratio between silver and gold in our money system. We got seven hundred thirty million-and-odd silver ounces of silver, and yet we are no nearer the ratio than when we started buying silver. We have achieved little; and so by reform, by monetary tinkering, and by a host of other things, including a tremendous accumulation of taxes, we have greatly frightened business. I looked up the income-tax schedule this morning. I thought if I were a businessman with a million dollars in the bank and could invest it at 4 percent in tax-exempt bonds, I would have $40,000 a year, and could then go to Miami and play golf. Then, if I were a businessman with a spirit of daring and courage and enterprise, I could put the million dollars into business, thinking it would yield a gross of 10 percent, or $100,000, yet, when the cities and the States got through with their local taxation, and when the Federal Government came along with its income taxes and sur-

taxes and all the rest, then I would know that I would not have any more left than if I had just twiddled by fingers in the Miami sunshine and clipped coupons, and I would not have risked that amount of capital upon some enterprise which obviously had the inheritance of some hazards.

If that was true—if we are going to pile up restrictions and exactions; if we are going to impair confidence through money tinkering and are going too far with our reforms; if, perhaps, we are going to carry on some of these public-works programs, some of which are not justifiable—then obviously we are going to impair business confidence. I suppose every Member in this House this morning found on his desk one of these folders which I have in my hand marked "public necessity." They have a Thomas Jefferson memorial in the city of St. Louis, Mo., and now some ingenious soul wants to build a second Thomas Jefferson memorial right on the water front. In order to do it it will require the razing of 37 business blocks where 5,000 people are employed at the present time, and it is proposed to pay as much as $325,000 an acre for land for which Thomas Jefferson in 1803 paid only 3 cents an acre. Go to Forest Park in St. Louis and look at the beautiful memorial to Thomas Jefferson. They now want to build a second one, and for how much? For $30,000,000; and how? Out of the W. P. A. funds. When businessmen read about that kind of expenditure, which some day must be requited and liquidated through taxation upon the public, upon the businesses of those who give work, obviously their confidence is going to be shaken.

Before my time is up I summarize by saying that we get back to the old admonition of Matthew, when this man in the vineyard said to the vineyardist:

> The reason we stand here all the day idle is because no man hath hired us.

So we have to look to the men who do the hiring. There are only two generic employers in the United States. Private industry is one and government is the other. If our constituents, our fellow citizens are lucky enough to be elected to Congress or get jobs as mail carriers or stenographers or clerks in State legislatures, or jobs for city or county agencies, they are working for one generic employer. All the rest have to stand over on that side. All the rest must find work in or with private industry. Whether it is the humblest grocery store in the smallest town of America or a great factory in a large center, that is private employment. That is where we have to look to see that these people are taken out of unemployment.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. LAMBERTSON. I yield the gentleman 1 additional minute, if he desires it, to answer a question.

Mr. MOTT. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. MOTT. I have been very much interested in the gentleman's speech, which was both scholarly and entertaining. Recalling the illustration with which he began his speech, I should like to now ask the gentleman whether he is in favor, as a remedy, of keeping the bottle tightly corked, or drinking the case of laryngitis?

Mr. DIRKSEN. I think there is a happy medium right between. [Laughter.]

Mr. KNUTE HILL. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. KNUTE HILL. The gentleman said the bankers were willing to loan. Do they not demand their pound of flesh, like Shylock of old, before they loan?

Mr. DIRKSEN. Why should we say "pound of flesh"? If the gentleman were a banker, he would do the same thing.

Mr. KNUTE HILL. No; I would not. They are opposed to the Frazier-Lemke bill for the same reason.

[Here the gavel fell.]

Mr. LAMBERTSON. I yield the gentleman from Illinois 1 additional minute.

Mr. DIRKSEN. I think one of the most irreparable damages that the Congress of the United States could do and has done to the country is for men to come down here and talk about international "banksters" and money grabbers and Shylocks, when, as a matter of fact, they are as much interested in recovery as you and I. We cannot arrogate to ourselves a lone interest and lone sincerity in bringing this country out of the trough of depression. [Applause.]

Mr. KNUTE HILL. They did not show it prior to 1929 and they are not showing it now.

Mr. DIRKSEN. The gentleman forgets they are the stewards of other people's money.

Mr. LEE of Oklahoma. There was confidence in 1928, was there not? How did we get into this depression?

Mr. DIRKSEN. But that is not today. I am speaking about today.

I am not presumptuous enough to believe that I am an expert on the subject of money. In fact, I disclaim that belief. Rather, I am much like President Grant, who, not knowing much about money in 1873, had sufficient innate suspicion about the many money panaceas that were offered to cure that terrible depression that he refused to do anything about it. I cherish a similar suspicion. I have watched the parade of money legislation starting with the Thomas amendment, the removal of the country from a gold-coin basis, the devaluation of the dollar, the Silver Purchase Act, and all the rest, and when all is said and done, nobody has been able to prove that these alleged remedies did any good. They have not hastened recovery. If anything, they have acted as brakes on the wheels of the recovery car. But certain it is that fooling with money to the point that nobody quite knows what kind of a money system we have today, except to say that it is a nondescript mixture, makes men apprehensive about their dollars, their property, their material possessions, and inspires them with lack of confidence to forge ahead and break the depressant spell that still has us in its clammy grip.

Then there is the matter of the Government pay roll. The humblest citizen of the land, pondering the fact that we have hundreds of thousands of people on the Federal pay roll at a monthly cost of approximately $120,000,000, cannot help but wonder from what source they are paid. He cannot help wonder how this tremendous unproductive load can be carried year in and year out. If the most ordinary citizen is inspired to ponder that fact, what about men who invest money in plants and buildings and machinery in order to create jobs in the hope of making profit on the enterprise? Is it not natural for them to hesitate a long time before leaping into new enterprises or into an expansion of existing plant facilities? And if that be true, what hope is there that private business will be able to thin out the long unemployment lines? Can we go on forever penalizing business and passing measures which are likely to retard rather than promote business enterprise? Can we go on forever with "made work" until the pump is primed, only to find that we are running out of priming water?

One might enumerate many factors which have shattered confidence and retarded recovery, but I have gone far enough in the matter to point out a field in which we as legislators must apply careful and sustained study. This unemployment problem must be solved.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 20 minutes to the gentleman from Texas [Mr. CROSS].

Mr. CROSS of Texas. Mr. Chairman, I have introduced H. R. 9478, the purpose of which is to deny to all inferior Federal courts the right to hold an act of Congress unconstitutional, and also to deny to the Supreme Court the right to hold an act of Congress unconstitutional in any cases coming before the Court on appeal. I have based this bill on section 2 of article III of the Constitution, which is as follows:

> In all cases affecting ambassadors, other public ministers, and consuls, and those in which a State shall be a party, the Supreme Court shall have original jurisdiction. In all the other cases before mentioned the Supreme Court shall have appellate jurisdiction both as to law and fact, with such exceptions and under such regulations as the Congress shall make.

Should this bill become a law, the only way an act of Congress could be attacked and held unconstitutional would be by a State filing an original suit in the Supreme Court. This would mean that an act of Congress would rarely be attacked as being unconstitutional, but when it was attacked

it would mean quick and direct action and save the country from economic dislocation as a result of having adjusted itself to some act of Congress and then years later having that act to reach the Supreme Court after having passed through the lower courts and being declared unconstitutional.

Mr. Chairman, there can be no such thing as a government of the people, by the people, and for the people where any group of men who are neither elected by nor accountable to the people have absolute veto power over legislation.

All history shows wherever power is usurped little by little the people are prone to acquiesce until it is too late.

The first time the Supreme Court assumed the authority to hold an act of Congress unconstitutional was in 1803. In this case the Court declined to issue a writ of mandamus on the ground that the act conferring jurisdiction on the Court was unconstitutional. It was in this case, in violation of the Constitution, that the camel put his nose under the tent. However, no doubt, as a result of bitter criticism and threats of impeachment, the Court did not again undertake to hold an act of Congress unconstitutional for a period of more than 50 years. Not, in fact, until 1857, when in the Dred Scott case the Supreme Court held unconstitutional the Missouri Compromise Act of 1820. And to get that decision repealed it took a terrible fratricidal war and the lives of tens of thousands of the country's best citizens. In 1870 the Supreme Court, then consisting of seven judges, by a majority of one held the Legal Tender Act unconstitutional, and to save the country from economic ruin and possibly worse the President filled two vacancies which existed on the Bench with lawyers who agreed beforehand to act with the three judges who had in their minority opinion held the act constitutional. And so in this way the previous decision was reversed. Today many millions of industrial laborers, as well as the agricultural population of the Nation, are deeply stirred and troubled as a result of the majority of the Supreme Court striking down and holding unconstitutional the Triple A Act. In this decision can be read the coming doom of other acts so essential to the welfare of our toiling millions.

DID THE CONVENTION AND THE PEOPLE IN ADOPTING THE CONSTITUTION INTEND THAT THE SUPREME COURT SHOULD NULLIFY ACTS OF CONGRESS?

So this question becomes a burning issue: Was it the intention of the Convention that promulgated the Constitution or the people when they adopted it that the judicial branch of the Government should be masters of the legislative and executive branches and that a majority of the Supreme Court should have authority by interpolation, as well as interpretation, to nullify acts of Congress whenever such acts are not in accord with their political or economic views? Was it intended that that instrument should be an occult thing with a multitude of hidden meanings? Meanings to be revealed by a majority of the Supreme Court gazing in a magic glass and discovering with the aid of hypnotic, high-pressure arguments furnished by able lawyers, the mouthpiece of entrenched wealth, some hazy excuse to dethrone representative form of government and set themselves up as a judicial oligarchy. To determine this we must look to the Convention and to the delegates and the background of the delegates that composed it. These delegates had recently been English citizens, many of them able lawyers well versed in the English Constitution, its laws, and customs. In 1787 the English Government was the most democratic of all governments. It was divided into three coordinating departments—legislative, executive, and judiciary; the legislative being by far the most important, then the executive, and last the judiciary. The Convention practically duplicated in framework or governmental machinery the English system, with a Senate and House of Representatives comparable to the House of Lords and House of Commons, and the judiciary to that of the English judiciary. The English Constitution at that time had long had embedded in it the great fundamental principles of democracy so essential to the liberties of a free people. These great democratic principles to be found in the English Magna Carta and Bill of Rights were transplanted into our Constitution with but few additions. If the liberties of our people are to be preserved, those principles are just as essential today as they were then, and will forever be. These fundamental principles were and are beacon lights to guide the Parliament in constantly changing the laws to fit changing conditions, but always within the scope of the English Constitution. The functions of the judiciary were and are to adjudicate the rights of litigants arising under the laws, but with no power to nullify them because, within the opinion of a majority of the judges, a law is not in accord with the Magna Carta or the English Bill of Rights or other provisions of the English Constitution. As a result of the English Parliament being an independent legislative branch of the Government supreme within its sphere, it is enabled to reflect promptly, within the Constitution, the will of the people into law, and thus meet every crisis and save the English people from the horrors of revolution.

Our Constitution, that these principles might endure and that the people might have the benefit of laws springing from them, made the President as well as the Members of Congress at short intervals directly answerable to the people, so that if their representatives are not true to their trust and enact laws that do violence to these constitutional provisions, they can recall them. Long experience has demonstrated that the only sure way for a people to retain their liberties is that those who make the laws can be removed through the ballot box. On the other hand, history demonstrates without exception that where the liberties of a people are entrusted to those who hold their position for life, and who are not responsible to the people, they inevitably lose their liberties.

IN LEGISLATIVE MATTERS CONGRESS WAS MEANT TO BE SUPREME

If language can make anything clear, it was the intention of the framers of our Constitution that the legislative branch of the Government should in legislative matters be supreme. It is true it gives the President the right to veto an act of Congress. But Congress, nevertheless, has the right to pass it over his veto by a two-thirds vote in each House. No authority can be found in the Constitution giving the judiciary the power or right to veto or nullify an act of Congress, either expressly or impliedly. Since this power of a limited veto was expressly given to the President, if they had intended that the judiciary was to have the far greater power to absolutely nullify the acts of Congress, would it not have been given to the judiciary in specific language, as was a limited veto given to the President in specific language? And especially since they were setting up a government imitative of their mother country, England, and the judiciary of England had no power to nullify an act of Parliament. If they had meant to differentiate in this respect from the English system, would they not have felt it imperative to do so in plain and unmistakable language? Not only does the Constitution not give the judiciary any such power, but the records of the Convention show that such a proposition was offered and voted down practically four to one. And in opposing the proposition, Dickinson, a delegate from Delaware, declared:

> Should the judiciary be given such a power, the same thing would happen in this country that happened in Aragon, where the judiciary exercised the right of nullifying the acts of the legislative body, and that as a result in time the judiciary became both the lawmakers and the law construers of Aragon.

And as a result today that once proud country is only a memory.

SPECIFIC PROVISIONS AND WELFARE CLAUSE

It is true that under our duel form of government the Congress can only legislate within the scope of powers delegated to it by the States. Our Bill of Rights, known as the first 10 amendments, which at the urgent insistence of Thomas Jefferson were submitted to the several States by the First Congress and shortly thereafter adopted, together with the original Constitution, enumerates in specific language certain things that Congress cannot do. The very preamble of the Constitution, however, declares that the purpose for which this Government was instituted is—

> To promote the general welfare of its people.

And then under section 8, article I, of the Constitution, there is delegated to Congress the power to legislate upon a

number of specifically named subjects. And then in addition to these specific grants there is this general grant, which reads as follows:

> Congress shall have power to provide * * * for the general welfare of the United States.

Following this vital grant this language:

> The Congress shall have power to make all laws which shall be necessary and proper for carrying into execution the foregoing powers.

This general grant of power, known as the welfare clause, was placed in the Constitution for the purpose of enabling Congress to enact laws from time to time to meet changing conditions which the Convention visioned must inevitably take place. But in the enactment of laws under this grant to meet changing economic and social conditions, these laws are to be so framed as not to infringe upon or violate any of the specific provisions of the Constitution.

THE CASE OF MARBURY AGAINST MADISON

The first time that the Supreme Court assumed the right to declare an act of Congress unconstitutional, as heretofore stated, was in 1803, in the case of Marbury against Madison. The facts leading up to this decision are interesting. The Congress, which legislates exclusively for the District of Columbia, had passed an act authorizing the President to appoint several justices of the peace for the District. Mr. Adams was President and Mr. John Marshall was his Secretary of State, both of whom were ardent Federalists. Mr. Adams, who had been defeated for the Presidency by Thomas Jefferson, just before leaving office, appointed these justices of the peace, among whom was a man by the name of Marbury. After signing their commissions, he turned them over to his Secretary of State, John Marshall, to be recorded and delivered to the appointees. Mr. Adams, just before he went out of office, had also appointed John Marshall Chief Justice of the Supreme Court. Mr. Marshall neglected to deliver these commissions to the appointees before he left the office of Secretary of State. Mr. Jefferson immediately upon taking office appointed Mr. Madison Secretary of State. Marbury, together with the other three Federalists whom Mr. Adams had appointed justices of the peace, called upon Mr. Madison for their commissions, and Mr. Madison refused to deliver to them the commissions. Thereupon they applied to the Supreme Court for a writ of mandamus under a law which Congress had enacted giving the Supreme Court original jurisdiction to issue such a writ. Mr. Marshall realized that should he issue this writ it would in all probability be ignored by the Secretary of State, Mr. Madison, and Thomas Jefferson, the President, who were bitter political opponents of Marshall and Adams, as well as the justices of the peace appointed by Adams. And although John Marshall as an attorney in the case of Ware against Hylton in 1796 had most ably and learnedly taken the position that the Court had no authority to hold an act of Congress unconstitutional, and in his brief using this language:

> The legislative authority of any country can only be restrained by its own municipal constitution. This is a principle that springs from the very nature of society; and the judicial authority can have no right to question the validity of a law unless such a jurisdiction is expressly given by the Constitution—

Yet, in spite of this previous position so correctly taken by him, in order, no doubt, to escape being embarrassed, he declared the act of Congress giving a litigant the right to apply to the Supreme Court in the first instance for a writ of mandamus to be unconstitutional.

Madison treated with contempt this attempt to mandamus him. He did not have the Attorney General or anyone else to file an answer and the hearing was purely ex parte. The Court, in order to get around issuing the writ, took the position that the act giving the Court the right to issue such a writ was unconstitutional. The Chief Justice, with his former opinion staring him in the face like Banquo's ghost, used 25 pages in trying to justify this assumption of authority in holding an act of Congress unconstitutional. This decision immediately caused a storm of protest and the Court was bitterly criticized with threats of impeachment. Marshall himself stated that if the Court held an act of Congress unconstitutional the Congress should have the right to override such decision.

CRITICISMS OF JEFFERSON ON COURT'S ASSUMING TO HOLD ACTS OF CONGRESS UNCONSTITUTIONAL

Thomas Jefferson, in commenting upon this decision, said:

> For the Court to do so would be an usurpation of power that was not given in the Constitution, and that if such authority was permitted to be assumed by that body to decide what laws are constitutional and what are not, it would cause the Supreme Court to become a despotic branch of the Government with its judges playing the part of despots.

Thomas Jefferson, in a letter dated Monticello, September 28, 1820, and written to Mr. Jarvis, who had published an article intimating his approval of the Court's assuming the authority to hold acts of Congress unconstitutional, said:

> You seem to consider the judges as the ultimate arbiters of all constitutional questions; a very dangerous doctrine, indeed, and one which would place us under the despotism of an oligarchy. Our judges are as honest as other men, and not more so. They have, with others, the same passions for party, for power, and the privilege of their corps. Their maxim is "boni judicis est ampliare jurisdictionen", and their power the more dangerous, as they are in office for life and not responsible, as the other functionaries are, to the elective control. The Constitution has erected no such single tribunal, knowing that to whatever hands confided, with the corruptions of time and party, its members would become despots. It has more wisely made all the departments coequal and cosovereign within themselves. * * * The Constitution, in keeping three departments distinct and independent, restrains the authority of the judges to judiciary organs, as it does the executive and legislative to executive and legislative organs. * * * When the legislative or executive functionaries act unconstitutionally they are responsible to the people in their elective capacity. The exemption of the judges from that is quite dangerous enough. I know no safe depository of the ultimate powers of society but the people themselves; and if we think them not enlightened enough to exercise their control with a wholesome discretion, the remedy is not to take it from them but to inform their discretion by education. This is the true corrective of abuses of constitutional power. * * * My personal interest in such questions is entirely extinct, but not my wishes for the longest possible continuance of our Government in its pure principles; if the three powers maintain their mutual independence on each other, it may last long, but not so if either can assume the authorities of the other. * * *

In another letter to Monsieur A. Coray, dated October 31, 1823, Thomas Jefferson wrote:

> At the establishment of our Constitution the judiciary bodies were supposed to be the most helpless and harmless members of the Government. Experience, however, soon showed in what way they were to become the most dangerous; that the insufficiency of the means provided for their removal gave them a free hold and irresponsibility in office; that their decisions, seeming to concern individual suitors only, pass silent and unheeded by the public at large; that these decisions, nevertheless, become law by precedent, sapping little by little the foundations of the Constitution and working its change by construction before anyone has perceived that that invisible worm has been busily employed in consuming its substance. In truth, man is not made to be trusted for life if secured against all liability to account.

While Andrew Jackson, that great militant champion of the rights of the people, condemned such usurpation on the part of the Supreme Court in even stronger language.

Chief Justice Gibson, of Pennsylvania, asserted that Marshall, in the Marbury decision, had assumed the whole ground of the dispute and offered spurious reasons for a conclusion dictated by his personal and political inclinations.

THE DRED SCOTT CASE

The Supreme Court did not again undertake to hold an act of Congress unconstitutional until the elapse of 54 years, when, in the famous Dred Scott case in 1857, they held the Missouri Compromise Act of 1820 to be unconstitutional. This act was passed when such outstanding men as Webster, Clay, and Calhoun composed the Congress, and was declared by the Supreme Court to be unconstitutional after it had been on the statute books for 37 years. This was clearly a political decision and inflamed the people of the free States and resulted in bringing on the Civil War, drenching the country in blood, and driving the Nation to the brink of dissolution. When this decision was handed down Abraham Lincoln declared:

> Somebody has to reverse that decision, and we mean to reverse it. If the policy of the Government upon vital questions affecting the whole people is to be irrevocably fixed by decisions of the Supreme Court in ordinary litigation between parties in personal

actions, the people will have ceased to be their own rulers, having to that extent practically resigned their Government into the hands of that eminent tribunal. * * * Why should there not be a patient confidence in the ultimate justice of the people? Is there any better or equal hope in the world?

And yet we hear much propaganda about this Court being the guardian of the liberties of the people and its saving the Union from dissolution.

LEGAL TENDER ACT

After they had declared the Missouri Compromise Act unconstitutional, which decision was finally overruled as the result of a bloody war, they did not again attempt to assert that authority until 1870, when they held the Legal Tender Act, commonly referred to as the Greenback Act, which had been passed in 1862 in the midst of a great crisis to enable the country to issue some three hundred and fifty millions of paper currency in order to carry on the Civil War and save the Union. Then years later when all business transactions and obligations were being made in the light of this so-called Legal Tender Act, in another piece of private litigation in the year 1870, they held that this act was unconstitutional. Grant had become President and realized that it would wreck the country. At that time the Court consisted of seven judges, and it was a divided decision, four of the judges holding the act unconstitutional and three holding it to be constitutional, and Grant in order to get rid of the pernicious results of such decision "stacked" the Supreme Court by filling the two vacanies and placing on the bench two lawyers who agreed beforehand that they would hold that the act was constitutional, so that when the next decision was handed down on the constitutionality of that act, it was a five to four decision holding it to be constitutional.

COMMENTS OF THEODORE ROOSEVELT, MR. PARK, LORD BIRKENHEAD, PROFESSOR HAINES, AND CHIEF JUSTICE HUGHES

President Theodore Roosevelt, in commenting upon the authority assumed by the Supreme Court to hold acts of Congress unconstitutional, said:

The highest right of a free people is the right to make their own laws, and this right does not exist if under the pretense of interpolation an outside body can nullify the laws.

Jefferson, Jackson, Lincoln, and Theodore Roosevelt were great souls who dared champion the cause of the people. Organized greed assaulted them through every corrupted channel of propaganda. But their poisonous arrows welded as they were in the fires of cupidity and hate only brightened their armour and fell broken and harmless at their feet. [Applause.]

In 1852 Mr. Park, one of the great legal minds of England, in addressing the House of Lords, declared:

It is the province of the statesman and not the lawyer to discuss, and of the legislature to determine what is best for the public good and to provide for it by proper enactments.

While another great English jurist, Lord Birkenhead, having in mind this assumption of the Supreme Court in addressing the American Bar Association in 1923, had this to say:

Your judges are the masters of your Executive—

And he should have added—your Congress—

* * * The decision is premature whether you and those who agree with you have been right in trying to shackle the free will of a free people by judicial control, or whether we have been right in trusting the free will and a free people to work out their own salvation.

In his lecture delivered in 1927, "Judicial or Legislative Supremacy", Prof. Charles Grove Haines, of the University of California, among other things, says this:

The American people live under a supremacy of judges without any formal sanction of such a practice and with a great part of the limitations imposed on political action due to interpretations of the Constitution so as to exalt the power of the judges and to lessen the authority of the people and of their representatives. Partisan feelings and selfish interest also account for failure to admit that much the more important phases of judicial review of legislation are the result of judge-made limitations designed to give legal sanctions to the conservative and reactionary tendencies of the times.

Chief Justice Hughes, while Governor of New York and before he went on the Supreme Bench, in commenting upon the Court, asserted:

We are under a Constitution, but the Constitution is what the judges say it is.

MR. JAMES M. BECK: "THE COURT A CONTINUING CONSTITUTIONAL CONVENTION"

In carrying out the truth of this assertion of Chief Justice Hughes, Mr. James M. Beck, who fully approves of the Supreme Court's exercising this authority and who is a zealous Liberty Leaguer, in his dissertation on the Constitution concisely states the policy that is being carried out by the Supreme Court in these words:

Thus the Supreme Court is not only a court of justice but in a qualified sense a continuing constitutional convention. It continues the work of the Convention of 1787 by adapting through interpretation the great charter of government, and thus its duties become political, in the highest sense of the word, as well as judicial.

And so these nine eminent gentlemen, not satisfied with acting as the construers of the law, have arrogated unto themselves to carry on as a continuing constitutional convention, changing that instrument by interpolation as well as interpretation. Upon what authority, pray? They have never been selected as delegates by the people to perform such a function, nor are their political interpolations and interpretations submitted to the people for ratification.

The Federal Government is one of delegated powers. To the legislative, the Congress, is delegated the power "to enact laws for the welfare of the United States." Is there anything in the Constitution delegating to the judiciary the power to nullify the legislative acts of Congress? Not a word. Such a delegation of power to the judiciary would convert this country into a dictatorial oligarchy, condemning and abolishing our representative form of government.

From what source, then, do they claim such exalted authority? We have the answer boldly stated while the Marbury case was pending by Senator Morris, of New York, an ardent Federalist, as well as an extreme aristocrat, and who had no faith in a democracy. When bitterly criticized and challenged by Senator Breckenridge, of Kentucky, to point to any such delegated power to the Court in the Constitution, he replied:

I grant there is no such delegation of power in the Constitution, but they derive that power from authority higher than the Constitution.

In other words, he endorsed the doctrine prevalent in that day and time of the kings that their power to govern was a matter of divine right.

As a result of this dictation by nullification the legislative and executive branches have become impotent to carry out the will of the people. A political party may formulate a platform and the people may approve and elect a President and a Congress, commissioning them to translate that platform into law, but they find themselves helpless to do so because a majority of the nine gentlemen constituting a "continuing Constitutional Convention", called a Supreme Court, promptly nullifies them because such laws do not fit their political and economic views. How long will Congress submit to these nine distinguished gentlemen who sit in the marble palace across the way to usurp the prerogatives of the legislative and executive branches of the Government and thereby throttle the will of the people? Should they not change their ebony robes for those of royal ermine?

DURING THE FIRST 80 YEARS ONLY TWO ACTS HELD UNCONSTITUTIONAL

During the first 80 years under the Constitution the Supreme Court essayed to hold only two acts of Congress unconstitutional. While in recent years, as a result of the Supreme Court's ambition to garner unto itself more and more power and to enforce its political views, the mortality of congressional legislation has mounted rapidly.

TRIPLE A ACT

The Congress shall have power to * * * provide for the general welfare of the United States.

This is by far the most essential clause in the Constitution and was incorporated in it by the framers of that great instrument to enable the Congress to enact laws to fit changing conditions and by meeting every crisis promptly to save the country from revolution. If the Supreme Court

and not Congress is to determine what is for the general welfare of the United States, then the Court's decision in the Triple A case, so far as Congress is concerned, has nullified this salvation clause. Agriculture, upon the prosperity of which depends the prosperity of the Nation, had collapsed, and with it the economic structure of the Nation. As a result of the Triple A agriculture was in a degree returning to prosperity, and with it the Nation. By this decision the Supreme Court sounded the death knell of recovery, and, if that decision is to stand and Congress is denied the right to determine what is for the welfare of the country, then that decision marks an era in the decline and fall of this Nation. For, if this decision is to stand, how can our country endure?

Judge Stone, in handing down the minority decision in this case, for which he and his two associates should be immortalized, flashed out a warning to the people of the country that their liberties are endangered when he stated:

The only check upon our own exercise of power is our own sense of self-restraint.

MENTAL ATTITUDE OF JUDGES

All history demonstrates that men placed in positions of power, with no restraint upon that power through the ballot box or otherwise, will continue to usurp power at the expense of the liberties of the people. However honest and conscientious these nine men may be, generally they are men while in the practice of the law were in the employ of the supercorporations because of their great ability as lawyers, and were constantly contending for property rights as against human rights. In order that a lawyer should serve his client efficiently, it is essential that he have the viewpoint of his client and accept his viewpoint. As a rule a man's political ideas, as well as his religious, are the result of environment and the atmosphere which surrounds him. With such men anchored in office for life with unrestrained power, does anyone doubt what their majority verdict will be on any social legislation which in the slightest affects property rights?

The bill which I have introduced is founded upon the clause of the Constitution which gives Congress the unquestioned authority to except and deny to the Court in all appellate cases the right to pass upon any question of law or fact which the Congress may see fit.

While there is no authority given in the Constitution for the Supreme Court to hold an act of Congress unconstitutional, they nevertheless have assumed such right. If this bill is enacted into law, only a State could attack the constitutionality of an act of Congress by filing an original suit in the Supreme Court.

PRIVATE LITIGANTS

The acts of Congress in the interest of human rights are invariably attacked by some selfish interest ordinarily sponsored by corporate greed. These cases under the Constitution must originate in the inferior Federal court, and these Congress under the Constitution has the power to regulate.

SHAMMING UNDER STATES' RIGHTS

There will be a false cry raised that if the bill should become a law the rights of the States would be endangered. With that cry coming from the mouths of those who have filled the cemetery with the corpses of so many of the rights of the States, will it deceive anyone? From that long ago, when Satan entered the Garden of Eden, he has carried on garbed in robes of virtue. Today his emissaries, posing as Liberty Leaguers, raining crocodile tears, are filling the land with vociferous lamentations for fear the States may lose their rights. Remove the robes and you will find the membership with rare exceptions to be composed of a combination of Shylocks and Uriah Heeps.

It is monopolistic privileges and not States' rights they are wailing about. As a result of the Supreme Court in construing such clauses as "commerce among the States" and "due process of law" and giving to them meanings never intended by the Constitutional Convention the States have had their rights filched from them until they are helpless to legislate and give to their people economic and social justice; helpless to protect themselves from the piracies of Liberty Leaguers. And if Congress attempts, under the plain letter of the Constitution, to go to the relief of the people of the States by legislation under the "welfare clause" and to protect that legislation by legislation under the "jurisdiction clause", a great hue and cry is raised by these monopolistic beneficiaries, the Liberty Leaguers, that Congress is making an assault upon the rights of the States. What they mean is Congress is threatening to choke them off of their victims. This same group that is having hysterics lest Congress should do something to infringe upon the rights of the States is the very group that used the "commerce among the States" and "due process of law" clauses with the erroneous construction placed upon them by the Court to destroy the rights of the States. Take the clause "due process of law", and as used in the Constitution it is a "term of art" with a fixed meaning, just as "high crimes and misdemeanors" is a "term of art" with a fixed meaning. And to get the meaning the Convention intended it to have we must look to the law and history of England. As a result of King John's imprisoning people and executing them and taking away from them their property he was compelled in 1215 to sign the Magna Carta, which, among other things, contained this clause:

No freeman shall be taken, or imprisoned, or disseised, or outlawed, or exiled, or in any way destroyed, nor will we go upon him, nor will we send upon him, except by the legal judgment of his peers or by the law of the land.

In 1628 Sir Edwar Coke, in his Institutes, defines "by the law of the land" as being synonymous with "due process of law." By this term was meant that no freeman should have his life, liberty, or property taken without being permitted his day in court and his rights determined under the law. But in spite of the fact that he has had his day in court and his rights adjudicated under the law, "the Court across the way" says that is not "due process of law", because the law is not in accord with their economic and political views.

I am afraid of this tender solicitude now being displayed for the rights of the States. For whenever a State enacts a law to protect its people from monopolistic depredation those who are now showing such tender solicitude for the rights of the States run breathless into the Federal courts waving the national flag, and shouting that such State law violates the "due process of law" clause of the Federal Constitution. And with an unconstitutional construction of that clause by the Court, the act is declared unconstitutional. [Laughter.] On the other hand, if Congress attempts to protect the people of the States from monopolistic greed, this same group, employing the ablest of lawyers and who have the cunning to "make the worse appear the better reason", rush into the Federal courts with tears streaming down their cheeks, waving a State flag, and shouting that such law infringes upon the sacred rights of the States. [Laughter.] And straightway the court, being tenderhearted and sympathetic, with another unconstitutional construction, holds the act unconstitutional. [Applause.] And so the people find themselves helpless victims to organized monopolistic greed. And as a result of the Supreme Court's usurping power not delegated to it, and as a result being responsible for their undoing.

There can be no question that under the last sentence of the portion of the Constitution which I have quoted, Congress has the power to deny, by exception, the right to inferior Federal courts to pass upon the constitutionality of an act of Congress, and also the Supreme Court such right in all appeal cases.

SUPREME COURT CASES CITED

The authority conferred upon Congress to except from the jurisdiction of all inferior Federal courts any question of law or fact, and from the jurisdiction of the Supreme Court in appellate cases any question of law or fact is so clear that the Supreme Court has been compelled under this plain provision to accede this authority to Congress in case after case. And from some of which decisions I cite the following:

In *Kline* v. *Burke Construction Co.* (260 U. S. 226, 234), decided in 1922:

Only the jurisdiction of the Supreme Court is derived directly from the Constitution. Every other court created by the General

Government derives its jurisdiction wholly from the authority of Congress. That body may give, withhold, or restrict such jurisdiction at its discretion, provided it be not extended beyond the boundaries fixed by the Constitution. (Citing cases.) The Constitution simply gives to the inferior courts the capacity to take jurisdiction in the enumerated cases, but it requires an act of Congress to confer it. (Citing cases.) And the jurisdiction, having been conferred, may, at the will of Congress, be taken away in whole or in part; and if withdrawn without a saving clause, all pending cases, though cognizable when commenced, must fall. (Citing cases.) A right which thus comes into existence only by virtue of an act of Congress, and which may be withdrawn by an act of Congress after its exercise has begun, cannot well be described as a constitutional right. (See *Gillis* v. *California*, before cited; *United States* v. *Mar Ying Yuen*, W. D. Tex. 1903, 123 Fed. 159; *Mississippi Power & Light Co.* v. *City of Jackson*, S. D. Miss. 1935, 9 Fed. Supp. 564.)

Turning to the appellate jurisdiction of the Supreme Court and the power of Congress to make "exceptions" and "regulations", under section 2 of article III of the Constitution.

In *Wiscart* v. *Dauchy* (1796, 3 Dall., 3 U. S. 321, 327), decided in 1796, Chief Justice Ellsworth, speaking for the majority of the Court, said:

If Congress has provided no rule to regulate our proceedings, we cannot exercise an appellate jurisdiction; and if the rule is provided, we cannot depart from it. The question, therefore, on the constitutional point of an appellate jurisdiction, is simply, whether Congress has established any rule for regulating its exercise."

Referring to this generalization the Court said in *Duncan* v. *The Francis Wright* (105 U. S. 381, 385), decided in 1882:

This was the beginning of the rule, which has always been acted on since, that while the appellate power of this Court under the Constitution extends to all cases within the judicial power of the United States, actual jurisdiction under the power is confined within such limits as Congress sees fit to prescribe. The later cases are to the same effect.

In *American Construction Co.* v. *Jacksonville, etc., Railway Co.* (148 U. S. 372, 378), decided in 1893, after referring to the constitutional provisions, the Supreme Court said:

This Court, therefore, as it has always held, can exercise no appellate jurisdiction, except in the cases and in the manner and form defined and prescribed by Congress.

In *St. Louis, etc.*, v. *Taylor* (210 U. S. 281, 292), decided in 1908, the Court said:

Congress has regulated and limited the appellate jurisdiction of this Court over the State courts by section 709 of the Revised Statutes, and our jurisdiction in this respect extends only to the cases there enumerated, even though a wider jurisdiction might be permitted by the constitutional grant of power. (See also *Murdock* v. *Mayor of Memphis*, 1875, 20 Wall. 87 U. S. 590; *Colorado Cent. Min. Co.* v. *Turck*, 1893, 150 U. S. 138; *Laurel Oil & Gas Co.* v. *Morrision*, 1909, 212 U. S. 291; I Cooley, Constitutional Limitations, 8th ed., 1927, p. 68.)

It should also be observed, as stated in *Luckenback Steamship Co.* v. *United States* (272 U. S. 533, 536), decided in 1926:

* * * That an appellate review is not essential to due process of law, but is matter of grace.

In the leading case of Duncan against *The Francis Wright*, above cited, an act of Congress limiting review in admiralty cases to questions of law was upheld, although section 2 of article III provided that—

The judicial power shall extend * * * to all cases of admiralty and maritime jurisdiction—

And—

the Supreme Court shall have appellate jurisdiction both as to law and fact.

The following is from the opinion:

The language of the Constitution is that "the Supreme Court shall have appellate jurisdiction, both as to law and fact, with such exceptions and under such regulations as Congress shall make." Undoubtedly if Congress should give an appeal in admiralty cases and say no more the facts, as well as the law, would be subjected to review and retrial, but the power to except from—take out of—the jurisdiction, both as to law and fact, clearly implies a power to limit the effect of an appeal to a review of the law as applicable to facts finally determined below. * * * Authority to limit the jurisdiction necessarily carries with it authority to limit the use of the jurisdiction. Not only may whole classes of cases be kept out of the jurisdiction altogether but particular classes of questions may be subjected to reexamination and review, while others are not. To our minds it is no more unconstitutional to provide that issues of fact shall not be retried in any case than that neither issues of law nor fact shall be retried in cases where the value of the matter in dispute is less than $5,000. The general power to regulate implies power to regulate in all things (cited above).

In the case of *Ex parte McCardle* (6 Wall. 73 U. S. 318; 7 Wall. 74 U. S. 506) the Court said:

We are not at liberty to inquire into the motives of the legislature. We can only examine into its power under the Constitution, and the power to make exceptions to the appellate jurisdiction of this Court is given by express words.

PROPAGANDA

Today there is much inspired propaganda emanating from selfish interest against any amendment or law that would restrict and compel the judiciary to confine and limit its activities within the scope of the powers granted to it in the Constitution. This same selfish interest would have this Court deified and made a sacrosanct body haloed with the divine right of kings. They would proscribe as public enemies those who dare question its right to usurp the powers granted in the Constitution to the legislative and executive branches of the Government. Let no man be deceived by this propaganda emanating from entrenched wealth and being proclaimed and broadcasted by their hirelings and echoed and reechoed by their unthinking dupes. The fundamentals in the Constitution are as sound today as they were when that instrument was signed in 1787, and will continue to be to democracy and to the rights of man what the Ten Commandments are to religion so long as we do not permit one department to embezzle the rights and powers given to the others.

EXECUTIVE AND LEGISLATIVE BRANCH THROTTLED BY COURT

The Supreme Court, by appropriating the welfare clause of the Constitution, has throttled the legislative and executive branches of the Government and closed the door to progress. This bill if enacted into law will restore to Congress its prerogatives under the Constitution and again guarantee to the people their liberties through the ballot box. There are those who will oppose this bill because progress means change, and stagnant minds prefer to stand still and Chineselike nod in the darkening twilight of dead centuries. There were such in our grandfather's day and on back and back to the beginning of recorded time, and there will be such in our grandchildren's day and on and on until time is no more. They are unhappy souls for whom no stars shine and to whom no rainbows beckon.

But in spite of judicial usurpation, in spite of stagnant minds and subsidized propaganda, in spite of Liberty Leagues and organized greed, the urge of economic and social justice cannot long be stayed. [Applause, some of the Members rising.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. HOLLISTER].

Mr. HOLLISTER. Mr. Chairman, I regret that I am not a great orator like the gentleman from Texas [Mr. CROSS]. I had no intention of taking the floor today until I heard the great flood of words uttered by the gentleman from Texas on this most interesting and vital subject. It then seemed to me that perhaps oratory is not absolutely conducive to clear thinking and that it was the duty of someone to take the floor; that I owed it to the dignity of this body to say at least a few calm words in answer to the suggestion which the gentleman from Texas has just made.

The bill of the gentleman from Texas provides that by congressional enactment all rights of any of the lower Federal courts to consider constitutional questions shall be removed, and all such rights shall be removed from the Supreme Court when acting in an appellate capacity, still leaving—I do not know why—the original jurisdiction of the Supreme Court to act on constitutional questions. Perhaps the gentleman from Texas thought it was impossible to remove that jurisdiction by congressional enactment.

First, as to whether or not there is a possibility of such a bill itself being valid under the Constitution, I direct the Members' attention to section 2 of article III of the Constitution which states that "the judicial power shall extend to all cases, in law and equity, arising under this Constitution." Whether the further statement in section 2, after enumer-

ating those specific cases where the Supreme Court shall have original jurisdiction, that in all other cases the Supreme Court shall have appellate jurisdiction "with such exceptions and under such regulations as the Congress shall make", gives to Congress the right to remove entirely the jurisdiction specifically given to the Supreme Court under section 2, I very much doubt.

However, in discussing that we are not really reaching the larger principle for which the gentleman from Texas [Mr. CROSS] contends.

Mr. COX. Will the gentleman yield for a question?

Mr. HOLLISTER. I yield.

Mr. COX. Does the bill offered by the gentleman from Texas propose an amendment to the Constitution?

Mr. HOLLISTER. The gentleman from Texas [Mr. CROSS] wants solely by action of this Congress to restrain the Court.

Mr. COX. Does not the gentleman understand that it does not lie within the power of Congress to encroach upon the jurisdiction of the States?

Mr. HOLLISTER. I have always so understood until I heard the gentleman from Texas [Mr. CROSS].

Mr. COX. Of course, inferior courts being the creatures of the Congress, the Congress has the right to fix their jurisdiction, but not so with the Supreme Court. The gentleman ought to know that no act of this Congress can reach the Supreme Court in that regard.

Mr. HOLLISTER. I had assumed that to be the case.

Mr. MONAGHAN. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. MONAGHAN. Can the gentleman point to any specific provision in the Constitution which gives the Supreme Court the authority to destroy acts of Congress?

Mr. HOLLISTER. I will answer the gentleman.

Mr. MONAGHAN. Yes; but I want to finish the question.

Mr. HOLLISTER. The gentleman will let me answer, or please take his seat. The gentleman asked me a question. I repeat that section 2 of article III states:

> The judicial power shall extend to all cases, in law and equity, arising under this Constitution.

Mr. MONAGHAN. Judicial power but not legislative power.

Mr. HOLLISTER. If the gentleman will let me finish, then he can continue in his own time.

Mr. MONAGHAN. Will the gentleman explain——

Mr. HOLLISTER. I do not yield to the gentleman further.

The principle for which the gentleman from Texas [Mr. CROSS] argues, irrespective of the question of whether by any possibility such a law could constitutionally be enacted by the Congress, is briefly that the Constitution, as such, shall become nothing but a mere jumble of words. If the Congress may enact any measure that it desires and there be no power in the Federal courts to stay the hand of Congress in passing legislation which may encroach on our dearest rights and liberties, then, needless to say, there is nothing left of the Constitution.

Mr. BLANTON. Will the gentleman yield for a friendly question?

Mr. HOLLISTER. I shall be glad to yield.

Mr. BLANTON. The Constitution provides for three departments of government, separate and distinct branches. Before the Congress could in any way change the jurisdiction of the Supreme Court it would require a change in the Constitution itself, would it not?

Mr. HOLLISTER. The gentleman from Texas [Mr. CROSS] does not seem to think so. I would think so.

Mr. BLANTON. But does the gentleman think so?

Mr. HOLLISTER. I do.

Mr. BLANTON. And I think so. It would require an amendment of the Constitution itself.

Mr. HOLLISTER. That is as I understand it.

Mr. KNUTSON. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. KNUTSON. I have not seen the bill which the gentleman from Texas [Mr. CROSS] offered, but I assume from what I have heard he proposes to do away with the umpire and delegate his powers to the fans.

Mr. HOLLISTER. If the bill which the gentleman from Texas [Mr. CROSS] introduced should become the law and should be upheld as sound law, then it would simply mean that the Constitution as such had ceased to exist, because there would be no limit to the exercise of legislative power and there would be no limit to the exercise of executive power in whatever arbitrary way it might be desired.

Mr. SISSON. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. SISSON. Along the line of the gentleman's argument, may I ask the gentleman what safeguard exists when the Supreme Court itself violates the Constitution, as it has by its own confession, by its frequent reversals in many times past?

Mr. HOLLISTER. Is the gentleman making a speech or asking me a question?

Mr. SISSON. I am asking if there is any safeguard against that.

Mr. HOLLISTER. There is. I say it with all assurance and with all due solemnity that it rests on the high class, character, and ability of the men who sit on the Supreme Court of the United States, and who have sat on that bench from the beginning of this country down to this time.

Mr. CHRISTIANSON. Will the gentleman yield further?

Mr. HOLLISTER. I yield.

Mr. CHRISTIANSON. Is there not the further safeguard that the Congress can, whenever the Supreme Court declares a law to be unconstitutional, submit to the States an amendment changing the Constitution, but changing it in the manner prescribed in the instrument itself?

Mr. HOLLISTER. There is that, of course.

Mr. ROBSION of Kentucky. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. ROBSION of Kentucky. Is there not the further safeguard that one branch of the Congress passes upon the question of who shall sit upon the Supreme Court, by requiring the Senate to approve their appointment? Then there is the further protection that Congress has the right to impeach men who sit on the Supreme Court?

Mr. HOLLISTER. The gentleman is correct.

Mr. PETTENGILL. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. PETTENGILL. Is it not also true that on two occasions, at least, in Chisholm against Georgia, which led to the eleventh amendment to the Constitution, and Pollock against Farmers Loan & Trust Co., which led to the sixteenth amendment to the Constitution, the Congress, in a constitutional way, by submitting it to the American people has reversed two decisions of the Supreme Court?

Mr. HOLLISTER. The gentleman is correct.

Mr. CROSS of Texas. Will the gentleman yield for a question? I just dropped in.

Mr. HOLLISTER. I yield.

Mr. CROSS of Texas. Is the gentleman familiar with the bill I introduced?

Mr. HOLLISTER. I am very familiar with it.

Mr. CROSS of Texas. Will the gentleman admit that it is constitutional?

Mr. HOLLISTER. No; not in the slightest.

Mr. CROSS of Texas. How does the gentleman get around the cases of Klime against Burke Construction Co., Wiscart against Dauchy, and American Construction Co. against Jacksonville, the decisions in all of which cases are in line with the bill?

Mr. HOLLISTER. If some day the gentleman will get me more time, I shall be glad to discuss the matter with him. Those cases do not settle this matter.

Mr. COX. Mr. Chairman, will the gentleman now yield to me?

Mr. HOLLISTER. I yield.

Mr. COX. The gentleman from Texas in his very impassioned address, which I think, unfortunately, turned into an attack upon the Supreme Court, in drawing an analogy between our judicial system and the English system, overlooked the very important fact that we have a dual form of govern-

ment in this country; that there are 49 sovereignties here, whereas in England there is but one. Does the gentleman conceive it would have been possible to have protected our dual system of government with the Supreme Court denied the right to declare acts of Congress unconstitutional?

Mr. HOLLISTER. Not only would it defeat entirely the dual system of government but it would defeat any kind of government similar to the one we have been led to believe our forefathers founded.

Mr. COX. With that power taken from the Court, what would hinder Congress extending the Federal power to the point of controlling every activity of life?

Mr. HOLLISTER. Nothing whatsoever.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. KNUTSON. Carrying the gentleman's point a little further, what would there be to stop the President from usurping the powers of Congress?

Mr. HOLLISTER. In answer to that let me tell the gentleman that in the dismissal of Mr. Humphrey, of the Federal Trade Commission, that is exactly what the President tried to do. He dismissed Mr. Humphrey, who had been appointed to a quasi-judicial office for a specified term under an act the provisions of which stated the only reasons for which he could be removed. The President removed him on the ground that their minds did not go along together. The Supreme Court held unanimously on a suit by Mr. Humphrey's executor for his back salary, Mr. Humphrey having died in the meantime, that that was an improper exercise of the Executive power. If it had not been for the power of the Supreme Court, that result could not have been reached.

Mr. CHRISTIANSON and Mr. SISSON rose.

Mr. HOLLISTER. I yield to the gentleman from Minnesota.

Mr. CHRISTIANSON. Does the gentleman not believe that the facility with which democratic institutions have been abolished in both Italy and Germany is due largely to the fact that there was in those countries a lack of power in the courts to protect the legislature against usurpation by the executive branch of government?

Mr. HOLLISTER. There is no doubt of that.

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 10 additional minutes to the gentleman from Ohio.

Mr. CHRISTIANSON. In other words, if the gentleman will permit, under a system such as we have here, in which the Supreme Court has the power to declare both acts of Congress and orders of the Executive unconstitutional and therefore invalid, it should be impossible to accomplish that concentration of power in the Executive which has resulted in the establishment of dictatorships in Europe.

Mr. HOLLISTER. The gentleman is correct.

I now yield to the gentleman from New York, if he wishes to ask a question.

Mr. SISSON. I merely wanted to suggest to the gentleman—I know he is doing it inadvertently—that we should not becloud this issue, which is a fairly clear-cut issue, with the real judicial power of the Supreme Court, which no one disputes, to interpret statutes, and in the exercise of this function to find that the Executive or any other administrative officer has not carried out a statute. This is an entirely different proposition from our denial of the lawmaking power of the Court and the exercise by the Supreme Court——

Mr. HOLLISTER. I am willing to answer a question, but I do not want the gentleman to go further in my time. Mr. Chairman, I do not yield further. I will answer the gentleman by saying I think he misunderstands the difference. The Humphrey case, to which I referred, was a direct case of constitutional power; it did not involve the interpretation of a statute or anything of the kind.

Mr. SISSON. Did it not arise under an act of Congress?

Mr. HOLLISTER. The Court itself said there was nothing in any statute governing the situation, but that the President had exceeded his constitutional powers in removing Mr. Humphrey.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. I yield to the gentleman from Texas.

Mr. BLANTON. The only authority the Congress has is that given it by the Constitution.

Mr. HOLLISTER. The gentleman is correct.

Mr. BLANTON. If some Member here sought to propose a law that would provide that there must be six or seven members of the Court unanimous in declaring an act of Congress unconstitutional, if we could do that, then Congress could fix any limit above a majority, and could just as well say it would have to be unanimous.

Mr. HOLLISTER. That is a different question, and one I prefer not to discuss at the present time.

Mr. BLANTON. But that is one of the issues we hear on this floor daily.

Mr. HOLLISTER. Yes; but I want to stick to the principle I am trying to cover.

Mr. HANCOCK of New York. Will the gentleman yield?

Mr. HOLLISTER. I yield to the gentleman from New York.

Mr. HANCOCK of New York. Is not the question involved in the discussion whether the Constitution of the United States or an act of Congress may be regarded as the supreme law of the land?

Mr. HOLLISTER. The gentleman is correct; and what the gentleman from Texas [Mr. CROSS] desires to do is to remove the constitutional limitations which we all recognize. He wants to take the constitutional limitations and throw them in the wastebasket and allow Congress to do whatever it wants to do.

Mr. CHRISTIANSON. In other words, an act of Congress would be the supreme law of the land, superior in force and effect to the Constitution itself?

Mr. HOLLISTER. Absolutely; and so would an act of the Executive, because there would be no way in which those things could be curbed. There would be no way of going into the Federal court in order to prevent one branch from usurping the powers of another branch of the Government.

Mr. KNUTSON. Will the gentleman yield?

Mr. HOLLISTER. I yield to the gentleman from Minnesota?

Mr. KNUTSON. I wish to make the observation that we should not be too severe with the Supreme Court, because it must be borne in mind that during the New Deal Congress has passed several recovery measures without as much as having had before it a printed copy of same. These measures have been prepared by law clerks of unknown quantity and quality down at some department.

Mr. CARPENTER. Will the gentleman yield?

Mr. HOLLISTER. I yield to the gentleman from Kansas.

Mr. CARPENTER. I ask this question without any reflection upon Congress and without regard to whether we may agree with the decisions of the Supreme Court or not, Is not the theory of the power vested in the Supreme Court one to protect the individual against something akin to mob law?

Mr. HOLLISTER. I am glad the gentleman raised that question, because there is nothing more distressing to me than to hear remarks which I have heard in the last 10 or 15 minutes. I refer to talk about the lawmaking power of the Supreme Court. That is a perfectly ridiculous statement. The Supreme Court merely stands there as the defender of our liberties against usurpation by other branches of the Government. The Supreme Court may under no circumstances do anything affirmative. There is no way in which the Supreme Court can make a law, suggest a law, or have anything to do with a law, except that when a law exceeds the constitutional powers which have been granted by the States to the Central Government it will raise a warning hand and say "No." That is as far as the Supreme Court can go. All of this talk about the lawmaking power of the Supreme Court is poppycock.

Mr. BLANTON. Is it not a fact that you cannot on this floor at any time by a point of order raise a question of constitutionality?

In other words, my colleague will remember that when in the last session I made the point that a certain bill was

unconstitutional, the Speaker ruled that he had no power to pass upon the question of constitutionality, that that was a question for the Court to decide. It could not even be raised on the floor of the House.

Mr. HOLLISTER. The gentleman from Texas [Mr. BLANTON] has asked me whether constitutional questions may be raised in the Congress. They can be raised only as a few of us every now and then get up and try to oppose the passage of certain measures which we know at the time are unconstitutional and which we know the Supreme Court will so declare.

Mr. BLANTON. But the point I raise is that you cannot make a point of order against a bill on the floor of the House based on constitutionality.

Mr. COX. Will the gentleman yield?

Mr. HOLLISTER. I yield to the gentleman from Georgia.

Mr. COX. The adoption of the bill which the gentleman from Texas [Mr. CROSS] proposes would leave the State courts clothed with a great power?

Mr. HOLLISTER. I am glad the gentleman raises that question, because that is the next point to which I am coming in my remarks.

The gentleman from Texas [Mr. CROSS] has apparently forgotten entirely the fact that State courts have full powers and in fact are required to give consideration under the Constitution to constitutional principles. If, following the desire of the gentleman from Texas [Mr. CROSS], we should remove the power from the Federal courts to pass on constitutional questions, we would still leave that power with the State courts. We would then have a ridiculous situation, where the same principle might be decided in many different ways in various States, depending upon the way in which the question might have been raised. We would have no way, as we have today, when State courts give conflicting rulings on questions of constitutional law, of bringing the matter before the Supreme Court of the United States so that the question may be settled once and for all, and for everybody in this country on an equal basis. We would have a situation where a plaintiff, perhaps in an endeavor to secure an unconscionable advantage, would try to get the defendant in a particular jurisdiction because the decisions of that particular State on a constitutional-law question were different from another State where he might also have pursued the defendant. It is only the power of the Supreme Court of the United States to pass on that question finally which eliminates this preposterous situation of having different courts of final jurisdiction pass on the same question in different ways.

Mr. COX. It would take from litigants the choice of resorting to either the State or Federal court. If the Cross bill were enacted into law, he would have to go into the State court, while at the present time he may go into either court?

Mr. HOLLISTER. The gentleman is correct.

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. KNUTSON. Does not the gentleman think it would materially improve the bill sponsored by the gentleman from Texas [Mr. CROSS] if a provision were inserted in that bill taking away from the Executive the power to veto acts of Congress?

Mr. HOLLISTER. That would follow. If Congress wants to be all-powerful, neither the Executive nor the Supreme Court should have the right to interfere; but I believe almost everyone feels that our system of government, with the balance of power between the legislative, the executive, and judicial, the one which the founding fathers put into operation through the Constitution is the one we want to preserve.

If we change it at all, we want to change it by the constitutional method. This Constitution of ours may be amended. If the commerce clause is the one to which you particularly object, or if one of the other clauses is the one to which you object, you have a perfect right to bring in whatever amending resolution you want, have it passed in Congress by the necessary two-thirds, and have it go to the States. You may say this is a slow process. Of course, it is a slow process, and wisely, a slow process, because those who founded this country and those who wrote our Constitution realized how dangerous it would be to have Congress, in a moment of stress, pass legislation which they might later regret and which, in the meanwhile, would be foisted on an unwilling country. By the constitutional method of amending the Constitution you may not act so quickly, and instead of this method being a menace to our liberties and a menace to the principles of government of this country, it is the greatest protection we can have.

In the name of Heaven, let us not try to circumvent the Constitution. Let us not try to bring about these things by short cuts. If there are any changes that we want to make—and there is no objection on my part or on the part of anybody here to the due and proper consideration of any constitutional amendment which any Member of this House desires to introduce—let us not attempt in any way by short cuts to circumvent the Constitution and take away the protections which it throws around our daily liberties. [Applause.]

Mr. LAMBERTSON. Mr. Chairman, I yield 10 minutes to the gentleman from Vermont [Mr. PLUMLEY].

Mr. PLUMLEY. Mr. Chairman, the trade negotiations between the American and Canadian Governments which were initiated in the latter part of 1934 culminated late last fall in the signature of a so-called reciprocal trade agreement or treaty, and was characterized correctly as of major importance to the producers and consumers of both countries.

In addition to the duty reductions provided for in the agreement, claimed to be advantageous, it was alleged that several important advantages for American trade had been secured. It was asserted, and the memorandum which was sent out in which the consummation of the contract was announced, contains the following statement:

> Moreover, the Canadian Government has given assurance in a note that it will sponsor legislation in Parliament to permit residents of Canada visiting the United States to bring back with them free of duty articles for their personal use, up to a value of $100, a privilege similar to that now enjoyed by Americans returning from visits to Canada or other countries.

While interested generally in the contemplated trade agreement insofar as it might affect the farmers, dairymen, and the maple-sugar producers, as well as the other citizens of Vermont, I had particularly interested myself with respect to obtaining some such action by the Canadian Government as is referred to in order that merchants living near the border might profit to the extent that visiting Canadians might purchase for their personal use articles which upon their return to Canada would be nondutiable up to the value of $100—a reciprocal privilege, since Americans returning from visits to Canada now are entitled to that freedom from duty on articles so purchased for their personal use.

In the first session of the Seventy-fourth Congress I introduced a bill—H. R. 7021—which reads as follows:

> A bill to amend paragraph 1798 of the Tariff Act of 1930
>
> *Be it enacted, etc.*, That the third proviso of paragraph 1798, title II, of the Tariff Act of 1930, is amended to read as follows: "*Provided further*, That in case of residents of the United States returning from abroad an exemption from duty may be granted for articles acquired abroad for personal or household use or as souvenirs or curios equal in value to the similar exemption granted by the country, dependency, province, or other subdivision of government, within whose jurisdiction such articles were acquired, to their own residents returning from the United States, but such exemption from duty shall not exceed $100."

Not only did I introduce this bill but undertook to, and with and by the cooperation of citizens of the United States residing near the Canadian border from Seattle, Wash., to Portland, Me., supported by chambers of commerce and other organizations of business men, called to the attention of the President and his advisers the unfairness of the situation, with the result as stated in the memorandum announcing the consummation of the treaty.

Last week I received a letter from the president of the Chamber of Commerce of St. Albans, Vt., in which the following statement, self-explanatory, is made:

CHAMBER OF COMMERCE,
St. Albans, Vt., January 23, 1936.

MY DEAR CONGRESSMAN: At the direction of the board of directors of the St. Albans Chamber of Commerce I respectfully request your consideration of the recent reciprocal agreement entered into with our northern neighbor, the Dominion of Canada.

Several directors advise on good authority that the Canadian Government does not intend to have the same reciprocal arrangement in respect to their citizens as is now enforced respecting United States citizens returning from Canada; i. e., the purchase and entering duty free of $100 worth of merchandise for their personal use. Our directors inform me that the Canadian regulations require a stay or period in the United States for their citizens of 10 or 12 days before they are allowed to return with $100 worth of merchandise, souvenirs, etc., duty free.

If this is a fact, the merchants living and doing business in the border cities and towns are at a distinct disadvantage as compared with their Canadian cousins living in the Canadian border cities and towns where Americans frequently purchase merchandise.

As stated above, I was directed to bring this to your attention with the hope that the situation may be remedied.

J. B. WOOD, *President.*

As I contemplate the situation which obtains, I am reminded that reciprocity has been defined to be "a sharp bargain between sharp bargainers, one or the other of whom is certain to get the best of the bargain." Certainly as a reciprocal treaty it does not operate as such, inasmuch as it is not reciprocal.

If reciprocity is the grant by one nation of certain commercial privileges to another, whereby the citizens of both are placed upon an equal basis in certain branches of commerce, obviously this particular treaty lacks the essential elements to bring it within such a definition. Certainly Canada gets the best of this bargain.

Back in the days of Senators Collamer and Foote, and Representative, later Senator, Morrill, of my State, it was proposed to abrogate the then existing so-called reciprocal treaty with Canada.

Senator Sumner, of Massachusetts, from the Committee on Foreign Relations, reported an amendment proposing the unconditional abrogation of the treaty. He spoke in favor of his amendment. When Senator Collamer, of Vermont, rose to speak, he said:

> I acknowledge that I have some prejudice against this treaty. I am situated a little as my old neighbor, Judge Chipman, was when he was called upon to testify whether or not a certain witness was a man of truth. He said he was not. He was then asked, "Sir, are you not conscious that you labor under a prejudice against that man?" He answered, "I think it likely that I am. I have detected him stealing two or three times."

Later, when attempt was being made in the House of Representatives, the treaty having been abrogated, to continue a semblance of reciprocity by means of legislation, Mr. Morrill said of the treaty:

> It was an ill-omened one from the start.

It is interesting to note that both he and Representative Baxter were opposed to the treaty as originally ratified, and were active in their denunciation of it; and, in their attempts first to amend it, and then to bring about its abrogation, because it was not reciprocal.

I, too, find myself forced to admit my prejudice, and for obvious reasons. I, also, contend that this particular treaty is ill-omened, as was the one of which Senator Morrill spoke, one of my reasons in this case being that this treaty was entered into by the President under what I consider to be an illegal and unconstitutional delegation by Congress of the treaty-making powers reserved to Congress, which are nondelegable under the specific language of the Constitution itself.

One does not have to be an opponent of the principle of reciprocity, or against it as a general proposition, to justify his opposition to this particular treaty, from which injurious results will most certainly follow, which are following, and being felt as a result of its negotiation.

Mr. KNUTSON. Will the gentleman yield?

Mr. PLUMLEY. I yield.

Mr. KNUTSON. We were told the other day that the Canadian bakers are ruining the business of the American bakers for 150 miles along the Canadian border. My information also is that Canadian cream is coming in in large quantities under this new arrangement. Will the gentleman give his opinion on that?

Mr. PLUMLEY. I will if time permits.

From the farmers' viewpoint, the word "reciprocity" as used in connection with this treaty is a misnomer. This is not an idle statement. Hear what the Honorable E. H. Jones, commissioner of agriculture in the State of Vermont, has to say in that connection in a letter to me under date of January 8, 1936:

THE STATEHOUSE,
Montpelier, Vt.

DEAR CONGRESSMAN PLUMLEY: It is obvious that the so-called reciprocal trade agreement with Canada is a one-sided affair as far as the farmers of Vermont and New England are concerned and that it will result greatly to their disadvantage.

The admission of 1,500,000 gallons of 45-percent cream at the reduced tariff means nothing else than the displacement of an equal amount of domestic cream. Even though it be converted into butter, the effect will be the same. The availability of cream in the southern Quebec region and the facilities for direct rail transportation to New England cities will render these markets especially vulnerable to the ill effects of the new treaty.

Huge sums of money have been expended in the States in eradicating cattle diseases and improvement in dairy sanitation. Our markets ought not to be opened to the competition of dairy products from sources where lower sanitary standards prevail. The reduced tariff on dairy cows will also be detrimental to the interests of farmers who raise these animals for sale.

Vermont, the leading State in the production of maple sugar and sirup, will be especially penalized by the lowered duty on these products. The trend will inevitably be toward lower prices. This is a vital matter to our producers and they are much dissatisfied regarding it.

Certified seed-potato growers will also encounter the damaging effects of the trade agreement, because it will tend to destroy the premium they have hitherto received over the price of table potatoes.

Our export trade in agricultural products has been lost, resulting in the accumulation of troublesome surpluses. It is not reasonable to expect that these surpluses will be reduced nor the difficulties connected with them will be corrected by providing for an increase in agricultural imports. If trade concessions are necessary to economic readjustment, it is unfair to place them upon already overburdened agriculture.

Very truly yours,

E. H. JONES,
Commissioner of Agriculture.

What does the Grange think about it? Listen to what the National Grange says about it in its legislative program:

RECIPROCAL TRADE AGREEMENTS

The making of reciprocal trade agreements under our most-favored-nation policy, whereby we gain concessions from one country while making concessions to many, does not meet with the approval of the Grange. These trade treaties should be ratified by the United States Senate before becoming effective. If this safeguard is not provided, the Reciprocal Tariff Act of 1934 should be repealed.

What does the Vermont Grange think about it? Listen to what the Honorable Henry A. Stoddard, master of the Vermont State Grange, says to me in a letter of January 7 in answer to that very question which I asked him:

BELLOWS FALLS, VT., *January 7, 1936.*

DEAR MR. PLUMLEY: In answer to your letter of January 3 I am only too glad to give you my personal opinion in regard to the reciprocal tariff treaty with Canada.

It is such a long road that prosperity must travel to reach the Vermont farmer on account of the reciprocal agreement with Canada that it seems to me it cannot be honestly classed as a benefit.

The condition of the Canadian farmer must be improved so he may be able to buy machinery, tools, and furnishings from our manufacturers which will make for an improvement in industry, resulting in better wages. Thus the laboring man may be in position to purchase more that the Vermont farmer has to sell. This is pretty far-fetched it seems to me.

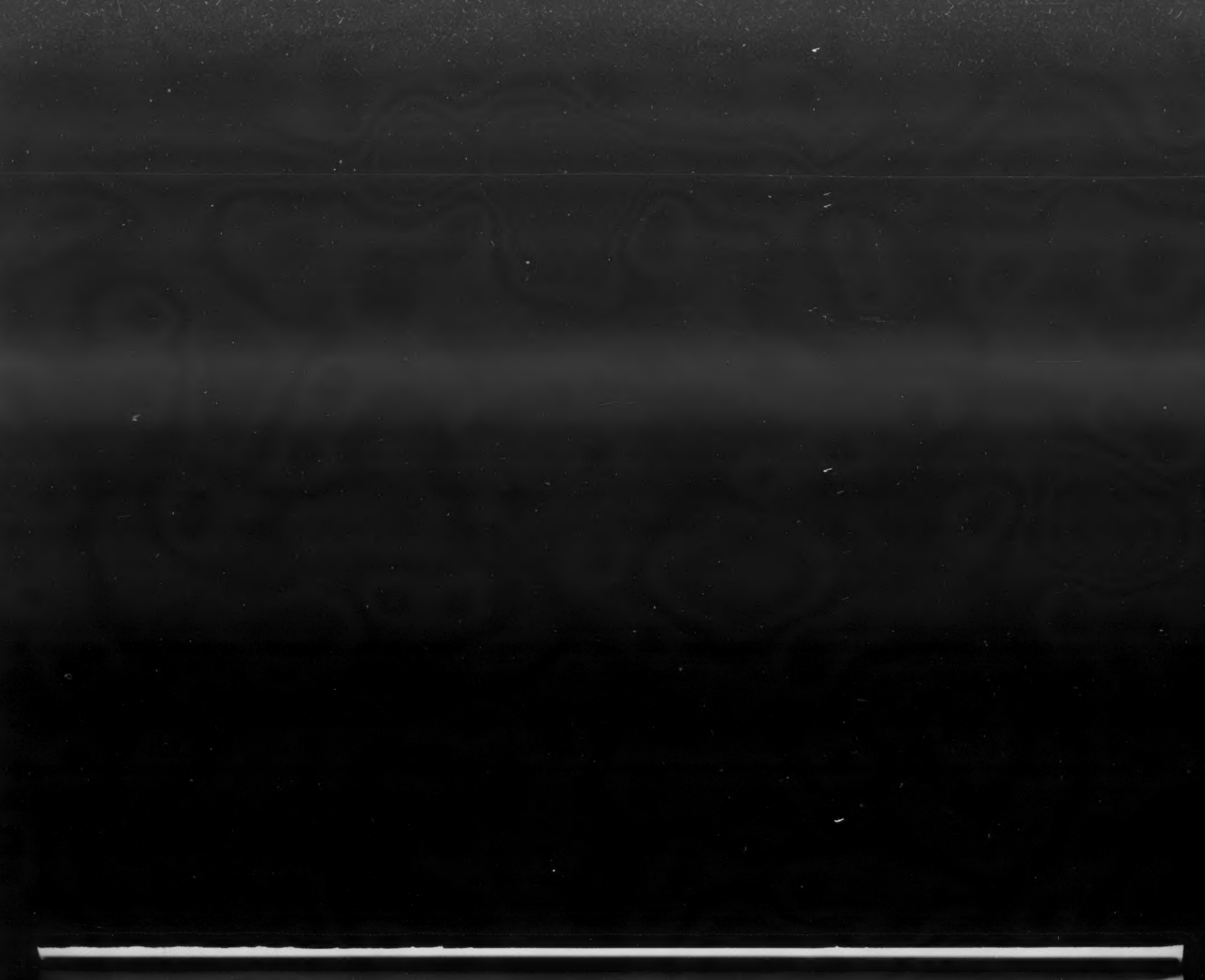
There is no question as to what the importation of Canadian maple sugar will do to the price of our darker grades of sirup. Here is where the trouble has always been. As a surplus of the poorer grades always has, and always will, determine to a large extent the price of our good sirup.

The first business that the National Grange did was to pass a resolution in strong opposition to the Canadian treaty which was practically unanimous.

Speaking for the Vermont State Grange I can say that we are very much opposed to the treaty, as we believe that it will act only as a detriment to Vermont agriculture.

Very truly yours,

H. A. STODDARD,
President, Vermont State Grange.



I have just been looking at a brief filed with the United States Tariff Commission on behalf of the American Farm Bureau Federation, Vermont State Farm Bureau, Vermont Maple Products Cooperative Exchange, Inc., and Maple Producers Cooperative Association of New York, filed some time ago, in which, among other things, it is insisted:

(a) That a proper differential should be maintained between the duty on maple sirup and the duty on maple sugar, and that $0.06 per pound on maple sirup and $0.09 per pound on maple sugar constitute a proper differential. This contention was undisputed at the hearing.

(b) That conditions in the industry generally are such that the American producers require adequate protection on maple sirup and maple sugar. Among these conditions are:

(1) The accumulation of a burdensome surplus which is depressing the domestic price level and menacing the future welfare of the industry.

(2) The increasing competition in the form of importations from Canada during recent years and its injurious effects on the domestic industry.

(3) The marked decline in the number of trees tapped during recent years in the United States.

(4) The loss of natural resources and a permanent source of income to the farmers and to the community through the cutting off of sugar groves for lumbering purposes.

(5) The threatened loss of employment if the industry is not adequately protected.

(6) The adverse effect on the banking institutions and business generally in domestic maple-sugar regions of a large and accumulating surplus of maple products.

And as a conclusion it is stated that the farmers very recently contend that under the provisions of the tariff act and upon the record the Commission should find a difference in the cost of production as between the United States and Canada of 11 cents per pound on sugar and 7 cents plus per pound on sirup.

I would like further to call your attention to the statement of the Vermont Maple Sugar Makers Association, made in support of the then present tariff rate on maple sirup and maple sugar imported into the United States from Canada, which was filed with the Committee on Reciprocity Information of the United States Tariff Commission as of date July 12, 1935, prior to the signing of the trade agreement, which reads as follows:

STATEMENT OF VERMONT MAPLE SUGAR MAKERS' ASSOCIATION IN SUPPORT OF THE PRESENT TARIFF RATE ON MAPLE SIRUP AND MAPLE SUGAR IMPORTED INTO THE UNITED STATES FROM CANADA

The Vermont Maple Sugar Makers' Association, Inc. (hereinafter called the association), is informed that there is a proposal before the committee for reciprocity information to reduce the tariff rates on maple sugar and sirup in the forthcoming President's trade agreement with Canada.

The association, representing the maple sugar and sirup producers in Vermont, respectfully submits this statement to the committee for its consideration in connection with the forthcoming trade agreement with Canada.

The association believes that the present rates of 6 cents per pound on maple sugar and 4 cents per pound on maple sirup are justified for the following reasons:

1. Canada is the principal competing country. Practically the entire world's supply of maple sirup and sugar is produced in the United States and Canada. Table I shows that production over the past 65 years has generally declined in the United States and increased in Canada until both countries are now on a parity.

TABLE I.—*Production of maple sirup and sugar in terms of sugar in the United States and Canada for specified periods*

Year	United States [1] (pounds [2])	Decade or year	Canada [3] (pounds [4])
1859	52,900,917	1851–61	13,500,000
1869	35,812,101	1861–71	17,500,000
1879	51,124,445	1871–81	19,000,000
1889	51,019,935	1881–91	22,500,000
1899	28,381,658	1891–1901	21,200,000
1909	46,911,550	1901–11	20,000,000
1921	23,818,000	1921	24,008,867
1924	35,302,000	1924	28,304,095
1925	27,948,000	1925	26,548,358
1926	34,777,000	1926	23 904,375
1927	32,501,000	1927	30,517,000
1928	26,373,000	1928	29,989,000
1929	22,468,000	1929	32,570,000
1930	31,192,000	1930	30,062,066
1931	19,104,000	1931	18,322,910
1932	20,919,000	1932	24,359,900
1933	18,776,000	1933	18,408,280

[1] Years 1859–1929 from U. S. Tariff Commission's reports to President.
[2] Sirup and sugar in terms of sugar—sirup converted into sugar on basis of 8 pounds of sugar to 1 gallon sirup.
[3] Years 1851–1929 from U. S. Tariff Commission's reports to the President. Years 1930–33 from statistical section Canadian Department of Agriculture, Ottawa.
[4] The imperial gallons have been converted to United States.

2. The present tariff rates of 6 cents per pound on maple sugar and 4 cents per pound on maple sirup were fixed after careful studies were made by the United States Tariff Commission of the production costs in the United States and Canada.

The Commission made an exhaustive study of the production costs of maple products in 1925 and 1926 in the principal producing sections of the United States and Canada.

The study made by the Commission included 625 farms in the United States and 223 in Canada. The farms studied in the United States represented approximately 4 percent of the domestic production of maple sugar and sirup, while those in Canada represented approximately 1 percent of the total Canadian production of both sirup and sugar.

This study served as a basis for the Commission's recommendation of a tariff rate of 8 cents per pound on maple sugar and 5½ cents per pound on maple sirup. These rates became effective June 18, 1930.

In compliance with Senate Resolution No. 313, dated July 3, 1930, the Commission instituted an investigation, July 11, 1930, of the differences in costs of production of maple sirup and maple sugar in the United States and the principal competing country. As a result of this investigation the tariff rates were reduced from 8 cents per pound on maple sugar to 6 cents and from 5½ cents per pound on maple sirup to 4 cents. This reduction took effect February 5, 1931.

3. The association believes that the present tariff rates are inadequate to cover the difference in cost of production between the United States and Canada, the principal competing country, and that therefore, if any change is made, they should be increased.

A large part of the total cost of producing maple sugar and sirup consists of human and horse labor. During the past few years the cost of both wages and horses in Vermont has been increasing. Wages rose from 87 percent of the 1910–14 level in 1933 to 103 percent for the first 4 months of 1935. The price of horses increased from 61 percent of the 1910–14 level to 81 percent between 1932 and the first 4 months in 1935. Unless cost of these factors has risen as much or more in Canada than they have in the United States a greater disparity in cost of production between the two countries now exists than did previous to 1932. Because of this probable disparity, the association respectfully requests that, before a downward revision of tariff rates is made, the Tariff Commission make a cost study in the principal producing section of the United States and Canada.

4. The imports of maple products from Canada are an increasingly larger percentage of the United States consumption. This is an indication that the present tariff rate is not a hindrance to trade between the United States and Canada in maple products. Table II shows this trend in the period 1923–33. Variation in total production will cause variation in the trend, as it has since 1930 with an unusually low production.

TABLE II.—*Maple sirup and sugar in terms of sugar; imports into the United States as compared with domestic consumption and farm production, 1923–33*

Year	United States consumption [1]	United States farm production [2]	Imports [3]
1923	32,822,468	30,752,000	2,070,468
1924	36,642,885	32,688,000	3,954,885
1925	31,476,967	27,948,000	3,528,967
1926	38,811,323	34,777,000	4,034,323
1927	38,161,612	32,501,000	5,660,612
1928	33,617,464	26,373,000	7,244,464
1929	34,822,633	22,468,000	12,354,633
1930	40,901,700	31,192,000	9,709,700
1931	21,801,249	19,104,000	2,697,249
1932	24,328,578	20,919,000	3,409,578
1933	21,494,953	18,776,000	2,718,953

[1] Consumption is computed by adding total United States production and imports from Canada.
[2] From U. S. Department of Agriculture Year Books.
[3] For years 1923–30 from Report of U. S. Tariff Commission to President. 1931–33 from Foreign Commerce and Navigation.

5. A reduction in tariff rate would decrease the price of maple products to the American producer.

A large percentage of the maple products imported from Canada are used by United States manufacturers who buy their requirements through United States importers. These few importers will receive the most benefit from a reduction in tariff. If the tariff is lowered, it will result in an increase of imports from Canada, resulting in a lower price to the American producer.

6. A reduction in price for maple products at this time would do permanent injury to the maple industry in the United States.

When the prices for maple products are low and there is a demand for rock maple, there is a tendency to sell the sugar orchards for lumber. Especially will this be true when the prices of other farm products are low and fixed farm operating costs are relatively high. This condition prevails today.

Although the association has no figures as to the number of sugar orchards that have been cut off for lumber, it is common knowledge that a large number have been during the last 2 years, when prices were relatively low. A reduction in price of maple products at this time, when there is an increasing demand for rock-maple lumber, will undoubtedly result in many more sugar orchards being sacrificed for lumber.

Once a sugar orchard is cut off it is not replaced. The prevailing practice of pasturing sugar orchards practically eliminates natural reproduction of sugar maple. The extent of injury to the maple-sugar orchards of the State is beyond a dollars-and-cents estimate. Most of the sugar orchards are located on dairy farms, where the total income is greatly increased by the operation of the sugar orchard, and which without such income would fail to produce sufficient income to maintain the families living thereon.

7. The 1935 crop of maple products in the 10 sugar-producing States in the United States totaled 28,434,000 pounds, according to reports from the United States Bureau of Agricultural Economics. United States consumption, under present conditions, will not absorb this increased production, and any increase of imports resulting from a reduction of tariff will throw supply and demand seriously out of line. Dealers will doubtless be forced to carry over an abnormal amount of maple products which were purchased at a relatively high price. With this abnormal carry-over in the hands of dealers, a reduction in tariff rates will cause a severe financial strain, resulting in a drastic reduction in price for the 1936 crop.

There are no available figures on the supply of maple products in the hands of producers. From observations by the officers of the association, it is felt that there is a larger amount than there has been for the past 5 years in anticipation of an improved retail demand. It is felt that the retail trade will not absorb this supply, except at a drastic reduction in price, should the wholesale price be decreased as a result of a lower tariff.

In conclusion, the Vermont Maple Sugar Makers' Association, Inc., submits the following resolution:

"Inasmuch as the Vermont Maple Sugar Makers' Association, Inc., believes that a reduction in the present tariff rates on maple sugar and maple sirup will result in a drastic reduction in prices for these maple products to producers in Vermont as well as all maple producers in the United States, thereby causing permanent injury to the maple industry in the United States, the Vermont Maple Sugar Makers' Association, Inc., urges retention of the present tariff rates on maple sugar and sirup in the forthcoming trade agreement with Canada."

GEORGE B. HATHORN,
President Vermont Maple Sugar Makers' Association, Inc.

Dated at Burlington, Vt., July 8, 1935.

In connection with the foregoing I also present for your consideration a telegram which I received on the 3d day of July last from Arthur H. Packard, who is the president of the Vermont Farm Bureau for the State of Vermont:

BURLINGTON, VT., *July 3, 1935.*

Hon. CHARLES A. PLUMLEY:

Dependable information comes to me that a reduction on the tariff on maple sugar and sirup is contemplated at Washington. We had a heavy crop of maple sirup this year in United States and a reduction of tariff would throw a flood of Canadian sirup into United States which would depress maple markets badly and reflect a disastrous price to producers for 1936. Facts are, we have more sirup in the country today than can be marketed unless an aggressive advertising campaign is launched. If tariffs are too high, they should be reduced horizontally rather than pick out from all groups of producers and punish them singly.

A. H. PACKARD.

May I point out that the statement of the administration to the effect that "American duties have been reduced on maple sugar * * * imports of (this commodity) supplement our inadequate domestic production" paints an entirely different picture from that of the above-quoted farm leader when he emphatically states "we have more sirup in this country today than can be marketed." Notwithstanding this, however, as well as the other evidence available, the rates were subsequently reduced by over 33 percent.

Lastly, in connection with this matter, I am referring to a letter, which reads as follows:

JULY 5, 1935.

President FRANKLIN D. ROOSEVELT,
The White House, Washington, D. C.

DEAR MR. PRESIDENT: I have been informed that there is contemplated a reduction in the tariff on maple sugar and sirup.

Representing the people of the State of Vermont, who produce nearly one-half of the total United States production of maple sugar and its products each year, I wish emphatically to urge that no such reduction be made.

Were the tariffs to be reduced at this time, following a sugar season when there has been a heavy crop, the consequences would be that a heavy flood of Canadian sirup would be thrown on the domestic market, the markets would be badly depressed, and there would be reflected a disastrous price to producers for 1936.

The above, moreover, would be intimately felt by the majority of the farm population of Vermont, New England, New York, Ohio, and Pennsylvania, who place great reliance upon the revenue derived from the sale of these products materially to aid them to increase their cash receipts. In their interest I urge that no such contemplated downward revision in the tariff be made.

In 1929, before the upward revision of the tariff schedules became effective, the importation of maple products totaled some 13,284,355 pounds, being valued at over two and one-half millions of dollars from Canada alone; in 1933, however, with rates more favorable to local production, these figures had dropped to 2,718,953 pounds, valued at some $400,000. It appears reasonable to assume, therefore, that with a downward revision at this time the importation of this commodity will increase toward the former level at the distinct expense of the local producer. I assure you that at the present time he can ill afford to have taken from him the revenue represented by these items.

Very truly yours,

CHARLES A. PLUMLEY.

Furthermore, when it became apparent that favorable consideration was being given to the proposition to reduce the tariff on softwood and hardwood lumber, rough and dressed, exported from Canada into the United States, the Legislature of Vermont adopted a joint resolution in language as hereinafter written:

Whereas the Department of State at Washington has given notice of intent to negotiate trade agreement with Canada; and

Whereas one of the principal, possibly the principal, item of export from Canada into the United States is softwood and hardwood lumber, rough and dressed. The greater part of it comes into our northeastern territory; and

Whereas the present tariff is $3 per thousand feet revenue and $1 per thousand feet excise tax, and should this tariff through reciprocal agreement with Canada be reduced or eliminated the effect on our northeastern lumber manufacturers will be extremely serious. It will especially affect the lumber industry of the State of Vermont as well as the other New England States because the species produced in Canada and shipped into our territory are the same as we produce; and

Whereas the lumber manufacturers in the United States are obliged to operate under the lumber code, the present costs are higher than the cost of production of those Canadian species which are shipped into our markets; and

Whereas, because of this additional cost, it is absolutely necessary that a suitable duty be kept on the imported material; and

Whereas if the $3 or $4 duty should be removed it would have ill effects upon the lumber industry of the New England States: Therefore be it

Resolved by the senate and house of representatives, That the General Assembly deplore any attempt of the State Department at Washington to remove the trade barriers with Canada and to allow Canadian lumber to come into the United States free or at a reduced rate of duty; believing the same to be against the best interests of our State; and be it further

Resolved, That copies of this resolution be sent to each Member of the Vermont delegation at Washington and to the chairman of the committee for reciprocity information.

ERNEST E. MOORE,
Speaker of the House of Representatives.
GEORGE D. AIKEN,
President of the Senate.

Approved March 29, 1935.

CHARLES M. SMITH,
Governor.

It seems patently plain to me that the statement of the administration in its widely disseminated press release that "in making duty reductions the Government has taken the greatest care to prevent injury to any group of American farmers" is belied by the gross injury it may well inflict on the maple-sugar people of Vermont, to name but one "group of American farmers." The rate on maple sugar alone has been reduced by 33⅓ percent; that is, from 6 cents to 4 cents per pound. I see nothing other than a severe financial blow being struck by this reduction—a blow, recognized as such, and one that was sought to be averted by the farm leaders

of Vermont, as is evidenced by the various inclusions that I have heretofore made, and to which further evidence is given by countless letters from individual farmers that I have in my files.

Add to this, moreover, the reduction in duty for cattle, calves, dairy cattle, cream, seed potatoes, timber and lumber, cheese, apples, hay, and live poultry, to name but a few, and it appears to me that a more effective "injury to any group of American farmers"—particularly the Vermont and Northeastern farmer—could not be devised.

Now, Mr. Chairman, I respectfully submit that the farmers of this country have a right to rely upon statements which are made to them by a candidate for election to the Presidency of the United States. I insist that they had a right to rely upon that statement which was made by President Roosevelt when a candidate at Baltimore on October 26, I think, in 1932, when he certainly gave them to understand that he would not tolerate and would not permit any lowering of tariff duties on agricultural products. At that time and on that date he said:

> Of course, it is absurd to talk of lowering tariff duties on farm products. I declared that all prosperity in the broader sense springs from the soil. I promised to endeavor to restore the purchasing power of the farm dollar by making the tariff effective for agriculture, and raising the price of farmers' products. I know of no effective excessively high tariff duties on farm products. I do not intend that such duties shall be lowered. To do so would be inconsistent with my entire farm program, and every farmer knows it and will not be deceived.

The farmers of the United States took him at his word, as they had a right to do, but notwithstanding his assurances tariff duties on farm products have been lowered. They have been lowered on cream, on butter, on cheese, and on cattle. The tariff on cream has been reduced from 56.6 cents per gallon, fresh and sour, to 35 cents a gallon on not more than 1,500,000 gallons annually. This ratio of the tariff cut on cream only applied to the butter tariff of 14 cents will permit the importation of 6,000,000 pounds of butter on a 9-cent tariff basis.

The other day Mr. MARSHALL, of Ohio, called attention to the provisions of the treaty and definitely showed that the duty on veal calves had been reduced, as is apparent from the schedule, from 2½ to 1½ cents per pound for the first 51,933 live calves to be imported; that the duty on feeder cattle had been reduced from 3 cents per pound to 2 cents per pound for those weighing over 700 pounds for the first 155,799 cattle to be imported; that the duty on dairy cows has been reduced from 3 cents a pound to 1½ cents a pound for the first 20,000 imported. In other words, that the duty on approximately 225,000 head of cattle from Canada has been reduced approximately 50 percent, and that the quota allowed is practically high enough to take the largest number of cattle ordinarily brought in from Canada. He called attention to the fact that under the unconditional most-favored-nation policy and the good-neighbor theory Argentina expects that the meat from at least 500,000 head of cattle, chilled and frozen, will enter this country with a reduction of 50 percent in the tariff. In all probability 125,000,000 pounds of fresh chilled or frozen beef from Argentina will be dumped into the New York, Philadelphia, and Boston markets.

So under this co-called Canadian reciprocal treaty the American farmer is deprived of that market by reason of a reduction in tariff on agricultural products, notwithstanding the assurance of Candidate Roosevelt that such reduction would be "inconsistent with his entire farm program, and every farmer knows it and will not be deceived."

It stands to reason that under the existing treaty cream, butter, and cheese and cattle will be brought into this country and deluge the market in competition with our domestic market and to the very decided financial disadvantage of our farmers. They are the ones who must bear the burden and will suffer the loss.

At some other time I propose to make a further analysis of this Canadian agreement and to discuss somewhat more at length and in detail the unfairness and inequality and injustice which is shown and done the agricultural interests of this country by reason of its nonreciprocal terms and lack of mutual advantage insofar as agriculture and other industries are involved and concerned.

Real reciprocity with Canada undoubtedly would cement the friendly relations with the Dominion, which all good Americans are anxious to maintain, and further promote good feeling between kindred peoples. All of us, I take it, desire a more intimate and cordial relationship with our friend and neighbor at the north. True it is that we share common traditions and aspirations, but to attain such ends as we seek an agreement such as we should both enter into must be mutually advantageous to both countries, truly national in scope as applied to our own country, and of benefit to all sections. Such an agreement the present one is not. [Applause.]

Mr. LAMBERTSON. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, under date of January 15 I made some remarks on costs of production and the effect they may have on domestic and foreign trade. We have discussed the reciprocal trade agreements and the importation of dairy products and other products, the direct cost of labor and materials, and the effect those costs may have on the ability of the grower or producer living in other lands to ship goods into this country and compete against the grower or producer in our own country.

We find in our morning papers a challenge to Members of this Congress to go out and carry on a campaign to buy American goods.

I wish to address my remarks particularly to the Japanese trade insofar as it deals with imports and exports at the present time. In 1932 Japan purchased from the United States 2,249,000 bales of cotton; in 1933, 1,814,000 bales; and in 1934, 1,737,000 bales. In the first quarter of 1935 our sales dropped to 298,890 bales.

Japan is one of the largest customers of this country so far as the purchase of raw material is concerned. Since 1931 Japan has been foremost in the market for American cotton. Japan buys the raw cotton from us, processes it, and ships back to us the finished cotton goods, thereby gaining on the manufacture of the raw cotton—and we lose. Japan's purchases of raw cotton from the United States greatly declined between the years 1932 and 1936. This because Japan has found other fields from which to purchase her raw cotton. In some parts of the world there are cotton growers who can produce cotton below the price charged for American cotton. Therefore Japan is seeking those places of production, which will be our loss.

It is reliably estimated there are 200,000,000 acres of land in Brazil suitable for the growing of cotton. We learn there are only at the present time 4,000,000 of these acres devoted to cotton; that Japan is in Brazil now financing ginning operations as well as agricultural operations to the end Japan may sooner or later be in control of the great cotton fields of that new country; also Japan is interested in improving the conditions of the 170,000 Japanese nationals who have settled in Brazil.

This cotton program of Japan in Brazil means, if carried out according to their plans, the economic and social death knell of tens of thousands of cotton farmers of the Southland. As an illustration of what it means to Texas, the greatest cotton-producing State of this Nation, look at these figures, taken from the official port statistics of cotton exports, season ended August 1 last:

	Bales
Texas exports of cotton, 1933–34	5,103,000
Texas exports of cotton, 1934–35	2,889,000
Loss in 1 year (equivalent 44 percent)	2,214,000

The Nation as a whole lost 36 percent of its foreign cotton market.

What does Japan do with the cotton which she does purchase from us? She takes it to her own mills, where it is processed under most unusual low overhead-cost conditions and with unbelievably low direct costs and export premiums. She sends the processed cotton goods back to us, closing our own textile mills, and also exports an increasing quantity to other countries, thus driving us out of those markets as well.

Mr. E. A. Neff, executive officer of a large rug-manufacturing concern in Chicago, stated under date of January 16:

The Japanese can deliver a cotton rug in Chicago for less than we can put it on our looms here. There is a very definite need for our citizens to "buy American" and for our Government to give us protection. It must be remembered that when $1,000,000 worth of rugs are imported from Japan that means at least $3,000,000 worth of rugs that are not made in this country because of the difference in cost.

The Tariff Commission in a release dated this morning, referring to imports of Japanese goods, says that—

Manufactured goods imported into the United States from Japan have, in many cases, been of low grade, even lower than any similar products made in this country. Even considering grade, however, the prices of such Japanese goods have often been extremely low.

The extremely low prices at which Japanese-made goods can be sold in other countries directly results in channels of trade being carved out through which more and more Japanese goods can flow. Japan's rapid increase in population will force down the level of wages, irrespective of the per-capita production, and as she further rationalizes her industrial activities, we can expect more and more of her goods to come into this country at lower prices.

A "Buy American" campaign will not be very effective in view of the facts of the case. Our people are under extreme economic pressure to purchase utility goods at the lowest price possible. If Japanese-manufactured goods are placed on the counters of the retail stores of this Nation and offered at a price which is lower, quality being considered, the American consumer will purchase the Japanese goods. Furthermore, if the goods come into this country, they will be purchased and consumed here. They will not be reshipped to other parts of the world.

In Japan they have something like 97,000,000 people living in a territory about as large as the State of California. Those people are increasing in population at the rate of one to one and one-half million annually. That increase in population furnishes pressure with which to hold down the wages, irrespective of the increase in per-capita production. So the gentleman from West Virginia says to us, carry on a campaign of "Buy American", and then he makes this statement:

The Nation is being flooded with foreign manufactured goods from Japan and Soviet Russia, which are of inferior grade. I am informed that some Japanese workers are paid only 2 cents a day.

He also makes the observation that he has just purchased in 30 minutes' time 15 foreign-made articles in Washington stores. He says that the dealers say that citizens do not pay attention to where the goods are made, and also makes the statement that factories in his district have been forced to close because of inroads made by foreign goods, and he pleads with the American people to buy American-made goods. If we permit the goods to come into this country, having once landed here, our people will buy them. I am referring particularly to Japanese goods, because of the low cost of wages and the low overhead, and you might say the low level of living which prevails among the people in that country.

The Tariff Commission, under date of today, has released a study on recent developments in the foreign trade with Japan. The introduction to this study reads:

On account of the important changes that have recently occurred in Japan's position in world trade and the wide-spread attention that some aspect of Japan's trade have attracted, it has been considered desirable to issue the present report.

On page 103 of the report we find this significant statement:

The first three of these tables cover 99.3 percent of the value of total imports into the United States from Japan in 1934. Table 1 gives data respecting 271 commodities representing 98.7 percent of the value of imports into the United States from Japan in 1934. The total value of these commodities from Japan in that year was $116,391,752, which was 42.6 percent of the total value of $273,011,387 for the same commodities imported from all countries. Seventy-two percent, or $83,863,209 in value, of the 271 commodities imported from Japan, were entered free of duty, and 28 percent, or $32,528,547 in value, were subject to duty.

So you see where a Member of this body pleads with each of us to go out and carry on a campaign of "buy American" and at the same time says that factories in his own district are closed because Japanese goods are coming in. And then the Tariff Commission says that 72 percent of those goods are coming in "free of duty." How can Japan produce and ship them into this country and compete with what we produce in this country under mass production? That has to do with costs.

Every tariff bill has to do with costs, and Japan can do that for many reasons. She can do it because they have export premiums made up of depreciated currencies, low wages, and many other factors, and at the same time they have a considerably less overhead in doing business than we have in this country. Every reciprocal trade treaty that we discuss here involves this question of wages and overhead and direct costs. If 271 articles, all of which range in excess of $12,000 per annum in value, are coming into this country from Japan, closing factories here, then that is something, I think, for the present administration to give serious attention to. It is my opinion that although we pass exclusion acts and say to the Japanese people, "You cannot come in and work in this country", yet if we permit these 271 articles and many others to come in free of duty and close our factories, that is equivalent to bringing the Japanese people to this country and displacing our workers. If this pencil I hold in my hand is produced in Japan and I find it on our counters, what is the difference between bringing Japanese into this country in the way of pencils or toys or other goods and bringing the actual body of a Japanese here that has blood flowing through his veins and permitting him to work in our factories? What is the difference between an actual physical Japanese here and the result of his physical energy as expended in his own country converted into labor and made into some product and shipped here? It is up to us to keep the low-cost goods out of this country and produce what we want here at home. Keep the goods out and then we will "Buy American." If they come in our people will buy them by reason of the economic pressure to which they are subjected on account of the foreign-produced goods competition.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. LAMBERTSON. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. DONDERO].

WHO OWNS THE UNITED STATES?

Mr. DONDERO. Mr. Chairman, yesterday two of my warm personal friends, the gentleman from Oklahoma [Mr. LEE], for whom I have a warm personal affection, and the gentleman from Texas [Mr. EAGLE] took the floor of the House and made some statements that challenged my attention. I am not the only Member on the floor of the House who envies the rare ability of my young friend from the State of Oklahoma. More than once I watched him as he has taken the well of the House and presented with rare eloquence his ideas in an address which he was making. [Applause.]

When he adds to that eloquence that dramatic technique which he possesses, his addresses and his speeches become not only interesting but highly entertaining.

On page 1055 of the RECORD of yesterday is found the statement which he made—that 10 percent of the families owned 90 percent of the Nation's wealth, and that as a result of rugged individualism 1 percent of the families of the Nation came into possession of 59 percent of the Nation's wealth.

Such statements as these are not new. Every little while we hear statements of a similar import. The figures do not always agree, but the implication is always the same; that is, that the wealth of our country under our system of government, and particularly the "rugged individualism" referred to by the gentleman from Oklahoma, has concentrated in the hands of very few people. The figures vary. Sometimes we hear it said that 2 percent own 80 percent of the United States. Sometimes we hear it said that 5 percent own 90 percent of the country. May we reasonably ask, Are these figures correct? Has this Nation actually drifted into conditions which may exist in the Old World, in which

a handful of the nobility owns nearly everything in the country?

I recognize the fact that these are days of extreme talk and rash statements not always founded on fact or reason. Just recently figures were quoted by officials high in this administration—and they were made publicly and found their way into the newspapers—which were afterward found to be incorrect and untrue. Therefore, I am not surprised that we should hear on this floor a statement which may be equally rash and not founded on fact. To my mind such figures as we heard yesterday as to who owns the United States are absurd and unreasonable.

In 1932 the estimated wealth of this Nation was $247,000,000,000 and our population approximately 125,000,000. If 2 percent owned 80 percent of the wealth, then a few more people than 2,000,000 would own $197,000,000,000, leaving only $57,000,000,000 to be owned by all the rest of the population.

If we take the figures offered by the gentleman from Oklahoma, the absurdity of the statements he made will be still more glaring. But "let us look at the record", using the language of one who recently had some things to say about this administration that were rather pointed and who appealed to the real Democrats to put their own houses in order. There are over 6,000,000 farms in this country. Would anybody say that 1 percent of the families of the Nation owned 59 percent of them and that all of the rest of the 99 percent would own 41 percent of the farms? It is estimated that the land and buildings alone on these farms are worth $48,000,000,000; deducting $12,000,000,000 of mortgage debt existing against them would still leave $36,000,000,000 in farm lands.

There are also 10,000,000 nonfarm homes owned by those who occupy them, which, according to the Census Bureau's average, are valued at $4,478 each, which would account for $44,000,000,000 more, the major part of which belong not to the 1 percent of the Nation's families but to the 99 percent.

There are about 45,000,000 savings accounts in the Nation, amounting to nearly $30,000,000,000. Are we to believe that the very rich 1 percent of the families own the most of those accounts?

The very rich 1 percent of the families do not usually own the building and loan associations of the Nation, but nearly 10,000,000 other people do, and they are worth nearly $8,000,000,000, so that we have now accounted for about $118,000,000,000 of the Nation's wealth, or nearly one-half of it, of which the mythical 1 percent own a very minor part.

There are some other things that 10 percent of the families of the Nation do not own. I refer to the American Telephone & Telegraph Co. as a shining example, in which they have more than 700,000 stockholders scattered over every part of the Nation.

Listed stocks are distributed among many million people of this country, and in addition there are a half million corporations in the Nation whose stocks are not listed. Does anyone believe that the Nation's 1 percent of the families own these corporations?

There are more than 2,000,000 business concerns which belong to individuals and partnerships, mostly small owners, widely scattered throughout the country. Those people own most of the one and a half million little stores in the United States. To say exactly what they are worth would be difficult, but if they average $1,000 each, that item alone would account for $15,000,000,000 more.

Now, I rather suspect that there are millions of other Americans who now hold many billions of bonds, and certainly the National Government has placed enough billions of them on the market recently to make them available to the point of suffocation to the people of this country.

To this might be added state and local bonds of the many municipalities, as well as the $12,000,000,000 outstanding in farm mortgages and more billions on nonfarm property. Certainly these are not held by the plutocratic 1 percent of the Nation, but are held by individuals and people of moderate means, small banks, and building and loan associations.

To this array of property might be added the machinery and livestock on the farms, which amounts to $9,000,000,000. There are also 30,000,000 homes in the country, of which about 27,000,000 do not belong to that minute proportion of the population to which the gentleman from Oklahoma referred but are owned by the people.

If the furniture in the average home of America was valued at $400, it would account for $10,000,000,000 more of the Nation's wealth.

Another item that should not be overlooked is the fact that there are nearly 30,000,000 automobiles in the United States, 88 percent of which are made in my own State and many in my own district. If their average value is $400, that would account for $8,000,000,000 more.

Let us not overlook the fact that there are about 115,000,000 life-insurance policies, amounting to nearly $100,000,000,000 in life-insurance liability, widely distributed among the rank and file of the people. Their cash surrender value to the owners of those policies would account for billions more.

This ought to be enough to convince any reasonable person of the extreme and, I think, somewhat radical statements made by the gentleman yesterday when he inferred that the wealth of the country had been concentrated in the hands of the few under Republican administrations of rugged individualism.

Look at the record and hold to the facts. The only result of such wild and reckless statements that the wealth of the Nation has concentrated in the hands of a few is to set class against class and to make the people believe that while they were working, rearing their families, and minding their own business, the country was stolen from them. [Applause.]

The CHAIRMAN. The time of the gentleman from Michigan [Mr. DONDERO] has expired.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 20 minutes to the gentleman from Ohio [Mr. HARLAN].

Mr. HARLAN. Mr. Chairman, in this deluge of criticism that has come on the floor this afternoon, and during the past week, on our reciprocity policy there seems to be one common characteristic.

These speeches have been one long wail against concessions we have granted American importers, and an equally profound silence as to the concessions that the exporting farmer and manufacturer has received in exchange.

Apparently these speakers would like to convince us that the man who manufactures or cultivates solely for sale at home is an unmixed blessing, while the man who manufactures or cultivates for sale abroad is a curse to our civilization and should be utterly cast out.

Yet I presume, Mr. Chairman, that the most of us know a number of such men. In my district a large percentage of the farmers, and at least 12 percent in value of the manufacturers, sell their produce abroad. They all look normal. They pay taxes, they rear families, they consume food, wear clothes, and live in houses, and most remarkable of all, they pay wages to their laborers.

They are American citizens, and certainly under any theory of rugged individualism they ought at least not be hampered by government. Nevertheless every step that we have taken to shut out imports has infallibly made the payment to that extent for our exports impossible.

This is not at all mysterious. No sane individual will part with anything of value unless he receives some tangible thing or some service of equal value in exchange. Nations are but groups of individuals, and in matters of trade function the same way.

Anyone willing to investigate the ramifications of foreign exchange and the record of international imports and exports will find that with every nation on the globe their total exports of commodities, services, and gifts will over a period of years equal their total imports of commodities, services, and gifts. There will be short periods of credit or debit balances, but this is only a temporary affair.

Those nations, like the United States, who have prided themselves on selling more commodities than they buy have maintained this position by buying more services than they sold or by sending more gifts than they received.

Our immigrants send tremendous funds to their relatives back home. Our investments in repudiated foreign bonds have constituted unwilling but wholesale gifts on our part. Our purchase of marine transportation, the money spent by our tourists in Europe, the interest and dividends we have paid to foreign capitalists have all enabled us to sell more tangible goods than we could buy.

Mr. KNUTSON. Will the gentleman yield?

Mr. HARLAN. I will be glad to yield at the end of my remarks.

All these conditions, however, are being rapidly changed, and it is more and more imperative that we must buy tangible commodities almost dollar for dollar in exact exchange for the tangible commodities we sell.

But if this were not true, the bitterness and animosity generated throughout the world toward our people by the Tariff Act of 1929 has produced countertariff walls in every direction to accomplish the same thing.

For example, our tariff increase on French tapestry, lace, and perfume brought a rigid retaliation against our automobiles, rubber belts, and coated paper. Mr. Speaker, I ask by what divine right we, the lawmakers of this country, can say to the laborers making automobiles, rubber belts, and coated paper, "You must lose your job in order that the perfume and lace makers may keep theirs."

Talk about planned economy, you who rave against our efforts at planned economy in the interest of labor and the general welfare have been advocating the most rigid planned economy that we have ever had, and it has been going on for a long time. Except that you have always planned your economy in the interests of campaign contributors and against the cultivator or manufacturer for export.

By what inspiration may we say to the farmers growing tobacco and raising hogs, "You must accept a curtailment of your market in Norway and Sweden because the Match Trust insists on a monopoly of the match business in this country"?

My very good friend and colleague from Ohio, Mr. MARSHALL, is very much worried about some concessions we have made to the importers of Brazil nuts in a reciprocity treaty recently passed. It certainly then ought to be of interest to him to know that in the Canadian treaty the Canadian duty on pecans and walnuts in the shell was reduced 50 percent and a very substantial reduction was granted on shelled nuts. He is terribly disturbed about our putting flaxseed oil on the free list. If we would just shut out Canadian flaxseed oil, he says, we could utilize 3,000,000 acres of land growing these flaxseed. It is hardly to be expected that the Canadian producer is giving all this flaxseed oil to our manufacturers, and if not, it is being paid for by some commodity manufactured or grown in the United States. One item, for example, would be our Irish and sweet potatoes, which, under the new agreement, are to be imported into Canada free of duty. Possibly our American farmers would rather grow potatoes than they would flaxseed, and some of that 3,000,000 acres of land may be developed this way. Or the very marked concessions granted by Canada to our fruit growers might be an inducement to our farmers to use a little of this space for that purpose.

It is not necessary to go into all these tiresome details. Very briefly, this Canadian treaty grants concessions to American farmers on imports into Canada which in normal times would total $50,000,000 a year, and we grant concessions to Canadian farmers on the things that they grow most profitably, on imports into this country which in normal times would amount to about $45,000,000 a year. This looks like a good bargain for us.

This Canadian reciprocity treaty does not mean free trade by any means. I think an examination of the treaty will simply show that both the United States and Canada have gone back substantially as a first step toward sane and sensible commercial relationship to our tariff treaty of 1922, which I believe we all remember was a Republican measure, and it is certainly startling to notice how dangerous some of our Republican colleagues seem to think it is.

My friend and colleague from Ohio, for example, says:

> This program to me just does not make sense.

Well, it may help him to know that in Springfield, Ohio, the largest town in his district, there exists a paper known as the Springfield Sun. A recent editorial in that paper seems to be able to see a little sense in the program, because it says:

> Reciprocity may be described as an invention to modify the bad effects of protection without doing away with it. It was favored more or less by some members of both parties. President Taft, a Republican, almost got reciprocity through. It has now been brought about in a Democratic administration.

If the gentleman is still worried about the 3,000,000 acres of land that ought to be growing flaxseed in this country instead of in Canada, it would be well to call to his attention that under the tariff schedules of 1922 the United States trade in manufactured commodities amounted to $400,000,000. Under the maleficent influence of the last Republican tariff this trade dropped to $100,000,000. Now, if by restoring the former tariff schedule we can restore this $300,000,000 in manufactured goods, as well as restore the $35,000,000 worth of agricultural produce which we have lost in exports in the same time, the farmer might be able to use up some of those 3,000,000 acres—first, in supplying additional farm produce for the Canadian people; and, second, in supplying farm produce to the laborers who would be restored to their jobs in producing this $300,000,000 worth of manufactured goods. Anyone who is really interested in preserving the American market for the American farmer would do well to see first that the American market prospers. To preserve something that is bankrupt is hardly worth talking about.

The gentleman from Wisconsin [Mr. SAUTHOFF], who gave such an impassioned and earnest speech against this Canadian reciprocity treaty in its effect upon the dairy business, would be relieved, I am sure, to know that the quota of Canadian milk to be admitted—125,000,000 pounds—is about one-tenth of 1 percent of the quantity produced in the United States, and it is just half the quantity we imported from Canada in 1929. Now, if there is any attempt of the Canadian producers to send in enough milk really to injure Mr. SAUTHOFF's constituents, they will very shortly come under the schedule of our Smoot-Hawley tariff, which in the past 4 years has shown itself to be sufficiently high practically to kill all foreign trade, both imports and exports.

He was also very much disturbed about Cheddar cheese. The new reciprocity schedules return to the tariff of 1922, and under that schedule our average imports amounted to less than 1 percent of American production. Now, I think it hardly more than fair to say that if our tariff policy preserved to the Cheddar cheese manufacturers in this country 99 percent of the domestic market, it has done pretty well—that is, if we are willing to concede that the farmer or manufacturer who manufactures or produces our exports has any license to live in our modern world at all.

One of the recent critics of our Canadian reciprocity was terribly disturbed about the influx of cattle. The principal item in this list is feeder cattle weighing over 700 pounds. The duty under the reciprocity treaty is 33⅓ percent higher than the tariff schedule of 1922, and is limited to three-fourths of 1 percent of our annual slaughter. On cattle between 175 and 700 pounds no change has been made, so there does not seem to be much to worry about.

I know that it will be pleasant news to the gentleman from Wisconsin if he will read an editorial in the American Creamery and Poultry Produce Review for November 27, 1935, and also a release for publication:

> THE CANADIAN TRADE AGREEMENT
>
> The Review unhesitatingly applauds as sound policy in principle the trade agreement recently consummated between Washington and the Dominion of Canada. The concessions made will, it is true, adversely affect at least for a time, certain enterprises and industries on both sides of the border. But the advantages of cultivating larger commercial relationships with a good neighbor whose manner of living, whose trend of thought, whose ideals

and ideas of government, and whose prevailing tongue are very nearly identical with our own must be apparent.

Friendship and a mutual appreciation of a common interest in peace grow with trade and with a general realization of business interdependence. We look forward to the day when the border line separating us from Our Lady of the Snows can, with mutual benefit, be made as innocent of restrictions as it is today innocent of fortifications and instruments of war.

That is the mouthpiece of the creamery and dairy interests of this country.

The gentleman from Vermont [Mr. PLUMLEY] got up on the floor here a moment ago and said he was in favor of reciprocity but opposed to the way we got it. We have been trying to get reciprocity in this country for the last 50 years and were never able to get any reciprocity treaties except as they are obtained at the present time. Why? Because whenever you try the other method of going through legislative halls you get the old tariff bloc, logrolling system, which gets you nowhere. If our own Congress has not defeated the measure, the legislative body of the other country has.

During the past 50 years we have negotiated treaties with Hawaii and Cuba, which is a wonderful record for that period of time. Those who object to this system are simply saying that they do not favor reciprocity, because this is the only way we will ever get it. The gentleman from Vermont [Mr. PLUMLEY] stated he favors reciprocity and then criticizes everything that has been done under it. For the enlightenment of the gentleman, permit me to read an editorial taken from the Rutland (Vt.) Herald, which I happen to have before me. It reads as follows:

It probably is too early to make positive statements, but so far it certainly doesn't look as though the new United States-Canadian trade agreement would work a hardship on Vermonters. On the contrary, customs officials at Newport say that the imports during the first 19 days of the new regime have been normal, with indications that they will continue to be in spite of the letting down of trade barriers.

This information should be a comfort to the Vermont dairymen, lumbermen, sugar dealers, and others who anticipated a flood of Canadian products to compete with their own. A glance at the customs collector's report shows that so far there really is small cause for alarm.

Instead of heavy milk importations since the agreement went into effect on January 1, no milk has been received at Newport, and the deputy collector of customs at that port says dealers have informed him that they have no intention of trying to build up the Canadian business again. A duty higher than that in effect prior to the Tariff Act of 1930 and strict United States pure-food regulations are responsible for this condition.

Only a few purebred cattle have been imported for dairy and breeding purposes and lumber imports have been small, probably due to the fact that Canadian prices have soared more than the tariff has been reduced. Although it's too early to know anything about the practical application of the maple-sirup tariff, customs men feel that the 4-cent duty called for in the agreement, which is the same as it has been most of the time since 1922, will make unlikely any change in the volume of the Canadian product imported.

All in all it looks very much as though the Vermonters who yelled the loudest when the agreement was signed may have been starting at shadows. There may be some increase in lumber imports; the sugar season may bring about an influx of Canadian goods. However, it is doubtful if the quantities will be sufficient to cause any great concern among the producers in this State.

I may say in passing that this is a Republican antiadministration paper.

The gentleman from Michigan [Mr. CRAWFORD] cited one of the Washington papers and also called attention to the terrific situation existing at the present time so far as Japanese imports are concerned. He wants further restrictions against Japan. The situation is that due to one of those peculiar trade triangles we happen to be selling Japan $100 worth of goods for every $80 worth of goods that we buy from her, so that every 80 cents that we cut off of Japanese imports we are going to cut off $1 worth of exports from our country.

The gentleman also cited the Washington Hearst paper, which, of course, is one of the rabble-rousing institutions in this country, with reference to the question of the tariff. These papers yell about "Buy American", and all that "hurrah, hurrah, hurrah for the American flag", and that kind of cheap, circulation-inflating pseudo patriotism.

Although the Washington Post is a Republican paper in policy, here is what that paper states editorially about the Canadian reciprocity treaty:

Countries must not only buy, however, if they wish to sell but when a nation has attained creditor status, like the United States, it must be prepared to import more goods than it exports if it expects to receive interest on capital invested abroad and to be paid for its exports. Only if we are prepared to continue lending the difference between what is due and what can be paid will the day of reckoning be indefinitely postponed.

Similarly, a debtor country must be given facilities for exporting more than it imports, if it is to discharge its obligations and finance its imports without going ever more deeply into debt. Judged in the light of such incontrovertible facts, the shrinkage in our merchandise trade balance is to be expected. And it should be welcomed insofar as it reflects an approach to a need readjustment of our trading relationships to our creditor status.

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield the gentleman from Ohio 5 additional minutes.

Mr. HARLAN. This same editorial concludes as follows:

It is probably too soon to determine the effect of the various reciprocal-trade treaties upon our foreign trade. Certainly they have stimulated exports as much as imports, and must be regarded as a factor of first importance in the struggle to restore a healthy basis for expansion.

Before closing, Mr. Chairman, I should like to call attention to the fact that there is a matter involved in these reciprocity treaties far more important to us and to our children than any gain in profits or trade that we may ever make, and that is that these treaties are offering an avenue far more direct than any neutrality bill we may pass to the establishment of a permanent basis of peace.

There are those in this House who think that our best method of achieving peace is to disarm, and there are those who think that our best method of achieving peace is to arm to the teeth, but the simple fact is that neither side in this interminable argument is doing anything to remove the most potent factor that is constantly plunging the world into war.

When Japan was invited to attend the recent naval conference she urgently suggested that the conference discuss, along with naval reduction and naval parity, the fundamental and important question of open access to raw-material markets.

Goebbels in Germany just a few days ago made the statement that he was in entire sympathy with the Italian desire for foreign colonies and open markets. He said that he was not willing to agree with their methods of getting them, which can only mean one thing in the light of the new fortifications of the Rhine, and that is that Germany intends to get them at a peace conference following the next European war.

Emil Ludwig, in his Interviews with Mussolini, was discussing the Kellogg Peace Pact, and Mussolini said to him that so far as world peace is concerned a revision of international tariffs was of more importance than all the peace pacts.

The raw-material markets of the world are monopolized by four or five great empires; they are fenced about by high tariff walls; other nations cannot buy these raw materials because they cannot sell in these markets; therefore their standard of living is down and factories are closed, their families are hungry. And we of the great powers say to these nations: "We will not drop bombs on your cities, we will not poison your wells, we will not turn machine guns on your young men, but we do insist on the privilege of starving you and your children." Can anyone expect the world to remain in peace under these conditions? Can anyone expect Japan, Germany, Italy, and other nations similarly situated to do anything else than bide their time to strike, and when they strike this Nation, the repository of the world's greatest supply of raw material, need not hope to escape, no matter how many idealistic and well-meant neutrality bills this Congress may pass. If we are sufficiently armed ourselves to frighten away attacks, we may be assured that some of our weaker neighbors—the Philippines or Cuba—will be the victim, and from there on is a short step. We cannot conduct a perpetual, eternal commercial war and then expect military peace.

Now I will be pleased to yield to the gentleman from Minnesota.

Mr. KNUTSON. Is it the gentleman's thought we should bring our living levels down to those of Japan in order to retain an amicable relationship?

Mr. HARLAN. Our living levels in this country have no more to do with a tariff policy than they have to do with Einstein's theory. From the day of Alexander Hamilton's report on manufacturers 150 years ago every industry that has come to this Congress and asked for tariff preferment has come in with this plea.

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. HARLAN. They come in and say to the Congress, "We want to go into business, but we cannot go into business because there is a high wage scale in this country, and we cannot compete with lower wage scales." They started this 150 years ago, and they have said it ever since for every industry that has started up and asked for a tariff. We had a high wage scale 150 years ago, and we have it now. This high wage scale applies in this country to all the building trades, to all the service industries, to all the industries that manufacture for export—in fact, to over half of our employed labor—without any relationship to the tariff. The tariff has had nothing to do with our wage scale except to reduce the relative value of the dollar that the laborer is getting. In other words, we have elevated the cost of living and cut down the relative wage.

Mr. KNUTSON. Has the gentleman read the history of the American tin-plate industry?

Mr. HARLAN. No; I do not believe I have. I will leave that to the gentleman from Minnesota.

Mr. KNUTSON. I did not think the gentleman had.

Mr. HARLAN. The gentleman can cite a number of specific industries which could not exist in this country, probably, if it were not for some protection, and, of course, in those industries the wages paid are directly attributed to the tariff; but this has nothing to do with the wage scale which applies to all labor and has been relatively higher in this country from its very beginning until now.

The tariff-protected industries ask for protection each time because, they say, they cannot pay this wage scale. In other words, they say to Congress: "You must adopt a tariff sales tax on all foreign goods competing with us so that we can impose this same sales tax on our commodity and out of that sales tax pay our wages and profits."

The only difference between this tariff-imposed sales tax and the Townsend transaction tax is that the Townsend transaction tax goes first to the Government and then to the beneficiary. The tariff sales tax goes direct from the purchaser into the pockets of the manufacturer. How anyone can argue that by the juggling around of a sales tax of this character we can increase our wealth, raise our level of living, or increase the wages of the country is beyond me.

I am not a supporter of Dr. Townsend's economics; but how anyone on the high-tariff side of the argument can consistently oppose Dr. Townsend is another mystery that they alone will have to solve.

These industries, after coming here and saying that they cannot meet our American wage scale, get the tariff and then go to their laborers and to the public at large and say that the wage scale which they cannot meet in the first place is due to the tariff. Nothing but the most utter, assinine stupidity. Its one virtue is that it is very profitable stupidity to the tariff beneficiaries.

Long before Alexander Hamilton made his report on manufactures—in fact, in the Colonial days—Benjamin Franklin, in writing to a friend of his in England, commented upon the fact that we had a much higher wage scale in the Colonies than existed in England, and attributed it to the fact that the Colonies had not yet adopted those restrictions on trade which he said the princes of Europe had used to interfere with their own economy.

We owe our wage scale to the almost unlimited cheap power, natural resources, inventive genius, and soil fertility which enables us to produce tremendous profits, and out of those profits we have a higher general wage level than any place else in the world.

One very important thought, however, that I wish especially to emphasize is that we are here discussing a reciprocity treaty. I am not advocating, and I am sure the State Department is not advocating, abolishing our tariff system just because it is economically unsound. There is a great deal of difference between adopting a tariff schedule and a proper proceeding after it is here. We are definitely committed to a tariff policy. Investments have been made and our whole industrial system built on a tariff policy; we cannot escape it any more than could the man escape the bear that he had by the tail. We can, however, alleviate our difficulty and work no injury on anyone by adopting these gradual and harmless reciprocity treaties.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. HARLAN. I yield.

Mr. BOILEAU. In our reciprocal-trade-agreement law there is a provision to the effect that any reduction in duty we give to any one country under a trade agreement applies equally to all other countries except Germany. I wonder if the gentleman would give us his opinion—and I respect his opinion, because he knows this subject as well as anyone in the House—what the effect of quotas is in respect of these agreements. Do other countries get the same benefit as to these quotas?

Mr. HARLAN. I am not speaking for the State Department; however, I am reliably informed that where there are quotas set forth in the Canadian reciprocity treaty those quotas extend to the whole world. If Canada does not fill the quota before some other nation has, then it is just too bad for Canada, because after the quota is filled we then go back to the tariff schedules under the Smoot-Hawley tariff bill. However, these quotas on lumber, meat, and milk are so drawn as to apply practically to imports from Canada alone. The imports which we get from Mexico—and which worried the gentleman from Ohio [Mr. MARSHALL] in his speech the other day—are not of the type that are referred to in the Canadian treaty; and on milk, for example, we may get a little from New Zealand or Holland, but, I understand, from practically no one else.

Mr. BOILEAU. How about cheese?

Mr. HARLAN. And very little cheese. The fact is we constantly export more cheese than we imported from Canada under the 1922 tariff. Cheese, however, is not under a quota in the Canadian treaty. [Applause.]

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield to the gentleman from Florida [Mr. GREEN].

Mr. GREEN. Mr. Chairman, I rise to call attention to an error made by the Forestry Service as to the city of Fernandina, Fla.

Recently Mr. Julian E. Rothery, senior forester, made a preliminary report relative to Florida pulp development at Palatka, Fla. This report is in many respects a splendid document and well outlines the great possibilities for the pulpwood industry in the northern part of Florida and in the southern part of Georgia. The report has particularly to do with my congressional district in the northeastern part of Florida. Forester Rothery, however, made a grave error when he, in speaking of the town of Fernandina, Fla., used this language:

> The town shows every evidence of decay and poverty.

I take exceptions to this language. Fernandina is one of the finest small cities in Florida with a population of four or five thousand people. It has probably the best harbor on the Atlantic Ocean south of Hampton Roads. The harbor is large and gives depth of 24 or 28 feet. The shrimp and general fishing at Fernandina are among the best in the world. Amelia Beach adjacent to the city of Fernandina is wide, long, and smooth; in fact, one of the finest beaches in the world and is frequented by thousands of visitors each year. Fernandina and Nassau County also have the distinction of being almost the only city and county without a bank failure. During the recent financial crisis there was not a

bank failure in Fernandina, and the First National Bank, which is one of the strongest in the United States, did not have to borrow even a dollar during the depression. Nassau County has some of the richest farming soil in Florida together with some of the best developed general farms and poultry farms. The timbered area of the county which is very extensive affords one of the best pulpwood industry opportunities in the United States. Adjacent to Fernandina and this county can be had four or five hundred thousand acres of pulpwood growth pine for pulpwood and general forestry purposes. I know of no better opportunity offered for a pulpwood mill than Fernandina, because in addition to natural timber growth and a deep harbor facility it has a splendid concrete paved road and railroad facilities.

Forester Rothery made in many respects a splendid report relative to the future of the pulpwood industry in Florida, but was in grave error when he called Fernandina a town showing evidence of decay and poverty.

We welcome and commend that portion of the forester's report which gives correct conditions as to the pulpwood possibilities in north Florida, but condemn this particular erroneous reference to the city of Fernandina, Fla.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and include therein the report of Forester Rothery referred to, and also the letter from Mayor P. C. Kelly, of Fernandina, Fla., transmitting same.

The CHAIRMAN. Is there objection?

There was no objection.

The matter is as follows:

FERNANDINA, FLA., *January 24, 1936.*

Hon. R. A. GREEN,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN: The citizens of Fernandina and Nassau County have requested me to call your attention to a preliminary report (see Florida Pulpwood Development at Palatka, Fla., by Mr. Julian E. Rothery, senior forester); copy of the report is enclosed, and I trust you will give this report careful consideration.

It strikes me this report should have been named "Prospectus for Pulpwood Development at Palatka." The Forest Service released their survey no. 9 on January 30, 1935. Mr. E. L. Demmon, director, New Orleans, La., gave out the advance information in his survey unit no. 1 for 21 counties in northeast Florida and 35 counties in southeast Georgia. Fernandina is near the center of this vast timber supply, with the best harbor on the Atlantic coast. The two surveys cover more than 14,000,000 acres, with more than 75,000,000 cords of pulpwood available. No mention is made in either survey unit that the timber in the central region is full of knots, limbs, etc., and therefore not first-class pulpwood.

The uncalled-for fling this Mr. Rothery seems to delight in taking at Fernandina is unwarranted and without the boundary of facts.

We should not object to his Prospectus for Palatka if he had not mentioned Fernandina, but we do strenuously protest against the Forest Service wantonly knocking Fernandina and Nassau County and giving publicity to reckless statements that are not borne out by his own Department's report.

The gentleman's "dig", "The town shows every evidence of decay and poverty", is particularly obnoxious. Fernandina has the distinction of having one of the few banks in the United States that was so efficiently managed that it carried on without Government aid and without borrowing one dollar during the depression.

This report is calculated to do Nassau County, and particularly Fernandina, a great injustice and irreparable injury.

Mr. Rothery, senior forester, is in the enigmatic position of condemning in a measure the unit survey in northeast Florida released by Mr. E. L. Demmon, director, New Orleans, La., or at least that portion of the pulpwood in the central region and within easy reach of Fernandina.

This report bears the date of October 1935, but our attention was not called to it until the 23d day of this month.

With regards, I am,

Yours most respectfully,

P. C. KELLY, *Mayor.*

PRELIMINARY REPORT, FLORIDA PULP DEVELOPMENT, PALATKA, FLA.

By Julian E. Rothery, senior forester

INTRODUCTION

The following report deals briefly with some of the possibilities of a pulp development in north Florida.

Section 1 covers a brief trip by the writer to various points, in company with other forest officers from Atlanta, with particular reference to the town of Palatka, for which such a project has been discussed, and the pulpwood resources tributary to that point. It includes a recommendation for a mill-site survey to determine the relative industrial merits of this location as a necessary step for further studies.

Section 2 deals very briefly with the general economic and social conditions of the locality and the transportation facilities for assembling pulpwood. Until further industrial data are gathered it must necessarily be incomplete.

Included is an outline of pulpwood operations in the South, employment involved, and the adaptability of this type of operation to intensive management on national-forest lands.

A map shows the general geographic features of the vicinity of Palatka and the transportation systems which will permit the cheap assembly of the pine pulpwood so abundant throughout this territory.

OCTOBER 3, 1935.

SECTION I

PRELIMINARY REPORT FLORIDA PULP DEVELOPMENT

The writer left Washington on August 26, went to Atlanta, conferred with Regional Forester Kircher on the 27th, and left Atlanta with Messrs. Paxton and Ochsner, of the regional office, that night for Jacksonville, and spent until September 5 in preliminary study of the pulpwood possibilities in north Florida.

Mr. William L. Wilson, of the Works Progress Administration, 1405 Barnett Bank Building, Jacksonville, rendered every assistance and made available the services of Mr. J. E. Woodman, a consulting forester of Jacksonville. Forest Supervisor Albert accompanied the party during some of the trip.

1. Jacksonville: Jacksonville offers numerous advantages for a pulp or paper mill, and tentative sites on the river below the city have been considered. A good wood supply is tributary and the Osceola National Forest is within reasonable freight rates. The question of odor from digester gas presents a problem, and as Mr. Wilson felt the city might not particularly welcome a mill, the subject was not discussed at great length, though as a location Jacksonville has undoubted possibilities.

2. Fernandina: This town has had wide publicity as a possible mill location and considerable data have been collected in regard to it. It has the advantage of an excellent harbor, with 24 to 26 feet of water reported. A mill here would naturally draw much of its pulpwood from the adjacent section of Georgia. The nearby holdings in Florida are reported to be rather small and held at high prices. The town shows every evidence of decay and poverty and is on a single rail and motor road, which restricts the area from which wood can thus be drawn.

3. Palatka: This is a small but fairly prosperous town 50 miles south of Jacksonville on the St. Johns River. It has a large cypress mill at present operating and receiving its logs by water, a veneer mill and several wood-working plants, and formerly shipped large quantities of lumber by water. Much of the surrounding country is interspersed with good agricultural lands, producing citrus crops, potatoes, beans, etc., and would offer excellent opportunities for small subsistence homesteads, such as might be contemplated in any rural resettlement project.

The proposed Florida canal would give this town the advantage of deep water, whereas the present draft is reported to be only 12 to 14 feet. The Atlantic Coast Line Railroad runs north and south along the river, with a branch to the westward. Two branches of the Florida East Coast Railroad tap the country to the east of the St. Johns River, and a subsidiary of the Southern Railroad extends northwestward, almost touching the southwest corner of the Osceola National Forest, 75 miles distant. Hard-surface roads generally parallel the railways. The river itself can be used for barge transportation of wood, and thus the tributary country has excellent transportation facilities for the assembling of pulpwood from a wide area and in almost any required quantities.

In the limited time spent on this trip only a general picture of the pulpwood resources could be obtained. Mr. Paxton has listed various properties, many of which he was familiar with and which might come up for further consideration of a pulpwood supply in this locality. There is a very large amount of material at present available for pulpwood, particularly in worked-out turpentine trees, which can be delivered over the time which it takes to acquire and build up a producing forest—a span of probably 10 or 15 years.

We also spent a part of 2 days and drove some 80 miles through the Ocala National Forest, which had been considered in relation to various pulp-mill projects in northeast Florida. The present stand of sand pine prevalent in the central part of this forest presents numerous difficulties in pulpwood utilization. The trees are unusually limby and knotty, affecting both the quality and the cost of preparing the wood. The ground is exceptionally brushy, particularly in the younger stands, all of which will increase the cost of felling, stacking, and hauling the wood, which with the poorer quality of the wood, would mitigate against any substantial utilization of this species at present, when better quality material can be obtained cheaper in the flatwoods country.

The proposed canal skirting the northwest border of the forest will increase its accessibility, however, and the flatwood areas in the new extension of the forest in that section should be able to furnish a limited supply to a mill at Palatka.

As before mentioned, a portion of the Osceola is available to Palatka on a 75-mile rail haul, and reasonable freight rates can probably be obtained on any quantity movement. Thus, the present national forests in the territory can only be counted on for a portion of the mill supply, and additional areas must be obtained. For this, both Mr. Paxton and the writer felt that the country west of the St. Johns River offered better possibilities, all things considered, than the territory east of the river. The areas from Lake City to Starke were particularly impressive, one stand of 60 cords per acre being observed, which from Forest Service measurements has been shown to have had a periodic growth at the height of its productivity of about 4 cords per acre per annum, a most unusual condition. After leaving Starke, the productivity of the pine lands seems to diminish, and finally a large sand

ridge country is encountered, which is probably an extension of the similar sandy lands characteristic of the Ocala National Forest. It carries very little pine and must be figured as practically all waste. East of this sand ridge, and extending to the agricultural lands bordering the St. Johns River, is a region of flat woods, some of it apparently of fair stocking and soil conditions but badly in need of protection. It was in this belt that Mr. Paxton, Mr. Woodman, and myself felt that an additional mill supply might be acquired, and from records from the supervisor's office, as well as the regional office, Mr. Paxton has roughly outlined some specific ownerships which might lend themselves to a project like this. However, we felt that it was hardly justifiable to make a detailed study, or even a further preliminary survey, until the mill location had been considered further and found to be suitable. The definite location of the mill site will to a considerable degree influence the choice of the forest areas tributary to it.

While Palatka apparently offers a favorable site, with better than usual transportation by rail, water, and truck, it should be reported upon by a competent paper mill engineer as to the building conditions, water supply, freights inward on fuel, and supplies, and outward on finished products. The nature of the product contemplated, the size of the mill and the annual wood requirements should be known and the site tentatively judged as competitive with other sites before large expenditures are made in forest investigations.

I suggested to Mr. Wilson that he take steps to obtain such information either from some of the manufacturers whom he has in mind, or, if they are not sufficiently interested at this stage to do this, then from some well-recognized consulting paper-mill engineer.

Such a study would bring the industrial features of the projects abreast of the general information on pulpwood resources which from present information may be taken to be reasonably satisfactory. If Palatka holds up as a competitive site and the capacity of the mill is determined, the way is paved for further investigations and a possible acquisition program.

In this respect, the proportion of the annual wood consumption to be drawn from national forest timber will require careful consideration. There are a few progressive turpentine operators who are building up their holdings for a long-time basis—such as Howell, south of the Osceola Forest—whom it might be advantageous to encourage in the production of pulpwood. In addition, there are numerous small farmers and woodlot owners who, perhaps, under State supervision, could cut conservatively and get the needed market for their wood.

If we assume that a mill is economically sound at Palatka and that the ultimate production will be 500 tons daily of pulp or board, requiring approximately 200,000 cords of wood a year, then about 400,000 acres of land will be required to supply it after a 10- or 15-year interval, during which time the forest must be protected and built up.

The proportion of this supply to be furnished by the present and proposed national forests must be determined and an acquisition program outlined to accomplish this.

For a start in this work the industrial report mentioned previously is badly needed and should be made as soon as possible.

If Mr. Wilson is unable to interest his prospects in making such a report at the present time, possibly some agency of the Government, such as the Rural Resettlement Administration, could assist. With such a report in hand and the keen interest of a manufacturer obtained, the forest investigation could go forward and the question of a Government loan tying forest operations to the beneficiary could be taken up.

After leaving Palatka we drove through the Appalachicola National Forest, and I was impressed with the general satisfactory condition of the lands. However, the Gulf coast of Florida is lacking in the railroad- and motor-transportation facilities found at Palatka, agricultural land is poorer and more limited, and the forest may not be so predominatingly pine, and apparently there were no compensating factors for these disadvantages. Also, the Southern Kraft Mill at Panama City dominates the territory to a certain extent, and it is reported that it may be enlarged and thus create a market for the wood from this forest. Of the four general sites visited, Palatka seemed to all of us to be the most attractive from the wood standpoint and the utilization of a portion of the present Ocala and Osceola supplies. If it still holds up under an industrial report, the next steps necessary to assure a satisfactory supply can be considered.

SECTION II

GENERAL ECONOMIC AND SOCIAL CONDITIONS, PALATKA, FLA.

Palatka is located on the west bank of the St. Johns River, 50 miles below Jacksonville, and connected with the east bank by a new highway bridge.

It is a rather well-kept, typical southern town of 6,500 people. The population of Putnam County, in which it is located, is 18,000, and the territory immediately surrounding Palatka is stated to have a population of about 10,000, of whom the greater part are engaged in agriculture

Probably the largest single local industry in Palatka is the Wilson Cyprus Co. mill, which has a capacity of 3,500,000 feet a month. In addition there is a large furniture factory, stave mills, veneer mills, sash and door factory, and a cypress tank factory. Palatka is the center of a considerable naval-stores industry, with one large central still located in East Palatka. These industries are stated to employ approximately 900 men, and there are numerous minor industries, such as foundries, machine shops, garages, etc., employing additional men.

The banks in Palatka are the Palatka Atlantic National Bank, with resources of $1,345,000; the Palatka Building & Loan, with $300,000; and the Palatka Federal Savings & Loan, with $60,000. The town and country are reported to be solvent and recovering somewhat from the depression.

Palatka is on the northern edge of the citrus-producing region, and the country surrounding is well interspersed with more than ordinarily prosperous farms, raising fruit and vegetables, particularly tomatoes, beans, and potatoes. The lands in Putnam, Flagler, St. Johns, Clay, and Marion Counties contain a high percentage of pine lands, with an oak-sand pine ridge lying to the west of the St. Johns River, running generally north and south from the northern end of the Ocala Forest. All of these counties are stated to have large areas of Portsmouth and Bladen fine sand loam, which is one of Florida's best general-purpose agricultural soils. They are particularly suited to raising extra-early Irish potatoes, and the Hastings Potato Growers Association, which handles the greater part of this crop, is considered to be a model cooperative enterprise. According to the last State agricultural census, January 1933, the farm lands in Putnam under agriculture are listed as 43,645 acres, and the annual value of field and truck crops is given at $723,000. Fruits and nuts are valued at $528,000; livestock on hand, $209,000.

The farmers on the better class of soils, who comprise many northerners who have prosperous and attractive-looking farms, have been able to maintain themselves fairly well during the depression, and unemployment has largely affected the industrial workers, the smaller industries and shops, and the poorer farmers. While agriculture is substantial, the forest industries have declined since the earlier days, when a large volume of lumber was produced and shipped by water to northern ports. The five surrounding counties at one time had approximately 6,000 people on relief rolls, and it is stated that many of these were formerly employed in woods operations and are now scattered over the timbered rural sections.

The proposed Florida Canal will make the town of Palatka unique in that it will bring deep-draft vessels into inland Florida, where both pine lands and exceptionally good agricultural soil are to be found in extensive areas. While this general condition will obtain at various places along the canal, pine lands are probably more broken and less productive toward the south, and at no other point along the canal, Jacksonville excepted, are the local transportation facilities as good as at Palatka. As the map indicates, the rivers, lakes, and the canal itself will all offer opportunities for barging pulpwood to a mill. Six railway routes radiate to all points and an excellent system of hard roads generally parallel these and many secondary roads, not shown on the map but suitable for trucks, tap the intervening territory.

In summary, it may be stated that while Palatka is situated in an interior location, if the canal is built, it will eventually have deep-water transportation, and now has far more than ordinary transportation facilities radiating to all sections of the surrounding territory, a forest region interspersed with areas of extra-good agricultural soils.

These features apparently would be attractive to a pulp mill, but a mill study on the location by a competent paper-mill engineer would bring out many of the other economic features in relation to the paper mill. The cost of coal, oil, or chemicals delivered to the plant, the water supply, the capacity, the nature of the product, the cost of production, markets and freight rates to them, are all perhaps more controlling than the question of wood supply. In such preliminary survey the cost of rough wood per cord of 128 cubic feet delivered at a mill in Palatka may be reasonably estimated at $5 net unloaded. Such a figure appears ample enough under today's conditions to cover any important factors or variables likely to be encountered, and still is a figure competitive with other regions.

The advantages to a southern community to be derived from the manufacture of pulp or paper are substantial.

About 1.5 cords of wood, or possibly a little less, are required for each ton of sulphate pulp manufactured from southern pine. The direct labor needed to cut and deliver a cord of pulpwood is about one man-day, including delivery and miscellaneous activity.

A well-planned pulpwood operation offers many benefits, social, economic, and from a forestry point of view. There is a vast amount of worked-out turpentine timber all through the longleaf-slash pine region of the South, with large quantities being added to it every year. At present this material is practically all going to waste, and recovery for pulpwood is an economic saving if home demand would utilize the product advantageously. In addition to such salvage cuttings, there is the possibility of thinning operations from pole stands. Very young stands up to 4 inches would not furnish suitable pulpwood, but the larger-sized trees, 5 to 6 inches and up, would do so, and a market for this product would stimulate the practice of forest thinnings for this class of material.

In this connection it might be well to review a typical pulpwood operation. The trees are felled and cut into lengths, which vary in different sections of the South from 4 to 5 feet. Except in Virginia, or locally elsewhere, the wood is delivered to the mill with the bark on and drummed at the mill, hand peeling not being common practice. Turpentine faces are rejected and the bolts or sticks are piled up in an open, crisscross crib, called a pen. The pen is 6 feet high and usually contains from 20 to 35 sticks, and 5 pens of 4-foot wood give a surprisingly close equivalent to a standard cord of 128 cubic feet. Longer sticks will, of course, yield proportionately greater volume.

In some cases when cut the wood may be yarded or concentrated by horses or mules along some hard road for rehauling by truck,

but in the flatwoods in dry seasons the trucks are often driven directly through the open forest and the pens loaded for direct haul to the railroad, or barge, or to the mill itself if distances do not exceed 20 to 30 miles and roads are good.

There are usually no woods improvements or camps needed, the men living at home, going to and from their work on the trucks. Equipment is largely saws, axes, and possibly picks. Piece work is the common practice, and an able-bodied, experienced pulpwood cutter can cut and stack about one pen per hour, at the present wages, 1934, receiving from 15 to 20 cents per pen, or about the same per hour.

Because the work can be done on a unit basis, it offers great flexibility of season, day, and even hours of labor, and provides for all degrees of physical ability and skill possessed by the cutter and fits in very well with the economy of the farm where the farmer who has a little timber or lives within easy access of pulpwood operation can work at odd times. Due to this part-time employment, the total number of men engaged in some periods of the year in producing pulpwood is very large, as many will work at it only a few days a month or a season.

On account of the very simple conditions of operating, in sales of national forest timber, where intensive, closely supervised cuttings are required, it would not be difficult for the Forest Service to actually handle the cord cutting and keep close control of all elements of the work, embodying such silvicultural practices as it desires and selling the pens stacked in the forest ready for the truck at a price that could be readily and definitely established, namely, a small allowance for stumpage and expenses and approximately 1 hour's labor at specified and well-established rates.

The following is a fair but liberal estimate for producing pulpwood today under average conditions in the South. Stumpage and contracted profits are higher than those probably realized under present conditions.

Railroad

Cutting (1.5 cords per day per man)	$1.15
Hauling to railroad and loading	1.60
Freight (30 to 40 miles)	1.15
Stumpage	.75
Contractors' profit and expense	.50
	5.15

Truck wood

Cutting (1.5 cords per day per man)	$1.15
Hauling to mill (10 to 30 miles)	2.40
Stumpage	.75
Contractors' profit and expense	.50
	4.80

SUMMARY AND CONCLUSION

A pulpwood operation in the southern pines will yield approximately a day's work and possibly more in the woods for each cord of wood produced, the equivalent of a day and a half and possibly 2 days of woods work for each ton of pulp, which, with the exception of trucking, is practically all direct hand labor, unskilled, and available both to steady woodcutters who make it their business and to small farmers and landowners who work at it only during the season and hours they find convenient. The mill labor per ton of pulp produced will probably be used about the same as in cutting the pulpwood, but more for the manufacture of board, paper bags, and other more highly fabricated products.

The type of operation makes it particularly adapted to part-time and seasonal work, and the agricultural land and chances of good subsistence homesteads offer opportunities for settlement for the workers in both mill and woods. Further, more pulpwood cuttings are extremely well suited for intensive management and controlled operations on national-forest land.

JULIAN E. ROTHERY,
Senior Forester.

Mr. LAMBERTSON. Mr. Chairman, I yield to the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Chairman, I call attention of Members of the House today to a letter I received from Mr. Guy Cole, of the Emmet Elkhorn Valley Hay Co., Emmet, Nebr., in the county of Holt. Mr. Cole writes that 75 percent of the rye harvested in his county last year is still in farmers' hands. He is familiar with that situation, as his firm handles considerable grain, and the only rye that has been sold has been share rye belonging to nonresidents. To his knowledge, there has not been one car of rye shipped on the Chicago & North Western Railroad from Holt County, and he knows of a good many thousand bushels in farmers' hands that are for sale, the present price of which is 36 cents per bushel. This price, which has not been any higher this season, is below the cost of production. He tells me that a small portion of this will be used for hog feed, as there was very little corn raised, but, owing to the shortage of hogs, there will not be a large amount fed. Rye, you know, is not a suitable feed for any other animal; and thus the farmers in Holt County find themselves in this position—that they have rye for sale which cannot be sold. They have rye to feed to hogs, but they do not have the hogs to which to feed this rye. On the other hand, it may be that the shipments of rye coming into our country from foreign lands may have had a tendency of putting these farmers in my district at a disadvantage, because they must compete with millions of bushels of foreign rye coming into our country from foreign countries.

The thought which comes to my mind today is this: If we are to work toward a program of protecting the American market for the American farmer, how successful shall we be in that program if we are to allow millions of bushels of foreign-produced grain to come into our country at a time when our farmers have the same kind of produce for sale? The duty on rye should be increased.

The principal crops in Holt County are rye and hay, especially hay. That county and its territory has been known for many years as the world's greatest hay shipping point, and I wonder as I glance over the statement giving a comparison of the duty in effect now with those in effect last year over the products entering into the United States what is going to become of the greatest hay-shipping point in the world if the products of that American county are to be dealt off for the products of foreign lands by the reduction of tariff against competitive grains and feeds.

In the case of hay, the old rate was $5 per short ton, and under the new rate this duty has been cut to $3 per short ton, and it puts our hay producers in my district in a condition of having to compete with foreign imported hay, which is given more protection by lowering the duty $2 per ton on same.

With the permission of the House, I wish to include in these statements my answer to the letter which I received from Mr. Cole, of Emmet, Nebr.:

DEAR MR. COLE: I am interested in what you say, that 75 percent of the rye harvested in Holt County last year is still in farmers' hands. Also, I am interested in the fact that you say a good many thousand bushels in farmers' hands are for sale at 36 cents a bushel. Of course, you and I know that 36 cents a bushel is less than the cost of production, and in your territory a small portion of this rye will be used for hog feed, as there was very little corn raised, but owing to the shortage of hogs there will not be a large amount fed. So it stands to reason that rye will be a drug on the market of Holt County farmers. What to do with that rye at this time is difficult to state, in view of the fact that so much rye is coming into the United States from foreign countries.

For your information I note that you are of the belief that there is no duty whatsoever on rye and that it is being sold 15 to 20 cents lower than corn; this, however, is not a fact. There is a duty of 15 cents a bushel, 56 pounds to a bushel, on rye. The reciprocal trade agreement went into effect with Canada on January 1, 1936. But that is beside the point when I give you the following information:

In the 11 months of last year, 1935, January to November, inclusive, 9,641,335 bushels of rye was imported into the United States from foreign countries, which was valued at $4,754,346; this included the rye which came in from Canada. The amount of foreign rye coming into our country in 1934 was 7,622,032 bushels, valued at $3,544,157; and in 1933 the amount of rye coming into the United States from foreign countries was 8,005,796 bushels, valued at $3,874,062.

This perhaps will give you some idea what it means to Nebraska farmers who raise rye and suddenly find themselves confronted with a surplus of rye. To me it appears unsound, and does not make common sense to allow the importation of so many millions of bushels of foreign-produced grain into the United States when our farmers have the same kind of grain for sale and cannot sell. It does look, under these circumstances, that the American market is not being protected for the American farmer.

You may be interested to know that Canada shipped us 338,440 bushels of rye in the 11 months of 1935.

I am well aware of the fact that the two principal crops in Holt County are rye and hay, especially hay.

Now, in the case of hay, Holt County farmers are going to suffer as the result of the reciprocal trade agreement which the administration has made with Canada. The old duty on hay from Canada was $5 per short ton, and under this new treaty the new duty on hay from Canada is $3 per short ton. So you will know that as a result of this trade agreement we have given Canada $2 a ton advantage on hay. I don't know if you are interested in alfalfa seed or timothy seed, but the duty on alfalfa seed was cut from 8 cents a pound to 4 cents, while the duty on timothy seed was cut from 2 cents a pound to 1 cent a pound.

Lowering the duty on farm products from foreign countries at a time when our farmers have the same products to sell would make me believe that it would work a hardship and put our farmers at a disadvantage.

I am asked many questions on how this trade agreement with Canada was brought about. This power was given to the President by the Seventy-third Congress, which voted to the President

the power to make such agreements. The power is of such blanket nature that the President can do as he wishes, without having to go before the Senate or the Congress or anyone else. He merely makes these trade agreements by a Presidential proclamation. Over in Canada the Premier of Canada, however, before being allowed to make these agreements, has to go before the Parliament of the people before being given that authority.

Naturally we must endeavor to expand our foreign market for our surplus products, but I feel that if we are to protect the home market for the American farmer we should not open the gates of our country to a flood of foreign-produced products, which, I feel, is being done at this particular time.

To make some showing against this action a group of Members of Congress, to which I belong, are now studying the reciprocal trade agreement in order that we can go before the proper authorities here and present the situation of the Nebraska farmer in its proper light. Among this group are Congressmen from Iowa, Wisconsin, South Dakota, North Dakota, Kansas, and other Middle States. Right now we are confronted with tremendous pressure on the part of the coconut-oil industry, which is endeavoring to flood our country with cheaply produced coconut oil from the Philippine Islands and other foreign lands. This industry has a powerful lobby working here in Washington, and their first move is a program to eliminate the 3-cent excise tax on coconut oil and allow large quantities of it to come into our country from the Philippine Islands free of tax.

When you take into consideration that one-half of oleomargarine is coconut oil, and that the oleomargarine industry turned out more oleomargarine last year than in many previous years, you will get some idea of what the 4,000,000 farmers who milk cows are really up against, or will be up against if their Representatives do not do something toward protecting their interests.

Already there is considerable sentiment against the lowering of the duty on beef from Canada. Cattle weighing 700 pounds or more can come into our country now for 2 cents a pound today, as compared with 3 cents a pound, which was the old rate. The duty on calves weighing 175 pounds, which was 2½ cents a pound, has been lowered to 1½ cents a pound.

From this brief explanation you can realize what a Representative in Congress who represents people who raise grain, feeds, and beef and pork is up against, endeavoring to help solve the problem of his constituents, most of whom derive a living from the farm. I hope this letter explains the various questions which have come to your mind; and should there be anything further that you wish clarified, do not hesitate to write to me.

Very truly yours,

KARL STEFAN,
Member of Congress from Nebraska.

Mr. LAMBERTSON. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. CROWTHER].

Mr. CROWTHER. Mr. Chairman, I should indeed be an optimist if I felt that I might add anything to the discussion that has been held over a long period of years on the subject of the tariff. That subject has been a live one in the Congress of the United States since the very beginning of our congressional sessions, when we had the first tariff bill in 1789.

My introduction to tariff legislation commenced very early in the special session under Woodrow Wilson in 1919. In the second session in 1920 we had an emergency tariff bill that was drawn wholly for the benefit of agriculture.

It had a very queer history. It was vetoed by President Wilson after being passed by the House and the Senate. There were 42 Democrats who voted for that bill, including the now distinguished Vice President of the United States.

The gentleman from Texas, Mr. HUDSPETH, an outstanding protectionist and one of the best legislators from Texas, voted for that bill, as did my distinguished colleague and friend, Mr. BLANTON, of Texas. Some years ago I heard the gentleman from Texas [Mr. CROSS] make just as forceful a speech for the tariff as he made today in his demand for legislation stripping the Supreme Court of power to invalidate congressional legislation.

But alas, on the first tariff bill, when the roll was called my old friend deserted me and voted "nay."

In connection with that emergency tariff act, the now Vice President of the United States made in the Well of the House, within 6 feet where I am standing, one of the finest tariff speeches ever made beneath this dome, but, unfortunately, you cannot find it in the CONGRESSIONAL RECORD anywhere. It is lost. The gentleman who at that time was chairman of the Committee on Ways and Means, and who has since departed to his reward, suggested that it would be a good idea not to have that speech in the RECORD, and that suggestion was evidently a mandate.

The late Congressman Wurzbach, of Texas, who had the distinction of being not only a good Congressman but the only Republican Representative from Texas, offered to deposit a check with the Speaker, or any other responsible authority, for $500 to any named charity in the city of Washington if the now Vice President would publish that speech in the RECORD which he made in favor of the tariff bill at that time. There were two items protected in that bill that no doubt intrigued the now Vice President when he was a Member of the House. One was the hair of the Angora goat and the other was onions—"nuff sed."

Referring to what the gentleman from Ohio [Mr. HARLAN] said a few minutes ago about tariff walls built in foreign countries in retaliation: They were not responsible for the conditions which developed at that time. Let me refer to a report that was made by Dr. Julius Klein in 1932:

> There is scant evidence of any drastic embargo on American wares in foreign markets. In 19 representative countries, all over the world, comprising most of our leading customers, our share in their imports has been exactly 20 percent. Our proportion of the trade in the same markets from 1924 to 1927 averaged 20.7 percent. It certainly would require a considerable amount of deliberate distortion to conjure out of these figures any conclusion as to the alleged devastating reprisals against American wares.

Then there is another. It was an outstanding fact that the imports of our duty-free goods during that period had fallen off by a much greater percentage than our dutiable goods. That was evidence enough that the tariff rates were not the direct cause. The fact is that no country in the world had any more money to buy from us than we had to buy goods from them at that time. The depression was not in the United States alone. It had spread all over the world, and, while the gentleman from Ohio [Mr. HARLAN] says the Hawley-Smoot tariff did not help conditions, I say that it did. If we had not had the law at that time we would have had a greater flood of merchandise than was imposed upon us during this period. It was of such value that the majority leader, who was afterward Speaker of the House, the great Henry T. Rainey, said on this floor, "What can we do? Lower the duties in the Hawley-Smoot bill? No; because we would be immediately confronted with a flood of cheaply made foreign goods in this country", and "H. T." was about as hard-boiled a free trader in his palmy days here that we had in the country.

I want now to say a word about these reciprocal treaties: What is reciprocity from the Republican point of view? I am not so much opposed to it if it is within the limitations prescribed here. I quote Charles Emory Smith, and this quotation is from the report of the minority in 1911 when the reciprocity with Canada was under discussion:

> The principle is axiomatic. Brazil grows coffee and makes no machinery. We make machinery but grow no coffee. She needs fabrics of our factories and forges, and we need the fruits of her tropical soil. We agree to concessions for her coffee and she agrees to concessions for our machinery. That is reciprocity.

Under the system that we have now, where the Secretary of State insists that the unconditional most-favored-nation clause must function in connection with these treaties, is not trading, but is bringing about a gradual horizontal reduction in our tariff rates all through every one of the 15 schedules of the tariff law; and that is what Mr. Hull, the Secretary of State, desires. I sat opposite him for 10 years in the Committee on Ways and Means. I know his viewpoint, and I have no doubt he thinks he has been very liberal in the matter of rates in such agreements as have been entered into.

President McKinley is quoted very often in supporting argument for these reciprocity treaties. This is what President McKinley said in his 1897 inaugural address:

> The end in view always to be the opening up of new markets for the products of our country by granting concessions to the products of other lands that we need and cannot produce ourselves and which do not involve any loss of labor to our own people, but tend, rather, to increase their employment.

That is the kind of reciprocity I stand for. [Applause.] That is the kind of reciprocity I believe the Republican Party stands for.

When Canadian reciprocity was under consideration in 1911, Mr. Broussard, Democratic member of the committee at that time, signed the minority report. This is what he said:

As a Democrat I wish to add to the report—

This is the minority report—

that I agree with almost everything urged except that the statement that the bill is un-Republican is not nearly so accurate as the further statement that is also un-Democratic and absolutely un-American. Our peerless leader, Mr. Clark, is in favor of reciprocity with the world. This doctrine is so antagonistical to my views of the proper interpretation of the Constitution that I must protest.

The Constitution provides that revenue bills must originate in the House, and the President shall have the right to veto. The principle of this proposition exacts that the President shall originate revenue bills and that the House shall have the power of the veto.

But under this scheme the House has no power of veto. Origination of the revenues rests entirely with the President, a power delegated to him by the Congress and redelegated by him to the Secretary of State.

This abdication of power is obnoxious to my views, is unpatriotic and illogical. I subscribe to the views of the minority and I feel I do so as a Democrat. Others may think differently, but I am still entitled to my opinion, unbound and unfettered by the action of the Democratic caucus, excused by a rule which I secured by my course in the last Congress, I feel that as a true representative of local self-government and as an advocate of states' rights, my course is orthodox. I am in favor of the minority report and sign it cheerfully with this addition, which I add.

R. F. BROUSSARD.

When the reciprocity hearings were being held in 1911 the same identical arguments were being offered that have been offered in connection with the recent Canadian agreement a quarter of a century later. The speech of former Congressman Humphrey, of Washington, is closely allied to the talks made the other day by the gentleman on this side [Mr. SAUTHOFF] and the gentleman from New York [Mr. REED] in connection with the dairy interests of the country. Then the lumber industry was represented. From the North? No. Eighteen thousand saw and planing mills with more than 500,000 employees in the South Atlantic and Gulf States were represented, protesting against this reciprocity treaty with Canada in regard to the lumber industry. There were dozens of other industries—the dairy industry, the newsprint, and the pulp industry—represented. The hearings are most interesting.

I said a man would be optimistic that would hope to offer anything new on this tariff question. In the discussion of the bill known as the Wilson bill, passed on February 1, 1894, you will find some of the greatest speeches ever made in this Congress. There were some tremendously able men in the Congress at that time. The Committee rose. Under the rule there were 3 hours of debate after the Committee had risen. One hour and a half was assigned and the closing speech for the Republicans was made by Thomas B. Reed of Maine. The next speech was made by the Speaker of the House, Mr. Crisp, who invited Mr. Hatch, of Missouri, to the chair, and he came to the floor and made the closing argument. He was the father of my dearly beloved colleague, Charley Crisp, of Georgia. I hope he is in good health, because he was a credit, not only to the Democratic side of the House but to the whole Congress during his years of service in this House. [Applause.] Those were two masterful closing speeches. I think in that 3-hour discussion nearly everything of merit that could be considered in connection with tariff legislation was presented. The viewpoints were very similar in those days. There was very little difference between what was said then and what is said now in the discussion of this subject. Wages, labor, whether the standard of living was improving or not, as was discussed by the last speaker today.

Mr. Chairman, a constituent wrote to me the other day for a copy of the tariff bill. Of course, I had to tell him that, while I could send him a copy of the Hawley-Smoot tariff bill of 1930, it was not at all complete because of rate changes in trade treaties. I have here, inserted in the RECORD the other day by Senator DICKINSON, a list of commodities in connection with which changes have been made, numbering about 600, with the new rates, and the countries to which they apply. I hope that the Congress will supply us, as these trade agreements come along, with a printed supplement about the size of the tariff bill, so that when we send them to our constituents who are interested, they may have some fairly easy way of determining what changes have been made in the present law. As it is, we have a flood of documents from the State Department through which we have to wade in order to get this information.

All we have now is this list attached as a supplement to the Hawley-Smoot bill, which bill has almost lost its identity due to consequent changes under this law. In future generations the tariff law we are working under will be known as the R. H. S. G. O'B. law; not "G. O. P.", but "G. O'B." That is working the alphabet a little overtime, but translated it reads, "Roosevelt-Hull-Sayre-Grady-O'Brien bill." That is the tariff bill that the people of this country are working under now. [Laughter.]

In reference to the O'B let me read you an excerpt from the hearings before the Committee on Finance in the United States Senate, on the reciprocal tariff bill, page 150, when this measure was being discussed.

Senator HASTINGS asked Mr. O'Brien, Chairman of the Tariff Commission, this question:

Senator HASTINGS. Well, is it or not true that the Tariff Commission exercises an independent judgment, or is it, as I think I saw where you stated before the House committee, wholly subject to and under control of the President?

Mr. O'Brien answered:

Senator, the President appoints the Tariff Commissioners. Most men in positions wish to retain them and be reappointed.

The significance of an answer of this type I call to your attention and request your careful consideration of the implication contained therein.

Now, we have the Cuban treaty, and I am going to ask unanimous consent, Mr. Chairman, that in connection with my remarks I may have printed a short statement by a very eminent economist in this country. He is one of the best known writers and economists in the United States and has made a very careful analysis of the Cuban trade treaty. I refer to Samuel Crowther, the writer. Mr. Chairman, I ask unanimous consent to include this short statement and analysis in my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The matter referred to is as follows:

THINGS AS THEY ARE—CUBAN TRADE TREATY SCRUTINIZED AS TO DUTY REVENUES AND MARKET PRICES

By Samuel Crowther

The application of elementary bookkeeping to the results of our trade treaty with Cuba brings out a state of facts which ought to be of especial interest at the present time while the Congress is weighing the number of tax straws it will take to break the camel's back. Our own finances are hardly in a shape to warrant considerable foreign donations.

The Cuban treaty is the especial pride of the State and Commerce Departments and has been presented to the country as a perfect example of what diplomatic acumen can do for business. It is a truly perfect example. Secretary Hull has frequently eulogized the treaty and the State Department sent out a release on how pleased is everyone doing business in Cuba. In view of the facts, the Cuban praise seems restrained.

The reason why the Cuban treaty is supposed to be a success is that in 1934 our exports to Cuba increased by 80 percent. This increase is not quite as impressive when expressed as $30,000,000. But even an increase of $20,000,000 is an achievement in these days and the State Department is entitled to all the praise it requests, if it has actually succeeded in disposing of this amount of American goods—at a profit to the Nation.

The reciprocal trade agreements act presupposes a mutuality in the pacts negotiated under it. Our diplomatic and commercial representatives in Washington were presumed to take on the character of horse traders and drive bargains in the best New England tradition. This, of course, means that they were presumed to get the long end of every deal. The act was drawn by the administration, and put through Congress at a time when the New Dealers modestly volunteered to do anything better than it had ever been done before. In that spirit they negotiated a trade agreement with Cuba—an agreement which at once demonstrated its worth by apparently effecting an 80-percent increase in our exports.

Now let us look at the other side of the ledger and discover how much the American people had to dig out of their pockets in order

to make a $20,000,000 sale. Neither the State Department nor the Department of Commerce presents any figures on the cost of getting the business. They are concerned only with gross sales and not at all with the cost of making sales. Here is what the new business cost.

The President, by an order effective June 8, 1934, reduced the duty on Cuban raw sugar from 2 cents to 1.5 cents per pound. The trade agreement made a further reduction to .9 cent. In return for this concession, Cuba reduced duties on a number of American products. In 1933 we sold goods to Cuba in the amount of $25,093,000, and in 1934 we sold goods to the amount of $45,355,000, and of this we sold $17,614,000 between September, when the treaty took effect, and the end of the year. A considerable portion of the Cuban exports of sugar, that is, 1,100,000 tons of raw and about 200,000 tons of refined, was held until after the treaty went into effect and paid duty at the new rate. This involved a loss of duties as between the new and the old tariff rates amounting to $32,323,000.

When the treaty went into effect, about half a million tons were in American bonded warehouses and presumably had been bought at world prices. But another factor entered. The A. A. A. in its wisdom had fixed quotas for both domestic and foreign producers of sugar and the Cubans had cannily held off most of their exports to this country not only until after the treaty date but also until the other quotas were exhausted.

Therefore, they found themselves, not at all by accident, with a monopoly right to supply this country with sugar. Their average price to the world during the September–December 1934 period was 0.8 cent per pound f. o. b. Cuba. Their price to the United States under the monopoly given them by the A. A. A. was 1.97 cents per pound f. o. b. Cuba.

They engineered for themselves a present of 1.17 cents per pound, or more than $15,000,000. Adding this donation to the amount lost in duties makes a total of more than $47,000,000.

This is the sum that the American people paid in order to promote an additional gross export business of not over $20,000,000. The profit on the additional export business was probably not in excess of 10 percent. If, however, we assume that the profit was 25 percent, then the American people laid out $47,000,000 in order that a few exports might gain a profit of $5,000,000.

For the present year, the Cuban sugar quota is fixed at 1,658,055 tons. On this amount, at the new duties, we shall lose the sum of $40,726,000. How much more we shall pay for our sugar than the world in general pays Cuba, cannot be known until the year is over. For the first 5 months of this year, Cuban sugar for the American market averaged in cost 1.19 cents above what Cuban sugar for any other market cost.

On this basis, we shall during the present year pay about $43,000,000 more to Cuba for our sugar than we would were it not for the benefits granted by the trade agreement and the A. A. A.

Taking the loss of duties and the additional price of sugar, the new tax laid upon the American people for the privilege of doing business with Cuba in the present year therefore will amount to more than $80,000,000.

This may be Yankee horse trading. But if it is, the Yankees are speaking Spanish.

Mr. MAPES. Mr. Chairman, will the gentleman yield?

Mr. CROWTHER. I yield.

Mr. MAPES. The gentleman has made reference to the true Republican idea of reciprocity, and the policy and the views of the Secretary of State, for whom we all have a high regard personally, and his desire to lower the general tariff rates, and the effect of the so-called favored-nation clause upon these peace treaties.

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 5 additional minutes to the gentleman from New York.

Mr. MAPES. I think it would be helpful if the gentleman would elaborate a little upon the effect of this so-called favored-nation clause in the reduction of all the tariff rates.

Mr. CROWTHER. I think a moment ago I said the result would be a gradual horizontal lowering of nearly all the rates as one by one trade treaties are made with these several countries. These new rates are, of course, not available to Germany under present conditions, but they are available to every other country. I am in favor of treaties with a conditional favored-nation clause.

I know that they have told me at the Department that they have been very careful in their analyses and have not included anything in any one of these trade agreements that another country brings in. While they may have given some attention to that, I have not had time to investigate. I wonder if they have given any consideration as to whether the products on which they are making a trade were produced by child labor in foreign countries. I have heard gentlemen on this side of the House talk most forcefully against child labor, as much against it as anybody in this world. Some of the loudest shouters on this side against child labor have come from States which have refused to ratify an amendment looking to the banishment of child labor. We are against it, of course. We do not want to use child labor in America. If we do away with it in this country, is there any degree of fairness in allowing foreign commodities, manufactured by peon or child labor in Japan and other countries of the world, to come into this country in competition with the products of American workmen?

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. CROWTHER. I yield.

Mr. BOILEAU. Can the gentleman give us any information as to the effect of quotas on these various reciprocal programs? In other words, if we permit a certain commodity to come in from Canada, if we give them a certain quota, does this quota apply to other nations as well?

Mr. CROWTHER. I do not think so.

Mr. BOILEAU. Just merely the rate applies to the other nations?

Mr. CROWTHER. Yes.

Mr. HARLAN. Mr. Chairman, will the gentleman yield? I think I can answer the question.

Mr. CROWTHER. I shall be pleased to yield to the gentleman if he can answer the question.

Mr. HARLAN. The only three quotas established are those on cream, cattle, and lumber; and the quotas apply to the whole world; that is to say, if some other country beats Canada and gets the cream here first, as soon as the quota is exhausted any further imports are subject to the tariff schedule of 1929.

Mr. CROWTHER. Are we to understand, then, that if two other countries come in, the quota is three times as large as it was?

Mr. HARLAN. No; that is not the fact. There is a definite quota on milk, for example; it is one-half of the amount imported under the tariff of 1922. When this amount has been imported, whether it comes from Canada, New Zealand, the Netherlands, or some other country, the quota is closed and the tariff schedule goes into effect.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. CROWTHER. I yield.

Mr. CULKIN. Professor Sayre, I understand, is the gentleman who is attending to the mechanics of these treaties. He has written a book entitled "America Must Act." In this book it is said that these trade treaties will have the same effect as if we entered the League of Nations, and that it will do away with war. Will the gentleman briefly address himself to this question?

Mr. CROWTHER. I could not assume that to be the fact. I do not think there is any degree of relativity between the two conditions, none whatever. I do not think anything would develop the war spirit quicker than to have the floodgates opened for foreign commodities which would but add to our industrial stagnation and continuing unemployment.

[Here the gavel fell.]

Mr. LAMBERTSON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. KNUTSON. Will the gentleman yield?

Mr. CROWTHER. I yield to the gentleman from Minnesota.

Mr. KNUTSON. The gentleman will remember it was testified before our committee that as a result of some of the trade agreements entered into a year ago we are almost on the same level as Great Britain, which is the lowest tariff country in the world.

Mr. CROWTHER. I would not say that Great Britain is a low-tariff country. Great Britain is a pretty highly protected country, one of the highest protected countries today.

Mr. Chairman, I want to say something about another trade agreement, namely, the Swiss agreement. As you look it over you will see the tremendous reductions that have been made in the tariff rates on watches and clocks, especially watches, coming into this country. If there was only a small percentage of the domestic production that came in competition, there might be some reasonable argument, but 55 percent of all the watches carried in the United States today are made in Switzerland. Why, 18 times a day on the hour

all over the United States on the radio you are notified of the time and that it is "Bulova" time, an importing Swiss watch company that notifies us of the time of the day. That is Bulova time over the radio. There were at one time more than 40 different watch companies in this country with several thousand employees making the finest timepieces that were ever made. There was the Studibaker, the Rockford, the Illinois, Howard, and innumerable companies. There are just three companies left, the Elgin, the Hamilton, and the Waltham. Those are the only three companies left out of the forty-odd companies, and half the watches that Americans carry are made in Switzerland. I may be just as "damn dumb" as Henry Hopkins charges us all with being, but I cannot see how there will be any great degree of returning prosperity and employment in this country by making it easier for foreign commodities such as we make ourselves to come in from foreign countries and help to destroy our own industries and rob our workmen of their pay checks.

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. CROWTHER. I yield to the gentleman from Ohio.

Mr. COOPER of Ohio. A short time ago my colleague from Ohio made the statement on the floor that tariffs had nothing to do with the wage scale of American workers. The record shows that 45 percent of all china and earthenware sold in the United States for domestic consumption today is imported. How long can that last and have the American standard of wages kept where it is today?

Mr. CROWTHER. The pottery industry has been fighting for 20 years to hold 50 percent of the American trade.

I notice one of my Democratic friends on the other side of the aisle had his picture in the paper yesterday. He was advocating "Buy in the United States." I refer to the gentleman from Virginia [Mr. RANDOLPH], who was shown with a great selection of Japanese goods before him. The soundest thing we can do is to develop a program of that kind in order to offset the results of these reciprocal trade agreements. I advocated just that in a speech 16 years ago on the floor of this House. We made an agreement with Canada, yet Canada is plastered from stem to stern with signs "Buy Empire products"; "Buy goods made in the Empire." If you will go to Trafalgar Square in London, you will find there a big electric sign which may be seen for 30 miles which has a device on it reading "Buy British." Those are the people that want us to consider trade treaties with them, give and yield concessions, and at the same time advocate in their own country the purchase of merchandise made by their own people.

In connection with the slogan "Buy goods made in the United States", permit me to refer to an article appearing recently in the press:

BUYING EMPLOYMENT

What everyone wants to see in this country just now is more employment.

We talk about "giving" employment. When a manufacturer takes on hands, when a farmer hires help, when a merchant employs clerks, when a householder provides a man with a job, he is said to "give" employment.

This is all to the good, and the more employment that can be "given" that way the better.

But lots of people think they can't "give" employment, because perhaps they are not in a position to hire anyone to work for them.

If they only realized it, however, they can "give" employment and the way they can do it is by "buying" employment.

Every time a person purchases an article or a service "Made in the U. S. A.", he is "buying" employment and doing his bit to keep his fellow Americans from joining the ranks of the unemployed.

He is not simply buying a hat, or a pair of shoes, or a piece of furniture or food or a railway ticket; he is helping to buy a job for someone as well.

Think of your buying in this double way and you will realize what a service you can render, even with a few cents, when you make sure that your money is being spent on "Made in the U. S. A." commodities.

You are really buying employment—the employment of fellow Americans, whose work is represented in the articles you have purchased.

Therefore, when you buy, see to it that you are buying American employment and thereby keep Americans at work and help to reduce the ranks of the unemployed.

Mr. CRAWFORD. Will the gentleman yield?

Mr. CROWTHER. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Is it not true that most all of the raw material which we ship to Japan is there fabricated and then sent back to this country?

Mr. CROWTHER. There is no question about that, and at prices with which we cannot compete.

Mr. CRAWFORD. Then the dollar that we send over there and the 80 cents that we get back enters into the picture very materially?

Mr. CROWTHER. I thank the gentleman for his contribution.

Mr. Chairman, there are two things which have been stopping progress in this country in the last 2 years.

[Here the gavel fell.]

Mr. LAMBERTSON. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. CROWTHER. Mr. Chairman, one is the doubt as to what is going to be done with reference to stabilization of the currency, whether the dollar that was devalued to 59.6 cents is going to stay there, or next year is going to be 49.6 cents. Just as long as that doubt remains in the minds of people money will lie in the banks and the balances will increase, as they are doing, from month to month. The other is the doubt and uncertainty that hangs over hundreds of manufacturers in this country while these various trade agreements are pending. The sessions with reference to these trade agreements are as near star-chamber proceedings as anything can be. Great industries are allowed to submit a brief and are allowed perhaps a 5- or 10-minute oral hearing. But that is all that you can find out about them until the agreement is signed by the Secretary of State. No one ever heard of such procedure in this country before. This doubt and uncertainty hangs over the manufacturers of this country. As a result, they buy their raw materials from hand to mouth and produce from hand to mouth. This is inimical to the future success and prosperity of our country and will not result in renewed employment or a revival of industry under those conditions.

Mr. CONNERY. Will the gentleman yield?

Mr. CROWTHER. I yield to the gentleman from Massachusetts.

Mr. CONNERY. Is the gentleman from New York in favor of the bill which I have pending before the Ways and Means Committee, that wherever the total landed cost of any article imported into the United States is less than the cost of manufacture in this country the importation of the article shall be prohibited?

Mr. CROWTHER. I certainly favor that policy.

Mr. Chairman, the statement that the present tariff is unconscionably high is without foundation or fact. The public is fed up on declarations of this character, which are issued purely as political propaganda. Two-thirds of our imports from foreign countries are admitted free of duty. One-third are on the dutiable list. In the writing of the Hawley-Smoot bill only one-third of the rates on dutiable commodities were changed, and they were not all raised by any means.

In the Republican national platform of 1908 you will find the following:

In all tariff legislation the true principle of protection is best maintained by the imposition of such duties as will equal the difference between cost of production at home and abroad, together with a reasonable profit to American industries.

This last sentence in the statement is the meat in the coconut, and just so long as we base the allocation of rates or their change by the Tariff Commission on a basis of the difference in production costs here and abroad, with no consideration of the "reasonable profit to American industries", then we are departing from our fundamental policy of a protective tariff and subscribing to the doctrine of a competitive tariff.

The newspaper and magazine criticism of the tariff consists largely of the blanket charge that it has been the chief cause of the depression. They offer no substantiating evidence, but merely point to the decrease in imports and exports. Our exports and imports have fallen in almost exact ratio with those of the other nations of the world, due to

their lack of purchasing power as well as our own. [Applause.]

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. FERGUSON].

Mr. FERGUSON. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD and to include excerpts from certain papers to which I shall refer.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. FERGUSON. Mr. Chairman, we have heard a great deal of talk today about subjects we talk on in the House of Representatives. I want to talk in my time on a subject we all talk about the minute we get out of here, and that is the Townsend old-age-pension bill.

I want to preface my remarks with this statement and this challenge: There is not a single Member of this House of Representatives who would vote for the Townsend bill, and I challenge any Member to go on record as favoring the passage of the Townsend bill.

Now, there is a fine distinction that some forty-odd Members of this House are drawing in their own minds when they say they are supporting the Townsend bill. I have a list here, as published in the Townsend Weekly, of Members of Congress purporting to support this measure. The question is, "Are you in favor of the plan?"

This is question no. 1, and 44 Members of the House of Representatives have answered "yes"; and not a single one of them would dare to vote for the Townsend bill if it were brought in on this floor.

The next question is, "Did you vote for the McGroarty bill?"

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. FERGUSON. Yes; I yield.

Mr. WADSWORTH. Would the gentleman include in his remarks, in reading the result of that questionnaire, how many Members of the House replied in the negative to that first question?

Mr. FERGUSON. I shall be pleased to put in the chart as given in the paper here.

Mr. WADSWORTH. We should like both the affirmative and negative vote.

Mr. FERGUSON. Certainly, as included here.

REPLIES TO QUESTIONNAIRE DELAYED FOR WEEK

Answers to the questionnaires sent by the O. A. R. P., Ltd., to Members of Congress, asking for answers as to their record and attitude toward the Townsend plan are important information for all citizens. The questions were sent solely for the purpose of obtaining this information, to which the people are entitled.

There was no desire to embarrass any Member of Congress. The Townsend headquarters believed that every Member would be glad to have his constituents and the Nation know the facts. Those who support the plan would be eager to spread the information. Those who oppose it should have the same desire to obtain this added strength, if they believe their districts are opposed and that they truly represent them.

So important does the movement consider these answers that it desires to avoid any mistakes and to give every opportunity to all Members to reply. For that reason publication is being delayed this week until a complete report can be checked and rechecked. The report published a week ago must stand until the next issue of the Weekly. In that issue the complete replies of those who have answered will be published and the failure to reply will be recorded.

The answers

Name and State	Are you in favor of the plan?	Did you vote for the McGroarty bill?	Will you help pass a bill embodying the plan at the coming session?
Green, Robert A., Florida	Yes	Yes	Yes.
Taylor, Edward T., Colorado	Yes	Yes	Yes.
Martin, John A., Colorado	Yes	Yes	Yes.
Englebright, Harry L., California	Yes	Yes	Yes.
Massingale, Sam C., Oklahoma	Yes	Yes	Yes.
Carter, A. E., California	Yes	Yes	Yes.
White, Compton I., Idaho	Yes	Yes	Yes.
Rogers, Will, Oklahoma	Yes	Yes	Yes.
Mott, Jas. W., Oregon	Yes	Yes	Yes.
Hill, Knute, Washington	Yes	Yes	Yes.

The answers—Continued

Name and State	Are you in favor of the plan?	Did you vote for the McGroarty bill?	Will you help pass a bill embodying the plan at the coming session?
Hoeppel, J. H., California	Yes	Yes	Yes.
Monaghan, Jos. P., Montana	Yes	Yes	Yes.
Ayers, Roy E., Montana	Yes	Yes	Yes.
Tolan, John H., California	Yes	Yes	Yes.
Gildea, Jas. H., Pennsylvania	Yes	No	Yes.
Costello, John M., California	Yes	Yes	Yes.
Gearhart, Bertrand W., California	Yes	Yes	Yes.
Smith, Martin F., Washington	Yes	Yes	Yes.
Hull, Merlin, Wisconsin	Yes	Yes	
Pittenger, Wm. A., Minnesota	Yes	Yes	
Kahn, Florence, California	Yes	Yes	
Peterson, J. Hardin, Florida	Yes	Yes	Yes.
Connery, Wm. P., Jr., Massachusetts	Yes		Yes.
Patterson, Edw. W., Kansas	Yes	Yes	Yes.
Crosby, Chas. N., Pennsylvania	Yes		Yes.
Lundeen, Ernest, Minnesota	Yes	Yes	Yes.
Sweeney, Martin L., Ohio	Yes	Yes	Yes.
Dunn, Matthew A., Pennsylvania	Yes	Yes	Yes.
Werner, Theo. B., South Dakota	Yes	Yes	Yes.
Buckler, R. T., Minnesota	Yes	Yes	Yes.
Withrow, Gardner R., Wisconsin	Yes	Yes	Yes.
Kramer, Chas., California	Yes	Yes	Yes.
Murdock, Abe, Utah	Yes	Yes	Yes.
Ford, Thos. F., California	Yes	Yes	Yes.
Crawford, Fred L., Michigan	Yes	Yes	Yes.
Wallgren, Mon. C., Washington	Yes	Yes	Yes.
Moritz, Theo. L., Pennsylvania	Yes	Yes	Yes.
Cannon, Raymond J., Wisconsin	Yes	Yes	Yes.
Houston, John M., Kansas	Yes	Yes	Yes.
Dempsey, John J., New Mexico	Yes	Yes	Yes.
Stubbs, Henry E., California	Yes	Yes	Yes.
Brown, Prentiss M., Michigan	No	No	No.
Wadsworth, James W., New York	No	No	No.
Mead, James M., New York		No	
Merritt, Schuyler, Connecticut	No	No	No
Hamlin, Simon M., Maine	No	No	No.
Lea, Clarence F., California	No	No	No.
Clark, D. Worth, Idaho	Yes	Yes	Yes.
Scott, Byron N., California	Yes	Yes	Yes.
Lemke, Wm., North Dakota	Yes	Yes	Yes.

The last question is, "Will you help pass a bill embodying the plan at the coming session?"

The plan, of course, refers to the Townsend plan.

Now, let us draw the distinction about what is the Townsend plan. If you can show me any literature put out by the Townsend people that does not start out with $200 a month, then I am going to change my position; but on the very same sheet that has the names of these 44 brave Members of Congress is:

The first thing in the Townsend plan, in brief, is payment each month to all men and women of 60 years of age and older of $200 a month.

This is the prime plank in every bit of the literature they put out. Now, I am not talking about what the Members of the Congress think they are supporting, I am talking about what the people that join these Townsend clubs think these Congressmen are standing for. I am talking about the people who are paying monthly dues to an organization that has received standing, that is looked on with favor because 44 Members have said they are for it. The people that join are not thinking about the McGroarty bill when they say they are for it, they are thinking about the Townsend plan as presented in this literature.

Let me read you what the heading of a petition says. This shows what the people think they are signing up for, and there is no question or doubt about what this petition says:

First, the undersigned citizens of the United States request you to introduce in the Congress of the United States at your earliest opportunity the following bills, and use your utmost effort to obtain their passage into law.

First, a bill obligating the Government of the United States to pay every citizen of said Government whose record is free of habitual criminality and who has attained the age of 60 years, a monthly pension of $200 until the end of his or her life, upon the sole condition that he or she retires from all further business or profession for gain and agrees under oath to spend the entire amount of the pension within the confines of the United States during the current month in which it is received.

Second, a bill creating a Nation-wide Federal transaction sales tax, calculated at a rate sufficiently high to produce the revenue necessary to meet the requirements of bill no. 1.

The thing is there in plain language. It is not a question of a pension that would be paid by a 2-percent transaction

tax as prorated under the McGroarty bill. That is not what the signers of these petitions are talking about. They are talking about $200 a month and tax enough to pay the bill, and when these Members of the Congress answer, "Yes, we are for the Townsend bill", they are saying, "We are in favor of taxing and taxing and taxing until we raise the amount of $200 a month for every man and woman over 60 years of age", and this is why I say again there is not a Member in this House, man or woman, who would vote for that bill.

It was introduced at the last session by Congressman McGROARTY. Its number is 3977. It carries out the mandate of the Townsend clubs and it is still the bill that their organizers are sponsoring when they present to those people the idea they are going to be assured of receiving $200 a month.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. FERGUSON. Yes.

Mr. WADSWORTH. Would not the gentleman be willing to make one exception in his statement? Does he not think the introducer of the bill would vote for it?

Mr. FERGUSON. No; Mr. McGROARTY has informed me himself he would not support H. R. 3977 as introduced.

Mr. CRAWFORD. Will the gentleman yield?

Mr. FERGUSON. I will.

Mr. CRAWFORD. What proof has the gentleman that anyone on that list answered the question?

Mr. FERGUSON. I have no proof at all, but I think the membership should make it plain to the country that they do not believe in it.

Mr. CRAWFORD. Is my name on the list?

Mr. FERGUSON. I do not see it; yes, here it is.

Mr. CRAWFORD. I want to say that I was out of the country when that questionnaire came to my secretary. The gentleman knows and I know that you can go into your district and I can go into mine and find statements in the papers that are not supported by any proof whatever.

Mr. FERGUSON. I know; but Members ought to be glad to have their position made clear.

Mr. CRAWFORD. I do not try to deny statements in the paper, because it would take up most of my time.

Mr. BOILEAU. Will the gentleman yield?

Mr. FERGUSON. I yield.

Mr. BOILEAU. I know another Member of the House who stated that he did not answer the questionnaire, but he did write a letter in which he said he was in favor of old-age pensions, but he did not answer that questionnaire.

Mr. FERGUSON. I have no doubt that Members have been misquoted, but these people are using these congressional endorsements to further their own aims. It should be brought out before the House and should be investigated. [Applause.]

Mr. BOILEAU. I am in entire sympathy with the gentleman's views.

The time of Mr. FERGUSON having expired, he was yielded 3 minutes more.

Mr. FERGUSON. Now, Mr. Chairman, I do not impugn the motives of the sponsors of old-age pension legislation in this House. I am in favor of old-age pensions, and I voted for the social-security bill.

I do not impugn the motives of the gentleman from California [Mr. McGROARTY] and the gentleman from Montana [Mr. MONAGHAN], but I do question whether they should stand by and see this organization use congressional names to sponsor a movement that puts out literature which I hold in my hand. For instance, this Townsend plan victory chart says:

Quota investment on monthly basis: Original investment, 10 cents; returns on investment after first few months, $199.90. Life returns on investment after first few months, $200.

Then—

Quota investment on yearly basis: Original investment, $1.20; returns on investment after first year, $2,398.80. Life return on investment after first year, $2,400.

Now, your loss while waiting for Congress to act: If over 60, $200 a month.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. FERGUSON. Yes.

Mr. WOLCOTT. Has the gentleman been able to determine by any report filed with the Clerk of the House of Representatives under the Corrupt Practices Act the amount taken in by the Townsend Clubs in the United States to induce Congress to vote for that plan?

Mr. FERGUSON. No; I do not know of any such information.

Mr. WADSWORTH. Does the gentleman think that document might well be submitted to the Securities Exchange Commission?

Mr. FERGUSON. I should like to have it done.

Mr. WADSWORTH. It is quite a prospectus of a financial character.

Mr. FERGUSON. To show you what this thing could develop into, of course, taking into consideration that there is no limit on the membership. They claim now to have something around 8,000,000. The big drive now in effect is the quota basis. The quota is 10 cents per person per month. That is $1.20 a year; and if they have 8,000,000, that means $9,600,000. In addition to that, they pay 25 cents a year dues, and then, if you want to belong to the legion, you pay a dollar a month, $12 a year, to carry on the work. I want to show the membership of the House how definitely this plan has been worked out, step by step. First step, how to get the $200 for the 10-cent investment. First step, a positive resolve. Second step, appointment of standing committee to help solve the problem. Third step, outright investment of 10 cents a month; investment of an additional 10 cents or more per month to aid those who cannot invest directly. Third, sell copies of Townsend Weekly; 2 cents profit on each equals 10 cents monthly quota.

If you cannot do that you are to raise the quota by picnics, entertainments, club socials, club whists, club country fairs, club country stores, club dances, club food sales and suppers, club barbecues. The important thing is to have the club quota of 10 cents per member per month paid into the coffers.

To show that this is directly a part of Dr. Townsend's organization I am going to quote from the little pamphlet he puts out entitled "This Way to Victory." I quote from that pamphlet:

We should clearly understand that we cannot enact our plan into law until we succeed in raising enough money through the club quota to finance the organization of our movement in every congressional district. There are 435 congressional districts. I feel sure that when our people fully realize the urgent necessity for every club meeting its quota there will follow an immediate and full-hearted response.

* * * * * * *

Our cause rests solely with the individual. As individuals we can now choose between defeat and victory, poverty and prosperity, economic misery and economic security. Our future happiness hinges on four words, and those four words are—meeting the club quota.

[Applause.]

I am inserting in full the Townsend literature sent to my office, part of which I quoted:

EXHIBIT A

THIS WAY TO VICTORY!

By Dr. Francis E. Townsend

For several months I have been speaking continuously in many parts of the United States and consequently have gained a first-hand knowledge of our relative national strength. In some sections of the country I learned that our plan was the vital question of the day, but in other sections I found that large segments of the population have scarcely heard of the plan. Our movement is strongest on the Pacific coast. We are also well organized in several other States. But the imporant fact should be stressed that there are scores of congressional districts still unorganized. This is alarming.

We should clearly understand that we cannot enact our plan into law until we succeed in raising enough money, through the club quota, to finance the organization of our movement in every congressional district. There are 435 congressional districts. I feel sure that when our people fully realize the urgent necessity for every club meeting its quota, there will follow an immediate and full-hearted response.

Following this response we will be financially able to fully organize every congressional district in the United States. We can

then confidently look forward to enacting our plan into law. No one knows better than I how difficult it is to solve the quota problem. Thousands of our people are impoverished. Other thousands, while not impoverished, are unemployed. These facts are undeniable.

But while many of our people are poor in pocketbook they are rich in thought. I therefore refuse to believe that our people cannot, through the power of constructive thought, think of a solution and meet the quota on a 100-percent basis. I refuse to admit, no matter what obstacles loom in the way, that we will fail. We cannot and will not fail—not if we clearly understand that the club quota is the road over which we must pass from the bleak land of economic misery to the verdant land of lasting prosperity.

Apparently there is some misunderstanding about the purposes for which the club quota will be used. In some sections the feeling prevails that it will be used solely for sending organizers into unorganized congressional districts. I want to correct that impression. True, organizers are being sent into all congressional districts as rapidly as quota funds become available, but the expense involved is small in comparison to other organization expenditures.

In building our national organization we are adhering strictly to the basic principles of sound business practice. Our organization, therefore, will not in the least differ from any sound business organization. Perhaps it would clarify this statement to list a few of the major items for which expenditures must constantly be made in building and maintaining an efficient business organization within the Townsend movement. Here are a dozen or so:

Office rent.
Telephone service.
Telegraph service.
Rental of typewriters.
Stenographic hire.
Clerical hire.
Printing, mimeographing, and multigraphing.
Rental of office furniture.
Postage.
Stationery and office supplies.
Legal advice.
Traveling expense.
Auditing expense.
Radio expense.
Utility expense (light).
National headquarters, regional and area managers' supplies.
Freight and express.
Organization expense.
Taxes.
Mass meetings expense.

The above items do not, of course, give a complete picture of expenditures, but they will at least serve to indicate the major purposes for which the quota money shall be used. Whenever national headquarters opens an office it is necessary to rent or buy equipment and to employ the services of people. Office expenses cannot be avoided. They constitute a major share of all expenditures, for office work must precede all field work, and field work must have efficient office direction. If we are to build a strong national organization, we cannot avoid the cost.

A friendly critic recently said to me that if the Townsend organization succeeded in accomplishing its purpose it would be the first large social organization in history that had achieved a major national objective on so small a financial set-up. There is much truth in the remark. I know of no important social, fraternal, or other organization whose dues average as low as 10 cents a month. Do you? What is more, we propose to accomplish something of tremendous significance, but this cannot be said to be the objective of many organizations whose dues run anywhere from $5 a year and upward.

The fact that we propose building a national organization with a quota of 10 cents per member per month, or $1.20 a year, is causing astonishment everywhere. But the Townsend people themselves are not astonished. We ourselves know that thousands of people in our movement cheerfully give their time and energy without thought of compensation. Otherwise we could not possibly organize every congressional district with the ridiculously small sum of 10 cents per club member per month. Ours is mostly a labor of love. And to this labor of love we will add the club quota. Together they will bring victory.

We found some months ago that we could not enact the Townsend plan into law with a financial structure based on 25 cents membership dues. The membership dues average but 2 cents a month, but added to the quota, the monthly average eventually will be 12 cents per member per month. This 12 cents per month, added to the national legion dues, will, we sincerely believe, supply funds ample to carry on the national organization work just as rapidly as the funds reach national headquarters.

I want it clearly understood that we are making splendid progress, but I will not be satisfied until we have organized every congressional district. Nor will I be satisfied unless all congressional districts are organized in time for us to enact our plan into law at the next session of Congress. The issue of the Townsend plan will never be settled on a basis of sentiment. It will be settled solely on a basis of voting strength. If we hold the balance of power when Congress convenes in 1936 we will enact the Townsend plan into law. But if we do not hold the balance of power, we shall fail to receive a majority vote in 1936, just as we failed in the spring of 1935.

I never have and I never will sugar-coat reality, however unpleasant. Facts are facts, and we should face them squarely. The facts are, friends, that we have a long way to travel before we shall reach our goal. We may travel the distance which now lies between us and victory either very slowly or very rapidly. If all clubs meet the quota, then we will cover the distance very rapidly. But if the clubs meet the quota only in part, then we will travel the distance very slowly. But whether we travel rapidly or slowly, we will never give up. Let us each say with General Grant, "I propose to fight it out on this line if it takes all summer."

But it will not take all summer if we quickly divest our minds of all sectionalism and look upon the Townsend organization as a national movement. I have heard some people make the absurd statement that every congressional district should center its activities within its own district and forget about all other districts. People who make this statement are afflicted with sectional disease. They feel, apparently, that the welfare of the country as a whole is immaterial just so long as they themselves are making progress. This is the narrow and selfish view.

The wide and generous view is the national view. A given congressional district, which may now be strongly organized, let us say, in the State of California, should be vitally concerned about whether the congressional district in northeastern Maine, for example, is also strongly organized. Why? Because the Representative from the congressional district in northeastern Maine will by his vote decide for or against our plan. His vote will therefore affect, perhaps vitally, the people of the given congressional district in the State of California. Multiply this example by the 435 congressional districts and you will have the national viewpoint. If all congressional districts which are now well organized will from now on financially assist the congressional districts which are not organized we will make very rapid progress. This financial assistance can be given by meeting the club quota in full.

Again, I repeat, let us take the national view. By all that is sensible we should cease thinking in terms of sectionalism. Sectionalism is ruining America. Sectionalism can ruin us. This was clearly revealed when our plan was offered as a substitute for title I of the President's social security bill. Sectionalism brought defeat. The small size of the affirmative vote our plan then received proved beyond doubt that no matter how strong our sectional organization in a few congressional districts we can never achieve victory until we have a strong national organization in all congressional districts. We cannot get around this blunt fact. The only cure for the disease of sectionalism is to flood the mind with constructive thoughts about our country as a whole. In heaven's name let us first of all be Americans, and, second, Californians or Texans or Rhode Islanders.

I am doing everything in my power to contribute what I can to acquaint the American people with our plan. But at most my contribution is very slight compared with the contributions of the people themselves. I cannot of myself persuade Congress to enact the Townsend plan into law, but the people can and will succeed in accomplishing collectively what I could never accomplish as an individual. Meeting the club quota in full is the collective way of achieving ultimate victory. Collective expression is, of course, voiced by individuals. Every individual in our movement should, therefore, at every club meeting ask his fellow members this serious question: "Has our club met its quota in full?"

Our cause rests solely with the individual. As individuals we can now choose between defeat and victory, poverty and prosperity, economic misery and economic security. Our future happiness hinges on four words. Those four words are: Meeting the club quota.

(This article is based on the Townsend plan becoming the law of the land.)

EXHIBIT B

THANK GOD FOR THE BALLOT!

[State headquarters, Old-Age Revolving Pensions, Ltd. The Townsend plan, a national movement to permanently cure depressions and retire the aged with honor. 133 Powell Street, San Francisco. Office of Edw. J. Margett, State and regional coordinator]

900 POWELL STREET,
San Francisco, Calif., January 20, 1936.

Hon. PHILLIP FERGUSON.

DEAR SIR: I urge you to support the Townsend permanent recovery bill. No argument can be advanced in opposition to this great idea, that will stand the light of analysis. Millions of people have their eyes on Washington, and they are demanding to be heard. And let no statesman feel that his political career will be ruined because he supports the Townsend plan. If you ask me, it will be quite the contrary.

With best wishes,
Yours sincerely,

GEORGE R. BIRD.
(Aged 80, not 60.)

State Headquarters Club, over 4,500 members.
Keep America out of war.

TOWNSEND PLAN VICTORY CHART

(Chart based on Townsend plan becoming law of the land)

THE MIRACLE OF 10 CENTS

(In action for annuitants)

Quota investment on monthly basis: Original investment 10 cents. Returns on investment (after first few months) $199.90. Life returns on investment (after first few months), $200.

Quota investment on yearly basis: Original investment, $1.20. Returns on investment (after first year), $2,398.80. Life returns on investment (after first year), $2,400.

THE MIRACLE OF 10 CENTS

(In action for nonannuitants)

A permanent well-paid job or position until 60, then $200 monthly, $2,400 yearly, for life.

The formula: Congress will vote for the Townsend plan when the Townsend Clubs control the vote in the 435 congressional districts of the 48 States.

The problem: The Townsend plan cannot be enacted into law until the Townsend people have built an invincible national organization. An invincible national organization cannot be built without adequate financial resources. Adequate financial resources will be continuously available only when every Townsend Club meets, on the average, its quota of 10 cents per member per month.

The solution:

First step: The positive resolve: We may not at the moment know how to meet the monthly quotas, but we do know that we will meet them.

Second step: Appointment of standing committee to help solve the problem.

Third step:

A. For direct investors:

1. Outright investment of 10 cents per month.
2. Investment of an additional 10 cents or more per month to aid those who cannot invest directly.
3. Sell five copies of Townsend Weekly per month—2 cents profit on each equals 10 cents monthly quota.

B. For indirect investors:

1. Club entertainments.
2. Club socials.
3. Club whists.
4. Club country fairs.
5. Club country stores.
6. Club dances.
7. Club food sales and suppers.
8. Club barbecues.
9. Club picnics.
10. Combination of above.

Your loss while waiting for Congress to act:

If under 60, a permanent, well-paid job or position.

If over 60, $200 monthly; $2,400 yearly.

NOTE.—For detailed explanation of this chart read the pages following.

"The Townsend plan will eventually be enacted into law."

"That is the way to talk, my friend. But I would like you to be more definite. When do you think Congress will enact the Townsend plan into law?"

"Why, I cannot say with any degree of accuracy."

"Then, my friend, I will tell you. I will tell you accurately. Here, take this pencil and sheet of paper. Are you ready to write? Then in bold letters write these words:

" 'The Townsend plan will be enacted into law when the Townsend people have built an invincible national organization.' "

"Is that clear, my friend?"

"Only in part. How long a time will be required to build an invincible national organization?"

"The Townsend people alone can supply the answer to that question."

"What do you mean?"

"I mean, my friend, referring again to the sentence on the paper before you, that the Townsend people can build an invincible national organization only when adequate financial resources become continuously available."

"And when will that be?"

"Adequate financial resources will be continuously available when every Townsend Club meets, on the average, its quota of 10 cents per member per month. Now, my friend, have I made myself clear?"

"Yes; quite clear. I now see that the Townsend people themselves, and not Congress, as I had supposed, shall say when America will begin enjoying the blessings of the Townsend plan."

INVINCIBLE ORGANIZATION IMPERATIVE

"I congratulate you. You see the organization picture clearly and your analysis is therefore sound. In common with all Townsend people who approach this organization problem from the right angle, you know full well that no matter how many millions demand that Congress enact the Townsend plan into law, these millions will get what they demand only after they have formed themselves into an irresistible force, an invincible national organization. Then Congress, far from continuing to oppose the will of the people, will instead plead for the privilege of giving the people what they want—the Townsend plan. That seems logical, does it not? Well, then, we are driven to the inevitable conclusion that the Townsend plan will be enacted into law almost the very day that the Townsend people have achieved an invincible national organization. This conclusion brings us face to face with the method that national headquarters has suggested for raising adequate organization funds, namely, a quota of 10 cents per member per month.

"As you know, national headquarters has formulated a national organization plan, a plan which includes the organization of every congressional district in the United States into Townsend Clubs. And there are 435 congressional districts. A few are now completely organized, perhaps a total of 60. The others are not organized at all, or at best, very poorly. Do you see where our weakness lies? Then let us take another step.

"Let us assume that a majority of the Congressmen now supposedly representing the people do not care whether the Townsend plan is ever enacted into law. And we are, you doubtless will agree, quite correct in making such an assumption. This being true, how, then, shall the Townsend people proceed? How shall they make every Congressman and every Senator eager to vote for the plan? Fortunately, we know, and we know with mathematical exactness, for, thanks to the strategy of Dr. Townsend and Mr. Clements, we were recently given an infallible formula with which to chart our future course, and Congress itself gave the Townsend people this formula.

THE MATHEMATICAL FORMULA

"You remember, of course, that when the Townsend plan was recently offered as a substitute for title I of the President's security bill the plan received but 58 votes. Now, both Dr. Townsend and Mr. Clements knew that, in offering the Townsend plan as a substitute for title I, there was not the slightest chance of the plan receiving a majority vote. All they hoped to accomplish, and what they actually did accomplish, was to demonstrate to the Townsend people that wherever they were strongly organized their Congressmen voted for the plan, and wherever they were weakly organized their Congressmen voted against the plan. This was brilliant strategy and proved indisputably that our leaders knew exactly what they were doing, for, thanks to this strategy, we now possess a mathematical formula which, when used in every congressional district in the United States, will speedily enact the Townsend plan into law. Suppose, now, you write the formula in large letters, then memorize it. Here is the formula:

"In every congressional district where the Townsend people were strongly organized, their Congressmen voted for the Townsend plan. In every congressional district where the Townsend people were weakly organized their Congressmen voted against the Townsend plan."

"Thus, you see, Congress itself, at the instance of our leaders, gave us this mathematical formula. Perhaps if we consider one or two examples, the formula will be even clearer. Let us first review the vote of the Congressmen from the State of California. You remember, do you not, that when the Townsend plan was voted on as a substitute for title I of the security bill, 16 of the 20 Congressmen from California voted for the substitution and 4 voted against it. Now, when the Townsend people in California sought an explanation for this vote, they found, without exception, that in every congressional district where Townsend Clubs were strongly organized their Congressmen voted for the Townsend plan, and that in every congressional district where Townsend Clubs were weakly organized their Congressman voted against the plan. Hence our formula.

"Now, my friends, keeping the formula in mind, let us examine the vote of the 45 Congressmen from the State of New York. How many Representatives from that great State do you suppose voted for our plan? Not one Congressman. Why? Look at the formula! At the time the vote was taken the Townsend Clubs in New York State were so weakly organized that the wishes of the Townsend people in that State could be safely ignored, and every one of their 45 Congressmen accordingly ignored them.

"Examining the vote a little further we find that the Congressmen from Pennsylvania voted 1 for and 33 against; that Arizona, with one Congressman, gave the plan his vote; Colorado, 3 for, 1 against; Idaho, with two Congressmen, gave the plan 2 votes; Michigan, 4 for, 13 against; Ohio, 2 for, 22 against; Washington, 4 for, 2 against; Wisconsin, 5 for, 5 against. But I need not continue. You doubtless saw the complete record of the vote in the Townsend Weekly for June 10, 1935, and this record shows that in every State the formula worked with mathematical precision. We should, therefore, concentrate our attention on the number of votes for, rather than against, the plan. We know with absolute certainty that if strong organization in 58 congressional districts delivered 58 votes for the plan that we are justified in reducing the formula to the following simple terms:

"Congress will vote for the Townsend plan when the Townsend Clubs control the vote in the 435 congressional districts of the 48 States."

"Thank you for your explanation. With the formula in mind, it is now quite clear why national headquarters so strongly emphasizes the great importance, yes, the imperative necessity, for all Townsend Clubs meeting their monthly quotas. It certainly is foolish for us to expect that we shall enjoy the manifold blessings of the Townsend plan unless the Townsend Clubs are successful in meeting their full quotas."

HOW PROBLEM CAN BE SOLVED

"You are quite right, my friend. Meeting the quota in full will solve the problem now confronting our people, but meeting the quota only in part will obviously solve our problem—enacting the Townsend plan into law—only in part. This will be very clear to us if, together, we view the problem through the eyes of national headquarters: There are, as we know, 435 congressional districts in the United States. A few are organized. Most are not. Now, from an exhaustive political and geographical analysis of the entire United States, national headquarters learned that the absolute minimum cost for organizing all unorganized congressional districts would average 10 cents per club member per month. It is obvious, therefore, that if the clubs meet but half their quotas, on the average, the stark conclusion must be that we Townsend people, because we shall be but half organized, can only half persuade Congress to enact the Townsend plan into law. We must be so

strongly organized that, if necessary, we can, with an overwhelming majority in each House of Congress, overcome all opposition, however powerful and from whatever quarter."

"But what about the national legion dues which monthly are available for use by national headquarters and the 25 cents yearly membership dues from old and new members? Will not these two funds—the national legion dues and the membership dues—be also available for organization work?"

"Yes. National headquarters will lump these funds and the club quotas to help finance the organization of Townsend clubs in every congressional district of the United States. Thus, we are assured that when these three funds are regularly available the Townsend people will not be long in convincing Congress that the Townsend plan must be enacted into law. But if the club-quota fund and the national-legion fund are not regularly available in sufficient amounts, then the only alternative will be to depend, as heretofore, on the membership dues of 25 cents a year, or 2 cents a month; and if, with only 2 cents a month available from each club member, the Townsend people took nearly a year and a half to organize 58 congressional districts, then a little arithmetic will tell us how many years will elapse before all the congressional districts are organized.

"The crux of the whole matter is this, my friend: National headquarters has supplied the Townsend people with a national organization plan. They have informed us what this plan will cost to finance. They have assured us that the new organization plan will work, and, referring once again to the formula, we know why it will work. Whether our people accept the new organization policy rests wholly with each Townsend Club. In other words, whether the Townsend people want the Townsend plan enacted into law is a matter which they themselves must decide. If they decide they want the Townsend plan—and every club, I sincerely believe, will so decide—then the enactment of the plan into law will cost each member of each club an average of 10 cents per member per month. This, of course, does not take into account the funds which will be available from the 25 cents yearly dues of old and new members nor the $1 monthly dues of national legion members.

THE VICTORIOUS RESOLVE

"I do not think it is so much a question of the clubs not wanting to meet the quotas as it is whether they can meet them. Why, in some clubs I personally know that as little as 20 percent of the membership will be called upon to carry the full burden of the quotas.

"My friend, you are absolutely right. And that is the chief reason this problem of quotas is most serious. In fact, it is the most serious problem now confronting the Townsend people, and one which demands an immediate solution, for upon that solution depends victory for our cause. If we cannot solve the problem; if the Townsend Clubs cannot, on an average, meet their quotas, then, my friend—and I dislike very much to make this statement—we will be a long, long time enacting the Townsend plan into law. I know this thought is not pleasant to contemplate, but I can assure you that in all our loyal coworkers in this valiant fight for economic freedom we have a great host for sympathetic company.

"But cheer up, my friend. Let us look at the quota problem from the positive angle. Let us stop thinking in terms of poverty. We are continuously reminding those who think the Townsend plan is impractical that we are living in an era of abundance. This is true. Why, then, should we, among ourselves, act and talk as if we were still living in an era of scarcity?

"Let us henceforward drop from our vocabularies this glaring inconsistency. Let us herewith make the positive and uncompromising assertion that the quota problem can and will be solved. Let us take the dynamic, courageous view. Let us, you and I, now solemnly pledge ourselves that from this hour we will do everything in our power as Townsend Club members to help meet the quotas on a hundred-percent basis. This is the positive attitude. And from the soil of positive thinking will grow ultimate victory, but from the soil of negative thinking will grow ultimate defeat, for to think positively means victory, but to think negatively means defeat. Let us now, while this sublime resolution is fresh in our minds, etch deeply in our memory this victorious resolve:

"'We may not at the moment know how to meet the monthly quotas, but we do know that we will meet them.'

"Do you agree, my friend? I knew you would. And not necessarily because I voiced the resolve but, rather, because you know that once the Townsend people prepare their minds for positive, constructive thinking they will soon solve the problem of the quotas. Are you agreed?

MOVEMENT'S GREAT ASSET

"Then let us further agree that we will not permit anyone, anywhere, at any time, to discourage us. We will, let us frankly admit, be daily confronted with the fact that many clubs have on their membership rolls people who cannot meet their quotas, but this fact should inspire, not discourage, such clubs, for some of the finest, most loyal men and women in our movement were attracted into our clubs because they desperately need the Townsend plan. These people have brought to our cause a devotion almost divine. These same people, mark you, have not always been in need. Once they had jobs, homes, security, and now that, through no fault of their own, they are stripped of their possessions and earning power, we who still have some income should count it a privilege to fight with them, shoulder to shoulder, in their battle and our battle for economic security.

"I make this prophecy, my friend, that these same people who for years have suffered the horror of leering poverty and the humiliation of sneering charity will be among the people who, as time goes on, will steadfastly and loyally keep intact the powerful national organization which we certainly shall build. These same people, because they long have suffered and because they yet are suffering, are proving, and will continue to prove, a priceless asset to our movement. You and I, who through sheer accident, still hold our jobs will, with others like us, help these people meet their share of the quotas, and thus, in the name of the Master, extend to their parched lips a cup of cold water, give strength to their faltering footsteps, light to their tired eyes, courage to their troubled minds, hope to their desolate hearts. They may now need our help, but let us remember that when voting time comes we surely will need theirs.

"Will you now, my friend, go among the Townsend people with this triumphant message, with these courageous words boldly springing from your lips:

"'We will meet the club quota. At present many of us do not know how or when, but we will meet them. We will, if necessary, appoint men and women to committees, men and women not easily discouraged, who by native temperament approach problems in the positive manner, and ask them to counsel with each other until they have evolved a plan or plans for meeting the monthly quotas.'

"Will you do this, my friend, and will you do it now—today? For when the problem of monthly quotas has been solved, solved by every club, then all Townsend people can say, with uncompromising positiveness, a positiveness having its roots deeply buried in our formula, that the Townsend plan will be enacted into law.

"Again, my friend, will you do this—at once? I knew you would! I knew you would, because you love our cause. You love the Townsend plan. You love everything for which it stands. You love its principles. You love its leaders. You love those noble men and women who are so loyally and unselfishly working for the grandest cause in all human history.

THE MIRACLE OF TEN CENTS

"Just one more request, my friend. Will you, when you go among our people, make clear to everyone that the quota of 10 cents per member per month is not so much a contribution as an investment? Explain to them the Miracle of Ten Cents. Explain to them that for the 10 cents they monthly invest in the movement they will, when the Townsend plan has been enacted into law, receive as their positive reward 2,000 times 10 cents every month for as long as they shall live. This is the Miracle of Ten Cents. Explain to them also that while they are awaiting for their annuity, awaiting for the plan to be enacted into law, they are losing money at the rate of $200 per month—minus the quota investment. If another year passes before the Townsend plan is enacted into law, then every potential beneficiary of the Townsend plan will have lost, after deducting 1 year's quota, or $1.20, a total of $2,398.80. Thus it will be seen that an investment of 10 cents monthly will save money for those now eligible to an annuity at the rate of $199.90 per month, or $2,398.80 per year. The monthly quota is therefore an investment which will yield returns (deducting total quota contributions) at the rate of $200 per month for life. This is the Miracle of Ten Cents. This is the Townsend plan in action. Our formula cannot and will not fail us.

"And after you have appeared before all the people in our movement over 60, then go among those who are younger and explain to them that the formula and the Miracle of Ten Cents will bring to them in return for their investment of 10 cents every 30 days good jobs or positions until they reach 60, and then they will monthly receive 2,000 times 10 cents throughout their sunset years.

"Your hand, my friend—the hand of loyalty, the hand of faith and trust, the hand of courage. Go forth now with this message—the message of the formula, the problem, the solution, and the Miracle of Ten Cents. Take the message into every Townsend Club and to every Townsend Club member and our people will then be inspired to press bravely on. Press on until their lives shall at last be secure. Press on until their beloved Townsend plan shall have reached its goal of economic freedom triumphantly victorious."

Additional copies of The Miracle of Ten Cents in any quantity desired may be obtained free by writing to Edw. J. Margett, State Manager, 525 Sutter Street, San Francisco, Calif.

EXHIBIT C

Ernest G. Albright, State area manager, Townsend plan, 210–212 Petroleum Building, Oklahoma City.

When this petition is filled, return to national headquarters, 201 Southern Building, Washington, D. C.

Do not pay to sign this petition.

To the Honorable Phil Ferguson, Eighth District, State of Oklahoma:

The undersigned citizens of the United States request you to introduce in the Congress of the United States at your earliest opportunity the following bills and use your utmost effort to obtain their passage into law:

First: A bill obligating the Government of the United States to pay every citizen of said Government whose record is free of habitual criminality and who has attained the age of 60 years a monthly pension of $200 until the end of his or her life, upon the sole conditions that he or she retires from all further business or profession for gain and agrees, under oath, to spend the entire

amount of the pension within the confines of the United States during the current month in which it is received.

Second: A bill creating a Nation-wide Federal transaction sales tax calculated at a rate sufficiently high to produce the revenue necessary to meet the requirements of bill no. 1.

It is obvious that the passage of these acts and the beginning of their operation will discharge the Nation's obligation to a class of her citizens deserving this reward for past services and at the same time place immediate buying power in the hands of the general public, thus stimulating every avenue of commerce and trade. A quick cure for this depression and a sure prevention of recurring ones.

Mr. LAMBERTSON. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Chairman, unemployment is the greatest problem before the American people today. Most of our other troubles would disappear if we could put to work the more than 10,000,000 people unable to get a job. There can be no prosperity to anyone in America until these people are put to work at good wages.

Unfortunately the Roosevelt tariff policies prevent a great many of our people from finding employment both on the farm and in the factory. The farmer lately is distressed through the reciprocal treaties which are opening wider the home market for the farmers of foreign countries. The factory worker for 3 years has suffered through the unwise policies which have permitted the product of the cheap labor of the Orient to be sold in increasing quantities in the United States. Men and women walk the streets begging for a job while foreign goods pour into this country like water passing through a sieve.

The latest figures of textile imports issued by the Department of Commerce tell an illuminating story as to the extent the textile worker has lost employment through its being transferred to foreign factories.

In the 11 months of 1934 there were imported into the United States 37,180,000 square yards of cotton cloth, divided into unbleached goods, 3,633,000; bleached, 17,900,000 square yards; printed, dyed, or colored, 15,647,000. In the same 11 months of 1935 we find 58,764,000 square yards, divided into unbleached goods, 3,019,000 square yards; bleached, 35,566,000 square yards; printed, dyed, or colored, 20,179,000 square yards.

The keenest competitor, of course, is Japan, the clever industrial nation of the Orient. In the first 11 months of 1934 Japan sent 5,077,000 square yards of cotton goods into the country, divided into 4,049,000 bleached goods, and 1,028,000 printed, dyed, or colored. In the entire year it sent us 7,287,000 square yards of cotton goods. Now compare the imports of 1935. The first 11 months of this year we find 28,220,000 square yards of bleached goods and 5,763,000 printed, dyed, or colored, which makes a grand total of 33,983,000 square yards against 5,077,000 in the same period of the previous year. Think of what this means; an increase of nearly 700 percent. How can there be any hope of permanent prosperity in the cotton industry with such competition constantly growing? Is there any wonder the textile worker is discouraged?

The President has had his attention forcibly called to the textile-industry plight. He appointed a special committee of Cabinet officers to study the same. All the industry has secured is so-called sympathetic consideration. The Supreme Court knocked out the processing tax while they were still deliberating. And it is even now proposed by some in the administration to enact legislation which would enable the Government to retain this money unlawfully collected.

Someone may say the administration reached an agreement with Japan concerning imports. Well, the answer is that any such agreement has not given the American textile industry what it merits.

An agreement was made concerning the Philippine Islands in which we were to share evenly the trade of that country with Japan. Nothing was done about the goods which leaked in from Japan through China. But an agreement was reached whereby the American textile industry would perhaps be allowed 50 percent instead of the 75 percent it had enjoyed before the advent of the Roosevelt administration.

Think of it. Japan and America reaching an agreement for an equal division of the trade of a country which in the past has come to the United States and which was and still is a protectorate of the United States. Can you imagine Japan reaching an agreement with the United States whereby we would enjoy half of the trade of Manchukuo, which has become a Japanese dependency? Oh, no. There would be no such triumph as that for our State Department. We make treaties when we give up and prove we are "good neighbors", although it brings starvation to some of our own people. Let us have another diplomatic triumph such as we have reached with Japan and it will not be the red flag of Moscow that will be flying over the factories of America, but it will be the red flag of the auctioneer.

Mr. CRAWFORD. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. CRAWFORD. Has the gentleman taken the time to reduce that yardage to bales of cotton, and can the gentleman tell us how many bales of cotton these imported goods would represent?

Mr. MARTIN of Massachusetts. No; I have not.

Mr. HARLAN. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. HARLAN. Has the gentleman considered the fact that our cutting off of imports of coconut oil from the Philippine Islands by the tariff act cut off our exports to the islands, so that Japan was driving us out of the Philippine market, and when we got half of the trade we made a good bargain, because we could not buy anything from the Philippines, and therefore we could not sell them anything?

Mr. MARTIN of Massachusetts. The gentleman is not correct. The United States is one of the best customers of the Philippine Islands. The Philippines must send their goods to this market if they are to live. If there ever comes a time when the United States market is barred to the Philippine Islands, it will mean the destruction of those islands. Now it is said that our imports are only an insignificant part of the textile trade. I want to deny that. Some of these items which are being brought from Japan constitute 35 or 40 percent of all that type of goods sold in the United States. There are a hundred other industries facing this competition just as much as the textile industry, but the Roosevelt administration will not do a single thing. It is willing to give a dole to a part of our people but denies them the chance to live as an American through good wages earned in his own occupation. The administration has failed to do that which is most essential if we are to ever bring back better days. They have failed to protect the home market for the worker and the farmer alike. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 20 minutes to the gentleman from Montana [Mr. AYERS].

Mr. AYERS. Mr. Chairman, I shall not discuss foreign markets nor foreign goods, but I shall confine my remarks this afternoon to domestic agriculture and markets for it. I am for American products for America, and I shall never yield to a program that will "sell America short."

Mr. Chairman, I shall discuss land utilization from a national viewpoint.

The prejudice which sectionally divides American agriculture would not exist if it were generally recognized that each section is entitled to its agriculture as a balancing factor in secure living and general progress for the entire Nation. With that statement as my subject, Mr. Chairman, I propose to discuss the necessity of a national land policy. First, I invite consideration by the Members of Congress who represent the large city districts and the industrial districts; and, second, the Members representing agricultural districts which do not need irrigation. I particularly invite consideration by my colleagues from these two classes of districts for I expect to show that irrigation and reclamation is not only necessary in its own section but that it is also necessary and beneficial to the entire Nation.

There should not have been, and never should be again, sectional prejudice in the development of American agriculture. This can be accomplished by adopting a national land policy whereby each section of the country shall be entitled to

develop agriculture in the manner that controlling climatic and natural conditions necessitate. In some sections drainage is necessary. In other sections irrigation is necessary. In other sections, such as the lower Mississippi Valley, flood control is the problem, and diking and leveeing is necessary to prevent flood waters from destroying some of the richest lands in all this country.

In still other sections a continuous use of artificial fertilization is necessary. Because of the necessity for these special things in particular sections, should any section say to another that its death knell should be sounded? I say no, but that is just what is going on and it will continue to go on until a national land policy is adopted.

The people as a whole and the Congress must come to realize that no agricultural section can stand entirely by itself. Each section depends upon other sections; none of them are independent within themselves and none of them are in conflict with others in production. It is necessary for each to use the products of the other, and then, in the end, it is necessary for the cities and industrial centers to use the products of all sections.

NO SECTIONAL CONFLICT IN AGRICULTURE PRODUCTION

The wheat farmers of the upland plains section are not in conflict with the farmers who operate under irrigation. High protein flour wheat is not grown under irrigation, for wheat will not develop protein content if irrigated, hence irrigation is not in conflict with wheat production. Products which thrive abundantly under irrigation do not do well on the upland plains. So these two sections are not in conflict. Neither the wheat farmer nor the irrigation farmer is in conflict with the corn-hog farmer. And none of the last three farmers are in conflict with the cotton grower or the tobacco raiser. In turn, the last two are not in conflict with each other. The dairy farmers are not in conflict with any of their agricultural brethren and neither do they interfere with the programs of others. Quite the contrary is true—they all help each other.

Then let us take up the livestock farmers and ranchers—the cattlemen and sheepmen of the West. They do not conflict with any other agricultural section. As a matter of fact, each agricultural pursuit is necessary to make others successful and all are necessary for the success of the nonagricultural people and the nonagricultural industries of the Nation.

NATIONAL LAND POLICY

All these agricultural pursuits, so far as the Government is concerned, should be coordinated under one head as a national land policy. Call it what you may—that is immaterial—but getting coordinated under one administrative head for the benefit of all is imperative. We have land-use setups under so many heads that one gets dizzy trying to follow them. First and foremost, we have the Agriculture Department proper. This is where I personally believe all land-use agencies, except that of national parks and mining, should be placed, for, primarily, the lands belong to agricultural pursuits. Then we have the General Land Office in the Interior Department. It has jurisdiction over the public domain, except that which is administered by the Forestry Bureau, under the Agriculture Department, and we have the Department of Grazing, which has recently been set up in the Interior Department.

In the General Land Office, the Forestry Bureau, and the Department of Grazing we have the Government owning and administering more than 50 percent of all the lands in the public-lands States. Continuing with public lands, we have the National Park Service and the Bureau of Mines, which are the only land-use services having any excuse for complete separate existence.

Under subheads, agencies, and bureaus, and as independent organizations, we have the Soil Conservation Service, the Bureau of Reclamation, the Resettlement Administration, which is divided into at least three sections; the Farm Credit Administration; the Federal Surplus Relief Corporation, the Emergency Conservation Corps, the Mississippi River Commission; and other flood-control set-ups. Then there are others which I do not at this instant recall. Now, Mr. Chairman, with a properly laid out, established, and coordinated national land policy, many of these agencies and subagencies, bureaus, and commissions could be eliminated—maybe that is the reason a national land policy has not heretofore been established.

IRRIGATION PROMINENT IN AGRICULTURE PICTURE

At the Salt Lake meeting last fall, the National Reclamation Association went on record for a national land policy. That prompts a discussion of the place irrigation and reclamation has taken in the agriculture picture of the Nation.

In 1902, at the request of President Theodore Roosevelt, Congress passed a law recognizing the Government's responsibility as a majority landowner in the public-land States by setting up a revolving fund in aid of reclamation. The fund is derived from 52 percent of the proceeds from the sales of public lands and from oil, gas, and other leases and royalties. The balance goes into the National Treasury.

To demonstrate that this is truly a workable and successful revolving fund, I shall briefly give some facts concerning it: The total amount received by reclamation since this fund was created in 1902 is $294,729,249. These receipts came from land sales, oil and gas leases, and royalties, the sale of water and power, and other sources provided by the act, together with $25,000,000 from the United States Treasury to be repaid.

To build projects, contracts were entered into with districts and progressively modified so that today settlers pledge themselves to repay in 40 years the full amount advanced by the Government in building the projects. At the end of 1935, $277,046,024 had been spent from the reclamation fund and $71,600,000 had been repaid by the settlers. These repayments were $43,000,000 on construction charges and $28,600,000 on operation and maintenance.

From the sale of electric energy and water, $33,500,000 has come into the fund.

There are now over 42,000 farms in operation on reclamation projects, and 227 cities and towns have been built on the projects. The annual crop value is $100,000,000, and the assessed valuation that has been created totals two and one-half billion dollars. This is a business enterprise having an assessed value of two and one-half billions back of it. It owes only $15,000,000, for ten of the twenty-five million owed the Treasury has been repaid, and at the end of business yesterday it had a cash balance on hand amounting to $7,683,224.41.

Who can say that this is not a successful and solvent revolving fund depending upon its own resources?

I have heard the cry of subsidy applied to the Reclamation Service and the statement that the settlers on these projects were subsidized by the Government Treasury. That cry and those statements come from lack of knowledge.

Lack of knowledge on that subject has prompted statements on the floor of this Chamber to the extent that the Fort Peck in Montana and the Grand Coulee in Washington are projects which are being built by the Bureau of Reclamation, when, as a matter of fact, both of these projects are public-works projects. The funds for building them do not come from the reclamation fund at all. They are both national projects and neither of them is charged to any State or States. The funds for building them are from time to time allotted by the President out of P. W. A. funds.

Mr. CULKIN. Will the gentleman yield?

Mr. AYERS. I yield to my friend from New York.

Mr. CULKIN. The gentleman is making a very interesting speech and I dislike to interrupt him. The gentleman just referred to the Grand Coulee proposition and the Fort Peck proposition. What does the gentleman desire? Is it reclamation or power or what?

Mr. AYERS. They are power and water conservation projects which are being built by the Public Works Administration.

Mr. CULKIN. In other words, they are not reclamation?

Mr. AYERS. They are not reclamation. Fort Peck, for instance, is the largest project of its kind that has ever been undertaken in this country. It is a project to control the flood flow of the Missouri River and to deepen the channel

for transportation below the dam on down to where the river actually becomes navigable.

Mr. CULKIN. But it has some small amount of land development phases, and the total disbursement on that is about $144,000,000.

Mr. AYERS. Does the gentleman mean on the Fort Peck proposition?

Mr. CULKIN. Yes; according to the estimates of the engineers.

Mr. AYERS. I think the cost is estimated at something like $100,000,000.

Mr. CULKIN. What I particularly wished to inquire of the gentleman was whether he said the Grand Coulee project is not reclamation?

Mr. AYERS. The Grand Coulee will have reclamation by the use of surplus water after the flood control and power elements are taken care of; however, it is not primarily a reclamation project, it is a P. W. A. project and not charged to the reclamation fund which I am discussing.

Mr. CULKIN. Well, I do not understand that. In the original break-down of the P. W. A. the Grand Coulee was called "power." Of course there is no one up there to sell the power to except coyotes and jack rabbits.

Mr. AYERS. They will transmit the power by wire on to Portland, Seattle, and other coast cities.

Mr. CULKIN. But they are amply supplied with power now and they have the utilities thoroughly in hand.

I am wondering if the gentleman has inquired closely enough of anybody in any of the departments to know whether the present dam with an elevation of 177 feet means reclamation or power?

Mr. AYERS. It means power and water conservation to begin with. If there is water left over for irrigation of the vast arid areas there, then it will be applied to irrigation and reclamation. But the initial charge was, and the original appropriation was, not for reclamation and irrigation; and the Reclamation Department had nothing to do with it. But as reclamation comes into it, just to that extent will it be self-liquidating.

Mr. CULKIN. Then the gentleman disclaims that it is a part of the reclamation program?

Mr. AYERS. It is not a part of the reclamation program.

Mr. CULKIN. If the gentleman will permit a further question—I am very sorry to interrupt him, because he is making an excellent speech—does not the gentleman believe, and do not reclamationists and people familiar with the subject believe, the advent of this 1,200,000 acres into agricultural production will in fact prejudice everybody who is now on irrigated land?

Mr. AYERS. No; and I think I can show the gentleman that it will not. We do not produce anything in these irrigation and reclamation projects that competes with other agricultural States.

Mr. CULKIN. I disagree with the gentleman, but I am sure the gentleman will almost convince me.

Mr. AYERS. My good friend from New York [Mr. CULKIN] and I do not always agree on these irrigation and reclamation questions, but I respect his rights to his own opinions. I know that he is a reasonable man and open to honest and fair argument, and that is one reason I am discussing these matters today. I am trying to inform those Members of Congress not familiar with these conditions, and to help them get a better picture of irrigation and reclamation.

Mr. CULKIN. May I say to the gentleman, I think we do agree on all normal and needed reclamation.

Mr. AYERS. I am glad to hear the gentleman say that.

Mr. CULKIN. I am not going to be crowded out of that position.

Mr. AYERS. I would not in the slightest degree attempt to crowd the gentleman out of that position. It is my position also. Now, Mr. Chairman, I must refuse to yield further, my time is limited, and I must hasten on.

According to the 1930 census, the people on these projects were customers to eastern manufacturers to the extent of $120,000,000 annually. This required 95,000 railroad cars for transporting from manufacturers to consumers on the projects. This in itself is at least some little help to the eastern manufacturer.

These large figures demonstrate a singularly successful enterprise, yet it is a fact that reclamation projects represent less than one-half of 1 percent of the Nation's cultivated land. In other words, of every 100 acres cultivated in this country, less than one-half of 1 acre is under reclamation. All the products of all the reclamation projects represent only three-fourths of 1 percent of the total annual value of American agricultural products. None of the irrigated products come into competition with products of other sections, nor do they, nor have they heretofore contributed to the agricultural surpluses from which we have suffered.

Let us see what is grown on the projects. The greatest area is confined to growing food for livestock. This is grown for winter use to balance summer pasture and range for the beef-cattle grower and the sheepman. It also goes to the dairy farmers of other sections where sufficient feed is not grown and also supplies livestock feed to the great livestock terminal markets of the country. This crop is not in competition with any other crop, and it has never suffered from a surplus. Sugar beets probably consume the next largest acreage under reclamation. Continental United States produces only about 27 percent of the sugar it consumes, so we can stand considerable expansion in sugar-beet production. Then, with the exception of fruits, potatoes, cantaloupes, and celery, the major portion of the reclamation produce is consumed locally. As for their fruits, potatoes, cantaloups, and celery, they are all bringing a ready premium in Eastern city markets. Of their kind they are the choice products of the Nation and compete with no other, because their like is not grown elsewhere.

If everyone will take off their glasses which have been smoked with prejudice and look fairly at reclamation, I am sure that all opposition will melt before the heat of the facts. A fair consideration of the facts reveal a magnificent accomplishment for human benefit and progress, not only in the areas embraced in the projects but to all our country.

SETTLERS AND RECLAMATION AGENCIES AGREE

A high standard of honor and responsibility has at all times been maintained in the contractual relationship between the reclamation settler and the Government. In actual emergencies, brought about by economic depressions or contingencies unforeseen and beyond control, the administrative divisions of the Government have dealt equitably and justly with the settlers. Moratoriums on construction charges and on operation and maintenance have been granted. Repudiation on the part of the settler has been at a minimum—practically nil.

Understand, Mr. Chairman, the moratorium granted to the settlers on these projects are not cancelations. They are not like the moratoriums on the debts due us by foreign countries. And understand also, Mr. Chairman, that all the security in these cases is there and getting better with each year because of additional improvements and developments. It is not like the debt owed the Government by the Dawes banks, where the security expired by a manipulated reorganization into other banks. The settlers do not do business that way—they expect to pay their debts and they leave their property intact as security therefor.

Mr. Chairman, a planned land development under a national policy is indeed important to all the Nation. Under such a policy, the proper use of all land can be encouraged and ultimately brought about by the voluntary action of those concerned.

LAND MUST BE PUT TO PROPER USE

Out in the public-lands States, millions of acres of land which was never designed by nature for any other use than pasture and grazing has been taken up by homesteaders who have energetically tried to farm it. They cannot do it. They cannot make a go of it. The land was not made for that purpose. They have tried in good faith. They have lost their investment and many years of toil. Now the error of working against nature has been recognized by them. The Gov-

ernment has recognized it too and has admitted its part in the error. It has started to correct it, but I am afraid that by tying too many agencies together it has made another mistake. I hope it will recognize this one before it is too late.

SUBMARGINAL LAND PURCHASES RETARDED

A program was started some year and a half ago whereby the Government was to buy these nonagricultural lands that had come into private hands under the mistaken idea that they were agricultural in nature. The program started all right and met with hearty approval by the landowners. They freely optioned their lands to the Government and made arrangements for resettlement. The options ran out, and upon governmental request were renewed, but to date very little land has been purchased—very little, indeed, according to the amount that has been optioned and designated by the Government as submarginal and not fit for successful farming. The settler is disappointed and feels that his Government has not exactly kept faith. The program has operated under two or three different names, and now it is working in a trebled or quadrupled capacity. It has the buying of the so-called submarginal lands, the rural resettlement, the rural rehabilitation, and the suburban resettlement in its hands.

The last one—the suburban resettlement—has all but wiped out the other three, and if the present program keeps up it will entirely do so in the near future.

Suburban resettlement has no business in the agriculture picture. It is a city and industrial center resettlement. It has been attached to agricultural resettlement and to the land-policy program and developed a case where the cities and industrial centers have again taken the show.

I have no complaint to find with suburban resettlement in itself. I am sure it is a magnificent thing if prosecuted properly, but it belongs to the Labor Department or the Commerce Department. Anyway, it belongs to some department other than the Agriculture Department. It has no relation to agriculture, and it does not deal with agricultural problems. Apartment houses for industrial workers, built adjacent to cities is not an agricultural problem. Yet it has been tied to the agricultural resettlement program and has retarded it to at least one-sixth of that originally intended and started. Mr. Chairman, if suburban resettlement is not divorced from rural resettlement and from submarginal-land purchasing, it is going to kill the latter two just as sure as the sun rises in the east. By killing them, the proposition of rural—agricultural—resettlement goes with them. A program has been started in the West for a general reclamation of higher class land upon which to resettle the present occupants of the submarginal lands. In many instances, options for this purpose have been taken, and they are dying with the submarginal-land options.

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 3 additional minutes to the gentleman from Montana.

Mr. Chairman, will the gentleman yield?

Mr. AYERS. I yield.

Mr. TAYLOR of Colorado. Has the gentleman placed in his remarks the fact that there is less than 2 percent delinquency on reclamation projects in the United States today?

Mr. AYERS. I thank the gentleman from Colorado for the contribution. The gentleman is correct. Delinquency is less than 2 percent; as a matter of fact, only slightly over 1 percent.

Mr. Chairman, you may wonder why I am tying these matters of suburban resettlement to an argument for a national land policy. That is easy. If we had a national land policy set up and operating, I feel sure that the suburban resettlement program would not be assigned to it, for they have no relation. Land resettlement belongs to agriculture, and suburban resettlement belongs to the cities and industrial centers. But assume that the ill-advised might come to pass and that by some stretch of authority or inadvertence, suburban resettlement should be assigned to the national land-policy set-up; it would not steal the whole show to the detriment of proper land utilization as it has done in the instant case. It was the last thing to be added to the present land-policy program, but in a short time it was playing first fiddle, and now it is a case of the tail wagging the dog. I say again that if these authorities are not divorced, rural resettlement—agricultural resettlement, if you please—and the submarginal land purchasing will die an untimely death.

CONSOLIDATION OF LAND-USE AGENCIES ADVISABLE

Mr. Chairman, a national land policy, consolidating the General Land Office, the Forestry Bureau, the Department of Grazing, the Bureau of Reclamation, the Biological Survey, the Soil Conservation Service, the Resettlement Administration, but eliminating therefrom the Suburban Resettlement Division, the emergency conservation work, and the flood-control set-ups, would be the greatest step forward that the Government could take toward a properly balanced land-use program.

In practically every case, one hand would wash the other. For instance, reclamation, while embracing less than one-half of 1 percent of the agricultural lands in the Nation, is spread over one-third of the territory of the United States, and its projects are usually well up on the streams. Its impounding and use of the streams reacts to the aid of flood control farther down where the Government is spending millions for that purpose. Waterfowl refuges, established and built up by the Biological Survey, would have like effect. The Biological Survey would operate more successfully if associated so that it could work more freely with the General Land Office and the Division of Grazing. The Bureau of Reclamation and the Forest Department are so closely related in their many propositions of conservation that they should be directly associated; the soil conservation dovetails into both of them, and they, all working together, would go a long way in eliminating the flood condition farther down the streams.

A national land policy would eliminate lands from agriculture that cannot be farmed at a profit, and it would encourage their use for other, but remunerative, purposes. It would work out an economic feasibility for all land use which would be freely and gladly adopted by all land users. Most of all, it would eliminate sectional prejudice which now has American agriculture fighting itself. And last but not least, it would put reclamation in its proper place as a great Nation-wide development and conservation enterprise in absolute harmony with sound business principles. [Applause.] To that end I am preparing a bill, and when it comes before this body I hope that sectional prejudice will be laid aside and that it be considered on its merits. [Applause.]

Mr. FIESINGER. Mr. Chairman, will the gentleman yield?

Mr. AYERS. I yield.

Mr. FIESINGER. Could the gentleman express in dollars what savings would be effected if these consolidations were made?

Mr. AYERS. I am very sorry, I cannot. I may say to the gentleman from Ohio that I am working on that proposition now in the departments, and it is my purpose later to introduce a bill for the purpose of consolidating these departments. Then I shall be in position to furnish the facts and figures.

Mr. FIESINGER. People understand such references better when the result is expressed in dollars and cents.

Mr. AYERS. I realize that is so as to manpower saving, but that is only a drop in the bucket as to the real saving.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield for a question on the matter of consolidation?

Mr. AYERS. If I have any time left I yield to the gentleman from Michigan, my friend on the Public Lands Committee with me. I feel that he is in sympathy with my ideas on this important subject.

Mr. CRAWFORD. I do not think the gentleman wants the record to close with the thought that the savings in administration will be the only saving; there is natural conservation.

Mr. AYERS. Yes; the gentleman is absolutely right. The saving to the country as a whole in the actual conservation effected by this plan would be enormous, not only so far as

irrigation, reclamation, and flood control are concerned, but all the way through the entire agricultural program. The great saving is the establishment of a proper land use, through a national land policy, reaching all classes of land. [Applause.]

A national land policy would help balance each agricultural section with all other sections. It would get the land into proper use and that alone would go a long way toward balancing production and eliminating soil erosion, which would be a saving so great that it is impossible of measurement in money.

The greatest of all breeders of erosion is the plowing of land which was designed by nature to remain in sod. The dust storm that blew over the Capital here in May of 1934 carried the topsoil from millions of acres of plowed land in western States that never should have been plowed. Some of it dropped in places where it was washed away with the first rain and the balance of it went on into the Atlantic. A study of the lands affected by that dust storm estimates that 300,000,000 tons of topsoil were blown away. The study also estimates that 400,000,000 tons of soil go into the Gulf of Mexico each year through the Mississippi River. A report of this study was transmitted to the President on December 19, 1935, by the National Resources Committee, and you will find these estimates on page 2 of the report.

The report contains much other valuable information bearing on the subject of land use, but which time will not permit me to give you now. However, the report shows conclusively the advisability of a national land policy leading to a proper land use in this country. Right here let me say to my interested colleagues from Ohio [Mr. FIESINGER] and from Michigan [Mr. CRAWFORD] that in the fields is where the great saving will be made. Permit me to say further that it is such a great saving that it is impossible to measure it in dollars and cents. The saving is so great that our success as an agricultural nation depends upon it. We will have to come to it sooner or later, and the sooner the better. [Applause.]

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 10 minutes to the gentleman from Montana [Mr. MONAGHAN].

Mr. MONAGHAN. Mr. Chairman, at the outset I would like to say that this has been a great day for speeches, and I should feel that I was not loyal to my State if I did not complement my distinguished colleague, Mr. AYERS, who delivered such a fine address on irrigation and reclamation, which means so much to the State of Montana. In fact, we in the West will need a lot of legislation in that direction, since the A. A. A. has been declared unconstitutional. It is not my intention, however, to speak on that particular subject at this time, but on a subject which is of paramount or greater importance in view of the Supreme Court decision with respect to the A. A. A.

As I read the decision delivered in the Hoosac Mills case, I find that there is very little remedy left for the farmers of this country. There is very little opportunity left for legislation that will solve their problems, and likewise there is a greater and a widening scope of, may I say, judicial anti-farmer legislation that will prevent enactment of real legislation for helping the farmer, the laborer, or the small businessman of this country. In fact, leaving the power in the Supreme Court to legislate rather than to render a judicial judgment prevents the passage by this Congress of any other bills than those which would come under the general administrative laws of the Federal Government. It is for the reason that the Supreme Court is pointing in the way of nullifying and negativing further acts of Congress that I take the floor this afternoon in order to explain that I have dropped into the hopper today two bills to curb the Supreme Court's power specifically; and, Mr. Chairman, I ask unanimous consent to insert these bills at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

The bills referred to are as follows:

Be it enacted, etc., That section 13 of the act of Congress of August 29, 1935, entitled "An act to levy an excise tax upon carriers and an income tax upon their employees, and for other purposes", be amended to read as follows:

"Federal judges are forbidden to declare this act of Congress unconstitutional.

"No appeal shall be permitted in any case in which the constitutionality of this act is challenged, the passage by Congress of this act being deemed conclusive presumption of its constitutionality.

"Any Federal judge who declares this act unconstitutional is hereby declared to be guilty of violating the constitutional requirement of 'good behavior' upon which his tenure of office rests and shall be held by such decision ipso facto to have vacated his office and the President of the United States is hereby authorized to nominate a successor to fill the position vacated by such judicial officer."

Be it enacted, etc., That section 12 of the act of Congress of August 29, 1935, entitled "An act to establish a retirement system for employees of carriers subject to the Interstate Commerce Act, and for other purposes", be amended to read as follows:

"Federal judges are forbidden to declare this act of Congress unconstitutional.

"No appeal shall be permitted in any case in which the constitutionality of this act is challenged, the passage by Congress of this act being deemed conclusive presumption of its constitutionality.

"Any Federal judge who declares this act unconstitutional is hereby declared to be guilty of violating the constitutional requirement of 'good behavior' upon which his tenure of office rests and shall be held by such decision ipso facto to have vacated his office and the President of the United States is hereby authorized to nominate a successor to fill the position vacated by such judicial officer."

Mr. MONAGHAN. Mr. Chairman, these bills would prevent the Supreme Court or other Federal judges from declaring the Railroad Retirement Act, which will no doubt come before them soon, unconstitutional by merely amending sections 12 and 13, respectively, taking these acts out of the usurped jurisdiction of the Court. To those who would say, "Well, what will be done if they declare the particular act, which embodies this amendment, unconstitutional?" I say there is provision in the amendment that by so doing they automatically vacate their posts on the ground they would be guilty of "misbehavior" and the President would automatically be empowered to appoint successors to take their place on the bench. I feel that in the Hoosac Mills case they are pointing the way, in various sentences which I shall point out to the Members of Congress, to a nullification of the railroad retirement law.

For example, on page 5 they state with reference to the word "tax":

The word has never been thought to connote the expropriation of money from one group for the benefit of another.

Again:

The Government in substance and effect asks us to separate the Agricultural Adjustment Act into two statutes, the one levying an excise on processors of certain commodities, the other appropriating the public moneys independently of the first. Passing the novel suggestion that two statutes enacted as parts of a single scheme should be tested as if they were distinct and unrelated, we think the legislation now before us is not susceptible of such separation and treatment.

The tax can only be sustained by ignoring the avowed purpose and operation of the act and holding it a measure merely laying an excise upon processors to raise revenue for the support of government. Beyond cavil, the sole object of the legislation is to restore the purchasing power of agricultural products to a parity with that prevailing in an earlier day.

The grant of power to tax and spend for the general national welfare must be confined to the enumerated legislative fields committed to the Congress.

The true construction undoubtedly is that the only thing granted is the power to tax for the purpose of providing funds for payment of the Nation's debts and making provision for the general welfare.

They have further in this decision virtually said that the term "general welfare" does not mean general welfare at all; that it means something totally different. In this connection, and to those of you who stand in fear and trembling of the fact that the taking away of this power from the Supreme Court might jeopardize American liberty, I would suggest that you read this book which has just come off the press entitled "Nine Men Above the Law—Our Supreme Court", by John M. Henry, in which he points out that more liberty

has been destroyed by the Supreme Court than has ever been safeguarded.

Senator Breckinridge, in the debates of 1802, said:

Who shall check the judges when they violate the Constitution?

Jefferson said:

The judiciary of the United States is the subtle corps of sappers and miners constantly working underground to undermine the foundations of our confederated fabric. * * * Impeachment is a scarecrow. The Constitution, on this hypothesis, is a mere thing of wax in the hands of the judiciary, which they may twist and shape into any form they please. Our judges are as honest as other men, and not more so. They have, with others, the same passion for party, for power, and the privilege of their corps, * * * and their power is the more dangerous, as they are in office for life, and not responsible, as the other functionaries are, to elective control.

It is safe to say they have destroyed every progressive measure that has ever been placed upon the statute books of our country for the protection and promotion of the rights of the common man. That is a broad statement, but a thorough study of the decisions with respect to human rights will bear out my statements.

In the preface, written in 1912 by Robert M. La Follette, Sr., for the book Our Judicial Oligarchy, by Gilbert Roe, he states:

Within the last 2 or 3 years the public has begun to turn a critical eye upon the work of the judges. The people in their struggle to destroy special privilege and to open the way for human rights through truly representative government found barrier after barrier placed across the way of progress by the courts. Gradually the judiciary began to loom up as the one formidable obstacle which must be overcome before anything substantial could be accomplished to free the public from the exactions of oppressive monopolies and from the domination of property interests. A new problem entered into the movement toward democracy—the problem of removing the dead hand of precedent from the judiciary and infusing into it the spirit of the times. So the people, in their need, dropped the unquestioning veneration which custom had fostered as a shield for the judges and began to examine into the tendencies and practices of the courts.

* * * The judiciary has grown to be the most powerful institution in our Government. It, more than any other, may advance or retard human progress. Evidence abounds that, as constituted today, the courts pervert justice almost as often as they administer it. Precedent and procedure have combined to make one law for the rich and another for the poor.

* * * Moreover, by usurping the power to declare laws unconstitutional and by presuming to read their own views into statutes without regard to the plain intention of the legislators, they have become in reality the supreme lawmaking and lawgiving institution of our Government. They have taken to themselves a power it was never intended they should exercise, a power greater than that entrusted to the courts of any other enlightened nation. And because this tremendous power has been so generally exercised on the side of the wealthy and powerful few the courts have become at last the strongest bulwark of special privilege. They have come to constitute what may indeed be termed "a judicial oligarchy."

The gentleman from Texas [Mr. CROSS] today in one of the most brilliant addresses I have heard since the beginning of my service in this Congress stated that they have the theory of property rights as against human rights. The placing of this power in nine men above the power of removal by the people is dangerous in the extreme.

The gentleman from Ohio [Mr. HOLLISTER] in his remarks today stated that there was no authority for the bill which the gentleman from Texas [Mr. CROSS] introduced during the present session of the Congress. I went into that subject myself quite thoroughly at the last session of Congress. I am mighty pleased to see the changed sentiment in this House. I delivered a speech along the lines of the speech that the gentleman from Texas [Mr. CROSS] delivered today on May 8 and again on May 15, when the Supreme Court slaughtered the N. R. A., following that action up by killing the first Railroad Retirement Act that we passed in 1934. The change in the sentiment of the membership of this House since then is remarkable.

In answer to the gentleman from Ohio, may I say that there is authority in the Constitution for what I advocate, and at this point, Mr. Chairman, I ask unanimous consent to insert article III, section 2, laying particular emphasis upon the particular paragraph wherein there is set forth the phrase, "With such exceptions and under such regulations as the Congress shall make."

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

The matter referred to is as follows:

In all cases affecting ambassadors, other public ministers and consuls, and those in which a State shall be a party, the Supreme Court shall have original jurisdiction. In all the other cases before-mentioned, the Supreme Court shall have appellate jurisdiction, both as to law and fact, with such exceptions, and under such regulations as the Congress shall make.

Mr. MONAGHAN. Mr. Chairman, I will take the patron saint of those who believe that this power should be vested in the Supreme Court, namely John Marshall. John Marshall said in this connection:

Congress is empowered to make exceptions to the appellate jurisdiction as to law and fact of the Supreme Court. These exceptions certainly go as far as the legislature may think proper for the interest and liberty of the people.

On May 8 last year I introduced a bill similar in certain respects to the one that the gentleman from Texas spoke about today and which he introduced. The bill that I introduced today merely exercises the power of exception. It is stated in this particular bill, the railroad retirement bill, that we will not permit the Supreme Court to pass upon the constitutionality of that law.

Now, in arguing for this particular amendment, if I may do so at this moment, I will say that this Congress, the Senate, and the President of the United States now have twice signed retirement bills. I wish not to reflect upon the personal character or integrity of any member of the Supreme Court. However, as the gentleman from Texas [Mr. CROSS] well stated, you cannot change the sentiment and philosophy and background of men overnight, and I may say that I am reliably informed that there are at least——

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. MONAGHAN. There are on the Supreme Court at the present moment, I am reliably informed, four or five men who at one time or another, in their private practice, were engaged as counsel for railroad companies, and we are to let these nine men, five of whom engaged in the practice of representing railroad corporations before the bar of justice, say what they think is proper and constitutional with regard to the Railroad Retirement Act.

I wish I had about 10 or 20 minutes in order to go into this subject. However, I shall ask unanimous consent to cite a few paragraphs from the book Nine Men Above the Law.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. MONAGHAN. Yes.

Mr. CONNERY. In the Hammer against Dagenhart case, the Child Labor case, there was a 5-to-4 decision; in other words, one man on the Supreme Court decided for 125,000,000 people that child labor is O. K. in the United States so far as the Federal Government is concerned.

Mr. MONAGHAN. Yes; and that leads to the other point that is asserted, that the rights of the people are safeguarded, supposedly, by the right of amendment, and it is great that this right does exist; but take the history of the child-labor amendment. With the Congress and various States having shown their disapproval of child labor, look at the difficulty of getting such an amendment on the statute books. I venture the assertion that even were a constitutional amendment properly drafted and submitted to the people providing the Congress with power to enact social security, farm, and labor legislation it would be almost impossible to get such a constitutional amendment enacted in this country. Why? Not because the people do not want it but because powerful corporations control the machines in the various States of the Union and would so manipulate the various legislatures and the various machines as to prevent such a statute from ever becoming a law.

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. SCOTT].

Mr. SCOTT. Mr. Chairman, I have no idea that what I may say now will do any particular good or that it will have any particular effect on the Nation, but there are three more or less distinct, and yet related, subjects on which I want to offer a few thoughts. I may offend the finer sensibilities of some of the Members of the House by quoting from the autobiography of Lincon Steffens, who has been called various things in addition to Socialist and Communist, but at one point in his book he referred to what he called "thought savers." He points out as probably the outstanding example of thought savers, "competition is the life of trade." Let me illustrate. Just as soon as you start the argument that perhaps it would be better if people cooperated a little bit in the production and distribution of wealth, immediately somebody says, "Oh, yes; but you know competition is the life of trade." That clinches the argument, because everybody knows that. Most people during their school days copied it in a copy book, and that makes it absolutely so.

The same practice is used to a large extent today when somebody suggests a solution of a difficulty. It is done when the President discusses the state of the Union, and suggests that something might be done to change conditions. It happens when he varies a little bit from a platform adopted back in 1932 to meet a given condition. Somebody immediately says, "socialism." Many things, including the popular election of Senators, the establishment of an income tax, and even today the caring for unemployment in a country that has at least several million unemployed people in it have been called socialism. Just as soon as you tack the word "socialism" onto any proposal, for a lot of people, that is the final argument, and it saves them a lot of thought. They do not need to look any further for an argument against that particular proposal. If they can just make the people think "this is socialism", then it is done. This, in addition to preventing the passage of a lot of good, sound legislation, has likewise brought considerable injury and embarrassment, among other things, upon a certain group of people in this country.

Just as soon as Mr. Hearst fell out with the present administration he began to attack it as a raw deal and a socialistic experiment.

He soon transferred that criticism to schools, and said that school teachers must be muzzled in some way to prevent discussion in the classrooms of economic conditions and possible solutions. His vicious attack went so far that in the District of Columbia we have a law which says that no teacher can even tell what communism is to a classroom. The teachers must skip this subject. The law goes a little further and says that all teachers in the District of Columbia and also all clerks in the schools must fill out and sign a little form twice a month before they can get their salaries. That form says that the signer did not at any time advocate or teach Communism. Until they sign this document they cannot get their salaries. Under permission, I include one of the forms used.

If we are going to have laws to prevent the teaching of certain subjects in our schools, there is no reason why we cannot go a good deal further.

We might do something like this: I think one of the worst things that could happen to this country in 1936 would be to elect any one of the Republican candidates for President. [Laughter.] I think it would be a good thing to require the teachers to sign a form saying they had not advocated or taught the Republican platform as announced by any candidate. [Laughter.]

It might not be a bad idea to protect the youth of the country from the dissemination of propaganda of this kind.

Now for the second though related subject.

The gentleman from New York [Mr. MEAD] called attention to it here yesterday. He referred to the use of machinery in creating wealth without human labor being necessary. This has brought about a condition that some economists refer to as an economy of abundance. It is going to be necessary to explain to the people—and to ourselves as well—what an economy of abundance means and just how the introduction of machinery and this abundance is progressively undermining our financial system, which is based almost entirely upon an economy of scarcity. May I refer the Members to an extension of remarks under my name in the RECORD of July 1, 1935, for a discussion of this subject? Various methods have been suggested as a means of solving that problem. We have a bill introduced by the gentleman from Maryland [Mr. GOLDSBOROUGH] introducing what is known as social credit in the country. Let me commend that bill to your attention. Others would say that if we establish in place of a privately owned system of banks a national system of banking and return the control of money and credit to the Federal Government, where the Constitution puts it, we could solve the difficulty in that way. Another that has received a lot of attention in the last 2 days is the one suggested by Dr. Townsend. In reference to that and to the speech made by the gentleman from Oklahoma [Mr. FERGUSON], a former schoolmate of mine, it makes a lot of difference how you read a thing and how it sounds. I remember about 2 years ago and I remember last year when I became for the first time an embryonic politician and declared myself for office that the American Legion presented to me certain statements and said they were going to ask me to sign a pledge that I would vote in a certain way. They were rather insistent that I vote their way. I did. Of course, when the American Legion talked like that it was patriotism, but with Dr. Townsend, when he talks like that, or when his followers talk like that, it is coercion and bringing undue influence to bear upon the Members of the House.

The Townsend plan is in effect a method of subsidizing a portion of the consuming public of the country. It is an attempt to deal with the economy of abundance. They have certain aims, to which I subscribe whole-heartedly, that they wish to achieve. Under leave granted I include them at this point. As far as Dr. Townsend is concerned, he just does not go far enough. In place of subsidizing a portion of the population—and you will come to it sooner or later—we should adopt some form of subsidizing the consumers in the same way that we subsidized the producers in the last decades.

The third thing, still related I think to the whole, that I would like to call to the attention of the few Members present is this: Some Members are given to making statements that this or that is going to happen. They say if you pass this or that law such and such will be the result. They quote former Presidents and former Secretaries of the Treasury, and they quote certain economists. Mr. Chairman, that is dangerous. I will show you why.

AIMS OF PLAN

To provide security for all persons who reach the age of 60 years to live on an American standard of living.

To remove from competitive labor a sufficient number of citizens to afford opportunity for all employables.

To provide a constant purchasing power for the products of American factories, industries, agriculture, and services.

To maintain a balance between consumption and production that will end all depressions.

To protect and preserve all rights, traditions, and customs which have been established as true Americanism.

To stimulate ambitions and offer incentives to further progress and development of higher standards of living.

To reduce crime by destroying the conditions which breed crime.

To furnish opportunity to the young for fullest use of their talents and ability.

To safeguard the American home as the unit of modern civilization.

To reduce the terrific burden of taxation caused by public and private charity, by growth of crime, by waste, by maintenance of public institutions which would be rendered unnecessary by increased demands for products and services.

To compel the constant circulation of money and obtain the certain result of better homes.

To constantly raise the standards of living to the levels possible under invention and modern methods of mass production and distribution.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. SCOTT. I ask unanimous consent to extend my own remarks in the RECORD and to include therein certain comments.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. SCOTT. Mr. Irving Fisher, one of these well-known economists, in a letter to Congressman MONAGHAN, said this about the Townsend plan:

Economically, the plan is, I think, certainly unsound. I believe that it would do the country very great harm indeed should Congress enact it.

This is the same Mr. Fisher who, on January 29, 1928, said:

Mr. Hoover is a practical economist and one to whom is due, more largely than to any other one man, improvement in our prosperity. * * * Mr. Hoover knows as few men do the terrible evils of inflation and deflation and the need of avoiding both if business and agriculture are to be stabilized.

On September 5, 1929, he said:

There may be a recession in stock prices, but not anything in the nature of a crash. Dividend returns on stocks are moving higher. This is not due to receding prices for stocks, and will not be hastened by any anticipated crash, the possibility of which I fail to see.

A few years ago people were as much afraid of common stocks as they were of a red-hot poker. In the popular mind there was a tremendous risk in common stocks. Why? Mainly because the average investor could afford to invest in only one common stock. Today he obtains wide and well-managed diversification of stock holdings by purchasing shares in good investment trusts.

Comparing the noted price of some investment trusts on September 5, 1929, and the low for 1931 shows how much trust can be put in Mr. Fisher's prophecies:

	Sept. 5, 1929 (close)	1931 (low)
American International Corporation	84	5
American, British & Continental Corporation	14½	¾
Electric Power Associates	74	5½
Goldman Sachs Trading Corporation	110	¾
General Public Service	83	2⅝
Selected Industries, Inc	25½	⅝
U. S. & Foreign Securities Corporation	64½	1⅜

To make the point a little plainer, allow me to quote another equally well-known economist, Roger W. Babson. On September 17, 1928, Mr. Babson said:

If Smith should be elected with a Democratic Congress we are almost certain to have a resulting business depression in 1929. * * * The election of Hoover and a Republican Congress should result in continued prosperity for 1929.

On August 18, 1930, he said:

Midwestern agriculture is on the upgrade, and general business in this region should show marked improvement during the final quarter of 1930.

The corner has been turned in the Middle West. Conditions are as bad out here as they will get. The farmer is flat on his back, and there is no way to look except up.

Now, let us quote the market again for that date and the low for 1931:

	Aug. 18, 1930 (close)	1931 (low)
Farm stock:		
J. I. Case Co	176¼	33¼
International Harvester	75½	22⅝
Sears-Roebuck	62	30¼
Chicago grain market:		
December wheat	$0.88⅛	$0.44⅝
December corn	.90¼	.32⅝
December oats	.42½	.20¼

On December 26, 1930, Mr. Babson said:

In a big way 1931 can be described as a year of opportunities. In 1929 we were living in a palace with a powder mine in the cellar. In 1931 we may feel sure that we are living in a poorhouse with a gold mine in the cellar.

And on May 9, 1931, he said:

Statistics show clearly that business reached its low point in December of last year. Since then there has been a steady but constant improvement. Everything indicates that general business has turned the corner. * * * I go further and say that 1931 should offer the greatest opportunities of any year for generations.

It is unkind to do so, but let us recall a few of the ponderous statements of the great engineer from Palo Alto. On August 11, 1928, he said:

Unemployment in the sense of distress is widely disappearing. * * * We in America today are nearer to the final triumph over poverty than ever before in the history of any land. The poorhouse is vanishing from among us. We have not yet reached the goal, but, given a chance to go forward with the policies of the last 8 years, and we shall soon, with the help of God, be in sight of the day when poverty will be banished from this Nation. There is no guaranty against poverty equal to a job for every man. That is the primary purpose of the economic policies we advocate.

On July 27, 1928, he said:

The outlook of the world today is for the greatest era of commercial expansion in history. The rest of the world will become better customers.

Now, just for spite I am going to stick in a comment from the so-called great Secretary of the Treasury, Andrew Mellon. In September 1928 he said:

There is no cause for worry. The high tide of prosperity will continue.

It may be stretching the point a little, but let me offer a few quotations from that great columnist, Arthur Brisbane:

"Those that foolishly talk about a national panic will please remember that the income of this Nation is $100,000,000,000 a year"—October 30, 1929.

"To comfort yourself, if you lost, think of the people living near Mount Pelee ordered to abandon their homes"—November 9, 1929.

"Business is good; money is cheap"—November 16, 1929.

"It ought to be a good year"—November 20, 1929.

"All the really important millionaires are planning to continue prosperity"—November 26, 1929.

"Fortunately, it seems safe to say that the peak of idleness has about been reached, with better conditions coming"—January 8, 1930.

"This country hasn't lost anything, except a few billion dollars"—July 16, 1931.

"The Chase National absorbed the Equitable Trust Co., as the National City absorbed the Farmer's Loan & Trust Co. * * * You can get all the money you want, up to a hundred million or more, if you have the right collateral and enough of it"—October 3, 1931.

I cannot find a good reason for it, but I am going to quote ex-Vice President Charles Curtis. I wonder where he is. On October 5, 1928, he said:

Stick to the full dinner pail. You have been enjoying Republican prosperity. If you want to continue the prosperity of the administrations of Calvin Coolidge, vote for Hoover.

Then there was a man by the name of Dr. Julius Klein. At the risk of seeming facetious I am going to include this short excerpt from the Washington Merry-go-round:

Wonder what's become of Dr. Julius Klein. For 12 years his name was a byword with big business, appeared almost daily in the press, was featured as the author of high-powered business articles.

He was the man who built up American exports; who really ran Hoover's Commerce Department; who turned down high-bracket private salaries for the sake of spurring American trade.

Now? If you look around Washington carefully you may find Klein's shingle, carrying the modest title, "Business consultant."

Back in 1930 Dr. Klein was doing a lot of prophesying. On May 21, 1930, he said:

Business is gradually but unmistakably coming out of the depression.

There seems to be a fairly good chance that the United States will be out of the current economic depression by the end of October.—September 26, 1930.

The depression has ended. The valley usually runs across 6 or 7 months. If history repeats itself, this means that in July up we go.—June 9, 1931.

Now, Mr. Chairman, let us cut out this foolishness of trying to make patriots by sumptuary legislation. Let us follow the suggestion made by the gentleman from Michigan [Mr. CRAWFORD] and study economics, and let us not put too much trust in the prophecies of our so-called great men and leading economists. Think it out for yourself. If you are wrong, the people will find it out.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 10 minutes to the Delegate from Alaska [Mr. DIMOND].

Mr. DIMOND. Mr. Chairman, a great war is now in progress in Africa, and according to the reports we have of it, it bids fair to result in another world war. That war began and is being prosecuted at enormous expense for the possession of the economic resources of a comparatively unknown country. I have read with great interest the reports that have been carried in various newspapers and other documents about the resources of Ethiopia in gold and other minerals, in coal, in copper, and in oil. Most optimistic reports coming to us. Certain sources tend to magnify the resources of that country and other reports are more moderate, but even taking the most glowing of the reports as true, all of the resources of Ethiopia are not as great as the known resources of the Territory which I have the honor to represent in this House. Every once in a while I find someone who says that we would be better off, and the United States would be better off, if we would give Alaska back to Russia and throw in the Alaska Railroad and everything else connected with the Territory. There is a great reluctance on the part of some Members of Congress to vote for appropriations for the development of the really extraordinary and magnificent resources of our great Territory, because they say we do not get very much out of that in the way of taxes, but you know, of course, or most of you know, at least, that all of the Federal taxes that apply elsewhere in the United States also apply to Alaska, and the only reason that Alaska upon the books of the Government does not make a better showing with respect to the payment of Federal taxes is because most of the developed wealth of Alaska is in the hands of nonresidents.

I am not making any complaint about that. As a prospector and miner, I was very happy to get somebody in the States who had a lot of money to invest it in the prospects in which I had an interest; and my neighbors were of the same mind. We were constantly attempting to get what we called outside capital to come in and develop our resources, and it came in in large quantities, but the dividends paid on that capital now are credited not to Alaska but are credited to the States where the owners of the shares of stock reside; and they are scattered all over the United States from Washington to Florida and from California to Maine.

Mr. CONNERY. Will the gentleman yield?

Mr. DIMOND. I yield.

Mr. CONNERY. How are those families getting along that were placed up there on the settlements?

Mr. DIMOND. They are getting along very well. Some mistakes were made in organization, as they are bound to be made in any undertaking like that, even in the fighting of battles or the building of mills; but, generally speaking, this project up to date, I think, is an outstanding success. A few people were sent to Alaska as a part of this settlement who should never have been sent there; but we cannot criticize anybody for that, because in the conduct of all business people make errors. It has been reported to me that at times Congress has made mistakes in the passage of laws. But the settlers are getting along well and they have everything in their favor.

In this connection, although I did not intend to advert to it here, I am asked frequently whether any farm products can be grown in the Matanuska Valley or elsewhere in Alaska. Remember we have 40,000,000 acres of good agricultural and grazing land in the Territory of Alaska. I should like to compare that with the area of some of the agricultural States, but I cannot stop for that now. However, the question is constantly asked as to whether in this particular region anything can be grown. The answer is written in the records of the Department of Agriculture; that almost everything can be grown that can be grown on farms in the northern part of this country. We can grow oats, barley, rye, and wheat. We cannot mature corn successfully in the greater part of Alaska. Vegetables grow in greater abundance and perhaps with finer flavor than is the case of the average of such things grown in the United States.

I want to prove that to you by just one example. Lately one of the great seed companies of the United States, which has its headquarters in Minneapolis or St. Paul, as I remember, sent out notices to the farmers of the various States offering a prize for the best potatoes grown anywhere in the United States. There were several entries from Alaska. The first prize was won by potatoes grown less than 100 miles from this Matanuska settlement, along the shores of Lake Kenai, about 18 miles north of Seward, Alaska. Those potatoes surpassed in flavor, in quality, in firmness, in keeping qualities the potatoes that were produced and entered in that contest from anywhere else in the United States. That ought to be sufficient proof to anybody that we can grow vegetables not only in abundance but of unsurpassed quality in the Territory of Alaska, particularly in this Matanuska Valley.

As I recall, in that valley the frost-to-frost season is on the average 132 days. During a large part of that time we have about 20 hours of sunlight. On an average for 2 months of the year there is about 20 hours of sunlight, and that results in very rapid growth of farm products. When you have a frost-to-frost season of 132 days with that long sunlight, surely there is no reason why grains and vegetables cannot grow on good soil—and the soil at Matanuska is of first-class quality. I know what soil is, because I was brought up on a farm and I lived on it and made my living at it as a boy and a young man for quite a number of years. There is no chance for this colony to fail unless there is a failure in the disposition or character of the people. I am told by my friends who live there that the people who have gone there generally are good, upright, industrious, and energetic people, who have simply been overwhelmed by the misfortune of this depression, and they are just waiting for such an opportunity as has been afforded by placing them upon this farm land in Alaska.

I started to say a moment ago that the wealth of Alaska is generally owned outside. For example, we have a very extensive fishing industry in Alaska, particularly in the salmon fisheries, although other fish, such as halibut, cod, and herring are taken in large quantities. I think the limit upon the halibut fish last year was 41,000,000 pounds. As to salmon, it is put up in cases of 48 pounds to the case. The average production of salmon in Alaska over quite a period of years has been about 5,000,000 cases, of 48 pounds to the case.

Mr. CONNERY. Do you get any haddock there?

Mr. DIMOND. No. There are no haddock in Alaska that I ever heard of. Of course, the inland streams and lakes of the country abound with fish. There are so many trout and grayling in the streams and lakes that most people think I exaggerate when I attempt to talk about them.

Mr. Chairman, to return once more to the subject of the ownership of the principal industries of Alaska, may I say that most of the capital used in operating the fishing industry, and a large part of the capital used in operation of the gold-mining industry was invested in those industries by people who live in the United States, not in the Territory of Alaska. That ownership of these industries has continued until the present time, and so as a necessary result the taxes of the very substantial profits made in the operation of the fishing industry and in the operation of the mines in Alaska are paid by people who live in the United States and not in Alaska. While it is impossible to get exact and reliable information with respect to such taxes, I believe it is a fair assertion to say that Alaska, as compared with the rest of the United States, is paying its own way in Federal taxes. For example, the great salmon-packing companies are largely owned by men who reside in the States of Washington, Oregon, and California; and the large mining companies, such as the Alaska-Juneau Mining Co. and the Fairbanks Exploration Co., are owned almost entirely by stockholders who live all over the United States and few of whom reside in Alaska. As a consequence the income taxes, and even other taxes, paid by these stockholders and by these corporations upon wealth derived from the operations of the fisheries of Alaska and the mines in Alaska are credited to the States in which the stockholders live or under the laws of which the corporations were organized and are existing. If all of these taxes could be credited to Alaska, where the wealth is produced, I really believe that it would be found that Alaska is contributing as much to the Federal Treasury

as the Federal Treasury pays out each year for expenditure in the Territory. I have often said, and I repeat, that Alaska is in a measure the unfortunate subject of absentee landlordism—unfortunate in that many people, including Members of Congress, do not understand the value of Alaska, and further unfortunate in that the landlords are sometimes careless of what happens to the Territory.

Let me give you some figures as to the vast production of wealth in the Territory; compare that with the most brilliant estimates we have ever had as to the number of possible economic resources of that country over which it now seems we are to be plunged in another world war.

To date the fisheries products of Alaska, the principal item of which is canned salmon, has amounted in value to more than $1,000,000,000. Its mineral production has amounted to approximately $700,000,000. The furs taken in Alaska exceed in value $120,000,000. Let us state it in gross amounts of exports and imports: Official Government reports tell us that the total exports from Alaska to the United States have reached the impressive total of about $1,900,000,000—all of this since 1867, when Alaska was annexed to the United States, and most of it since 1897, when gold was discovered in the Dawson region—and that the total imports to Alaska from the United States during that same period have in value almost reached the total of $1,000,000,000. It is obvious that the contribution of Alaska to the wealth of the Territory both from exports and imports has been not only material but outstanding. I have often wondered where the States would find a customer to absorb nearly $1,000,000,000 in such a short period or where a nation could find a territory to produce wealth in such vast sums over so short a space of time. Many and many a person is now living in the United States comfortably with ample income on wealth produced in Alaska. And our resources have scarcely been touched. The wealth contained in the fisheries will, so far as we know, last interminably if proper conservation measures are taken and continued. In gold Alaska has produced to date more than $450,000,000, and many competent engineers assure me that in the next 30 years much more gold will probably be taken out of the placers and the lodes of the Territory.

The oil resources of Alaska have scarcely been prospected. On the Arctic coast not far from Point Barrow, where the late great Wiley Post and Will Rogers lost their lives in an airplane disaster, there is such a great seepage of oil that many small lakes are covered with that valuable product from a few inches to a foot in depth, and the seepage oil is being used locally as a fuel. Most of the oil lands of Alaska are reserved for future use, but in Alaska the Nation has oil resources the probable value of which is simply incalculable.

Ample coal fields exist in the Territory. It has been estimated that there is enough coal in Alaska to serve the needs of the entire Nation for at least 500 years. Surely this is a resource that is worth husbanding and worth developing.

Alaska's timber alone would in some countries be considered as worth the price of another local Ethiopian war, for we know from the reports of the Forest Service that Alaska can produce in perpetuity approximately 1,500,000 cords of pulpwood, which, in turn, will produce about 1,000,000 tons pulp per year; and it must be remembered that all of this can be had indefinitely by just cutting out the ripe timber, which otherwise will rot and fall and the value of which will be lost.

Recently I attempted to compare the income of the fisheries of Alaska with the income of the farm and dairy products of a number of the States—and I refer particularly to pages 670 and 671 of the Yearbook of the Department of Agriculture for the year 1935. Taking into consideration only the income from, and the value of, the fisheries of Alaska, and excluding the very large yearly income from its gold, copper, and other minerals, I find, upon comparison, the following:

The last year for which total gross-income figures of the Department of Agriculture are available is 1933. During the period from 1931 to 1934, inclusive, the value of Alaska-fisheries products averaged over $33,000,000 annually. This represents the following comparisons with agricultural production in 1933: $11,000,000 more than the gross income from the crop products of Montana and equal to the gross income from livestock and livestock products of Montana; $2,000,000 less than the gross income from crop products of Idaho and $7,000,000 more than the gross income from the livestock and livestock products of Idaho; $28,000,000 more than the gross income from crop products of New Hampshire and $10,000,000 more than the gross income from livestock and livestock products of that State; $26,000,000 more than the gross income from crop products of Vermont and $9,000,000 more than gross income from livestock and livestock products of Vermont; equal to more than one-third the gross income from the crop products of New York State and one-fifth the gross income from livestock and livestock products of the State; $18,000,000 more than the gross income from crop products of Connecticut and $9,000,000 more than livestock and livestock products of Connecticut; in value the Alaska fisheries products exceeded the combined crop products and livestock and livestock products of nine States.

The fishery products of Alaska were equal in value to the gross income from 20 percent of the entire corn crop of the United States and 12 percent of the gross income from the entire wheat crop of the United States.

They exceeded the total gross income from the oat crop of the United States.

Their value was more than twice the gross income from the rye crop.

Was eight times greater than the gross income from the entire rye crop.

Was 12 times greater than the gross income from the entire buckwheat crop of the United States.

Equal to almost one and one-half times the gross income from the rice crop.

Exceeded the gross income from the grain-sorghum crop by $28,000,000.

Was one and one-half times the gross income from the peach crop of the United States.

And was almost equal to one-half the total of the gross income from the sheep and lambs produced in the United States.

Surely by this comparison between only one industry of Alaska and the gross income from farm products and dairy and other products of a number of the States we can visualize the outstanding value of this Territory.

In fact, if it could be understood what Alaska means to the Nation at the present time, and what it will mean in the future, there would be an eagerness on the part of the Members to appropriate ample funds for the development of this vast national resource. Italy is now expending some millions of dollars to secure the economic benefits which will come from the possession or suzerainty of a country with resources not half as great as those of the Territory of Alaska.

The CHAIRMAN. The time of the gentleman from Alaska [Mr. DIMOND] has expired.

Mr. TAYLOR of Colorado. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DOUGHTON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 10630) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1937, and for other purposes, had come to no resolution thereon.

NEW YORK BARGE CANAL

Mr. DOUGHTON. Mr. Speaker, I ask that the Committee on Ways and Means be discharged from the further consideration of the bill (H. R. 10408) to authorize the Federal Government to contribute funds in the improvement of a section of the New York State Barge Canal provided the State of New York makes an appropriation of $10,000,000 for that purpose, and that the bill be referred to the Committee on Rivers and Harbors.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

WHY I FAVOR A PROGRAM OF PUBLIC WORKS

Mr. KRAMER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address delivered by the Honorable Harold Ickes, Secretary of the Interior, last Sunday evening on Why I Favor a Public Works Program, together with the colloquy which followed between the Secretary and Senator BARKLEY.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. KRAMER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address by Hon. Harold L. Ickes, Secretary of the Interior and Administrator of Public Works, before The Town Hall of Washington, D. C., January 26, 1936:

During the years that America was skimming the cream from off its rich natural resources it acquired a happy-go-lucky attitude toward life that has become traditional. We were taught to believe that the morrow would always take care of itself. We should trust entirely in the Lord, or what passed for the Lord in our materialistic minds. If one accumulated a greater share of wealth than a sound social system should permit anyone to have and to hold, what mattered it? It was notorious that in America it was only three generations from shirt sleeves to shirt sleeves and the poorest man under the flag might aspire in his turn to own a private yacht and send the women of his family abroad to buy a face lift of culture and a permanent wave of music and the arts. The rich man was to be looked up to and emulated; the poor man had only himself to blame.

When hard times befell we were not greatly concerned, because there were new lands just beyond to be had for the taking; fresh forests waiting for the woodsman's ax, undiscovered mines to be searched for and developed. But then came the day when it was forced upon the consciousness of even the most unregarding that our physical frontier had vanished into the western horizon; the shock of the discovery that our resources, rich and varied though they were, were not inexhaustible. Nor was this the whole of the depressing prospect. Our inventive genius outran even our incredible industrial expansion. The result was bitter competition for jobs which there were fewer than composed the army of eager claimants for those jobs. With no new lands to turn over to the fast-growing farm population, to say nothing of the technological unemployed, where was work to be found for the hands, increasing in number every year, that eagerly reached out for work?

One of the gravest and most pressing problems that we face today is that of the standing army of our unemployed. No longer may we trust to luck unless we choose recklessly to laugh in the very face of inevitable disaster. We must find some means of supplying employment for those who are able and willing to work and thus sustain our population on a basis that approximates our supposed American standard of living. We must take an inventory of our national assets and on the foundation of that inventory plan for the future development of our America so as to make the best possible use of all our resources for the greatest good of the people.

I make this suggestion with not a little misgiving, because it has not been the American way. He who ventures to suggest the advisability of planning for the future is taking his very life into his hands. It simply is not done in the best American circles. We must revere our forefathers, and they never planned. When they had devastated one forest they merely moved on to another. When they had exhausted the fertility of a farm in one section there was always another farm a little farther on to be had for the taking. As I say, they never planned; they merely exploited. Ergo, we should not plan. Moreover, certain foreign countries have taken to planning, and that makes it un-American for us to do likewise. It may be objected also that planning involves the use of our mental processes, and that implies a brain trust. We have been properly ridiculed for drafting the brains of specialists to help us solve our social and economic problems. That, too, is un-American. Brains should be used not to help government but to get what they can out of government!

However, there are certain stark facts that confront us which, whether we relish it or not, are forcing a realistic tempering of the traditional American optimism that every citizen who is willing to work can find employment at a satisfactory job that will yield him and his family a comfortable living, which implies also a standard American education for his children, some modest luxuries, and a reasonable degree of leisure.

With the depletion of our natural resources, there has gone hand in hand a sharp curtailment of opportunities for employment on the farms, in the mines, and in the factories. Year after year, due to improved processes, more produce and goods are being turned out with less human labor. The result is what has come to be known as technological unemployment. It has been estimated that in 1929, which was supposed to be the peak year of American prosperity for all time, there were in this country between two and two and a half million men ready and willing to work who could find no work to do. There seems to be no limit to the output of American inventors and technicians; and it is reasonable to suppose that, as time goes on, there will be more and more men unable to find employment for technological reasons.

What do we propose to do for these men? Without even making a struggle in their behalf, shall we endure the building up in this country of a permanent class to which we shall grudgingly dole out a bare living? Or shall we seriously address ourselves to the problem of creating worth-while employment for all the men and women of America who want to sustain themselves by their own efforts in the honorable and traditional American manner?

It may not be the only way out, but, to my mind, one of the soundest and most statesmanlike undertakings in which we could engage would be a system of useful public works, which, while taking up the slack in employment, at the same time would add to our national assets. Obviously such a program should not be undertaken unless it could be kept free of politics. The nature, the size, the extent, and the location of the projects should be determined by the best brains the country contains solely on the basis of the facts, unaffected by prejudice or uninfluenced by those who possess power.

There should be no logrolling in making up the list of projects; no trading for parochial benefits after the manner in which our tariff laws have been written. That ancient and dishonorable institution, the American pork barrel, should be rolled down the precipice of public disapproval to burst its staves beyond repair on the hard rocks of a scientific and objective determination of what undertakings should have priority for the greatest good of the country as a whole. Projects should be built by the Federal Government, either on its own account or on some fair basis of cooperation with States or local communities or other beneficiaries; but wherever Federal money is given or loaned there should be strict Federal supervision to the end that a dollar in value shall be forthcoming for every dollar spent. All projects, insofar as possible, should be self-liquidating.

Personally I favor a program of public works in a time of unemployment, because, both socially and economically, it is much to be preferred to the dole. I hope that never again will America have to resort to direct relief in order to supply its unemployed employables with food and shelter and clothing. The dole is destructive of morale. Insidiously it weakens the moral fiber, tending to develop a class whose sense of pride and personal integrity is permanently undermined. Not only is direct relief objectionable as a social measure, it is economically unsound. It does not pay for itself, to say nothing of earning a return upon the sums laid out. It merely keeps men and women and children from starving or freezing to death because we are too humane for the time being, at least, to permit that.

When America decided on direct relief she had no other choice. We knew that we were in a desperate situation economically; that undetermined millions of people were unemployed; that banks were crashing to the right of us and to the left of us, carrying down with them the savings of many a depositor who, given those savings, could have gone along for at least another lap on his own economic power, but we merely sat and talked about our wonderful American initiative and resourcefulness, hoping—oh, so desperately hoping—that the last factory would not close nor the final bank fail before a new administration had come into power which we might hold responsible in some degree at least for the catastrophe that had overwhelmed us.

When that new administration did come into power, to its credit be it said that it lost no time in going to the rescue of communities that had exhausted their resources in taking care of their unemployed. We have done our best to see to it that no one went hungry in the United States. The cries of anguish that have gone up in the land have not so much been outbursts caused by the pangs of hunger as they have been symptoms of economic sciatica which has affected the pocket nerves of the wealthier classes called upon to share their excess riches with those who in more fortunate times had by their labor and services contributed to the accumulation of those riches.

It has always seemed to me that one of the greatest failures in statesmanship in American history was that of not having ready a comprehensive and well-matured plan of useful public works and a determination to put that plan into effect as soon as we could hear the thunder of the depression upon the rocks. Senators WAGNER, LA FOLLETTE, and COSTIGAN, among others, had, I believe, been urging upon the floor of the Senate the formulation and adoption of such a program before and just after the full force of the economic hurricane struck us in the fall of 1929, but the administration in power, through ineptness or failure to grasp the real situation, proved to be unequal to the occasion.

There are sincere people who object that public works cannot stem the tide of such a depression as swept over the country in 1929. They say that England tried the plan and failed, and that we have attempted it only to discover its inadequacy. I express no opinion as to what may or may not have happened in Great Britain, because I have no first-hand knowledge of the facts, but, so far as the United States are concerned, I have no hesitation in saying that the public-works theory has not failed here. It has never really been tried. We have dabbled with public works; we have done some wishful thinking about public works, but the principle has never been given a trial on a scale commensurate with our needs and adequate to the situation. Notwithstanding, I believe that our program, tentative though it has been, has more than justified itself.

In June of 1933 the National Industrial Recovery Act appropriated $3,300,000,000 for public works. From the Emergency Appropriation Act of 1934, $396,500,000 more were made available.

In the spring of 1935 Congress drew on the Treasury for a further sum of $4,800,000,000, of which $445,047,762 went for public works. In addition to these congressional appropriations we have a revolving fund into which has gone money received from the sale through the Reconstruction Finance Corporation of bonds taken by the Public Works Administration in making loans for local projects. Already we have sold about $302,638,000 worth of such bonds. This money has been available for additional loans on other local projects to create more employment.

I might interject here that we have made a profit for the Government of more than $4,750,000 on the bonds that have been sold thus far. I might say also that the investment bankers who purchased these securities through the Reconstruction Finance Corporation and paid this $4,750,000 profit to the Government could have bought them at the original price paid by us if they had had a little more of that confidence in the future of America which they insist is so essential to recovery.

It would appear from the foregoing figures that P. W. A. has appropriated and allotted for investment during the past 2½ years a total sum of $4,444,000,000 in round numbers. But this is not quite the true story. While Congress appropriated or made available sums totaling this amount, the customary and usual appropiations for permanent improvements for the various departments of the Government were withheld, with the result that it was necessary to give them large allocations out of P. W. A. funds. Then, too, we were called upon to provide for the administrative expenses of many of the emergency agencies that were set up to fight the depression.

The fine C. C. C. program of the President originally was largely financed out of P. W. A. funds, and in the fall of 1933 he drew on us for $400,000,000 for the Civil Works Administration. At the outset $238,000,000 were transferred to the Navy for the shipbuilding program, on which it is engaged in order to bring our fleet up to treaty parity. All told, approximately $1,183,000,000 went to C. W. A., C. C. C., T. V. A., the Farm Credit Administration, and other recovery agencies, reducing the total sum available to P. W. A from $4,444,000,000 to about $3,261,000,000.

Nor is this all. Subsequently it became necessary to impound out of our unappropriated and unobligated balances another $310,000,000 in order to finance the Federal Emergency Relief Administration pending the passage of the Emergency Relief Appropriation Act of 1935. This left us a balance of approximately $2,951,000,000. Through the sale of borrowers' securities and the release of a small portion of impounded funds, the net result is a final sum of about $3,000,000,000 for 2½ years, or an average of $1,200,000,000 a year for the real Public Works program.

Of course, a billion dollars a year looks like a good deal of money, but when it is considered in connection with what was customarily spent on the average for new construction in the United States during the years just prior to the depression it is truly insignificant.

The total volume of construction work in normal times in the United States is not definitely known, but various experts have estimated that in the peak years of the 1920's from eleven to fifteen billions of dollars was the annual outlay. Let us be conservative and call it twelve billions. These twelve billions during the depression fell off to a sum of from three and a half to four billion dollars annually, which means a shrinkage in outlay for construction work of, let us say, $8,000,000,000 a year. Contrast this $8,000,000,000 with the average of $1,200,000,000 spent annually under the Public Works program. Or, to tell the story in gross sums, we have $30,000,000,000 spent in 2½ years prior to the depression as against about $12,000,000,000 for a like period during the depression.

Am I not right, on the basis of these figures, in suggesting that the public-works theory has never really been tried and therefore cannot have failed in the United States? Yet some people have expected this sum to pulse through the arteries of trade in the same volume and with the same reinvigorating effect as the eleven to fifteen billions of dollars whose place it has been trying so bravely to fill. It was like sending out a tugboat to capture the Atlantic Fleet. Instead of siphoning enough money into the channels of trade through the construction of substantial public works to do a recovery job, we have been using an eyedropper; and the resulting drop in the eye to the undiscriminating has seemed to be as big as a house.

I anticipate that through the minds of some of you there may be running the thought that conveniently I am ignoring the large sum of money allocated for the Works Relief program under the act of 1935. I have not overlooked this important factor. I will even admit that some of this money has gone for public works, but, generally speaking, only a small part of it has been spent for public works of the type that I have in mind. About $928,000,000 of the $4,800,000,000 appropriated in 1935 were allocated for direct relief, while more than a billion dollars of this sum have been or are being spent on projects which are fully justified, although they may not come within the classification of public works under discussion. The allocation of every cent of this money was proper and in the public interest. It represents a necessary and justified investment in character and morale.

As I have already said, if the Nation should determine upon a policy of public works in times of unemployment, it should plan ahead. Careful advance planning and the maintenance of a skeleton organization that can be expanded to meet any need will mean that if, unhappily, we are called upon to endure another depression, the idling engine can be thrown into high gear instantly. Delays that were unavoidable because of lack of preparedness when the present program was undertaken in 1933 need not impede the speedy undertaking and carrying out of Public Works program in the future. We must not repeat the experience of 1933, when without a single plan, mature or immature, and without an organization the national administration was suddenly called upon to undertake a program of public works practically overnight.

Considering the difficulties that confronted us, we are entitled to feel proud of the record that we have made. So far disbursements under the first program total approximately $1,900,000,000, and it is estimated that some 3,400,000 man-years of direct and indirect employment have been created. It is to be remembered that these figures do not include the money spent and the vast amount of work created under the programs of C. C. C., C. W. A., and T. V. A.

Practically all of the 15,000 Federal projects included in the first Public Works program have been completed. Large projects such as the Columbia River Basin development, Casper-Alcova, and Fort Peck Dam remain on the dwindling list of uncompleted undertakings. Considerably more than half of the 4,000 non-Federal projects undertaken under this same program have been completed and are in use. The $200,000,000 worth of railroad rehabilitation and equipment construction is 95 percent finished.

The remaining projects under the first program are being pushed to completion rapidly, as our new program, including 4,166 non-Federal projects and 37 additional slum-clearance and low-rent housing projects, is getting quickly under way. With respect to 4,149 of the new non-Federal projects and the 37 housing undertakings, construction contracts had been let on January 16 last or they were being advertised for bids. These call for an expenditure of approximately $849,000,000.

Although our current program is somewhat smaller than the first, it will nevertheless result in over three-quarters of a billion dollars' worth of construction.

I am confident that any fair-minded and impartial critic, after studying the record, would say that the Public Works job of this administration has not only been well and honestly done, but that, considering all the circumstances, it has been expeditiously carried out.

I say this conscious though I am of certain hypercritical editorial writers, many of whom have never built a chicken coop, who have pounded out on their typewriters sage and informed opinions of the shortcomings of the Public Works Administration. I reflect also that politicians out of office and eager to get back in have joined in a loud chorus of "red tape", without going to the trouble to discover how little they knew about what was going on. Then there have been the critical chiselers, the grafters, and the corner cutters, who resented the loss of opportunities for illicit profits that are implicit in "haste makes waste" operations.

I conceived it to be one of my principal duties as Public Works Administrator to perform the tasks assigned to me in such a manner as to convince the people of the country that government is able to build a great series of public works covering practically every county in the United States not only in a workmanlike manner but substantially free from scandal. The result has been that communities that had come to regard corruption and graft and chiseling as inseparable from public construction have learned that such work can be as honestly and economically done by the public as by any prudent businessman. If we are to adopt the principle of public works during depression periods as a fixed policy of government, it was well worth proving, as we have done, that the taxpayers' money that goes into public works can be economically and honestly spent.

One of the most significant outgrowths of our present Public Works program has been the institution by the President of what in effect is a national planning board. The name of this valuable instrumentality is the National Resources Committee. The heart and nerve center of that committee is an advisory board, of which that able, devoted, and distinguished citizen of Washington, Mr. Frederic A. Delano, is chairman. Another member is Dr. Charles E. Merriam, of the University of Chicago, and until he resigned recently, Dr. Wesley C. Mitchell, of Columbia University. Two new members are Messrs. Beardsley Rumi and Henry S. Dennison. Mr. Charles W. Eliot, 2d, has served as executive officer of this Board.

I know of no agency of government that has done more effective and outstanding work than this Advisory Board—and all without any blaring of trumpets. Under its leadership there have been set up in every State except two, as well as in Alaska, planning committees that are working in close cooperation with the National Committee. The result is that if and when there shall be occasion in the future for undertaking a public-works program at least a comprehensive and carefully considered general national plan will be ready. I go so far as to express the hope that henceforth no public work will be undertaken anywhere by the Federal Government until it has been approved by this national planning body not only as to necessity and social importance but as to priority. The days of the discredited pork barrel in the United States ought to be at an end forever.

According to the economists, the reason for, or the immediate result of, an economic depression is the stagnation of money in the circulatory system of commerce. Money is to trade and industry what blood is to the human body. An economic embolism means an immobile patient under the care of doctors and nurses. In order to cure the patient it is necessary to absorb the embolism and restore that normal and healthy circulation, without which business will continue to lie flat on its back.

Although recognizing this principle in the abstract, some timid statesmen and economists nevertheless insist that the Nation must not help to restore circulation, at least to the point of transfusing health-giving currency and credit from its own sounder



body. Their reasoning seems to run along this line: Business must be stimulated; only the circulation of money can stimulate business; banks and private individuals possessing funds refuse to make use of them; the Government alone has both the money and the will to stimulate business; therefore the Government must not spend any money for this purpose, but, on the contrary, must keep at all times strictly within its budget.

One of the outstanding defenders of this illogical theory has been Mr. Lewis W. Douglas, former Director of the Budget, for whom I have a very genuine respect and personal regard. In his official capacity he did all he could to oppose the public-works program, and about a year ago, in a speech before the Wharton School of Finance and Commerce of the University of Pennsylvania, he said: "The huge obligations entered into on account of Public Works, even if no further appropriations for Public Works are made, will continue for many years to constitute tremendous drains on the Federal Treasury."

Imagine a board of directors of a great corporation declaiming against the expenditure of money for the building of a badly needed fabrication plant because the obligation, if entered into, "would constitute a tremendous drain upon the resources of its treasury." This is not merely laissez faire; it is economic sclerosis. Needed or useful capital expenditures constitute assets and not liabilities. And at what better time can capital be invested in permanent improvements than in a period of depression, when it is comparatively cheap to build and when the employment of men will contribute to economic recovery?

If an investment in a permanent improvement constitutes an economic burden, then no addition to plant equipment in private ownership would ever be justified. As a matter of fact, the pursuit of this doctrine to its logical conclusion would inhibit not only additions to the plant but the initial building of the plant itself. It would mean that a man should not deposit money in a bank because the banker might lend it to an industrialist to increase the operating capacity of his factory. The only sound course to pursue would be to tie it up in the traditional sock and hide it under the mattress.

Many billions of dollars could properly be spent in the United States on permanent improvements that would add to our assets. Such spending would not only help us over depression periods, it would do much for the health, well-being, and prosperity of the people. I am unable to believe that providing an adequate water supply for a municipality or putting in a sewerage system is a wasteful outlay of money. Money spent in such fashion as to make our people healthier and happier human beings is not only a good social investment, it is sound from a strictly financial point of view. I can think of no better outlay, for instance, than money invested in education and health. In our first program, more than 24 percent of the 4,000 non-Federal projects were educational buildings, while in our present program the percentage is in excess of 50. Had it not been for public works, school construction in this country, already far below normal requirements, would indeed be in a sorry state today. Sound and well-trained minds in sound bodies would add more to the actual prosperity of this country, measured purely in money values, than anything else I can think of at the moment.

If we admit the theory that during a time of depression it is necessary to keep money pulsing in order to bring about a return of prosperity; and if the situation is such that, as has been the case during the last few years, only public moneys, whether National, State, or local, are available to supply the circulation without which health cannot be restored to our economic system, then I submit that there is no choice except for the people en masse to do what individuals cannot or will not do. They must invest in the future of America. If America has the economic resiliency that we believe it to have, there is little risk in such adventuring, provided that we are reasonably prudent.

And if public moneys are to be put into circulation—always, of course, within the bounds of reason—I am convinced that the soundest, safest, and most beneficial manner in which this can be done is through a Nation-wide building program. There are several arguments that can be made for public works, which, as it seems to me, are conclusive for this type of project, on the assumption that the Nation should undertake at all to join issue with a depression by directly stimulating employment.

In the first place, well-planned and built and worth-while public works constitute valuable assets. Directly or indirectly, they will yield a return to the community. In a very real sense they will be self-liquidating. Even in those cases where they do not make an equivalent return in actual dollars and cents, such projects as water works, sewerage systems, schoolhouses, hospitals, and others that could be enumerated do pay out handsomely, even if indirectly through the beneficial services that they render.

Another advantage of the types of public works that are under discussion is the widespread stimulation to employment that they give. The value to the Nation of a project cannot be measured alone in terms of the actual employment at the site. The most ephemeral type of project may, while it is in progress, employ at the site a large number of men as compared with, let us say, a bridge or a schoolhouse. However, the aggregate of those employed, directly and indirectly, in building a bridge or a schoolhouse may be as large as, or larger than, the number put to work on a temporary project. It is the indirect employment which is one of the chief values of and justifications for substantial public works as compared with unsubstantial construction; and the product is a permanent addition to the real wealth of the Nation.

Take the Pennsylvania Railroad project, for instance. Here was a straight loan to the Pennsylvania Railroad of approximately $70,000,000 at 4 percent (be it noted in passing that the major portion of the securities taken by the Government for this loan was subsequently sold by us at a profit of more than $2,000,000). This project consisted of finishing the electrification of the line from New York to Washington and of certain other portions of the road; of building new electric locomotives and freight cars; of changing old locomotives from passenger to freight; and of relining the old Union Tunnel in Baltimore. The project was completed in about 22 months. The direct employment numbered 15,000 men. The indirect employment probably ran to at least 30,000 men. The total employment, both direct and indirect, was scattered among 15 States.

Steel had to be fabricated, stone had to be quarried, concrete had to be manufactured, cars had to be built, trees had to be made into lumber, copper had to be melted into transmission lines, electric locomotives had to be built, and all of these materials and the final products into which they were transformed had to be transported from points of origin to final destination.

A similar story could be told of every project of a substantial character that is built. The benefits percolate into many communities in widely separated States. We think of the great Boulder Dam as local to Nevada, yet many millions of the money that have gone into the construction of that record-breaking project have been expended in States lying east of the Mississippi River.

Another fortunate result flowing from a public-works program is the stimulation that it affords to the producers' goods industries. If, as economists seem to agree, the measure of the success in overcoming a depression is the measure of the quantity of producers' goods that are manufactured, then it stands to reason that whatever has the effect of stimulating the heavy-goods industries will, more quickly than anything else, bring us out of a depression. It is a well-known fact that the greatest stimulation that can be afforded to the heavy-goods industries results from the construction of projects calling for materials for the production of which those industries must be drawn upon or for machinery and tools required to produce those materials.

A public-works program has all of the attributes required to stimulate business and industry and thus make a frontal attack upon a depression. It also has social qualities of a high order. It puts money into circulation; it creates permanent and valuable assets in return for the money expended; it has a tonic effect upon the production of producers' goods; it gives men employment at worth-while jobs; it increases Federal revenues. In addition to providing work directly at the site, it calls back to factory and quarry and railroad still other men to produce and transport the materials that are used at the site. Its benefits are widely diffused. I submit that there is nothing else that can be undertaken by the Government that is so well calculated to put an end to a depression as is a carefully planned and executed program of public works. But enough money must be spent to give a real stimulation.

There is hardly any limit to the amount of money that can legitimately and wisely be spent on public works in this country over a series of years. I will not pause to dwell on the need in every part of the land for schools, for sewerage systems, for new or improved waterworks, for power plants, or for public construction of other sorts. But, if I may, I will refer briefly to certain types of monumental public works that can be done on a national scale.

Three magnificent superhighways could be built from the Atlantic seaboard to the Pacific coast unmarred by billboards, hot-dog stands, or indiscriminately located service stations. These longitudinal highways could be bisected by three or four similar ones running from Canada to the Mexican border or to the Gulf coast. The westernmost of these north-south highways, with the consent of and in cooperation with our neighbor Canada, could extend into Alaska. And, strange as it may seem, the best opinion is that this road would be open to travel for the greater part of the year. Similarly one or two of these highways, if Mexico and our other neighbors farther south were willing, could stretch across Mexico and the countries of Central America down to the Canal Zone.

And why not consider lighting our highways? This would permit safe hauling of heavy freight at night and provide less dangerous traffic conditions in the winter months when the days are short.

I have long desired to see the elimination of every grade crossing in the United States, excepting only those on insignificant spur and branch lines that are scarcely ever used. Here, indeed, is an enterprise to engage the interest of the richest nation in the world. In these days of heavy motor traffic on many thousands of miles of improved roads radiating into every nook and corner of the United States the question of grade crossings is one of grave public concern; all the more so since our railroads, in order to meet the competition of airplanes and motor trucks and busses, are putting on lighter and faster trains.

It stands to reason that as motor vehicular traffic increases and additional light and fast trains are put into service by the railroads our grade crossings will become sources of even greater danger than they are at present. Our casualty list grows longer every year until it has become a matter of major importance. Nor should grade-crossing elimination be restricted to junctures between highways and railroads. In many parts of the United States where vehicular

traffic is unusually heavy there should be grade separation at highway crossings. Not only would there be a precious saving in human life flowing from a separation of grade crossings, there would be a notable resulting economy in dollars and cents, to say nothing of the saving in time.

There are other great projects to be undertaken. The United States, in cooperation with local authorities, could enter upon a program for the correction of stream, lake, and coastal waters pollution. What a wonderful thing it would be if once again our streams were so pure that fish could live in all of them, that our children could swim without danger of contracting loathsome diseases, and that a dependable supply of uncontaminated water for domestic uses would be available. We could renew our forests more rapidly than we have done so far. Hundreds of millions of dollars are required for erosion correction and control. What remains of the public range requires careful attention if we are to maintain flocks and herds to supply our needs. (Of course, if our natural resources had been wisely and prudently used, it would not be necessary for us now and in the future to tax ourselves until it hurts in order to repair the ravages that are the direct result of uncontrolled and ruthless exploitation of selfish and greedy men.) Large sums of money could profitably be spent on flood control and on river-and-harbor improvement. Not the "pork barrel" type of project, but improvements that are needed and which will yield returns to the country in the future, both social and economic.

In the arid West there are still waters running to waste that can be impounded and used for the irrigation of immensely rich soil that is capable of furnishing homesteads for hundreds of thousands of happy and prosperous American families. That it will be necessary, in support of a sound national economy, sooner or later to irrigate every acre of land in the United States, which, if put under water, will yield profitable crops to the farmers, is not to be doubted. The fact that it is expedient now to restrict farm production is, in my judgment, only a temporary measure forced upon us as the result of past economic imprudence. If we are going to raise our standard of living, and that is something that we must and will do if we are to realize the ideal of America, we will need more food and not less food; more clothing and not less clothing; more shelter and not less shelter. This will mean that the land will be called upon to produce whatever it is able to produce to advantage, and this in its turn will mean more irrigation projects, especially in the great West.

When we consider irrigation we naturally think also of hydroelectric power. Great national projects for the production and distribution of power are something to which the Government can turn its hand in the future for the benefit of the people. Other Boulder Dams remain to be built. The many-sided Tennessee Valley experiment can be reproduced in varying degrees and on different scales in widely separated parts of the country.

Transcending in importance even great transcontinental highways or reclamation projects, or in fact any of the types of public works already referred to, would be a program of low-cost housing undertaken in all parts of the country. I can think of nothing in the way of building that would be so fully worthwhile or which would have such a quick, regenerative effect upon stagnating business. I have been, and continue to be, more interested in low-cost housing than in any other phase of public works. It might be said that the nature and the extent of the housing that America provides for those in the lowest income groups is the real measure of our civilization. We talk about building power projects here and there as yardsticks with which to measure the reasonableness of the charges of private plants. In a true sense, the insanitary, disease-breeding, vice-ridden, and fetid slum areas that can be found in every part of the United States is a measuring rod, and a shocking one at that, of man's inhumanity to man in a supposedly civilized and humanitarian country. For my part, I would not take it amiss if, during the next depression, every cent of the large Public Works fund that we ought to appropriate should go into decent houses for those in the lowest income groups. I am confident that such an investment would prove, from every point of view, to be the soundest that as a people we have ever made.

In fact, as I have indicated, there is practically no limit to the worth-while physical improvements that can be made in this country. But I want to repeat that any program of public works should be carefully planned in advance. It should be free from politics. It should be grounded firmly upon the principle of the greatest good of the greatest number of the people. I hope that we will never go through another depression, especially such a one as that from which, as I trust, we are now emerging. But there have been depressions, many of them, in the past, and there may be others in the future to bring us to our knees for our economic sins.

My own belief is that if we return to the old happy-go-lucky system of laissez faire we may expect other depressions that will be our just due. But we may at least hope that there is wise enough statesmanship and sufficient general intelligence in this country to profit by the experience of the recent past, so that we will be prepared to meet them wisely and with courage. And, in my opinion, we will not meet them wisely unless we have fully prepared our blue prints for a comprehensive and far-flung program of useful public works. Nor will we meet them with courage unless we are prepared to spend sums of money adequate to the need. We may not always be able to prevent fires, but at least we can keep them from spreading if we have trained and experienced firemen, up-to-date equipment, and a ready and sufficient supply of water.

Senator BARKLEY. In January 1933 Al Smith suggested the creation of a public-works dictator and declared that the Constitution be put on the shelf during an emergency. Do you subscribe to any such doctrine as that?

Secretary ICKES. I will let you have the first say on that, Senator.

Senator BARKLEY. I recall that some controversy arose between the campaign manager of that same gentleman in 1928 in my State and his opponent with respect to the charge that he was advocating socialism. Do you recall any language or debate, or any statement that the candidate for President made that might have some bearing on our present situation?

Secretary ICKES. Senator, by a strange coincidence, I have what appears to be the precise language. Let us look at the record. Here is the situation, as I understand it, from the record: Mr. Hoover, in 1928—on October 22, to be exact—at Madison Square Garden (remember, Mr. Smith was a candidate for the Democratic Party for President) said:

"Because the country is faced with difficulties and doubt over certain national problems—that is, prohibition, farm relief, and electrical power—our opponents propose that we must thrust government a long way into the business which gives rise to these problems. In effect they abandon the tenets of their own party and turn to state socialism as a solution."

In other words, he was accusing Mr. Smith of turning to state socialism. Last night Mr. Smith—I listened to him with a great deal of interest as he spoke of the foul breath of communistic Russia; he was appealing to class prejudice that he had just condemned; and he also referred to the flag of the godless Union of Soviets. It would seem that Mr. Smith last night adopted by unconscious assimilation—I don't call it plagiarism—in substance the language of Herbert Hoover in 1928. But what did Al Smith say in rejoinder to Herbert Hoover in 1928, when Herbert Hoover accused him of being socialistic? He said this, 2 days later in Boston, on October 24:

"The cry of socialism has been patented by the powerful interests that desire to put a damper upon progressive legislation. * * * Is this cry of socialism anything new? Not to a man of my experience. I have heard it raised by the reactionary elements and the Republican Party in my own State for a quarter of a century."

Well—so here we are.

AMERICAN NEUTRALITY

Mr. HEALEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to insert therein a resolution passed by the Massachusetts Order of Sons of Italy on the subject of American neutrality.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HEALEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following resolution adopted by the Massachusetts Order of the Sons of Italy:

Whereas the United States of America have long practiced in conflicts between and among other nations a strict neutrality featured by nonaction and continued friendliness with the belligerents; and

Whereas to change the Neutrality Act as now in effect in accordance with some of the bills now pending before the Congress of the United States would tend to destroy American commerce and to impair American prestige; and

Whereas any measures officially adopted by the United States of America in the present Italo-Ethiopian conflict which, though applied to both belligerents, would affect detrimentally only Italy, would not be the conduct of a neutral nation and would not be consistent with friendliness; and

Whereas to change the practice of neutrality as heretofore conceived and followed by the United States of America during and for the purpose of the Italo-Ethiopian conflict would in fact be unneutral, unfair, and contrary to the American characteristic of square dealing, and would be an act of unfriendliness, if not of hostility, toward Italy: Be it therefore

Resolved, That it is the sense of the members and representatives from different parts of the Commonwealth of Massachusetts of lodges of the Massachusetts Grand Lodge of the Order of the Sons of Italy in America and of other organizations in meeting assembled in Faneuil Hall, Boston, on this 19th day of January 1936, that the Congress of the United States should not enact any changes in the practice of American neutrality heretofore followed and now in effect; that if the Congress of the United States should, in its wisdom, make any changes in the policy of neutrality for the future, such changes be not made operative and effective during the continuance of the Italo-Ethiopian conflict; that the Congress of the United States should do nothing to restrict free commerce with Italy in anything except arms and munitions; and that the Congress of the United States should not do anything which would in form and substance be unfriendly to Italy, a traditional friend of America; and be it further

Resolved, That a copy of this resolution be sent to the President of the United States, to the Secretary of State, to the Clerk of the House of Representatives, to the Clerk of the Senate, and to all the Massachusetts Members of both Houses of Congress.

NEUTRALITY

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and

to insert therein a speech I delivered over a National Broadcasting Co. hook-up on January 12 on the subject of neutrality.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech which I delivered over the radio on January 10:

In the short time that is allotted to me I can only talk of a few phases of neutrality legislation. The eyes and ears of each and every one of the 120,000,000 people in the United States are turned upon Washington today—watching and listening to what is being done to keep our country out of war.

Neutrality is the most vital problem Congress is dealing with in the session which began on the 3d of this month. The echo of the sound of the Speaker's gavel had hardly died away before new bills were dropped into the basket—bills calling for varied degress of American aloofness from foreign disputes.

The Foreign Relations Committee of the United States Senate and the Foreign Affairs Committee of the House of Representatives, of which I am a member, are holding daily hearings on these bills. In the last previous session of Congress a neutrality bill was passed. It was rushed through both Houses, designed to cover the temporary need, with the idea that permanent legislation would be enacted later. I maintain it was wrong to take action so hastily, and I so expressed myself on the floor of Congress at that time. The act approved of an embargo of arms to belligerent nations, but other aspects of neutrality should have been considered and acted upon. There was no need for haste then; war had not been declared by any nation—and it is so much easier to pass permanent neutrality legislation before a conflict starts. However, it was the will of the majority that such temporary measures be taken, and we are now faced with the task of drawing up rules which will insure our absolute isolation from the present conflict or any other which may develop as a result of it. The legislation which we are now passing is for all time, not for an emergency. That is why it is so vital, so important to be right. The people want peace; they do not want war.

My plea today is that this legislation be not passed hastily. The most exhaustive and complete heafings should be held. We must secure the views of experts in neutrality laws. We must take every precaution possible to keep this country at peace. We must make sure that this measure will keep us neutral. We have had too many examples of the confusion and suffering caused by hastily considered legislation during the last 3 years, passed at the demand of those in power because their judgment, and theirs alone, said it was right. I have the greatest respect for the Secretary of State, but the administration's policy thus far has been as shifty as a weather vane. This peace which we all want so passionately must be considered dispassionately. If any one of you who is listening sat down and went over the different bills and heard the different witnesses, you would see why a permanent neutrality bill should not be passed hurriedly. This legislation affects every person in the United States; in its solution there can be no partisanship. There should be no alinement of party for or against this or that phase of the problem—no Republican; no Democrat; no New Deal; no North, South, East, or West; no group against group. We must work together for the best protection of all. That is imperative. No one section is more interested in wanting peace than another. It is universal.

Next in importance to the need for calm, deliberate consideration is the problem of how much or how little discretion in the operation of the law should be left to the President. With the record of the past 3 years of nine major laws proven to be unconstitutional by the Supreme Court, it makes us hesitate to give discretionary powers. If the administration were as indiscreet in its acts of neutrality as it was in passing unconstitutional laws, Americans very easily might become involved quickly in foreign conflicts. It is all very easy to talk with lips of fire, but it is decidedly unwise to use impulsive, snap judgment when the safety of the Nation is at stake. The youth of the country, who would be drafted in the event of war, to be sent to their deaths or worse, must not be experimented with. If they are to fight, it must be because it is the will of the Nation as a whole. To speak of but one section of a bill now receiving consideration, I call attention to section 4 of the McReynolds bill, the so-called administration measure. This section deals with the embargo of war materials and authorizes the President to use his discretion in this regard. Think of the power that such a clause would place in the hands of one man. Had such a power been used in the World War by President Wilson he could have brought the war to a prompt close, had he been so disposed, by shutting off the export of war materials to the Allies, and thus presented a victory to Germany. This clause, I am told, would even enable President Roosevelt to join with the League of Nations in imposing economic sanctions against warring nations, including Italy in the present Italo-Ethiopian conflict. The responsibility for peace lies with the Congress, not the President. It alone has the power to declare war—the responsibility for keeping us out of war must not be delegated. Congress is closer to the people than is the President. Its constant contact with those at home permit it to know and sense the feeling of the man on the street, the worker at his loom—and, after all, they are the people most vitally affected.

The language of a neutrality bill must be carefully weighed to prevent another drafting of the flower of America. I cannot believe that industry as a whole, even if it thinks a few more dollars can be made by trading with belligerent nations, would want to run the risk of another war. The temporary gain would be too greatly offset by the aftermath of conflict. We must take away the temptations of war. Excess profits earned at the cost of lives and suffering of our young men must never again prevail.

Any neutrality bill passed at this time should be mandatory rather than discretionary. It is a question also of whether or not this country wants to kill its trade entirely with neutral countries, for there are provisions in some of these bills which would shut this country up in a tight box so far as trading even with neutrals is concerned, and if legislation is not carefully drawn that might happen. The need for permanent legislation is urgent. Such a law must be lasting. Grave danger lies in the changing of policy after a war has started. No two wars are alike; the last war was different from any former conflict; the next will be different again. We must remember that a neutrality law will apply to every country in the world unless we except Latin America. We are not legislating just for the Italo-Ethiopian war. We must not fail to remember that no nation is entirely right, and likewise that no nation at war is entirely wrong.

This country is composed of every nationality. Some have been here longer than others, but even in the mind of those who have recently become American citizens I am sure America comes first. If it does not, they should go back to the country of their origin. They came here because they wanted the freedom of peace that America offered—and we intend to see that that peace is preserved. Never again does this country pull the chestnuts out of the fire for some other nation. We have learned our lesson, and our own troubles are so numerous and so difficult that we have neither the time nor the inclination to meddle in the affairs of others.

The dictionary defines a neutral as "a state or nation that refrains from aiding or interfering between belligerents." At first glance it would seem a simple matter to say that we will not aid or interfere between belligerents, but the problems of trade and neutrality always go side by side. Always can be found some business firm, grasping and alert enough to take advantage of loopholes in our laws which will permit the sale of goods to a warring nation, with the resulting high profits. There are many deep and technical questions to be considered. There is the definition of what constitutes contraband, what constitutes interference—how far we want to go in withdrawing our trade with a belligerent. Momentous questions these, and upon the answers depend the security and safety of each and every one of us. There are daring provisions in some of the bills now being considered in the committees of Congress—provisions that well might involve us in conflict if they became law The proponents of these bills are sincere in their belief that they are for the good of the country, that the provisions will be a safeguard for peace. They may be, but before action is taken every word, every phrase, every idea must be weighed and studied as to its possible future effect on our national position among the nations of the world.

I cannot urge too strongly, and I plead with each one of you who is listening to help us by your acts and your speech. Keep your ears and eyes open to detect propaganda at all times. Every one of you must constitute yourself as a watchman on the lookout for those who want to embroil us in the disputes of foreign nations. We want no entangling alliances. We want to be left alone. We have our own war, but it is an economic one, and it is taking all of our effort, all of our resources to win it.

THE BRIAND-KELLOGG PACT

Mr. TINKHAM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a newspaper statement made by myself in relation to the Briand-Kellogg Pact.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. TINKHAM. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following newspaper statement made by myself December 26, 1935, in relation to the Briand-Kellogg Pact:

President Roosevelt and Secretary of State Hull have announced that the Briand-Kellogg Pact is the cornerstone of American foreign policy, and they are now using this pact to support English imperialism and to maintain English control of the Mediterranean in the present Italian controversy with Ethiopia, England, and the League of Nations.

This pact, falsely and mendaciously called a peace pact, a pact to outlaw war, is now being used to involve the United States in European quarrels and in a European war. It means war for the United States, not peace, and it should be abrogated at once. A resolution to effect that purpose will be introduced when the Congress reconvenes on January 3.

This pact was intended to destroy the neutrality of the United States, and is doing so. At the time of its adoption it was openly stated by Prime Minister Briand, of France, its cosuthor, that its purpose was to enlist the aid of the United States in enforcing the Covenant of the League of Nations. It is now being used precisely for this purpose by President Roosevelt and Secretary Hull, notwithstanding that the United States refused to join the League of Nations and to enter the League Court, because the United

States was determined not to become involved in the political affairs and the wars of Europe.

Alien minds conceived this pact, and it was adopted by propaganda paid out of alien funds.

The pact, as originally proposed, renounced war as an instrument of national policy. It provided that the nations henceforth should seek the settlement of their disputes only by pacific means. However, it was made a complete nullity and absurdity before it was adopted, first by statements made by Mr. Kellogg, and then by exceptions and reservations made by other governments.

Mr. Kellogg declared that any war of self-defense would not violate the treaty. The words "self-defense" were not defined. Each nation was to be its own judge of what constituted "self-defense." No nation in modern times has waged a war that it did not claim was in self-defense. Nor is any country likely to make a war in the future without claiming that it is in self-defense.

England reserved the right to make war in unspecified areas whenever her vital interests were affected; in other words, she reserved the right to make war in any place in the world at any time.

The pact exempted any wars by the League of Nations, any wars incident to the Locarno Treaty, and any wars incident to the so-called French treaties of alliance.

Thus, the pact did not outlaw war; on the contrary, it gave the most solemn sanction of specific wars that has ever been given to the world. The naked fact is that this pact was not a "peace pact" but a "war pact." It was a most preposterous delusion and fraud. It is repugnant to common sense and indeed to sanity.

This pact, when signed, was hailed by emotionalists and sentimentalists with the positive assertion that it would abolish war and would result in disarmament. The exact contrary occurred. No sooner had the pact been signed than the nations of the world, with the United States in the lead with a great cruiser program, began to increase their armaments on an unprecedented scale, and they are now more massively armed than ever before. Hardly had the pact been signed than a war broke out between Bolivia and Paraguay, which continued for 3 years: then there began a war between Japan and China, which has not yet ended; now there is a war between Italy and Ethiopia and one immediately imminent between England and Italy and between Italy and the League of Nations. All of these warring nations except Bolivia were signers of this delusive pact which actually sanctions wars and which is entangling the United States in European conflicts.

It was this peace pact, this pact to outlaw war, upon which the maladroit and disloyal Mr. Stimson, former Secretary of State, based his unwarranted action in intervening in the dispute between Japan and China, which intervention brought the United States to the brink of war with Japan. It is this pact which today is leading the United States to intervene in the affairs of Europe and is threatening the embroilment of the United States in the impending wars there.

If the United States is to remain a neutral nation, if the United States is to preserve her honor and her independence of judgment and action in world affairs, the Briand-Kellogg Pact must be abrogated.

The American people do not favor our joining every war that breaks out in the vain hope of preserving world peace. They do not favor a pact which has already led to the alienation of two great powers, Japan and Italy, and which, if continued, can lead only to universal hatred of the United States.

Joint resolution providing for the withdrawal by the United States from the so-called Kellogg-Briand treaty, signed on August 27, 1928

Whereas the so-called Kellogg Peace Pact, also known as the Kellogg-Briand peace treaty, contrary to popular misconception, does not declare war to be illegal even as between the signatories and does not either in terms or in effect outlaw war; and

Whereas the signatories merely agree as a general proposition not to resort to war among themselves, but through interpretations and reservations, insisted upon in negotiating the pact, they, except the United States, have sanctioned war for a variety of causes; and

Whereas in entering into the treaty it was distinctly understood by all the parties that a nation may go to war when its vital interests are involved without violating its obligations under the treaty, and that it rests with the nation concerned to determine for itself, and wholly in its own discretion, what its vital interests are and when they are involved; and

Whereas by the terms of the treaty the only legal consequence of the participation by any of the parties in a war with any of the others is to terminate all obligations of any of the parties under the treaty, and there is nothing therein which would justify an international tribunal in holding that a war between any of the parties was unlawful or that either belligerent was liable under the treaty for damages for a breach of an international obligation; and

Whereas the treaty adds nothing to international law except to sanction war for a variety of causes, and, whatever may be its moral effect, its legal effect is wholly negligible; and

Whereas the Foreign Relations Committee of the United States Senate, in a report on this treaty submitted to the Senate on January 15, 1929, stated its understanding of the treaty to be as follows:

"The committee further understands that the treaty does not provide sanctions, express or implied. Should any signatory to the treaty or any nation adhering to the treaty violate the terms of the same, there is no obligation or commitment, express or implied, upon the part of any of the other signers of the treaty to engage in punitive or coercive measures as against the nation violating the treaty. The effect of the violation of the treaty is to relieve the other signers of the treaty from any obligation under it with the nation thus violating the same.

"In other words, the treaty does not, either expressly or impliedly, contemplate the use of force or coercive measures for its enforcement as against any nation violating it. It is a voluntary pledge upon the part of each nation that it will not have recourse to war except in self-defense, and that it will not seek settlement of its international controversies except through pacific means. And if a nation sees proper to disregard the treaty and violate the same, the effect of such action is to take it from under the benefits of the treaty and to relieve the other nations from any treaty relationship with the said power.

"This treaty in no respect changes or qualifies our present position or relation to any pact or treaty existing between other nations or governments";

and

Whereas an American Secretary of State, in a recent administration, undertook to interpret this treaty, contrary to the above stated understanding, as imposing upon the United States, as a party to the treaty, an international obligation to confer with the other signatories in case of a war or a threat of war between any of the parties for the purpose of agreeing upon their individual and collective action with the view of enforcing peace, thereby jeopardizing American neutrality in an Asiatic conflict, and prejudicing the good relations between the United States and Japan; and

Whereas the Government of the United States rejects any interpretation of this treaty which would impose on the United States any obligation "to engage in punitive or coercive measures as against a nation violating the treaty", and desires furthermore to prevent a repetition of any further misinterpretation of this treaty by the executive branch of the Government as imposing any obligation on the United States to take any action against another party to the treaty for violating either its spirit or its terms; and

Whereas, in view of the foregoing considerations, this treaty obviously is more likely to involve the United States in regrettable international complications than to advance the cause of peace; and

Whereas this treaty gives to many well-meaning but short-sighted people in the United States a false feeling of security in the belief that it will bring about peace on earth, and encourages them to jeopardize our safety by opposing measures for adequate national defense, and at the same time encourages European politicians to believe that the United States, by virtue of this treaty, will be drawn into foreign entanglements requiring armed intervention on our part in case of another European war: Therefore be it

Resolved, etc., That the President of the United States cause an official notification on behalf of the Government of the United States to be sent to the other signatories that it withdraws its participation in the so-called Kellogg-Briand treaty and disclaims thereby any responsibility under it.

AMERICAN NEUTRALITY LEGISLATION THREATENS THE COLLAPSE OF WESTERN CIVILIZATION

Mr. KENNEDY of New York. Mr. Speaker, I ask unanimous consent to extend my remark in the RECORD and to include therein a letter by Justice Salvatore A. Cotillo, of the Supreme Court of the State of New York, on the subject of neutrality.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KENNEDY of New York. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter from Hon. Salvatore A. Cotillo, a justice of the Supreme Court of the State of New York, in reference to a memorandum submitted by Judge Cotillo on the question of American neutrality legislation:

NEW YORK CITY, *January 20, 1936.*

Hon. MARTIN J. KENNEDY,
House of Representatives.

MY DEAR CONGRESSMAN: My deep personal interest, as an American, in the neutrality bills before Congress for consideration compels me to write to you.

I speak as an American. I divorce myself completely and entirely from my office as a justice of the Supreme Court of the State of New York. It would be presumptuous for me to appear before you in any other category.

I have prepared a memorandum brief to which I have given considerable time and attention and reflection as well.

If a reading of this brief will clarify some of the tangled issues in neutrality, I feel it will have served its purpose. I ask for it a careful perusal, as I know you doubtlessly do and must give to the writings on this important topic so vitally affecting America.

You no doubt are being flooded with booklets and memoranda relative to this topic from peace societies and others. Some of this literature, no doubt, is helpful. I refer specifically to the publications issued by the Carnegie Foundation and the international conciliation groups. I have attempted, in my limited means,

an analysis of their doctrine and desire you to know that in making my statements I am impelled by no other thought other than to help keep America within the traditional channels of past neutrality.

I myself have received so much good from America that there is nothing I can do to adequately repay this country for its generosity and fair play to me who came here as an immigrant boy.

Because America's decision vitally affects the interests of other nations, it is not going to be easy, I presume, to keep within the issues and not be affected by sentiment. Therefore, I entertain the feeling that a careful reading of this accompanying brief will be of some little aid in helping you arrive at the right decision. When I say "right decision", I mean the only decision which is beneficial to America and fair to all the composite racial elements which go to make up our diversified people.

Hoping you will appreciate the thoughts that actuated me in this modest effort and that I am moved only by the desire to be of some service to my country, I beg to remain,

Cordially yours,

SALVATORE A. COTILLO,
An American Citizen.

THE TOWNSEND PLAN

Mr. GASSAWAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address I made over the Columbia Broadcasting System on the 26th of this month on the Townsend bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. GASSAWAY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which I delivered over the radio on January 25:

Some public officials are afraid to discuss issues that might bring the wrath of the public down upon them. But I am taking the opportunity given me by the Columbia Broadcasting Co. to discuss briefly what is known as the Townsend plan. Some men are afraid to say "no" to this plan and take the consequences, or ashamed to say "yes" and apologize in private. My opposition to the plan may cost me my seat in Congress. But, regardless of its political aspects, I feel it is my sacred duty to help expose this unsound scheme. Any subject of this nature needs to be talked about.

The Townsend plan offers all persons over 60 years of age a pension of $200 a month, providing they spend it all that same month. Dr. Townsend says that about seven and a half million people want the pension. He wants $18,000,000,000 a year to pay this pension; but, if his figures are correct, it will come nearer to requiring twenty-five billion a year to pay it. Now, the Townsend plan is calculated to save all of the old people from the poorhouse, make jobs for their children, stimulate business so that the depression will end overnight, and cure all the other evils and ills of the country. Dr. Townsend proposes to do this by paying the paltry sum of $200 a month to approximately 11,000,000 people.

If we are going to consider this plan a good one, then I want you to listen to my plan, because I have a better one. My plan is as simple as the Townsend plan. Instead of giving the people who have passed 60 years of age $200 a month, I want to give them $2,000 a month. And, considering the fact that people from 50 to 60 years of age are more active than those who are past 60, I propose to give them $5,000 a month. Now, all of you know that the most active business years of any person is from 40 to 50 years of age, and I will give those persons $10,000 a month. Those of us who have lived half a century or more realize that from 20 to 40 years are the years where we have to go to parties and dances and have a hilarious time, generally speaking, and for that class of people I would suggest $20,000 a month. Now, realizing that the oncoming citizens must be prepared to take their respective places in the business, social, and political world, I would suggest a blanket sum of $50,000 for their education. And let's not stop here. A certain wonderful woman who has advocated birth control could have her plan adopted and pay $100,000 for not even being born.

Of course, you ask: "Where are you going to get the money?" The same question has been asked Dr. Townsend, and he proposes a 2-percent transaction or turn-over tax. I propose placing a tax on people for crooning over the radio, or for playing a saxophone, or for going to church or not going to church, for running for office, or for proposing plans for relief, or for naming Pullman cars—Oh, there are a thousand ways we could procure the money that would be in keeping with the plan advocated by the good doctor. Certainly you are going to say that my plan will wreck the country. If my plan will wreck the country, so will the Townsend plan, because both are based on the same theory. But if we must wreck the country by adopting some fool plan, let's do it in a big way. Adopt old GASSAWAY'S plan and while it lasts we will have one grand big spree.

And another thing, I won't charge any dues to belong to my club.

Now, seriously, my friends, I want to discuss some of the angles of the Townsend plan's madness in an effort to protect and warn millions of faithful and trusting old men and women in this Nation from being led into disillusionment and destruction. Surrounded by the deceptive web of being an old-age pension and getting its energy from religious and emotional enthusiasm not germane to the real issues, the Townsend plan has ensnared the faith and support of many of our good old people. Personally I have nothing unkind to say about Dr. Townsend. As for him and his part in this thing, I do not doubt that he sincerely feels that his plan will bring the millennium. I think that he has hypnotized himself by his own enthusiasm.

I say the Townsend plan is impossible because there is not enough money to pay $200 a month pension to our old folks. You may say that the plan does not propose such a sum. Let us read the Townsend Weekly of December 30 last, which says: "There has never been nor will be any compromise on the $200 a month pension." Yet the McGroarty bill now pending in Congress, and which has been generally recognized as the official Townsend bill, provides for approximately $40 a month. On the other hand, I have in my possession literature signed and circulated by Dr. Townsend which also makes no compromise on a smaller sum. But even the good doctor contradicts himself, because on page 1126 of the printed hearings before the House Ways and Means Committee on the Economic Security Act Dr. Townsend testified as follows:

"Nobody has been fool enough to expect that we could take 10,000,000 old folk and put them on a $200-a-month basis without putting this country into debt considerably. There never has been any idea that 10,000,000 people would be retired immediately."

Now, Dr. Townsend, you may not think there are fools who believe your statement to the committee, but letters I am receiving every day from all over the United States prove otherwise. Your organizers and collectors in the field are not telling your club members the same story you tell under oath before a congressional committee. Furthermore, let me read you a few words from your own official literature, which I have just received through the mail from your California office: "The miracle of 10 cents. An original investment of 10 cents a month by a Townsend Club member will pay a return of $199.90 a month for the first few months after the Townsend plan becomes law, and then it will pay $200 a month for life." This 4-page pamphlet contains one of the most insipid pleas for donations of money I have ever read. It even begs the old people to deny themselves the necessities of life in order to pay club dues.

I am emphasizing this money-collection angle of the Townsend plan for a very obvious reason. That money angle happens to be the reason for the Townsend plan. I charge here and now that it is nothing more or less than a racket—the most damnable racket ever perpetrated because it appeals to the despair and fear of old men and women, feeble and helpless and uninformed and unprotected. Why, the very official stationery of the Townsend movement reads: "Old Age Revolving Pensions, Ltd." Yes; limited. Limited to the pockets of the organizers who are reaping the harvest of these huge sums donated by gullible club members.

Another Townsend supporter, Congressman MONAGHAN, while making a speech on January 8, 1936, before Congress, was asked the following question by Congressman BLANTON, of Texas: "Then the 2-percent transaction tax would cover the purchase of every bottle of milk and every loaf of bread?" "That is correct," Mr. MONAGHAN replied. Again, in the same speech, Mr. MONAGHAN admitted the Townsend plan is unconstitutional. Mr. BLANTON asked: "Under the Constitution the Congress had no power whatever to tax all the people for the benefit of a certain class. Nowhere in the Constitution is there power given to Congress to tax all the people in order to pay a gratuity to any particular class?" "I believe the gentleman has stated the proposition correctly," Mr. MONAGHAN replied.

I would like to have had the pleasure of having Dr. Townsend answer this speech, but he has seen fit to take the advice of Horace Greely and go west. The gentleman from Oklahoma, Hon. Gomer Smith, who debated this question with Congressman CELLER in New York Thursday night, was supposed to pinch-hit for the good doctor, but he too has checked out of a palatial hotel in Washington and has taken the western trail.

You may think this is not true, but let Dr. Townsend, who was to follow me and would not divide time equally with me, explain, if he can, what is being done with the huge sums of money collected by his organizers throughout the Nation. If they have the millions of members they claim, then they have collected a tremendous amount of money. Then, what goes with the revenue from the subscriptions to the Townsend Weekly newspaper, the sale of buttons, pamphlets, and other items distributed by headquarters? Who get the dividends from this corporation known as "Old Age Revolving Pensions, Ltd."? Who are the officers and stockholders, and how are they chosen, and when?

Now, Dr. Townsend proposed a 2-percent transaction tax. Plain figures clearly show that a tax so small cannot raise enough money to pay the Townsend pensions. There is no tax the American people can pay that will get the money. And, speaking of taxes, I want to quote from a speech of Congressman MARK WILCOX, of Florida, delivered in Congress on January 20, 1936. He said: "Taxes destroy. Wealth cannot be created by taxation. The money which they propose to circulate—referring to the Townsend plan—is to be first exacted from the people of the Nation. If this money was to be raised from some outside source, it would undoubtedly make us a rich people. When a man is sick he can sometimes be saved by a blood transfusion. By giving him an additional blood supply to circulate in his veins he is given renewed strength and energy. But this blood must come from an outside source. It certainly would do him no good to pump his own blood out of one

arm into the other. This would not give him any new blood, but the shock of the operation probably would kill him. And so it is with the Townsend plan."

As I close, I want to ask Dr. Townsend a few questions:

First, just how many people are actually enrolled in Townsend clubs? What is the total annual income from all sources—buttons, newspapers, pamphlets, gratuitous contributions, and otherwise? How much of this money goes for salaries? What are the salaries and commissions, or dividends, paid? Why don't you play fair with your victims and tell them where their money is going?

Why is a transaction tax any less burdensome and obnoxious than a sales tax? How much average tax would a family spending $150 a month have to pay? Is it not a fact that a 2-percent transaction or turnover tax would actually amount to 30 or 40 percent increase of any article of common purchase?

Doctor, is it not a fact that throughout the United States today you have professional organizers who are accepting money from old persons who have been led to believe your story of a Utopian era, and, Doctor, is it not a fact that at this time you are maintaining a large office force, and that you have spacious office quarters in Washington, and that about 18 months ago you started out with $7.76 given to you in California? And, Doctor, isn't it a fact that every penny of the money you promise these old people would have to be paid by a tax on the people, and tell me, do you think there is such a thing as a good tax? Will you answer these questions I have asked you?

As I close I want to say in no uncertain terms that I favor an old-age pension, one that is reasonable and possible, and within the ability of the people to pay. I was for a pension long before Dr. Townsend's plan was ever heard of. I am not unmindful of the plight of many of our people. My own dear old mother—82 years old—God bless her, I hope she is listening in. Two hundred dollars a month would give her many luxuries she does not now have. But I know the Townsend plan cannot work and that she cannot ever get any benefits from such a scheme.

She taught me that we gain only by honest toil. History teaches that the only way to create wealth is to earn it by hard work. We must forget these crackpot schemes and return to the teachings of our forefathers.

Last Sunday I visited Arlington Cemetery and stood with my head bared at the Tomb of the Unknown Soldier. This boy sacrificed his life in support of his Government. He was not asking his Government to take care of him, but by his supreme sacrifice we learn again this great truth, the Government cannot support the people, the people must support the Government.

INTERNATIONAL MANUFACTURERS' SALES CO. OF AMERICA, INC.

Mr. KENNEDY of Maryland submitted the following conference report on the bill (H. R. 4178) entitled "An act for the relief of the International Manufacturers' Sales Co. of America, Inc., A. S. Postnikoff, trustee":

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4178) entitled "An act for the relief of the International Manufacturers' Sales Company of America, Incorporated, A. S. Postnikoff, trustee", having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment as follows: In lieu of the amount inserted by the Senate, insert the following: "$900,000"; and the Senate agree to the same.

AMBROSE J. KENNEDY,
ROBERT RAMSPECK,
WILLIAM A. PITTENGER,
Managers on the part of the House.

M. M. LOGAN,
WALLACE H. WHITE, Jr.,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4178) for the relief of the International Manufacturers' Sales Co. of America, Inc., A. S. Postnikoff, trustee, submit the following written statement explaining the effect of the action agreed upon.

There was only one amendment to the bill by the Senate, as follows: On page 1, line 7, the amount of "$968,748.12" was struck out and the amount of "$658,050" was inserted in lieu thereof.

The House passed the bill for the full amount of $968,748.12, and its reduction by the Senate was apparently based upon the premise that if the shoes, 107,000 pairs of them which are the basis of the claim, had been returned to the United States from Vladivostok, Siberia, it would have cost $4.65 per pair.

Now the shoes were sold at the price of $10.80 per pair, and in hearings held before the Senate Committee on Claims, it was stated that this price included various items of transportation by rail, rail and marine insurance, customs duty, cost of handling, and other overhead expenses, amounting in all to approximately $4.65 per pair. Accordingly, assuming that the claimant intended to return the shoes to Boston, original port of shipping, and further assuming that by deducting $4.65 from the Russian sale price of $10.80 the company would have realized $6.15 per pair had the shoes been returned to this country and sold, the Senate reduced the amount carried in the bill to $658,050, or the sale proceeds of 107,000 pairs at $6.15 each.

By an examination of the original transportation documents and insurance policies it has been determined that the actual cost of returning the shoes to the United States at the time would have been but 41.56 cents per pair, and not the combined costs of $4.65 per pair, as explained above. It is manifest, therefore, that the Senate reduction was made on an erroneous proposition, and that but $44,469 would have been the correct cost of reshipment for the entire 107,000 pairs of shoes.

Since the Senate believes that the claimant would have reshipped its product to this country, and giving the Government the benefit of any doubt as to what the actual cost of reshipment would have been, the conferees have agreed upon the sum of $900,000 as a fair reimbursement to claimant company. There is attached hereto an itemized statement showing all costs per pair of shoes incurred by claimant for transportation and handling.

AMBROSE J. KENNEDY,
ROBERT RAMSPECK,
WILLIAM A. PITTENGER,
Managers on the part of the House.

CLAIM FOR RELIEF OF INTERNATIONAL MANUFACTURERS' SALES CO. OF AMERICA, INC.

		Cost per pair shoes
Expenses incurred incident to the sale and disposition of 107,000 pairs of shoes in Siberia through the War Trade Board:		
Duty paid to customhouse in Vladivostok	$1.66	
Warehousing in Vladivostok	.045	
Transportation in Siberia (3,200 miles from Vladivostok)	.62	
Warehousing in other places than Vladivostok	.0794	
Overhead during delivery	1.83	
		$4.2344
Expense of transporting the shoes from Boston to Vladivostok, including marine insurance:		
Transportation	.29	
War-risk insurance	.0628	
Marine insurance	.0628	
		.4156
Total		4.65

These calculations are based upon original transportation documents such as bills of lading, insurance policies, etc.

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent to call up the conference report on the bill (H. R. 4178) entitled "An act for the relief of the International Manufacturers' Sales Co. of America, Inc., A. S. Postnikoff, trustee."

Mr. SNELL. Mr. Speaker, reserving the right to object, is this the conference report the gentleman just presented?

Mr. KENNEDY of Maryland. Yes.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the conference report.

The SPEAKER. The question is on the conference report.

The conference report was agreed to, and a motion to reconsider was laid on the table.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 3 minutes p. m.) the House adjourned until tomorrow, Wednesday, January 29, 1936, at 12 o'clock noon.

COMMITTEE MEETING

COMMITTEE ON THE PUBLIC LANDS

There will be a meeting of the Committee on the Public Lands on Wednesday, January 29, 1936, at 11 a. m., in room 328, House Office Building, for the purpose of H. R. 8137, by Hon. COMPTON I. WHITE, of Idaho, "To add public lands to the Salmon National Forest in the State of Idaho."

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

631. A letter from the Secretary of Commerce, transmitting a draft of a bill to authorize the trade-in of used motor trucks in the purchase of new motor trucks; to the Committee on Interstate and Foreign Commerce.

632. A letter from the Secretary of War, transmitting a draft of a bill to authorize the procurement, without advertising, of certain War Department property, and for other purposes; to the Committee on Military Affairs.

633. A letter from the Secretary of the United States Employees' Compensation Commission, transmitting a copy of the annual report of the United States Employees' Compensation Commission covering the fiscal year ended June 30, 1935; to the Committee on the Judiciary.

634. A letter from the Secretary of the Smithsonian Institution, transmitting carbon copy of letter dated January 15, 1936, addressed to the Librarian, Library of Congress, Washington, D. C., and also a copy of reply thereto dated January 23, 1936, relating to certain duplicate copies of supply orders; to the Committee on the Disposition of Executive Papers.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. McREYNOLDS: Committee on Foreign Affairs. House Joint Resolution 422. Joint resolution to maintain the neutrality of the United States in the event of war or threat of war between or among foreign nations; with amendment (Rept. No. 1928). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Ways and Means was discharged from the consideration of the bill (H. R. 10408) to authorize the Federal Government to contribute funds in the improvement of a section of the New York State Barge Canal, provided the State of New York makes an appropriation of $10,000,000 for the same purpose, and the same was referred to the Committee on Rivers and Harbors.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JOHNSON of West Virginia: A bill (H. R. 10661) to provide for a loan to the Prisoners' Relief Society; to the Committee on Ways and Means.

By Mr. McSWAIN: A bill (H. R. 10662) to promote national defense by organizing the Air Reserve Training Corps; to the Committee on Military Affairs.

By Mr. MONAGHAN: A bill (H. R. 10663) to amend section 12 of the act of Congress of August 29, 1935, entitled "An act to establish a retirement system for employees of carriers subject to the Interstate Commerce Act, and for other purposes"; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 10664) to amend section 13 of the act of Congress of August 29, 1935, entitled "An act to levy an excise tax upon carriers and an income tax upon their employees, and for other purposes"; to the Committee on Ways and Means.

By Mr. SCRUGHAM: A bill (H. R. 10665) authorizing the Western Bands of the Shoshone Tribe of Indians to sue in the Court of Claims; to the Committee on Indian Affairs.

By Mr. TAYLOR of Tennessee: A bill (H. R. 10666) to provide for the general welfare by establishing a system of Federal subsidies which will enable each State to better cooperate in a Nation-wide program of soil conservation and preservation; to the Committee on Agriculture.

By Mr. DIMOND: A bill (H. R. 10667) to authorize the incorporated town of Wrangell, Alaska, to construct, reconstruct, enlarge, extend, improve, renew, and repair certain municipal public structures, utilities, works, and improvements, and for such purposes to issue bonds in any amount not exceeding $80,000, and for other purposes; to the Committee on the Territories.

By Mr. DUNN of Pennsylvania: A bill (H. R. 10668) to establish a minimum pay for Government employees; to the Committee on the Civil Service.

By Mr. GASSAWAY: A bill (H. R. 10669) authorizing an appropriation for payment to the Sac and Fox Tribe of Indians in the State of Oklahoma; to the Committee on Indian Affairs.

By Mr. McREYNOLDS: A bill (H. R. 10670) to amend section 11 of Public Law No. 30, approved April 10, 1935, to establish a commission for the settlement of the special claims comprehended within the terms of the convention between the United States of America and the United Mexican States concluded April 24, 1934; to the Committee on Foreign Affairs.

By Mr. PIERCE: A bill (H. R. 10671) for the taxation of oleomargarine; to the Committee on Agriculture.

By Mr. RANDOLPH: A bill (H. R. 10672) to provide for the construction of a post office at Webster Springs, W. Va.; to the Committee on Public Buildings and Grounds.

By Mr. DUNCAN: Resolution (H. Res. 404) to investigate processing taxes; to the Committee on Rules.

By Mr. McGROARTY: Joint resolution (H. J. Res. 470) to authorize the selection of a site and the erection thereon of a suitable monument as a memorial to Betsy Ross; to the Committee on the Library.

By Mr. PIERCE: Joint resolution (H. J. Res. 471) proposing an amendment to the Constitution of the United States conferring authority upon Congress to legislate for the economic welfare of the United States; to the Committee on the Judiciary.

By Mr. CROWTHER: Joint resolution (H. J. Res. 472) authorizing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. DOCKWEILER: Joint resolution (H. J. Res. 473) authorizing a preliminary examination or survey of the proposed military harbor at Playa Del Rey, Calif.; to the Committee on Rivers and Harbors.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CARLSON: A bill (H. R. 10673) granting a pension to Isabelle Simington; to the Committee on Pensions.

By Mr. CHURCH: A bill (H. R. 10674) granting a pension to Louise O. Bowman; to the Committee on Invalid Pensions.

By Mr. COLE of Maryland: A bill (H. R. 10675) granting a pension to Howard E. Tolson; to the Committee on Pensions.

By Mr. CONNERY: A bill (H. R. 10676) for the relief of Jacob Labovitz; to the Committee on Immigration and Naturalization.

By Mr. COX: A bill (H. R. 10677) for the relief of Cora Fulghum and Ben Peterson; to the Committee on Claims.

By Mr. DEMPSEY: A bill (H. R. 10678) for the relief of George W. Hanna and Bertha M. Hanna; to the Committee on Claims.

By Mr. ECKERT: A bill (H. R. 10679) for the relief of Patrick McCauley; to the Committee on Naval Affairs.

Also, a bill (H. R. 10680) for the relief of Thomas Regis Cushing; to the Committee on Naval Affairs.

By Mr. FORD of California: A bill (H. R. 10681) granting a pension to Dora F. Babbitt; to the Committee on Invalid Pensions.

By Mr. GRISWOLD: A bill (H. R. 10682) for the relief of Geyer Bros.; to the Committee on Claims.

By Mr. JOHNSON of West Virginia: A bill (H. R. 10683) for the relief of James L. Barnett; to the Committee on the Civil Service.

Also, a bill (H. R. 10684) granting a pension to Unoca Ferguson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10685) granting a pension to John D. Pearson; to the Committee on Pensions.

Also, a bill (H. R. 10686) granting an increase of pension to Orrie S. McCutcheon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10687) granting a pension to Arthur Plumley; to the Committee on Pensions.

Also, a bill (H. R. 10688) granting a pension to Mamie Cartmell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10689) granting back pay to Auguste C. Loiseau; to the Committee on War Claims.

Also, a bill (H. R. 10690) for the relief of John H. Gatts; to the Committee on Claims.

Also, a bill (H. R. 10691) for the relief of John B. Canter; to the Committee on Claims.

Also, a bill (H. R. 10692) granting a pension to Clara L. Dolman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10693) granting an increase of pension to Olive J. Ebert; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10694) for the relief of George L. Stone; to the Committee on Claims.

Also, a bill (H. R. 10695) for the relief of George Yusko; to the Committee on Military Affairs.

Also, a bill (H. R. 10696) granting a pension to Robert Melvin Palmer; to the Committee on Pensions.

By Mr. KNUTSON: A bill (H. R. 10697) for the relief of George Houston; to the Committee on Claims.

By Mr. LUDLOW: A bill (H. R. 10698) granting a pension to Patricia Swan; to the Committee on Invalid Pensions.

By Mr. SOMERS of New York: A bill (H. R. 10699) for the relief of W. D. Gann; to the Committee on Claims.

By Mr. STUBBS: A bill (H. R. 10700) granting a pension to Mrs. William M. Weatherford; to the Committee on Pensions.

By Mr. THOMAS: A bill (H. R. 10701) granting an increase of pension to Sarah A. Coonradt; to the Committee on Invalid Pensions.

By Mr. TINKHAM: A bill (H. R. 10702) for the relief of William H. Ames; to the Committee on Claims.

Also, a bill (H. R. 10703) for the relief of Henry E. Lambert; to the Committee on Naval Affairs.

By Mr. TAYLOR of South Carolina: A bill (H. R. 10704) for the relief of Ellie Youngblood; to the Committee on Claims.

By Mr. WERNER: A bill (H. R. 10705) for the relief of Emons Wolfer; to the Committee on Claims.

Also, a bill (H. R. 10706) granting an increase of pension to Bazil Claymore (or Clement); to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9845. By Mr. BARRY: Petition of the National Guard Association of the State of New York, recommending that the Congress enact legislation authorizing an allowance of $35 per month for quarters to each enlisted man of the United States Army detailed to duty with the National Guard as sergeant-instructor while on such duty; to the Committee on Military Affairs.

9846. By Mr. COLLINS: Petition signed by 46 patrons of star route 75176 from Nipton, Calif., to Nelson, Nev., praying for an extension of all existing star-route contracts, with an increase in compensation thereon to an equal basis with that for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9847. By Mr. CROWTHER: Petition from the Halean Chamber of Commerce, New York City; to the Committee on Foreign Affairs.

9848. By Mr. DELANEY: Petition of the National Guard Association of the State of New York, recommending that legislation be enacted authorizing an allowance of $35 per month for quarters to each enlisted man of the United States Army detailed to duty with the National Guard as sergeant-instructor while on such duty; that such payments and also any payments heretofore made for rental of quarters for such noncommissioned officers shall be considered as an allowance to the individual; to the Committee on Military Affairs.

9849. Also, petition of the National Guard Association of the State of New York, resolving the Naval Reserve law have incorporated in it provisions insuring for its Reserve a reasonable voice in vital decisions affecting policy and administration over the Reserves; a reasonable right of presentation of Budget estimates on Naval Reserve needs to Budget officials without being subjected to curtailments by officials in charge of other activities; and reasonable guaranties that appropriations for the Naval Reserves, after enactment by Congress, will not be subject to limitation of expenditures in greater proportion than other activities; to the Committee on Naval Affairs.

9850. By Mr. DUFFY of New York: Petition of the Societa Riunite Dell, East Side, Rochester, N. Y., and other organizations, protesting against proposed changes in the practice of American neutrality during the continuance of the Italo-Ethiopian conflict; to the Committee on Foreign Affairs.

9851. Also, petition of residents of Rochester, N. Y., requesting passage of House bill 8739, providing for prohibition in the District of Columbia; to the Committee on the District of Columbia.

9852. Also, petition of residents of Rochester, N. Y., requesting passage of House bill 8739, providing for prohibition in the District of Columbia; to the Committee on the District of Columbia.

9853. Also, petition of residents of Rochester, N. Y., protesting against American association with the League of Nations sanction activities; to the Committee on Foreign Affairs.

9854. Also, petition of residents of Rochester, N. Y., members of Cornelia Lodge of the Order of the Sons of Italy in America; to the Committee on Foreign Affairs.

9855. By Mr. KRAMER: Resolution of the Los Angeles County Farm Bureau, relative to legislation to make agricultural stabilization a permanent reality, etc.; to the Committee on Agriculture.

9856. By Mr. PFEIFER: Petition of the National Guard Association of the State of New York, concerning legislation authorizing an allowance of $35 per month for quarters to each enlisted man of the United States Army detailed to duty with the National Guard as sergeant-instructor while on such duty; to the Committee on Military Affairs.

9857. By Mr. STEFAN: Petitions bearing the signatures of 575 citizens of Chambers, O'Neill, and Osmond, Nebr., asking the Congress to enact legislation that will indefinitely extend all existing star-route contracts and increase the compensation to an equal basis with that of other forms of mail transportation; to the Committee on the Post Office and Post Roads.

9858. By Mr. THURSTON: Petition of residents of Mahaska County, Iowa, urging strict and mandatory neutrality legislation; to the Committee on Foreign Affairs.

9859. Also, petition of sundry citizens of the Fifth Congressional District of Iowa, urging legislation to prohibit rebates to chain stores; to the Committee on Interstate and Foreign Commerce.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JANUARY 29, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, we rejoice that the things which gladden, enrich, and perfect life are Thy gifts; Thou, O Lord, art the supreme Giver and the source of all our blessings. We pray that our thoughts and affections may be centered on Thee, forgetting not Thy benefits. Through Thee we have the eternal faithfulness and love which constitute the essential glory and the well-being of human life; help us to walk in Thy wisdom with grateful hearts. Forgive our faults and temper, which often lessen our influence and mar the force and beauty of the finer qualities of character. Take unto Thy care our Speaker and all other Members of the Congress; give them health and strength in the accomplishment and fulfillment of their high calling. Now the God of hope fill

you with all joy and peace in believing that you may abound in hope and in the power of the Holy Spirit. In the name of our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

PERMISSION TO ADDRESS THE HOUSE

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. PLUMLEY. Mr. Speaker, this 29th day of January 1936 is the ninety-third anniversary of the birth of our martyred President, William McKinley.

I speak of him in no partisan spirit, for he and his accomplishments belong to all people of all parties and to the ages.

In these days of hustle, bustle, and confusion, when we are so intent upon those matters which pertain to the material, we should, nevertheless, take time to pay proper respect to the memory of those with whom we have been associated, and to those men who have in days gone by contributed so much of themselves for the good of us all.

The record discloses that in these very Halls William McKinley was uncompromising on every question of principle, unswerving in party fealty, courteous to his opponents, impersonal in debate, and, as the leader of his party, one who discharged his duty with courtesy and fairness, and in so doing achieved significant and conspicuous success as a legislator.

As Governor of Ohio, he was firm and unyielding in his enforcement of the law. He made duty, honor, and integrity the criterion of his administration.

As President of the United States, he stood by the helm and piloted the ship through stormier seas than had been faced by any other President since Lincoln. No man in the White House ever has commanded in greater measure the sincere respect, good will, and genuine affection of the people, and as Chief Magistrate of the Nation the full measure of his greatness as a man stands revealed.

On the pedestal of that statue which stands before the imposing monument at Canton are inscribed these words:

WILLIAM M'KINLEY

President of the United States

A statesman singularly gifted to unite the discordant forces of government and mould the diverse purposes of men toward progressive and salutary action. A Magistrate whose poise of judgment was tested and vindicated in a succession of national emergencies—good citizen—brave soldier—wise Executive—helper and leader of men—exemplar to his people of the virtues that build and conserve the state, society, and the home.

On this, then, the anniversary of his birth, may we not well say of him, in the words of Drummond, that "he lives who dies to win a lasting name."

Mr. SWEENEY. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SWEENEY. Mr. Speaker, on January 21, by formal resolution, this House paid its mark of respect to the late British King by adopting a resolution of adjournment. That resolution was debatable, and on that occasion I sought to obtain recognition. I failed to obtain recognition, and voiced my protest by voting "no." Immediately thereafter, the newspapermen, sensing some value in that action, asked me my reasons. I told them that I did not believe that it was consistent with democracy to pay such a lavish tribute by adjourning out of respect to the memory to a foreign king; that I recalled it was during the reign of King George V that many of the Irish people, including my relatives and friends, were murdered when the "black and tan" invasion came to Ireland. That army was recruited from the White Chapel slum district of London and from the jails of England. That army went over to Ireland and murdered those people because they dared to express the same sentiment that Patrick Henry expressed in the Virginia House of Delegates. That they preferred death to a denial of liberty. I do not want to be charged with making a statement to the newspapers that I would not make on the floor of this House if I had the opportunity and was in order. That is why I asked for time to make this statement.

The papers carried this story, and I have been subjected to criticism because, I have been told, I was showing bad taste to rise in a democracy and register my right of protest as a Member of this House. I think it borders on a question of privilege, but I do not care to raise that question. I want the RECORD to show that I protest against the action of this House in paying a $50,000 tribute to the memory of King George of England. That is what it cost the taxpayers—the expense of running the House for 1 day.

I have nothing against King George personally. May God have mercy on his soul. But I despise the symbol which he represented, just as our forefathers despised that symbol in the days of the American Revolution. He represented the symbol of imperialism. I say, therefore, I am disgusted with the toadyism and the desire of some of our American people to again become subservient to England and bring about the dream of the late Andrew Carnegie and other West Britons—an American-British union.

Mr. Speaker, I find no fault with the President of the United States in his action. He had a perfect right, and he was on solid ground, in sending a message of condolence to the bereaved family. I have no fault to find with the Secretary of State in calling upon the British Embassy and the Dominion Ministers' offices to pay his formal and official respects; but I do say it was going a little too far to cause this House to adjourn on that occasion, precedents to the contrary notwithstanding. I have searched the record, and I do not find anywhere in the annals of the British Government that the British Parliament ever adjourned out of respect to the memory of a dead President of the United States. We are going too far, and it seems to me we are getting into the same atmosphere we got into just before the last World War. We are going to have British influence surround us in connection with the coming neutrality resolution. We are on the eve of another world war. Now, it seems, we are getting ready once again to pull England's chestnuts out of the fire. I pray to God we may not repeat the terrible blunder we made in 1917.

Mr. Speaker, I was in Europe after the "black and tan" invasion and I saw the wounds it left on Ireland. I saw the fresh graves and the property that was destroyed. I went over to England and visited the House of Parliament. I talked to British officials. I discussed the fact that this country saved Britain at the time of the last war. I was met with the contemptible answer, "You came in too late. You just came in to save your own face and your own hide." Ask any Yankee boy who was over there in the Army and who made contact with the British Tommy. He will tell you the same sentiments were expressed to him. We gave them the money and we gave them the men. All we received was scorn and condemnation. I make no apology for my action on the floor of the House in voting "no." I am sorry I was not recognized at the time. I have no feeling against the Speaker of the House. With his name, his background, and his reputation, I am sure he is a good American.

Mr. Speaker, nothing is more nauseating to me, an American-born citizen and a Member of the Congress of the United States, than to witness the supine debasement of patriotism on the part of many officials in this country, and especially in the Nation's Capital. The atmosphere of official Washington, generally charged with the aroma of pro-British influence, suddenly became surcharged with the passing of King George V. One would have thought from the lavish external manifestation of lamentation and grief that we were still a part of the British Empire.

The subsidized press of the Nation, many of them former recipients of the financial bounty of one late Lord Northcliff, who propagandized this Nation into the last World War by publicising the false charges of cruel atrocities inflicted upon

the women and children of Belgium by the German soldiers, spread themselves and devoted space to the passing of the King comparable only to the Lindbergh tragedy.

No event in the life of the late "democratic King" was overlooked. The same newspapers will continue to engage our sympathy and respect from now until the coronation of the new ruler, Edward VIII, by feeding us the maudlin, sentimental stories of his life from the cradle to the Crown. You have to hand the palm to the British as being past masters of clever propaganda.

We have entered into an official period of mourning for the King of England. The House of Representatives of the United States adjourned. In his honor a congressional reception scheduled for January 23 and all official receptions have been postponed. This establishes a precedent which may be followed with the passing of a Hitler, a Mussolini, or any other king or potentate, and commits us to a "Hands across the sea" policy, heretofore repugnant to the free institutions of the United States.

Mr. Speaker and Members of the House, may I suggest with all due respect that Washington's Farewell Address be not only read to the Members of the House on his birthday, February 22, but at the conclusion of the rendition of divine invocation each day by the Chaplain that the masterpiece of the Father of this Republic be intoned, especially that portion of it that warns us "to avoid entangling alliances with foreign powers."

The most dangerous influence in the United States today comes through agencies sustained by the Carnegie Foundation. Especially do I refer to the Carnegie Endowment for International Peace, which is the spearhead of internationalism in America. Add to that the English Speaking Union and the Sulgrave Institution. They lose no opportunity to acquaint us with the superior complex of the British as a governing class.

It was the dream of the late Andrew Carnegie, and so expressed in his Triumphant Democracy, published in 1893, to bring about a British-American union. On pages 548–549 of the book referred to Mr. Carnegie says:

> Time may dispel many pleasing illusions and destroy many noble dreams, but it shall never shake my belief that the wound caused by the wholly unlooked-for and undesired separation of the mother from her child is not to bleed forever.
>
> Let men say what they will; therefore, I say that as surely as the sun in the heavens once shone upon Britain and America united, so surely is it one morning to rise, shine upon, and greet again the reunited state, the "British-American Union."

This excerpt so incensed the American public by its boldness and its evidence of unpatriotism that it was deliberately deleted from the subsequent editions of Triumphant Democracy published. Since that date, however, the sentiment expressed in the former edition is carried into the edition published in 1933, and is indicated in this language on page 407:

> That the bonds between my dear native land and my beloved adopted land may be strengthened and drawn more tightly together. For sure am I, who am in part the child of both, and whose love for the one and the other is as the love of man for mother and wife, sure am I that the better these grand divisions of the British race know each other the stronger will grow the attachment between them, and just as sure am I that in their genuine affection and indissoluble alliance lie the best hopes for the elevation of the human race. God grant, therefore, that the future of my native and adopted lands may fulfill the hope of the stanchest, ablest, and most powerful friend of this land and the Great Commoner of his own, that "although they may be two nations, they may be but one people."

Mr. Speaker, I believe it would be fitting and proper for the Congress of the United States, heretofore bent upon disclosing subversive propaganda destructive to the best interests of this Republic, to investigate the activities of these specific agencies to which I referred.

If an American citizen dares to publicly express his resentment against the influence of the British Crown in this country, especially if that citizen happens to be of Irish extraction, he is immediately characterized as a cheap politician and a "twister of the lion's tail."

My first allegiance is to this my native land. I have and always will be a sympathizer of those subject people who are still denied the liberty that we enjoy. Thanks to the sacrifice of a Washington, a Barry, a Moylan, and a host of others who were not afraid to risk their lives to bring this Republic into being. Before I ever held public office, from a thousand platforms I condemned the dissemination of British propaganda in this country. I publicly opposed our entry into the last World War, knowing full well that we would emerge from that conflict with terrific loss of life and money, and that England, as of old, would emerge with thousands of miles of more territory added to her far-flung dominion and millions of human beings over which she would hold subjection.

Mr. Speaker, "Forewarned is forearmed." The recent information coming from the Nye Munitions Investigation Committee that a former war President of the United States knew of the existence of secret treaties before he entered the council at Versailles, that records were falsified before the Foreign Relations Committee of the Senate, is a startling disclosure.

We have been in the past and will unless we assert our rights again become the cat's-paw of clever British diplomacy. The influence of Great Britain brought about the cancelation of several billion dollars of war debts. Its influence, combined with the influence of the international bankers, brought about in 1931 a moratorium on the debt due from our allies of the last war, beneficial chiefly to the British Government.

There is now and there has been ever since the termination of hostilities in the last World War an agitation in favor of complete cancelation of the war debts. How far we will go in sustaining this position no man can tell. Suffice to say that if we continue our efforts to become a member of the League of Nations and the World Court, we will be involved in the internal affairs of Europe, and the cancelation of war debts is assured.

May I suggest now that we have given official exhibition of our grief in the passing of the late British King that we endorse the old British custom by giving public utterance, "That the king is dead; long live the king"; that we send a delegation representing the American Congress to attend the coronation ceremonies in honor of His Highness King Edward VIII, and that we express by resolution our regrets that common sense and forbearance did not inspire our Revolutionary fathers to avoid disaster and dissolution from the mother country instead of the physical force that they resorted to at Bunker Hill and Valley Forge.

Mr. SNELL. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SNELL. Mr. Speaker, I was not only somewhat astounded but chagrined to read in the morning paper the following headline:

> Marine Band "plays" vengeful New Deal tune; walks out behind Navy on women patriots.

As I understand it, this women's patriotic organization that is meeting in this city at the present time represents some 500,000 of the leading patriotic women of America; women from all parts of the country, from all walks of life, and from all political parties, who are primarily interested in maintaining national defense and the continuation of present day American institutions.

The Marine Band, which we are all proud to call one of the premier musical organizations of this country, is supported by the taxpayers' money, and belongs to the people. It is for all the people of the United States, and I never supposed before that they, in any way, represented any special political party or stood for any special political interests. Politics are not a part of the daily routine of the Naval Establishment. The only reason yet assigned for their leaving this organization last night is the fact that these women had the temerity to listen to an outstanding constitutional address by one of the leading students of the Constitution and one of the leading Democrats of the country, a man who had been closely allied with and held a high post in the Wilson admin-

istration, and as far as I know, has always maintained his Democratic regularity. Of course, in this speech he did criticize the New Deal, and a man could hardly discuss the Constitution at the present without doing that, but has the time come in this country when free American citizens cannot criticize the acts of the administration? As far as I know, never has anything of this character happened before.

[Here the gavel fell.]

Mr. SNELL. Mr. Speaker, I ask unanimous consent to proceed for 2 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SNELL. And it certainly was most astonishing to hear that such a thing as this could happen in Washington, the seat of the Nation's Government.

Is this, as a matter of fact, a forerunner of what Mr. Farley said would be the bitterest and the dirtiest campaign in American history? It certainly looks like something along that line, and I am wondering if the time has come here in America when free speech, free press, and free assemblage of law-abiding citizens are going to be oppressed. To me it smacks of something that is un-American; and while this is a mere incident at this time, remember that the whole procedure is abhorrent to the American people and is not in accord with the American system and American ideals.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield to me?

Mr. SNELL. Yes.

Mr. O'CONNOR. The gentleman will recall that free assemblage of American citizens down here on Pennsylvania Avenue of some veterans when Mr. Hoover brought out the artillery to drive them out of town.

Mr. SNELL. I do not yield further. That was an entirely different situation, as the gentleman knows; and the President did not call out the troops until the District officials said they could not cope with the situation. President Hoover did exactly as Woodrow Wilson did during his administration, when he called out cavalry to put down certain race riots in this city; and if he wants to debate that proposition, I am willing to discuss it with him. This was a meeting of patriotic women representing every grade of society from every part of the United States—a free, orderly assemblage—and are you going to stack your administration up against this kind of meeting? Are you going to use the force and power of the administration to prevent meetings of citizens for fear they will in some way criticize official acts of the administration?

The President has said many times he is willing to be criticized. But it looks to me as if he is getting very thin-skinned all of a sudden and cannot take it, and is going to use all the force and power at his command to prevent it.

Who issued the order for the Marine Band to walk out? What was back of it? Tell us the whole story.

Is this the beginning of autocratic rule in America?

The American people are entitled to know why the Marine Band cannot play before a patriotic society of American women in the city of Washington. [Applause.]

Mr. WHITE. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

Mr. RANKIN. Mr. Speaker, reserving the right to object——

Mr. TAYLOR of Colorado. Mr. Speaker, reserving the right to object, we have some 30 applications for speeches in general debate on this side of the House, and the minority has about as many. This general debate has gone on now for 2 entire days and we will probably have to run all day today. There will be another appropriation bill before the House next week and general debate on that. I want to finish consideration of this bill this week, and I hope we may commence reading the bill tomorrow. I will object to any further requests.

The SPEAKER. The gentleman from Colorado has the right to object at any time.

Mr. TAYLOR of Colorado. I shall not object to this request.

Mr. RANKIN. Mr. Speaker, will the gentleman yield to me to propound a question to the gentleman from Colorado?

Mr. WHITE. I yield.

Mr. RANKIN. Are we going to have general debate all day today?

Mr. TAYLOR of Colorado. I think so; and I want to close general debate today. As I have said, we have a large number of applications to make speeches, and I do feel there ought to be a limit to these unanimous-consent requests. I shall not object to this request.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. WHITE. Mr. Speaker and Members of the House, our Government, our people, and the Reclamation Service have lost a great educator and a great leader.

Dr. Elwood Mead, Commissioner of Reclamation, who died Sunday, was an eminent engineer, whose record in the field of reclamation has received world-wide recognition through his preeminent qualifications, his understanding of the problems of irrigation, and the effective results of his work in the hydraulic and reclamation field. Starting in his chosen vocation in his native State of Indiana after leaving school in the early eighties, he made river surveys for the Federal Government. On the completion of this work, he entered the educational field as a teacher of mathematics and rapidly rose in his profession, gaining recognition as an authority on reclamation and irrigation. After 4 years of educational work, Dr. Mead was called to serve Wyoming as Territorial engineer and was its first State engineer after its admission to the Union, where his experience and knowledge of irrigation was invaluable in incorporating into the constitution of the State a new system of laws governing the use of water, which has been adopted by many other States and some foreign countries.

After a successful administration as Chief of the Irrigation and Drainage Section of the Department of Agriculture, Dr. Mead was placed at the head of the Rivers and Water Supply Commission of the State of Victoria, in Australia. The system of water conservation and reclamation districts constructed under his 8 years of administration in Victoria has been a model for irrigation projects throughout the British Empire.

Returning to his homeland to take up the work of education in the University of California, he was appointed Commissioner of Reclamation by President Coolidge in 1924.

The 11 years that Dr. Mead has directed the activities of the Bureau have been the greatest in the history of reclamation. Twenty-two dams have been completed, and twice the world record for high dams has been broken—the Owyhee Dam in Oregon and later the Boulder Dam in Nevada. Twenty projects are now under construction—one, the Grand Coulee Dam across the Columbia River, is the largest in the world.

Dr. Mead died as he might have wished—in the service of his country and in charge of one of its greatest construction activities. It would be difficult to estimate the value of the service Dr. Mead has rendered the people of the United States by turning desert lands into producing fields, thus promoting the general welfare by adding to the productivity and business activity of the Nation. Reclamation has given this Nation some of the most substantial and prosperous communities to be found anywhere.

To appreciate the magnitude of the work that has been done under Dr. Mead's direction and its vast importance and immense value to all of us, one must go through the orange groves and vineyards of California; the winter gardens of the Imperial Valley; the cotton fields of Arizona; the beautiful fruit lands and alfalfa fields of Idaho; the blooming orchards in the Wenatchee Valley in Washington, the home of the delicious apple; and the potato fields and melon patches of Colorado; the celery gardens of Utah. When we visit the beautiful scenes of the irrigated and reclaimed areas nestling in the shadow of our western mountains, with cities and towns of modern construction, surrounded by the pretty homes of a prosperous and contented people,

we are thankful to our Government for the services of good Dr. Mead, whose devotion to the ideals of reclamation and whose labor has made the desert bear so fruitfully.

Let the massive structures of the great irrigation dams of the West stand as his monument.

INCREASE OF IMPORTS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein official figures on foreign trade.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. REED of New York. Mr. Speaker, under date of January 22, 1936, the Department of Commerce released for publication certain figures bearing upon the foreign trade of the United States in the calendar year 1935.

Although the administration professes to be engaged in a program of expanding our exports and finding a market for our products in foreign lands, the trade figures reveal that we have been giving up considerably more in the American market than we have gained in foreign markets. Here are the official figures:

Our exports in 1935 were valued at $2,282,000,000, an increase of $149,000,000 over 1934, or approximately 7 percent.

Our imports in 1935 were valued at $2,047,000,000, an increase of $393,000,000 over last year, or approximately 24 percent.

Translated into terms that everyone can understand, this means that for every additional dollar's worth of business gained in foreign markets we have given up $2.64 in our home market.

The result of the administration's tariff-reduction policy has been to reduce our favorable balance of trade to the lowest point in 25 years. As additional trade agreements are negotiated and our rich domestic market is thrown open still further to foreign competition, we may expect our present favorable balance of trade to change to an unfavorable balance.

In order that the Congress and the country may be informed as to the nature of the increased imports from abroad, I submit the following table showing those items which were imported in substantially increased quantities in 1935 over 1934. The figures given were obtained from the Monthly Summary of Foreign Commerce, published by the Department of Commerce, and cover the 11-month period ending November 30 of each year. Statistics on individual items for the full year are not yet available.

Comparison of statistics of imports for consumption into the United States during January to November 1935 with January to November 1934 of commodities which showed a substantial increase in imports

Commodity	Unit of quantity	January to November 1934		January to November 1935		Increase 1935 over 1934	
		Quantity	*Value*	*Quantity*	*Value*	*Quantity*	*Value*
Total value of imports			$1,508,640,000		$1,860,852,009		$352,212,000
Meat products	Pound	56,699,000	11,894,000	104,933,000	17,366,000	48,234,000	5,472,000
Beef, fresh	Pound	138,000	13,000	8,120,000	742,000	7,982,000	729,000
Pork, fresh	Pound	117,000	18,000	3,712,000	512,000	3,595,000	494,000
Canned meats	Pound	39,500,000	2,558,000	69,762,000	5,011,000	30,262,000	2,453,000
Animal oils and fats, edible	Pound	1,403,000	62,000	18,035,000	1,193,000	16,632,000	1,131,000
Dairy products			9,993,000		14,185,000		4,192,000
Butter	Pound	872,000	148,000	22,334,000	3,515,000	21,462,000	3,367,000
Fish	Pound	260,415,000	20,958,000	291,690,000	24,386,000	31,275,000	3,428,000
Hides and skins raw, except furs	Pound	188,131,000	33,530,000	276,324,000	41,025,000	88,193,000	7,505,000
Furs, undressed			36,513,000		44,174,000		7,661,000
Coney and rabbit	Pound	18,069,000	7,930,000	29,976,000	12,861,000	11,907,000	4,871,000
Animal oils, fats, and greases, inedible			5,160,000		17,599,000		12,439,000
Tallow	Pound	30,923,000	1,154,000	236,525,000	12,551,000	205,602,000	11,397,000
Grains and preparations			27,807,000		68,296,000		40,489,000
Corn	Bushel, 56 pounds	1,788,000	915,000	41,150,000	19,531,000	39,362,000	18,616,000
Oats	Bushel, 32 pounds	2,750,000	922,000	10,092,000	2,936,000	7,349,000	2,014,000
Wheat, full duty	Bushel, 60 pounds	4,594,000	4,591,000	13,141,000	11,254,000	8,547,000	6,663,000
Wheat, unfit for human consumption	Bushel, 60 pounds	1,236,000	866,000	9,977,000	6,813,000	8,741,000	5,947,000
Barley malt	Pound	178,802,000	4,599,000	304,920,000	8,680,000	126,118,000	4,081,000
Fodders and feeds			5,793,000		12,310,000		6,517,000
Oil cake and oil-cake meal	Pound	157,619,000	1,315,000	291,147,000	3,007,000	133,528,000	1,692,000
Wheat byproduct feeds	Ton	165,000	2,166,000	316,000	6,581,000	151,000	3,415,000
Fruits and preparations			32,209,000		36,450,000		4,241,000
Nuts			9,953,000		13,738,000		3,785,000
Vegetable oils and fats, edible			7,484,000		23,666,000		16,182,000
Sunflower seed oil	Pound	6,793,000	295,000	34,754,000	2,059,000	27,961,000	1,764,000
Corn oil	Pound	8,567,000	336,000	22,907,000	1,379,000	14,340,000	1,043,000
Cottonseed oil	Pound	3,962,000	165,000	157,576,000	8,334,000	153,614,000	8,169,000
Peanut oil	Pound	1,176,000	82,000	77,964,000	3,234,000	76,788,000	3,152,000
Cocoa or cacao beans	Pound	417,093,000	18,251,000	551,752,000	24,204,000	134,659,000	5,953,000
Cane sugar	Pound	5,373,032,000	106,223,000	5,821,286,000	132,545,000	448,254,000	26,322,000
Molasses, inedible	Gallon	159,805,000	4,966,000	224,066,000	10,351,000	64,261,000	5,385,000
Rubber, crude, and milk of	Pound	995,083,000	96,373,000	955,907,000	108,729,000	−39,146,000	12,356,000
Oil seeds			19,603,000		30,996,000		11,393,000
Copra	Pound	344,885,000	4,094,000	408,387,000	8,699,000	63,502,000	4,605,000
Sesame seed	Pound	12,641,000	312,000	136,846,000	3,233,000	124,205,000	2,921,000
Expressed oils and fats			24,993,000		47,402,000		22,409,000
Tung oil	Pound	104,840,000	6,470,000	168,965,000	11,404,000	4,125,000	4,934,000
Coconut oil from Philippine Islands	Pound	297,311,000	6,984,000	308,274,000	10,930,000	10,963,000	3,946,000
Palm oil	Pound	152,874,000	3,859,000	263,047,000	7,400,000	110,173,000	3,541,000
Cotton manufactures			26,450,000		32,108,000		5,658,000
Jute and manufactures			33,076,000		38,777,000		5,701,000
Burlaps	Pound	344,508,000	25,611,000	429,952,000	30,181,000	85,444,000	4,570,000
Carpet wool	Pound	81,680,000	10,714,000	158,870,000	21,283,000	77,190,000	10,569,000
Raw silk	Pound	53,895,000	65,824,000	62,130,000	83,922,000	8,235,000	17,998,000
Wood, sawmill products			10,870,000		18,002,000		7,132,000
Shingles	Squares	1,260,000	3,252,000	2,447,000	6,627,000	1,187,000	3,375,000
Wood and other pulp			56,451,000		62,279,000		5,828,000
Standard newsprint paper	Pound	3,973,602,000	68,589,000	4,266,880,000	73,801,000	293,278,000	5,112,000
Precious stones and imitations, diamonds			16,602,000		25,065,000		8,463,000
Rough, uncut	Carat	43,000	2,730,000	67,000	4,009,000	24,000	1,289,000
Cut but not set	Carat	191,000	9,040,000	303,000	14,183,000	112,000	5,143,000
For glaziers, etc., not set	Carat	495,000	2,628,000	794,000	3,709,000	299,000	1,081,000
Steel mill manufactures			6,707,000		9,685,000		2,978,000
Ferro-alloys			8,236,000		11,512,000		3,276,000
Nonferrous metals, except precious			92,142,000		120,250,000		28,108,000
Copper (copper content)	Pound	368,691,000	25,816,000	426,143,000	29,064,000	57,452,000	3,248,000
Nickel and alloys, n. e. s.	Pound	42,821,000	10,866,000	54,478,000	13,777,000	11,657,000	2,911,000
Tin bars, blocks, pigs, etc.	Pound	86,259,000	43,158,000	129,355,000	63,132,000	43,096,000	19,974,000
Agricultural machinery and implements			1,810,000		4,287,000		2,477,000
Clocks, watches, etc.			3,826,000		5,011,000		1,185,000
Art works			14,837,000		19,848,000		5,011,000
Total value of items shown in this tabulation			889,989,000		1,196,445,000		306,456,000

Source: Monthly Summary of Foreign Commerce of the United States.

IMMIGRATION

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an address by my colleague, Hon. JOE STARNES, to the Eleventh Women's Patriotic Conference on National Defense at the Mayflower Hotel on January 28, 1936.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILL of Alabama. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address by Hon. JOE STARNES, Member of Congress, to the Eleventh Women's Patriotic Conference on National Defense at the Mayflower Hotel on January 28, 1936:

For more than a century this country had no definite immigration policy nor effective immigration laws. After the War between the States the tide of immigration to our shores became so great that it soon created a serious national problem. Indeed, in that period of time embraced in the decade 1901–10, the tide was so strong we had approximately a million foreign-born immigrants entering our country each year. This large influx of foreign born had the effect of lowering wages, lengthening the hours of labor, and definitely reducing the American standard of living in every respect. More serious than the effect on our economic life was the effect upon our American institutions and our form of government. The people became aroused and Congress ordered an investigation. A congressional committee studied this problem for several years. Members of the committee visited practically every country in Europe studying at first hand the social, economic, and political conditions under which these immigrants lived. This committee made a very exhaustive and informative report of its activities. As a result of the studies and of the recommendations of this committee, the Immigration Act of 1917 was placed upon our statutes. This was the first definite and effective immigration program and policy in the history of our country. The author of this act was a splendid American and a distinguished Alabaman, Hon. John L. Burnett, who for more than 20 years represented the district which I now have the honor to serve. This Immigration Act of 1917 became our first basic immigration act and policy. The broad outlines of this policy were: (1) The exclusion or limitation of certain classes or types of immigrants; (2) deportation of aliens found guilty of certain offenses involving moral turpitude and of subversive activities and doctrines which seek to overthrow our Government by force and violence; (3) absolute debarment from certain geographic areas in Asiatic countries.

The 1917 act was amended in 1924 and the amendatory act provided for the present policy of restricting immigration by establishing numerical quotas for each country except in the Western Hemisphere, and for an absolute bar to all aliens who are ineligible for citizenship.

Even with these two excellent acts establishing for the first time a definite American immigration policy we find that during the past 10 years 3,687,547 aliens have entered the United States, of whom 2,010,896 were now immigrants. The 1930 census disclosed that we had 14,204,149 foreign born in the United States, of whom 6,284,613 were aliens. In other words, more than six and a quarter millions of these foreign-born had never taken any steps toward becoming citizens of the United States. The foreign-stock population of this country in 1930 was 40,286,278, more than one-third of our total population. This was the largest number in the history of the Nation.

It is estimated that our country has been supporting at least 3,000,000 foreign nationals on relief at a cost of approximately $400,000,000, and this at a time when millions of our native-born and naturalized American are dependent upon relief. At least one out of every eight on relief is an alien. It is further estimated that we have had some 2,000,000 aliens gainfully employed earning approximately $2,000,000,000 annually and sending millions of dollars to other countries to support families and unemployed when we have more than 10,000,000 American citizens unemployed.

In the light of the foregoing it is amazing to note that the so-called Kerr bill, H. R. 8163, was introduced at the first session of the Seventy-fourth Congress. This bill embodies the basic defects found in H. R. 6795 and both are merely new versions of H. R. 9725, which was defeated by an overwhelming vote of more than 2 to 1 in the second session of the Seventy-third Congress. The basic defects referred to are the abandonment of congressional control over the deportation of undesirable aliens; conferring practically unlimited discretionary powers upon an "interdepartmental committee"; legalizing illegal entrants; and breaking down our present numerical quota restrictions.

This bill has been heralded and publicized as a bill to deport criminal aliens and as a restrictive measure. In fact, it would repeal or nullify practically every existing mandatory deportation provision of our immigration acts by substituting therefor discretionary deportation. The admitted chief purpose of this bill is to permit to remain in the United States aliens illegally and unlawfully here or aliens who have breached a condition precedent and promise prior to temporary admission. The so-called hardship cases which this bill proposes to care for would condone violation of the law and reward a violator of the law by conferring upon him the right of American citizenship. It has been called a bill of major and minor discretions. Your attention is invited to the fact that each and every discretion or provision in this bill is favorable to the alien and the foreign-born. This bill boldly and audaciously raises the issue of whether one is for or against America and Americans and law-abiding and law-enforcing aliens legally and lawfully in our country.

Americans, native-born or naturalized, are entitled to first consideration, and first things should come first. I am unalterably opposed to a bill which would place discretionary powers in the hands of an executive or administrator who has knowingly and willfully violated his oath of office by failing and refusing to carry out the mandate of the law which he has sworn to uphold, administer, and defend. And who characterizes the laws he is sworn to administer as "inhuman, cruel, barbarous", and "unworthy of our civilization." We want law enforcement, not administrative nullification.

This bill must be defeated if it ever comes before the House for final action. It is necessary that the searchlight of publicity and truth be turned upon this proposed measure in order that our people may know the facts and not be misled by the propaganda of its proponents. This bill would decrease deportations and increase immigration and would substitute indefinite personal administration and personal government for traditional definite administration by written law, definite practices, and fixed precedents.

What America needs and what America must have is further restrictions and limitations upon existing quotas; the establishment of definite numerical quotas for the countries in the Western Hemisphere; a strengthening of our present deportation laws which would make mandatory the deportation of any alien who is guilty of one or more crimes involving moral turpitude or who has become a habitual criminal; and finally an alien registration law which will require the fingerprinting and proper identification and keeping a permanent record of every alien who enters this country.

We should reduce existing quotas by one-half in order to give time for naturalization and assimilation of our huge foreign-born and foreign-stock population. Establishment of definite numerical quotas from Western Hemisphere countries is essential in order to reduce and control quotas.

We must send from our shores every habitual alien criminal, every alien addict or peddler of narcotics, or aliens who have committed a crime involving moral turpitude. Every alien entering this country should be required to establish positive means of identification. This can be done by registration, fingerprinting, and keeping a permanent record of all entrants. We require fingerprints and positive methods of identification of some of our officials. No alien can complain of a genuine registration law, because it will protect aliens who come under existing quotas or who are legal entrants. Only the alien Communist, the alien criminal element, and the alien unlawfully here will object to an alien registration act.

It is essential that no foreign-born national shall remain in this country who cannot become a citizen, nor should we permit immigration of nonassimilable racial or political groups. America is no longer a wilderness to explore and conquer. It is no longer a country without an established form of government and institutions for the promotion of human welfare.

A sound national defense provides for domestic tranquillity and a guaranty against insurrection. The only permanent guaranty is the maintenance of our social, religious, and economic standards and our Americal ideals of government.

We must protect the American workingman against unfair foreign competition. It is as essential to enact and enforce laws which will protect the wage scale and living conditions of the American workingman against unfair foreign competition as it is to maintain laws which will protect our industrial and manufacturing establishments from unfair foreign competition. We must maintain and improve our present living conditions, but more important than the social and economic phases of our national life is the absolute necessity of protecting with treasure and blood our public school system, freedom of speech and press, freedom of conscience and the preservation of our democratic form of government.

Finally, we must have an immigration policy which shall be the product of American minds and American hearts. A policy which shall be determined by Americans for Americans, a policy which will place the welfare of America before the welfare of the alien. And, what is of supreme importance, this policy must be administered and enforced by Americans who respect the law, and who will at all times enforce the law for the benefit of America.

CONTROL OF CROPS BY STATE COMPACTS

Mr. KERR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an article by John W. Hester on the control of crops by State compacts.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. KERR. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article by John W. Hester, which was published in the Star-News, of Wilmington, N. C., on January 26:

[From the Wilmington (N. C.) Star-News of Jan. 26, 1936]

STATE COMPACTS

To the EDITOR OF THE STAR-NEWS:

All able lawyers know, and the candid ones, if asked, assert that the objectives of agricultural production control may be obtained

only by the exercise of the police powers of the States, or by an amendment to the Constitution giving the Federal Government such power. The administration's proposal to reach the objectives of the invalidated A. A. A. by amendments to the soil-erosion statute may serve to bridge this campaign and hold the farmer vote, but it is as vulnerable as was the original A. A. A. and will meet a similar fate when it reaches the Court, which could hardly be done before the next election. But the agricultural problem must be treated by a long-time, permanent program. An amendment to the Constitution giving the Federal Government police power is well nigh impossible, as 13 States may block such a movement. So that leaves only the police power of the States to rely upon.

Now, I have stated that the tobacco situation may be worked out by the use of the compact provision of the Constitution whereby the States in which tobacco is grown may adopt identical laws respecting the control of its production. This compact provision of the Constitution is now being used to considerable extent. The Port Authority of New York, whereby the rights of New York and New Jersey to the port facilities of that great harbor are governed; the fishing rights of Washington and Oregon in the Columbia River; the water rights of the Colorado River resulting from the Boulder Dam, in which seven States are interested; and the production of oil under the quota system among the oil-producing States are examples of what is now being accomplished under the State compact provision of the Constitution.

But the usefulness and effectiveness of this provision may be increased. And so far as I know I am the first to advance the idea that the States may designate the Federal Government or any Federal department the enforcement agency, thereby assuring uniformity of enforcement of the compact provisions. The Congress passed an act forbidding the shipment in interstate commerce of oil in excess of the quotas provided under the State compacts in an effort to make effective the quota system. But think of what might have been the effect if the Federal Government had been empowered to enforce such quota enactments. Its effectiveness would have been well-nigh complete.

As to what may be done in this connection, the court has had the following to say, which supports my contention that the Federal Government may be made the enforcement agency of such compact regulatory State laws:

That States may enter into agreements and compacts is "a doctrine universally recognized in the law and practice of nations. It is a right equally belonging to the States of the Union, unless it has been surrendered under the Constitution of the United States. So far from there being any pretense of such a general surrender of the right, that it is expressly recognized by the Constitution and guarded in its exercise by a single limitation requiring the consent of Congress. The Constitution declares 'no State shall, without the consent of Congress, enter into any agreement or compact with another State', thus plainly admitting that with such consent it might be done; and in the present instance that consent has been given. The compact, then, has full validity, and the terms and conditions of it must be equally obligatory upon the citizens of both States" (*Poole* v. *Fleeger*, 11 Pet. 209).

"If Congress consented, then the States were in this respect restored to their original inherent sovereignty, being the sole limitation imposed by the Constitution, when given, left the States as they were before, as held by the Court in *Poole* v. *Fleeger* (11 Pet. 209)" (*Rhode Island* v. *Massachusetts*, 12 Pet. at p. 724).

"The terms 'agreement' or 'compact' taken by themselves are sufficiently comprehensive to embrace all forms of stipulations, written or verbal, and relating to all kinds of subjects" (*State of Virginia* v. *State of Tennessee*, 148 U. S. at p. 518).

Frankly, I can't escape the conclusion that a complete sovereignty may select its own agencies and instrumentalities to execute its agreements or enforce its laws. With congressional approval, the States are "restored to their original, inherent sovereignty", which means complete sovereignty. I assume that Congress would assent to the use of the Department of Agriculture as the enforcement agency, leaving merely the general mechanics of the plan to be worked out.

JOHN W. HESTER.

WASHINGTON, D. C., *January 23, 1936.*

FEDERAL COMMUNICATIONS COMMISSION

Mr. WIGGLESWORTH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a brief letter received from the Chairman of the Federal Communications Commission.

The SPEAKER. Is there objection?

There was no objection.

Mr. WIGGLESWORTH. Mr. Speaker, in my remarks on the independent offices appropriation bill on January 16, in endorsing a thoroughgoing investigation of the entire field of work of the Federal Communications Commission, I included a letter addressed to the Chairman of that Commission dated January 4 and the reply of the Chairman dated January 13, 1935. A statement made in the paragraph numbered 1 in the letter of the Chairman was challenged on the floor by my colleague the gentleman from Massachusetts [Mr. CONNERY]. The statement challenged proved to be erroneous, as appears from the following letter subsequently received from the Chairman of the Commission:

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D. C.

Hon. RICHARD B. WIGGLESWORTH,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: With further reference to my letter of January 7, 1936, replying to your letter of January 4, 1936, I would like to say that there are three, instead of five, clear-channel, high-power radio stations, independent of and not affiliated with any of the three major networks, as I previously informed you.

Ordinarily licensees are required to make application for renewal of license every 6 months, and to state therein whether or not they have chain affiliations. Where, however, applications for renewal of station licenses are set for hearing, no additional application for renewal is required until the Commission disposes of the application pending.

The last renewal applications of stations WWL and KWKH—two of the five stations included in my previous letter—were set for hearing. These applications show said stations to be independent of and not affiliated with any network. The fact that stations WWL and KWKH acquired chain affiliations after their renewal applications were set for hearing accounts for this information not being reflected in the existing records of the Commission.

I have taken occasion to check with the chains for the purpose of verifying our records in this matter.

Assuring you that it is the Commission's desire to furnish you with accurate information at all times, I am,

Very sincerely yours,

ANNING S. PRALL, *Chairman.*

CONSERVING OUR WILDLIFE RESOURCES

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a brief address by the gentleman from Virginia [Mr. ROBERTSON] on January 24 on the conservation of wildlife.

The SPEAKER. Is there objection?

There was no objection.

Mr. BANKHEAD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address delivered by Representative A. WILLIS ROBERTSON on January 24, 1936, over the National Broadcasting System:

The call of President Roosevelt for a North American wildlife conference to meet in Washington on February 3 has focused the attention of all sportsmen and conservationists of the North American Continent upon the important subject of conserving our wildlife resources. The conservation of our forests, the purification of our streams and coastal waters, the restoration of our once-abundant supply of native fauna is, of necessity, an integral part of a general program to improve the living conditions of the average man in the United States.

While Federal, State, and private agencies have been engaged for many years in the cause of conservation, those best informed on the subject feel that the forces of destruction have been stronger than those of construction—or in other words, that we have been waging a losing battle. Millions of acres of timberland have been destroyed annually by fire—in 1 year of the drought, for instance, the destruction equaled an area 10 miles wide and as long as from Detroit to New York. Millions of acres of fertile soil have been washed into the rivers and thence into the sea. Some years ago a Member of the House from Massachusetts twitted the late Champ Clark about the superior wealth of Massachusetts. Mr. Clark replied that each year more fertile soil from Missouri washed into the Mississippi River than there was in the entire State of Massachusetts. Many a truth is spoken in jest. All of the fertile topsoil of 50,000,000 acres has been washed into our streams, and enough of the topsoil of an additional 50,000,000 acres has been lost through erosion to make them unprofitable for agriculture. Approximately 85 percent of our inland streams have become polluted, doing incalculable damage to aquatic life and recreational uses. It costs millions each year to purify polluted water sufficiently to make it safe to drink. Added to these destructive forces was the destruction occasioned by a tremendous increase in hunting and fishing. In recent years we have been sending some 6,000,000 to 7,000,000 hunters into the field each season, equipped with modern arms and ammunition and means of rapid transportation. There are no longer any inaccessible regions.

It is no wonder, therefore, that the chairman of the President's Special Committee on Wildlife, Hon. Thomas H. Beck, of New York, stated in his report to the President that we had been making a disordered progress toward an undefined goal; or that another great conservationist, ex-Senator Harry B. Hawes, should question in his interesting book, Fish and Game, Now or Never, whether or not we had made any progress at all.

With a view to bringing about an ordered progress toward a well-defined goal, Senator F. C. Walcott, of Connecticut, sponsored the creation of a special Senate committee to consider the conservation of our wildlife resources. That committee was created in the Senate on April 17, 1930. The present members of that committee are PITTMAN, of Nevada; MCNARY, of Oregon; NORBECK, of South Dakota; CLARK, of Missouri; BAILEY, of North Carolina; BYRD, of Virginia; and WHITE, of Maine. A similar committee was created in the House on January 29, 1934. The present members of the House committee in addition to myself are JONES, of Texas; BLAND, of Virginia; MCREYNOLDS, of Tennessee; WARREN, of North Carolina; BUCK, of California; BERLIN, of Pennsylvania; PARSONS, of Illinois;

HILDEBRANDT, of South Dakota; RICHARDS, of South Carolina; CARTER, of California; MILLARD, of New York: BOLTON, of Ohio; ANDRESEN, of Minnesota; and ALLEN, of Illinois. Every major region of the United States has representation on these two committees. During the spring and summer of 1934 the House committee conducted hearings touching on the conservation activities of all Federal agencies. These hearings were printed and have been given a wide distribution throughout the country. In January 1935 the House committee submitted a report summarizing its investigations and recommending a program of action.

Those of us interested in, and to some extent responsible for, what the Federal Government does to advance the cause of conservation have been gratified at the progress made by Federal agencies during the past 2 years. Time will not permit me to mention in detail the rapid advances made by the regular Federal agencies, namely, the Biological Survey, the Bureau of Fisheries, the Forest Service, and the National Park Service. Their activities are covered by their annual reports. The report of the Beck committee and the report of the special House committee called attention to the fact that the Federal Reclamation Service in its drainage and irrigation projects was working at cross purposes with the Biological Survey—one draining and the other endeavoring to preserve water areas for the breeding of migratory waterfowl. About 100,000,000 acres of breeding areas have been drained by public and private agencies. On December 19, 1935, a memorandum of agreement was entered into between the Secretary of the Interior and the Secretary of Agriculture respecting the administration of reclamation projects which are also wildlife reservations and refuges. From now on the activities of these important agencies will be coordinated and due regard will be had for the needs of wildlife in all future reclamation projects.

The activities of several of the new agencies are not generally known, and their accomplishments should interest every conservationist in the country. One of the most popular actions of President Roosevelt was the establishment of the C. C. C. camps. Those camps have given clean and wholesome employment to approximately 1,500,000 men. The men so employed have been helped in health and morale, and their dependents have been helped by monthly remittances which they could accept without the loss of self-respect. These C. C. C. boys have devoted 1,223,000 man-days to fire-presuppression work and 2,244,000 man-days in fighting forest fires. They have constructed 2,428 lookout towers, opened 44,040 miles of firebreaks, and have planted 405,402,500 forest trees over denuded areas. They have constructed 62,593 miles of new service roads and truck trails and 30,121 miles of new telephone lines through the national forests and national parks. Aside from their fire-fighting activities, the assessed value of the C. C. C. work completed as of September 30 last was $579,000,000.

When the emergency conservation work was started emphasis was placed upon forestry. At the instance of the House Special Committee on Wildlife Conservation, ably aided and abetted by that great conservation leader, Jay N. Darling, of Iowa, then Chief of the Biological Survey, the emergency conservation work included in its program modern fish and game management. In its silviculture work food-bearing trees and plants were spared. Check dams to the number of 1,635,000 were built to control soil erosion and improve cover conditions. Lake and stream improvement, construction of ponds for fish and birds, and the restocking of streams with fish were included in the fish-protection program of the C. C. C. One hundred and sixteen thousand acres of lakes and ponds have been improved for fishing, more than 33,000 miles of streams have been improved by shelters, deflectors, log dams, etc., and 3,335 ponds have been built. The C. C. C. boys have distributed 42,374,000 fry and fingerlings to ponds and streams. Twenty-six of the C. C. C. camps have been located on migratory-bird refuges administered by the Biological Survey.

Man has but three primary needs—food, shelter, and clothing. Those are the primary needs of wild life. Nature undisturbed by man will provide for Nature's children their essential needs. Through cutting and plowing, forest fires, overgrazing, erosion, and stream pollution, man destroyed much of the food and shelter for wildlife that has been provided by nature. The C. C. C. boys have been endeavoring to repair some of that damage.

In that undertaking, they have been ably assisted by the Soil Conservation Service, which in 1935 was made a permanent Bureau of the Department of Agriculture. This Service is now engaged in 140 separate projects in 41 different States, affecting a total of 50,000,000 acres. Five hundred and one C. C. C. camps and more than 27,000 relief workers supply the labor. Among the farmers with whom I have made personal contact, no activity of the Federal Government has been given a more favorable reception. In my opinion, the C. C. C. camps to work in our forest areas and to carry on this soil conservation program on private farms should and will become a permanent undertaking of the Government. Every farmer who signs a cooperative agreement with the Soil Conservation Service for the checking of erosion on his land agrees with the Government to avoid farming operations as far as practicable that would be detrimental to desirable forms of wildlife; to improve conditions for wildlife as a whole with due regard for its several values, biological and social, and to produce an annual replacement increment of game, fur bearers, and game fish, as a means of providing supplemental compensation to the farmer for land retired from cultivation through the operation of the soil-conservation program.

The Soil Conservation Service, therefore, will render to the farmer a threefold benefit—first, it will protect his land from further erosion; second, it will restore land heretofore eroded; and, third, it will produce for the farmer a new source of income from the crop of wildlife to be produced on the eroded land while it is being restored for agricultural purposes. When the farmer enters into a cooperative agreement of this kind, he will, in the words of the late Billy Sunday, be casting his bread upon the waters to be returned covered with butter and jam.

While in many respects we are the richest and most-favored nation in the world, the depression of the past 5 years has taught us that even we are not immune from hard times and actual suffering. I recently had the privilege of visiting some sections of China. Economic conditions in China are deplorable beyond words. The average annual income is less than $9. The once rich timber resources of the nation are gone. Unchecked soil erosion through the ages has so depleted the ability of China to produce that one-half of the people of China go to bed hungry each night. The longest navigable river in China is the Yangtze. For years this river, which is navigable for about 1,500 miles, has brought to the sea the yellow topsoil of north China. This sea is appropriately called the Yellow Sea. For some 300 miles beyond the mouth of the Yangtze it is as turbid with the yellow soil of China as the Mississippi at its worst. Japan has been more provident in her conservation program. The steep land, and most land in Japan is steep, is carefully terraced and protected against erosion. The limited timber resources of Japan have been carefully guarded. A Japanese cannot cut a tree on his own land without a Government permit, and before he can secure that permit he must plant three young trees and have them live. If we are to preserve the American standard of living and our position as the most-favored nation in the world we must properly conserve our natural resources.

It was, therefore, with that purpose in mind, as I indicated at the outset, that President Roosevelt recently issued his call for a North American wildlife conference to be held in Washington from February 3 to 7, inclusive. It will be the most important conference of the kind ever held in the United States. Already some 1,500 of the leading men of the Nation and from Canada and Mexico have indicated their intention to attend. The total enrollment of delegates will probably exceed 2,500. The conference has three major objectives:

(a) The organization of a permanent general federation of all agencies, societies, individuals, and clubs interested in the restoration and conservation of wildlife resources, with the avowed purpose of securing adequate recognition of the needs of wildlife resources.

(b) The development of a North American program for the advancement of wildlife restoration and conservation.

(c) The presentation of such facts, discoveries, and information pertinent to wildlife as may contribute to the solution of our mutual problems.

The delegates to this conference will have an opportunity to serve their day and generation well. In developing a coordinated and comprehensive conservation program they can contribute not only to the material prosperity of the Nation but likewise to our opportunities for peace and happiness. Every man wants to be happy. The pursuit of happiness is named by Jefferson as one of three inalienable rights. In the boom days many sought happiness in the amassing of wealth and the possession of material things. Life was pitched at a high tempo. When the depression cut our national income we were not equipped to find peace and happiness in simple things. Some ended their unhappiness by committing suicide. Far more died of heart failure brought on by worry and nerve strain. They were out of touch with the calm and orderly processes of nature. They did not know that "for our gayer hours she has a voice of gladness and eloquence of beauty and she glides into our darker musings with a mild and healing sympathy that steals away their sharpness, ere we are aware."

Overwrought nerves are not conducive to clear thinking and sound judgment. There are many problems today that parallel those of a hundred years ago. The country then was recovering from the depression brought on by the Napoleonic wars. Adams sponsored a public-works program to stimulate recovery. This was opposed by Andrew Jackson, who advocated lower taxation and the payment of the public debt. Hayne advocated tariff reduction to help southern agriculture, and Webster advocated protection for northern industry. The men of that period took time to think their problems through. When the strain would get too heavy for Mr. Webster he went trout fishing. I never go from the House side of the Capitol to the other without pausing for a moment of inspiration before the striking statue of Webster. His old fishing guide tells us that once in the middle of a fine trout stream Webster suddenly stopped and advancing his right foot exclaimed: "Venerable men, you have come down to us from a former generation." That was the keynote of his Bunker Hill speech. And the old guide added: "Mr. Webster used to do some mighty tall talking to them fish."

And when we adults go to the out-of-doors to find the clearer thinking of peace and calmness, let us take our sons with us. It is a reproach to our social system that 75 percent of the inmates of our penitentiaries are under 24 years of age. Judge Claude Grayson, of Alabama, says: "Teach the boy to hunt and fish and he will be on the jury and not before it."

We have the natural resources if we will conserve and properly use them. One day last spring I sat at luncheon beside Prof. Julian Huxley, grandson of the great scientist, and now curator of the London Zoological Garden, who told me that the natural resources of the United States and the opportunities of the general public to enjoy them were quite astounding. He then proceeded to tell me of his interest in a bill that had been pending

before the British Parliament for some years, known as "the right of mountain view." That is a measure being sponsored primarily by the working people of the industrial city of Manchester to permit them to visit a mountain range about 25 miles away and enjoy the scenery. They don't ask the right to hunt, to fish, to break shrubs, and to pull up flowers by the roots but merely to walk in the mountains to fill their lungs with pure ozone, to get away from the noise and dust of a city, and enjoy the peace and quiet of a mountain top, all of which is now denied them by British trespass laws.

And as Professor Huxley was telling me of that condition in England, I thought of our twenty-odd great national parks, all open to the public, of our 165,000,000 acres of national forests where the public cannot only enjoy the right of mountain view but the right of hunting and fishing on a parity with any king or noble; and I also thought of the 170,000,000 additional acres of the public domain likewise open to the public without restrictions and on which the public can even graze great herds.

Let us revise our conception of the more abundant life. It is not determined by stock-exchange quotations or commodity indexes, but rather by our opportunities for the pursuit of happiness. Those opportunities lie at hand if we will only embrace them.

INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 10630) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1937, and for other purposes, and pending that, I ask unanimous consent that general debate be concluded today.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The motion of Mr. TAYLOR of Colorado was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. DOUGHTON in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill of which the Clerk will report the title.

The Clerk read the title.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. FADDIS].

Mr. FADDIS. Mr. Chairman, in answer to the remarks made by the gentleman from New York [Mr. SNELL], regarding recent occurrences at the Eleventh Women's Patriotic Conference on National Defense now being held at the Mayflower Hotel, I wish to present the Members of the House with some of the true facts regarding the incident which has led up to the occurrence to which the gentleman from New York has objected.

This convention is composed of delegates from various patriotic organizations in the United States. Women came here as delegates from various patriotic organizations to attend the meeting for national defense.

Upon the opening night, last Monday, while the national commander of the American Legion, Ray Murphy, was addressing these members on the subject of national defense, a subject which was absolutely germane to the purposes of the convention, what was the astonishment of the entire audience to hear the chairman of that convention break into the midst of the address of Commander Murphy, and what was his astonishment and embarrassment at her abrupt closing of his speech in order that they might give the radio to be used for a political speech by Bainbridge Colby, the like of which I have never before listened to.

The matter of national defense of this Nation is something which we hold and hope we will always hold to be absolutely nonpartisan. If we are to have a national defense, it must be based upon the basic principles of national defense, and the first and foremost of those principles is that the Commander in Chief shall receive, at least while acting in that capacity, all of the respect due him. Under our present system of national defense the President of the United States, who happens at this time to be Franklin D. Roosevelt, is the Commander in Chief of the Army and Navy of the United States, and certainly no man or no woman would pretend to concede that it is at all proper to inject into a national defense conference such a controversial address as was made by the Honorable Bainbridge Colby, which consisted of excoriation and abuse of the Commander in Chief.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. FADDIS. Yes.

Mr. LUCAS. Does the gentleman know that the bylaws of these various patriotic societies specifically state that they are nonpolitical?

Mr. FADDIS. Exactly; and they should have been enforced.

Mr. LUCAS. And does the gentleman further know that Mr. Colby agreed in advance before he made this speech that it would not be a political speech?

Mr. FADDIS. I do not know that, but after listening to Mr. Colby that night I would not doubt that he would give his word to anything of that kind in order to get the opportunity to deliver such an address.

Mr. LUCAS. And does the gentleman further know that scores of both Democrats and Republicans walked out of that meeting because he was making a political speech, in violation of his word and in violation of the rules and bylaws of the society?

Mr. FADDIS. I do know that scores of them walked out, because I was present myself at the meeting.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. FADDIS. Yes.

Mr. RICH. I understand that Mr. Colby is a Democrat.

Mr. FADDIS. I have never so understood. By birth, breeding, and education, and every other consideration, Mr. Colby is a member of the Liberty League and inherited that position. He is not a man who had to be moved uptown and educated in order to be allowed to associate with the Du Ponts, attend their parties, and address them at their dinners.

Mr. RICH. Mr. Chairman, will the gentleman yield further?

Mr. FADDIS. No.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. FADDIS. Yes.

Mr. O'CONNOR. Of course, constant repetition of a thing does not prove it. I never knew any activity that Bainbridge Colby ever engaged in in any regular, real Democratic movement in the United States. The only claim to being a Democrat that he has is that he served under a Democratic President, but no one ever saw him active in any Democratic organization or any Democratic council.

Mr. FADDIS. I believe the gentleman is right, and I would like to further state that having been intensely interested in the matter of national defense for a great many years, I have never known of any of his activities in connection with national defense and I wonder just how and why he was included among the list of speakers at this convention.

Mr. HAMLIN. Mr. Chairman, will the gentleman yield?

Mr. FADDIS. Yes.

Mr. HAMLIN. Perhaps the gentleman does not realize that a year ago last fall Mr. Bainbridge Colby came into the State of Maine and campaigned against us Democrats there with just about such political speeches as he made the other night.

Mr. FADDIS. Well, he was campaigning against every Democrat in Congress down here the other night at this function. That was his reason for being there.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. FADDIS. Yes.

Mr. WADSWORTH. In asking this question I am not endeavoring to throw in a discordant note, but coming down to a common-sense view of the incident, let us assume, from the standpoint of the gentleman who now has the floor and from the standpoint of others, that Mr. Colby made an offensive political address. Even so, does the gentleman believe that those good women should have been humiliated by a public rebuke of that kind?

Mr. FADDIS. They certainly should have been, because it was entirely in discord—since the gentleman mentions notes—with any of the purposes of the convention. Those ladies had asked people there to listen to a man get up on the



platform and revile and abuse the President of the United States or Members of Congress. Some of them, at least, must have been in on the secret of the reason for his appearance. That is proven by the length to which the chairman went to break in on the commander's speech to get Mr. Colby on the air. They had assembled there to take into consideration some of the problems in connection with the defense of this Nation. They had not assembled there for political purposes and the rules and bylaws of their convention forbid anything of that kind being injected into it. Not only do the rules and bylaws of their convention forbid anything of that kind but the rules of good usage and gentlemanly conduct all over the world forbid such a thing.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. FADDIS. Yes.

Mr. FITZPATRICK. After Mr. Colby started to make his political speech, did the ladies attempt to stop it?

Mr. FADDIS. No. That is a course of action which I am sorry to say was not carried out. They accorded him a great deal more courtesy than he accorded them.

Mr. FITZPATRICK. If they were a nonpartisan organization they should not have permitted a speech of that kind.

Mr. FADDIS. That is true; and if it had been an organization of men, no doubt someone would have raised the point of order against the speech.

Mr. CULKIN. And will the eloquent gentleman please distinguish between the President of the United States spending 4 weeks on the $4,000,000 palatial yacht of Vincent Astor and Al Smith spending an hour in addressing the Liberty League, including the Du Ponts? Will the gentleman distinguish between the two?

Mr. FADDIS. I thank the gentleman for referring to me as eloquent.

Mr. CULKIN. The gentleman is eloquent.

Mr. FADDIS. But I think the question the gentleman is asking is not germane to the discussion and is not relevant. [Laughter.]

Now, Mr. Chairman, whatever may or may not be the result of this occurrence, I would just like to call attention to the fact that there is an entirely different gathering in Washington today—a gathering of men who were not invited to the Du Pont's party; a gathering of men who would not have been even allowed to peek in the door at the floor show after the dinner was over. This is a gathering of men who have received more favorable consideration from the program to which the Bourbons of the United States object than they ever received before from any preceding administration. I refer to the United Mine Workers of America. They have gone on record as endorsing the New Deal. They are men who are receiving the benefit of just exactly what Hon. Bainbridge Colby is objecting to, and they appreciate it. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. FADDIS] has expired.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Chairman, there are times when the tongue cannot speak the language of the heart, and that is the fix I am in today when I rise to pay my feeble but sincere tribute to a comrade of the fourth estate whom we laid to rest at Arlington Cemetery today. My faltering tongue cannot begin to describe the grief that presses and strains this day against the hearts of all who were privileged to know Carl D. Ruth, late correspondent of the Toledo Blade and other newspapers, whose earthly career ended with shocking suddenness last Saturday.

He was a prince among men. As fellow newspaper correspondents we had offices together for years, our association terminating when I entered Congress, and as I think of him from this intimate retrospect, he exemplified to my mind all that is meant by the meaningful term "good citizen." In his newspaper work he was the soul of rectitude and honor. As a fellow being he was indescribably kind and sympathetic and true.

When I was president of the National Press Club I appointed him chairman of our fellowship committee, and he held that position so long it seemed to become his vested interest in our splendid institution of newspapermen. That is the committee that alleviates distress among our fellows, extends the balm of consolation to the grief-stricken, and in various other ways, to meet varying situations, applies the helping hand. In that position Carl Ruth served so devotedly, with such unremitting zeal, and with such effectiveness that he enshrined himself in the innermost affections of the members of our club and their families. It was just the role he wanted and he filled it to perfection. More capable, perhaps, than any of us to shine in positions of high distinction, it was characteristic of him that he shunned the limelight and sought the humbler field of service, where heart meets heart in sympathy and helpfulness. He was always happiest when following in the footsteps of that greater Man—the Man of Nazareth—who said:

> For I was an hungered, and ye gave me meat; I was thirsty and ye gave me drink; I was a stranger and ye took me in;
> Naked, and ye clothed me; I was sick and ye visited me; I was in prison and ye came unto me.
> Verily, I say unto you, inasmuch as ye have done it unto one of the least of these, my brethren, ye have done it unto me.

News of the death of Carl Ruth, who was not thought to be seriously ill, shot like a thunderbolt through the hearts of thousands like myself whom he had befriended and it has left us staggering under an oppressive sense of loss. He was an ornament to his profession and a credit to American citizenship, but, more than that, he was a lover of his fellow man.

The affection of his many friends was reflected by the great profusion of floral offerings that filled the Church of the Covenant at his funeral today, but if every person, living and dead, for whom Carl Ruth did some good deed could have given the visual expression of sorrow in the manner that best interprets the feelings of the heart, no building in Washington would have held the flowers.

We will never know or understand why he was snatched away from us almost in the twinkling of an eye, but we thank God, who does all things well, that he was permitted to live among us even for so long a time, for it has been so good to know and love him. Snow blanketed the earth when we buried him today in the beautiful city of the dead across the Potomac, and perchance many other snows will come and go before we join our friend in the bourne from which no traveler returns, but we shall not forget him, and we can only say with aching hearts:

"Good-bye, old friend! We will be looking for you when we cross the borders of the blessed summer land. Until then, good-bye, and God bless and keep you!"

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. JENKINS of Ohio. I just want to thank the gentleman for his thoughtfulness in paying this beautiful tribute to a wonderful man.

Mr. LUDLOW. I thank the gentleman.

Mr. LAMBERTSON. Mr. Chairman, I yield 8 minutes to the gentleman from New York [Mr. MILLARD].

Mr. MILLARD. Mr. Chairman, the Committee so far this morning has been rather tempestuous, except for the beautiful tribute by the gentleman from Indiana [Mr. LUDLOW].

I arise today to attempt a task that at once fills me with peculiar gratification, and I must admit a little trepidation, too, for it involves a criticism on myself and my countrymen. A sin of omission in our due and proper regard for a great man and a great institution. That institution, thanks to its scholarly traditions, has in this tense moment in the history of our Nation once again proved itself the shield and buckler against the forces which, knowingly or unknowingly, have threatened to destroy the pattern, if not the very fabric, of our democratic Republic.

Needless to say, the institution to which I refer is the Supreme Court; the man, John Jay. John Jay, whose name is written close beside that of John Adams and Benjamin Franklin in tortuous history of that epochal assemblage that

was the Congress of 1775. A name, I cannot fail to add, while it is honored by all the Nation, very near and very dear to the citizens of my State of New York and the district which I represent and which was his home, Westchester County.

I want to relate a little incident, while though it is a rather pitiful commentary on America's forgetfulness, is not without its touch of humor.

With other admiring visitors recently I walked through that impressive edifice of our high tribunal, wondering at the dignity and beauty which symbolizes the great Court which it houses. As we passed from one vista of beauty to another, the attendant, describing that magnificent frieze in the Court chamber, pointed to the stately figure of John Marshall. "There", he said, with a glib assurance that startled me, "is the first Chief Justice of the United States, John Marshall."

The young man politely doubted my challenge of his statement regarding the first Chief Justiceship, and, since one of the Justices of the present Court was passing, stopped him for confirmation. When he learned that I was right—that John Jay was the first Chief Justice—the young man was not at all embarrassed, and, in fact, informed me that he would continue to stick to his story that John Marshall was the first, because, he said, with a grin, "no one will know the difference."

In defense of this young man I think I should say that the mistake he made is not an unusual one, for many people believe John Marshall to have been the first Chief Justice.

The anecdote is significant, but of greater significance is this: Nowhere in that building is there a suitable memorial to Chief Justice John Jay; and I know you will agree that therein lies a sin of omission which should and must be corrected. I, therefore, have introduced today a bill authorizing the establishment of such a memorial.

We all know and appreciate the valuable services rendered by John Marshall, whose memorable opinions on constitutional questions lent stability to our Government; but in our respect and admiration for this great jurist we should not forget the man who went before him and laid the basis for the constitutional doctrines which Marshall so ably developed.

There is perhaps a reason for the failure to provide a fitting memorial to John Jay in the new building in that he is better known because of his services in other fields of public service, notably as the first Secretary of Foreign Affairs, and to an even greater extent because of his part in the negotiation of the first two treaties with Great Britain, the first of which terminated the Revolutionary War and the second restored commercial intercourse with that country.

As the first Chief Justice of the Supreme Court, however, John Jay laid the foundation for the national solidarity which was later assured by the decisions of John Marshall. Every boy who attends law school is familiar with the leading case of Chisholm against Georgia, in which for the first time the Supreme Court of the United States declared the supremacy of the Federal Government within its constitutional field, and the Hayburn case is almost equally well known as the first declaration of the Supreme Court's entire independence from both legislative and executive control or interference.

John Jay did not remain a sufficient length of time on the Supreme Court of the United States, however, to leave the same imprint in our legal precedents as was left by his illustrious successor, John Marshall. Jay organized the Court in February 1790, and to all intents and purposes left the Chief Justiceship in 1794 when called upon by President Washington to assume the important duty of negotiating a commercial treaty with Great Britain, although he did not actually resign as Chief Justice until 1795. In accepting the commission of President Washington to represent the United States in the negotiation of a commercial treaty with Great Britain, Jay took upon himself a task which he was well aware might seriously undermine his political popularity. When told of the likelihood of his selection for this post and when it was pointed out to him that the acceptance of this task would probably render him "unpopular and odious", he said:

> The good of my country, I believe, demands the sacrifice, and I am ready to make it.

His own fears and the fears of his friends were not ill founded, and his connection with that treaty, although it is now historically conceded to have been a most statesmanlike accomplishment, brought him severe criticism and vituperation. Jay took these attacks with calmness. "Calumny," he said, "is seldom durable. It will in time yield to truth." History proves that he was right in this prophecy, but the part he played in the negotiation of the treaty nevertheless cost him a chance for the Presidency of the United States.

Jay was, it is true, elected Governor of New York in 1795, but he had the good fortune in this instance to be nominated and elected before the full details of the British treaty were published. The governorship was the termination of his political career, in spite of the splendid services rendered during his 4 years as chief magistrate of the Empire State.

I shall not encumber this speech with many details of Jay's life and accomplishments, which are legion in many and varied fields of public service; but I should not close without some mention of the part he played in the events which led up to the Revolutionary War and in the great struggle for national independence. He served as a member of the New York committee on safety, was one of the principal authors of the New York State Constitution, served as a member of the Continental Congress, and in 1779 was president of that body. He was joined with Benjamin Franklin and John Adams to negotiate the peace treaty with Great Britain which officially brought the Revolutionary War to a successful conclusion in 1783.

Immediately after the signing of the peace treaty with Great Britain, Jay returned to the United States and was selected as Secretary for Foreign Affairs, in which post he served from 1784 to 1789. In addition to being the first Chief Justice of the United States, he also had the honor of being the first Secretary of State, because he continued to perform the duties of that office, then known as Secretary for Foreign Affairs, after Washington became President under the Constitution. He acted in that capacity until the return of Thomas Jefferson from France and his own appointment as the first Chief Justice of the Supreme Court.

With Madison and Hamilton he did much, through his contributions to the Federalist papers, to bring about the adoption of the Constitution, and for these services alone deserves the undying appreciation of the American people.

I hope that when the bill which I have introduced today comes up for action in the House you will give it your approval, that a wrong may be righted, that a great man be honored, whom in thus honoring we honor ourselves and the Nation as well. [Applause.]

The CHAIRMAN. The time of the gentleman from New York [Mr. MILLARD] has expired.

Mr. LAMBERTSON. Mr. Chairman, I yield 12 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, I wish to say to the membership at this time that I assume all the Members try to represent the constituency which sent them here. If in my opinion the Members are reactionaries, it is only because of the complexion of the constituency that put them in the Congress. I have no fault to find with the Members personally, but I am sure what I have to say on this occasion will be about as welcome to both sides of this aisle as a weasel in a rabbit's nest.

CLASS AGAINST CLASS

One of the main points of criticism which is now being hurled at the Roosevelt administration is that it has raised bitter feelings between classes. One cannot get the full meaning of this without stopping to catalog those who make the charge. To what class do they belong? For years and years we have heard the same philosophy announced.

Do not raise class against class. This cry has always been raised by the upper class—the money class. It has never been raised by the common people.

As soon as the common people show a disposition to curb the power of the money barons, the cry immediately goes up that we are pitting class against class. The barons would have all of us sit with folded arms and with a forced photographer's smile, while the mortgagee and the creditor suck out our lifeblood through interest and foreclosures. If perchance we move around slightly to avoid the pain, or to prevent the baron from completing his nefarious job, we are condemned because we "raise class against class." No; that argument is threadbare, and the power it once had is rather harmless today.

If Roosevelt deserves severe criticism it is criticism for not doing enough to stop the mad desire of the money class for more interest, more foreclosures, more money, more dollars, with a high premium attached, more homeless people. Roosevelt has, in this respect, paid too much attention to the money barons, and not enough attention to the protection of homes that have been built during the last 75 years by a patriotic people.

THE FORCES OF REACTION

Unless the reactionary Republicans will keep out of making any overt attempt to direct the future of the Republican Party, and refrain from naming the candidate for the Presidency, the result of the next Presidential election will be another disastrous defeat for the Republicans. The mass of the Republican voters have no faith in the Mills, the Mitchells, the Mellons. When these elements directed the affairs of the party, and turned a deaf ear to all that was progressive, under the leadership of their errand boy Hoover, not only did the party meet with almost complete annihilation but the country itself was not 60 days away from an open revolution when the Republican defeat was registered. That is a matter of history now.

Now that the Democratic Party, through the leadership of Roosevelt, seems hell-bent on having its own way, regardless of the preelection agreement made with the people, the Republicans have come out of their hole and are looking around to see if there is not a chance for them to seize the reigns of government. They have this desire, of course, and in that they have a considerable body of voters ready to help them in the undertaking. As the chance for a victory looks brighter, the more reactionary the leaders of the Republican movement become. They are carried away with the illusion that anyone they pick can win. In Congress right now we hear speakers who have remained as silent as the Sphinx of Egypt for the past year rising in their places and speaking out in the defense of the international banker and special privilege. One member of the Republican Party made an effort to establish that the wealth of the Nation is not concentrated in the hands of the few but is apparently equally distributed among the common people of the country justly and evenly. He points to the value of farms, but fails to state that 2,000,000 of the owners in 1920 have been driven out of their homes; he fails to state that another 2,000,000 farm homes with 10,000,000 inhabitants are on the way to the auction block this very moment; he fails to tell us that the Republican Party under the present leadership is as immovable as the Democratic Party in their determined effort to deny the American farmers a just refinance system.

No; those Republicans who seek now to nose their way back into the good graces of the Republican voters do not realize that reaction has been repudiated by the people. No reactionary of either party has any chance whatever of ever again commanding the support of the rank and file of the American voters. These reactionary Republicans, if they know anything at all, and are interested in seeing the Republican Party returned to power, should be seen from now on and not heard. Their counsel has been disregarded; their advice and leadership very nearly led us into destruction. Their philosophy has been repudiated, and before the voters will return to that leadership they will support the present administration, even though they know it is the result, in operation at least, of the hairbrained theories of professors with no practical knowledge or desire to meet the actual facts as they are.

In explanation of the statement I made that the wealth of this country is not equally distributed, at this point I desire to insert some tables to convince some of the Members of this Congress that the wealth of this Nation is not distributed equally among the common people of this country. I live in a State where there are 400,000 people living on farms, and I know the consequences of what I say in this Congress, but I will announce right now that if those 400,000 people living on farms in my State would pay what they owe on their land and their property, there would not be 10 percent of them who would own a dime. We do not have that wealth. Now let us find out where it is.

That is all I care to say about politics. I think the people of the country are more interested just now in what this Congress is going to do for their relief.

As we look around us today, the condition of the mass of the people is reflected in the following facts:

Twenty million on relief.

Twenty million on semi-Government and private relief.

Ten million people out of a job who can work and want to work.

Eight million aged people without property protection for old age.

Public and private debt of $275,000,000,000.

Value of all property in the United States, at actual value, on forced sale of over one hundred and sixty billion.

Outstanding Government debt of thirty-five billion represented by interest-bearing, tax-free bonds with an annual interest charge of over $1,000,000,000.

Thirty-four cents of every dollar spent in business going down the interest rat hole.

Two million farm homes with first mortgages so large that the Federal Land Bank System of the country has quit business and the farmer is left helpless.

The constitutional provision for the control of money abrogated and suspended by mere custom and the control of our cash and credit delivered over to the private banking interests of the country.

Ten billion dollars loaned to foreign countries during the World War, collected from the sale of Liberty bonds, all of which debt is due and payable, but which will not be paid and which we cannot collect if we wanted to.

The people of this country want, first of all, to see relief brought forward from these intolerable conditions—they want that more than they want our views on who is or is not right on the tariff question. They want these matters adjusted more than they want to know whether Al Smith should or should not have made his speech against the present administration.

What can we do in this Congress? There have been some very adverse decisions made by the Supreme Court in the past, but none of them have had as bad an influence on the loss of confidence in the Government by the people as what this House is now doing and has always done. Representative government has failed. We are responsible for it, Democrats and Republicans alike. From this responsibility will come the greatest issue before the American people. I refer to the rules of this House, which prevent the Members from voting on any matter unless the administration desires to permit a vote. Today the Democrats are directly responsible, for more than two-thirds of the time this rule has been in vogue in this body the Republicans have been responsible. Today every Member who refuses to take an active part in breaking up this gag rule is responsible.

Nothing will be done in this Congress, and every Member here knows it now, unless that thing done is presented by the administration and approved by the leaders. This gag rule will be maintained, and as long as it is maintained the American people are denied the privilege of having their measures debated in their own Congress. What could be worse to flaunt in the face of the people of this great country at a time when confidence in it by the people is more important than all other issues at stake? The Supreme Court does not interfere with our deliberations. Has the

executive branch of the Government any right under the Constitution to do it? Are the Members of this House free Members? Are you shackled to something invisible which we cannot see? I refer this responsibility to both sides, as I cannot, knowing the attitude of Republican Members on the gag rule and their refusal to break it, see any difference between the two parties; and I am confident that the mass of the voters in this country hold a similar view.

We are permitting injustices to pile up beyond comprehension merely because representative government has failed in this body. "The Hall of Congress, where the voice of all the people can be heard"—what a mockery! We have failed; we will continue to fail in bringing straight thinking out of chaos just as long as we will not permit representative government to function. Which party will break the shackles that hold the people out of their own Congress? Will either of the present parties take the side of the people? Will another party have to be built and entrusted with power before this simple right of the people can be restored? That party which will stand up and be counted, that party which will break down this one-man control of Congress will be the party to which I shall be willing to give whatever of influence and ability I possess. There is no issue now before the American people—there will be none in years to come—of more importance to liberty than the breaking of the gag rule in the greatest deliberative body in the world. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. BURDICK. Mr. Chairman, in compliance with the permission received to extend my remarks made on the floor of the House, relating to the concentration of wealth in the hands of a relatively few people, I submit herewith certain data. While the tables which I submit do not embrace all I should like to know about the subject, yet, a general picture can be formed, based upon a sound foundation.

From the facts appearing, the conclusion is inevitable that the wealth of this Nation is not equally distributed, or fairly so, as some claim; but, on the contrary, that wealth is most unevenly and unfairly distributed, and I might also add that it is unjustly distributed. By this I mean that under any system of government it is unjust for a relatively few people to possess property vastly beyond their needs while the great mass of the citizens making up that government are living in destitution and want. As to the causes that have brought about this unequal distribution, I will not discuss here. My purpose is to supply facts, in connection with my speech, indicating that as a matter of fact the wealth of this country has been allowed to be concentrated in the hands of the few while the great mass of the American people have nothing.

The only Government attempt to get at the facts of the concentration of wealth was the report made by the Federal Trade Commission in 1926 in response to a resolution of the United States Senate, being Senate Resolution 451 of the Sixty-seventh Congress:

1922: Total wealth of the United States	$353,000,000,000
1922: Total national income	62,000,000,000
1922: Total wealth is made up of—	
Real estate	230,000,000,000
Tangible personal property	123,000,000,000
1922: Total wealth of the United States	353,000,000,000

Of the real estate $42,000,000,000 was tax-exempt real estate, belonging to the United States Government, State, and local units of government.

Strictly land value	$122,000,000,000
Real-estate improvements	108,000,000,000
Total real estate	230,000,000,000

The total wealth in 1922 was distributed in the following enterprises: 18 percent agriculture wealth, 14 percent manufacturing and mining, 13 percent railroads and public utilities, 12 percent Federal, State, and local government, and 33 percent retail trade and unascertained business.

Between the years 1912 and 1922 the total wealth of the Nation increased—considering the drop in the purchasing power of a dollar—something approximating 20 percent.

Cross-section pictures of the concentration of wealth:

Out of some 43,000 estates probated in 24 counties of 13 States it was found that—

Thirteen percent owned 90 percent of the wealth of the estates probated.

The average estate was found to be $3,800. On this basis 91 percent left estates less than the average; 9 percent left estates of more than the average.

One percent of the descendants owned 59 percent of the wealth.

CORPORATION CONTROL

For the period from 1912 to 1923, six companies controlled one-third of the water power, eight companies controlled three-fourths of the anthracite coal reserves, two companies controlled well over half of the iron ore reserves, four companies controlled nearly one-half of the copper reserves. Eighty thousand two hundred and thirty-four manufacturing corporations owned in wealth, $33,700,000,000; 23,472 transportation and public utilities owned $27,300,000,000.

SOURCE OF INCOME IN 1923

Manufacturing, $24,100,000,000 or 34 percent; agriculture, $9,400,000,000 or 13.5 percent; mercantile trade, $8,600,000,000 or one-eighth of the total; personal service, $6,300,000,000 or 9 percent; professions, $5,200,000,000 or 7.5 percent; steam railroads, $4,600,000,000 or 6.7 percent; mining, $3,400,000,000 or 9 percent; construction, $1,750,000,000 or 2.5 percent; commercial banking, $1,400,000,000 or 2 percent; miscellaneous, $5,200,000,000 or 7 percent; total, $69,900,000,000.

DIVISION OF CAPITAL AND LABOR, 1923

Labor, 55 percent, or $38,200,000,000; profits, rent, and interest, 45 percent, or $29,130,000,000.

From 1918 to 1923 about the same ratio obtained.

War years—labor received 47 percent—capital, 53 percent.

Out of 43,512 estates examined in various sections of the United States in town, city, and country:

Estates of $50,000 or more constituted 78 percent of total wealth.

Estates under $5,000 constituted 5 percent of total wealth.

The greater concentration of wealth is in cities. Eight-tenths of 1 percent of the city estates represented 42.5 percent of the total value of all estates; 80 percent of all estates were under $500; 1.1 percent of all estates were over $50,000; 5,963 estates represented in value $1,540,259,000; 43 estates represented in value, $104,469,722,000.

Since exact figures are not available for definite proof of the concentration of wealth today, yet some data are available, and also some undeniable facts.

On Government relief, 1935, 23,000,000. This class had nothing or they would have received no relief. On private relief, and occasional work, 20,000,000; those living on past accumulation and from mortgaging clear property, 19,000,000. Total, 62,000,000.

First. The first and second class had nothing. The third class today, deducting mortgagors, have no property.

Second. The farming population have a large representation in all three classifications—especially in class 3.

The total wealth of the Nation today is much less than in 1923; in 1923 it was $353,000,000,000; today it is approximately $200,000,000,000; loss, $153,000,000,000.

This loss fell the hardest on the farmers, as the following table shows:

Farm values

1919	$79,000,000,000
1920	66,316,000,000
1929	58,000,000,000
1930	47,880,000,000
1932	37,027,000,000
1933	30,151,000,000
1934	31,655,000,000

It will be seen that the loss in land values to farmers was $48,000,000,000, or approximately 32 percent of the total loss in the national wealth.

While land values shrunk in farm lands $48,000,000,000, the farm total debt increased, as shown by the following table:

	Debt on lands	Other debts
1920	$7,857,700,000	$3,100,000,000
1925	9,360,620,000	4,305,000,000
1928	9,500,000,000	4,600,000,000
1932	8,500,000,000	3,910,000,000
1933	(?)	3,500,000,000
1934	8,200,000,000	4,100,000,000

From 1920 to 1928 the amount of interest demanded of farmers increased.

Interest:	
1920	$250,000,000
1925	568,000,000
1928	900,000,000

To further prove how hard the West North Central States have been affected by the general slump, I submit tables showing that these States in this group, including North Dakota, South Dakota, Minnesota, Iowa, Missouri, Nebraska, and Kansas, carried the burden of the farm debt.

	Percent
New England	1.57
Middle Atlantic	5.18
East North Central	20.46
West North Central	39.01
South Atlantic	5.51
West South Central	9.75
Mountain	5.91
Pacific	8.62

Every supporter of the theory that there is no concentration of wealth invariably shows what great wealth there is stowed away in farms. These tables should convince every theorist that if there is a just distribution of wealth in this country that it cannot be found among the farmers.

Corporation income-tax returns from 1924 to 1928 show:

First. Those reporting incomes of $100,000 to $1,000,000: 7,945 in 1924, 9,747 in 1928.

Second. Those reporting incomes of $1,000,000 to $5,000,000: 739 in 1924, 1,029 in 1928.

Third. Those reporting incomes of $5,000,000 and over; 162 in 1924, 229 in 1928.

Ten percent of the people of the United States own 90 percent of the Nation's wealth. (Magazine of Wall Street, Jan. 6, 1934.)

Only 6 percent of the people of the United States paid income taxes for 1933. (Internal revenue reports.)

If only 6 percent of the population in 1933 paid incomes, what can be said of the other 94 percent, or about 119,000,000 people? They had no incomes of a sufficient amount to warrant taking—the 7,600,000 had the incomes. Does this show the equal distribution of wealth that we hear so much about?

It is altogether possible that the large owners of wealth are now getting what the farmer got in the period from 1920 to the present day. Inevitably their fortunes must fall, but however that may be, the fact that a few did, through special privilege and the control of national resources, concentrate the wealth in a few hands, was the direct cause of our economic break-down.

The unequal distribution of wealth is still the curse of this country. All admit we have a land of plenty. We have to prevent farmers from producing too much food, and yet we have one-half of 127,000,000 people in distress, and no amount of figuring can ever explain to these distressed millions that there is an equal distribution of wealth in the United States.

Former Governor Pinchot of Pennsylvania is a rich man, and here is what he said in regard to the unequal distribution of wealth in 1931:

> The force behind the stubborn opposition to Federal relief for fear lest the taxation to provide that relief be levied on concentration of wealth—fear lest the policy of years, the policy of shielding the big fortunes at the expense of the little ones, should at long last be tossed into the discard.
>
> This business has gone far enough. We must, as a Nation, give help to those of our fellows who are broken in health and spirit because they cannot find food to eat or clothes to wear or work to do. This help must come—not mainly from the man of small means, as local relief would have it come, for that will tend only to increase and prolong our distress. It must come mainly from the rich, from those who can so easily carry the burden, from those whose taxes can in no way weaken what consuming power is left us.
>
> In the name of those who are overburdened now, I demand that the tax rates on the upper bracket incomes be increased. In their name I demand that the graduation of the inheritance tax be steepened. And in their name I demand that the exemptions and the lower bracket tax rates be left untouched. To meddle with them is to trifle with disaster and to invite the depression to stay.
>
> I pay an income tax in the brackets myself. In time, a goodly share of my estate will go to the Government.
>
> But I am willing that the Government shall take more of my income, rather than that millions should suffer from want and hunger. I would be glad to see more of my estate appropriated in taxes if it be used to help set this Nation on its economic feet. I believe in levying taxes according to ability to pay.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. LEA].

THE TOWNSEND PLAN

Mr. LEA of California. Mr. Chairman, the Townsend plan proposes that every citizen over 60 years of age be paid a monthly pension sufficient to make his total income $200 a month, or $2,400 a year. Both husbands and wives are eligible.

The pension is to be paid on condition that the beneficiaries refrain from all gainful employment and spend the money within 30 days.

The funds to pay these amounts are to be raised by an inheritance tax, a gift tax, an income tax, and a transaction tax. It is also provided, in substance, that if these taxes are insufficient, funds may be taken from the Treasury, "subject to reimbursement." A "transaction tax" is the principal reliance for raising the necessary funds.

The plan has two radically different purposes.

One purpose is to take care of the needy aged. The other is to give the aged money regardless of their need and in excess of their need, to force its expenditure and thus, in the words of Dr. Townsend, "keep a constant demand for production and consumption." Let us illustrate. Here is an aged couple. They have a modest home, free of debt, but little income. Let us say they need $50 a month. Instead of giving them $50 a month the Townsend plan would give them $400 a month.

The $50 is given the old couple because they need it; the $350 is given them beyond their needs, on condition they will spend it promptly in order to promote prosperity.

CARE OF NEEDY

These two purposes are as different as day and night. One purpose is humane and commendable, the other is, in my judgment, improvident, wasteful, morally and economically indefensible.

There is no better way to spend our money than to help the needy. To help them according to their need and our ability to provide such help is a duty and a just assumption of our responsibilities. We should be happy that we are able to provide for such need. We have no poorer way to spend money than to take from those who need it and give to those in more favorable conditions; to take it from the industrious and the frugal to maintain others in luxury or idleness.

NUMBER OF ELIGIBLES

Under the census of 1880 we had only 50,000,000 people. Out of that number 50 years later, in 1930, we had 10,385,000 over 60 years of age.

The number of persons over 60 years is increasing at the rate of about 200,000 a year. That means that the average cost of carrying the Townsend plan would increase about $480,000,000 a year for 50 years to come.

We now have over 11,000,000 past 60 years. Fifty years from now we will have more than 25,000,000 over 60 years of age.

THE COST

About 10,000,000 would probably qualify as eligible pensioners. The annual cost would be $24,000,000,000, outside of the vast expense of administration. This would be equivalent to a per-capita tax of $190 per year for each man, woman, and child in the United States.

The present per-capita tax for all purposes—district, municipal, county, State, and Federal—is estimated at $122. If we add $190 to $122, it would make an average annual per-capita tax of $312 for every man, woman, and child in the United States.

It would increase the present total tax of our people over 150 percent.

The amount of dollar bills required to pay this tax each year if placed end to end would make a solid line 2,250,000 miles long, or 90 circles around the earth, forming a world highway 18 feet wide. It would pave a boulevard 144 feet wide 3,000 miles from San Francisco to the Atlantic.

Every dollar of that vast sum would represent the surrender of some taxpayer's labor or property to provide it.

Invested capital in the United States produces a net average income of less than 4 percent annually. To support the Townsend plan by invested capital would require $600,000,000,000. The total wealth of the United States, income and nonincome property, is now only about $300,000,000,000. The net income from all invested capital in the United States is insufficient to pay the Townsend plan pension.

The average expectancy of life at 60 years is about 15 years. Under this plan an average of $36,000 would be paid a pensioner after he ceases to engage in any gainful employment.

The average annual per-capita income of the American people for the 20 years, 1910–29, is estimated at $511.25. The earnings of an average person for the first 60 years of his life would be $30,675. The amount paid him under the Townsend plan during his idleness would be $36,000, or $5,325 more than the total earnings of his life for 60 years. Fifteen years of idleness would bring a greater reward than 60 years of industry.

Townsend pensioners, if formed in one great parade moving at the rate of 10,000 an hour, would require 40 days and nights to pass a given point. The Government would have to hand out checks for $200 each at the rate of over 13,000 an hour 24 hours a day for 30 days in order to pay the pensioners within the month when due.

The income of the average citizen, 1910–29, was $42.60 a month. The Townsend plan would pay a pension of $200 a month, or more than four times the average income of our people.

In 1934 the national income of the United States was about $50,000,000,000. The $24,000,000,000 required to pay the Townsend pensioners would be 48 percent of that total national income. If the plan had been in operation in 1934, 8 percent of our people, the pensioners, would have received 48 percent of our national income. Ninety-two percent of our people would have received the other 52 percent of the income.

In 1935 the total farm income of the United States was only $8,000,000,000. The amount required to be paid to the beneficiaries of the Townsend plan would be $24,000,000,000, or three times the total value of all the farm products of the United States.

Travel through the Pacific States, through the South, through the Central West, and you will see these products of our farms in amazing quantities. They represent the annual earnings of 30,000,000 of our farm population, yet all those millions earned last year would not pay one-third of that proposed for the beneficiaries of the Townsend plan. Can any person conceive that such a burden can be assumed without placing an unbearable load on the people of our country?

These facts show the impracticability and impossible burden of the Townsend plan. It is a vision, not a plan.

FORCED EXPENDITURES

The Townsend advocates urge that the pension must be $200 a month, and be spent within 30 days, in order to force the circulation of money in a sufficient volume; that if we do this, we will restore and maintain permanent prosperity for everybody.

In other words, we are asked to pay these vast sums to the aged people, not because they need it but because it is a necessary means to force the circulation of money.

We have a growing concern about the number of Government employees. Theodore Roosevelt once said, in substance, that every useless Government employee is an uninvited guest at the breakfast table of every family in America, sharing with the family and decreasing what it has to enjoy. But it is said that under this plan the money is all to be spent, pass into circulation, and bring prosperity. All the money now gathered by government through taxation soon passes into the channels of private industry, the employment of labor, and the purchase of materials.

Suppose that instead of pensioning 10,000,000 people the Government employ that many in nonproductive services noncompetitive with private industry. That would be a fairly comparable proposal to the Townsend plan. We would seek prosperity through greater taxation in the hope that the circulation of the tax money would bring us prosperity. No one would have confidence in such a plan.

Prudence in the expenditure of this money is not within the theory of the plan.

Let us see what is the opinion of Dr. Townsend as to the necessity of prudently spending money. When before the Ways and Means Committee he was interrogated by Mr. HILL, a member of the committee, as follows:

Mr. HILL. He could not go out and squander it in order to get rid of it, so that he may be eligible to receive $200 the next month?

Dr. TOWNSEND. We do not care what he does with it. That is immaterial. Let him have carte blanche. Let him buy whisky with it if he wants to kill himself off as quickly as he chooses. That is immaterial. It is commerce—business—that we want in the country. We are not going to regulate people's morals in the least when we give them money to spend.

Mr. HILL. Suppose a husband and wife qualify to receive this pension. They would be receiving $400 per month. Let us say they have a family of grown-up children. Would it be permissible for those children to live with them and be supported from the provisions supplied with this pension money in the home?

Dr. TOWNSEND. Why not? Why not let elders buy commodities and give to their children if they like? That is immaterial.

IMPROVIDENT SPENDING

Let us look at some examples of how the earnings of the taxpayers under the Townsend plan are to be spent.

Much of the money would be spent for purposes never thought of as being in their reach by those who paid the taxes.

John Jones is a prosperous man. He has a fine home free of debt, a good auto, and all the other reasonable comforts of life, including $30,000, bringing him $1,500 a year interest. Under the Townsend plan we would give him and his wife $3,300. To get the money to pay that $3,300 we tax the poorest workingman, everything his children wear; the farmer, already crushed under a farm debt; not one man, woman, or child in the land escapes the tax burden.

John Smith and wife are over 60 years of age. They have a good home, no children, and he has a $2,000 job. He gives up his job. The rest of the people of the country, out of their earnings, no difference how badly needed, pay him and his wife $4,800 a year.

John Doe has had good health all his life, but he was lazy and shiftless. When he was making money he saved nothing. When 60 years of age, the people who have worked and saved are to pay him $200 a month.

A husband has a salary of $12,000 a year, or $1,000 a month. His wife has no salary. The people would be taxed to pay that wife $2,400 a year. Who can justify such an expenditure?

Bill Smith is an unmarried man over 60 years of age, in good health, and is amply able to take care of himself. He is to be given $2,400 a year. The widow who lives next door in a rented house with three minor children dependent on her is to be paid nothing. Everything that she and her children eat or wear will be taxed to help support Bill Smith.

There are 43,000,000 school children under 18 years of age, all of whose parents would be subjected to a multiple tax on everything they use, eat, or wear to pay pensions.

In all, there are about 70,000,000 people in the United States who are wholly or partially dependent on others for support. All these people would be taxed to pay $200 pensions to millions of people who need no pensions, or who need far less than $200 a month.

Examples can be multiplied indefinitely, under which the Townsend plan would authorize the payment of money with

appalling indifference to its prudent expenditure and disregard of any consideration for those whose labor produces the funds.

"HUMILIATING" TO SHOW NEED OF PENSION

The legitimate basis of an old-age pension is the need of the aged.

We are told that a fixed amount of pension should be paid alike to all over 60 regardless of their need; that the applicant should be paid his pension without being humiliated to show a need. The taxpayer is not relieved from paying the tax by showing he needs the money. Is it fair to him that his earnings should be taken and paid others whether they need it or not?

A person who receives his living from others has developed a supersensitive sense of humiliation if he wants to be supported without even being required to show that he needs help.

It should be humiliating to receive the money on any other basis than one's need. If misfortune comes to me, and I find it necessary to go to you for help, the only way I can justify asking you for money for my support would be that I need it. Without the need I would be humiliated and unwarranted in asking your help.

When we receive our living through an age pension from the Government we are placing our burden on the shoulders of other people. The only justification that we can have for placing that burden on them is our need.

ENFORCED IDLENESS

The Townsend plan tries to enforce idleness after 60 years by refusing a pension to those who pursue any gainful employment. The man who tries to support himself in whole or in part by gainful employment is denied a pension. The theory seems to be that the rest of us want the entire job of supporting those over 60, and if they insist on trying to take care of themselves we will do nothing for them.

A plan that denies an individual a useful and gainful employment tends to impoverish, rather than prosper, the Nation. Enforced idleness is not a legitimate goal of existence. On the contrary, the normal and happy man is the one usefully employed while properly able to work. Usefulness, rather than idleness, should be the motive of life, even in the crowning years of age.

We have heard much about the improvidence of plowing under a portion of growing crops to prevent a glut in the market of the farmer. That method was resorted to as a temporary emergency in aid of distressed agriculture. No one should suggest that as a permanent policy.

The Townsend plan would establish a permanent policy of preventing many men of good health, experience, and ability from engaging in useful employment, contributing to the productive wealth of the country, and thus adding to the sum total of what the American people can enjoy. In the language of the day, this is a proposal to plow under human usefulness.

Under the pressure of the depression we have 10,000,000 unemployed. This is an abnormal condition awaiting better times for correction. The unemployed are economically nonproductive and burdensome. If unemployment is what we need to make prosperity, we should have it already.

Under the Townsend plan millions would be needlessly taken from gainful productive pursuits and placed permanently among the unemployed, nonproductive population.

It is more profitable to society to pay a man to work than to pay him not to work.

FEDERAL PENSION CONTRIBUTION

The Federal Government recently provided for matching State pensions for the aged up to $15 per month. That is, the Federal Government will give not exceeding $15 per month for the care of those over 65 years of age where the State provides a similar or greater amount. The Federal plan contemplates the money shall be given only to those in need and to the extent of their need.

The $15 a month provided for by the Federal Government is not offered on the theory that the Federal Government is assuming the duty of providing a living for the aged, but rather as a contribution to encourage the State to perform its proper function in caring for its needy aged.

Under the plan of the Federal Government and the States as now practiced, it is the duty of the children to take care of the parents, if able to do so. Under the Townsend plan, the children would be entirely relieved of the obligation to take care of their own parents. Under the plan of the Federal Government, the pension is confined to the need of the individual. Under the Townsend plan, the pension is given regardless of that need.

The primary duty to care for the aged rests with the States.

The States should contribute to any just old-age pension plan. For 145 years the States and their local subdivisions alone provided for the needy aged. Even now only 22 States have State-wide pension systems. The Federal Government has stepped into this situation to encourage the States to do their full duty to the aged. After the State has matched the Federal contribution, it should provide as much more as it finds necessary for the pensioner.

If the State fully matches the Federal contribution, and no more, the pensioner will receive $360 a year; a husband and wife $720. This total would equal the income on $14,400 at 5 percent.

This Federal contribution is being called a "pauper pension." Now, when, for the first time after 146 years, the Federal Government is starting in to help on old-age pensions, before the first payment is due, a cry of complaint is heard about the insufficiency of the amount.

We should at least give the States a little time to catch up on their duties to the aged. Time may justify a higher contribution. Let us not start a political auction at this time, with candidates trying to outbid each other in spending other people's money as the easiest route to political success.

The idea commonly seems to prevail that money from the Federal Government does not cost the people of the States anything. Until John Citizen wakes up to the fact that the only source of revenue of the Federal Government is the people of the States, we are in a poor position to legislate discreetly on pensions.

LET EARNERS SPEND

The old-fashioned idea was that the man who earns or saves money should have a right to spend it. Under the Townsend plan we take money from the man who earned it and give it to others to spend to create prosperity.

It is a proposal that one shall sow, another reap; one earn, another spend.

Will the pensioners spend it more usefully than those who earned it?

Those who earn money spend it to pay their current living expenses. If anything is left beyond that, they invest in productive enterprises where the money pays for the employment of labor and the production of useful articles to supply the needs of our people. I know of no purpose for which money can be spent by pensioners that will be of greater advantage to labor and to the ccuntry than those purposes to which its owner applies it. Every intelligent person either spends or invests his money. That is the only way it can be useful to him or anybody else.

The man who earns his money by the sweat of his brow, who denies himself comforts and luxuries of life to save and invest to provide for himself and his children should have first claim on spending it.

I would willingly tax him to pay his part for the relief of the needy.

I will not help to take his earnings to give to others in better circumstances or beyond their needs.

If the Nation should adopt the novel policy of forcing the expenditure of money for the sake of spending, then to whom should we turn to do that spending? One plan would be to force the man who earned it to do his own spending and let him get the benefit of it. The Townsend plan turns to those over 60 years of age and excludes all others as beneficiaries.

In my judgment, if we should adopt such a policy of forcing the expenditure of money through others than those who earned it, we should place the money in the hands of those who most need it, regardless of their age. People are not all in need of money because they are aged. Many of

our people fortunately go into old age well provided. They are no more entitled to receive money for the sake of spending than persons in any other age of life. If your money is to be allotted to be spent, let it serve the double purpose of spending and care for our needy, regardless of age.

Give it to the blind, the cripples, the widowed mother and her small children, to neglected children. The most productive investment in human beings is in our boys and girls and our young men and women.

With so many in need, why place one dollar in the hands of those not in need? In giving to those who really need we could exhaust the spending power of the Nation. Make the spending campaign one of undivided mercy and helpfulness; take from no unfortunate to give to those in happier or more comfortable conditions.

PROPAGANDA METHODS

The adoption of the Townsend plan would be a momentous change in our Government. It would make more people dependent upon other people than any other single act of mankind. Yet the means of carrying this incomparable burden are referred to only in the most nonchalant and carefree way. We have only the talk of the slick salesman. In your interest and out of his love for you he comes to tell you how easily and how quickly you can get rich. With assurance he describes to you the convenience and blessings of a good income, a life of ease, and the prestige of comfort; how foolish to grind along, making a living in the commonplace drudgery way. He convinces you. The first little formality to be attended to is to raise the money. You mortgage your home. It is really no mortgage; you are just loaning your credit until the fourfold income blots out your debts.

The gray dawn comes, the sheriff is at your door. You walk out of your home and turn back at the gate to see the last beam fade out of your rainbow.

Let us not conduct the business of this Nation in any such fashion.

The Townsend Booklet No. 2 states that the funds for these pensioners can be secured and "place no great burden on anybody." It is said the plan does not impose "any obligation upon our Government except only to furnish the mechanism for operating the plan." All the Government has to do is to tax the people $24,000,000,000, pay the staggering expense of administration, and turn the money over to the pensioners.

It is further stated "it does not cause any public debt." The plan would create the greatest debt burden ever assumed by any nation in the history of the world, and yet we are assured that that is not the creation of any public debt. Are such statements candid, fair, or enlightening? Do they help to a proper understanding of a plan so glibly presented?

INVEST IN PROSPERITY

In effect the American people are urged to invest in a scheme to produce wealth. The first feature of the plan calls for more taxes.

To a prudent man or woman there are two primary considerations in making an investment. First, you want security; you do not want to lose your money; you want it to come back to you; you want to be quite sure of that.

In the second place, you want a fair return on your investment; you do not want to part with your earnings for nothing, to give or throw them away.

This plan proposes that you invest your money in increased taxation, 150 percent greater than the country now pays. It proposes that you invest in idleness; that this money be paid to people on their promise not to work or help bear the burden of their own support.

The assurance that your investment is secure and profitable is based on the belief that the people who will spend your earnings will spend them more to your advantage than if you spent them yourself.

I ask you, as a prudent man or woman who knows how you earn your money and how you save it, do you want to invest it in that sort of an enterprise?

Irresponsible people who neither save nor plan for the future, who are indifferent to the country's welfare, and who measure the country's policies even by the hope that they may prosper by taking the earnings of others, may be willing to invest in the plan; but I submit those who act for the benefit of themselves and their children over the long future, who have a just regard for the rights of others, cannot afford to invest in this illusive hope.

THE TRANSACTION TAX

The transaction tax is advanced as the means by which these magic sums of money are to be accumulated with "no great burden on anybody."

Debts are debts; taxes are taxes. They must be paid out of the earnings and savings of the industrious and the prudent.

The taxes to be collected under the Townsend plan are just as burdensome as taxes for other purposes. If the people of the country pay $24,000,000,000 more taxes, they have that much less to spend for other purposes.

The transaction tax is a sales tax, a consumers' tax, a multiple sales tax, a pyramiding tax. It is heartless and cruel in its operation. Childhood, youth, labor, poverty, sickness, and misfortune do not escape it. It is carried as a charge to the consumer. The 50,000,000 men and women who work for wages and salaries, and their dependents, the farmers, and middle-class people, must bear its burdens.

Substantially all invested capital in the United States is engaged in producing, manufacturing, and distributing the necessities and comforts of life for the great masses of our people. Every tax imposed upon productive industry, or business transactions, adds to the cost of producing and distributing these goods, and must be paid by the consumer.

The farmers, the laboring men, and the children would be three particular sufferers from the Townsend plan. The farmer would be a chief victim because he buys and sells so much that would be taxed out of proportion to his net income. The direct and indirect transaction taxes would operate against him virtually as a property tax instead of a tax against current income; the laboring man because he would suffer a rise in his buying prices much greater than in wages; he would have less buying power because of the greater buying power transferred from him by the tax to the pensioned class. In other words, we would place on him the support of others outside his family.

The children would be the chief sufferers of all. In 1930 we had 43,000,000 children in the United States under 18 years of age. Their young and middle-aged parents, mostly not financially entrenched, carrying the burden of food, clothing, shelter, medicine, and little indulgences for a family of several would feel the pinch, the restricted earning power under the Townsend plan. The earning power of these parents for their own children would be greatly diminished by the burden of carrying the pensioners. It would be cruel and unconscionable through a multiple transaction tax to take or diminish the food, clothing, shelter, and comforts of the 43,000,000 children of America. It would mean a harder lot for the average child, a decrease of his opportunity in life.

It is these children's homes the transaction tax would hit the hardest. The last place I want to send the tax collector for unnecessary and burdensome taxes is to the homes of the young men and women of America who are carrying the blessed burden of bringing up the future citizen of this Republic.

MORTGAGE ON CHILD

Let us take the case of the average child who is born into an American home. This average child will live to be about 57 years of age. During those 57 years he would be subjected to a tax of $10,830 to support the Townsend plan. The charge against him for taxes would equal an interest charge of 4 percent on a mortgage for $4,750 for the whole of his life. Will the young mothers of America be happy to bring their children into the world to bear this life load of debt? Will aged persons seek to place this burden on their grandchildren who will bear their names long after the moss has crept up over the inscriptions on their tombstones?

The father provides for his own family according to his varying income. Sometimes he spends more, sometimes less, just as he is able. Not so will be his obligation to help support the pensioners. They, through taxes, are to have $200

a month net income, through sunshine and storm, through abundance and drought. The father may reduce spending for his own, but not for the pensioners.

TAX A FIXED CHARGE

If you will study the Townsend plan, you will find that one certain thing about it is the tax. It provides for a universal tax, a tax to raise a greater sum than was ever before collected in the same length of time in this world. The alleged benefits of the plan are conjectural, speculative, and debatable, but the burden of the tax is definite, certain, inescapable.

When I read the Townsend literature I am not surprised to find in what glowing terms the spending benefits of the plan are described and how meagerly and evasively we are told how the money is to be earned and paid.

In connection with this tax it must be remembered that all taxes are a part of the living expenses of the American people.

One of the greatest causes of the continuance of this depression is the vast load of taxes and interest charges on our debts that now hang around the necks of the American people like millstones. These are fixed charges that must be paid before we can apply our earnings to our other needs. The Townsend plan would simply accentuate and increase the evils from which we are already suffering. Instead of being a constructive remedy to provide for increased consumption and the natural creation of wealth, it provides only for increased taxation, increased debts, taking from those already overburdened, and the creation of a special group to enjoy the fruits of their labors.

We may be justified in great expenditures in applying the money for the immediate need of the country and for labor employment. But a long-time policy affecting generations yet unborn should not be adopted, adjusted to the abnormal conditions of the hour instead of the decades to come.

The workingman is being told that it would cost him only 2 percent of what he spends to support the plan. How idle is such information! The real burden of the tax would be passed to him in the form of higher prices, which would in effect reduce his wages. The people of fixed or limited incomes, like men on wages and salaries, clerks, teachers, and farmers, would suffer a decrease in their purchasing power. Our war veterans would have the value, the purchasing power of their pensions, reduced. The annuities provided for widows and children would be likewise reduced in purchasing power. The attempt to serve humanity would begin by forcing a reduction in the value of many of the provisions already made to take care of the aged and dependents.

TAX THE RICH

No such burdensome tax has ever heretofore been proposed for the poor and middle classes of our country. Yet everywhere the plan is presented on the theory that its burden to the average man is inconsequential. Members for the Townsend Clubs are solicited to be tax spenders, not tax payers. Some rich man somewhere is supposed to pay the tax bill.

How does the Townsend plan tax the rich? It does not propose to take his property from him like Huey Long did. It proposes to tax the business transactions in which the rich man engages.

The concentrated wealth of this country is invested in a few main lines of human endeavor. It is employed in production of clothing, food, fuel, shelter, transportation, machinery, and chemicals. Any tax added to wealth so invested becomes a part of the cost of producing the articles in which the money is invested. The rich man, the same as any other producer, adds the tax to the cost of production, adds his profit to the investment, and passes it on to the consumer. If you want to give people correct information, do not tell them that a transaction tax is not a burden on the consumer.

And who are the consumers? The consumers are principally the 50,000,000 men and women who toil and their dependents. They represent the poor and the great middle classes of this Republic and few beyond these classes. The great burden of the Townsend plan would fall on the common people of our country. The great business concerns would add their costs, taxes, and profits. A plan that would not permit them to charge such a tax as costs would make it impossible for them to continue to do business. Every businessman, from the little fellow in the hole in the wall to the greatest corporation in the country, would follow that course.

A rich consumer will pay on the part he and his family consume. That will be more than the average man pays. The rich man may live on 20 percent of his income; the poor man lives on 95 percent of his income. There are so few rich and so many in poor or moderate circumstances that the great burden of the load will fall on the people of modest income.

What the rich man pays as a tax on his business transactions, on his industrial enterprises, will be passed on to the consumers as a part of the cost of production and distribution.

EFFECT ON CALIFORNIA

California has a 3 percent consumers' sales tax. This year it will produce about $66,000,000. We have one-twentieth of the population and wealth of the United States. We pay a little more than the average cost per capita of Federal taxes. In other words, every expenditure of the Federal Government costs our people a little more than it does the average population of the United States. If we could carry the Townsend plan under State law, it would cost no more than under the Federal law.

The cost to California of carrying the Townsend plan would be about $1,150,000,000 per year at the present time, with the amount increasing indefinitely.

To meet this expense by the transaction tax, which is only a multiple sales tax, we would have to collect 17 times the taxes we collected last year by our sales tax. Any man who can persuade our people to believe that their welfare is to be served by the imposition of any such tax will have to rely upon hypnotism rather than facts or common sense.

The people, ourselves and our neighbors, who pay our sales taxes, must pay the transaction tax. They would not only pay it as specific sums for taxes, but to a much larger extent in the indirect form of higher living costs. Every purchase would include the payment of not only the immediate transaction tax but every prior tax to which the article purchased had been subjected. The sober judgment of our people should convince them that so great a tax is neither possible nor desirable.

UNCLE SAM, TAX COLLECTOR

Heretofore the little fellow, the wage earner, the farmer, and the salaried man have had little direct familiarity with Federal taxes. The Federal Government has confined itself for revenue principally to customs taxes, income taxes, and limited excise taxes. The adoption of the Townsend plan would change all this. The poorest man in the land would become a Federal taxpayer. In effect, Uncle Sam's tax collector would sit at every farmer's gate collecting a toll out of all he sells and buys. He would sit at the door of every home, however humble. He would be at every counter, at every dinner table, at every business transaction. He would be there to enforce the decree of the Townsend plan to make the Federal Government a greater tax collector than all other tax collectors combined, to collect 150 percent more taxes than the total now paid by the American people.

TAXPAYERS AND TAX SPENDERS

The Townsend plan divides our people into two groups—10,000,000 pensioners, nonproducers and tax spenders; 115,000,000 others, producers and taxpayers. The taxpayers support the tax spenders. The tax spenders do not support the taxpayers. The buying power of the aged is increased, but only to the extent that the buying power of the taxpayers is decreased. We must first take from the taxpayers before we can give to the tax spenders. The taxpayers support the pensioners; the pensioners do not support the taxpayers.

Money is a measure of value. It is also a medium of exchange. We receive money for our labor and materials. We exchange the money for other labor and materials. The exchange of money is a means of transferring our labor and our materials with others. When we give the aged our money, they keep not our money but our labor and our materials. When the taxpayers get back their money through purchases by the aged they may have as much money, but no more, than before. They are out their labor and materials thus transferred to the aged. We can never prosper by giving people money with which to buy our wares. We do not in-

crease our spending power by giving away our money and getting it back by selling our goods for it.

Some years ago I met a man who had 10 grown children. His family had more property than average Americans. Suppose the 10 children contributed $400 a month to their two parents. Would the family increase its wealth or have any more purchasing power? Certainly not.

Our Nation is a group of families. No difference how large the group, the process and result is the same. There is no increase of purchasing power by transferring the money from one group to another.

It is true that persons over 60 years of age would, individually, have more money to spend. Other individuals would doubtless receive more than the plan would cost them. It would cost somebody else more than they received.

Give the aged $24,000,000,000 of our money and we are no richer than before. They have $24,000,000,000 more and we $24,000,000,000 less. They come back and spend the money to secure our labor and our property. When the "revolving" is complete the 115,000,000 have the same amount of money as when the "revolving" began, but they are short $24,000,000,000 worth of services and property.

ADMINISTRATION

The proper administration of the plan would require a Government check-up every month to learn whether or not each beneficiary has spent the money given him, and the amount of the individual income, if any, which should be deducted from his $200 pension. As there are over 10,000,000 eligibles scattered to the remotest sections of the country, it would require an army of employees to supervise its administration.

If it took 10 minutes to check the application and pay the claim of each pensioner, the time consumed by Government or bank employees on each monthly settlement would be over 200,000 days. No mortal man can know the thousands of years of labor it would take to earn the money to make even one monthly payment.

The number of business transactions that occur in this country are innumerable. If two farmers in Iowa trade a calf for a pig, both must be checked up and the tax paid. So all over the country. If the whole United States Army was assigned to the job, it would be unequal to the task. There might be 10,000,000 pensioners, but there would be over 75,000,000 people engaged in transactions calling for a tax, a check-up, and collection.

A TEST OF POPULAR GOVERNMENT

The Townsend movement is a mass attack against the earnings and savings of the industrious and the thrifty. It proposes to take earnings from all and award them to the industrious and the slothful, the deserving and undeserving alike. It offers, not something but much, for nothing. It encourages idleness, discourages industry and frugality. It makes a vicious appeal to the electorate to use their political power to vote themselves a competence at the expense of their fellowmen, even at the expense of those already in poverty and distress. It appeals to the selfish, the avaricious, the shiftless, who are willing to ride and live off the fruits of others.

The power of our people in Government includes the power to destroy the value of private ownership and to deny just rewards to thrift, frugality, and industry.

Our economic system rests on security in the ownership and enjoyment of property. We are dependent on men who have accumulated property for the employment of labor. The propertyless are not employers of labor.

If our people establish a practice of using their political power to vote themselves pensions, regardless of their needs, then we are cultivating an appetite that is insatiable. The demand will grow and grow. Already it is suggested that the pensionable age be reduced to 55 years, and also that several other million beneficiaries be brought within the plan. If 10,000,000 people can live off of others in idleness, why not the rest of us?

The logical sequence of such a practice would be to take away the reward of private ownership and the incentive of the individual, the moral deterioration of our workers, the elimination of the private employer, and the gradual mergence of our economic system into a socialistic state, with the Government as the employer. Then industry will be under a political and incompetent control, with decreased production and increased cost. The share-the-wealth plan will fade into a share-the-poverty plan. Shall preying upon the thrifty become a practice and a policy of our people?

Our faith in popular government assumes a wisdom and virtue on the part of the people that will forbid them from using their political power to take over the earnings and property of their neighbors.

Soon our land will ring with the appeal, "Vote for us and we will give you $200 a month"—of other people's money.

Can our Government stand this test?

The American people are the descendants of pioneers. On the whole they have been a hard-working, self-reliant class. In the language of another, I do not expect to see this people sink down "to the level of a pension-collecting, rocking-chair-sitting, money-squandering outfit."

The adoption of the Townsend plan would make more people dependent upon other people than any other single act of mankind. The far-reaching and ramifying effects of such a change upon our political, economic, and social structure can be measured with no degree of accuracy. I have not attempted to discuss several of its ill consequences. If the Nation hastens into this magnificent folly, it will probably long repent in sackcloth and ashes.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. LEA of California. I yield.

Mr. BLANTON. The distinguished gentleman from California [Mr. LEA] is one of the most distinguished and beloved Members of this House, and a most valuable legislator to the country. He has been chairman of the Democratic caucus of this House; he is one of our leaders here; yet Dr. Townsend and the hired help of the Townsend movement say, forsooth, because he will not support this monstrosity they are going to remove him from office! They cannot do it. His constituents would not allow it. It would be a calamity to the Government if this should occur. [Applause.]

Mr. LEA of California. Mr. Chairman, I yield back the balance of my time.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. MORITZ].

Mr. MORITZ. Mr. Chairman, in reply to the gentleman who preceded me, whenever somebody speaks on a popular subject, a grand big hand is given to him when the majority agrees with him. If, however, more Congressmen would get home oftener and see what conditions people at home have to live under they probably would change their minds. Why, Mr. Chairman, there are but a few professional men in a city right now who can make a living. People are not back to prosperity by any means. They have a little temporary relief given to them by the W. P. A.; but, as for any semblance of prosperity, it is not there. Congressmen are paid $10,000 a year; they are allowed a couple of clerks, and almost every one of them to a man has a son or a daughter on the pay roll; and they fold their arms and say: "Why fool with this Townsend plan or any other plan? We are sitting pretty."

Mr. Chairman, let me cite the instance of a dentist from whom I recently got a letter. He said that of 15 extractions he performed but one person was able to pay 50 cents. He wrote me another letter saying he is $900 in arrears of rent, and does not know how he can keep up.

Mr. Chairman, I do not find fault with anybody who differs with me, but I do not think any other person should find fault with those who differ with them. [Applause.]

Mr. Chairman, I do not say the Townsend plan is 100 percent perfect. Is any other plan perfect? Right after the war there was a sales tax that taxed you out of house and home and it was a hardship on the poor man. The proceeds of the sales tax went to the Government of the United States, and what they did with it nobody knows; they probably bought some trucks and left them out in the rain to deteriorate. The point is, however, that the Government got those proceeds. But this sales tax, if you please, is a refund to the people who give a portion of their money to a fund from which they can expect some benefit. It is like contributing to an annuity fund. Those contributing know they will be the recipients of the benefits of these funds. It is

quite a different story from having to pay a sales tax and never seeing the money again.

You have not answered this problem at all, my friends. You may talk about abolishing the Townsend plan, but you cannot get away from it. Only those people, if you please, belittle something new when they themselves are "sitting pretty."

Members of Congress, as a general rule, like to hear other Members narrate personal experiences, even though they do not agree with them. I have just a few ideas in mind and I wish to express them. Pittsburgh is going Democratic again, because Pittsburgh is an industrial and mining section, and they know they cannot depend upon nor get anything from the reactionary Republicans. In 1924 when Senator La Follette came to Pittsburgh the revolt began, and from that date the people of Pittsburgh have stood for that which is liberal. They realize that it is the reactionary Republicans who own the monopolistic corporations in Pittsburgh. Pittsburgh and western Pennsylvania will go Democratic again because President Roosevelt has shown that he is liberal-minded.

Mr. DUNN of Pennsylvania. Will the gentleman yield?

Mr. MORITZ. I yield to the gentleman from Pennsylvania.

Mr. DUNN of Pennsylvania. Is it not a fact one of the reasons why the gentleman approves the Townsend plan is because he believes it is going to bring back prosperity and, if enacted into law, welfare agencies and poorhouses, as well as the slum districts, will be eradicated from the United States?

Mr. MORITZ. The gentleman has stated the proposition correctly. We are having a meeting of the steering committee with reference to the McGroarty bill this evening. Never has it been stated that $200 was to be given to every person over 60 years of age.

Mr. DUNN of Pennsylvania. May I say to the gentleman there has been a misunderstanding of my position with reference to the Townsend plan. I am in favor of an adequate pension, but I am not in favor of putting a sales tax on the common people and on the poor people. However, I am in favor of an adequate pension. [Applause.]

Mr. MORITZ. The gentleman may make a speech on his own time.

Mr. DUNN of Pennsylvania. I just made it. Thanks.

Mr. MORITZ. Mr. Chairman, as I stated before, the taxing of poor people, of course, is a hardship; but if the poor people get something out of it that is better than they fared heretofore where a sales tax was in force and they got nothing out of it, as happened right after the war.

Mr. Chairman, I wish to speak also on the subject of money. May 18, 1920, to my mind, ought to be put down as a big black-letter day, because it was on that date that the Federal Reserve System contracted the currency, and from that date the depression started.

Mr. Chairman, I believe the time is fast approaching when great numbers of our citizens are commencing to ask embarrassing questions of Members of this Congress.

The same questions would have embarrassed Members of 73 Congresses which have preceded this.

The Constitution of the United States is being rediscovered. The recent decisions of the Supreme Court have been widely proclaimed. Congress is on the spot and the Court is on the spot.

Men are asking us, "What of the powers of Congress?" Why is it that the first enumerated power, the power to tax, is upset by the Supreme Court which interprets the use of that power as illegal and unconstitutional when the tax is levied on one portion of our people and disbursed to another portion?

They criticize from all sides our use of the second power of Congress, the power to borrow money. Frankly, I admit I cannot answer their questions. I cannot find the answer to such simple questions as these: Why is it that this Government has to establish an R. F. C. to bail the defunct banks out of trouble and loan them one-third of their entire capital stock to keep them operating, and insure their deposits to keep the faith of the public in them, and forgive them the duty of paying interest on time deposits, and then after all these things loan them the currency of the United States against their assets? Why then does this Government have to borrow money from the banks to pay the bonus or any other extraordinary expenditure?

Why is it, they ask me, does this Government issue interest-bearing bonds, oversubscribed by the banks, in amounts of billions of dollars, when the Treasury statements of the Comptroller show that all the banks in the Nation have only about $700,000,000 in their vaults; that the day after they subscribe to Government bonds they still have the same amount in their vaults?

Why is it that the Supreme Court kicks out all our legislation under the commerce clause of the Constitution and upholds our legislation under the fifth power of Congress, the money power, as in the case of gold revaluation?

I am asked if Congress has the power to "coin and regulate the value of money", why we do not use that power and issue the currency of the United States, leaving credit to the banks instead of doing as we do now, when we permit the private bankers to issue the currency? I am wondering whether we are not running in reverse all the time. I am again asked questions by the people that I cannot answer. Why did Jackson veto the charter of the Second Bank of the United States, which was privately owned, because he believed it unconstitutional, while Democrats who praise the name of Jackson defend the privately owned Federal Reserve System, which must be just as unconstitutional.

Why do we who follow our great President in his destiny and praise his inaugural address in which he promised "to drive the money changers from the temple", and now in the Banking Act of 1935 vote to give all the profits of the Federal Reserve System over to the bankers, when the fact is that from 1913 to 1935, after a 6-percent dividend was declared, the profits were always split 50-50 between the Government and the bankers?

Why is it that in all this banking legislation and in all this bond racket there is no objection of our actions from the other side of the House?

Why is it that the administration is so frequently charged with invading the field of private business, is not urged to invade the field of public business, the money and the banking field?

Since Saturday last I am asked why Governor Smith, in his attack on President Roosevelt, kept away from the money question, the bond question, and the banking question. Why did not Al mention that the only power of Congress we Democrats used that did stick before the Supreme Court was the money power; and as he spoke in the Mayflower under the auspices of the American Liberty League, I am wondering why he did not criticize the Banking Act of 1935, the interest-bearing bonds, the debt of thirty-odd billion, and the burden the taxpayers are bearing because of interest on money borrowed by this Government, the only power in the land that has the power to coin it.

I am honestly wondering, Mr. Chairman, if it would not be the best thing for the people if the Democrats fixed the responsibility for the depression directly on the Republicans, under whose administration and from 1929 to 1933 six and one-half billions of dollars in fiction credit money was permitted to be withdrawn from circulation by the private banking system of this country.

But I am in difficulty, for I fear the Republicans might reply that we Democrats tried to borrow our way back to prosperity by issuing interest-bearing bonds and thereby imposed a double burden on a tax-ridden people.

Finally, the question I am never able to answer any constituents is this, Why does Congress not take over the whole Federal Reserve System, lock, stock, and barrel, paying its private owners in full what they paid for their stock with 6 percent from its date of purchase, less any dividends that may have been paid, and with that System as an agency of Congress, build a central bank, a monetary authority, a fiscal agency of the United States, that will keep the supply of credit and currency adequate and safe; that will control

inflation and deflation; that will raise price levels and destroy the greatest enemy of the Nation—the Federal Reserve System, with its private control of money? [Applause.]

[Here the gavel fell.]

Mr. LAMBERTSON. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Chairman, I have been somewhat intrigued, if that is the correct word, by the discussion that has gone on here with reference to the address of former Governor Smith before the Liberty League the other evening. The gentleman from Pennsylvania, who addressed the House this morning, and the gentleman from Minnesota, who addressed the House yesterday, stated that the Democratic Party created a precedent when they walked out on Al Smith in 1928. The reasons, of course, that they walked out at that time are never discussed in polite society.

What especially stimulates me in connection with that situation is the fact that Governor Smith is arrayed in bitter, unkindly terms for having attended a gathering and addressing certain malefactors of great wealth, the men who are contributors to the Liberty League fund. I sought and endeavored a moment ago to gain from the eloquent gentleman from Pennsylvania—I still call him that, although he disclaims the honor—a difference between the practice of the distinguished occupant of the White House spending weeks at a time on the palatial yacht of Vincent Astor and the fact that Governor Smith—a distinguished and ripened publicist, with his life full of undoubted achievements for mankind—appears before these industrialists and gives his views on the state of the Nation. I confess that I am unable to understand the outcry that has gone out with reference to this matter. It seems to me it is definitely and basically a demagogic attempt to becloud the issues and throw sand in the eyes of the people.

I do not envy nor do I deny to the distinguished President of the United States, whose burdens are heavy, the right to seek his recreation wherever he may; but I call attention to the fact that these Liberty Leaguers, who are in fact real industrialists, employ thousands of men and make localities blossom like the rose. Why are they put in the category of abandoned men and lepers from the economic standpoint and, at the same time, Vincent Astor is by inference dignified and exalted by the attendance of the President of the United States on his $3,000,000 yacht?

Mr. ZIONCHECK. Will the gentleman yield?

Mr. CULKIN. No; I cannot yield to the gentleman now.

Nor were those visits to the yacht without fruit. I call attention to the Members of the House to the fact that out of this association ripened and blossomed the magazine Today. When Professor Moley crossed swords with the distinguished Secretary of State and was thrown into the discard, then indeed, if you please, Vincent Astor, the friend and familiar of the President, took the other friend and familiar of the President to his bosom and started this magazine. May I suggest to the gentlemen on the other side who are attributing unworthy motives to this great American publicist, Al Smith, who is great in achievement, great in point of character, and from my viewpoint possesses sound political philosophy, that the President's own party is not free from the alleged stain of associating with these malefactors of great wealth.

For example, Jim Farley, the field marshal of the Democratic Party, is not loath to accept a substantial contribution from the Morgan firm—the hated Morgan firm—which has been brought to its knees and an attempt made to show that this firm was in fact an outfit that was promoting war. They contribute to the Democratic campaign fund. The Fisher Body outfit, with its history of labor-struggle difficulties, and the Chrysler firm, with a similar history, are substantial contributors to the Democratic campaign fund. Last, but not least, Mr. Chairman, is that distinguished purist, that great publicist, Henry L. Doherty, who sold the American people a billion dollars' worth of stock which on the findings of the Federal Trade Commission is now worth $30,000,000. He is likewise the friend and familiar of the President. Father Coughlin, a publicist of some renown, says that both parties are tarred with the same stick. He is a neutral diagnostician, and when he states they are both tarred with the same stick it is worth considering.

I mention these facts, in passing, for the purpose of calling the attention of the House to the fact that while Al Smith made this address there he spent but 1 hour in that company; but the distinguished President of the United States, in the palatial atmosphere of the *Nourmahal*, costing from three to four million dollars, spends weeks at a time hiving with other gentlemen who have not amassed but only inherited vast wealth.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. Not now.

So these contacts, if you please, are mutual. Both parties have them; both parties have their financial fringes as they have their lunatic fringes. So do not let us hear any more of this claptrap and demagogic outcry against the propriety of Al Smith addressing a meeting of industrialists who have on their pay rolls at a real living wage thousands of contented Americans.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield now?

Mr. CULKIN. I am going to yield first to my distinguished friend from Washington, but I am not going to listen to a speech.

Mr. ZIONCHECK. Referring to the gentleman's last statement, what is the lunatic fringe and what is not the lunatic fringe to which the gentleman refers—the ones who accept these funds the gentleman talks about or those who do not accept them?

Mr. CULKIN. I may say——

Mr. ZIONCHECK. Well, answer the question.

Mr. CULKIN. Who has the floor, Mr. Chairman?

Mr. ZIONCHECK. All right.

Mr. CULKIN. I have tried to be courteous to the gentleman, but now he is bulldozing me. [Laughter and applause.] Both parties are guilty of the same crime, if it is a crime.

Mr. ZIONCHECK. But how about the lunatic fringe? Will the gentleman answer that?

Mr. CULKIN. No; that is all. I yield now to the gentleman from Massachusetts.

Mr. McCORMACK. I was rather interested while I was listening to my friend's remarks to know whether the gentleman supported Governor Smith in 1928.

Mr. CULKIN. No; I am frank to say I did not, but I have never ceased to admire Governor Smith as an executive. We have had a long line of distinguished Republican Governors in New York State, but no Republican Governor in New York State gave better service to the people than Al Smith—and I am stating the facts when I tell the gentleman that. May I say there were some other Governors of New York State who went into higher spheres and higher atmospheres, but none of these gentlemen were so distinguished as Mr. Smith in the office of Governor.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. I yield.

Mr. RICH. I should like to ask the gentleman from Massachusetts if he supported the President last week in his veto.

Mr. McCORMACK. Of course, I do not want to inject into the speech of the gentleman from New York an answer to that question, because it is beneath the dignity of any gentleman to try to break into another gentleman's speech by asking such a ridiculous question, which is a million light-years away from what the gentleman from New York is discussing.

Mr. RICH. Will the gentleman from Massachusetts yield? My question to you, if you support the President, is as sensible as your asking the gentleman from New York if he supported Smith.

Mr. McCORMACK. The gentleman, as usual, errs.

Mr. ZIONCHECK. Mr. Chairman, will the gentleman from New York yield?

Mr. CULKIN. No.

Mr. ZIONCHECK. I will answer the other question that the gentleman asked.

Mr. CULKIN. Mr. Chairman, in connection with this matter of great wealth, may I say for the purposes of the campaign the pot should not call the kettle black? I do not believe the field marshal of the Democratic Party, the Postmaster General, would be apt to regard as tainted money, money from any source; and I do note that, due to his industry and vigor in that connection, he has at least been able to get just as much money for the coffers of the Democratic Party as the Republican group has for the coffers of the Republican Party.

I think this covers my discussion of the situation, and I am deeply grateful to the House for its attention.

Mr. ZIONCHECK. Mr. Chairman, will the gentleman yield for one question?

Mr. CULKIN. No; I am not going to yield again to the gentleman.

It is a far cry from a discussion of partisan ethics to a discussion of the necessity for a balanced Budget in America. I confess that when I first came to the House and when a discussion of the necessity for a balanced Budget came up, I had some doubt about the force of it.

The former Director of the Budget, Lewis Douglas, who to my mind is one of our great Americans, was a Member of this House. He dignified this House by his splendid ability and the charm of his personality. The President exalted him to the position of Director of the Budget, and subsequently he saw fit to resign.

I am not going to discuss the implication of that, but I do wish to discuss in that connection a statement he made not long since that out of an unbalanced Budget would come inflation, national disorder, internal strife, and finally the destruction of the Republic.

Personally, I was somewhat shocked by the suggestion. I thought that perhaps in the pique, or in the abruptness of his parting with the President, perhaps he had overstated the case.

But last night I was reading a biography of the younger Pitt, the great Earl of Chatham, and in that biography the writer quotes Pitt as saying that the French Revolution was caused by the fact that France had failed to balance her budget.

You are familiar with the cataclysm of the French Revolution. The writer makes the statement that the reason why France got into that debacle of blood was because she failed to balance her budget.

Upon reading that authority I became convinced that out of inflation resulting from an unbalanced budget would come suffering to all the people, with a possibility of resulting disaster.

And so today I speak definitely for a balancing of the Budget and for a speedy attempt to put the financial house of America in order.

It is my definite notion that if this Congress fails to accomplish that, that hard and fast upon that procedure, hard and fast upon the public learning—and coming to know that the House of Representatives, the representatives of the people, will yield to this group and that group and thus fail to balance the Budget—will come a fascism, and popular government will cease to be in America. [Applause.]

But I particularly resent the slanders, if you please, upon this House and upon the past Congresses. It is claimed by various economic misfits and marplots—the Ickes and Tugwells—whom the distinguished occupant of the White House has put into high place, that past Congresses were given to the pork barrel.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. WIGGLESWORTH. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. CULKIN. Mr. Chairman, I call attention of the House to the fact that the House of Representatives in the past has been more economical of the people's money than the type of spenders that have been developed during the present administration. When I speak of honest Harold Ickes, I speak of the man in the White House. The President is responsible for him. Honest Harold has spent and authorized to be spent more money in 1 year than the Congress did in 100 years for the purpose of rivers and harbors. I call the attention of the House today to the fact that this willful spending will destroy America and, more serious than that, will destroy popular government, because that is the guaranty of personal liberty in the United States. These bureaucrats have spent and engaged to spend on reclamation in this administration over $1,000,000,000. I do not agree with all of the pipe dreams of Secretary Wallace, but I think he is a sincere and honest man. While he and Mr. Chester Davis have been endeavoring to bring agriculture within the range of reasonable production, so as to get a fair price for agricultural products, another department of the Government, over in the Department of the Interior, peopled by pseudo empire builders, has been bringing into production an additional 3,000,000 acres of land, at an ultimate cost of over a billion dollars. Under the acreage-retirement program of the Government we retired some 35,000,000 acres from production at a cost of something like $2,000,000,000.

While the Department of Agriculture was doing this, and bent on that program, over in the Department of the Interior a group of willful men were preparing to bring into production 3,000,000 acres of land. I understand, of course, that the gentlemen from the West will say that I am from New York and that I am illiberal and that I do not understand. That is the usual line of talk. I am not going to be brushed aside by any such ancient and bewhiskered generality as that. I am going to tell my good friends from the Western States, and I am very fond of every one of them, that I am distinctly for the development and for rational irrigation of every part of the West which the consuming public may need or demand. [Applause.] I am for them and they know that, and applaud it, perhaps satirically, but that is the fact. I am in their corner whenever any project involves public need in the West. If they will come to me when their case is sound, I will fight for them until hell freezes over. But I am against the unnecessary, flagrant waste of public moneys for this purpose. That is what I quarrel with. It has been the fashion here to place responsibility for this thing upon the shoulders of Honest Harold. I am going to state the facts today because the national issue is coming closer—I am going to depart from the usual courtesy that hangs around discussion of the Presidential attitude—I am going to put the President into the picture, because the issue of this wild spending is definitely in the President's corner, and on his place in the coming campaign. Up in the Northwest we have this Grand Coulee proposition. The engineers estimate the Grand Coulee would cost $714,000,000, amortized at 4 percent.

They changed that plan, and now the plan is, or was, to erect a dam 500 feet high, with a crest a mile long, and throw it across one of the valleys up there. The original breakdown on the P. W. A. called it power. Then they went to reclamation, and now they are back to power again. They now say that it is definitely power. I will tell you that, thus far, it is neither power or reclamation but just unbridled spending. I want to give you this one phase of that proposition. An authoritative writer in the Nation magazine, one James Rorty, was sent up there by his publication to look over the situation. He examined the records in the various county offices about the situation of the Grand Coulee development, and he found that out of 1,200,000 acres involved, 700,000 acres of the choicest land were held by the banks, trust companies, and by the utilities. The President now has allotted $63,000,000 to this, and the House, may I say, is definitely particeps criminis. The House last year put its John Hancock on that proposition. What have we got? When they have spent the $63,000,000 all they will have is a dam 177 feet high, with a 5,000-foot crest. This means, as Governor Pierce will tell you, absolutely nothing. It does not mean irrigation and it does not mean power. It is just a brutal spending of the people's money. Do you know what is back of that? Do you know what the dreams of the Northwest are? I have been in that Northwest and I know that country. I love its people; they are the salt of the earth.

I want to be fair to them. What they intend to do under the leadership of a promotional group is to move the inhabitants of Kansas, Nebraska, and Iowa over into the Grand Coulee area, which God never intended should be used for anything.

Under this urge of the reclamation groups to make two blades of grass grow where none grew before, they decided to put this vast area into irrigation, in defiance of God's mandate and the needs of the Nation. Then, finding that the farmers of the country were in arms against that, they shifted their policy, and now, again, they call it power. But I say to you, Mr. Chairman, that up in the Grand Coulee country there is no one to sell power to except the coyotes and jack rabbits, and there never will be. America's population trends are falling, and the proposition of America's future increase in population is mooted. Please consider that out of 900,000,000 arable acres in America today we only have 250,000,000 in cultivation. The point I am speaking about now is that all this personnel, all this ability to create additional surplus crops, should not be in the Department of the Interior. It should be in the Department of Agriculture.

I had hoped that a distinguished and able Member on the other side, whose name I will not mention, would introduce a bill to put those activities in the Department of Agriculture, so that agriculture could hold the barometer on production, but he has not done it so far. I am going to do it, if need be, although I am more for the cause than I am for any personal glory in connection with it. Next year, when we elect a Republican House and a Republican President [applause], we are going to pass that bill. But in view of the fact that you distinguished gentlemen are going to be here until next year, I am asking you to do it now and get the benefit of it yourselves. I am going to leave the course open to you for a time.

There is another reclamation proposition that I wish to discuss. It is Caspar Alcova, Wyo., which was condemned by God for the purposes of man when he made the world. The hand of the potter shook when the Caspar Alcova area came into being, and in some mysterious way Nature, left to its own functions, because Nature is not always God—shot that area through with selenium, making it impossible to produce other than poisoned crops. The Caspar Alcova project, to which I have called the attention of the House and which I believe is proceeding illegally today in the State of Wyoming, should be stopped definitely, because the United States, out of its Treasury, is spending some $27,000,000 for that hopeless proposition. Incidentally, may I say that it is doing violence to the rights of Colorado in connection with the use of certain waters.

Mr. RICH. Will the gentleman yield?

Mr. CULKIN. I yield.

Mr. RICH. Was that Caspar Alcova proposal approved by the Congress of the United States?

Mr. CULKIN. I do not believe it ever was.

Mr. RICH. It never has been.

Mr. CULKIN. No. I think that was taken out of the curative bill that was introduced here last year. I notice in the hearings reference to the Gila project, Arizona. That was put to work to the tune of some $22,000,000, and then the soil group of the Department of Agriculture came to life, and feeling a new sense of their duty to the public, served notice upon the Reclamation Bureau that the soil in the Gila region was impossible of irrigation. Then, and then only, was it stopped.

These facts emphasize the necessity of the action for which I plead. It is immaterial to me whether the action comes from this or the other side of the House.

Mr. PIERCE. Will the gentleman yield?

Mr. CULKIN. I yield to my colleague, Governor PIERCE.

Mr. PIERCE. Is it not true that now the Department of Agriculture has to make a report as to the advisability of agricultural products growing under these irrigation projects?

Mr. CULKIN. That may be so.

Mr. PIERCE. That is true today.

Mr. CULKIN. But I have found they have been singularly unwilling to cross the trail of the empire builders in the Department of the Interior.

Mr. PIERCE. Early there was no attempt to find out whether the land would grow agricultural products or not.

Mr. CULKIN. In conclusion, I just want to call attention to another phase of this spending. At Bonneville, Oreg., on the lower Columbia, is a power and navigation development. I have never quarreled with that proposition. It had the vigorous support of General Martin, our peppery former Regular Army colleague, who was a Member of this House. It had the support of the brilliant and able gentleman from Oregon, Mr. MOTT. It seemed to me to be definitely a wholesome proposition. It has no reclamation in it, but it does have navigation and power. But the weird thing about it is that upon the creation of this power, which after all comes out of the capital of the people of the United States and its taxpaying powers, the Bonneville group intend to move industries from the East and from the Middle West to that location.

In other words, after having taken the money which was created and earned and paid in the form of taxes to the Treasury by these big Eastern and Midwestern States, they then intend to commit the crime of civic grand larceny by moving our industries bodily out to this power site. May I say that the same proposition lies back of the Grand Coulee as it is now. On the face of it, however, it just means $67,000,000 worth of dam. For reclamation purposes it will cost $400,000,000 to complete.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. WIGGLESWORTH. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. CULKIN. There is one phase of the picture on the Columbia River to which I should like to call attention. I am afraid I have trespassed too much on your time already. I do want to call attention, however, to the destruction of the salmon fisheries in the Columbia River. That is a matter of vital concern not only to the Northwest but to the country at large. At the Bonneville Dam fish ladders and elevators are being constructed.

Sometime ago I called attention to the fact that the belief of conservationists was that the $10,000,000 annual pack of the salmon industry in that country was doomed. I called attention to the fact that the elevators that were constructed at the foot of Bonneville Dam were all very fine for the adult, sophisticated salmon who would come up, ring the bell with their tails, and then go up over the falls in the elevator, but the younger, unsophisticated, uneducated salmon, the fry passing on to the sea would be caught in the swift turbines and killed. This got into the press of the Northwest, and I think I got more abuse than I ever did before, and in my day I have had my full share of it. However, I received a letter from a good woman up there in the Columbia River country, Home Valley, Wash., which I think is interesting enough for the House to hear:

DEAR SIR: You are the first man up there where all the mess is dished out who has dared to openly defend our west coast's third largest industry, commercial fishing. We commercial fishermen and wives sit with bated breath worrying and wondering how we can make our livelihood after all this dam business is finished.

It is a safe bet that your guess is as good as these so-called fish experts. And our guess is the same as yours, that building these huge power projects kills a $10,000,000 industry, and 28,000 or more people will be on the unemployed list.

Then she goes on to state this, which is a classic:

We know fish swim in schools, but we also know that college professors cannot teach these schools of fish. Nature is a funny thing, and, as I understand, a lake will be formed above these dams; scavenger fish live in lakes and eat salmon fry. Besides baby fish go down stream with a swift current, spring freshets, so how will they be guided into a lake to the sea?

Taxpayers' money build dams at 50 cents per hour. And a large industry may be killed which furnishes a livelihood for 28,000 people. Aside from the fact that commercial fishing is the means of our making a good livelihood we produce the same as the farmers. Our produce is as full of all the vitamins as the farm produce.

So we hatch millions of salmon for each salmon we catch, and we feel it is time someone is giving us some protection and help. So we wish to thank you for giving us your aid.

Taking care of the salmon that spawn in the headwaters of the Columbia River is a big guess. So far these Royal Columbia silver salmon that run in the river from February to the last of May may have never been hatched up in a man-built hatchery. They

eat their fill of sardines and fatten up at the mouth of the Columbia River and head to British Columbia, the headwaters of the river, to spawn. Steelhead, white-meated tube, or chum salmon, blue jack, a poor grade of pink salmon, have been hatched; but the Royal Chinook salmon, what will become of it when the dam business is all over? I have been on the river all my life, and my husband has fished 23 years and my father 50 years. Tell me, is our livelihood being thrown away to fatten the Mellon babies?

Honest Harold Ickes treated this matter with a good deal of humor. He thought it was all awfully funny.

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 3 additional minutes to the gentleman from New York.

Mr. CULKIN. He thought it was a wonderful thing to build that dam at Bonneville. In this book, Back to Work—on page 117 of this book, a book written by his ghost writer, because he could not write a book—I am convinced of that from my own diagnosis of his mental status—is stated:

An interesting feature of this dam will be the construction of giant fishways for which the sum of $3,200,000 has been provided as an aid to the salmon to scale the 54-foot dam when they feel the urge to go to the upper stretches of the river on their honeymoons.

[Laughter.]

He is the gentleman to whom the President has turned over the power that belongs to this Congress.

What I speak for, Mr. Chairman, is economy and the elimination of the political spending which is bleeding the Nation white. I speak against any development which will prejudice agriculture, and particularly prejudice the men in agriculture who are now on the land in these Western States. I warn you on the other side of the aisle and you gentleman from that particular section against the people's wrath when it appears that you are permitting the Interior Department to develop these huge areas while they themselves have no present market for their products. I think the reasoning of this—the iron logic of it—will strike into your constituents' souls and that on election day they will speak in thunder tones against your return to this House. I thank you for your very patient hearing. [Applause.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 6 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, I ask unanimous consent to extend my remarks and to include therein some official figures from the Department of Commerce.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Chairman, it is unfortunate that not infrequently when a Member takes the floor to present facts relating to some phase of our economic life, he is suspected of partisan motives. This often results in scant heed being paid to the facts revealed. Great as partisan prejudice may be against the policy of a protective tariff, it would seem that the realities, so abundantly fortified by experience and by facts, should be sufficient to overcome such prejudice.

I am sure that the thoughtful Members on this floor would not seriously contend that it would be beneficial to American labor at this time to have unrestricted immigration, especially with the Orient. Do you believe that it would be detrimental or advantageous to American labor to permit the working people of the Orient to enter the United States without restraint to bid against workers for jobs? There are few Members on this floor, if any, I venture to say, who would support such a proposal. The recent action taken by the Congress—1934—restricting Filipino immigration, even fixing the quota as low as 50, is evidence that you sense the danger to labor and to agriculture from immigration.

But while you object to unrestricted immigration of cheap oriental labor, yet many Members are indifferent to the importation of products that displace our labor in the factory and the field.

I maintain that to let in the foreign goods is more injurious to the Nation as a whole than to let in the foreign laborers themselves. I am opposed to the admission of either. To let in the foreign workers instead of their products would at least give to our Nation the spending power of the pay roll, which in turn would create, as a result of such expenditure, a series of home markets.

It is an indisputable fact that the wage scale and the standard of living in the United States are higher than they are in other countries, especially higher than they are in Asia and the tropical countries. Can it be successfully controverted that when our domestic market is opened to the unrestricted competition of the world, such as I have described, that our factory hands and our farmers who are employed are either displaced or forced to produce at a lower cost? The open-market principle leads inevitably to this result: A diminishing standard of living until it reaches that of the worst-paid laborers that exist on the face of the globe. I cannot state the matter more clearly nor more succinctly than to use the words of Andrew Jackson in support of a tariff. He said:

It is time we should become a little more Americanized, and instead of feeding the paupers of Europe, feed our own, or else in a short time, by continuing our present policy, we shall all be paupers ourselves.

[Applause.]

Let me remind my colleagues that your constituents, who toil in the fields where soybeans or cottonseed are produced, know only too well that they have a rival in countries where the standards of living of western civilization are unknown. To compare the standards of living of the people you have the honor to represent with the standards of living of those who live in the tropical and oriental countries, who are invited to compete with your constituents, and then to assert that the free and unrestricted flow of these foreign products into our home market does not injure the American farmer is a position not supported by the facts.

We do not want to put our farmers who raise soybeans or who raise cottonseed in competition with oriental labor. Neither do we want our farmers who are engaged in dairy production to be required to compete with imported edible oils and fats produced by cheap tropical labor. We do not want foreign fats and oils to displace our domestic dairy products in the American market. [Applause.]

It is estimated that if the American farmers were given the opportunity to produce the fats and oils now being imported from foreign countries they could put 15,000,000 or 20,000,000 acres now displaced by foreign imports under cultivation.

The American dairy farmer, the soybean producer, the cotton farmer have a common interest in protecting the domestic market from the importation of fats and oils. The volume of these competing products, now entering our ports in ever-increasing quantities, is destroying a market which our farmers cannot afford to surrender. The home market, the best cash market in the world, is their last line of defense. The danger to our home market from the importation of fats and oils is fully revealed and painfully demonstrated by the following official figures:

Fats and oils imports for consumption

Commodity	Unit	11 months ending November			
		Quantity		Value	
		1934	1935	1934	1935
Whale oil	Gallon	2,638,120	2,931,831	$997,719	$669,259
Cod oil	Gallon	1,375,661	2,427,852	366,486	720,075
Cod-liver oil	Gallon	3,372,757	4,321,036	2,119,665	2,814,670
Other fish oil	Gallon	415,749	149,246	183,212	72,353
Animal tallow	Pound	30,922,740	236,525,481	1,154,527	12,551,077
Sunflower-seed oil:					
Edible	Pound	6,792,676	34,754,244	295,063	2,058,593
Inedible	Pound	7,489,806	119,828	262,530	8,004
Palm oil	Pound	152,874,340	263,046,629	3,858,884	7,399,900
Palm-kernel oil:					
Edible	Pound	952,521	7,170,792	28,855	255,748
Inedible	Pound	11,793,174	44,844,157	309,497	1,711,851
Palm nuts and kernels	Pound	6,884,939	50,072,448	99,337	731,826
Sesame seed	Pound	12,640,657	136,737,683	312,202	3,233,154
Sesame-seed oil:					
Edible	Pound	65,627	342,837	6,990	27,665
Inedible	Pound	600	11,088	46	662
Copra	Pound	344,885,266	408,387,268	4,094,382	8,699,072
Coconut oil (product of the Philippines)	Pound	297,310,911	308,273,752	6,983,521	10,930,303
Soybean oil	Pound	1,923,712	14,119,992	66,187	927,388

Source: Monthly Summary of Foreign Commerce of the United States.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 1 minute to the gentleman from Washington [Mr. ZIONCHECK].

Mr. ZIONCHECK. Mr. Chairman, the gentleman from New York [Mr. CULKIN] left the inference that if we did not balance the Budget we would have a revolution in this country. He used as his authority the younger Pitt and Lord Chatham in some ancient book about the French Revolution. I should like to call his attention to the fact that those people knew nothing about balancing the budget back in those times. Did not even hear of a budget. If there was any budget to balance, it was the budget of their stomachs. When those hungry, starving people asked for bread, the rulers asked, "Why not give them cake?" and threw rocks at them instead. Rocks being heavier than bread overbalanced the budget—they were not satisfied—revolution came about as the culminating effect. I am just interpreting history for the benefit of the gentleman from New York.

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 20 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Chairman, I am not going to talk politics today. I am going to try to give you valuable and important information relative to the investigations that have been going on since July 1934 by a select committee of the House.

Twice before I have called the attention of the House to the abuses that existed in the default of bonds and securities, and in our preliminary report the committee gave the House and the country a great deal of valuable information. I stated then, and I repeat now, that your committee investigating these so-called bondholders' "protective" committees, which I designate as "grafting" rather than "protective" committees, showed that these committees have under their control some $20,000,000,000 worth of bonds that are owned and have been paid for by nearly 5,000,000 of our most deserving citizens in the United States. With the 1929 debacle thousands of these issues defaulted, and the houses of issue, investment bankers, mortgage companies, and title and guaranty companies, in conjunction with and under the guidance of outstanding law firms in the United States, obtained control and management of these properties and devised a scheme to bring this about by the formation of so-called protective committees.

The old railroad scheme in reorganizations or bankruptcies was followed. Protective committees were formed, composed of officials of the firm, their clerks, high-powered salesmen, and agents. The names of prominent citizens were added for window dressing, for the sole purpose of enabling them to more easily obtain the deposit of as many outstanding bonds as possible. The tremendous fees charged and obtained are turned over to the house of issue, trust companies, mortgage companies, and banks.

After the formation of these committees in the manner I have just indicated, voluminous deposit agreements would be prepared in highly complicated legal verbiage, by the signing of which the bondholder forfeited all his rights and the protective committee gained full and complete power to do as it pleased with the property. They send out communications inviting the bondholders to deposit their bonds with these committees, assuring them that they themselves, and by themselves, could not protect their interests, but that the committee which had been formed would safeguard their rights and interests.

I may say that I learned this morning during a hearing of the committee here in Washington that there are some very clever lawyers in Philadelphia. They are not slow up there. It is practically impossible for the layman to understand these agreements, and when the widows, orphans, executors, administrators, and organizations that have invested in the bonds send them in, they unknowingly part with all their rights and interest. Thus the bondholders' committees obtain absolute control to do as they please.

Mr. Chairman, there are about 3,000 of these committees, some of them controlling over 400 pieces of property to the value of many hundred millions of dollars.

A large number of law firms have been engaged in organizing protective committees in order to represent them, and banks have done likewise. There are, however, a handful of outstanding and Nation-wide committees, controlling at least eight to nine billion dollars worth of bonds in default.

OVER $600,000,000 IN FEES AND EXPENSES

Prominent among these are the Roosevelt committee, the Straus committees, the Pounds committee, and others sponsored and dominated by the Detroit Trust Co., Manufacturers Trust Co., the Chicago Title & Trust Co., Halsey, Stuart & Co., the Central Trust Co. of Chicago, the Girard Trust Co., Hayden Stone & Co., Spencer Trask & Co., E. H. Rollins & Co., the American Bond & Mortgage Co., the Prudence Co., and many others. I might point out that the Chicago Title & Trust Co. is the most domineering of all, acting as trustee, receiver, depository, or manager in thousands of properties, and the fees obtained and charges levied against these properties will amount to many millions of dollars. In the near future I will submit a report outlining in detail the activities of the various committees, the fees they have received, and the millions of dollars in fees and expenses which they will receive when the final reorganizations or sales of properties have been effected.

If we may assume that the committees will be liberal to the extent of reducing their usual charge of 5 percent to 3 percent, based on the nearly $20,000,000,000 worth of bonds now outstanding, in excess of $600,000,000, will accrue to these committees in fees and expenses, and remember also that these committees, acting presumably in a protective capacity, are gaining control of thousands of the finest buildings in the United States, as well as theaters, hotels, manufacturing, industrial, and utility companies.

Mr. Chairman, I charge without fear of successful contradiction that these committees are controlled and dominated by trust companies, banks, and other financial institutions, and that this has developed into the greatest racket of all times.

There is a combination acquiring apartment buildings, some of them worth as much as $10,000,000; another acquiring hotels, another theaters, and others various large industrials throughout the United States. Due to the advantages of section 77B of the National Bankruptcy Act, they are not only permitted to remain in control as a committee but to continue such control for 10 or 15 years, through the medium of voting trusts created with the sanction and approval of the courts.

Mr. MAPES. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Michigan.

Mr. MAPES. I interpret the remarks which the gentleman has just made to mean that certain special interests are trying to get control of the big apartment houses, other special interests are trying to get control of hotels, and other special interests theaters, and so on?

Mr. SABATH. The gentleman is correct.

Mr. MAPES. Will the gentleman in the course of his remarks put in the RECORD who those special interests are so that the country may know?

Mr. SABATH. Yes. The select committee is today conducting hearings in Washington. Hearings were held in Chicago, New York, Detroit, Boston, Washington, St. Louis, Milwaukee, San Francisco, and Los Angeles, which substantiate what I say about these special combinations. Through the press and by other means we have brought before the public a true picture of willfully deliberate and dishonest mismanagement of properties by these protective committees. We have shown where false reports and statements given to the bondholders forced them to dispose of their bonds for a few cents on the dollar.

In the examination of witnesses at a hearing of our committee this morning, in the matter of the Roosevelt Hotel of Philadelphia, it was developed that the valuation placed on this property was $940,000, and that a sale has just been approved for the sum of $120,000. To whom was it sold? Why, to the five vice presidents of a certain bank, the Girard Trust Co., which advanced $70,000 to the committee in order to pay taxes, expenses, fees, and charges against the property. In this particular case the bondholders received three-fourths of a cent on a dollar for their gold bonds. The committee



which controlled this property, as well as a number of others, and approved the sale had previously paid to an opposing committee which blocked its acquiring the deposit of bonds and full control the sum of $70,000, representing fees and expenses of this opposing committee.

Mr. MAPES. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Michigan.

Mr. MAPES. I think every Member of the House is interested in the work of the committee, which is headed by the gentleman from Illinois [Mr. SABATH]. I am wondering if the gentleman's committee will be able to recommend concrete legislation that will afford relief to these millions of bondholders. The difficulty seems to be that these bonds are distributed all over the country in such small amounts that the individual bondholder himself does not feel justified in going to the expense of retaining lawyers to look after his own individual interest so that he may be protected. What relief does the gentleman's committee suggest in that regard?

Mr. SABATH. We prepared and introduced a bill in the last session of Congress. We appeared before the Banking and Currency Committee, but unfortunately our bill did not receive favorable consideration. In the hope of obtaining action on this bill we revised it and put it in as an amendment to title VIII of the National Bankruptcy Act, affecting sections 74 and 77B, which provides for the appointment of a conservator, leaving it to the President to select or designate the bureau or department which is to act as conservator. In this way we hope to eliminate the excessive charges, vicious practices, and untold crimes which are being committed against some 5,000,000 bondholders in this country.

Our committee investigation discloses that since September 1934, after the passage of section 77B, there were filed up to January 1, 1935, 287 cases, and up to January 1, 1936, there were filed a total of approximately 2,767 cases, of which only 293 were disposed of; the total involved is upward of $10,000,000,000.

We have worked for 17 months and we have Philadelphia and New York committees before our committee now, and I am now away from these hearings to give a partial report of our activities.

This bill was reintroduced yesterday. I believe it is a good bill and I appeal to the Members who are now present to cooperate with our small select committee and to help us obtain favorable consideration of this measure. I shall put in the RECORD a short résumé of what this bill seeks to do.

The bill provides that a Federal agency be established to act as a conservator in all 74 and 77B proceedings in bankruptcy.

The conservator shall act as sole receiver, custodian, or trustee, with compensation limited to actual expenses. Attorneys of conservator may act as its counsel when acting as trustee, receiver, or custodian. This procedure will materially minimize the costs of reorganization, as well as enable the conservator to have full knowledge and control over the entire proceedings and estate.

The conservator may by rules regulate the protective committee and its personnel—it may prescribe the provisions and limitations of deposit agreements—and the solicitation of proxies, assents, deposits, consents, and so forth.

The conservator may itself propose a plan of reorganization or proposal for a composition or extension, and must approve all plans or proposals by others, before it is submitted to the court, as well as approve all fees, expenses, and compensation in all such reorganizations.

The court, or upon suggestion of conservator, may refer any issues, either specially or generally, to a special master. The salaries of masters are limited to no more than $7,500 per annum—present fee system abolished.

Provisions for a fine of no more than $5,000 and imprisonment for no more than 5 years is made for the willful violation of any provisions of this act.

This bill includes any reorganization, composition, or extension which involves liabilities in the amount of $50,000 or over, evidenced by at least 10 credit instruments owned by at least 10 persons.

In addition to present powers the Reconstruction Finance Corporation is authorized to make loans to finance such reorganizations, compositions, or extensions if approved by the conservator.

Loans by the Reconstruction Finance Corporation to mortgage companies and other financial institutions are conditioned upon the agreement that none of the funds so loaned will be used in such reorganization, composition, or extension unless approved by the conservator.

Referees are placed upon a salary basis to be fixed by the respective district judges instead of on the old fee system. All fees in excess of salary revert to the Treasury of the United States.

Originally, Mr. Chairman, some of the judges looked with displeasure upon our work, thinking we were interfering with the rights and prerogatives of the judiciary, but I am, indeed, pleased to say today that, with the exception of very few, the judges are now approving our work, and are cooperating and assisting us. These tireless working judges have the sincere appreciation and respect of our committee, and are worthy of the blessings of the distressed bondholders.

We have called upon many of the judges with the view of safeguarding the rights of these bondholders. We have appeared in court and opposed fraudulent sales and fraudulent reorganizations, day in and day out, and we have saved thousands of these buildings and properties for the bondholders. I may say that since this committee started its investigation the value of these defaulted bonds has increased from 50 percent up to 1,500 percent in many cases. [Applause.]

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. SABATH. In many cases, Mr. Chairman, bonds were selling for 3 cents or 5 cents on the dollar, but are now selling for 50, 60, and 75 cents, and some as high as 95 cents on the dollar.

Oh, I wish to God we could reach all of these committees and get at them. We have recommended prosecutions, and the members of some of these committees have already been indicted, and there are yet hundreds that should be indicted. If we can bring this about, we are going to try to do so.

Mr. MAPES. If the gentleman will yield for just a moment, I may say I have not had a chance to read his bill, but I feel generally like saying more power to him and his committee.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield for a question?

Mr. SABATH. Yes.

Mr. CHRISTIANSON. Under the terms of the bill referred to, who fixes the salaries that the receivers are to get?

Mr. SABATH. The conservator will act as a trustee or a receiver, and will only be permitted to charge the actual cost.

Mr. CHRISTIANSON. The salary is fixed by the bill itself?

Mr. SABATH. Yes; and the masters and the trustees will receive $7,500 a year instead of asking for $100,000 for 6 months, or 9 months' work, as was done in the Paramount case in the city of New York.

Mr. CHRISTIANSON. Then, as I understand the gentleman, the judge will have no discretion in respect of fixing the salary?

Mr. SABATH. In allowing fees, no. The conservator will only be permitted to make such charges as are actual costs, and we will eliminate the practice whereby some judges allow influential houses of issue and law firms to dictate who the receivers shall be and how much fees they shall receive.

I think this is legislation that is absolutely needed and required.

Mr. CHRISTIANSON. I am in sympathy with the gentleman's point of view.

Mr. SABATH. Because, if something is not done, God only knows what will happen in the future, because people are beginning to lose confidence in our courts and our legal procedure.

I may give just one illustration. Four weeks ago we were in Boston, and by chance we penetrated the case of the Fisk Tire Co., where there was $45,000,000 of stock and $20,000,000 of bonds. There were reverses, and in 1931 they went into receivership. Inventories taken of this great institution showed that it was worth only about forty-odd-million dollars. The protective committee for these bondholders and stockholders approved a sale of this $40,000,000 worth of assets, which were all of the assets of the Fisk Tire Co. for $3,000,000, which included $600,000 in cash on hand. The bondholders got 3 cents on the dollar and the stockholders got 1 cent on the dollar. Within 18 months the inside group that bought this outfit for $2,400,000 made over $2,000,000 net profit in the business. They charged against the bondholders lawyers' fees of over $600,000.

The bondholders and stockholders were wiped out and the new bondholders who bought the bonds for 3 cents and the stock for 1 cent on the dollar became the owners of this property. We have hundreds of such abuses, with similar conditions prevalent all over the United States which we are trying to eliminate.

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield to the gentleman 2 additional minutes.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. SABATH. I yield.

Mr. McCORMACK. Will the gentleman state in that connection whether or not there was a recapitalization of that company by those who purchased it for about $3,000,000; and if so, for what amount it was recapitalized?

Mr. SABATH. Within a period of 4 weeks they reorganized the properties for which they paid $3,000,000, with $600,000 cash on hand, which would make a net of $2,400,000, and recapitalized it for $13,000,000, and within 18 months they made a clear profit of over $2,000,000.

Oh, I must not forget this: The chairman of that committee is none other than the vice president of the National Economy League. Now, if he ever practiced economy, I have not seen it. I am also told that he coined the phrase "raw deal." Well, if he did, by the eternal heavens, he had something to go by, for he knows what a raw deal is. [Laughter and applause.] That certainly was a "raw deal" where the bondholders got three-quarters of a cent for every dollar and received a certificate of the cremation of their bonds. [Laughter.]

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. SABATH. Yes.

Mr. CHRISTIANSON. In the face of the disclosure which the gentleman has made, I hope his bill goes further than the mere limitation of the salary of the receivers.

Mr. SABATH. Oh, it goes further than that.

Mr. CHRISTIANSON. I think many Members of the House would like to know the scope of that gentleman's measure.

Mr. SABATH. It goes as far as the Constitution will permit without interfering with the rights and privileges of the courts.

Before I conclude I want to say this: We have evidence wherein at least a thousand pieces of property—prime buildings, hotels, theaters, and so forth—have been sold for 4 or 5 cents on the dollar; properties that never should have been foreclosed; that never should have gone into the hands of receivers; and that never should have been taken over by these grasping, thieving, protective committees.

Many Members have asked me to acquaint them with the results of our investigation of Washington properties. In the Wardman Park reorganization of this city we found a voting trust estate would terminate on November 1, 1935, but just prior to that date proxies were dispatched to the holders of the original bonds with the request that the voting trust be continued for another 3 years.

The trust agreement was so worded that unless a majority decided against the continuance it would automatically be extended for another 3 years, with the continuing management of properties valued at approximately $30,000,000 and the continuance of the fees and expenses of this trusteeship.

In the Mayflower Hotel reorganization the hotel is controlled by three voting trusteeships and is under the management of the American Security & Trust Co., who receive 1½ percent of the hotel receipts as their fee. Fees totaling approximately $700,000 for attorneys and others were pending before the court, but we have recently been informed by the court auditor that he has recommended that these fees be reduced to around $125,000 and the complete exclusion of any fees and expenses to the three committees, which is a reduction of around 80 percent.

The Shoreham Hotel property is similar in a way to these other Washington properties. There were three receivers, and when it was reorganized there were still three voting trustees. The three receivers collected $100,000 and the bondholders' committee $100,000 in fees. The owner of the hotel, who was permitted to acquire all of the equity for only $61,000, has only to use the income of the hotel to reduce the bonds or until it can be refinanced a few years later and he will then have this valuable property for the small sum of $61,000 and at the same time drawing a $10,000 salary per year in addition to his other business.

Our committee has made recommendations in many instances for criminal prosecution and has supplied the Bureau of Internal Revenue with information on which thousands of dollars have been recovered or are in the process of recovery. Three claims come to my mind now, one for $80,000, one for $62,000, and one for $40,000. These are sums which will be recovered 10 times over by the Government solely through the results of our investigations.

In a letter from the Commissioner of Internal Revenue was the statement:

> I wish to take this opportunity to express to you my appreciation of the spirit of cooperation displayed by the committee and members of its staff in making available to the Bureau information pertaining to the question of income-tax liability, not only in the case of this particular individual but also in numerous other instances of which you are undoubtedly aware.

Our committee has stopped many of the crooked and dishonest reorganizations in the courts by supplying the courts with information that reports submitted to them were fraudulent and that evidence was withheld. Unfortunately, while Congress has passed 77B and added a great deal of work to the courts, we have not provided to assist them in investigating the resultant collusive reorganization suits that have been filed, and the judges have been forced to rely upon the recommendations of these protective committees and their lawyers.

We are endeavoring to safeguard the awards made to minors for permanent injuries which send them through life cripples in one form or another; to the end that the rainy days prepared for by the aged; for the protection due youngsters provided for them by their fathers and mothers; the investments for the benefit of the incompetent; for the investments made by fraternal organizations and labor unions which were intended to provide a margin of safety for their pension funds and charitable work; for the orphanages and institutions for the indigent. We further seek to protect the disabled veterans who invested their savings and compensation, to the end that the men who provided during their lifetime for their wives and children and who bought these securities as authorized legal investments be protected. [Applause.]

I would be remiss if, in concluding, I did not extend to the members of this small committee my sincere thanks and appreciation for the great aid and assistance they have given me. I also particularly want to thank my colleague, Mr. WILCOX, of Florida, for his splendid cooperation in handling the municipal-bond investigation in his own and other southern States; and to express my appreciation of the work of volunteer attorneys in the various committee offices, who

have served without compensation. These attorneys are not members of the bar associations which have refused to cooperate with this committee. [Applause.]

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Chairman, for ability to make incorrect, inept, inaccurate, and thoroughly wrong statements I should award the gold medal to the Secretary of Agriculture, Mr. Wallace. [Applause.]

Last year he insulted New England by telling what weaklings have grown up in that region, the loss of pep and the backbone of its early ancestors, and suggesting that we move out of New England and let other folks come in. Nobody has moved on the advice of the Secretary of Agriculture.

I understand that night before last this same distinguished Secretary of Agriculture delivered a radio address, and I quote the language which he used in reference to a recent Supreme Court decision. He used these words:

> The greatest legalized steal in American history.

Mr. Chairman, any official who will make a statement of that nature about the Supreme Court ought to be impeached, or certainly haled before the Supreme Court for contempt. If he has not the decency and sense to apologize, he ought to be the one to "take a walk" rather than some other folks whose names I have heard mentioned here recently. Walking would not be quick enough to get him out of office. He ought to go on a sprint, just as fast as the President could retire him.

The Supreme Court decision to which he referred was brought upon the administration by their ill-conceived legislation. He, more than any one man probably, is responsible for the foolish, ill-advised, unconstitutional legislation that brings down the hatred and digust of Mr. Wallace on the Supreme Court. Here is what is said about it in a leading editorial today:

> To call such a tax refund a steal comes with peculiarly poor grace from an administration which has perpetrated the greatest steal in the history of the country, the appropriation of $2,000,000,000 of gold in the Federal Reserve banks and the forcible seizure of all privately held gold; but there is nothing to be gained by this sort of retort. Mr. Wallace, by his intemperate and misleading utterance, has still further inflamed ill will. This helps no one, least of all the Roosevelt administration.

I, for one, hold no brief in behalf of the present administration, far from it; but if the head of the Nation will accept the advice of a modest, retiring Republican, I suggest that the President of the United States begin cleaning out his Cabinet, from the Secretary of Agriculture up or down. I cannot conceive of anyone in official life, particularly a member of the President's Cabinet, having the nerve, the gall, and the ignorance to say that the Supreme Court brought about the greatest "legalized steal in American history."

I yield back the remainder of my time.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 10 minutes to the gentleman from Washington [Mr. KNUTE HILL].

Mr. KNUTE HILL. Mr. Chairman, this is neither the time nor the place to reply to the annual tirade made by the gentleman from New York [Mr. CULKIN] against reclamation in general and the Coulee Dam in particular. When that matter comes up we will be there to defend it, and, in the words of Shakespeare:

> Lay on, Macduff;
> And damn'd be him that first cries, "Hold, enough!"

Just briefly he made one false statement among the many misstatements. He said that the American people and the easterners were going to pay for this dam; and I am here to tell him that if he will read something about the Coulee Dam he will know that it is going to pay for itself in 30 or 40 years, and the people of the East are not going to be taxed one cent.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. KNUTE HILL. I will not yield. Read the record and the gentleman will know something about it.

The CHAIRMAN. The gentleman from Washington refuses to yield.

Mr. CULKIN. Mr. Chairman, the gentleman refers to me.

Mr. KNUTE HILL. I refuse to yield. I will meet the gentleman when the matter comes up.

Mr. CULKIN. The gentleman should be courteous or I shall ask that the words be taken down.

Mr. KNUTE HILL. Well, take them down if there is anything to take down.

The CHAIRMAN. Does the gentleman from New York demand that the words of the gentleman from Washington be taken down? Will the gentleman indicate the words he refers to?

Mr. CULKIN. I might compromise, Mr. Chairman, by asking the gentleman again if he will yield.

Mr. KNUTE HILL. I have only 20 minutes' time. The time will come when we will meet on this floor with reference to that question, and then I shall yield.

Mr. CULKIN. Does the gentleman mean that he will yield now?

Mr. KNUTE HILL. No; I will yield then, when the matter comes up.

Mr. CULKIN. Well, please be as fair as possible.

Mr. KNUTE HILL. The gentleman from New York is something like the people who talk about the Constitution and the Supreme Court, but who have never read anything about it and know nothing about it.

Mr. Chairman, a year ago a so-called "grass roots" convention was held in the Midwest. It was heralded far and wide as a "save-the-Constitution convention." An old friend of mine with whom I grew up on an Illinois farm, who still farms and has been a lifelong Republican wrote me:

> You remember, Knute, the weed known as quackgrass, which, unless relentlessly fought, would spread all over our farms and choke out all nourishing crops. Well, those assembled at the recent convention were quackgrass-root Republicans. Real Lincoln Republicans—and my father was a Lincoln Civil War veteran—were not present at that convention.

Today the quackgrass-root Democrats, masquerading under the name of Jeffersonian Democrats, are gathering under the leadership of that political shyster, Eugene Talmadge, at Macon, Ga., to again save the Constitution. It is proper, therefore, that we consider the Constitution and our threefold Federal Government.

I am supremely pleased today because one of my cherished ideals is nearing realization. I have since early manhood championed the proposition that the Federal courts should be restricted to the functions expressly stated in the Constitution. It is no new idea with me. I hold here in my hand a Walla Walla daily paper of August 24, 1924, in which my views, expressed at that time as a candidate for Congress, cover somewhat the same ground as those so admirably expressed yesterday by our able colleague from Texas [Mr. CROSS]. I want to say right here to the gentleman from the solid South, like Abou Ben Adhem, may his tribe increase in his sunny clime. And it is heartening to find advocates of this American constitutional doctrine also in the somewhat conservative East: Congressman LEWIS, the little giant from Maryland; Congressman SISSON, the unafraid from New York; and others who are not to be cowed by the phrase "tearing up the Constitution." We are all as loyal to our oath as those who merely give lip service. It is not my purpose to cover the ground so ably handled by my colleague from Texas [Mr. CROSS]. Read his speech carefully and be convinced. Briefly he showed that our system of government was framed upon that of our mother country, England, and that there no courts have power to declare acts of Parliament unconstitutional. Indeed, the last one that attempted it was led by Chief Justice Tresillian, who was beheaded for his impudence and his colleagues exiled to France. Has England suffered because of keeping

its courts within bounds? No other important civilized country permits its courts to usurp legislative functions. But it is argued that we have a written Constitution and that the powers of the Federal Government are limited to those expressly enumerated. Exactly so. And when they say that Congress cannot delegate its authority and that the Executive has limited authority, I would inquire if the judiciary is not also of the three coordinate, independent branches of the Federal Government, and where in that whole magnificant document is the express—the expressed, mind you—power given to declare acts of Congress unconstitutional? For 15 years I taught history, civics, and political science in the public schools of the State of Washington. At the beginning of each school year I made a standing offer of $5 to each and every student who could find such expressed authority. They read it diligently—which was a desired result—but never a one came to claim the $5. I now make the same offer to each and every Member of Congress, with the added incentive of increasing the amount to $100.

Mr. RICH. Will the gentleman yield for a question? I want to ask where you are going to get the money? [Laughter.]

Mr. KNUTE HILL. When the Republicans get into power probably I will get the money. [Laughter.]

In the language of the Scriptures, "Go thou and do likewise." Read your Constitution and know it. Moreover, as has been often stated, and you can consult the diary of James Madison for proof, some delegates of the Constitutional Convention of 1787 attempted four times to insert a judicial veto in the Constitution and as many times it was defeated by the decisive vote of 8 to 3, there being only 11 Colonies represented and each Colony voting as a unit.

There are three distinct, coordinate branches of our Federal Government, each in its particular sphere separate and independent of the others, except for the expressed authority vested in the Executive to veto laws of Congress, which in turn may be overriden by a two-thirds vote by each body. The Congress is to legislate—read the article and section; it is clear and definite. The Executive is to administer and enforce the laws properly enacted. The judicial is to interpret the law and try cases under the law. This in no wise gives it authority to tear up the law and throw it in the waste-paper basket. I have often been charged with attempting to destroy the Federal courts. Nothing is further from the truth. I simply insist on limiting them to the functions expressed in the Constitution. In an overwhelming majority of the cases coming before the courts they merely try the cases on their merits, see if the law applies. If it does not, the suits are dismissed; if it does, judgment is rendered accordingly. There is an overabundance of duties for the Federal courts under the laws without usurping the functions of Congress by judicial legislation.

In this matter I want it distinctly understood that I have a high regard for the members of the Court, just as high, but no higher, than for the members of the other two coordinate branches of the Government. I have heard the members of the Supreme Court referred to as "the nine old men." This is regrettable. Old age should be the crowning glory to men and women. And I am here to say that one of the oldest members of the Supreme Court, Justice Brandeis, is, to my mind, the grandest man in America. Nor is it jealousy. Of course, we can worry along in this famous old Capitol, used for a century or more by our forbears, and the President can enjoy the distinction of living in the White House, so filled with memories of our departed Executives, while the nine men, comprising the third branch of our Government, hold court in that magnificent $10,000,000 marble palace yonder across the park. But that is no cause for envy. However, I have often wondered as I daily pass the Supreme Court Building, why these signs are found on the walks surrounding this block: "No roller skating allowed." Can it be that the members of this Court, which held the child-labor law unconstitutional and thereby doomed thousands of little boys and girls, whose God-given inheritance is air and sunshine and education, to the drudgery of factories and mines, that the meditation of this Court must not be disturbed by the patter of little feet?

No; I for one am not jealous of their sumptuary surroundings, even though they rival those of the Pharoahs of Egypt. But I am, as an elected representative of the people in this House of Congress, jealous of my constitutional prerogative of enacting legislation. I have heard it stated on the floor of this House time and again that we have surrendered our prerogatives to the Executive, that we are rubber stamps. This may be, although for my part I think the record will show that I have at all times voted according to my own convictions and opposed both the Executive and the leadership of this House. But at any time the Congress can retrieve its prerogative from the Executive, and no doubt will do so when the emergency has come to an end. But there is far less cause for ridicule by the press and otherwise for the temporary delegation of this authority by Congress to the Executive than its century-old supine subservience to the complete usurpation of the judiciary. This has been denounced by such outstanding liberals as Jefferson, Jackson, and Lincoln.

I often wonder less at the contempt and ridicule heaped upon Congress than I wonder at the lack of self-respect and despicable cringing on the part of Congress in the presence of the Federal courts. Are they not the creations of Congress? Do not all the lower courts not only receive their power from Congress but also their very existence? And yet some unknown, unheard-of judge off in some remote part of our country—yea, even a justice of the peace—may declare a law of Congress unconstitutional. The creation greater than its creator! And does not the Constitution give Congress the authority to change the Supreme Court and enlarge its membership? Is it not within our constitutional power to limit its jurisdiction to the four specific classes expressly mentioned in the Constitution? Why sit we here idle when we can pass at this session the Cross bill, which would prohibit lower courts from passing on Federal legislation and limit the Supreme Court to original jurisdiction in the cases mentioned in the Constitution?

Are we not responsible to the people every 2 years, the President every 4 years, and the Senators every 6 years, while the members of the Federal courts are responsible to no one for life? Are there not just as great and sincere students of the Constitution among the 300 lawyers in the House and Senate as among the members of the Federal courts? Is not the President bound to select as his Attorney General the outstanding lawyer of the Nation? When these two branches have conscientiously and honestly passed on the constitutionality of a law, why is it necessary to leave it to those on the bench just as human, just as fallible as we? Fallible, did I say? When was Justice Shiras fallible; when he first declared the income tax constitutional or a few days later when he declared it unconstitutional? When was William Howard Taft fallible; when he as President vetoed a bill which later was passed over his veto or later as Chief Justice, when he declared that same law constitutional? When was Justice Sutherland fallible; when he as United States Senator introduced a railroad pension bill or later, as Justice, declared one unconstitutional? Did his elevation to the Bench make him a better lawyer?

It is often contended that the rights of the people are safe only in the hands of the courts. Read the preamble:

> We, the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America.

That was the purpose in forming our Government and writing the Constitution. Then read the first 10 amendments—the Bill of Rights. Those sturdy patriots—who did

not attend the Constitutional Convention—Samuel Adams, Thomas Jefferson, and Patrick Henry, opposed the adoption of the Constitution until this Bill of Rights was included. The preamble and the Bill of Rights are the alpha and omega of the Constitution. The final arbiters are the voters, the American people. The Congress and the President are responsible to them; the courts are responsible only to themselves. Have they abused their usurped authority? Consider the Dred Scott decision which plunged our Nation into a holocaust which was as unnecessary as it was fraught with bitterness, hatred, and long dissension. Consider the income-tax decision, which permitted wealth to escape for 20 years its just share of the burden of taxation. Consider the child-labor decision, which doomed little children to perpetual slavery in the mines and factories. Consider the thousands of injunctions which have ham-strung labor and chained it in many cases like a galley slave. And has the Court been as harsh with its members? It exempted the salaries of judges from an income tax, while the rest of us in the Federal employ—very justly—pay our income tax. It protects its members in the matter of a $12,000 per year pension after retirement, while it holds unconstitutional the pension to worn-out railway labor. Only very few of the Federal judges out of the total number voluntarily paid to the United States Treasury the 15-percent deduction under the Economy Act, while all the rest of us, including the poor Federal employee at $1,200 per year or more, was forced to pay in his share.

I hold but one brief against the Federal courts. They have usurped the functions of Congress and the Executive. Limit them by enactment of the Cross bill to the functions intended by the founding fathers and expressed in our written Constitution. Then let us take the battle to the final arbiter—the sovereign people of the United States. I for one will trust them. "Seek ye the truth and the truth shall make you free." And this truth about the history of the Constitution and its making and the function of the three coordinate branches of the Federal Government will be placed before the people of this Nation in the coming campaign.

May I say here the A. A. A. was held unconstitutional by six of the members of the Supreme Court, but I am here to tell you today, sincerely and frankly, that the A. A. A. is constitutional. [Applause.] I stand with all Members on your side and all Members on my side who voted for that and believed it was constitutional. I stand with the President of the United States, who, with the opinion of his Attorney General, signed that bill. I stand by the three outstanding members of the Supreme Court who say that it is constitutional.

Mr. FULMER. Will the gentleman yield?

Mr. KNUTE HILL. I yield.

Mr. FULMER. I am glad to hear the gentleman make that statement, inasmuch as I am the one who introduced the A. A. A. bill. Certainly I would not have introduced it if I had not myself thought it was constitutional. [Applause.]

Mr. KNUTE HILL. We all thought so.

Save the Constitution? The only way to do that is to save the farmers of this country from bankruptcy, give the unemployed work to do, give to youth the inheritance of an American to health and education, and to old age the decency and comfort it richly deserves. Unless this is done we will have neither country nor flag nor Constitution. The Constitution is not as sacred as human rights. Even the Master replied to his persecutors when they chided Him for permitting His disciples to pluck grain on the Sabbath, "The Sabbath was made for man, and not man for the Sabbath." And I would paraphrase this by saying: "The Constitution was made for Americans, and not Americans for the Constitution."

Is any political party the repository of the Constitution of the United States? Is the Liberty League the only organization capable of understanding this instrument and its attorneys the only ones able to direct the activities of Congress, the legislative branch of the Federal Government? If so, then God have mercy on the common people of this country, who have been exploited for decades by this type of special interests. [Applause.]

The CHAIRMAN. The time of the gentleman from Washington [Mr. KNUTE HILL] has expired.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. DITTER].

Mr. DITTER. Mr. Chairman, the failure of the present administration to live up to its campaign pledges with respect to a reduction of the cost of government by 25 percent continually plagues the Democratic Members of the House. I come to the floor today out of a sense of sympathy for them. I really am concerned about them. Because of the futility of the excuses that have been offered for the failure of the present administration to meet that campaign promise, it really does arouse sympathy in me for the Members on the Democratic side. I have listened to the efforts you have put forth trying to explain away that 25-percent promise. I have listened during the week to the denunciations that were made on the floor of the House of that fearless former Governor of New York, who was willing in a public address to remind the present administration of some of its campaign promises. I noticed how some of the Members on the Democratic side of the House squirmed and how they wriggled while a part of that denunciation was being made. I say I come today really prompted by a heart generous and gracious to you. I bring you my condolences and sympathies. The observations I am going to make are prompted in no sense by either a spirit of partisanship or a spirit of criticism. They are made out of that spirit of good will and affection that always should prevail among colleagues in a group such as this.

I think it was most unfortunate that the gentleman who immediately preceded me, in his enthusiasm for the defense of a reclamation project, failed to be courteous enough to the gentleman from New York [Mr. CULKIN] to permit the gentleman from New York to interrogate him with respect to the statements that the gentleman from Washington [Mr. KNUTE HILL] made in answer to the statements made by the gentleman from New York on reclamations. In spite of our partisanship, in spite of our enthusiasm, in spite of our interest for a particular project, we should never lose sight of that spirit of good will that should prevail among a group such as ours.

So I come to you men on the Democratic side today, sympathetically; you men who have been trying to excuse and explain and condone the colossal failure to even approximate the promises of a reduction of 25 percent in the cost of Government. I really bring you an offer and contribution of helpfulness. That contribution of helpfulness has to do with this reclamation business.

I want to direct the attention of the membership today to the report on this present Interior Department appropriation bill. I want to direct attention particularly to that portion of the appropriation which has to do with reclamation appropriations. In all kindliness I ask you the question whether you feel you are directing your efforts in the proper direction, so far as that 25-percent promise goes, by increasing this reclamation appropriation by $2,196,500 over what was provided for the present fiscal year? Of course, I recognize my limitations. Probably I am not approaching this 25-percent reduction properly. Probably you feel that that 25 percent, instead of being a minus, was intended to be a plus or a multiplication; but, at all events, increasing by $2,196,500 one single item in this appropriation measure does not in any way contribute to the possibility of an approximation of that old campaign promise.

Let me read you the reason that is given for this increase of $2,000,000:

This increase over the current appropriation is due to the need for additional funds for operation and maintenance charges on new land being brought under cultivation.

Again I am thinking of that campaign promise of 25-percent reduction, and I am wondering whether that new cultivation program and this increase in appropriation for reclamation bears any stamp at all of real consistency. If we have too much under cultivation, so that the Secretary of Agriculture feels it is necessary to plow under and destroy, then why should we be spending $2,000,000 for increasing the program of reclamation in the West? However, you on the Democratic side should direct your attention, as you honestly and sincerely and faithfully try to live up to this campaign promise of 25-percent reduction, to the fact that $75,000 of this program is for the establishment of an operation and maintenance administration. What do we mean by that?

We mean by that more jobs. We mean by that taking care of more of the faithful. We mean by that that this already stupendous horde of faithful Democratic appointees is to be further increased. Surely you realize that this will not help you to live up to this promise, but it will make it more difficult for you to approximate this 25-percent reduction.

I shall be glad to yield and I shall be courteous enough to yield to the distinguished gentleman from Washington if he feels that any of the statements I make with respect to reclamation are either unfounded or unjustified. But I want to direct your attention to pages 197 and 198 of the hearings, where there is set forth a table which came as a result of the request of the gentleman from Massachusetts [Mr. WIGGLESWORTH]. He requested information as to the sums going into reclamation projects from emergency and relief funds. This table on pages 197 and 198 shows that almost $350,000,000 of reclamation projects have already been provided for under emergency and relief measures that have never been approved by the Congress of the United States. I want you to look at a few of them. These are provided for under the carte blanche authority for spending money given by this Democratic House facing, as it did, this promise of a 25-percent reduction in maintenance charges. I say these are provided as a result of that carte blanche authority to spend money.

Here is one item, $170,000,000 to go to a reclamation project in California. I think California is a fine State, and I in no sense criticize California, but $170,000,000 without one word appearing in any hearing before any appropriation subcommittee to justify this expenditure is a dangerous practice if you are to make good your promise.

I come down to another item, and again I feel I must suggest and invite any interrogation that the gentleman from Washington may care to direct to me—I find that there is an item of $63,000,000 for a certain project in the State of Washington with no justification for it before any House committee, no justification before any appropriation subcommittee, never passed on by the Congress. In fact, it has been said in times past—and I am glad the distinguished gentleman from Colorado [Mr. TAYLOR] is here—it has been admitted in times past that many of these projects had heretofore not only failed to receive the approbation of the committee but that they had been frowned upon and criticized.

I turn to another item and find $20,500,000 provided for a reclamation project in the State of Arizona with no justification for the expenditure, no explanation to this Congress as to why this project should be inaugurated. Is there any wonder that I am concerned about your campaign promise to reduce expenditures 25 percent?

Is there any wonder my heart is touched with a sense of sympathy for you?

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 5 additional minutes to the gentleman from Pennsylvania.

Mr. DITTER. It is not, however, only the original appropriation of $350,000,000 that comes up to plague you. Have you ever realized that every one of these projects requires a future maintenance charge? But now I am going to be selfish. I am thinking of our campaign promises that we are going to make, and I do not want the coming Republican administration plagued with the same kind of nightmare that you fellows have been plagued with. We want to make good on our promises of economy. That is the difference. I realize that this investment means that we are to have the burden on our shoulders of maintaining these projects.

Again may I direct the attention of the House to the fact that this committee report excuses this terrific increase on the basis that the Government has invested $250,000,000 in the construction of reclamation projects, and that projects are now under construction which will cost a like amount. They are going to cost more than that. They are to cost $350,000,000 instead of $250,000,000, and every $1,000,000 that you invest in reclamation projects means maintenance charges for the years to come. So I say to you men I throw off now the role of sympathy, I am no longer offering you my condolences; rather, I am concerned about the fact that when the Republican administration comes in we are going to have on our shoulders the job of carting along this great colossal proposition that you men have put on us, and I do not want the load to be any heavier.

Mr. GRAY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. DITTER. I always yield to my friend from Pennsylvania.

Mr. GRAY of Pennsylvania. I am thinking, Mr. Chairman——

Mr. DITTER. This is for a question, not for a speech; my time is limited.

Mr. GRAY of Pennsylvania. I am not going to make a speech. I was thinking, Mr. Chairman, that if the gentleman's heart continues to bleed so profusely as it has been for the last 15 minutes, he will be dead before the next campaign.

Mr. DITTER. Answering the gentleman, Mr. Chairman, may I say that that hope which springs eternal in the human breast will undoubtedly provide for this bleeding heart of mine, resuscitate it sufficiently, I know, so that I can effectively combat any of my Democratic friends in my own district.

But again to direct my attention to you Members on the Democratic side, we are not anxious to have about our neck these ever-increasing capital investments that you Democrats are loading on the Federal Government. So I am really selfish when I am presently urging upon you that you desist from this program of spending, that instead you get to work to set your house in order; set it in order not only for the sake of the American people and taxpayers but also for the sake of your own good reputations, so that you will not have to squirm so much, so that you will not be wriggling around so much, so that you will not have to be going into all the crevices, the crannies, the nooks, and the corners to find excuses; so that you will not be gathering together all the volumes on condonation in trying to explain away your failure to live up to that now famous campaign promise to reduce the costs of government by 25 percent.

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. LEE].

Mr. LEE of Oklahoma. Mr. Chairman, I wish to say a few words on farm relief. On the 6th of this month the farmer was thrown for a loss by the decision of the Supreme Court. When prosperity comes to this Nation it will come through the door of farm relief. The door of production control has been closed in the face of the farmers with a slam of finality that cannot be mistaken. But there is yet a door for farm relief that stands wide open.

I speak of monetary relief that will restore the farmer's buying power. The dollar today is worth $1.25. Why is the dollar still out of line? Because there are not enough dollars. Then we should issue more dollars and thereby bring the dollar back to the 1926 level of 100 cents.

Therefore I call attention once more to the bill which I have introduced—H. R. 10594—directing the Secretary of the Treasury to pay the veterans baby bonds in new money. I wish to serve notice that I intend to follow the petition

route in order to get action on this bill just as soon as the necessary 30 days have passed.

Unless Congress decides to pay these baby bonds in new money sooner or later we will be asked to pass a tax law to raise that money, as Alexander Hamilton said, "from the backs and bellies of the people." Not only a tax to raise the $2,200,000,000 but a tax to pay the interest on bonds that will be refunded and refunded until ultimately we will pay more in interest to the coupon clippers than to the veterans themselves.

Not only that, but when $2,200,000,000 are invested in bonds, it means that amount of wealth has been removed from the reach of taxes, either as to principal or income.

To those Members of the House who revolt at the idea of issuing more interest-bearing, tax-exempt bonds, and shrink from the idea of laying a further burden upon the taxpayers, here is a chance to go on a rampage against the bond racket, oppose further taxation, and aid the farmer all in one move.

By issuing more money we can bring the dollar back to a 100-cent level. When we do that we add 25 cents to the purchasing power of every bushel of wheat. We add $15 to the purchasing power of every bale of cotton. We increase by 20 percent the purchasing power of all farm commodities.

The farmers were kicked in the teeth in 1929 when the purchasing power of farm commodities was decreased five times. The efforts of the Government to aid agriculture have done much to restore this purchasing power, but it is still 20 percent below the base year of 1926.

No one can correctly say that it is inflationary to restore the dollar to its normal value of 100 cents. Nor do the arguments of "unsound money" have much force, because, after paying these baby bonds in new money, we would still have almost $4,000,000,000 more in gold and silver in the Treasury than we would have currency in circulation.

Now, gentlemen, here is an opportunity to give the farmers relief, and relief to the farmers means relief to the wage earners; it means relief to the storekeepers; and it means relief to the factory owner. Farm prosperity is the basis of all prosperity.

Furthermore, this method of farm relief is constitutional. The language of the Constitution on this point is not merely permissive but it is mandatory. The Constitution says:

> Congress shall coin money and regulate the value thereof.

The money changers have hollered for the Constitution. Now let us give it to them. [Applause.]

Let Congress follow this mandate and pay those baby bonds in new money. That will save the Government more than a billion dollars in interest. It will give the farmers 20 percent more money for their products and thus continue the upswing of prosperity.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 12 minutes to the gentleman from Pennsylvania [Mr. RICH].

WHERE ARE YOU GOING TO GET THE MONEY?

Mr. RICH. Mr. Chairman, I turn once more to the address of the President of the United States delivered on that memorable night of January 3, 1936, when all the Members of Congress waited from 2 o'clock until 9 at night to hear the belated address which was to be delivered at the opening of Congress—and Congress convened at 12 o'clock noon. The time of meeting at 12 noon was known to all Members of Congress and the President of the United States for at least a year previous to that time. Yet 435 Members of the House and 96 Senators waited from 2 to 9 p. m. to gratify his request.

From this address I quote:

> Now, after 34 months of work, we contemplate a fairly rounded whole. We have returned the control of the Federal Government to the city of Washington. To be sure, in so doing, we have invited battle. We have earned the hatred of entrenched greed. The very nature of the problem that we faced made it necessary to drive some people from power and strictly to regulate others. I made that plain when I took the oath of office in March 1933. I spoke of the practices of the unscrupulous money changers who stood indicted in the court of public opinion. I spoke of the rulers of the exchanges of mankind's goods, who failed through their own stubbornness and their own incompetence. I said that they had admitted their failure and had abdicated.

I wonder if the President meant, when he said, "We have returned the control of the Federal Government to the city of Washington", that Congress had abdicated and turned all the power over to him and now the money changer is in the White House. No man in the history of the world has ever had so much money at his command as President Roosevelt. With his aides, Secretary Ickes, Secretary Wallace, Harry Hopkins, and Professor Tugwell, what do you think of the job they are doing in squandering this money over the United States, helping to create as per the statement I hold in my hand of January 17, 1936, of the United States Treasury—a deficit of over thirty and one-half billion dollars and with the two billions we charged off when we devalued the gold dollar making over thirty-two and one-half billion dollars in the red, a debt for the young manhood that is coming on in this country to assume. It will be up to them to pay this debt which is being created today. Will they be able to do it? Where will they get the money?

The President also stated in that memorable address that if we had any suggestions to offer for the good of the country—

> Let them propose to this Congress the complete repeal of these measures. * * * In other words, let action be positive and not negative. The way is open in the Congress of the United States for an expression of opinion by yeas and nays.

I want to suggest to the Members of Congress once more that we should repeal the laws giving authority to the President of the United States when we permitted him to establish the alphabetical organizations which are now operating at great expense, and you will find in the next few years to the great detriment of this country of ours, such as the C A B—C C C—C S B—C W A—D L B—E C—E H F A—F A C A—F C A—F C T—F D I C—F E R A—F E S B—F H L B—F T C—I A B—J E B—L A B—N C B—N E C—N L B—P A B—P I A—P S A C—P W A—S A B—T V A—U S E S. The Supreme Court is doing its duty, but legal procedure is too slow. We need legislative action.

I propose that we have a new deck. Many of the cards of the old deck are gone. Those that were sound are leaving this administration as fast as they can get out, and we now have a deck that is worn out and not very good. So this Nation needs a full new deck that we may have a deal that is sound, because you cannot play the game with lost cards, and when the cards are bad the only thing to do is to exchange them for new ones. The President that is in the White House certainly has a different idea of the finances of this country than what is revealed by the Treasury Department report as revealed by his Secretary of the Treasury.

When the President said in his address on January 3—

> We are justified in our present confidence. Restoration of national income, which shows continuing gains for the third successive year, supports the normal and logical policies under which agriculture and industry are returning to full activity. Under these policies we approach a balance of the National Budget.

Attention is called to the statement of the Treasury Department as of January 17, 1936, showing that the deficit for the year beginning July 1, 1935, to the 17th of January 1936 was $1,823,589,175.41, and the deficit for the corresponding period of 1935 was $1,427,501,713.72, or a difference of $396,087,461.69 further in the red in our Government operations than we were at the same time a year ago, showing we are going faster and faster away from a balanced Budget rather than toward it. Why would the President make a false statement? He certainly knew better. He should have been in touch with the Treasury Department.

With the passing of the bonus bill and the increasing of the amount in the independent offices appropriation bill, how can he say we are approaching a balanced Budget? Statements mean little when facts do not bear out the contention.

Let us get down to facts. Let us balance the National Budget, or the insinuation that we will not need additional taxes is only a myth. We must have more taxes or less expenditures. I believe we will be compelled to have both.

Are we as Members of Congress going to assume our responsibilities or are we going to permit ourselves to be misinformed? I quote a plank in the Democratic platform:

> We favor maintenance of national credit by a Federal Budget annually balanced on the basis of accurate executive estimates within revenues, raised by a system of taxation levied on the principle of ability to pay.

Are you on the majority side doing your duty toward balancing the Budget?

The Republican platform calls for the State and the Nation to balance its Budget and to curtail expenses. Now, when the two great national platforms make these declarations, are you as Members of this Congress and members of your party which held these platforms up to the people of this country going to disregard your oath and obligation? You were elected on these platforms and you should fulfill your obligation to the American citizens who elected you. This is to Democrats and Republicans alike.

Now, we consider the appropriations to the Interior Department and we increase this Department's askings for 1937 over 1936, $4,179,754.05. We will also have spent for the Interior Department from the $4,880,000,000 fund of a year ago additional great sums of money. This happened last year and it will happen again. This Congress, controlled by the so-called Democratic Party with a Socialist leader, is not approaching a balanced Budget. Nor is the Democratic Party trying to balance the Budget, and I have not any idea that this majority party intends to do so. Again I ask the Democratic Party to carry out your platform to the American people.

Where will you get the money? [Applause.]

Mr. LUNDEEN. Will the gentleman yield?

Mr. RICH. I yield to the gentleman from Minnesota.

Mr. LUNDEEN. The Republicans started the alphabetical departments with the R. F. C., and they financed the trusts, banks, and so forth, with the R. F. C. Is that not the daddy to all these alphabets?

Mr. RICH. The Republicans started the R. F. C., and it looks to me now as if the R. F. C. is going to lend money to the industries and to the people of this country which will be paid back. The trouble with these other organizations is that they are all spending money and going forward in the red. If the gentleman will take the statement which comes to his desk every day he will know that we are getting further and further in the red, and the American people, the taxpayers back in his district and in mine, the poor people, are the ones who are going to pay the bill. You gentlemen on that side are not going to protect the people; on the contrary, you are spending and squandering money faster and faster every hour and every day.

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 4 minutes to the gentleman from Pennsylvania [Mr. DARROW].

Mr. DARROW. Mr. Chairman, in my capacity as the ranking minority member of the Committee on Naval Affairs of the House of Representatives, I introduced today a resolution of inquiry calling upon the Secretary of the Navy to inform the House forthwith by whose direction, order, or command, and upon what or whose authority the United States Marine Band canceled its engagement to render a musical program at the meeting of the Women's Patriotic Conference on National Defense held at the Mayflower Hotel in this city last night, and to furnish the House with a copy of such direction, order, or command.

Mr. Chairman, this is a privileged resolution under the rules of the House, and I call upon the Committee on Naval Affairs promptly to report it back to the House, so that the desired information may soon be forthcoming and the country be apprised as to who is responsible for this gratuitous and humiliating insult to the 500 or more representatives of the splendid patriotic American women numbering hundreds of thousands comprising many organizations in every State in the Union.

The Committee on Naval Affairs, whose jurisdiction embraces legislation on subjects pertaining to the Navy and the Marine Corps, should be, and is therefore, justly and properly concerned regarding those branches of our national defense and keenly alive to their activities, civic as well as military, and jealous to preserve their good name and fine reputation in the opinion of the American people. There should be no delay in fixing the responsibility in issuing the order for the unprecedented action of the Marine Band, whose members are gentlemen, as well as skilled musicians, and of whom the country is proud. While the stain of such an outrageous un-American procedure cannot be wiped out by the information desired, at least it will serve to exonerate the members of the band for acting under orders from higher up and will place the blame where it belongs.

In the name of the patriotic, liberty-loving American women whose peaceful assembly in the interest of national defense was so rudely disturbed and interrupted, I demand prompt and favorable action on my resolution.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. HOUSTON].

Mr. HOUSTON. Mr. Chairman, in an effort to calm the troubled waters that have upset the Congress for the last 3 days and to smooth the ruffled feelings of my friend the gentleman from Pennsylvania [Mr. RICH], I am going to change the subject of discussion, and strange as it may seem, I am not going to talk on the Townsend plan or the walk-out of Al Smith, or the speech of Senator BORAH, or the speech of Governor Talmadge, or the expected speech of Governor Landon.

KANSAS

Mr. Chairman, January 29 being the seventy-fifth anniversary of the great State of Kansas, I think a few appropriate remarks are in order.

For nearly four centuries Kansas has been the land of opportunity. Some States boast of their historical heritage, others take pride in their romantic background, a number possess either mineral resources or agricultural wealth, and a few point to their healthful climate. But no State combines all of these things as does Kansas. For here in Kansas we have rich history, the lingering romance of pioneer adventure, vast mineral and agricultural assets, a developing industry, and glorious sunshine so perfectly blended as to produce living conditions offering a maximum of health, creature comfort, happiness, and economic security.

The traditions of Kansas reach back to the days of Montezuma and the Spanish conquistadors. From that time down through the years of the pioneer settlements, the old trails, the territorial conflict, the war days, the cattle towns, and the county-seat wars, the finger of history has crisscrossed Kansas and left us a rich heritage from the past. Some 60 years before Pocahontas saved John Smith's life, and for an even longer period before the Mayflower sighted Plymouth Rock, the white man had visited Kansas. Here it was that the Civil War really started and here it was that the doom of slavery was sounded in the United States.

Nearly 400 years ago Coronado came to Kansas seeking the mythical cities of Cibola, with its streets presumably paved with gold. In his search for gold, the mineral, he was disappointed. But if he had but known, there was gold all around him—gold in the underground recesses of Kansas soil, gold in the cultivation of the rich acres which overlie Kansas everywhere. Today Kansas is fourteenth in industry, it is eighth in mineral production, and it is one of the great agricultural empires of the Nation.

And yet, with all of our resources, with all of our historic background, no other State in the Union is the victim of so many misconceptions and so many mistaken notions as

Kansas. As a people, we are pictured as peculiar; as a State, the popular idea prevails that we are the haven of jackrabbits, grasshoppers, and savage Indians. If we were to believe the impressions others have formed of us, Kansas is noted principally for its cyclones and tornadoes, for its dust storms and droughts, for its monotonous prairies and parched farms.

The truth is that, according to insurance actuarial records, Kansas is the healthiest State in the Union and is a leader in its percentage of literacy. There are less than 2,000 Indians in the State, and the majority of them are as well educated and civilized as their white brethren. Kansas has no more cyclones or tornadoes than Missouri, Illinois, or any of the other States of the Central West; the center of the dust disturbance was not in Kansas but in neighboring States; and, far from being an endless sweep of prairie, Kansas offers some of the most beautiful scenery to be found anywhere in the country. The scenery of Kansas is not artificial; it is not narrow, tawdry, or cheap. The beauty of Kansas is majestic in its scope, sweeping in its allure, with high horizons, and an unending and changing succession of picturesque landscape.

Few people think of Kansas as an industrial State. Yet it is first in the Nation in flour milling, fourth in meat packing, tenth in the production of cement, with gypsum mills, furniture factories, foundries, and other plants of growing significance in the industrial pattern of the Nation. Wichita was once known, only a few years ago, as the "air capital of the Nation." Then there was a recession in the industry in this State. But now, once again, Wichita is challenging for that distinction. Its aircraft factories are humming with activity, busy with orders, which will keep them operating at full capacity for many weeks to come, and with the prospect that Kansas may soon attain the position of being the premier State in the Nation in the manufacture of aircraft.

Kansas is not particularly noted for its mineral resources; but it produces eight times as much mineral wealth as Alaska and surpasses such well-known mining States as Colorado, Montana, Utah, and Arizona. The total value of the minerals thus far brought forth from the underground recesses of Kansas exceeds two and one-half billion dollars, and much of the State's mineral possibilities remain unexplored.

Centuries ago a great salt sea covered most of the western half of the State. When it receded it left huge deposits of salt throughout that area, some of them more than 400 feet in thickness. Today Kansas is third in salt production in the Nation, and there is enough salt underlying the State to supply the United States for the next 250,000 years.

Kansas never had a volcano in its entire history, but it is first in the output of volcanic ash. At some period in the dim, distant past volcanoes were active to the west of the State; they are believed by geologists to have belonged to the Capulin group in New Mexico. The fine dust erupted from these volcanoes was carried by the prevailing winds into Kansas and deposited here in such volume as to make this State the leader in the Nation in the production of this important abrasive material.

This year, according to Progress in Kansas, the official magazine of the Kansas Chamber of Commerce, Kansas is destined to set a new all-time high record for the production of oil, thereby duplicating its performance of a year ago. Back in 1918, when the Butler County fields were at their flush heights and the famous El Dorado field was producing nearly 10 percent of the Nation's output, Kansas produced 45,500,000 barrels of oil. That remained as the year of peak oil production in the State until 1934, when it was surpassed by 250,000 barrels. But in 1935 Kansas produced more than 50,000,000 barrels, to establish another new peak record.

Today Kansas is fourth in the Nation in oil production, and oil is found in 43 counties in the State. The Kansas oil field is rapidly spreading out over the western section of the State, and geologists say that the petroleum possibilities of that section have "barely been scratched." Every county in that part of the State is a potential oil producer, it is claimed, and this is supported by the fact that hardly a day passes without a new producer being uncovered in hitherto virgin territory.

Down in southwestern Kansas lies the Hugoton gas field, one of the greatest natural-gas reservoirs in the Nation. The development of this vast field has barely begun, but careful research has revealed that it has a sufficient reserve to take care of the gas needs of Kansas for the next 200 years, and, with the Panhandle field of Texas, could supply the gas requirements of the entire Nation for the next 26 years. Think of the possibilities that the development of the Hugoton field holds for Kansas—a State already ninth in its natural-gas output! Moreover, consider, if you will, the industrial opportunities presented by this enormous gas reservoir, with its billions of cubic feet of gas waiting to be harnessed for industrial purposes.

For years Kansas has been one of the leading zinc- and lead-producing States in the Union. It is rich in gypsum deposits, in coal, and in limestone. Southeast Kansas contains a greater variety of mineral resources than any other equal area in the Nation, being favored by eight—coal, clay, shale, limestone, gas, zinc, lead, and oil—and in this region there is the largest concentration of excavating machinery in the world.

Today the mineral resources of Kansas approach agriculture in importance as a source of wealth and with much of the possibilities still unexplored; they are destined to become an increasingly influential factor in the economic pattern of the State.

Kansas is rightfully entitled to its reputation as one of the great agricultural States of the Nation, but those who are unfamiliar with its farm output largely regard it as a one-crop State. It is true that Kansas raises a lot of wheat. It has well been called the "bread basket of the world", and the claim that "Kansas grows the best wheat in the world" is not without justification. Normally one-fifth of all the hard winter wheat grown in the United States is produced in Kansas, and 39 States have a smaller acreage in all kinds of crops than Kansas has in wheat alone. For a like area Kansas is the largest producer of hard winter wheat in the world.

But what most people overlook is that Kansas, which is fourth in the Nation in agriculture, has a well-balanced farm output, with 47.1 percent of the farm income coming from crops and 52.9 percent from livestock products.

Kansas ranks eighth in the production of corn and grows corn in all of its 105 counties. Recently J. C. Mohler, secretary of agriculture, in refuting the impression that Kansas is a one-crop State, said this:

> In the 54 years, from 1859 to 1913, Kansas never harvested a crop of wheat that produced as much as 100,000,000 bushels. Yet in 37 of those 54 years the State raised a corn crop that measured above 100,000,000 bushels.

Secretary Mohler went on to point out that in the last 20 years Kansas has produced 11 crops of corn that measured above 100,000,000 bushels and 13 crops of wheat that went over that mark.

Kansas ranks first in number of eggs shipped to the large markets, and dairy products bring to Kansas dairymen and farmers an income in excess of $20,000,000 annually. The State holds almost a complete monopoly on the growing of apple seedlings, producing more than 90 percent of the Nation's output. It is first in the production of alfalfa seed, third in production of flaxseed, second in grain sorghums, and fourth in yield per acre of sweetpotatoes.

Kansas has more land in farms than any other State except Texas, which is three times larger, and has the largest wheat-storage capacity in the Nation.

Kansas is third in the production of beef cattle for slaughter and is one of the leaders in the production of purebred livestock.

Reflecting the agricultural stability of the State, Kansas is the only State in the Corn Belt where farm real estate has not declined in value since 1925; it is first in the amount of farm acreage operated by owners and leads all States in having the smallest per-capita mortgage foreclosures. It has more farm-owned autos than 45 other States, more tractors than 46 others, and more farm homes equipped with gas and electricity than 39 others.

I could occupy another hour with an endless array of statistics emphasizing the varied sources from which Kansas draws its wealth, and recalling facts which even those of us who live there are prone to overlook. I have not even touched upon the cultural background of the State which has produced some of the greatest artists, writers, and musicians in the Nation. I have not mentioned a State press which is nationally famous for its virility and is unequaled anywhere in its devotion to the popular welfare. Nor have I called attention to a system of education which has contributed so immeasurably to the economic and social progress of the State.

These are the things which make Kansas great. In a comparatively few years they have been wrought out of a raw frontier, out of the blood and sweat and toil of rugged pioneers who were undaunted, unafraid, and stubbornly persistent. They brought civilization to a land of savagery. In the face of indescribable hardships and danger they made what had been called "the great American desert" bloom with golden crops and pulsating industries. They brought to a barren land willing hands, sturdy hearts, and determined faith, and with little else laid the foundations upon which a great State has been reared.

These pioneers have left us both a heritage and a challenge, a heritage based upon their courage, patience, faith, and loyalty, and a challenge for us to exercise those same superlative attributes in meeting the problems that confront us and in building to still greater heights the structure they passed into our hands.

The foundation has been laid. We have the resources; we have the natural wealth; we have a virile and intelligent citizenship. But above all we need to recognize that life today is not only complex but interdependent. We are, to an immeasurable extent, bound up in a common destiny. A few years ago a great man said:

> Cooperation is no longer a sentiment; it is an economic necessity.

Those words come to us today with compelling force. The destiny of Kansas, the fate of the Nation are inextricably involved in the extent to which we realize that we must labor together in a solution of our common problems, in our recognition of our common purpose in life, and in our acceptance of the fact that progress and the welfare of the human family depend upon a conscious and intelligent association of effort.

Great problems are pressing upon us for solution. They will not be solved on the basis of prejudice or narrowness, nor through selfishness or arrogance. Neither will they be solved if we lose sight of the fact that change is inevitable; that it is the basis of all progress; and if we are unwilling to accept that philosophy, then we must be prepared to accept that stodginess and stagnation which leads to decay and eventual disintegration.

Kansas is a great State today. It will be much greater when we appraise our assets with an eye to future possibilities, and then set our hands to the task of converting these possibilities into actualities through an exercise of that vision, faith, courage, and determination which so distinguished our forefathers and which stands before us as a living challenge today. [Applause.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. BINDERUP].

Mr. BINDERUP. Mr. Chairman, I believe all of us as Congressmen are very zealous of the honor and the privilege that has been extended to us by our constituents in our home communities in making us their representatives in the Nation's Congress. I believe we are very zealous of this position and anxious to protect the dignity of this high office as well as the dignity of the House of Representatives.

Therefore, Mr. Chairman, it seems rather strange to me that we are in this Congress lending so much time and consideration, thereby lending dignity to a man who might be a very good man but entirely unworthy of all this consideration of this House—a man who after all is a very ordinary citizen, regardless of his apparent exalted opinion of himself as manifested in his statement that only the President of the United States will be recognized as worthy of a reply to his remarks. So, since this House has so extremely dignified his person, magnified his words, and amplified this dinner, I am referring to Alfred E. Smith and the American Liberty League last Saturday night, a few more remarks in closing this episode can do no harm, referring as I do only to the closing remarks he made in his address last Saturday night. Mr. Smith asks, Shall the Capital be in Washington or Moscow? when he should know the question definitely is, Shall the Capital be in Wall Street, New York, or shall it be in Washington? Shall it be the clear, fresh air of free America or the foul breath of communism, he asks; when we, the citizens of America, know the battle is on, and the question is, Shall it be the clear, pure air of freedom and liberty, which the Constitution guarantees, or the foul, putrid air of capitalistic tyranny?

Then he asks what flag, the Stars and Stripes or the red flag of Soviet Russia, when we, who have been in the battle lines for years fighting for and following this flag—our flag of freedom—in the cause of the toiling masses, know the only question is, Shall it be the old flag, the flag of the Stars and Stripes of America, or the plutocratic, monopolistic, capitalistic flag of Wall Street? And he grieves over the Constitution. Let me tell you, Al, our Constitution is much safer in the hands of the toiling masses, the great producers of all wealth, than in the hands of your apostles, who have been violating the Constitution of the United States for over a hundred years, in that during all this time they have been robbing the people of their constitutional right to coin and control their own money, the measuring stick that measures all value according to its own abundance, that measures the very sweat of the brow of humanity, that measures the very life of the laboring man who sells his life to his employer in little pieces, by the day, the week, or the year.

The crowd for whom you acted as spokesman Saturday night, in their unconstitutional capacity, hold and control this measure of value by their absolute control of the volume of money in circulation. In this, their unconstitutional capacity, they have caused more tears, sorrow, and suffering; more suicides, murders, and war; and have done more to tear down the great institution of civilization than any other class of people, including Communists and anarchists. Through human greed, selfishness, and avariciousness there is no other class of citizens who have done more to retard civilization than those represented by the crowd who dined with you at the reenacted feast of Belshazzar at the Mayflower Hotel last Saturday night, January 18. This crime was committed by violating the Constitution of the United States, by usurping the control of our money supply, the lifeblood of trade and industry, the wheels of commerce. It comes from a mighty poor source, then, when your crowd plead the protection of the Constitution; when you said the great commoner, William Jennings Bryan, walked out on the Democratic Party, you were wrong again. It was your bunch that walked out on W. J. Bryan, when the air of purity invaded the halls of the Democratic convention and your bunch choked and ran to seek the air of selfish interests and greed to which you were accustomed; yes, you knew then,

and you know now, that is where you belong. I am reminded of a certain passage of Scripture that reads:

The ox knoweth his owner, and the ass his master's crib.

It would not hurt to take a little inventory of the guests who attended this Belshazzar feast at the Mayflower last Saturday; first, there were the Du Ponts, 25 of them I believe, who are members of this family corporation, associated together with other munitions manufacturers, who in the last war reaped a profit of no less than $25,000 for each one of our boys their murderous implements of war have sent into eternity, merged together with the Remington Arms and the Bethlehem Steel, by exchange of stocks and gentlemen's agreement—misnamed gentlemen's agreements—and associations, again merged together with the ring of munitions manufacturers that circle the globe, whose business it is to prolong war and disturb peace, associated with the English Vickers Armstrongs, Ltd., that most gigantic chain of munitions manufacturers on which the sun never sets, associating with Germany's Krupp Co., manufacturers of heavy artillery, and to cap the climax, connected and associated by intermingling of stocks, directorships, and gentlemen's agreements with Schneider-Creusot munitions plants, bigger than all the others combined. This bunch of munitions manufacturers apparently care nothing for the life of your son and mine.

They can hear only the clinking of the coin in their golden coffers; that drowns the prayers and pleadings of suffering humanity. These munitions manufacturers that during the war interchanged raw materials and shipped freely to each other, friend or foe; for instance, Germany shipped magnetos and gasoline engines and numerous other war materials freely to France and England through Sweden, Denmark, Norway, Switzerland, Spain, and Holland so that the Allies could kill more German boys; and England, France, and other allied nations shipped just as freely to Germany glycerine for explosives, nickel, copper, oil, and rubber so Germany could kill more of our boys, as well as the youth of England, France, and other allied nations. Yes; this group was represented at Al's feast of Belshazzar last Saturday night. And the representatives of the House of Morgan were there—I speak of these as a symbol of predatory wealth and human greed—yes, the House of Morgan.

Do you remember in history how the House of Morgan bought up half of the Nation's gold in the Civil War and shipped it across to their branch bank in England to cripple the finances of the Union, to make gold scarce and increase the purchasing power and depreciate our Nation's paper money in terms of gold, thus robbing the soldier who was receiving only $13 a month by depreciating the value or the purchasing power of his money?

You remember in history the House of Morgan during the Civil War had bought the defective rifles that had been discarded by the Nation because they were unsafe for the soldiers, one of the reports on these defective rifles reading that they were as dangerous to the one firing that rifle as to the one he was shooting at; how the House of Morgan bought these discarded rifles from a speculator for $2.50 apiece and sold them back to General Fremont, of the Union Army, in another division, for $22.50. Do you remember how Morgan was convicted for this crime and later on whitewashed and released? Oh, yes; Al had all of these representatives there at his billion-dollar dinner. And the Power Trusts were there. I know this bunch—I have learned to know them as the enemies of Nebraska and the enemies of our Nation. They have just filed other injunctions against us in the State of Nebraska in their effort to prevent us from using the water power of our rivers for the development of cheap electricity, stating in their request for an injunction, preventing us from doing further work, that they would not be able to compete with us in our cooperative efforts. The Power Trusts have been hindering our great efforts in the developments of our rivers for the past 21 years, thereby compelling us to allow our great fertile land to dry up and be depleted of its fertility with an ocean of water under it and around it waiting only to be pumped to the surface by cheap electric power which they will not furnish, nor will they allow us to provide for ourselves.

One of the companies filing this injunction against us in Nebraska is the Nebraska Power Co. I have just looked up a bit of their history. This company, owned body, soul, and breeches by the American Power & Light Co., which in turn is controlled by the Electric Bond & Share Co. of New York, might appear to the casual observer as a Nebraska Corporation, which, of course, is not true. This company is incorporated in Maine and has its headquarters in New York. This company was born out of a merger of the Omaha Electrict Light & Power Co. of Omaha and the Citizens Gas & Electric Co. of Council Bluffs, Iowa. These two companies closed their books and sold out to the Nebraska Power Co. on May 31, 1917, with a fixed capital of $6,432,000. The next morning the books were opened in the name of the Nebraska Power Co. The books now showed a fixed capital of $13,500,000, a transfer of water into gold of over $7,000,000, a pretty good profit for one night, which watered stock was sold to the widows and orphans of Nebraska and Iowa. They did not have as high a regard, apparently, for the poor widows and orphans then as they did last summer here in Washington when they cried huge crocodile tears and shouted that we were robbing the poor widows and orphans when we were passing legislation prohibiting and preventing them from selling watered stock and concealing their dirty, crooked dealings by creation of holding companies, created for no other purpose but to draw more huge salaries and concealing the profits of their subsidiaries and robbing the investors of their profits.

Oh, yes; these constituted some of the company at Al's billion-dollar blow-out last Saturday night. I know these men; I know this bunch. I spent my life fighting trusts, and I recognize this bunch of pirates. At the age of 30 they robbed me and left me penniless in the creamery business because I would not agree to reduce the price of butterfat 4 cents a pound to the farmers. Twenty-five years later, when I had to fight them again through every court in the land for 5½ years, I fought this bunch of grafters and crooks through every court in the land, up to the Supreme Court of the United States, where I received a unanimous decision, followed shortly thereafter by a satisfactory compromise settlement. Well, that is enough for Al and his reenactment of this billion-dollar feast of Belshazzar. In the night, as they reveled and drank from their golden goblets, perhaps they also read the handwriting on the wall, as did Belshazzar and his lords, when they read the fiery words, in their oriental language, "Mene mene tekel upharsin", meaning "Thou art weighed in the balance and found wanting."

But, Democratic friends and fellow Congressmen, there is one thing that we cannot laugh off, and that is the accusation that he made that we as Democrats had not fulfilled our pledges to our people as embodied in the Democratic platform. This accusation ought to wake up every red-blooded Democrat to either fight or make good. I have always believed there is no lasting advantage or gain in evading the truth or in misrepresentation. I believe my people and your people are entitled to know the truth—know exactly where we stand on all political questions relative to our Government. To me a political platform is a sacred code of promises we made to our constituents in exchange for their vote of confidence in us, and to break this code of promises is treason against our people. To me the Democratic platform is a holy writ. It is the ark of the covenant. It is the magna carta to the toiling masses, the great producers of all wealth, whom we represent. Just listen to the prelude to the Democratic platform of 1932:

We believe that a party platform is a covenant with the people, to be faithfully kept by the party when entrusted with power, and that the people are entitled to know in plain words the terms of the contract to which they are asked to subscribe. We hereby declare this to be the platform of the Democratic Party; the Demo-

cratic Party solemnly promises by appropriate action to put into effect the principles and policies and reforms herein advocated.

It was just a mighty small comfort to me when on the floor of the House, following Al's tirade against the Democratic Party and what he termed their "broken promises", that our principal defense that we heard mentioned on the floor of this House was that Al was also a piker—that he had not always been reliable, and that he had not followed his promises, and that the Republican Party under Hoover had violated all their party platforms and principles. To me this was mighty discouraging as, in my judgment, three wrongs cannot possibly make a right. But, as Al said, and as our good speaker and colleague, Mr. WOODRUM, of Virginia, said, the following morning—and as I now also want to repeat, I want to let you in on something confidentially. I have been worrying, as I know you have, about this accusation—this split in the Democratic Party and the possible Republican victory in the next election. I have in the past heard so much on this floor about communism and socialism and radicalism, and I have become somewhat alarmed. But I have discovered something that is a great consolation. I know a cure-all. I know a safeguard. I know how to choke Al to death politically; how to stop the Republican Party politically; how to stop this terrible communism, radicalism, and socialism; and I am going to let you in on this secret; and that is, let all of us Democrats get busy and fulfill the pledges of the Democratic platform and we will choke the wind out of our opposition. We have it all over Al; his chances are gone.

We have an advantage over the Republican Party; the door is closed to them; they had their inning for 12 years, and during this time our great Nation fell from the highest level of prosperity to the lowest level of want and poverty while they held the reins of our Government. But we Democrats are still at bat and we still have the opportunity of redeeming our party by fulfilling our pledges to the people as contained in the Democratic Party platform. How glorious the situation if we will only act now. I would rather stay in Washington all summer and come home with my platform pledges fulfilled than to come home with excuses for my failure to carry out my promises to the people. I would rather come home late, holding aloft in my hand the Democratic platform, waving it to my constituents, and saying, "Here; here is the holy covenant fulfilled, every pledge, every word; I have done my part"; rather that a thousand times than to come home to attend to a reelection to which I claim we are not entitled unless we carry out our part of our contract; the planks of the Democratic platform, this holy covenant with the people. What kind of plea can we make, coming home with an unfinished program from a Congress that is two-thirds Democratic and a Democratic President? Oh, if we only had more Republicans in Congress we could come home singing the old tune, "The Republicans would not let us", and if it were not for the Democratic platform we might go home and say we did not think about it, or if it was because we did not have the knowledge that no less than 582,000 farmers are now losing their farms in foreclosure, we might plead we did not know it was necessary. We might plead that we did not have the time if it was not for the fact that we are just mighty well paid for our time and effort as Congressmen, and there is no reason why we could not remain all summer in order to fulfill our pledge and bring relief to our people. But there is no excuse and we know it.

So let me again suggest that we start in the fulfillment of our pledges of the Democratic platform with the Frazier-Lemke bill, providing for refinancing of farm mortgages at 1½-percent interest and 1½-percent payment on principal each year. Did you ever notice that we have a Frazier-Lemke plank in the Democratic platform? Listen; let me read it to you, right out of the platform, word for word. It seems to me that whoever wrote this plank in the Democratic platform must have had the Frazier-Lemke bill close at hand and copied the essence of this most important bill, for every provision of this bill is contained in this paragraph of the Democratic platform:

We favor the restoration of agriculture, the Nation's basic industry; better financing of farm mortgages, through recognized farm-bank agencies, at low rates of interest, on an amortization plan, giving preference to credit for the redemption of lands and homes sold under foreclosure.

This is the Frazier-Lemke bill in every principle and effect. How easy it would be to enact this plank into law in the shape of the Frazier-Lemke bill, this plank written into our sacred pledge, in the Democratic platform, by a Democratic committee, and O. K.'d by a Democratic convention, to be enacted into law by a Democratic Congress—yes; 3 to 1 Democratic—to be approved and signed by a Democratic President who had promised to sign it. Born and nurtured in Democratic environment, everything Democratic except, as it thus far appears, the intention.

This bill was introduced in regular order; it went through fire in the Agricultural Committee of the House where banking interests, interest takers, and coupon clippers appeared against the bill, but after 2 months it finally passed this committee with a majority of 18 to 5, and a subcommittee was appointed by the Agricultural Committee of the House, to ask the Rules Committee for a hearing and a vote on the floor of the House of Representatives, which thus far has been denied. Thirty-two States have passed resolutions in their legislatures asking Congress to pass this righteous bill. It passed the Senate Agricultural Committee unanimously, without a dissenting vote, but the arbitrary Rules Committee of the House has denied us the right to have the bill heard on the floor of the people's Congress, and, strange as it may seem, the Rules Committee of the House is composed of 12 Members of Congress who are Democrats; I say with much forethought and due consideration that no communism of Russia, no tyranny of Hitler, no abuse of power by Mussolini can be more autocratic than is the despotic Rules Committee of the House, and I say without fear of contradiction that no true Democrat at heart will stand for this abuse of power, depriving our citizens from being heard on the floor of the people's Congress in a righteous cause. Why does this Rules Committee of the House sit silently by and listen to this condemnation on the floor of this Congress? Why not defend your action in this case? I do not like the word "challenge"; it sounds boastful and bragging, so let me rather invite you to reply. I want to say this in the most beautiful words of the English language, and yet so "damned" emphatic that no one will doubt exactly what I mean. I dare you to get up on this floor and defend your action in this case. When I reread the last speech I made on this floor condemning the Rules Committee I rather relented, thinking I had been too severe on this committee, and had expected to be censured by some one of the Members; I had expected to apologize, and yet demand an explanation; but not a single one of this tyrannical committee has dared to reply.

In conclusion let me emphasize the two outstanding principles of the Frazier-Lemke bill. This bill simply provides that the management of the Federal land banks must be returned to the farmers, as was the original intention, as the farmers now own the majority of stock of the Federal land banks. In my bank, the Federal Land Bank of Omaha, Nebr., the farmers own over 75 percent of all the stock, and yet have no voice in the management, only to the extent that they can select, through their associations, one member of a board of seven, and now the right to select in their local association a secretary and their county president is being taken away from them also. The management of this bank has been taken over by graduates of agricultural colleges, men who call themselves professors, or who have a diploma from a school, setting aside men with years of experience and giving room to young men of theory without practice. Is there another corporation in the Nation that would deny stockholders a right to a voice in the management? And let me repeat that this usurpation of power has been taken over

arbitrarily, contrary to the original act as passed by Congress in 1916. The second demand of the Frazier-Lemke bill is this: Since Uncle Sam is supplying the 12 Federal Reserve banks of the United States with money at 30 cents a thousand dollars, based on second-class security, as I consider it, and which it is, when compared with the security of a man's home and farm, why should not the 12 Federal land banks have the same privilege?

The farmers never have asked as much in favors as other classes of citizens do. They are willing to pay Uncle Sam 50 times more interest than the Federal Reserve banks pay, and they are willing to pay $15 per thousand, or 1½-percent interest, which is 50 times more than the bankers pay. Is there anyone who will dare to say that these demands are unfair or unreasonable? Then why is it that we cannot get this bill on the floor of this House? It is because, my friends, the Democratic Congress is not democratic but autocratic and bureaucratic and does not respond to the will of the people. The Frazier-Lemke bill puts the Democratic Party on trial; it must choose between an autocratic Rules Committee that does not recognize its obligation to the only high tribunal which is the will of the people but bows to an autocratic power that is depriving the people from being heard on the floor of their Congress in a righteous cause. It is not a question of whether the Frazier-Lemke bill is right or wrong; it is only the question, Shall we, the people, have a right to be heard on the floor of Congress after our bill has passed favorably through committees to determine its merits? Shall it be democracy or autocracy? Shall it be freedom of expression on the floor of Congress or the stifling hand of cloakroom tactics, smothering the will of the people? [Applause.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 2 minutes to the gentleman from Kentucky [Mr. CREAL].

Mr. CREAL. Mr. Chairman, whether it is with malice aforethought or simply an oversight, in looking down the society column of the local papers I notice that none of my people were invited to the Liberty League meeting. Knowing that the farmers' wives will be greatly disappointed, and in order to ameliorate to some little extent their disappointment, I clipped from the society columns a review of the gorgeous gowns and dazzling jewels of their sisters who propose to tell them how to vote in November.

I know that they approve of the Reconstruction Finance Corporation passed under Herbert Hoover, because it did not meet with any condemnation whatever, even though it might have an $80,000,000 loss in one spot to a favored son of the party, like Charles G. Dawes. That, too, is not to be considered, of course, where you are now making grants to towns and corporations with ability to pay for waterworks, sewer systems, and school buildings. So, as they believe that banks, insurance companies, and trust companies, and railroads are constitutional by reason of the Hoover Reconstruction Finance Corporation Act, but believe that corn, hogs, and tobacco are unconstitutional, we want to get that class line well in mind. Along that line, especially along the line of the gowns and jewels, in order to send it to the farmers' wives in my county, I ask unanimous consent to place it in the RECORD.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The matter referred to is as follows:

THE AMERICAN LIBERTY LEAGUE

Politics make strange bedfellows. This was illustrated at the meeting and broadcasting program of the American Liberty League Saturday night at the Mayflower Hotel in Washington.

There was Judge Charles I. Dawson, of Kentucky, renegade Democrat, who got to be a Republican when he got wealthy, as most weak Democrats do. It would be interesting, indeed, to show the number of corporations represented by the members assembled and the boards of directors on which they served.

It is evident that all those in attendance were bent on one thing, and that is to try to defeat Roosevelt and restore the dethroned kings of finance to power. In other words, you people have had the Government down at Washington for 3 years. The high-up and mighty, the select, elite, and favored group so long, would like to take the Government back to Wall Street.

It was regrettable to see former Democrats and some who would have you believe they are still Democrats alined in this strange company.

A Washington paper gives you A. A. A. boys a glimpse of the crowd as we quote a few paragraphs:

"There were expensively gowned women whose names grace the social register. The smartest gowns this city has seen for many an occasion shimmered and glittered. Mrs. Jouett Shouse, wife of the president of the league, was at a table playing host to Alice Longworth and her cousin. Mrs. James Warburg, of New York, was also at the Shouse table. Mme. Cantacuzene, an old-line Republican, was another guest.

"Representative EDITH NOURSE ROGERS, Republican, of Massachusetts, was in a brown and silver gown, with a gardenia on her shoulder. Matching modernistic bracelets on either wrist of a long sleeve, tied about the neck; backless black gown gave éclat to the costume of Mrs. Barrett Wendel, of Chicago."

And so on, etc., for two columns, exhausting the dictionary for choice of words to describe the grandeur, jewels, gowns, and brilliancy of the occasion, went the description.

It represented entrenched wealth, the god of greed, the "public be damned" sort of atmosphere. These people came in all the splendor and brilliant array to inform the world that Mr. Roosevelt is making a mistake in his efforts to provide a means of livelihood for the farmer, the laborer, and the other 90 percent of America.

At one table sat Mr. and Mrs. Irénée du Pont, at another Pierre du Pont, the munition kings of the world, whose business prospers most when the world is at war. Perhaps the neutrality program of Roosevelt and Congress and the prevention of shipment of war materials to countries at war was not popular with the Du Ponts.

With kings of big finance seated here and there, who had furnished campaign contributions with checks of six figures for years to elect Presidents of their own picking, they made a class all to themselves, gathered in a common interest and for a common purpose to defeat Roosevelt.

And there as elsewhere among the class assembled was a lamentation of the tendency to array class against class. We ask if those assembled belong to your class? If they as a class have a program all their own, why do they lament about the people who are not of that class thinking and acting for their own interest?

We read of meetings over the United States a day or two before the Liberty League meeting. These meetings were at courthouses or warehouses. These people assembled wore overalls and their hands had the marks of labor. Their wives and daughters at home were not so bedecked and bejeweled as those at the Liberty League meeting. How can you keep class against class out of the 1936 campaign?

The Liberty League is greatly perturbed for fear the farmer will lose some of the liberty and freedom he possessed from 1928 to 1932. He had a very wide scope of liberty from which to choose at that time. It consisted of three options:

1. Become a homeless bankrupt.
2. Starve to death and go naked.
3. Suicide.

Some took one route and some another; for being in free America we had the right to choose either one. How we pine and sorrow for those good old days from 1928 to 1932, which most of the present members of the Liberty League tried to have repeated with the same man.

But the intimation from all Liberty League members is that the fool people didn't appreciate the desire of the crowd now comprising most of the league and sort of set up housekeeping in their own interest. No allowance ever seems to be given for the unusual condition, the dire distress, and national emergency existing at the time the present administration assumed responsibility. In time of war all conservation of resources, attention to employment of people, and even to food distribution is the usual program.

Our situation was as great an emergency as in time of war. Desperate situations require different treatment from those of ordinary times.

It was said at the meeting, "What would Thomas Jefferson think, if he could come back and find his party today?"—or words to that effect. We wondered, too, what Tom would have said if he could have walked in on that meeting at the Mayflower Hotel. There were a majority in the crowd followers of the doctrine of Alexander Hamilton, Tom's antagonist in the Convention framing the Constitution. Hamilton wanted the Federal Government to have all the power and the States none. He even opposed the people voting for President, but wanted a group of selected delegates to meet in convention at Washington and choose a President.

When Jefferson saw this crowd and thought of his government doctrine that all men are created free and equal and should have equal opportunities in life, we doubt most seriously if he would have thought that crowd was one organized for the benefit of the common man. The party of Hamilton has now turned a somersault and is yelling States' rights. What would Hamilton say of his party to hear them talking about States' rights? Alec and Tom would have had to have gone off and talked it over awhile before either of them could have addressed the meeting. Tom would have said: "I can't get my bearings with Charlie Dawson and JOHN ROBSION, of Kentucky, cheering Al Smith at a political meeting." Alec would have said: "I'll be dogged if I can either, with an

ex-Federal judge talking about a State or State courts having rights."

Many States of the Union have had different constitutions. Others have made so many amendments that the original is left in name only, yet all adhere to the main ideas of American Government. Our Constitution has been amended 21 times.

Usually there is a demand for a law and then follows the law. If unconstitutional, then an amendment usually follows.

Three times in 20 years we have changed it on the matter as to whether or not a man could drink a glass of beer with his lunch. At first he could, then he couldn't, and now he can.

There have been many laws passed by Congress later declared to be unconstitutional and many laws passed by States declared to be unconstitutional in those States. But this New Deal legislation seemed to get closer to the hide of the class represented by the majority of members of the Liberty League than any other. They are afraid the will of the people of 36 States might approve a constitutional amendment which would enable the Government to give a poor man a chance for a decent living.

No one proposes to injure or detract from the power of courts to exercise their right to pass on legislation. Neither do the people propose to allow Wall Street to say that there shall be no more amendments to the Constitution if the people want to amend now or hereafter when the need arises.

No critic ever says what should have been done instead of what was done by the Roosevelt administration. They just criticize and offer nothing. Why not give a man credit for good intentions; a man with a heartthrob for the forgotten man—the farmer and the laborer?

It is a hard road to battle entrenched privilege and wealth. They have had the Government for a vehicle so long it is hard for them to abdicate. They invent many schemes to mislead the people in order to get back in power.

Mr. TAYLOR of Colorado. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DOUGHTON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 10630, the Interior Department appropriation bill, and had come to no resolution thereon.

ADDRESS BEFORE THE UNION LEAGUE CLUB AT PHILADELPHIA

Mr. DARROW. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address made by our colleague, Mr. JAMES W. WADSWORTH, at the Union League Club in Philadelphia on Monday, January 27.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. DARROW. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by Hon. JAMES W. WADSWORTH, of New York, at the Union League Club in Philadelphia on Monday, January 27:

Mr. President, ladies, and gentlemen, you have paid me a very high compliment in asking me to come here today to speak in the Lincoln room of this great old club. It is my first visit to this room, and while you were at luncheon I had an opportunity to look into your library behind us here. Certainly the traditions of this place are precious and certainly the influence of this organization upon the affairs of this old city and of the State, and indeed of the Nation, is important.

I rejoice at the information which has been given me here just before the luncheon, that the members of the Union League are enlisted for the duration. That is the kind of service we need and it would be well if gatherings of this kind could take place in city after city, town after town, country after county the country over.

Your president has been very generous in his introduction—greatly so.

I have not prepared what might be termed an oration. I thought perhaps you would permit me to ramble a bit. Things are happening pretty rapidly at Washington—all sorts of things. We started the season with a political rally in the House of Representatives [laughter], with spotlights and cameras popping over the gallery like machine guns over the top of a trench, and all the microphones and gadgets which are conducive of high-powered publicity. That was a message on the state of the Nation, as you may remember. [Laughter.] And it was only night before last that we had a dinner, not costing $50 a plate, and the state of the Nation was again discussed. [Laughter and applause.] But we should let our old-fashioned Democratic friends think that matter over.

Incidentally, I have been charged upon more than one occasion—and I may be guilty of heresy—on more than one occasion, in Washington, of being an old-fashioned Democrat. If that is true, I have been very lonely. [Laughter.]

A discussion of the finances of government does not arouse emotions. Audiences do not rise upon their hind legs and demonstrate when there is a discussion of the dollars-and-cents side of government; yet if we think twice, I think we cannot escape the conclusion that the dollars-and-cents side of government is of extraordinary importance. I want to touch on it for a little while here today.

You all are well aware of the fact, of course, that the Government of the United States has been running into a deficit for several years, and the national debt has been piling up billions upon billions. We were assured, as you may recall, 3 years ago, that the cost of government would be reduced by 25 percent. Perhaps some of you have had a chance to examine the Budget which was sent to the Congress something like 2 weeks ago. In it you will find this situation: That instead of the regular departments of government, the housekeeping items, if you please, being lower than they were last year, they are considerably higher. And then if you remember last year's Budget and the resultant appropriation bills, you will realize that the regular appropriations for last year were considerably higher than those of the year before; so it is now perfectly apparent that instead of the regular departments of the Government of the United States costing less than they did 4 years ago, they are costing a great deal more, the total increase approximating a billion five hundred million dollars. This is all outside of relief or emergency appropriations. These are the sums required or supposed to be required for the support of the ordinary departments of the Government.

It was contended in the Budget message that the Budget would be balanced by the end of the fiscal year 1937; that is the ordinary Budget. No estimate was made, however, as to the cost—the coming cost—of relief, and we are now promised these estimates within 6 weeks or 2 months. Everyone knows, of course, that that cost will be high. Whether it will be a billion or two billion or more, no one can tell. We have no estimates. In any event, if we are optimistic enough to believe that the regular departmental expenditures can be balanced in the Budget—outgoing against revenue—if we are optimists enough to believe that, we are still faced with the incontrovertible fact that whatever is appropriated for relief for next year, will force us into another deficit.

Today, unless I am very much mistaken, the Senate of the United States is to vote upon the question of overriding the President's veto of the bonus bill. It seems to be conceded the Senate will override the veto; the House has already done so, much to my regret.

In that event an expenditure of not less than $1,000,000,000, and probably approaching $2,000,000,000, will be incurred by the Federal Treasury. The bill provides that the money shall be borrowed in the form of baby bonds. Whatever is borrowed in that fashion, of course, will be added to the national debt.

The debt now figures around thirty-one billions; by that bill alone it may be raised to thirty-three billions. May I pause here and say that I rejoice in finding myself once more in company with my former colleague George Wharton Pepper [applause], who served his country with distinction in the United States Senate, but who served with even greater distinction when he made that splendid argument before the Supreme Court and assisted, no doubt, in that decision which goes far in saving our institutions.

As the result of that Triple A decision, it is now pretty thoroughly understood that probably five hundred million more of obligations will be put upon the Federal Treasury.

How long can this go on? It is a very, very serious matter. Can we go on borrowing and spending at the present rate?

The immediate prospect is that we shall go on borrowing. The debt some day must be paid, if we are an honorable Nation.

We have but two other alternatives—one, utter and dishonorable repudiation, or, two, inflation.

I am not an economist—far from it—but I will confess to you that I am deeply concerned at some of the signs in the economic field, and I am wondering if we are already started upon a very, very dangerous road with respect to the soundness of our governmental finances and the soundness of our currency.

There are signs and signals which should give pause to every thoughtful person. It is to be hoped, of course, that in this respect we put aside all partisanship; that this administration may so act as to save us from such peril.

But in any event, and at the best, these huge debts and these huge deficits must, if we are an honorable people, be paid by taxes, and already the Congress is discussing the possible imposition of additional taxes. When we realize that 20 percent of all the income of the American people goes toward taxes today—Federal, State, and local—we get an idea of how extraordinarily serious this question of taxation has become. People have said to me, and doubtless to many of you, that it would be a splendidly helpful thing for this country if the youth of the land would become more interested in the discussion of public affairs of the State and of the Nation. That is absolutely true, for I cannot help but realize, as these debts pile up, and these frightful obligations grow larger and larger, that it is the youth of today that will pay the price. We who have passed the middle century mark will shortly, comparatively speaking, shuffle off the stage. It is the young men and women in their twenties today who will carry this burden during all their working lives. It is a grim prospect at best, this dollars and cents side of government; and if I may say so, it behooves the youth of today to realize and understand the future that is before it, and to know

the dire dangers that may beset them if this thing is not stopped—and stopped mighty soon.

An administration which shall stop this orgy and balance this Budget at the earliest possible moment must be one equipped with courage, the courage to say "no" to thousands of people; the courage to say "no" to those people who have come to understand and believe that the Government owes them a living; the courage to reject panaceas and nostrums; the courage to cut appropriations; the courage to face the music regardless of its political future. It is that kind of service that this country needs today, and let us hope that it will get it in the very near future. [Applause.]

Now, let us turn to another phase of the situation, and it is with a good deal of trepidation that I do turn to it, because it involves some constitutional features, and, being a layman, I think myself scarcely competent to discuss them in a profound way; and yet there are some simple aspects of it which I think are well within the understanding of the man on the street.

We have seen democracies in Europe perishing, step by step; great peoples high in the ranks of the civilized have abandoned the parliamentary form of government; have abandoned their democratic institutions and submitted themselves to dictatorships.

The true liberal of 20 years ago is amazed and utterly discouraged at what has been going on—the men and women who love liberty; and yet the movement, if we may call it such—the trend—is almost world-wide, and thoughtful people are wondering today whether democracy is going to disappear from the face of the earth. Only three of the really great nations still cling to it—Great Britain, France, and the United States. And we find in each of the three sure signs and indications that there are groups who would advise starting down the European path, substituting an authoritarian state for representative democracy.

I am not pessimist enough to believe that if we are wide awake this can happen in America, but I have seen and heard enough of the movement in this country to reach the conclusion that it is wise that we understand it and are prepared to resist it. And it should be resisted in its initial stages. Should it gather momentum, it may be difficult to stop. There are many people in this country who have reached the conclusion that the race has reached that stage at which it is wise and altogether better that the individual be subjected to the control of government as he attempts to earn his living; that the people would be happier, more prosperous, and more contented if a great central government should tell them from time to time how they are to proceed in this earning of a living. These people visualize the race in the future as marching along the highway of life guided, controlled, indeed, disciplined, by superior wisdom lodged in government. I grant that most of them are perfectly sincere in this belief, and it is in accordance with this belief and in conformity with it that the so-called New Deal has gone about its work.

True, the Supreme Court, in the N. R. A. decision and again in the triple A decision and in perhaps one or two minor cases, has called a halt to it; for in its interpretations of our Constitution it has set forth the doctrine once more, often set forth in the past, that no such power lies in the Federal Government at Washington to tell men and women how they shall earn their living, and by inference that until such power is definitely given to our Federal Government, that Government may no longer attempt such a program.

At a Jackson-day dinner in Washington 10 days ago it was announced on behalf of the New Deal, "There shall be no retreat." It must have become apparent to every thoughtful person that the so-called emergency measures which were passed in 1933, 1934, and the first part of 1935 were all a part of the program; they interlock in many ways; and it is the purpose of the President, the leader of this movement, and the purpose of his lieutenants to continue it if it is humanly possible. In some fashion or other they hope to get around the Supreme Court and perhaps through a system of subsidies produce the acquiescence of Americans to this new philosophy of government which teaches that all power resides at a central place and that the citizens must obey. This it is that lies underneath the whole program of planned economy which was well represented in the famous N. R. A. and again represented in the Triple A.

I wondered at the time the Bankhead Cotton Control Act, for example, passed the Congress, how it was that people did not rise up in protest against it, because in that Bankhead Act, for the first time, I think, in the history of our Government, the element of force was introduced, to be employed against the citizens. That act is still on the statute books; my lawyer friends tell me that it is unconstitutional, but just for the moment let me tell you what it does. Congress, in that act, in its superior wisdom, decided it would be unwise and improper for more than 10,000,000 bales of cotton to be produced in the United States in the crop year of 1934; then went on to authorize the Secretary of Agriculture to allot to the cotton-producing States the number of bales that might be produced and sold in each State; further than that, it authorized him to go into each county in those States and allot the number of bales that could be sold in each county; then to go inside the county and step up to each cotton farmer and allot to him the number of bales he might produce and sell. Then the law goes on and states that if that man sells more bales than his permit calls for he shall pay a prohibitive tax on the excess number of bales—a tax not expected to gain revenue; a tax intended to compel obedience. And then, mind you, if he sells excess bales without paying the tax he may be fined or imprisoned, or both. That was the first instance of the employment of force; the lifting up of a Federal policeman's club over the head of the citizen as he endeavored to earn his living on his own land. [Applause.]

I mention that in an endeavor to indicate and to demonstrate what lies underneath this whole system.

The Tobacco Control Act is exactly like the Bankhead Control Act—individual allotments, taxes, and penalties. If the allotment is exceeded, a prohibitive tax; if the tax is not paid, fine and jail. And the same with the Potato Act, the inevitable successor—once you start this thing it cannot be stopped. Spinach will be next.

It contains the same penalties. If these people succeed with this present Congress in continuing their program by some devious method of getting around the decisions of the Supreme Court, inevitably the employment of force will appear; it must appear under any planned economy, because if government is going to do the planning of our lives, of course it must punish us if we refuse to abide by the plan.

Now, there is your philosophy of planned economy; it rests upon force, just as it does in Germany today, just as it does in Italy and in many other European countries. These measures were the initial steps which, if allowed to go undisputed and undisturbed, were to take us away from democracy over to despotism.

A great fundamental question confronts the American people: What kind of government are we going to live under? Far more important than that, what kind of government are our children to live under?

If you take the economic plan and put it alongside the Constitution you cannot escape the conclusion that as the first proceeds to success it will tear down the other. For example, if our economic system falls in a crash as the result of piling up these debts, as the result of these huge deficits, as the result of unbearable taxation, you know as well as I know that in such a crisis our political institutions themselves, no matter how wisely founded, may also fall in a crash.

Nation-wide disturbances, history tells us, are most frequent and most frequently approach and achieve violence when an economic system has been destroyed by unwise governmental action. And by the same token, the economic system can be destroyed, no matter how soundly or wisely it was founded, if the political institutions go through a revolutionary change and the whole relationship of the citizen to his Government is transformed. To me the thing seems perfectly simple. There is nothing mysterious about the American conception of liberty, nothing whatsoever. The Bill of Rights is so easy to understand. There are some today who would take away from the Supreme Court the right to pass upon the validity of an act of Congress. It is an extraordinary proposal—an extraordinary proposal if it comes from any person who loves liberty. For example, to make it perfectly simple, supposing Congress passes an act establishing a censorship over the press, and a newspaper publisher citing that provision in the Bill of Rights which guarantees the freedom of the press, protests against the act of Congress as an invasion of his liberty which the Constitution promises him—where can he go? Where can he go for the protection of his liberty? He cannot go to the Congress that passed the act, nor can he go to the President who signed it; obviously he must go to the courts; but they propose that the Supreme Court be hamstrung. That means the end of liberty.

It affects the humble man much more importantly than it affects the rich and the powerful, for the humble man—the poor man—would be helpless in such an event. Step by step a vast bureaucratic government would be built up with none to say it nay, and the liberties of a great people would slowly perish.

I am an optimist in that I believe we can make this next campaign in such fashion that he who runs may read; that every person in this land can understand the implications of the so-called New Deal, and the fundamental considerations which we have to face.

First we have to stop these orgies of spending or we shall all go over the precipice together; second, we must rededicate ourselves to the American conception of liberty—the liberty of the man or the woman earning a living—and incidentally, relieve the back of that man or woman of an impossible burden of future taxation.

These things, my friends, in this rambling fashion I have tried to impress upon you. No one can tell what the immediate future holds. My friend Congressman DARROW and I are at a loss to prophesy what this Congress may do; but, thank Heaven, it won't sit very long; and it may be it will not make many more mistakes. But the mistakes that have been made already are so serious, so menacing to everything that this country has ever held dear, that we must correct them.

Unless I am very much mistaken, we will do it next November. [Prolonged applause.]

TARIFF ACT, 1930

Mr. COOPER of Tennessee. Mr. Speaker, I rise to a question of the privilege of the House and present a resolution and ask for its immediate consideration.

The Clerk read the resolution, as follows:

House Resolution 406

Resolved, That the bill (S. 1421) to amend subsection (a) of section 313 of the Tariff Act of 1930, in the opinion of this House, contravenes that clause of the Constitution of the United States requiring revenue bills to originate in the House of Representatives, and is an infringemnt on the prerogatives of the House, and that said bill be respectfully returned to the Senate with a message communicating this resolution.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to, and a motion to reconsider was laid on the table.

THE NEW DEAL

Mr. WEARIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by inserting a speech I made at Grand Rapids, Mich., on January 8.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WEARIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following speech, which I delivered at a Jackson Day banquet in Grand Rapids, Mich., on January 8:

Mr. Toastmaster, distinguished guests, and fellow Democrats, I appreciate the generous introduction of your most able toastmaster, Mr. Galt, before this splendid audience of Michigan Democrats. It is a great satisfaction to have this opportunity of speaking to you briefly upon a memorable day in the history of the Union, and especially after 3 years during which you have witnessed a marked improvement in business conditions. This afternoon I picked up a copy of one of your local newspapers and noted that you are having a convention of furniture dealers. In reading the account I discovered that even the Republican press is prone to admit that business is better. The dealers who have come to buy the products of your factories say the public is asking for a better product and a larger volume of it.

On the same front page of the same newspaper I noticed another article to the effect that General Motors reports a substantially better year in 1935 than in 1934, and another article indicating that the Pennsylvania Railroad paid a $1 dividend this year as compared to a 50-cent dividend last year.

As I look at the life of that great American, Andrew Jackson, and see the long, hard battle he fought against the national bank interests, it occurs to me that he had the same type of people opposing him that today are battling the New Deal and our great American President, Franklin D. Roosevelt. It was rather amusing to me to note an account recently of the fact that J. P. Morgan had just returned from one of his periodical grouse-shooting expeditions in Scotland, and stated that an American businessman was required to work 8 months of the year for the Government at present rates of taxation. Of course, I presume the distinguished American financier was not speaking of himself, because a recent Senate investigation brought out the fact that there were at least 2 years during which he paid no income taxes whatever, and I am wondering if he paid any for the year 1935, with its improved business conditions. We have only to look at the market sheets of the newspapers, even those which are critical, to verify the truth of the latter statement. There were over 87 percent more men at work in manufacturing industries in Michigan in November 1935 than in March 1933.

We have had a long road to travel under the banner of the New Deal to reach such satisfactory goals. I remember that dreary day in March 1933 when a new Democratic administration came into power in Washington, with the economic outlook of the Nation equally as overcast as the sky. Thousands of people had gathered at the east front of the Capitol and stood close together forming a vast sea of expectant faces centering their attention upon one man, Franklin D. Roosevelt, to whom they looked for leadership, and fortunately have not been disappointed. His brief inaugural brought a message of hope to the Nation, and even the business interests that were then on their knees pleading for help from the Government that they now condemn were encouraged.

The new President's first day in the White House was one of the most trying experiences in his career, as the Nation's banking system was tumbling about our ears and the country had scarcely ever experienced a darker day with the possible exception of "Black Friday" under the administration of Ulysses S. Grant. From 1921 to 1933, 10,321 banks had failed, involving deposits of over $5,060,000,000. Three hundred and six of those failures, involving deposits of approximately $167,600,000, had occurred in Michigan. Since the inauguration of the Federal deposit insurance law you have had only one failure involving about $48,000. I chose to give you the latter information lest your ambitious native son, who aspires to the Republican nomination for the Presidency, might forget to inform you of the fact. The financial situation I have described would not permit President Roosevelt to ponder or reason why, but demanded immediate action. He was enough of a statesman to issue a short, resounding declaration closing every bank in the United States and demonstrating to the American people that there was one way to clear up our banking situation, and that was to start over again with a clean slate.

In that action he brought more assurance to individuals and American business than had been theirs for many years. When the Democratic Congress followed upon the heels of the incident with the insurance of deposits, more commonly called the Bank Guarantee Act, confidence in the financial institutions of America was completely restored. The deposits that are now guaranteed up to $5,000 mean that every American home with a small bank account for its protection can rest more securely in knowing that there will be a tomorrow. Men can go forth to their work with the assurance that their little heap of savings will not be swept aside and their wives and children left hungry and in need of clothes.

The practically complete economic collapse in the United States at the end of 1932 and the beginning of 1933 necessitated emergency legislation in considerable volume. It was forthcoming from the Democratic Congress. At this point I might say that neither the Chief Executive nor the legislative branch of the Government expected every law to be perfect, but if we had stopped long to ponder the problem, the flames of revolt would have engulfed the Nation. Out of the entire New Deal program has come innumerable progressive acts, as has been the case with Democratic administrations since the days of Thomas Jefferson, who was himself a liberal and a progressive, and who once said, in effect, "that in a true democracy one might very well rewrite the constitution every 10 years."

One of the problems of foremost importance after the banking crisis had been met and dealt with was to offer the destitute, bankrupt farmers of this country a constructive program. For the first time in the history of all agricultural legislation, producers of raw products were offered a plan that actually brought them financial returns in a substantial amount. I can see in the eyes of many the question of unconstitutionality so recently raised against the program by the Supreme Court of the United States, about which I will deal in greater detail a little later on. For the moment let it suffice to say that the action of the Court impresses upon us vividly the fact that the Democratic Party continues to be progressive; that it continues in its full realization of the fact that this Nation is changing, growing every hour. Under the agricultural-adjustment program we have witnessed a rise in farm prices from 10-cent corn, 3-cent hogs, 4-cent cattle, 20-cent wheat, to 75-cent corn, 10-cent hogs, 14-cent cattle, and one dollar and a quarter wheat. Other farm commodities have risen in proportion, and the total farm income in the United States in 1935 was $8,110,000,000, as compared to $5,370,000,000 in 1932. In this great State of Michigan alone the corn-hog payments up to September 30, 1935, had totaled $3,868,266.95, and wheat payments $1,502,056.86.

The administration realized that not only the price of farm commodities was excessively low but the matter of protecting the financial status of farm producers was of the utmost importance. An act of Congress devised the Farm Credit set-up in the United States and offered a program of refinancing that, even though it has not been as extensive as some of us would have liked, has nevertheless brought a tremendous amount of relief to farm owners. This statement is true not only of refinancing mortgages but in the matter of a reduced interest rate that has been lowered from 5 percent to 3½ percent for the present year, following which it will be 4 percent for the 2 succeeding years, representing a saving in interest payments on the part of farmers of millions of dollars. In the United States today we have a total of 697,516 loans outstanding, representing a total of $1,854,000,000 plus. In the State of Michigan since the new set-up of 1933 we find a total of 31,299 land bank and commissioners' loans, representing a total of $56,208,000 that has been loaned to Michigan farmers at a substantial saving in interest rates. Your State has a total of 39,847 farm loans outstanding that have been made on the part of Federal Farm Credit agencies since the early days of the land bank in 1918, when the institution was inaugurated under the administration of Woodrow Wilson.

In 1933 thousands of home owners in the United States were about to lose their most treasured possessions that constitute, along with the farm units of the Nation, the foundation of America. The condition of banking institutions was such that they could not, and, furthermore, would not, make loans upon such properties. Private agencies of finance and mortgage companies were either unable or unwilling to assume the risk. Many of us are not for plunging the Government deeper and deeper into business, but when such a condition prevails it is necessary that something be done and immediately. The Congress passed the Home Owners' Loan Act. In many respects it has not functioned in as satisfactory a manner as might have been the case and perhaps mistakes have been made from time to time, but, generally speaking, the results have been beneficial. I find that up to December 26, 1935, the Home Owners' Loan Corporation had made a total of 968,944 loans representing a total value of $2,931,324,917. In other words, almost a million home owners would have been turned out into the street had it not been for the action of the new administration in coming to their rescue. The Government did not go into business except insofar as it was necessary to protect its citizens and to meet a situation that private finance could not, and would not, handle. In the State of Michigan, which has received more home owners' loans than any other State in the Union excepting Ohio, 76,341 homes have been saved, representing a total loan value of $221,217,637.

Another of our tremendous problems with which Mr. Roosevelt and the leadership in Congress were faced was the matter of feeding and clothing the millions of people who had been thrown out of work during the previous administration of Herbert Hoover as a result of an economic program that was evidently not intended for their general welfare. There has been considerable criticism of the administration of relief throughout the United States, and the hue and cry has gone up that the party in power would bankrupt the Nation. In the first place, the problem of caring for the unemployed was not a condition created by the Democratic Party but one that was saddled upon us at the very beginning of our administration, and that situation ought to be a fairly complete answer to many of the critics. Furthermore, if we had failed to rise and meet the occasion the cost of damages to property on the part of cold and hungry people might have totaled far more than our present bill for Federal relief or else local agencies of taxation and cities such as Grand Rapids, Mich., would have been forced to care for their own unemployed.

Now, just as soon as it was possible for us to devise a substitute program we launched the Public Works Administration and later the Works Progress Administration with a view to doing a number of things: In the first place, bringing an end to the business of relief, which is distasteful to the recipient, and at the same time furnishing jobs to the people who need them and offering the community affected a constructive program of public works that enhances the value of the property near them, as it increases the total value of national assets. Upon every hand we hear those who say that these things must be paid for, and that is true; but let us analyze the situation. It is better to pay for a failure to properly manage the economic affairs of the Nation with money than with blood. A considerable portion of the funds expended for that purpose will be repaid to the National Treasury, and the total investment will, as I said a moment ago, enhance the value of property and increase the Nation's assets. The entire program can and will be brought to an end just as soon as private industry is again able to reemploy the larger percentage of the people who are out of work.

The question of the constitutionality of the New Deal is of interest at this particular time. The fact that the N. I. R. A. and the Agricultural Adjustment Act have been set aside by the Supreme Court is an indication of the fact that the Democratic leadership of the Nation continues to be progressive and to recognize the fact that conditions are changing constantly from day to day, thus necessitating the drafting of legislation intended to meet and cope with them. A good example is the fact that all of our tillable free land of any value has been homesteaded or entered, the growth of the machine age has complicated the labor problems of the country, the development of rapid interstate transportation that could not have been foreseen in 1775 has given rise to the necessity of legislation of a type that I dare say our forefathers would be able to see themselves if they were to enter the Halls of Congress during the present session. In a nation of varied interests and far-flung borders that is governed by a written Constitution there must be a liberal interpretation of the document, or frequent amendments if the country is to continue its growth and development.

We have witnessed the adding of innumerable amendments to the historic document that is no more sacred to the Old Dealers of the 1932 panic that brought American business to the brink of chaos at the end of 12 years of their rule than it is to the New Dealers. The Bill of Rights was added in the early history of the Nation; provision has been made for the election of United States Senators by the electorates of the respective commonwealths; personal incomes have been made taxable, and women have been enfranchised. In the face of these facts, are there still those who stand at the wailing wall crying that the Constitution must not be touched? George Washington once wrote to a friend at the conclusion of the Constitutional Convention to the effect that in his judgment the document was far from perfect but that it constitued a good beginning.

A few days ago I met a reactionary on the streets, living in a dreamland of long ago, when personal liberty could be used to the extent of capitalizing upon the very souls of the masses who work for a living with their hands and who form the foundation of American past, present, and future. He told me that American business and the American public are afraid to go ahead because of the acts of the present administration. I said, "What are they afraid of? Are they afraid of having their bank deposits guaranteed up to $5,000, are they afraid of having their homes saved when private financial institutions fail to save them, are the people of America afraid of having the uncertainty of poverty in old age swept aside with social security legislation, are they afraid of being protected in their dealings in securities, are they afraid of having their national wealth increased with a program of self-liquidating public works, are they afraid of a power-development program to bring cheap electricity into homes that are warped with drudgery, are they afraid of legislation to prevent the overcapitalization of industry that heretofore has resulted in their being fleeced out of millions of dollars for worthless watered stocks and bonds, are the American farmers afraid of 75-cent corn, $1.25 wheat, 10-cent hogs, 14-cent cattle, 11-cent cotton, and 18½-cent tobacco, as compared to 9-cent corn, 20-cent wheat, 2-cent hogs, 4-cent cattle, 6½-cent cotton, and 10½-cent tobacco in 1932, are they afraid of having their farms refinanced at a saving of from 1 to 1½ percent, are they afraid of Federal loans on their agricultural products affording them an opportunity to await the arrival of satisfactory market conditions, is anyone afraid to have the unemployed of this Nation fed through the productive agency of the Public Works or Works Progress Administration until such time as American industry becomes sufficiently rehabilitated to absorb them, is either the American public or American business afraid of the generally improved economic conditions since the advent of the New Deal as evidenced on the market pages of every newspaper in the United States be it hostile or friendly to the program?"

If the program I have outlined to you and the results thus far are not acceptable to the critics, then what would they offer in its place? We gather, as President Roosevelt said in his recent message to Congress, "that they would take us all around the same old corner into the same old dreary street." God forbid! Let us continue to march to recovery. Let us trust our efforts to protect the right of the masses to toil, to earn their bread, and to live in the hope that tomorrow will be a better day may still prevail.

THE DEMOCRATIC RECORD UNDER FRANKLIN D. ROOSEVELT

Mr. RICHARDSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech delivered by my colleague [Mr. HAINES] at Dover, Del., on January 23.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RICHARDSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following speech delivered by my colleague, Mr. HAINES, before Booster Democratic Club, at Dover, Del., on January 23:

Very soon the people of this Nation will be called upon to vote for a President of the United States for the period 1937–41. Already we are in that campaign, and from now on you will hear a great deal concerning the accomplishments of the Democratic Party under the wise leadership of one of the greatest humanitarians of all time, Franklin D. Roosevelt. The record of Mr. Roosevelt is subjected to the most vicious attacks ever uttered against any man, and it is most fitting that I should upon this occasion refresh your memories and call to your attention the accomplishments of my party during the last 3 years. I think that the attacks upon Mr. Roosevelt are purely political and that it might be well for the voters to realize as they read and hear of the President's alleged shortcomings that the men who are assailing him belong to the same crowd who failed so miserably to solve the problems that confronted the Nation during a period of time prior to the administration of the Democratic Party. First of all, I want to have you observe that these men want to get to public office, are aspiring to high honors, for which they failed to prove themselves fitted during a period of the dark days of the recent past. Of course, they expect the people to listen to them; but, thank God, the electorate of this country are not going to be deceived, nor permit themselves to be exploited, for the selfishness of those who would want to destroy the efforts toward industrial and social security and the splendid gains we have made under this administration.

Now, my friends, lest we forget, let our memories take us back to the dark days preceding March 4, 1933, and examine the record and find what the condition of the country was under another administration. I say to you that the country was in utter despair and chaos, and also say to you that this is not an exaggeration. The awful picture of desolation that obtained at that time, a picture that one might paint in words, simply fails me, for we had a great mass of humanity that did not know what to do or where to go. We were a panic-stricken, bankrupt people in a great land of full and plenty on every hand, and yet we had hungry men and women and little children in our large centers of population destitute and homeless, roaming from one place to another, eking out a living by the generosity of another group almost as hopeless, and who saw no bright horizon that might offer them courage and inspiration. The ghastly specter of hunger and privation, bringing untold suffering, chilled the huge ranks of the unemployed with stark fear and burdening them with a sense of hopelessness and destruction. I say to you, ladies and gentlemen, it was the coming of Franklin D. Roosevelt at that time that saved the Nation and brought cheer and hope into the breasts of millions of fine Americans who were about to give up.

A voice rang out on that eventful day of March 4, 1933, saying "No one is going to starve in this country", and because that promise has been kept and men and women have been helped, men and women in every walk of life, Mr. Roosevelt is having an abuse heaped upon his head that comes to very few men, or has ever come to men at any time. It is not the first time, however, that men have been abused for taking up the cause of the masses. George Washington was abused, Lincoln was abused, Thomas Jefferson, and Andrew Jackson. Woodrow Wilson was crucified by powerful political enemies, and even today some men in high places would like to drag his fair name through the dirt and the slime, which is the most shocking thing that can come from men who call themselves patriots. It is not for me, however, to rise here and defend those great men, for their records have been made, and you and I have been made better by their having lived and toiled and sacrificed. Only recently a memorial was dedicated to the memory of another great American who was greatly abused in his day because he had the courage to go to the defense of the

common people of our country and attempted to drive special-privileged classes from their high places, and who were contributing to inevitable economic disaster.

We are erecting monuments to their memory, and rightfully so, and I predict here and now that when the pages of history are written of this day in which you and I live no name will be more honored than our own beloved President. Great men in history are not so easily debunked. Washington, Lincoln, Jefferson, Jackson, Wilson, and Theodore Roosevelt are just as magnificent today as at any time, and will continue so. They stand today, and will continue to stand, as great statesmen, humanitarians, and idealists in public affairs, worthy leaders of the world's people and whose most painful griefs must have been their betrayal at the hands of their misled fellow countrymen.

What was the condition of our people in the 1931, 1932, and early 1933 period? The farmers, which comprise one-third of our population, could not sell their produce because the millions of city and town people could not buy. They had no purchasing power, for mark you, my friends, this country can no more go on half prosperous and the other half destitute than we could hope to go on half slaves and half free.

The farmers were bankrupt and a million farmers lost their farms during those dark days. Industry was practically at a standstill, and their plants stood still like stark sentinels of despair. Between the years 1920 and 1932 more than 10,000 banks closed their doors, and many of those banks did not reopen; in fact, some of them paid no dividends to their depositors and some of them had to call upon their stockholders to make good their losses, bringing untold hardship upon many persons unable to pay, taking from many of them all that they had accumulated during their lifetime. What a calamity that was, and will it ever be forgotten? I know something about this, my friends, for I heard from many men and women who were the victims of that financial crash. The courage of Mr. Roosevelt saved the day, and his action in declaring a bank holiday gave us a breathing spell and saved our people from making runs on banks that would have led to complete financial disaster.

You hear a lot of talk today about throwing away the taxpayers' money, and it is a lot of loose talk, to say the least. We hear a lot about our national debt, and let me say right here that it is doubtful if any country in the world can show a more constructive achievement for a like period than that accomplished by this administration. Since that bank holiday and the passage of one of the major New Deal acts, namely, the Federal deposit insurance law, bank failures have been few and far between, and when they do occur no one pays any attention to it, for each depositor knows that his or her money is secure, and in each such failure under this New Deal act depositors are paid off almost immediately. I want you to remember that under Mr. Hoover's administration from 1930 to 1933 there were 5,500 failures, which brought sorrow and death—many of them untimely—into many homes, and when I hear people say that they want to go back to that administration, back to that Old Guard, I ask myself the question, Are these people sincere? Today our banks are safe, safer than at any time in our national history, and the work of relief is progressing, even though we are faced with obstacles never dreamed of in March 1933. Those were the days, my friends, when thousands or more of my own people wrote me letters, sent me telegrams, urging me to back up the President; go along with anything he might request; and now I am sorry to say that some of that same group are very loud and vociferous in their abuse of the President. They want to make me feel that everything that was done is wrong, even though they have been rescued, and I sometimes feel like saying that they want to bite the hand that fed them.

Businessmen are not consistent, because the record is before us, and I note that unemployment has declined on January 1 over January 1, 3 years ago, 30 percent; cotton has advanced 92 percent; wheat has advanced 111 percent; corn, 152 percent; industrial production, 51 percent; steel, 25 percent; automobiles, 326 percent; wholesale prices, 33 percent; total exports, 33 percent; imports, 37 percent; listed stocks, 134 percent; and listed bonds, 22 percent; and a 19-percent advance in power production; and yet, if you read the headlines and editorial pages of newspapers, you would reach the conclusion that the country is going to the dogs. These are not substantiated by facts, but unfortunately more than 80 percent of the newspapers in this country are either controlled by our opponents or these editors have an ax to grind. Surely a study of these facts should convince any intelligent man or woman that we are on the way toward economic recovery. Back in 1930 we passed a tariff bill that was the beginning of the end in this country. A thousand economists and thousands of other businessmen begged the Congress not to enact that legislation, and an equal number appealed to Mr. Hoover not to sign it. It became a law, and immediately we felt its evil effects upon our economic structure.

Let me give you the record and you can draw your own conclusions: In 1929 we sold about five and one-fourth billions of dollars worth of American products to other countries. After this act we immediately experienced a loss of trade, so that it went to less than four billions in 1930, went down to less than two and one-half billions in 1931, and a little more than a billion and a half in 1932. Think of it, a loss in trade with other countries to the tune of almost $4,000,000,000 in 4 years. And yet we have a great many people in our country today who think that other nations will buy from us if we don't buy from them. It was Mr. Hoover's scheme to send American salesmen to other countries and sell our products, and, wise as he is, he failed to take this into consideration. As a result, many of our manufacturing plants that previous to that Tariff Act produced the finished article in this country found it necessary to take billions of American capital and erect plants in foreign countries, thus throwing out of employment millions of Americans. Please do not misunderstand me; I am not a free-trader.

I believe in an adequate tariff for the protection of American workmen, but I do not believe that we can hope to employ American workmen and sell our surplus to other nations unless we will, in turn, buy from these countries. Today we have a balance of trade with most of the countries in the world. They want our products and we can sell to them, but not upon a basis of a prohibitive tariff that will not permit the nationals of other countries to enjoy some of our markets. No group in America has been more affected than the farmer. He must buy his machinery in a highly protected market and sell at such prices as he can obtain at home without any market to unload our surpluses. Our party is not the enemy of legitimate business and never has been. It is the enemy of the exploiter and those who want everything for themselves without regard to the interest of the masses. Business has benefited under the New Deal, as is evidenced by these better trade figures. Let us briefly examine the record of the New Deal activity in behalf of business recovery. I represent a great industrial district in the United States. We make a greater variety of the finished product than perhaps any other section of the country.

I know that under the N. R. A. my people were benefited, although some few groups may not have had that experience. Since the N. R. A. was declared unconstitutional labor in my district has had to work longer hours and at reduced rates of pay, and thus their purchasing power has been reduced. How can men buy from you if you don't put a purchasing power in their hands; and after years of personal experience I say to you that at no time does business make money when those who toil for them do not receive an adequate pay. They may have some temporary prosperity, but in the long run they experience just the reverse. I have some industries in my district right now that would like to go back to the N. R. A., and also have some industrial plants that are still operating under the codes they agreed upon and are just as successful and I am sure will have more permanency than those who are now exploiting men and women in their plants, working them long hours, and are giving them low pay. There are some things that businessmen simply won't learn, and one of them is that if their business is to prosper those who toil for them must prosper.

N. R. A. was declared unconstitutional and, of course, we are a constitutional government and abide by that decision. I believe that in this modern day of mass production and labor-saving machinery, labor-supplanting machinery, chain distribution we have no right to interpret the act of our fathers, those who founded this Nation, other than in the light of this modern day, for the day in which you and I live differs from their day as does night from day. I believe that if those men could come back they would say to us that they had in mind the general welfare of all our people, and that when the general welfare of our people cannot be secured under that document, it is time that it be interpreted in the light of what our founders had in mind. This administration has been and wants to be the friend of business, but it wants the small businessman to have an equal opportunity to build for himself and his posterity.

Let us look for a moment at the record under the New Deal, and then you draw your own conclusions. Recently a group of great businessmen—with great wealth, I mean—announced that they wanted to organize to defeat all who had any part in the New Deal. It is interesting to examine the record and see just how that group has prospered under the New Deal, and I want to read to you some facts that are interesting. Their own reports show how the New Deal has ruined their business. I want to mention four of these outstanding businessmen and their connections with business and show to you just how they prospered rather than suffered under the New Deal. These men have agreed to put their shoulders to the wheel because they say that they believe in a government of laws, not of men. They say that they believe in preserving for a younger and future generation the same opportunities for advancement that they have enjoyed. Now, let's see how badly they have suffered under the New Deal. The chairman of this powerful group is said to be Mr. William C. Bell, president of the American Cyanamid Co. You will note, please, that this is the company that tried to secure control of Muscle Shoals, and might have succeeded if it had not been for courageous Senator NORRIS.

On March 4, when President Roosevelt was inaugurated (1933), the common stock of that company was quoted at 3½. Recently it was selling at 30¼. The profits of the company in 1932 were reported as $1,542,908. For 1934 they report profits of $3,846,720, or more than 100-percent increase. The New Deal was certainly injurious to that concern. The second member of that powerful group, Mr. Ernest H. Weir, head of the National Steel Corporation—you will recall it was his concern (the Weirton Steel Co.) who led the fight against the collective bargaining provisions of the N. R. A. On March 4 National Steel common stock was 15½, and only recently it sold at 83¼. In 1932 the net income of that corporation was $1,662,920, but in 1934, under the New Deal, the net income was $6,050,721, and for the first 9 months of 1935 the net income is reported as amounting to $5,603,758, or nearly seven times what

it was during the last year of the previous administration. The New Deal certainly did hurt (?) that corporation, and who can blame them for wanting to defeat Mr. Roosevelt?

Another member of the powerful group organized to defeat Mr. Roosevelt and his Democratic followers is Mr. Sewell L. Avery, president of Montgomery, Ward & Co. On March 4, 1933, the common stock of that company sold for 8⅞. Recently it sold for 40, and their own statement, issued January 1, 1933, showed a deficit of $5,598,554. Its last statement covering a 12-month period report ending January 1, 1935, the company showed a profit of $10,807,636, or a clear gain of more than $16,000,000. Did the New Deal hurt that corporation?

The fourth member of the war-chest committee—the committee who is to see that millions of dollars are collected to be used to defeat Mr. Roosevelt—is Mr. A. W. Robertson, chairman of the board of the Westinghouse Electric & Manufacturing Co. On March 4, 1933, the common stock of that company sold for 30¾. Recently it sold for 98½. The company's earnings statement shows that for the calendar year 1932 they lost $8,903,540, but for the first 9 months of 1935 they made a net profit of $8,822,640, or a gain of more than seventeen and one-half millions of dollars. Now, tell me, please, how can these gentlemen justify any organization to defeat a man or a party who has brought into their own coffers such increased profits?

These four concerns show profits of about $40,000,000 in excess of the last year under the previous administration. Let us ask, please, that if $40,000,000 won't please them, what will? The answer is clearly stated by a writer in a recent article in a great newspaper: "These men prefer power to profits; not that they love profits less but they love power more." Their real reason, therefore, is not that they have experienced an injury to their business but they are afraid that their power has been curbed, and that for once in the history of the Nation the people have some leadership that does not fear them or will allow them to dictate. The real reason, however, is that this administration wants those best able to pay taxes to make their fair contribution and has indicated that those least able to pay shall not be burdened. It is the fear on the part of these best able to pay that for one time they shall pay their fair share of the Government expenses, something they have never done.

Another charge that is aimed against Mr. Roosevelt and his administration is that we have broken our promises. What promises? We promised that no one should starve. Haven't we lived up to that? We promised a stable currency. The American dollar is the most stable money in all the world. Have you ever known the national credit to be better than it is today? Isn't it much better today than it was under Mr. Hoover, when Government bonds depreciated to 83? Now our bonds, with the lowest rate of interest ever paid, are selling above par and eagerly sought after by the investors. All the countries in the world are sending their gold to us and investing in our stocks, simply because they regard our future more secure than their own. They say we promised to balance the Budget. This is in process of fulfillment. Many of you men are business men and can appreciate that this cannot be done overnight. The national deficit was not invented by the Democratic Party, but, on the contrary, is a part of our inheritance. Now, let us examine the record:

The fiscal year under Hoover:

June 30, 1931, deficit	$902,717,000
June 30, 1932, deficit	3,153,097,000
June 30, 1933, deficit	2,163,760,000
Total	6,219,574,000

or almost one and one-quarter billions more than we have spent on relief. A close examination of that deficit will reveal that most of the money was given to the great interests of this country to rehabilitate themselves, but just as soon as we go to the rescue of the smaller groups, the poor and the needy, those who have suffered most, we are the subjects of the vilest abuse on the part of the American Liberty and American Lobbyist League, the Economy League, and the Republican Party. I would have you know that in the previous administration they never worked on a balanced Budget. I believe it would have defeated the very purposes we are seeking had we increased our tax rates to the point where we could have worked on a balanced Budget, especially in a time when business was trying to recover and the Government had to go to the aid of the States and municipalities to save a revolution. Many of these States and municipalities could no longer care for their own, some of them had laws that would not permit them to borrow another dollar; hence, the strong arm of the Federal Government had to go to their rescue, and it ill becomes any class of people to find fault with a government who did so much for them; and deny it to others.

Do you know, my friends, that Mr. Roosevelt has cut the running expenses of your Government almost a billion dollars for the same kind of government, and had it not been for relief and the loans made to industry, railroads, banks, insurance companies, farmers, and small home owners, we would now be working on a balanced Budget. Much of this deficit under Mr. Roosevelt has been brought about through loans made, and your Government has recoverable assets running into more than $4,000,000,000, secured by the best security in the world, the farms, homes, and securities held as collateral. We are paying less interest on our present national debt than we paid on the debts of 1932, due to refinancing and the lower interest rates we have been able to obtain.

We have tried to reduce unfair trade practices among business men. We have tried to banish the sweatshop; we have tried to eliminate child labor, and have been working toward better working conditions for labor and better mutual understanding between employer and employees. We have by evolution, rather than revolution, tried to inaugurate a system of equitable distribution of net profits in business and industry, and laid the ground work for social and economic safety for employees and employers by planning unemployment insurance.

Whether we shall realize these fine objectives may rest with the Supreme Court. Have you heard it said that we should copy the plan of Great Britain and that she has made greater strides toward recovery? Well, let's examine the record once again, and we find that England was in a depression 10 years ahead of us and that she is only now emerging with some degree of success. It must be remembered that England had no great agricultural problem to solve; she had no great banking system break-down; she did not experience the unloading of more than $25,000,000,000 worth of bad securities on an unsuspecting investing public, for she has a securities act that prevented it; she had no labor troubles such as confronted the United States, as labor in England is better organized than in any other part of the world; and she has experienced a labor government in the past and is 25 years ahead of us in social security; indeed, we must hang our heads in shame and admit that we are the most backward nation in all the world among the great civilized nations; and yet, notwithstanding all of this, we have a well-organized and financed group in America who would try to prevent all of this humanitarian and advanced program for national security.

If we taxed our people as England does hers, we would never have had need to borrow a dollar and would today be working on a balanced Budget with no public debt. And yet England's public debt is $33,000,000,000 among 46,000,000 people, or a per capita debt of $717. France, with a population of 42,000,000 souls, has a debt of $22,000,000,000 and a per-capita debt of $524, while we here in this country, with a population of more than 125,000,000, have a per-capita debt of $238. The national resources of our great country are fairly estimated at about $350,000,000,000. We have a public debt of a little more than $30,000,000,000, which is less than 10 percent of our assets. What bank or bankers makes a safer loan than that to any person, firm, or corporation? No nation in all the world can show such a fine financial statement, and the increase of national income during the past 3 years has been responsible for this, so that today your country is as sound as it has ever been in its entire history. We had some boom days in the period from 1920 to 1929, but we now know it to have been unsound and was simply pointing the way to economic disaster.

When you realize that the profits of corporations and big business increased as much as 200 percent and that wages decreased as much as 62 percent you can easily solve some of the causes for the ills that have beset us on every hand. The New Deal has tried to correct these inequalities, and will do it if not prevented by the Supreme Court. Every political candidate has promised to help the farmer, but the A. A. A. Act passed in 1933 was the first successful plan for freeing the farmer from starvation prices and bitter poverty. Recently a farmer wrote me a letter advising me that he sent a truck load of corn to a dealer in my home town, for which he was paid $168. In 1932 that same truck load of corn would have yielded him just $54. That, I think, is an argument that needs little more defense on my part; but we all know that during the past 2½ years agriculture has been climbing out of the severest depression in the history of the country. All our wealth comes from the soil. Our factories simply process that which we obtain from the soil, from the forests, the mines, and the lower regions, which in our country seem to be generous with oil.

Deny to the soil that to which it is entitled and it affects every man, woman, and child in the towns and cities. You have never known the Nation to prosper unless these men who till the soil and work the mines are prosperous. When anyone criticizes something that is being done and says that it should not have been done, ask him: What acts operating would you now do away with? Do you want to do away with the Securities and Exchange Act? Do you want to do away with the Banking Act that for the first time in the history of your country gives the control of the money and the Nation's credit into the hands of the Government instead of Wall Street? Do you want to do away with the Deposit Insurance Act that has done more to restore confidence in our banks than anything else and which has made our banks the safest in our entire history? We don't want our people to hide their money in socks, or under the carpet, or in the ground. We want them to give it to our banks so that it can be used in commerce and business so as to give employment, and, having made our banks sound and safe for all our people, there is no need for any of our citizens to withhold their money from our financial institutions.

Would you want to do away with the agency made possible by the Farm Credit Administration that has saved more than a million farms from being sold under the sheriff's hammer? Would you want to do away with an act that has made possible the saving of more than 900,000 homes—small-home owners in America? Do you want to do away with an act that is the beginning of better days for our aged, our cripples, our blind, our under privileged; aid for the mothers and other humanitarian benefits to a group who can least aid themselves? Do you want to do away with an act that enables the unemployed to find work or prevents men, women, and children from starvation? Of course, we should like to do

away with relief; but until our industrial leaders can give employment to that group and States and municipalities can take care of their own, I think under the New Deal we shall continue to manifest an interest in the people of America. England has had a dole and has contributed much to her economic difficulties, and she is beginning to realize it, for she is appropriating much greater sums, comparable to our own great country, than we have through public-work projects somewhat similar to our own.

Personally, I should much prefer giving a man a job than to hand him a dole, no matter what kind of a job it might be. Would you want to have your Government discontinue its aid to the great host of young men who are being rehabilitated in C. C. C. camps, taking these young men from the street corners and places of ill-repute, where the boy who has nothing to do will loaf? We have aided almost three-fourths of a million of these young men, sending many of them into fields of usefulness, have built them physically, but above all we have given them a job so as to contribute to their own self-respect. The New Deal has done all of this and more, too; so much, my friends, that I could go on and speak for a very long time, for I believe in the great work that is being done and which can continue to be done in behalf of a great country. When you hear of the great sums the New Deal has cost, point to what has been accomplished. While we have spent billions, we have also added to the wealth of the Nation to the tune of billions, but above all we have contributed to the moral uplift of men and women who were about ready to give up.

What suits you best, my friends, Hoover, who offers you nothing but promises and whose recent address on the farm solution was really a part of the New Deal, all of which the Supreme Court destroyed—Hoover and his kind, who will leave no stone unturned to destroy the affection the people of this Nation hold for their President; Hoover, misery and disaster—or Roosevelt, progress and hope? Which do you prefer; to stand pat with these reactionaries for privileges for the few or to move forward with Roosevelt to a sounder and more equitable prosperity than we have ever had before? "Where do you stand; with the dead past or the living present and the glowing future?" I hope that when given an opportunity you will be ready for the question and do your full duty for a greater and more prosperous Nation under Roosevelt.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 4178. An act for the relief of the International Manufacturers' Sales Co. of America, Inc., A. S. Postnikoff, trustee.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 31 minutes p. m.) the House adjourned until tomorrow, Thursday, January 30, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

635. Under clause 2 of rule XXIV, a letter from the Secretary of Commerce, transmitting a draft of a bill for the relief of Charles E. Molster, was taken from the Speaker's table and referred to the Committee on Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BEITER: A bill (H. R. 10707) to provide for control and regulation of coin-controlled amusement devices and to levy a tax upon each licensed device to be paid to the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. CARTER: A bill (H. R. 10708) to authorize the acquisition of lands in the city of Alameda, County of Alameda, State of California, as a site for a naval air station, and to authorize the construction and installation of a naval air station thereon; to the Committee on Naval Affairs.

By Mr. CURLEY: A bill (H. R. 10709) to amend the Emergency Relief Appropriation Act of 1935, limiting employment of labor and loans of Federal funds to citizens of the United States; to the Committee on Appropriations.

By Mr. GIFFORD: A bill (H. R. 10710) to establish protective tariff on all importations of frozen and/or canned scallops; to the Committee on Ways and Means.

By Mr. GREEN: A bill (H. R. 10711) to provide for the construction of a marine hospital at Jacksonville, Fla.; to the Committee on Merchant Marine and Fisheries.

By Mr. KING: A bill (H. R. 10712) to authorize the transfer of land from the War Department to the Territory of Hawaii; to the Committee on Military Affairs.

By Mr. MANSFIELD: A bill (H. R. 10713) to authorize the acquisition of a site and the erection thereon of a Federal building at Freeport, Tex.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 10714) to authorize the acquisition of a site and the erection thereon of a Federal building at Hallettsville, Tex.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 10715) to authorize the acquisition of a site and the erection thereon of a Federal building at El Campo, Tex.; to the Committee on Public Buildings and Grounds.

By Mr. MILLARD: A bill (H. R. 10716) securing memorial for John Jay, first Chief Justice of the Supreme Court of the United States; to the Committee on the Library.

By Mr. RANDOLPH: A bill (H. R. 10717) to provide for the holding of an examination by the Board of Optometry of the District of Columbia for a limited license to practice optometry in the District of Columbia for Welton B. Hutton; to the Committee on the District of Columbia.

By Mr. SMITH of West Virginia: A bill (H. R. 10718) to provide for the construction of a post office at St. Albans, W. Va.; to the Committee on Public Buildings and Grounds.

By Mr. WITHROW: A bill (H. R. 10719) to provide for surplus reduction in the dairy- and beef-cattle industries, and for other purposes; to the Committee on Agriculture.

By Mr. BARRY: A bill (H. R. 10720) to amend subsection (d) of section 1463 of chapter 12, title 12, of the Code of Laws of the United States of America, relating to the amortization of mortgages of the Home Owners' Loan Corporation; to the Committee on Banking and Currency.

By Mr. McCORMACK (by request): A bill (H. R. 10721) to pension men who were engaged in or connected with the military service of the United States or State troops during the period of Indian wars and disturbances, and the widows of such men, and for other purposes; to the Committee on Pensions.

By Mr. REECE: A bill (H. R. 10722) to amend the World War Adjusted Compensation Act; to the Committee on Ways and Means.

By Mr. O'LEARY: A bill (H. R. 10723) for the creation of an island to be used for all purposes, particularly a flying field and aviation terminal, on Red Hook Flats, sometimes known as Brooklyn Flats, in New York Bay, N. Y.; to the Committee on Rivers and Harbors.

By Mrs. NORTON (by request): A bill (H. R. 10724) to amend the charter of the Washington Gas Light Co., and for other purposes; to the Committee on the District of Columbia.

By Mr. McMILLAN: A bill (H. R. 10725) authorizing the Secretary of Commerce to convey the Charleston Army base terminal to the city of Charleston, S. C.; to the Committee on Merchant Marine and Fisheries.

By Mr. AYERS: A bill (H. R. 10726) to authorize payment to the Indians of the Fort Peck Reservation of the amounts due on certain delinquent homestead entries; to the Committee on Indian Affairs.

By Mr. BELL: Resolution (H. Res. 405) authorizing and directing an investigation of all persons, groups, etc., promoting old-age pension schemes; to the Committee on Rules.

By Mr. COOPER of Tennessee: Resolution (H. Res. 406) relative to the return of the bill S. 1421 to the Senate.

By Mr. DARROW: Resolution (H. Res. 407) calling upon the Secretary of the Navy for information concerning the failure of the Marine Band to fulfill its engagement to render a musical program at a meeting of the Women's Patriotic

Conference on National Defense; to the Committee on Naval Affairs.

By Mr. BURDICK: Joint resolution (H. J. Res. 474) providing cropping privileges to landowners who have sold their lands to the Government; to the Committee on the Public Lands.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Commonwealth of Kentucky, urging an amendment to the Constitution of the United States to replace the Agricultural Adjustment Administration; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 10727) granting an increase of pension to Linda May Hyatt; to the Committee on Invalid Pensions.

By Mr. BANKHEAD: A bill (H. R. 10728) for the relief of John A. Shannon; to the Committee on Military Affairs.

By Mr. CUMMINGS: A bill (H. R. 10729) for the relief of Charles Augustus Lathrop; to the Committee on Claims.

By Mr. DOUTRICH: A bill (H. R. 10730) granting a pension to Cora I. Spangler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10731) granting a pension to Annie I. Ritz; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10732) granting a pension to Lottie L. Stoner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10733) granting a pension to Catherine Gunderman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10734) granting an increase of pension to Elizabeth Campbell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10735) granting an increase of pension to Margaret J. Rinehart; to the Committee on Invalid Pensions.

By Mr. FLETCHER: A bill (H. R. 10736) granting an increase of pension to Sarah L. Kooken; to the Committee on Invalid Pensions.

By Mr. GAVAGAN: A bill (H. R. 10737) for the relief of Mrs. Peter (Maria) Koutumas; to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 10738) for the relief of Polyxeny Tsoukala; to the Committee on Immigration and Naturalization.

By Mr. GEARHART: A bill (H. R. 10739) for the relief of Mae B. Miller; to the Committee on Claims.

Also, a bill (H. R. 10740) for the relief of George Miller, Jr.; to the Committee on Claims.

By Mr. HUDDLESTON: A bill (H. R. 10741) granting a pension to May Kennedy Rynerson; to the Committee on Pensions.

By Mr. KING: A bill (H. R. 10742) for the relief of Chun Buck; to the Committee on Claims.

By Mr. KINZER: A bill (H. R. 10743) granting an increase of pension to Minnie B. Bell; to the Committee on Invalid Pensions.

By Mr. MARTIN of Massachusetts: A bill (H. R. 10744) for the relief of Eugene Nicholas; to the Committee on Claims.

By Mr. ROBSION of Kentucky: A bill (H. R. 10745) for the relief of Willis F. Spradlin; to the Committee on Military Affairs.

By Mr. SMITH of West Virginia: A bill (H. R. 10746) for the relief of Matt Burgess; to the Committee on Claims.

By Mr. SNYDER of Pennsylvania: A bill (H. R. 10747) granting an increase of pension to Elmira J. Earhart; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10748) granting an increase of pension to Melissa D. Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10749) granting an increase of pension to Sarah J. Hochstetler; to the Committee on Invalid Pensions.

By Mrs. JENCKES of Indiana: Joint resolution (H. J. Res. 475) to uphold the honor and integrity of this Government and an act of justice to an American native-born citizen; to the Committee on Foreign Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9860. By Mr. BEITER: Petition of the National Guard Association of the State of New York, Albany, N. Y., recommending the enactment of legislation authorizing an allowance of $35 per month for quarters to each enlisted man of the United States Army detailed to duty with the National Guard as sergeant-instructor while on such duty; to the Committee on Military Affairs.

9861. By Mr. BELL: Petition of the National Restaurant Association, protesting against governmental competition with private business; to the Committee on Expenditures in the Executive Departments.

9862. By Mr. GOODWIN: Petition of the National Guard Association of the State of New York, recommending that the Congress of the United States be requested to enact legislation authorizing an allowance for quarters to each individual enlisted man of the United States Army detailed to duty with the National Guard as sergeant-instructor while on such duty, also provisions for rental of quarters for such noncommissioned officers; to the Committee on Military Affairs.

9863. By Mr. HILDEBRANDT: Resolution of the Pierpont Commercial Club, O. B. Light, president, requesting extension of payment of seed and feed loans for a period of from 5 to 10 years; to the Committee on Agriculture.

9864. By Mr. JOHNSON of Texas: Petition of Will McPherson, business manager of Trinity University, Waxahachie, Tex., favoring Senate bill 2883; to the Committee on Agriculture.

9865. Also, petition of Dan Fussell, Charlie Selman, Andrew Sanders, Alva Dugger, Steven Calloway, Ed Latimer, Earnest Barton, Rud Janek, Tom Prikryl, Frank Janek, Frank Halocka, Jim Halacka, Fred Pribyla, Fritz Pribyla, Gene Cantrell, Luther Carter, Jim McKinney, Wilmer McKinney, John Morgan, Burl Hillyer, Hugh Wallace, Stanley Morris, Will Carter, Jess Phillips, Clyde Phillips, Tom Carter, Oliver Wollard, all of Mount Calm, Tex., favoring legislation to take the place of the agricultural legislation declared unconstitutional by the Supreme Court; to the Committee on Agriculture.

9866. Also, petition of Tom Dunn, Asa Richards, Ches. Dunn, R. Baker, Ben Coleman, Claude Parks, Heb Erwin, E. Cunningham, Grover Collins, Will Faulkner, Jess Herring, Jack Duncan, Robert Dennis, Fred McCown, Albert Kyle, Will Rose, Mack Peacock, John Peacock, Joe Connolly, Claude Triplett, and Tom Worley, all of Whitney, Tex., favoring legislation to take the place of the agricultural legislation declared unconstitutional by the Supreme Court; to the Committee on Agriculture.

9867. Also, petition of R. W. Bass, president, Mart Chamber of Commerce and Agriculture, favoring legislation to take the place of the agricultural legislation declared unconstitutional by the Supreme Court; to the Committee on Agriculture.

9868. Also, petition of J. L. Stasney, president, Rock Prairie Farmers' Organization, route 3, Bryan, Tex., favoring legislation to take the place of the agricultural legislation declared unconstitutional by the Supreme Court; to the Committee on Agriculture.

9869. Also, petition of Burris Roberts, Zeak Sweeney, Chester Cretcher, Alva Underwood, Will Hooks, Noel Burgess, Carl Hilton, Emmett Harrison, Ike Stinson, Claude Johns, Rufus Calloway, Reed Slay, Joe Bush, Wallace Stufflebeme,

John Coffin, Paris Reece, Dan Hamilton, George Sweeney, Audive Blissitt, Clay Holland, Joe Martin, Fred Harlan, Lee Files, Charlie Weaver, Cleve Walker, John Davis, and Tom Whitfield, all of Itasca, Tex., favoring legislation to take the place of the agricultural legislation declared unconstitutional by the Supreme Court; to the Committee on Agriculture.

9870. By Mr. MEAD: Petition of the New York State Planning Council, urging Federal legislation to establish a permanent national planning program; to the Committee on Appropriations.

9871. By the SPEAKER: Petition of the Polish Workers' Club Solidarity and International Workers' Order, Inc., Milwaukee, Wis.; to the Committee on Immigration and Naturalization.

9872. Also, petition of the National Restaurant Association; to the Committee on Expenditures in the Executive Departments.

9873. Also, petition of the Minnesota Recovery Pension Association, Inc.; to the Committee on Rules.

9874. Also, petition of Salvatore A. Cotillo; to the Committee on Foreign Affairs.